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Inside story

Polls Pull Down Services Growth to 12-Month Low

India's services sector recorded the slowest growth in 12 months in May as elections hit fresh deals, a private survey showed on Wednesday. The Nikkei India Service Performance Manager's Index slipped to 50.2 in May from 51 a month ago. The services sector output rose 12.2% in FY18, according to growth numbers released by the government last week. ▸▸ 9

'Japan's Move to Restrict Foreign Ownership in IT won't Hit Indian Cos'

Indian IT service providers may not be impacted by the Japanese government's recent decision to restrict foreign ownership in high-tech companies, according to industry body Nasscom. Japan has restricted foreign ownership in its information and communication sector effective August 1, primarily to ensure a strong cyber security framework.

Disruption: Startups & Tech ▸▸ 6

Higher Income States See Faster Deceleration in Vehicle Sales

Vehicle sales in higher per capita income states such as Maharashtra, Gujarat, Delhi and Karnataka are shrinking faster than the industry average. Tapering demand from taxi aggregators and rising saturation among passenger car owners has hit vehicles sales growth.

Markets: Beating Volatility ▸▸ 7

India's Economy to Grow 7.3% in 2019, Says G20 Surveillance Note

A G20 surveillance note expects India's economy to grow 7.3% in 2019 and 7.5% in 2020. Ahead of the G20 finance ministers' meeting on June 8-9, it said that recent manufacturing indicators point to a tentative rebound in Asian and Latin American countries except India.

Economy: Macro, Micro & More ▸▸ 9

Transfer Pricing Methodology of MNCs Under Customs Lens

The days of information arbitrage may just be over for many companies. The special valuation branch of the customs department is scrutinising transfer pricing methodologies of several multinationals, with a view to reconcile their tax and import-expert submissions. Until now, MNCs used to file separate transfer pricing positions to both departments – one for taxation purpose and the other for international trade.

Economy: Macro, Micro & More ▸▸ 9

ET INSTA POLL

Do you think RBI needs to change its stance from neutral to accommodative?

63% YES | 31% NO | 6% CAN'T SAY

TODAY'S QUESTION

Do you think a bailout is enough to help fix India's NBFC crisis?

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WORST SINGLE-DAY LOSSES FOR FUNDS HOLDING DEWAN HOUSING PAPER

DHFL's Payment Blow Leaves Debt Mkt Cowering

NAVs of debt schemes fall 6-53%, reflecting marked-down value of holdings in DHFL paper

Prashant.Mahesh
@timesgroup.com

Collateral Damage

Debt mutual fund singed as DHFL misses interest payment

BIG LOSERS...	Holding in DHFL paper (%)	Fall in NAV on June 4
DHFL Pramerica Medium Term	37.42	-53%
DHFL Pramerica Floating Rate	31.94	-48.4
Tata Corporate Bond	28.21	-29.7
Baroda Treasury	21.16	-17.2
DHFL Pramerica Low Duration	20.11	-16.6

...AND SOME MORE

22 mutual fund houses hold paper of DHFL

163 schemes had paper worth **₹5,236 cr** as on Apr 30, 2019

They can write back investments if DHFL pays interest within **7** days

Source: Value Research

Mumbai: Mutual fund investors holding debt of Dewan Housing Finance Corporation Ltd (DHFL) suffered one of the worst single-day losses ever after the troubled housing finance firm delayed interest payments. The net asset values (NAVs) of several debt schemes fell by 6-53% on Tuesday, reflecting the marked-down value of their holdings in DHFL paper.

A loss of 53% in NAV would mean an erosion of 5-6 years of scheme returns. Investors earn 8-9% in a year in debt schemes.

DHFL Pramerica Medium Term Fund, with assets of Rs 35 crore, saw its NAV plunge 52.99%. The fund has the highest holding of DHFL paper at 37.42%. Another scheme, DHFL Pramerica Floating Rate Fund — with assets of Rs 13 crore — saw its NAV fall 48.4%, with one-year returns dipping to 44.2%. Tata Corporate Bond, which has assets of Rs 184 crore, saw its NAV fall 29.7%, with one-year return at a negative 30.16%. As many as 10 debt schemes saw their NAVs erode by more than 10% on Tuesday.

DHFL had missed interest payments of Rs 960 crore due on Tuesday. This forced fund houses to value the security using standard haircut rules, and change the rating to 'default'. "As per valuation norms, we have marked down our investments in DHFL bonds by 75%," said a fund manager who holds paper of DHFL in his portfolio.

More trouble ensued for DHFL on Wednesday as rating agency Crisil downgraded its commercial paper (CP) to 'default', citing the delay in NCD payments.

DHFL's woes began in late September after DSP Mutual Fund sold a portion of DHFL securities at a higher yield. The transaction, along with the fiasco involving Infrastructure Leasing & Financial Services, triggered worries that the housing finance company could be facing liquidity issues. The worries soon spread to other nonbanking financial companies (NBFCs), especially housing finance firms.

DOMINO EFFECT

DHFL failed to pay interest of ₹960 crore due on Tuesday. This forced funds to value the security using standard haircut rules

Crisil, ICRA Lower DHFL's CP Rating

Crisil and ICRA have downgraded commercial papers issued by DHFL to 'default' after it missed interest on bonds, reports **Joel Rebello**. ▸▸ 7

RBI OKs Sale of DHFL Group Co to Warburg

The Reserve Bank of India is said to have okayed the proposed sale of a DHFL group firm to Warburg Pincus, reports **Saikat Das**. ▸▸ 7

PM to Head 2 Panels on Economy, Jobs

Cabinet committee on investments & growth to have 5 members, including Modi; panel on employment & skills to have 10 members

Our Bureau

Top Priority

PM Modi to lead measures to revive growth & create jobs

SLOWING GROWTH	HIGH UNEMPLOYMENT	
5.8% GDP growth in Jan-Mar (a 20-quarter low)	**6.1%** Unemployment in 2017-18	**Govt says** data not comparable with earlier year
6.8% GDP growth in FY19 (a 5-year low)	Unemployment at **45-year** high	

New Delhi: Prime Minister Narendra Modi will head two separate Cabinet committees on investments & growth and employment & skills, underscoring the urgency in the new government to revive the economy and generate more jobs.

The Cabinet Committee on Investments & Growth will have four other members — home minister Amit Shah, highways and MSME minister Nitin Gadkari, finance minister Nirmala Sitharaman and commerce & railways minister Piyush Goyal.

The Cabinet Committee on Employment & Skills has 10 members, and apart from Shah, Sitharaman and Goyal, includes agriculture minister Narendra Singh Tomar, petroleum minister Dharmendra Pradhan and skills minister Mahendra Nath Pandey.

After the BJP returned with a bigger majority in the recent Lok Sabha elections, there is realisation that the twin issues of slowing economy and lack of jobs — which dominated the political discourse during the polls — need to be addressed quickly.

India's economic growth slowed to a 20-quarter low of 5.8% in January-March.

HIGHWAYS MINISTER NITIN GADKARI TO ET

IL&FS Projects to be Resolved in 100 Days

Innovative funding for infra projects, job creation in the MSME segment in focus

Nishtha.Saluja
@timesgroup.com

ARINDAM

New Delhi: Road transport and highways minister Nitin Gadkari said he will resolve the stalled projects of crisis-hit Infrastructure Leasing & Financial Services (IL&FS) within 100 days.

Gadkari, who is also minister of micro, small & medium enterprises in the Narendra Modi government that took charge last week, spelt out his priorities in an interview to ET. He promised innovative funding for infrastructure projects and policies centred on job creation in the MSME segment. The BJP, in its manifesto for the 2019 Lok Sabha elections, said it would invest Rs 100 lakh crore in the country's infrastructure by 2024. Of this amount, about Rs 15 lakh crore is expected to be pumped in for roads, Gadkari said.

RBI may Not Make Exceptions for Stressed Sectors

The Reserve Bank of India may not announce special sectoral exceptions as demanded by power, sugar, shipping and textile industries in its circular on stressed assets. ▸▸ 9

GAIL Bifurcation, Merger of Power Gencos Likely

India has begun work on restructuring CPSEs and on the agenda are bifurcation of GAIL into marketing and transportation units with one of them to be sold and a three-way merger of NTPC, SJVN and NHPC, reports **Dheeraj Tiwari**. ▸▸ 9

ET INTERVIEW **SAJJAN JINDAL**
CHAIRMAN, JSW GROUP

'Courts, Banks Must Fast-track Essar Resolution'

Lakshmi Mittal could change his mind if Arcelor faces further delay in takeover

Vatsala Gaur & Satish John

Given that there are global headwinds to the steel industry and with ArcelorMittal's global presence, its margins are under tremendous pressure

Mumbai: Courts and banks should expedite the resolution process of Essar Steel, which has been going on for more than 20 months, said Sajjan Jindal, chairman at JSW Group that failed in its bid to acquire the prized steelmaking assets through the bankruptcy court.

In an exclusive interview to **ET**, Jindal conceded that the entry of European steel giant ArcelorMittal, which has won the race for Essar Steel, will bring discipline in the Indian steel market and make it more organised.

He, however, felt the near $10 billion (Rs 69,272 crore) cheque that the Lakshmi Mittal-led ArcelorMittal may be writing for Essar Steel — accounting also for the price it will ultimately pay for ports, pipelines and Uttam Galva's dues — may not be viable. If JSW were to acquire Essar Steel, even an offer worth $5 billion would have been a tad too steep, Jindal said.

"...but beauty lies in the eyes of the beholder," he said.

Jindal, however, warned that delaying the handing over of Essar Steel might force Lakshmi Mittal to change his mind. "Given that there are global headwinds to the steel industry and with ArcelorMittal's global presence, its margins are under tremendous pressure," he said. "At this stage if the courts and the banking system continue to delay the matter then my worry is that ArcelorMittal may find some way to get out of the deal."

JSW Steel had actively participated in the sale of stressed assets that the Insolvency and Bankruptcy Code has facilitated. However, it could not bag the asset it wanted the most — Bhushan Steel — which would have given the company a five million tonnes ready steel capacity and a foothold in the east market. Rival Tata Steel won the race for Bhushan Steel.

Defending his seemingly conservative approach in bidding for Bhushan Steel, Jindal said that even though JSW Steel felt it had bid the "top dollar" for the asset, Tata Steel ended up bidding higher than they could have anticipated. "It is because their investment per tonne is higher than our investment per tonne that they paid more," he said.

After losing out on Bhushan Steel, JSW Steel had also tried to enter the race for Essar Steel, but by that time "it was too late", Jindal said. A failure to submit expression of interest on time kept his firm out of the race for the Hazira-based fully integrated flat carbon steel maker with a capacity to produce 10 million tonnes per annum (mtpa).

Out of the crop of 12 highly stressed steel assets sent for insolvency proceedings, JSW Steel has bagged Monnet Ispat and Energy. It also pipped Tata Steel in bidding for Bhushan Power and Steel, though the final order on its acquisition is still awaited. Apart from aggressively expanding its steel capacity that is estimated to reach 40-50 mtpa by 2025, the $14-billion JSW Group is also diversifying into newer, consumer-facing businesses. In 2017, its power arm JSW Energy had announced a plan to enter the electric vehicle industry.

No Apps from India TikTok. Here's Why

Ecosystem doesn't back huge cash burn for apps, market lacks scale and investors bet on tested ideas

Shelley.Singh@timesgroup.com

New Delhi: Why don't India-developed apps go viral like TikTok? China's ByteDance developed short video app TikTok, and in nine months from its September 2018 launch it attracted more than 200 million users in India, with a monthly active user base of around 120 million. ByteDance's Helo and Vigo apps have 25-30 million users here. Globally, ByteDance has an user base of around one billion.

The closest an user generated content based Indian app has come is ShareChat, with a daily active user base of around 40 million as of January 2019, as per company estimates.

Technology investors, industry observers and entrepreneurs ET spoke to posit three basic reasons why India doesn't create apps that lead to hyperscale mass adoption. First, mountains of cash have to be burnt to bet on an app that may go viral. ByteDance, valued at $72 billion, is well placed to do just that, just like Facebook does for WhatsApp, India's default national messaging platform. "Entrepreneurs still rely on US/foreign funding to scale ideas and the pitch deck is: what worked there will work here," said Ashok Kumar, CEO, ScripBox, founded in 2012. "For ideas that may see hyperscale mass adoption, capital is a problem. You need venture investors to take outsized calls," added Kumar.

Murali Talasila, leader, innovation & startups, PwC India agreed: "B2C business is a high cash burn out business. That's why we need large VCs to sustain it. Investment in Indian tech players is from more conservative sources who do not have an appetite for that kind of risk."

Related to the first reason is the second: India doesn't offer scale advantages for pure play digital apps that focus on entertainment or user generated content. Money is made by owners of these apps through advertising.

Missing DNA

Why India doesn't have TikTok like startups or apps

Focus is on solving real world problems

Foreign VCs more comfortable backing ideas with clear path to profits

Local VC ecosystem unable to support them

Advertising market is small

More than half the population still not online

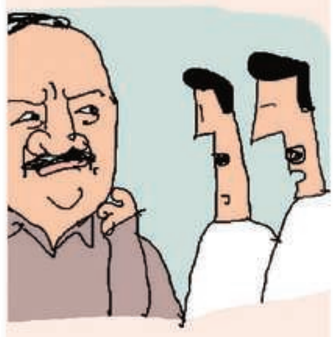
Illustration: ANIRBAN BORA

THIRD EYE

Heeding an Enemy's Request

A senior Congress leader defended party president Rahul Gandhi by saying that it was not Gandhi, but a few others, who were eating into the party like termites. Quoting an example, he said a female Congress leader, who recently quit the party, had called up the party office and complained about a Congress spokesperson giving her a tough time during television debates. Although she had quit the party, her request for not putting that particular Congress leader in debates with her was acceded by the Congress – a request which never would have been tolerated by the BJP.

Kerala MPs off to Quick Action



The outbreak of Nipah virus in Kerala also meant that the newly-elected Lok Sabha members from the southern state are becoming the first lot to get into 'action in Delhi'. Though the first session of Lok Sabha starts on June 17, many newly-elected MPs -- in Delhi for pre-oath formalities – have been active in the past two days meeting Union health minister and officials, seeking all central help for Kerala in fighting the virus.

SC Rap for Dragging Cases

Justice MR Shah, elevated recently to the Supreme Court, recently made fun of those who have been asked by courts to vacate possession but who choose to get repeated extensions rather than follow court orders. "If we say two weeks, you say four weeks, if we say a month, you say two months and if we say two months, you say six months," he said, chiding a lawyer for seeking more time for his client to vacate.

Poliloquy R PRASAD

SENA 2ND LARGEST IN NDA WITH 18 MPs

Have natural claim on the post of deputy speaker, hope our request will be considered positively: **Sanjay Raut**

Shiv Sena Makes Pitch for Dy Speaker, Better Portfolio

HOME VISIT BJP MP Sunny Deol with Shiv Sena chief Uddhav Thackeray at Matoshree

Heavy Industries and Public Enterprises allotted to Sena 'too insignificant'

CLManoj@timesgroup.com

New Delhi: Shiv Sena chief Uddhav Thackeray has conveyed to BJP president and home minister Amit Shah that his party be allotted the deputy speaker post in the new Lok Sabha. With Sena emerging as the second largest party in NDA with 18 MPs, Thackeray has sought more ministerial representation in the cabinet besides making a pitch for a weighty portfolio for its lone cabinet minister — Arvind Sawant — who has been allotted the heavy industries and public enterprises ministry.

Speaking with **ET**, Shiv Sena Parliamentary Party leader Sanjay Raut said on Wednesday: "Sena Pramukh Uddhav Thackeray has conveyed to the highest quarters in the BJP and the central government that the Shiv Sena, being the second largest ally of NDA, has the natural claim on the post of the deputy speaker of the Lok Sabha. We hope our request will be positively considered". Incidentally, JD(U) — the second largest NDA ally in Rajya Sabha — was allotted the post of deputy chairman of the Upper House a few months ago. Bhavana Gawli incidently, is the senior-most Sena member of Lok Sabha.

On the allocation of Union ministries, Raut said: "While we are happy that the BJP on its own has got majority in the Lok Sabha, it is also important the respective strength of allies be also acknowledged. So, it has also been conveyed by Uddhav Ji that allotting Shiv Sena, which has 18 members in Lok Sabha and three in Rajya Sabha, just one cabinet berth is disproportionate to our party's strength in Parliament. So, Sena should get a more rational and proportionate representation in the Union ministry and that can be done through an early expansion of the ministry".

Raut added, the portfolio of Heavy Industries and Public Enterprises allotted to Sena's Sawant "is too insignificant, and therefore, we have sought replacing it with a more meaningful ministry for him".

Sena's pitch comes after JD(U), the third largest party in NDA with 16 sets, already chose not to be part of the Union ministry after it was offered just one cabinet berth, as has been allotted to all other BJP allies.

BJD ANGLE

Sena demanding the deputy speaker post comes at a time when speculation is rife about which party the BJP leadership will choose for the post. Odisha chief minister Naveen Patnaik choosing to replace eminent Parliamentarian Bhartruhari Mahtab with Pinaki Misra as Biju Janata Dal floor leader in the new Lok Sabha has led to buzz in political circles that ruling establishment may request Patnaik to make Mahtab the deputy speaker. While BJD circles are treating such talks as "mere speculation", many in New Delhi are wondering whether any such proposal will come through during Patnaik's likely meeting with prime minister Narendra Modi this weekend.

In the last Lok Sabha, the ruling establishment overlooked the main opposition party Congress and gave the deputy speaker post to the AIADMK, then the second largest Opposition party – which was perceived to be "friendly" to the first Modi regime. This time too there are no indications of Congress being offered the post and, DMK is the second largest Opposition party in LS with 23 members followed by Trinamool Congress and YSR Congress Party with 22 each and BJD with 12.

BEFORE PAR SESSION

Uddhav to visit Ayodhya with Sena MPs

Press Trust of India

New Delhi: Shiv Sena president Uddhav Thackeray would be visiting Ayodhya with all 18 Lok Sabha MPs of the party before the beginning of the monsoon session of Parliament, sources said on Wednesday.

Thackeray had visited Ayodhya in November last year and demanded that Ram temple be constructed at the disputed site before the Lok Sabha elections.

Sena chief had demanded that Ram temple be constructed before the LS polls

The ties between the Sena and its ally BJP were under strain then. The Sena later stitched up an alliance with the BJP for the Lok Sabha polls, but maintained that Ram temple was an important issue.

When contacted, Harshal Pradhan, a close aide of Uddhav Thackeray and media in-charge of the Sena, said, "It is true that Thackeray has decided to visit Ayodhya. The plan is to visit before the parliament session starts on June 17.

"There will be an announcement about the visit soon. Uddhav-ji will elaborate on the visit and the party's stand," he said.

17TH LOK SABHA

Experience Likely to Trump Seniority in Speaker Post Race

Names of Virendra Kumar, SS Ahluwalia, Radha Mohan Singh doing the rounds

SS Ahluwalia

Radha Mohan Singh

Virendra Kumar

RakeshMohan.Chaturvedi@timesgroup.com

New Delhi: As the Parliament session draws near, speculation is gaining ground about who among the BJP MPs will occupy the Speaker's chair in the 17th Lok Sabha and whether the ruling party will give the deputy speaker's post to any non-NDA regional party.

If one goes by seniority in number of Lok Sabha terms among the 303 BJP MPs, Maneka Gandhi, with eight terms, is the senior most. She was elected to the ninth Lok Sabha for the first time and then has been a member of the Lower House continuously from the 11th Lok Sabha onwards. However, the party brass may not propose her name, BJP insiders said.

Virendra Kumar, a seven-term MP from Tikamgarh reserved seat in Madhya Pradesh, comes second. He has been a member since 1996 when he won this seat for the first time in the 11th Lok Sabha. Kumar was minister of state in the ministry of women and child development (headed by Maneka) and MoS in the minority affairs ministry in the previous Narendra Modi government. He was not made a minister this time.

The name of SS Ahluwalia is also doing the rounds due to his knowledge and understanding of legislative work since 1986. Ahluwalia has served four terms in the Rajya Sabha starting out as a Congress MP under prime minister Rajiv Gandhi in 1986 before switching over to BJP. He won the Darjeeling Lok Sabha seat in 2014 and was elected from Durgapur-Bardhaman this time.

Ahluwalia has good parliamentary experience as he has served as BJP's deputy leader in the Rajya Sabha. He was also minister of state for parliamentary affairs for some time in the previous government. However, his Congress background may be a drawback.

Among the six-term BJP MPs in this Lok Sabha are former agriculture minister Radha Mohan Singh, who won from East Champaran, and BJP's former Madhya Pradesh unit chief Nand Kumar Singh Chouhan, who won from Khandwa.

STATE STUCK WITH ₹1,400-CR BILL

No Bailout for MP, Centre Won't Buy Surplus Wheat

Problem of Plenty

73.6 lakh metric tonnes of wheat procured by the Kamal Nath govt, delivering on the poll promise of giving ₹160 over and above the MSP of ₹1,840 per quintal

FCI has red-flagged the move and said this "incentive" is a "bonus" and flouts a 2016 agreement between FCI and state

According to the guidelines, if a state gives bonus to farmers, the FCI cannot buy wheat procured by the state in the central pool beyond 27 lakh metric tonnes

Despite requests from state govt, Centre has allowed FCI to buy only 67.25 lakh MT

Nidhi.Sharma@timesgroup.com

New Delhi: In a major jolt to the Congress government in Madhya Pradesh, the Centre has refused to buy 7 lakh metric tonnes of surplus wheat leaving the state staring at a ₹1,400-crore bill.

The Centre and Kamal Nath's newly-formed government have been on collision course over wheat procurement since April. Delivering on its poll promise of giving ₹160 per quintal to wheat farmers over and above the minimum support price (MSP) of ₹1,840 per quintal, the Nath government has procured a whopping 73.6 lakh metric tonnes of wheat.

However, the Food Corporation of India (FCI) has red-flagged the move and said this "incentive" is a "bonus" and flouts a 2016 agreement between the FCI and the state. According to the guidelines, if a state gives bonus to farmers, the FCI cannot buy wheat procured by the state in the central pool beyond 27 lakh metric tonnes.

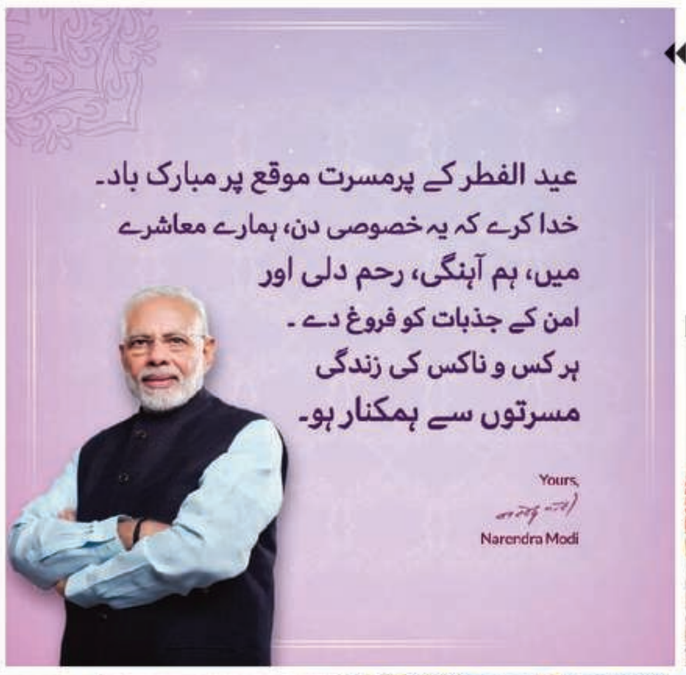
Even after repeated requests from the state government, the Centre has allowed FCI to buy only 67.25 lakh metric tonnes from the Madhya Pradesh government. A senior MP government official said, "This leaves us with 7 lakh MT of wheat and the state has to bear the ₹2,000 per quintal cost it has paid to the farmers. This leaves us with a huge surplus and nowhere to turn to."

Centre and Kamal Nath govt have been on collision course over the issue since April

The FCI, however, has pointed out that government's buffer stocks are up and it would need to go easy on procurement. Speaking with **ET**, FCI general manager (MP region) Abhishek Yadav said, "Under the agreement with the state government, bonus is not allowed. The decision has been taken as buffer stocks in north India are quite up — they are beyond the limit (prescribed)."

Celebrations Across the Country

PM Narendra Modi and Congress chief Rahul Gandhi were among the several leaders who greeted the people on Eid-ul-Fitr on Wednesday. While PM Modi tweeted in Urdu and English, Rahul extended his greetings separately in English and Malayalam



Greetings on the auspicious occasion of Eid-ul-Fitr

May this special day ignite the spirit of harmony, compassion and peace in our society. May everyone be blessed with happiness.

Hindus stand for 'tyaag' (renunciation), Muslims for 'imaan' (integrity), Christians for 'pyaar' (love) and Sikhs for 'balidan' (sacrifice). This is our beloved Hindustan and we will protect it... Jo humse takraega wo choor choor ho jaega (whoever messes with us will be decimated)
Mamata Banerjee

1 Nitin Gadkari
2 Shahnawaz Hussain, Ramvilas Paswan, Rajnath Singh & Lal Krishna Advani
3 Nitish Kumar
4 Kamal Nath, Raza Murad & Digvijaya Singh
5 Akhilesh Yadav & Ram Naik

Photos: AGENCIES

20TH ANNIVERSARY 1st big event for new defence minister Rajnath Singh; the theme: 'Remember, Rejoice & Renew'

Expeditions, Victory Flame to Mark Kargil Diwas this Year

Shaurya.Gurung1@timesgroup.com

New Delhi: The 20th anniversary of the Kargil War will be celebrated in a grand manner this year in Dras, Leh and Delhi with events such as expeditions to the battle sites, 'victory flame' and an outreach programme to highlight the conflict in the works.

The Kargil Vijay Diwas celebrations are planned to be held in a much grander way as compared to the previous years. This will also be one of the biggest events for Rajnath Singh as the new defence minister. In relation, Lieutenant General Y K Joshi, the commander of the 14 Corps, under whose responsibility falls the Kargil area was commanding 13 Jammu and Kashmir Rifles unit which fought in the war. Therefore, there is a renewed focus on the celebrations this time.

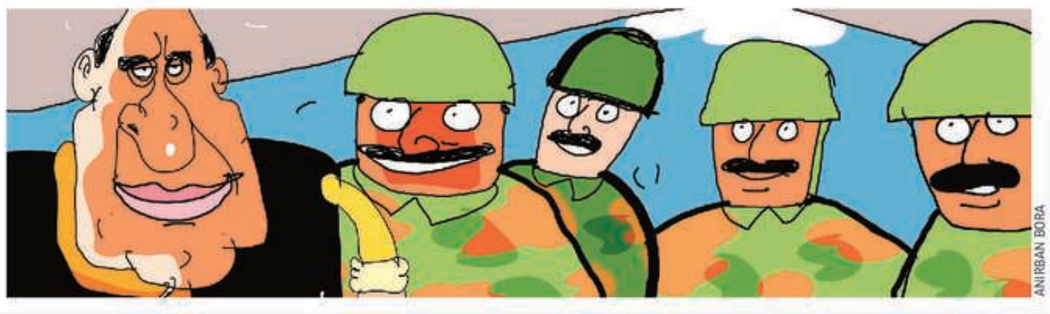
Kargil Vijay Diwas is celebrated on July 26 every year to honour the soldiers who laid down their lives in the war. The over two month long war ended on this day in 1999 after Indian troops recaptured Indian positions which were intruded upon by Pakistani soldiers.

The army has made a tentative plan of the celebratory events. While it awaits approval, officials said that the theme this year is 'remember, rejoice and renew'. 'Remember' relates to a planned media campaign on social media platforms such as Twitter and Facebook. The army is already posting pictures and information on the war on Twitter. "Programs, documentaries and TV series on acts of bravery during the war are being planned as well," said an official.

'Rejoice' relates to the start of the celebrations. Several activities as run-up to the main events will be carried out. An important activity is expeditions to the places where the battle was fought. This will include an expedition to 'Batra Top', where Captain Vikram Batra- known for using the advertising slogan 'Yeh Dil Maange More'- died during its capture. Another expedition is planned to Tololing.

A victory flame is also planned to be flagged off from the National War Memorial on July 14 and is expected to reach the Dras War Memorial on July 26. A Kargil anthem is also planned to be released and its video will be shot in Kargil and surrounding areas. A Kargil microsite, which will show stories of valour, photographs and videos of the war, is being created. The aim is to motivate the youth. Other activities such as sports tournaments for the local youth in Ladakh is also being planned. A seminar by a strategic think tank on 20 years of the war will take place in July.

The main events will take place from July 25-27. One of them will be a commemoration ceremony in Delhi on July 27 morning, while another event will be held at the Indira Gandhi Indoor Stadium in the evening.



SOUTH SCAN

Make Tamil an Official Language in Central Govt Offices, says DMK

CHENNAI After stridently opposing the Centre's move to impose the three-language formula, DMK chief MK Stalin on Wednesday demanded that Tamil be made an official language in all central government offices. Talking to reporters here after paying homage to former IUML president Quaid-e-Millat on his 124th birth anniversary, he said, "We should take a vow on this day to make Tamil an official language in central government offices." The DMK will continue to extend support to this cause, he added.

Cabinet Expansion to Fill Vacant Posts First: Siddu

BENGALURU Amid speculation that a cabinet rejig may defuse the crisis within the ruling Congress-JD(S) combine in Karnataka, coalition coordination committee chief Siddaramaiah on Wednesday said the vacant ministerial berths will be filled first. The former chief minister, who is also the Congress Legislature Party (CLP) leader, said miffed party MLA Ramalinga Reddy would get an opportunity to serve as a minister during the next reshuffle. Reddy had on Tuesday had hit out at the Congress leadership for neglecting senior leaders of the party.

Siddu Slams BJP for No Dalit MP from K'taka

BENGALURU Senior Congress leader and former chief minister Siddaramaiah has hit out at the BJP for not inducting a Dalit MP from Karnataka in the Union Cabinet, saying "upliftment" of the community will not happen just by "big talk". Five Dalit candidates of the BJP had won from Karnataka in the recent Lok Sabha elections. "Upliftment of Dalits won't happen just by big talk. In the recent elections several BJP candidates have won from reserved constituencies. Best wishes to them.

JD(S) MLA Blames Cong for Govt's 'Strain'

HUBBALLI Ruling Janata Dal-Secular JD(S) legislator Basavaraj Horatti on Tuesday blamed ally Congress for the strains in the functioning of their year-old coalition government. "A section of the Congress leadership has been interfering in the functioning of our government from day one and straining the relations between the alliance partners," he told reporters here. Horatti, a member of the legislative council and former minister, had recently favoured dissolution of the Assembly and a mid-term poll, ending uncertainty over the survival of the coalition government, which has a slim majority in the House.

Cong Gave Up Winning Seats to JD(S), Tie-up Put off Voters

Popular South Indian actor **Sumalatha Ambareesh** (55) pulled off a spectacular win against the CM's son in Mandya. In a chat with **ET**'s **KR Balasubramanyam** and **Akshatha M**, she says the Congress would have won at least 10 seats if it had not tied up with the JD(S). **Excerpts:**

ET Q&A **SUMALATHA AMBAREESH**
MP, MANDYA

The fight in Mandya looked very bitter...

I am the one who won, so I carry no bitterness. I do not blame the boy (Nikhil Kumaraswamy) at all. He is new to politics just like how I am. He is pretty young too. It was seniors in the party and his own family who let him down by their words and their actions. People outright rejected their conduct in this election. Their actions damaged the JD(S) candidate. They certainly lost a number of votes because of that. Women were totally put off by the kind of words they were using.

Chief minister (Kumaraswamy) went to the extent of saying "I do not see any pain on her face after losing her husband." It was quite evident from their actions that they did not know how to handle me entering the fray. They expected a smooth sail for their candidate.

PM Narendra Modi took only your name in his Mysuru rally and appealed for votes. Has your equation with BJP changed after that?

It is not that I did not want to contest from the BJP, but people in Mandya asked me to contest as an Independent candidate. A lot of Congress workers who were unhappy with the JD(S) not consulting them on their choice of candidate came out openly in my support.

There are reports that the Congress leaders want you to join their party...

There is no basis for these reports. I have not been in touch with Siddaramaiah or any other Congress leader. Maybe because they feel good that their cadre has worked for me. I think Mandya is the only constituency in India, where both the Congress and BJP workers worked for the same candidate and celebrated the victory.

How did you see Modi's victory?

I think the mandate was amazing. Even none of them (in the BJP) expected such a performance. In Karnataka, they expected between 19 and 21, but won 25 seats.

How do you assess the Congress setback in Karnataka?

It is their own wrong decisions and the leadership to blame. They don't have a pre-poll alliance in the first place. The people had not voted for the alliance. If they had known that Congress will get together with the JD(S), probably half of the Congress voters would not have voted for them. Same for the JD(S) voters. The Congress is reduced to one (LS) seat because they went against people opinion and formed an alliance.

Is the alliance to blame?

People have not accepted the alliance at all. I was trying to convince the Congress leaders (before LS polls) that if they don't take their own initiatives, and merely go by whatever the JD(S) was saying, they were going to lose. Mandya was a winning seat for the Congress. The party would have won Mysuru and Tumakuru too, but this alliance put off people.

You mean Congress would have done better if contested independently?

They would have reached double-digit figures at least. They (Cong) gave up many winning seats. The Congress had good candidates in many seats, and they had upper hand in those constituencies. But they made things easier for BJP.

How do you see the future of JD(S)-Cong coalition regime in Karnataka?

The government was looking shaky from day one. Whenever I met leaders, none of them seemed happy. I don't know why they forged this alliance. It is an unhappy marriage. It is anybody's guess how these unhappy marriages end.

What do you feel about the margin by which you won?

I don't believe in margins. A win is a win. Only the other side was beating their chest. (Minister) CS Puttaraju said he will retire from politics if Nikhil did not win with a margin of 2.5 lakh votes. And (minister) Revanna said he will leave the country if Modi returned to power. But they are neither going anywhere nor retiring.

Are you hinting at something to them through this interview?

(Laughs) I am only saying don't say these things and add another black mark. People as it is have low opinion about politicians.

THEY DON'T RETIRE NOR GO ANYWHERE

(Minister) CS Puttaraju said he will retire from politics if Nikhil did not win with a margin of 2.5 lakh votes. And, (minister) Revanna said he will leave the country if Modi returned to power. But they are neither going anywhere nor retiring.

UNHAPPY MARRIAGE

JD(S) and Congress are in an unhappy marriage. It's anybody's guess what will happen

CONGRESS LIKELY TO LOSE OPPN STATUS

TRS Gunning for Congress-mukt T'gana Assembly

Ruling party said to be in touch with more Cong MLAs to expedite merger

CR.Sukumar
@timesgroup.com

Hyderabad: A fortnight after the Congress gained some lost ground in Telangana by winning three out of 17 Lok Sabha seats, the ruling Telangana Rashtra Samithi (TRS) is readying to dissipate the national party from the Assembly by engineering few more defections.

Immediately after sweeping the early polls to Assembly in December last, the ruling TRS managed to lure four Congress members from the legislative council to merge them into its legislative party and wreck the national party in the council.

Months after the polls to Telangana assembly in December last, the Congress surprised all not just by winning three members of legislative council (MLC) seats, but also three Lok Sabha seats, giving its cadres considerable hopes of a revival.

"Congress still has a strong cadre base across Telangana with ample scope for resurgence though it is currently lagging in resilient leadership to steer them," says political analyst Manchala Srinivasa Rao, adding that "TRS finds the Congress as its primary opponent in the state and doesn't want to give it any scope for reviving and hence the renewed attempts towards dissipating the national party in the Assembly as well."

TRS, which had won 63 out of 119 seats in the 2014 Assembly polls, had subsequently managed to lure 25 MLAs and 7 MLCs of opposition parties to shift loyalties, weakening the two key opposition parties —Congress and TDP. TRS went ahead and merged the TDP legislative party into the ruling TRS legislative party.

This time around, TRS recorded a landslide victory by securing 88 out of 119 Assembly seats and improved its strength to over 100 through defections by the TDP and Congress lawmakers. While Congress is still left with 8 MLAs, the All India Majlis-e-Ittehadul Muslimeen has 7 members and BJP one lawmaker in the Assembly.

"While it was a regional party (TDP) merging into another regional party (TRS) in the last assembly that didn't attract much national attention, it will now be quite embarrassing for the national party (Congress) to helplessly watch its legislative party merging into a regional party (TRS) this time around," said political analyst Rao.

ON CONGRESS

Congress still has a strong cadre base across Telangana with ample scope for resurgence though it is currently lagging in resilient leadership to steer them

MANCHALA SRINIVASA RAO
Political Analyst

The Congress will seek disqualification of turncoats, apart from moving the legal forums against the anti-democratic attempts of the ruling TRS, said the All India Congress Committee national spokesperson Sravan Dasoju.

"Attempts by the ruling TRS are alarmingly detrimental to democracy and Telangana may see person-centric policies instead of people-centric policies in the absence of a strong opposition in the assembly."

The ruling party now requires just one more Congress lawmaker to shift loyalties and move the Speaker with the proposal to merge the Congress legislature party into TRS legislature party, thereby blocking Congress from the opposition status even in the assembly.

Condition of Nipah Patient Stable: Health Minister

PTI

Kochi: The Kerala government on Wednesday said the condition of the college student being treated at a private hospital here for Nipah virus is stable while six others have been kept under watch at a local government medical college hospital.

Authorities have scrambled to trace the source of the potentially deadly virus which resurfaced in the state a year after it struck two north Kerala districts, claiming 17 lives.

A total of 314 people from various districts are currently under observation, a government bulletin said on Wednesday evening.

According to the bulletin, of the 314, six people have been shifted to the isolation ward of the medical college hospital. "The condition of the student is stable. It has not turned worse," state health minister KK Shailaja said, a day after the 23-year-old student was confirmed to be infected with the Nipah virus. An official in the private hospital where the student is being treated also said his condition was stable.

A medical bulletin said there was enough stock of rebavirin medicine for treating the disease

"He is conscious. He is taking food," the official said.

A medical bulletin said there was enough stock of rebavirin medicine for treating the disease. Other medical equipment required for treatment have also been made available, it said.

"All situations in the state arising out of Nipah are under control," it said.

The bulletin said samples collected from the six people, currently being treated at the isolation ward of Kalamassery medical college hospital, have been sent to the National Institute of Virology at Pune and a government lab in Alappuzha.

SETTING THE STAGE FOR 2022 UP POLLS BSP chief may try to strengthen her position and look for new vote banks as she did before the 2007 assembly election

Pending Cases, CM Aspiration may Keep Maya away From SP

RakeshMohan.Chaturvedi
@timesgroup.com

New Delhi: BSP supremo Mayawati's decision to go solo in the forthcoming assembly by-elections to 11 seats of Uttar Pradesh has come as surprise to many. Is a fear of the probe agencies dealing with her disproportionate assets case the reason for her announcement that her party will contest the by-elections to 11 Assembly seats of Uttar Pradesh alone? Or is she preparing the ground to emerge as the chief ministerial contender in the 2022 state elections in the state?

She has clearly been the gainer in the SP-BSP-RLD alliance in the recent Lok Sabha election as her party moved from scoring a nought in 2014 to bagging ten seats this time. SP is stuck at its last tally of five seats and even lost party pocket-boroughs of Kanauj, Badaun and Firozabad.

BSP has increased its vote share by atleast 15 per cent in 21 of the 38 Lok Sabha constituencies that it contested in UP in these Lok Sabha elections. Barring seats where Congress had put up a good candidate, the jump in BSP vote share appears to be more than the Dalit-Muslim combine.

BSP would not have won seats like Jaunpur, Ghosi and Ghazipur without the support of Yadavs.

DIFFERENCE

While the cases against Mulayam and Akhilesh were closed recently, those against Mayawati are still pending

PATTERN

In 2004 and 2009, BSP had on its own given letter of support to the UPA govt though it already had a majority

One of the reasons for Mayawati wanting to break ties with SP could be the pending cases of disproportionate assets against her. While the cases against SP leaders Mulayam Singh Yadav and Akhilesh Yadav were closed recently, those against Mayawati are still pending.

BSP contesting alone will strengthen BJP's chances further in the by-polls. She may even try to pull strings with the Centre to get the same treatment as the Yadavs. Mayawati has always stayed with the party in power at the Centre. In 2004 and 2009, BSP had on its own given letter of support to the UPA government though it already had a majority.

Another factor could be her belief that SP is a much weakened party with Akhilesh Yadav's own family members- wife Dimple, cousins Dharmendra and Akshay- losing their elections. Yadav votes are getting split between SP, BJP and on seats even Pragatisheel Samajwadi Party of Shivpal Yadav.

In the long run, if SP loses a chunk of the Yadav votes to BJP it will not be an option for the minority voters who would shift to any party that is in a position to defeat BJP. Mayawati, who has tried in vain to get the Muslim votes to her side, may fit this slot with her captive Jatav votes. The Dalit-Muslim combination has worked well for her, especially in western UP.

Assam BJP Eyes 100 Seats Out of 126 in Assembly Election

Bikash.Singh
@timesgroup.com

In this file photo, Assam CM Sarbananda Sonowal is welcomed on his arrival at BJP office in Guwahati. PTI

Guwahati: Enthused by its thumping victory in parliamentary polls, the ruling BJP in Assam is targeting victory in 100 seats out of the total 126 Assembly seats in the state. The party bagged nine out of the 10 Lok Sabha seats it contested in the state in the recent polls. However, its allies Asom Gana Parishad (AGP) and Bodoland People's Front (BPF) contested three seats and one seat respectively but could not win any seats.

The BJP is working on perfecting the model of panna pramukh (in-charge of a page of the electoral roll) in Assam, where it has more than 300,000 panna pramukhs who are responsible for 60 voters each.

Recently Assam finance minister Himanta Biswa Sarma had said that the party would devise a strategy and planned to achieve its target of winning 100 seats in Assembly polls. Assam BJP spokesman Swapnanil Baruah told **ET**, "We have seen that we are in lead in over 67 Assembly constituencies in the recently held Lok Sabha polls. Together with our ally AGP and other allies, we are in a position to win over 100 seats in Assam. We are working to keep the Lok Sabha polls' momentum going and targeting seats presently held by the All India United Democratic Front (AIUDF)."

He said that together with the allies, the BJP had won 86 seats in the 2016 state polls. At that time, the BJP had won 60 seats while the AGP and BPF had won 14 seats and 12 seats respectively. The ruling coalition was supported by one independent MLA.

SOHAIL MAHMOOD OFFERS PRAYERS AT JAMA MASJID IN CAPITAL

Pakistan Foreign Secy's Visit Fuels Speculation

Raises speculation about a possible meeting between prime ministers of both the countries in Bishkek

DipanjanRoy.Chaudhury
@timesgroup.com

New Delhi: Pakistan foreign secretary and erstwhile high commissioner Sohail Mahmood's visit to Delhi on Eid has sparked speculations of possible meetings between him and Indian officials ahead of a potential interaction between the prime ministers of the two countries in Bishkek next week. Mahmood, who returned to Islamabad from here last April, was seen offering namaz on the occasion of Eid in the Jama Masjid along with senior Pakistani diplomats posted in Delhi.

Neither India's ministry of external affairs nor the Pakistan high commission have commented on Mahmood's presence here.

Mahmood was the former Pakistani high commissioner to India before he was appointed foreign secretary. He arrived here on Tuesday and is expected to depart on Friday. Reports said that he is in New Delhi to accompany his family back to Islamabad.

His quiet visit here has raised speculation about a possible meeting between PM Narendra Modi and his Pakistani counterpart Imran Khan in Bishkek on the side lines of the SCO summit. Khan had called Modi to congratulate him on his re-election.

Pakistan Foreign Secretary Sohail Mahmood with Pakistan acting High Commissioner to India, Syed Haidar Shah, at Jama Masjid on Wednesday – ANI

India-Pakistan ties, which have been lukewarm since 2016, have been particularly tense since the February 14 terrorist attack in Pulwama. India responded through cross-border Air Force strikes in Balakot on a Jaish-e-Mohammed camp. Further in a shot in arm for India, JeM chief was declared a global terrorist by the UN Security Council.

Meanwhile, troops from India and Pakistan on Wednesday exchanged sweets to commemorate Eid-ul-Fitr at several points along the border.

ALLEGED FAKE ENCOUNTER OF 2 MILITANTS IN ASSAM Union home min panel is said to have found procedural lapses on part of Rai in conducting a "discreet" inquiry on his own

Probe Done, MHA Likely to Seek Action against Complainant Rai

Rahul. Tripathi@timesgroup.com

New Delhi: The one member panel, set up by Ministry of Home Affairs (MHA), to probe a complaint by then IG CRPF Rajnish Rai about an alleged fake encounter in Assam, is likely to submit its preliminary findings before the Union home ministry this week. The enquiry conducted on CRPF's standard operating procedure (SOP) is learnt to have examined multiple witnesses and CRPF officials involved in the encounter that took place on March 30, 2017 in Assam in which 2 NDFB (S) militants were killed, ET has learnt.

MHA, in 2017, announced setting up a panel headed by former Jammu and Kashmir DG and currently technical advisor to home ministry Ashok Prasad to probe allegations by IG Rai. Prasad was required to inquire whether or not the conduct of the officer was within the parameters of the rules, whether he has conducted a "discreet" inquiry on his own and whether or not he exceeded his jurisdiction by preparing the report, which was then shared with higher ups here, officials confirmed.

Prasad, officials said, visited the Amguri district in Assam where the alleged incident took place on multiple occasion and learnt to have concluded that both the units of CRPF battalions followed the SOPs. His report, however, may not comment on whether the encounter was staged or not, sources said adding that MHA may seek a fresh probe into the encounter, if it finds merits into Prasad's recommendations.

The panel may further recommend disciplinary proceedings against Rai for lapses on his part while conducting the probe. The IPS officer after conducting a "discreet" enquiry into the encounter had sent a report to the paramilitary force's headquarters and others claiming that two men had been killed in the alleged staged encounter in Assam's Chirang district. A magisterial enquiry was also ordered into the incident by Assam government.

In his report, Rai, a 1992-batch IPS officer, had said he had conducted a "discreet" inquiry on his own chronicling how a team of the Assam Police, the Army, the CRPF, its jungle warfare unit CoBRA and the border guarding force Sashastra Seema Bal (SSB) conducted the encounter on March 29-30 in Simlaguri area of Chirang district and killed what they called were two insurgents of the banned group NDFB (S).

The Gujarat cadre IPS officer last year had sought voluntary retirement from MHA. The home ministry, which is the cadre controlling authority for IPS officers however rejected Rai's request and later ordered his suspension from CRPF. In 2007, when Rai was posted as DIG in Gujarat CID (crime), he had arrested IPS officers D G Vanzara, Rajkumar Pandian and Dinesh M N in the Sohrabuddin Sheikh encounter case.

Rai was the first investigating officer in the fake encounters of Sohrabuddin Shaikh, his wife Kausar Bi and Shaikh's aide Tulsiram Prajapati. Last year, a special CBI court acquitted all the accused into the case. Rai came on central deputation since 2014. He is slated to retire in 2025 and was last posted as IG & Principal of CRPF's Counter Insurgency and Anti-Terrorism (CIAT) School in Chittoor.

THE GUJARAT PROBE

A 1992 batch IPS officer, Rai had investigated Sohrabuddin Sheikh encounter

Who is RAJNISH RAI

A 1992 batch IPS officer who first investigated Sohrabuddin Sheikh encounter

One member panel set up to probe Rai's 2017 complaint about fake encounter has completed its investigation and submit its findings to MHA soon

Panel has found procedural lapses on part of Rai. Likely to recommend action against Rai

'Procurement Delays, Abrupt End to Tenders Hurting Defence Ind'

Assocham-BDO study suggests increasing FDI to 51% under automatic route

Manu.Pubby@timesgroup.com

New Delhi: Urging the government to cut down inordinate delays in the procurement process for military equipment, the defence industry has said that cancellations of tenders midway and uncertain time frames are adversely impacting business and discouraging foreign investments. A study by an industry house that has been shared with the defence ministry suggests an overhaul of the offsets rules, cutting down of procurement lead times and increasing foreign direct investment (FDI) to 51% under the automatic rule.

"Procurement delays have been a cause for concern for a long time, which is one of the critical issues raised by the industry.... Cancellation of tenders mid-way in the procurement cycle adversely affects participants' business plans and discourages investment too from foreign defence companies," says an Assocham-BDO joint study on the aerospace manufacturing ecosystem.

The study echoes long-standing view of big and small industry players that business has not been growing at the expected pace, given that defence manufacturing was to be the cornerstone of the Make in India campaign.

Several large defence companies have either cut down jobs or scaled down business plans in the past two years owing to a lack of orders being placed by the government through the competitive process and a continuing preference for public sector units.

ANIRBAN BORA

The study says that the offset policy – which mandates foreign players to invest at least 30 percent of the contract value in the domestic market – also needs an overhaul to kick-start work. "Due to the various restrictions to fulfil offset obligations, global OEMs (original equipment manufacturers) have found fewer reasons to invest in more sustainable, advanced and long-term engineering and manufacturing projects within India," it says.

The defence ministry has a revised offsets plan ready - which offers incentives to invest in two defence corridors and gives more flexibility to foreign companies to execute work – but has been unable to promulgate it since May 2018.

On FDI, the study says that the current limit of 49% under the automatic route is restricting investments in India as foreign players are concerned about control over advanced technology. "The government should allow a minimum of 51% FDI in the defence sector without any riders to linkages with 'modern technology' so as to enable international defence companies to exercise adequate control over the joint venture companies, IPR and the product quality," it says.

Among other measures suggested are tax incentives for research and development activities to encourage investments in technological innovations, an enabling mechanism for transfer of high-end technology and introduction of apprentice programmes across universities to increase the availability of skilled manpower in the aerospace industry.

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After India Faux Pas, China Puts South Korea on BRI Map

China claims S Korea interested in joining BRI but Seoul denies any such move

DipanjanRoy.Chaudhury
@timesgroup.com

New Delhi: China may have committed yet another faux pas in the zealous selling of the Belt & Road Initiative (BRI) by including countries which are not yet officially in the mega initiative, a little over a month after including India in a BRI map at the second BRI Summit before retracting.

Last week, China's foreign ministry used the accreditation ceremony of new ambassadors to Beijing, including that from neighbouring South Korea and far away Colombia, to claim that these envoys have endorsed BRI, ET has learnt. S Korean envoy Jang Ha-sung denied having endorsed BRI on the occasion, puncturing Chinese claims, ET has reliably learnt.

Earlier in March China had claimed that South Korea has expressed interest in joining BRI but Seoul denied any such assurance to the Chinese. At the April BRI Summit, China included India in its BRI map and proposed BCIM (Bangladesh-China-India-Myanmar) corridor into BRI, only to retract both these ideas later.

"...The ministry in a statement claimed all seven ambassadors, who included the new Korean envoy as well as the representative of faraway Colombia, expressed "their countries' hope to participate in the Belt and Road Initiative and expand mutually beneficial cooperation...Seoul was quick to deny that Jang Ha-sung said anything of the sort," leading South Korean English daily Chosun reported after the incident.

The other envoys in Beijing were from Chad, Norway, Sweden, Switzerland and the Czech Republic, none of which fall within the remit of the Belt and Road Initiative, Chosun reported, adding, "Yet the ministry claimed that they all "sincerely congratulated China's successful hosting of the 2nd Belt and Road Initiative Summit," as if that would be uppermost in their minds."

The South Korean foreign ministry on Wednesday said the statement was based on conversations with all the ambassadors, not particularly with Jang, according to the Korean daily.

China used the accreditation ceremony of new ambassadors to Beijing, including that from South Korea, to claim that these envoys endorse BRI

"The conversation that took place between Jang and Xi was brief and focused on the need for close cooperation in order to further develop bilateral ties," a ministry official told Chosun.

"This is not the first time that Belt and Road propaganda has run ahead of itself. The Chinese government announced in late March that Korean Prime Minister Lee Nak-yon told his Chinese counterpart Li Keqiang that Korea seeks to "actively participate" in the initiative. The Korean government denied that Lee made such comments," reported Chosun. South Korea is also mindful of endorsing BRI given its alliance with USA which is pushing its Indo-Pacific concept to counter-balance BRI.

India, Syria Plan Ministerial Meet

DipanjanRoy.Chaudhury
@timesgroup.com

New Delhi : India is planning a ministerial-level joint commission meeting with war-torn Syria in Damascus in the near future, aiming to widen its strategic presence in West Asia amid tumultuous regional geopolitics less than a year after the meeting was postponed following the threat of war.

The Narendra Modi-led NDA government is also planning to offer a new line of credit to assist Syria in its rebuilding process, according to people aware of the matter. India's line of credit to Syria in the past included support for power and steel plants. Besides, India is eyeing a wider counterterrorism partnership and stronger information sharing mechanism. He told **ET** on condition of anonymity that India, which has supported the Assad government in its fight against ISIS, is seeking to relaunch its economic and soft power engagement with Syria.

Four hundred Syrian students are enrolled in Indian universities on fully funded scholarships, and India has also trained a batch of Syrian diplomats. In the run-up to the proposed meeting, TS Tirumurti, secretary (economic relations) in the external affairs ministry, visited Damascus last month and met the entire Syrian leadership.

ON THE FIELD In India, cricket is the horse every advertiser wants to ride. The Indian victory in the 1983 tournament not only revolutionised the game, but was also an eye-opener as to its reach across the country. The World Cup is arguably the biggest pitch for advertisers. No wonder then that brands and companies are queuing up to tap the magical connect of the game

REUTERS

Ad Spend may Go Through the Roof this World Cup

India Inc is expected to spend ₹1,000-1,200 cr on advertising to cash in on cricket mania

Shambhavi.Anand
@timesgroup.com

New Delhi: India Inc is expected to double its spending on advertising and promotions during the ongoing ICC Cricket World Cup to ₹1,000-1,200 crore this year, top media buyers said.

The 10-nation cricket tourney being played in England and Wales began on May 31 and ends on July 14.

"We have seen fabulous response from advertisers on TV and digital platforms," said Vinit Karnik, business head at ESP Properties, a GroupM company.

Star India has sold a significant amount of inventory, media buyers said. Star India, the media rights holder for the World Cup, is known to have signed over 35 advertisers for the series already.

In terms of on-ground sponsors, the International Cricket Council has added quite a few to its roster.

Overall, it's been an incredible World Cup for advertisers, Karnik said.

The largest spenders during the tournament will be mobile handset companies, gaming firms, dotcom companies and the automobile industry, according to Navin Khemka, CEO of Mediacom, South Asia.

"The World Cup has bigger spikes (in terms of viewership) during India matches and some big, non-India matches, as opposed to the Indian Premier League, which has consistent viewership across the tournament," said Khemka.

The ICC has changed the format of the World Cup this time and now all teams will play at least one match with each other, which means India will have at least nine games, which is 50% higher than previously.

Star India did not comment on its revenue expectations from the tournament. India played its first match on Wednesday.

The interest levels in a tournament like this tends to go up if India performs better, said Ashish Bhasin, CEO Greater South, Dentsu Aegis Network. This could mean higher rates for leftover inventory with Star.

Earlier this year, GroupM, the media investment group of WPP, said it expects Indian advertising spending to grow 14% to ₹80,678 crore in 2019, the fastest pace in four years, on the back of the cricket World Cup and the national elections.

Those associated with the tournament this year across TV and digital platforms include PhonePe and Havells, Byju's, MRF, Amazon, Royal Stag, Dream11, Uber, policybazaar.com, paisabazaar.com, Pernod Ricard, Mondelez, Acko General Insurance and Ceat Tyres.

TV Sales On a Roll

Varun.Jain@timesinternet.in

New Delhi: Sales of television sets on ecommerce platforms Amazon India and Flipkart have grown significantly on the back of cricketing events like IPL and the ongoing World Cup.

For Amazon, the category has grown 50% in each of March and April, compared with what it sold in February this year, said Garima Gupta, category leader-TVs at the Indian unit of the US-based company. A Flipkart spokesperson said the e-tailer had witnessed a 25% increase in television sales during IPL 2019 versus IPL 2018, with a predictable spike in the South, likely due to Chennai Super Kings progressing to the final of the tournament.

Both e-tailers have seen a spike in the sales of large-screen televisions.

According to Gupta, 32-inch television is the top selling among all screen sizes but 55-inch and above screen sizes are growing at the fastest pace. Xiaomi, Samsung, LG, Micromax and Kevin are the top-five television brands on the ecommerce company's platform based on sales, the executive said.

"Customers are displaying a preference for larger screens as a way to truly enjoy the spectacle this World Cup promises to be, so we are seeing them turning to 43-inch TVs in particular," said Flipkart spokesperson.

People in small towns such as Beed and Sangli in Maharashtra; Ramanagar in Karnataka; Bandia in Uttarakhand, Nimbahera in Rajasthan and Shahdol and Sendhwa in Madhya Pradesh are buying televisions from Amazon, its executive said.

According to an industry expert, the average price range of televisions bought on ecommerce platforms is ₹20,000-25,000. Online-specific brands which are priced way below Samsung, LG and Sony are also fuelling the sales of televisions, said another analyst.

Online-only brands are also fuelling the sales of televisions

Ecommerce companies are offering exchange and no-cost EMIs to boost sales of televisions. Amazon has started offering installation at the time of delivery in 10 cities. "This is a single doorbell experience which we will look to expand to more cities this year," said Gupta. The ₹22,000-crore Indian TV set market is expanding at 8-10%. Market tracker GfK estimates online brands to have accounted for 20% of total TV sales volume in 2018.

TODAY ON ETPrime.com

Capillary Tech's Asian Challenge

Five years after India's highest-funded CRM startup Capillary Technologies shut shop in the US, it has built an impressive clientele in Asia. But its attempt to do too many things at a time and focus on a slow-growth market make it vulnerable.

Oil Marketers in the Balance

The combined debt of oil-marketing companies surged 35% in 2018-19 even as crude prices stayed firm. While ONGC has its own share of woes, significant capital expenditure may put more stress on the industry's balance sheet.

Starting up with Insurance

Insurance-tech startups are doing the heavy lifting of increasing insurance penetration and developing transparent and simple products. But there's also the tough job of strengthening their own backend, educating buyers, and improving after-sales experience.

Howzzat!

Now, IKEA Plans Robotic Furniture

IKEA has teamed up with US startup Ori for the development of a robotic piece of furniture aimed at helping people make more efficient use of tiny living spaces. The world's biggest furniture brand unveiled on Tuesday the moving room divider that, depending on needs throughout the day, doubles as bed, walk-in closet or sofa, or frees up a separate work space. A commercial launch is set for 2020, in densely populated Hong Kong and Japan to begin with, the company said. – REUTERS

Pitch Report

Instagram Rolls Out Feature for Less Data Usage

Instagram on Wednesday announced a new opt-in feature that will allow users to reduce the amount of data consumed on the photo sharing platform. The feature has been designed specifically for emerging markets where data plans and internet speeds may be limited, Instagram said in a statement.

920 m
Number of unique mobile subscribers that India is likely to have by 2025, which will include 88 million 5G connections, according to global telecom industry body GSMA. –PTI

COLOMBO ATTACKS A WAKE-UP CALL

Hotels Up Security to Prevent Terror Attacks

Anumeha.Chaturvedi@timesgroup.com

New Delhi: Hotel chains in India across the hospitality sector — which have for long been at the receiving end of terror attacks — are sprucing up their security systems and revamping safety arrangements following the serial bombings across hotels in Colombo in April and an attack in a luxury hotel in Pakistan last month.

While Shangri-La said it is consulting local security and law enforcement agencies following the attack on its hotel in Colombo and is regularly training its emergency response teams, Hyatt said it recently partnered with Safehotels AG to inspect and assess security at its hotels in India which are operating at an enhanced security status.

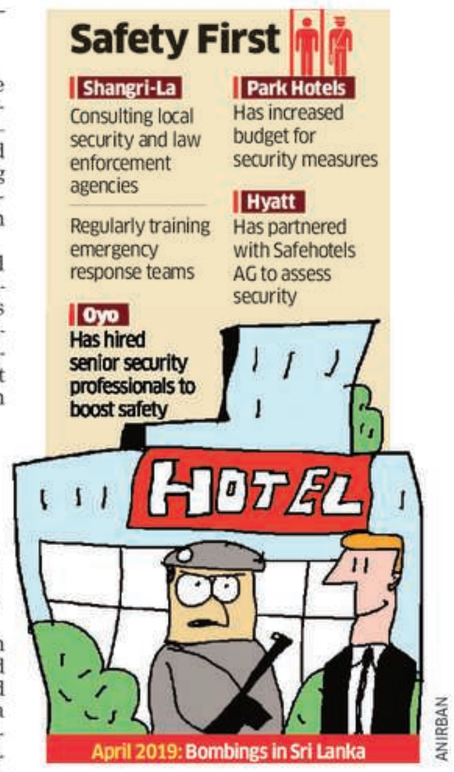
"Following the attacks in Sri Lanka, we took immediate steps to raise the alert state at all our hotels in South Asia. In India, specifically our hotels have been operating at an enhanced security state…it is normal to see the screening of vehicles and people take place at hotels in India," said Trevor Gannon, director, global security, Europe, Africa, Middle East and South West Asia.

A series of bomb blasts ripped through high-end hotels such as Shangri-La and churches in Sri Lanka in April which killed nearly 300 people. According to some media reports, one of the eight attackers of the Colombo attacks had initially planned to detonate their device at the Ports of Call restaurant at Taj Samudra in Colombo, but the bomb failed to go off at the property.

Indian Hotels Company (IHCL), which bore the brunt during the 26/11 Mumbai terror attacks, declined to comment. A Hilton India spokesperson said the company continues to remain vigilant on its safety and security systems and processes.

"Most chain hotels continue to enhance measures based on threat perceptions. It is an ongoing effort as the primary focus is the safety of their guests and staff and also preventing a loss to their infrastructure. It is important that the respective state governments also put in adequate measures to ensure security and safety within their boundaries," said Ajay Mahtani, senior VP, Asset Management at HVS Anarock.

Park Hotels said it has increased the budget for security measures wherein security equipment such as X-ray baggage scanner, door frame metal detector, closed circuit TV cameras, communication equipment and access control have been improved.



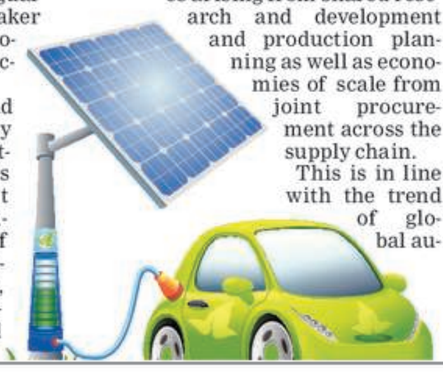
ANIRBAN

JLR, BMW Team up for Next-gen EV Tech

Our Bureau

Mumbai: British carmaker Jaguar Land Rover and German carmaker BMW have announced plans to jointly develop next-generation electric vehicle technology.

"Jaguar Land Rover (JLR) and BMW Group today confirmed they are joining forces to develop next-generation electric drive units (EDUs) in a move that will support the advancement of electrification technologies, a central part of the automotive industry's transition to an ACES (autonomous, connected, electric, shared) future," Tata Motors-owned JLR said in a release on Wednesday.

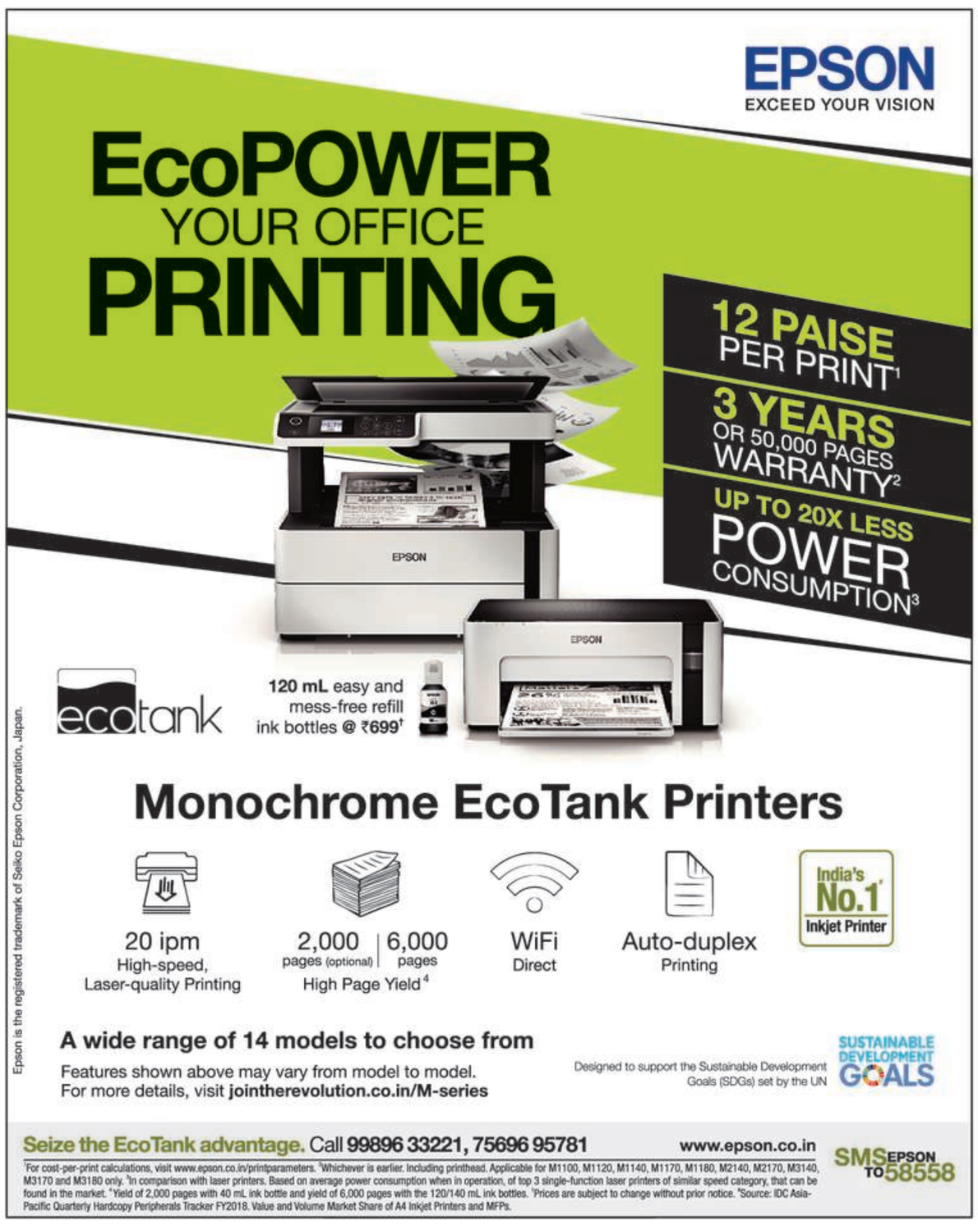


The agreement will enable the companies to take advantage of efficiencies arising from shared research and development and production planning as well as economies of scale from joint procurement across the supply chain.

This is in line with the trend of global automakers deleveraging the cost of developing new technologies at a time of high-paced technological advancements.

With technologies becoming outdated far quicker than in the past, limiting the time frame for carmakers to amortise their R&D costs, manufacturers are increasingly pursuing collaborations and joint ventures to split costs.

While a joint team of JLR and BMW will engineer the EDUs, both partners will develop the systems to deliver the specific characteristics required for their respective range of products, JLR said. The EDUs will be manufactured by each partner in their own production facilities.



For Cash-and-carry Players, HoReCa is Serious Business

Varun.Jain@timesinternet.in

New Delhi: Hotels, restaurants and catering or HoReCa, as it is popularly known, has started to become a serious growth driver for the cash-and-carry companies like Walmart, Metro Cash & Carry and LOTS Wholesale Solutions, operating in India on the back of rising disposable income and the pace of eating out picking up. Experts believe stricter norms and food regulations are also one of the reasons why HoReCa businesses are now moving towards the cash-and-carry players.

While Walmart India and Metro Cash & Carry said that HoReCa is a big focus area for them, LOTS Wholesale Solutions said the segment is growing 10% month on month.

EXPERT TALK

HoReCa is a $55 billion-65 billion food purchase market in India, from corner street kiosks to premium category restaurants

"Currently, HoReCa contributes significantly to our business, and we believe that this segment will grow exponentially in the coming years. We are committed to our long-term sustainable and profitable business operations in India, and are making every effort to steadily improve our performance and the experience for our customers across our 27 wholesale stores in the country," said Arvind Mediratta, managing director and CEO of Metro Cash & Carry India.

According to Mediratta, HoReCa is a big focus area for the firm. "Our estimate states that there are around 13 million HoReCa businesses in the country; with this enormous potential and evolving need of the customers, there is a lot of opportunity and ample room for more players and formats to co-exist and grow in this segment," the top Metro executive said.

Walmart India's top boss acknowledges the growing importance of this segment for the company.

ET tech

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Tweet OF THE DAY

BRIAN X CHEN
@BXCHEN

Facebook always says it's trying to do better with user privacy, but oftentimes they change their apps to make privacy settings harder to find. Latest example: Instagram now buries its "clear search history" setting under "security" whereas it used to be in the main settings menu

Tech Buzz

Insta Gets Data-light Features

New Delhi Instagram on Wednesday announced a new opt-in feature that will allow users to reduce the amount of data consumed on the photo sharing platform. The feature has been designed specifically for emerging markets where data plans and internet speeds may be limited, Instagram said in a statement. Once enabled, videos will not be pre-loaded and high-resolution images will not be downloaded, except in certain circumstances that the user chooses. –PTI

Quick Byte ANIRBAN BORA

32.1 million
Smartphone shipment in India in Jan-March 2019, according to IDC

Firefox Blocks Web Tracking

San Francisco Mozilla, the maker of Open Source browser Firefox, has started blocking website cookies that can let advertisers and publishers track users across the web. The company is blocking third-party cookies under a Firefox feature named Enhanced Tracking Protection, it had announced in 2018. –IANS

Jargon Buster

Digerati
The "digital elite," or those who are extremely knowledgeable about computers

MILLIONS MORE Real estate platform NoBroker hits near $160-m valuation after the recent round while local language content platform catches the eye of Qiming Venture Partners

General Atlantic Leads $51-million NoBroker Funding

Our Bureau

Bengaluru: Private equity firm General Atlantic has led a $51 million investment round in real estate platform NoBroker, regulatory filings show.

Rocketship.vc, along with existing investors Beenext Ventures and SAIF Partners, also participated in the round, which values the company at roughly $160 million.

General Atlantic led the round with a $41.5 million cheque, while SAIF invested $7.5 million.

NoBroker is an online real estate listing platform for buying and renting properties. It also offers other services such as rental agreements and rent payments. The company does not charge any brokerage from either party up to a certain limit, but offers packages ranging from ₹999 to ₹5,999 for other services.

"As much as 70% of our revenue comes from subscription plans where we connect owners and tenants or buyers and sellers," said Akhil Gupta, cofounder, NoBroker.

For the fiscal year 2018, NoBroker's revenue from operations stood at ₹8.6 crore on a loss of ₹31.4 crore, the filings showed.

NoBroker plans to expand its services to the top 10 cities in the next one year, and build its technology stack and recommendation engine, Gupta said.

Furniture and appliance rentals, rent payments through credit card, and a facility to hire movers and packers are the other new business lines for NoBroker in the rentals space.

For its buy and sell business, the company is looking to establish direct relationships with builders, and also launch a more sophisticated home loan product, and interior decoration services. It also has a commercial business listing offering. Across its business verticals, NoBroker competes with the likes of Nestaway, PropTiger, 99Acres, and MagicBricks, a part of the Times group, which also publishes this paper.

FUNDS IN
Rocketship.vc, along with existing investors Beenext Ventures & SAIF Partners, also participated, which values the firm at roughly $160 million

Content Firm Pratilipi Raises ₹105 crore

Aditi.Shrivastava1@timesgroup.com

Bengaluru: Pratilipi, a platform that enables users to read, write and listen to stories in local languages, has raised ₹105 crore, led by China-based Qiming Venture Partners. The financing round indicates bullishness by Chinese investors in content startups.

Nexus Venture Partners, Omidyar Network India, Shunwei Capital, Contrarian Vriddhi Fund and WEH Ventures — all existing investors in Pratilipi — also participated in the round, taking the total funds raised to more than $20 million.

A user spends on average 40 minutes per day on the Pratilipi app – a key metric to evaluate content startups

Pratilipi — founded in 2014 by Ranjeet Pratap Singh, Sahradayi Modi, Rahul Ranjan and Sankaranarayanan Devarajan — has over 1,00,000 users who have written over 8,00,000 stories in five languages including Tamil, Bengali and Marathi. It has more than 5.2 million active monthly readers.

Over the next 12-18 months, the company will focus on improving the technology infrastructure, including its recommendation and personalization engines, and to expand the number of writers on its platform, Singh said.

"We will also expand to newer forms of storytelling including Audio Stories," he said.

"In China, we have seen the growth of user-generated content platforms, some of which became the main source of entertainment for millions of internet users," said Helen Pei-Hua Wong, partner, Qiming Venture Partners. The next wave of internet users in India would prefer to consume content in their own languages, she said, adding the community of readers and writers on Pratilipi would be a strong entry barrier for competition.

A user spends on average 40 minutes per day on the Pratilipi android app.

Poor Data Management can Hurt Organisations

Firms are looking to embrace cloud data management better as many of them have failed to meet users' demands for uninterrupted access to data. According to an industry survey by Veeam Software, 73% of the organisations admit to not being able to meet users' demands for uninterrupted access to data and services. Here are some key findings:

175 Zettabytes Data expected to be generated each year by 2025

72% Organisations looking to embrace Cloud Data Management

Cloud Data Management:

25% Firms report using SaaS platforms

51% Use Backup-as-a-Service (BaaS)

44% Use Disaster Recovery-as-a-Service (DRaaS)

The High Cost of Poor Data Management

$20m/year Avg cost of downtime

38% Cos say downtime has damaged brand

54% Cos say downtime has caused loss of customers

A Global Race for Digital Adoption

Some of the world's largest economies are at risk of having to play catch-up when it comes to their digital adoption. There is global disparity when it comes to the percentage of businesses in each country who describe their digital initiatives as mature

Big Benefits of Digital Transformation

44% Consider it critical to success in next 2 years

$124m Can be revenue addition

SOURCE: VEEAM CLOUD DATA MANAGEMENT REPORT

Japan's New Norms may Not Hurt Indian IT

Ayan.Pramanik
@timesgroup.com

Bengaluru: Indian IT service providers may not be impacted by the Japanese government's recent decision to restrict foreign ownership in high-tech companies, according to industry body Nasscom.

Japan has restricted foreign ownership in its information and communication sector effective August 1, primarily to ensure a strong cyber security framework. "Our companies do not have much revenue from Japan, but they have been acquiring some companies there. So, prima facie, it appears that the regulation may not have an adverse impact. We hear that it may not be retrospective," Gagan Sabharwal, senior director, Global Trade Development, Nasscom, told **ET**.

Once the rule comes into force, it may create an additional watchdog to reinforce strong regulations, Nasscom said.

Japan has traditionally been a tough market to crack for Indian firms. In recent years, IT providers such as TCS and Infosys have formed joint ventures with local entities to tap the market. Infosys said in December it would acquire 81% stake in Hitachi Procurement Services, a subsidiary of Hitachi.

PoS 2.0, and Android's the Name of the Game

Worldline takes on competition offering enhanced features on Android terminals

Pratik.Bhakta@timesgroup.com

Bengaluru: The entry of Reliance Jio Infocomm in the merchant payments segment has created a flutter in the card payments business leading to incumbents like Worldline planning a push to new generation Android terminals. Worldline is one of the largest deployers of payment terminals in the country.

Aside of the entry of Reliance Jio, the competition is coming from domestic players like Mswipe, Innoviti Payments which means incumbents like Worldline are looking to offer enhanced features to its merchant base.

"The new devices will be a bit more expensive but will offer a large number of services to merchants and we are hoping to roll them out by June end," said Deepak Chandnani, chief executive officer, South Asia and Middle East, Worldline.

Swipe Right

Worldline's new PoS

- **An Android** Point of Sale device allows merchants to download wholesale merchant apps and enables easy credit solutions for consumers
- **Co will** add value-added services on the top of basic payments which it said will help it enhance profitability

The new devices will be a bit more expensive but will offer a large number of services to merchants and we are hoping to roll them out by June end

DEEPAK CHANDNANI, CEO, South Asia and Middle East, Worldline

An Android Point of Sale device allows merchants to download wholesale merchant apps and enables easy credit solutions for consumers. Further Worldline will add value-added services on the top of basic payments which it said will help it enhance profitability.

Smartphone-based payment entities like Paytm have a smart PoS in the market while Mswipe has an Android terminal — Wise PoS Plus.

Worldline which is also keeping options open for acquisitions so they can access the latest technology in this space. Chandani added that with its largest shareholder Atos reducing around 23.4% stake in the company, it is an option for Worldline to raise funds independently.

Worldline will continue offering its current card machines in partnership with banks. It already has more than a million terminals installed in the country. "Our concentration on India keeps growing because of the revenues we generate here. Now we are entering newer geographies like Bhutan, Sri Lanka and exporting products from India to Europe as well," he said.

In the March quarter of the current year, Worldline reported a total revenue of almost £560 million, a 6.2% jump from last year.

Wipro Buys Engineering Solutions Firm for $45m

Our Bureau

Bengaluru: IT services company Wipro said it would acquire International TechneGroup Incorporated (ITI), a global digital engineering and manufacturing solutions firm, for $45 million.

The IT services provider said the acquisition would allow it to offer end-to-end solutions in digital engineering and manufacturing. ITI is a prominent player in computer-aided design (CAD) and product lifecycle management (PLM) interoperability software services.

ITI, founded in 1983, has 130 employees and is headquartered in Milford, Ohio. It has offices in the UK, Italy, Israel and Germany. The firm's revenue for FY18 stood at $23.2 million.

Wipro CEO Abidali Neemuchwala has steered some key acquisitions in digital technology areas and spent more than $1 billion. "This acquisition complements Wipro's core strengths in Industry 4.0 and allows us to offer end-to-end solutions in Digital Engineering and Manufacturing. We are pleased to welcome ITI's employees and are confident that their unique offerings and solutions will add value to our organisation," said Harmeet Chauhan, senior VP, Industrial and Engineering Services.

After Backlash, YouTube Says Better Policies against Hate Speech in the Works

Vikas.SN@timesinternet.in

Bengaluru: Google-owned video service YouTube is updating its hate speech policy, as it faces backlash over inaction in addressing hateful and borderline harmful content on its platform.

Starting Wednesday, YouTube will specifically prohibit videos with supremacist content that portray a race, religion or a group as superior in order to justify discrimination, segregation or exclusion.

YouTube will also remove several videos and channels that violate the new policies. YouTube said it will remove these videos even they do not explicitly call for violence.

The company declined to disclose specific information on how many channels or videos would be taken down as part of the policy changes.

It, however, said the changes were made in consultation with dozens of subject-matter experts in areas including violent extremism, supremacism, civil rights and free speech.

It said it had taken down 8.3 million videos that violated its community guidelines in the first quarter of this year. Interestingly, the development comes on a day when YouTube declined to take action against a popular right-wing commentator in the United States who is accused of homophobic and racist harassment of a journalist.

In a series of tweets on Wednesday, YouTube said its teams conducted an in-depth review of the flagged videos and determined that while they found the language to be "clearly hurtful", it didn't violate their policies.

ANIRBAN BORA

'HURTFUL, BUT NOT AGAINST POLICY'
The development after YouTube declined to take action against a popular right-wing commentator in the US who is accused of harassment of a journalist

Tech Trotter Meanwhile in tech...

Healofy Makes a Comeback to Google Play Store with New App

BENGALURU Healofy, an online pregnancy and parenting platform that was taken down by Google for gross policy violations, faces the formidable task of rebuilding its user base on its new application. The startup, backed by Omidyar, BAce Capital, and China's Babytree, returned to the Play Store as a fresh new mobile application on Sunday. Most of its user base are still on the banned application. Healofy is figuring out a way to migrate users to the new one without needing them to uninstall the old one and install the new one. – **Our Bureau**

Uber Eats Aims for Bigger Bite, Gets Embedded into Main App

SAN FRANCISCO Ride-hailing major Uber has embedded the web version of its food delivery app - Uber Eats - into the main application in select markets. The move is being seen as Uber's attempt to persuade its main service users to try its food delivery business. "We're rolling out a new way to order Eats directly in the Uber app on Android (we've already been experimenting on iOS)," an Uber spokesperson was quoted as saying by the TechCruch. – **IANS**

An AI Chip Uses Fuzzy Math for Human-like Intuition

Unlike the number-crunching alternatives, British startup Graphcore has developed a brain for computers that excels at guesswork

Bloomberg

Simon Knowles, chief technology officer of Graphcore, is smiling at a whiteboard as he maps out his vision for the future of machine learning. He uses a black marker to dot and diagram the nodes of the human brain: the parts that are "ruminative, that think deeply, that ponder."

His startup is trying to approximate these neurons and synapses in its next-generation computer processors, which the company is betting can "mechanise intelligence."

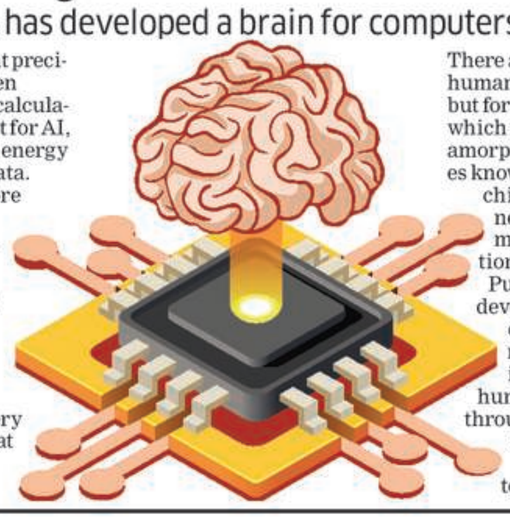
Artificial intelligence is often thought of as complex software that mines vast datasets, but Knowles and his cofounder, chief executive officer Nigel Toon, argue that more important obstacles still exist in the computers that run the software.

The problem, they say is that chips — known, depending on their function, as CPUs (central processing units) or GPUs (graphics processing units) — weren't designed to "ponder" in any recognisably human way.

Whereas human brains use intuition to simplify problems such as identifying an approaching friend, a computer might try to analyse every pixel of that person's face, comparing it to a database of billions of images before attempting to say hello. That precision, which made sense when computers were primarily calculators, is massively inefficient for AI, burning huge quantities of energy to process all the relevant data.

When Knowles and the more business-minded Toon founded Graphcore in 2016, they put "less precise" computing at the heart of their chips, which they call intelligence processing units, or IPUs.

"The concepts in your brain are quite vague. It's really the aggregation of very approximate data points that causes you to have precise thoughts," says Knowles.



There are various theories on why human intelligence forms this way, but for machine learning systems, which need to process huge and amorphous information structures known as "graphs," building a chip that specialises in connecting node-like data points may prove key in the evolution of AI.

Put another way, Graphcore is developing a brain for computers that, if its cofounders are right, will be able to process information more like a human instead of faking it through massive feats of number crunching.

"For decades, we've been telling machines what to do, step by step, but we're not doing that anymore," Toon says. "This is like going back to the 1970s — we need to break out our wide lapels — when microprocessors were first coming out. We're reinventing Intel."

Investor Hermann Hauser, cofounder of Arm Holdings, which controls the most widely used chip designs, is betting that Knowles and Toon's IPUs will unleash the next wave of computing. "This has only happened three times in the history of computers," Hauser says — CPUs in the 1970s, GPUs in the 1990s.

"Graphcore is the third. Their chip is one of the great new architectures of the world."

Goldman, SSG Capital in Talks to Buy Bad Loans of RattanIndia
FINANCE & COMMODITIES ▸▸ 8

Debt

TAPERING DEMAND from taxi aggregators, rising saturation among passenger car owners hits sales growth

Higher Income States Witness Faster Deceleration in Auto Volume Growth

ET ANALYSIS

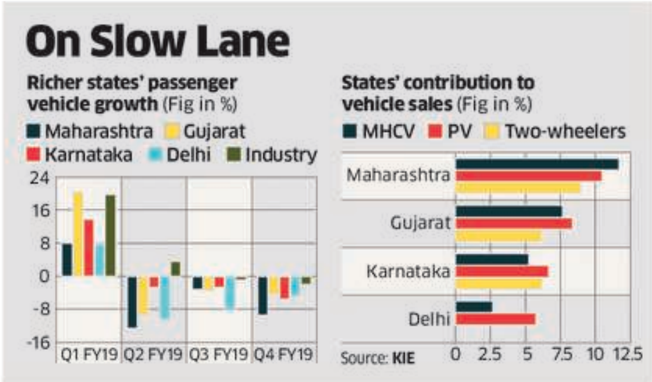
Ashutosh.Shyam
@timesgroup.com

ET Intelligence Group: Vehicle sales in higher per capita income states such as Maharashtra, Gujarat, Delhi and Karnataka are shrinking faster than the industry average. Tapering demand from taxi aggregators and rising saturation among passenger car owners has hit vehicles sales growth.

The combined sales volume growth of the four states underperformed industry growth by 2-27% in vehicle categories including two-wheelers, passenger cars, and medium and heavy commercial vehicles (MHCVs) in the March 2019 quarter, according to the data from industry agency SIAM. These four states account for nearly one-third of the total vehicle sales in India and contribute 36% to the total GDP of India. Average per capita income of these four states is 55% higher than India's average of Rs 1.03 lakh.

The biggest slowdown in vehicle volume was in Maharashtra, followed by Gujarat and Delhi. Maharashtra is the largest market for passenger cars and MHCVs and second largest for the two-wheelers after Uttar Pradesh. Passenger vehicles volume in the state fell in three out of the four quarters of FY19, and two-wheeler volume slipped 30% in March quarter, the second highest after Gujarat.

The slowdown in richer states has a major impact on scooters since the segment has a higher penetration in these markets. In FY19, the scooter sales fell 0.3% to 67.2 lakh units, the first fall in thirteen years. The share of scooters in the total two-wheeler market fell by 150 basis points to 31.7% in FY19.



Passenger car volume in India dropped to 2.7% in the FY19, the slowest growth in the past five years. A senior official of the Federation of Automobile Dealers Associations said that large markets have reported a higher demand contraction compared with the rest of India due to higher dealer penetration, which becomes a double whammy in times of slowing demand as inventory levels rise faster. The auto dealership footprint in the more prosperous states is 25-35% higher than the low-income states. The slowdown has increased the inventory levels by 3-5 weeks than the historical average.

Tapering demand from the taxi aggregators, which were contributing nearly 30-35% of the total incremental demand for the passenger cars in the past couple of years, also affected sales volume. A senior official of the leading car maker said demand from taxi aggregators, which were mainly expanding operations in the richer states, fell by 55,000-65,000 units in FY19 compared with the peak demand of 150,000 units two years ago.

Saturation in major markets is another major factor responsible for the slowdown in car demand. The penetration of passenger cars per 1,000 person in Delhi, Gujarat, and Maharashtra is at 98, 35 and 29, respectively, compared with India's average of 21, according to Kotak Institutional Equities.

Fed Inches Towards Rate Cut as Trade War Frays Patience

Bloomberg

The Federal Reserve's top policy makers aren't yet ready to cut interest rates, but worsening trade tensions are nudging them in that direction.

In separate comments Tuesday, Fed Chair Jerome Powell and his No. 2, Richard Clarida, reassured nervous investors they're watching closely for signs that disputes between the U.S. and its trading partners are denting the outlook for the world's largest economy. Their remarks moved the Fed slightly closer to its first rate cut since 2008.

"Powell may have opened the door a crack wider to the possibility that the Federal Reserve will ratify one or two of the rate cuts the markets have discounted this year," said Chris Rupkey, chief financial economist at MUFG Union Bank NA.

Other Fed watchers said Powell and Clarida fell short of signaling a move at the June 18-19 gathering of the Federal Open Market Committee. Clarida declared the Fed "can't be handcuffed" by market pricing that can be volatile.

Nonetheless, their acknowledgment of risks posed by the deepening trade spats lent comfort to investors, who have aggressively increased bets the central bank will ease this year. The S&P 500 Index of U.S. stocks jumped 2.1% Tuesday, the most since January, while the yield on 10-year U.S. Treasuries rose from Monday's 20-month low.

'Buying Time' "Powell is essentially telling the markets that the Fed is alert to what's happening," said Roberto Perli, a partner at Cornerstone Macro LLC in Washington and former Fed economist. "But at the same time it's too soon to judge the impact on the U.S. outlook because, as he says, nobody can know how the situation will evolve. So he seems to be buying time."

Wall St Rises as Weak ADP Jobs Data Bolsters Rate-cut Bets

U.S. stocks gained on Wednesday after data showed that the private sector added fewest jobs in May since 2010, raising the odds that the Federal Reserve would cut interest rates to counter a potential slowdown. Private-sector jobs rose by 27,000 last month, according to the ADP National Employment Report, much below expectations of a 180,000 increase.

The data, which comes ahead of a more comprehensive nonfarm payrolls from the Labor Department due on Friday, increased the likelihood that the U.S. central bank would cut interest rates by at least 75 basis points through December.

"The ADP number does raise some concerns about the further impact of tariffs. It adds to the case of interest rate cuts, the odds of that happening are going up," said Scott Brown, chief economist at Raymond James in St. Petersburg, Florida. Interest-rate sensitive banking stocks slipped 0.88%, while the broader financial sector fell 0.31%. The report comes a day after Fed Chairman Jerome Powell said the central bank would respond "as appropriate" to risks posed by a global trade war, adding to expectations after dovish remarks from St. Louis Federal Reserve President James Bullard.

The escalation in the trade dispute between the United States and China last month has triggered worries of a global economic slowdown and has put the benchmark S&P 500 index 5% away from its record high of 2,954.13 hit on May 1.

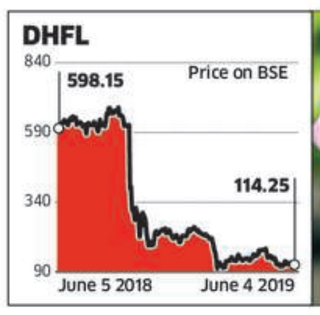
CPS OF ₹750 CRORE DUE IN JUNE 2019 Crisil expects the CP to be in default on maturity; ICRA says co unlikely to be able to service its debt in a timely manner

Crisil, ICRA Downgrade DHFL to Default Grade on Liquidity Concerns

Joel.Rebello@timesgroup.com

Mumbai: Ratings agencies Crisil and ICRA have downgraded commercial papers (CP) issued by debt-laden Dewan Housing Finance Corp (DHFL) to 'default' or 'D' category after the company missed interest payment on its non-convertible debentures (NCDs) on Tuesday.

Both rating agencies cited the company's stretched liquidity position as the main reason for the downgrade. "DHFL has ₹850 crore of outstanding CPs, of which ₹750 crore is due in June 2019. The first CP maturity is on June 7. With liquidity inadequate as on date to service debt and visibility very low on timely fund raising, Crisil expects the CP to be in default on maturity," the agency said.



ICRA said while while CPs are not rated by ICRA, given the stretched liquidity profile and limited visibility on fresh funding, the company is unlikely to be able to service its debt obligation with regard to commercial paper programme in a timely manner. The rating action comes even as DHFL is in talks with financiers to help meet its ₹1,000-crore-plus obligation within the seven-day grace period and prevent a default. On Wednesday, ET reported that UTI MF and some private sector lenders, including Axis Bank and IndusInd Bank, were among the investors that bought DHFL debt sold last year. Crisil highlighted DHFL's weak liquidity as the main reason for the downgrade. "Scheduled aggregate cash outflows (including loan repayment and securitisation payouts) till July 2019 remain high at an estimated ₹6,200 crore. Crisil understands that many of the investors in NCDs with acceleration clauses have not yet exercised their acceleration rights. With this delay, Crisil believes there is heightened risk of acceleration, thereby materially increasing the debt servicing commitments of DHFL. DHFL estimates collection from loan assets at ₹2,200 crore per month," the agency said. Crisil said it will monitor the asset quality in loans to small and medium enterprises, loan against property, and real estate developer loan because of pressure on fund raising and liquidity at the industry level.

DEAL FOR AVANSE FINANCIAL SERVICES

RBI Said to Have Approved Sale of DHFL's Edu Loan Co to Warburg

Sale proceeds of ₹1,000-1,200 cr to facilitate payments of NCD interest

Saikat.Das1
@timesgroup.com

Mumbai: The Reserve Bank of India is said to have approved the proposed selling of a DHFL group company to US private equity major Warburg Pincus giving a lifeline to the embattled housing finance group, said two people with the direct knowledge of the matter.

The sale should release about Rs 1,000-1,200 crore immediately, facilitating payments that have fallen overdue, they said.

"The central bank has put its seal on the deal Tuesday, which in turn should enable the flagship company to meet immediate debt obligation," one of the persons cited above, told ET.

Avanse Financial Services primarily extends education loans. While Dewan Housing Finance (DHFL) owns 30.6% in the company, Wadhawan Global Capital, the holding company, holds 49.04 per cent.

On March 16, the parent company decided to sell its education loan arm to US private equity major Warburg Pincus. The company has been valued at about Rs 1,000-1,100 crore. Both entities have exited, making cash available for the troubled group in dire need of money. The rest one-fifth stake is held by International Finance Corporation.

Emails sent to DHFL and the RBI remained unanswered until the publication of this report.

The total portfolio of Avanse was Rs 2187 crore as on March 31, 2018, compared with Rs 982 crore in the preceding financial year. Education loans formed 89 per cent of the total portfolio, data from the company website showed while overall disbursement for the year more-than-doubled to Rs 1517 crore.

Besides Warburg Pincus, Kedaara Partners, CX Partners and Centrum Capital too were in discussions to acquire the stake up for sale in Avanse, ET first reported on 26 February.

On Tuesday DHFL did not credit interest on bonds sold a year ago, but it has a seven-day grace period to pay off dues before it is termed as default.

The company was trying to sell some loan portfolios to two or three select banks, but that did not fructify due to a technical reason, ET reported on June 04.

"Also, banks are shut tomorrow (Wednesday) because of Eid. The financing could come in by the end of this week," a market source told ET

Last June, the home financier raised about Rs 11,000 crore through public issue of bonds. These non-convertible debentures (NCDs) offered investors annual yields of 8.90 per cent to 9.10 per cent across maturities.

Investors were supposed to receive over Rs 1,000 crore on account of interest payment.

Both institutional and individual investors subscribed to those bonds. Axis Bank, IndusInd Bank and UTI Mutual Fund were among the institutional investors.

SFIO had suggested the regulator conduct an internal probe and take suitable policy measures to prevent such fraudulent action

RBI Looks Inward on IL&FS Monitoring after SFIO Charge Sheet

Shilpy.Sinha@timesgroup.com

Mumbai: The banking regulator is looking into potential internal lapses in monitoring IL&FS and its units after a federal probe agency pointed to oversights that may have played a role in causing the localised debt problem at the infrastructure financier to snowball into an industry-wide crisis.

"The central bank has begun investigating internal lapses in regulating IL&FS and IFIN," said a source close to the development. "In its past audit reports, the regulator had mentioned the lapses but failed to take appropriate actions. For the first time, an investigating agency has questioned the regulator."

Mint Road is looking at its own processes related to the IL&FS oversight after observations by the Serious Fraud Investigation Office (SFIO), which in its charge sheet suggested the Reserve bank of India (RBI) conduct an internal probe. It also suggested the RBI take suitable policy measures to prevent such fraudulent action.

In its inspection report 2016, RBI had observed that although the leverage of IL&FS stood within the prescribed limit of 2.5 times, the group's leverage stood higher at 7.14, which was a matter of concern. A copy of that report has been seen by ET. RBI had asked the company to submit a time-bound action plan for reducing the group leverage ratio.

The report talked about deficiencies in credit appraisal while giving loans to group entities.

SFIO, in its charge sheet, said that RBI had repeatedly pointed out the non-compliance with group exposure norms and wrong calculation of Net Owned Funds (NOF) in its Inspection Reports for the year 2015 onwards. But no penalties were imposed during the period and IFIN was allowed to continue its operations without any corrective action.

SFIO said in the charge sheet that action at the right time may have prevented the matter from becoming as widespread as it now is. The charge sheet also said that IFIN did not disclose the negative NOF amount as assessed by the regulator for FY15, FY16 and FY17 in its financial statements.

RBI's inspection report said that IL&FS and its group entities followed a unified memorandum for approvals on transactions, bid submissions, advisory services, investments, and loans. Irrespective of the value of transactions, all approvals for the company and its subsidiaries were given by directors and chairman of the company.

"As a matter of good corporate governance, the designation of the approvers should be mentioned in the document instead of names. A committee of directors of individual group entities should be the approver of high-value transactions instead of individuals," said the RBI's inspection report.

RBI had also observed that the investment policy did not cover classification of investment as current or non-current, value of investments and identification of investments as non-performing investments. Also, compliance with the central bank's guidelines was not part of the RBI audit.

As on March 31, 2015, RBI said that IL&FS Financial Services' reported owned fund of Rs 4,353.23 crore was assessed at Rs 3,461.80 crore. The difference of Rs 891 crore was due to reduction of premium of redeemable preference shares of Rs 400 crore from free reserves, identification of additional provision for investments of Rs 250 crore, and reversal of interest accrued on investments of Rs 182.5 crore.

Preference shares that carried a premium were redeemable in 2021. The total premium collected by the company on the preference shares amounted to Rs 400 crore, which was also outstanding as on March 31, 2015. RBI said that since the presence shares were redeemable, the same was not considered to be part of the free reserves.

The new IL&FS board led by Uday Kotak has taken over in October and a resolution process is underway. The board is seeking to sell assets in sectors such as roads, energy, and financial services to reduce outstanding debt, which stands at roughly Rs 1 lakh crore.

INVESTORS ADDED $182 M to the fund last week, but a change to export taxes is a worry

India ETF Adds Most Cash Since 2015 as Modi Victory Lifts Stocks

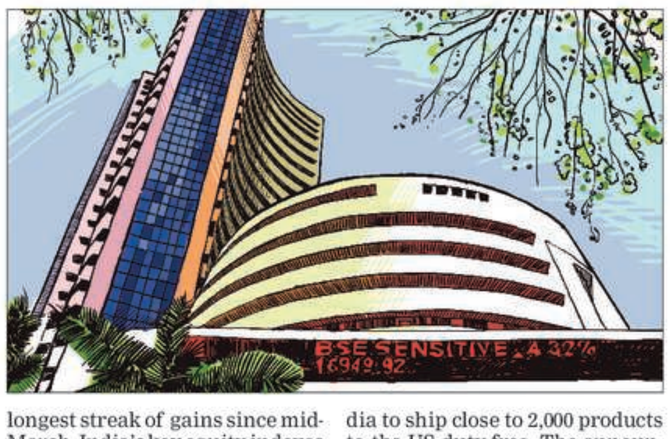
Bloomberg

International investors are heading to India following the re-election of business-friendly Narendra Modi as prime minister.

The $5.4 billion iShares MSCI India exchange-traded fund, ticker INDA, lured more than $182 million last week, the most in more than four years, data compiled by Bloomberg show. Investors also added the most since September to the $1.5 billion WisdomTree India Earnings Fund, or EPI, in the period through Friday.

"A lot of western investors really like having a conservative like Modi re-elected," said Andy Wester, a senior investment analyst at Proficio Capital Partners. "He says all the right things to attract foreign investments."

Modi was sworn in last Thursday for a second five-year term, making him the country's first premier to be re-elected with a majority since 1984. INDA has risen for the last three weeks, the longest streak of gains since mid-March. India's key equity indexes resumed their rally since Modi's victory May 23, and closed at record highs on Monday.



Trouble Ahead

But investors could be arriving in India at just the wrong time. The US plans to end the country's designation as a developing nation from June 5, thereby eliminating an exception that allowed India to ship close to 2,000 products to the US duty-free. The announcement last Friday adds to investor worries about the country's slowing economic growth.

"What's unsettling people now is trade tariffs appear to be becoming part of the policy toolkit," said Kirk West, executive director for investments at Principal Global Investors, referring to India alongside President Donald Trump's threat to use tariffs on Mexico.

To be sure, Trump's move against India hasn't rattled local investors. The reason: The net benefit to exporters for goods shipped under the Generalized System of Preferences program was about $260 million a year, according to the Federation of Indian Export Organisations. The impact would be minimal, the exporter body said.

On Monday, the rupee rallied to a one-month high, benchmark bond yields slid to a 18-month low and foreign investors bought a net 31 billion rupees of shares. Global funds have plowed more than $11 billion into Indian equities this year, the most in Asia after China, according to data compiled by Bloomberg.

India should outperform if markets return to normal in the second half of 2019, Principal's West said. That would make an overweight position in the country look more appealing, compared with benchmark weight at the moment, he added.

Featherlite Developers gets ₹135-cr Loan from StanChart

Saloni.Shukla@timesgroup.com

Mumbai: Standard Chartered Bank has sanctioned a loan of Rs 135 crore to Bengaluru-based Featherlite Developers, according to two people aware of the matter, signalling that lenders may be lifting their curbs on funding to the real estate sector.

The London-headquartered bank's loan is backed by commercial assets owned by the real estate developer.

"We have already infused a substantial amount of our own equity into the project, and have obtained debt funding for the balance from Standard Chartered Bank," said Aditya Chellaram, executive director, Featherlite Developers. "The deal was structured as a hybrid combination of a project finance loan and lease rental discounting of other rental assets that we own."

While Chellaram did not comment on the size of the loan, Standard Chartered Bank declined to comment.

Real estate developers have been facing a funding freeze owing to debt repayment worries around the infrastructure leasing and financial services Dewan Housing Finance and the Zee Group, which had pushed funding costs for non-bank financial companies (NBFCs) to multi-year highs. Spreads on top-rated five-year bonds of Indian non-banking lenders rose 90 basis points or 0.9 percentage points in one year but cooled off in the past two months.

"This is one of the few loan disbursals to any developer since the NBFC liquidity crisis last year made funding dearer to developers," said Praveen Nair, associate general manager-capital markets, Colliers International, the advisor to the deal. "The total value of the project is ₹300 crore and StanChart is contributing upwards of 40%; the rest is coming from the developer."

The developer has managed to secure the funding below 10% interest rate for its 0.6 million square feet office project planned in Chennai, said a person cited earlier. Funding costs for developers had gone up 100 basis points after the fallout of the IL&FS crisis in August last year, with interest costs hovering around 10.5-11.5% for most developers.

ET had reported on April 29 that real estate funding was undergoing a major change with banks and home financiers focusing on the quality and liquidity of real estate assets instead of indiscriminate lending meant to inflate their loan books. Some bankers are also insisting on rental income from finished commercial projects as collateral in lieu of lower interest costs.

Developers need to pay nearly ₹1.29 lakh crore a year on outstanding debt but generate less than half the amount in income that can be used for repayments, according to an analysis of about 11,000 companies by research firm Liases Foras. Experts say that rolling over loans and tapping into private equity funds will be a struggle for all but the established builders.

With the banking sector in doldrums, a risk of a potential crisis developing between fraught lenders and troubled developers persists. The drying up of liquidity comes on top of years of sluggish home sales, mounting inventories and falling prices. The difficulties were masked as NBFCs rapidly increased exposure to developer loans not protected by rental revenues in recent years, according to Jefferies Group LLC.

Tweet of the Day

Mohamed A. El-Erian
@elerianm

With the handoff of market leadership back to the US, yields on government bonds now are up on the day; futures signal another solid open for stocks. This is also indicative of broader (relative) realities still in play: US economy is in a better place and Fed has more room to cut

4.7%
RISE IN INDIA'S STEEL IMPORTS IN 2018-19

Did You Know?

Backlash to Plastic has Oil Cos Worried

As the world strives to wean itself off fossil fuels, oil companies have been turning to plastic as the key to their future. Now, even that's looking overly optimistic. The global crackdown on plastic trash threatens to take a big chunk out of demand growth just as oil companies like Saudi Aramco sink billions into plastic and chemicals assets. Royal Dutch Shell, BP, Total and Exxon Mobil are all ramping up investments in the sector. Renewed emphasis on recycling and the spread of local bans on some kinds of plastic products could cut petrochemical demand growth to one-third of its historical pace, to about 1.5% a year, said Paul Bjacek, a principal director at consulting firm Accenture. "Oil companies are saying, no problem, we'll invest in petrochemicals," Bjacek said. "But petrochemicals, after the circular economy happens to the maximum extent, is likely to be a low-growth market." – Bloomberg

Goldman, SSG in Talks to Buy RattanIndia's Stressed Loans

THE PICKINGS Bad loans worth ₹2,500-3,500 crore of energy firm

BEYOND DEBT

IN SEPTEMBER LAST YEAR, PFC filed an insolvency plea against RattanIndia Power in the NCLT to recover unpaid dues

RATTANINDIA POWER has defaulted on about ₹20,000 crore loans to various lenders then

SSG IS SEEKING TO RAISE another $2 billion special situations fund to invest across its focussed territories in Asia

LENDERS TO RATTANINDIA

PFC | SBI | Bank of India | Axis Bank | Bank of Baroda | IDBI Bank

Debt Hurdle

RattanIndia has two under-construction thermal power plants at Nashik & Amravati in Maharashtra. Financing of power assets in these projects have become challenging after SC struck down a central bank order, which gave defaulting companies 180 days to concur on a resolution plan

Saikat Das & Indulal PM

Mumbai: Goldman Sachs Group and Asian distressed credit specialist SSG Capital Management are in separate talks to buy ₹2,500-3,500 crore worth of bad loans at RattanIndia Power, where lenders are planning to sell a part of their exposure to the debt-laden energy firm in the current round of negotiations.

In September last year, state-run Power Finance Corp (PFC) filed an insolvency plea against Rattan India Power, formerly known as Indiabulls Power, to recover unpaid dues. The company has defaulted on about ₹20,000 crore of loans. Besides PFC, lenders to Rattan India include State Bank of India, Bank of India, Axis Bank, Bank of Baroda, and IDBI Bank.

There are other contenders for the portfolio besides the two private-equity financiers, two finance industry executives aware of the talks told **ET**.

"We are negotiating and hope to see some portion of the debt taken over," said one of the persons cited above. "This would be big relief to the lenders as they are struggling to find a solution for such cases in the energy space."

Goldman Sachs, SSG and RattanIndia Power didn't respond to **ET**'s mailed queries until the publication of this report.

RattanIndia has two under-construction thermal power plants at Nashik and Amravati in Maharashtra. Financing of power assets and recovery of loans stuck in these projects have become rather challenging after the Supreme Court struck down a crucial central bank order, which had given defaulting companies 180 days to concur on a resolution plan with lenders or face bankruptcy courts for unpaid debt of at least ₹2,000 crore.

PE funds and special situation credit specialists are scanning India to buy into its distressed debt markets

Goldman Sachs has been active of late in India's special situations space. ET reported on May 29 that Goldman is in talks to buy up to ₹2,000 crore exposure of the Piramal Group in real-estate firm Lodha Developers, which builds top-end properties in Mumbai and downtown London.

Founded in 2009 by Edwin Wong, Andreas Vourloumis and Shyam Maheshwari, former top Lehman Brothers bankers, SSG manages more than $2 billion across Asia. The firm focuses on assets in China, India and Southeast Asia. SSG is seeking to raise another $2 billion special situations fund to invest across its focused territories in Asia.

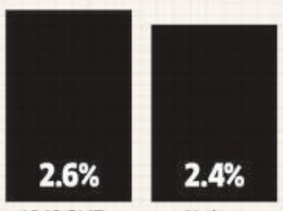
Private equity funds and special situation credit specialists are scanning the Indian landscape to buy into one of the world's largest distressed debt markets. India's banking sector, dominated by state-run lenders, is seeking to extricate about $210 billion stuck in bad loans, the central bank's recent estimates showed.

"New asset classes, such as Alternative Investment Funds and distressed-asset management, have increasingly gained traction in the Indian market, aided by government regulations and tax breaks," Bain & Co said in its India Private Equity Report in May.

Wheat Falls to Lowest in Nearly a Week

US wheat futures fell more than 2.5% on Wednesday, pushing prices to a near one-week low

Fall in Most-active Wheat Contract on CBOT



$4.94-1/4 a bushel Most-active wheat contract on CBOT

$4.16-3/4 a bushel Most-active corn futures

$8.76-1-4 a bushel Most-active soyabean futures

0.6% Fall in most-active soyabean futures

REASONS
Fears ease about widespread crop damage after recent heavy rains

Source: Reuters

Aluminium, Zinc Deliveries Off to a Robust Start on MCX

So high was the interest that bourse opened a second delivery unit in Thane district

Ram Sahgal & Vatsala Guar

Aluminium and zinc futures, which became compulsory delivery contracts since this year, have witnessed encouraging delivery volumes on metals and energy bourse MCX, say market stakeholders. The participation of hedgers, which was lacking in the past, will deepen the market and reduce bid-ask spreads further, which will benefit traders.

Such has been the initial interest that the bourse recently accredited a second delivery centre in Thane district, off Mumbai, as a delivery centre for base metals. A Sebi official said delivery results in a better speculator-hedger mix and prevents "excessive" speculation.

Deliveries were done by traders and other actual users based on polled prices.

Most commodity contracts, including agri and non agri, have been made compulsorily deliverable after Sebi took over regulation of the commodity futures market in September 2015.

Kishore Narne, associate director, Motilal Oswal Financial Services, which has intermediated for part of the base metals' delivery said compulsory delivery ensured that hedgers "have come onto the exchange platform" ensuring "better price discovery".

An MCX official said lead and nickel would become deliverable from June. Currently, MCX facilitates delivery of precious metals like gold and silver, cotton and mentha, apart from base metals. Energy contracts are cash settled.

METAL COUNTER

GIVE-AND-TAKE (metric tonnes)

	March '19	April '19	May '19
Zinc		430	275
Aluminium	10	25	760

Combined aluminium production of Nalco, Balco, Hindalco and Vedanta stood at 1.84 MT in FY18.
Zinc production from Hindustan Zinc and Edayar Zinc was 2.17 MT up till July 2018

As Aluminium Rises, Cans Turn Costly

Donald Trump's trade wars are increasing scrutiny of an obscure process that has boosted how much US beer makers and bottlers pay for aluminum cans. The chairman of Molson Coors Brewing Co and a bottler for PepsiCo are urging the US government to investigate the process used to set benchmark aluminum premiums, which have doubled from 2017 levels in the wake of US import tariffs.

The premium, which is meant to reflect transportation and handling costs along with the amount of supply available, is determined by S&P Global Platts using its own market surveys. **Bloomberg**

Sunset for Oil is no Longer Just Talk

Bloomberg

Greenwashed rhetoric is such a staple of the oil industry that it's easy to assume every energy executive talking about climate and the transition to a zero-carbon economy is just mouthing words.

Barely a year after BP Plc CEO John Browne promised "action and solutions" on climate change in a 1997 speech, he led the then-biggest oil takeover in history with the acquisition of Amoco. On his retirement a decade later, after years of rebranding about moving "beyond petroleum," he left a base of oil and gas reserves more than twice the size of the one he inherited.

So events at BP's European rival Royal Dutch Shell is worth watching. The rhetoric isn't all that different – lots of talk about making sure "Shell can thrive through the transition of the global energy system", as CEO Ben van Beurden told an investor meeting this week. What's different is that the company appears to be putting its money where its mouth is.

Look at reserves, the metric that gave the lie to BP's green makeover. An oil company that doesn't increase its reserves eventually runs out of product to sell, so having 10 years of reserve life is traditionally considered a bare minimum for oil supermajors (for our purposes, take these to be Shell plus Exxon Mobil Corp, BP, Total Chevron Corp, ConocoPhillips, and Eni).

An oil company that doesn't increase its reserves runs out of product to sell, so having 10 years of reserve life is considered a minimum for oil super majors

Shell crossed below the 10-year level all the way back in 2016, and the figure at the end of 2018 stood at just 8.5 years. Its reserve replacement ratio – new fields as a percentage of barrels sold during the year – slumped to 27% in 2017, then limped up to 53% last year. It's not unheard of for this measure to fall below 100%, thanks to the volatility of oil development and reserve downgrades when prices fall – but when it happens on a consistent basis a company is in one sense literally running out of oil.

MAKING ITS STAND CLEAR Trading network has also decided not to publish the price list for synthetic diamonds

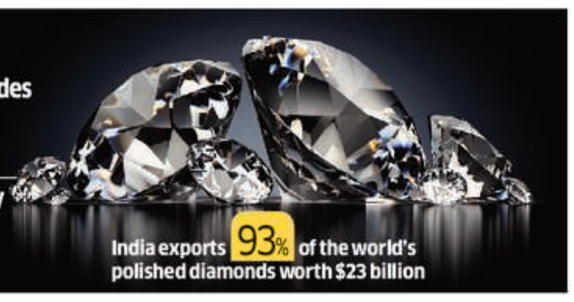
RapNet Not to Provide Trading Platform for Lab Diamonds

NO FAKES

RapNet will stay away from publishing any price list for synthetic diamonds

RapNet currently provides daily diamond listings of 930,000 natural diamonds worth over $6.2 billion

Industry executives say around 5 million carats of synthetic diamonds are produced globally



India exports 93% of the world's polished diamonds worth $23 billion

Sutanuka.Ghosal
@timesgroup.com

Kolkata: Indian diamond trade, which started the financial year on a bleak note following a 17.64% drop in exports of cut and polished diamonds in April, heaved a sigh of relief as Martin Rapaport's RapNet, the world's largest and most trusted diamond trading network, will not provide a trading platform for synthetic diamonds.

Synthetic or lab-grown diamonds are the new rival for natural diamonds. RapNet, the Rapaport Network, was created by Martin Rapaport in 1980 to provide a platform for electronic diamond trading.

RapNet will stay away from publishing any price list for synthetic diamonds. RapNet currently provides daily diamond listings of 9,30,000 natural diamonds worth over $6.2 billion dollars. It has over 7,000 members of the diamond trade in 80 countries.

Gem & Jewellery Export Promotion Council (GJEPC) received a communication from the World Federation of Diamond Bourses (WFDB) stating Martin Rapaport sent a proposal asking clients on what was their take on starting a price list for synthetic stones and secondly, what does the industry feels about creating a "natural diamond organisation."

In the communication to GJEPC, WFDB said that Rapaport should refrain from publishing any price list for synthetic diamonds, and or any listing of synthetics on RapNet. WFDB added that the creation of "natural diamond organisation" will become a source of confusion that would not serve our members and the industry in any way. WFDB also advised its members from taking part in the poll to vote "no" to both questions.

"The overwhelming rejection of a price list for lab-grown diamonds by the industry had put pressure on Mr Rapaport not to publish one. Mr Rapaport also reiterated at the recently concluded JCK Las Vegas show that industry should do whatever was required to protect the natural diamond industry for the sheer number of jobs it creates and the positive impact it has on the society," said Colin Shah, vice-chairman, GJEPC said. Industry executives say that around 5 million carats of synthetic diamonds are produced globally.

India is the biggest hub of cutting and polishing of natural rough diamonds. India exports 93% of the world's polished diamonds worth $23 billion. It is said that 14 out of 15 diamonds set in jewellery worldwide are processed in India and about one billion stones are polished every year here.

TO TAKE A CALL AFTER KHARIFF MSP IS ANNOUNCED

Farmers may Plant more Maize, Cotton, Soyabean Due to Export Demand

Madhvi.Sally@timesgroup.com

New Delhi: Farmers are likely to plant more basmati rice, maize, cotton, tur, urad and soyabean and less of moong and groundnut because of the price trend and export demand but they will take call after the government announces the minimum support price for this year's kharif, or summer-sown crops, company executives and analysts said.

The progress of the keenly awaited monsoon rainfall will also be an important factor in determining this season's cropping pattern, they said.

"This summer season, we can expect farmers in the irrigated belts of Punjab and Haryana to shift from normal rice to basmati rice. Since the past one year, they have got good prices for basmati with increase in demand from domestic and export market," said Angshu Mallick, deputy CEO, Adani Wilmar.

Farmers have already started preparing land for their kharif crop and raising paddy nurseries from where saplings will be transplanted to fields by the second week of June. The government has kept the target of planting similar to the previous year at 102 lakh hectares.

Davish Jain, chairman of the Soybean Processors Association of India (SOPA), said that looking at the price trend of soyabean and maize, farmers will be enthused to plant them this season.

"Farmers have got 15% higher price at ₹3,800-3,900 compared to the government fixed price. The exports were also higher," he said.

Farmers will require 3-4 inches of rain to start planting and which will be essential for the germination of the seed, said Jain.

Farmers will plant those commodities which required less water as the monsoon may be below normal this year, said Anuj Gupta, deputy VP- research, commodities, Angel Broking.

He said that the government focus has to be self-dependence on pulses and oilseeds and to increase seed replacement ratio and varietal replacement.

"The tur prices has increased almost 11% from ₹5,200 to ₹5,800 per quintal and the urad prices has increased almost 10% from ₹5,000 to ₹5,500 per quintal in last one year. Even cotton prices have increased by almost 11% from ₹19,800 to ₹21,000 per bale in the last one year which will influence how farmers plant," said Gupta. Pulses can be intercropped with oilseeds, sugarcane, millets, maize and cotton.

Deficient water in Gujarat, Maharashtra, Andhra Pradesh and Telangana will also have a bearing on what farmer's plant, traders said.

"In Maharashtra, sugarcane acreage has fallen according to field reports. We will wait for satellite report and give a final analysis in the beginning of July," said Abinash Verma, director general, Indian Sugar Mills Association.

In unirrigated parts of Rajasthan, Haryana and Gujarat, farmers may go for guar if it rains, said BD Aggarwal, managing director of Vikas WSP, a guar gum polymer maker.

"In irrigated areas guar planting is going on. If the rains are normal and well distributed then we can see additional area coming to guar along with moong pulses," he said.

CROP PATTERN

- **The progress of the keenly** awaited monsoon rainfall will be an important factor in determining the cropping pattern
- **The government has kept** the target of planting similar to previous year at 102 lakh hectares
- **Deficient water in Gujarat,** Maharashtra, Andhra Pradesh and Telangana will also have a bearing on what farmers plant
- **Farmers will require** 3-4 inches of rain to start planting and which will be essential for germination of the seed

Dovish Fed Comments Lift Metal Prices

LONDON Prices of industrial metals rose on Wednesday as sentiment improved after dovish comments from the US Fed chairman, but concern on damage to growth from the US-China trade dispute capped gains. Benchmark copper on the LME was little changed at $5,876 a tonne at 1043 GMT.

Silver Up on Fresh Offtake, Gold Steady

NEW DELHI Silver prices rallied by ₹100 to ₹37,850 per kg on Wednesday, while gold held steady, according to the All India Sarafa Association. In the national capital, gold of 99.9 % and 99.5% purity held steady at ₹33,370 per ten 10 gm and ₹33,200 per 10 gm, respectively.

Rubber Up as Shanghai Futures Rally

TOKYO TOCOM futures climbed on Wednesday on the back of stronger Shanghai futures and a rally in global stock markets following dovish comments from the US Federal Reserve. The benchmark TOCOM rubber contract for November delivery finished 1.5%, higher at 195.0 yen per kg.

Fed Interest Rate Cut Bets Weaken Dollar

LONDON The dollar struggled near a seven-week low on Wednesday on rising expectations of a US central bank interest rate cut in response to trade conflict-related risks. The dollar index was flat at 97.059. It has fallen 1.3% from a more than two-year high of 98.371 touched on May 23.

Raw Sugar at Month's High on Good Basics

LONDON Raw sugar futures on ICE hit a one-month high on Wednesday as funds continued to cover short positions amid bullish technical signals. July raw sugar was up 0.08 cents, or 0.6%, to 12.50 cents per lb at 1414 GMT, after hitting a one-month high of 12.51 cents.

Monsoon Watch

The monsoon is now forecast to reach the Kerala coast around June 8

So far the monsoon has made very sluggish progress over the sea, and is a week late

The delay may be because of EL Niño, foreign forecasters say

Indian weather office expects almost normal rainfall this year

Northeastern India likely to get good rainfall in the next few days

CURRENT WEATHER AND FORECAST

Heat wave conditions persist in many parts of India

Churu in Rajasthan is the hottest place in India with 48 degress Celsius

The temperature in northern India to rise further after two days

Temperature in parts of northern and central India are up to 5 degrees above normal

Southern India will also continue to have above-normal temperature

G-20 EXPECTATIONS

'India to Grow 7.3% in 2019'

Our Bureau

New Delhi: A G-20 surveillance note expects India's economy to grow 7.3% in 2019 and 7.5% in 2020.

Ahead of the G-20 finance ministers' meeting on June 8 and 9, it said recent manufacturing indicators point to a tentative rebound in Asian and Latin American countries except India. The report was prepared by International Monetary Fund (IMF) staff but does not necessarily reflect the views of the IMF executive board.

"Global growth is projected to remain stable at around 3.6% but will rely on weights shifting toward countries with relatively higher growth rates mainly G-20 emerging markets such as China and India," the note said.

The April 2019 World Economic Outlook (WEO) revised projections for global growth to 3.3% in 2019, 0.4 percentage points lower than what was projected in the October 2018 WEO. Official data released last week showed the economy growing slower than expected to a 20-quarter low in January-March, dragging overall growth to a five-year low of 6.8% in FY19 — the first big challenge for the second Narendra Modi government.

High public debt and financing costs, volatile prices may weigh on some G-20 emerging economies

The statistics office had projected 7% growth in the second advance estimates released in February. Following on, the central bank is widely expected to cut interest rates on Thursday to bolster the flagging economy.

"While the rest of emerging Asia and Latin America mostly surprised on the downside in the first quarter on weak investment and exports, recent manufacturing indicators point to a tentative rebound (except in India)," the report showed. The note highlighted that emerging G-20 economies including India are facing more binding constraints on fiscal space, often against a backdrop of high public debt and, in some cases, sizable risk premia.

As per the report, for some G-20 emerging economies, high levels of public debt and financing costs along with volatile commodity prices could weigh on medium-term growth prospects and convergence toward advanced economies by constraining fiscal space and limiting investment opportunities.

However, the note showed that in India, reforms to hiring and dismissal regulations would help incentivize formal job creation. "Combined with an increase in female labor force participation, would help absorb the country's large demographic dividend," it added.

In commodity exporters, economic diversification remains essential for sustained strong growth. Since 2011-12, India's exports have been hovering at around $300 billion. During 2018-19, foreign shipments grew 9% to $331 billion.

RBI may Shun Sectoral Exceptions, Ease Timelines for Stressed Assets

Norms for Relief New circular on stressed assets is expected to be issued in 15-20 days

Sarita.Singh
@timesgroup.com

New Delhi: The Reserve Bank of India is not likely to announce special sectoral exceptions as demanded by the power, sugar, shipping and textile industries in its new circular on stressed assets.

The central bank may also ask resolution plans for stressed assets to be approved by 90% lenders in a consortium against 100% in the previous notification quashed by the Supreme Court. Industries have asked the limit to be set at 66% of lenders, in line with the provisions of the Insolvency and Bankruptcy Code.

However, the RBI is expected to raise the timeline for a project to be categorised as a stressed asset from one day default in the previous circular to 30 days of default.

With the new government in place, the new RBI circular is expected to be issued in the next 15-20 days as it has started informal consultations with the finance ministry. The circular will likely provide certain relaxations on timelines vis-à-vis the old February 12, 2018 circular, sources said.

"It will be difficult to give special treatment to one sector against the other, as it may lead to discontent and legal challenges. So far, there is no such consideration," said a government official aware of the development. "Senior RBI officials had met former finance minister Arun Jaitley and senior finance ministry officials immediately after Lok Sabha elections results. The regulator was waiting for the new government as it is keen to have all stakeholders on board before a new notification."

The previous circular required banks to obtain approval of 100% lenders in a consortium for a resolution plan. This was considered the most stringent requirement as lenders were unable to get all creditors on board for a resolution scheme. Resolution plans of most projects have been stuck for want of 100% consent from lenders.

The circular also required banks to classify projects as stressed assets upon single day of default and mandated them to refer to bankruptcy court in case a resolution was not arrived at in 180 days.

A top official with one of the state-run banks said since the Supreme Court quashed the previous circular, the RBI might look at incentivising lenders through favourable provisioning norms for winding up resolution process with new or existing promotors.

The RBI will announce its second bi-monthly monetary policy for 2019-20 on Thursday and is widely expected to cut the benchmark interest rate by about 25 basis points. A statement on the stressed assets circular is also expected.

NTPC-SJVN-NHPC Merger, GAIL Split First Up in PSU Rejig

New deals in line with successful experience in ONGC-HPCL and PFC-REC restructuring

Dheeraj.Tiwari
@timesgroup.com

New Delhi: India has begun work on restructuring state-run companies and on the immediate agenda is the bifurcation of GAIL (India) into marketing and transportation units — one of them to be sold — and a three-way merger of power generation firms NTPC, SJVN and NHPC.

"We are looking at various combinations," said a finance ministry official aware of the developments. Indian Oil Corp (IOC), the state-owned refiner, had evinced interest in natural gas processing and distribution firm GAIL last year, and may be a potential buyer, the official said. IOC is the second-biggest gas marketer in India, after GAIL.

The government holds 52.64% in GAIL, which has a market capitalisation of ₹80,844 crore.

"In the past, the petroleum ministry had some reservations... we expect to iron out these issues this time," the official said, adding that the government could raise about ₹30,000 crore from a stake sale in such an exercise.

In a similar transaction last fiscal, the government sold its entire stake in REC, formerly Rural Electrification Corp, to state-run Power Finance Corp for ₹14,500 crore. Oil & Natural Gas Corp, India's biggest exploration company, bought the government's entire stake in refiner Hindustan Petroleum Corp for ₹36,915 crore.

The government has set a disinvestment target of ₹90,000 crore for the current financial year. It raised ₹84,972.16 crore in 2018-19 against a target of ₹80,000 crore.

The other plan being considered is the merger of NTPC, NHPC and SJVN. NTPC, the country's largest power generator, may eventually becoming a holding company. The official said one option is for NHPC to buy out the government's stake in SJVN and at a later stage, become a holding company for both utilities.

The government's 61.93% in SJVN is valued at about ₹6,000 crore at current market price. It holds 73.33% in NHPC, which has a market capitalisation of ₹25,597 crore.

Another government official said an alternative could be NTPC buying out the Centre's entire stake in SJVN while NHPC takes over North Eastern Electric Power Corp, making it a strong portfolio of hydropower firms.

"These are being discussed," the second official said, adding that the proposals will be taken up by the new ministerial committee that will oversee mergers and stake sales once the panel is notified.

Experts said the government should focus on strategic sales.

"Rather than raid the cash reserves of CPSEs, the government should look to sell non-strategic companies to the private sector or opt for golden share and sell the rest," said MP Shorawala, a former independent director with Container Corp of India.

New Look for CPSEs

Gail (India) may be bifurcated – one part sold to IOC

Govt expects to raise **₹30,000 crore** from deal

NTPC may be holding co after NTPC, NHPC, SJVN merger

Stake sale in SJVN alone may fetch **₹6,000 crore**

Polls Slow Services Growth to 1-yr Low

Sluggish business inflow drags PMI down to 50.2 in May

Our Bureau

New Delhi: India's services sector recorded the slowest growth in 12 months in May as elections hit fresh deals, a private survey showed on Wednesday. The Nikkei India Service Performance Manager's Index slipped to 50.2 in May from 51 a month ago.

Business inflow at service providers was slowest in eight months. "India's dominant service economy again suffered the impact of election disruptions, with growth of both new work and business activity softening for the third straight month," said Polyanna De Lima, principal economist at IHS Markit, and author of the report.

Services sector output rose 12.2% in FY18, according to growth numbers released by the government last week. Output of utilities and construction sectors, however, dipped 3.1% and 7.4%, respectively, in the fourth quarter.

Manufacturing fared better in May with a score of 52.7 — up from 51.8 in April — as new order growth took the index for overall private sector growth to 51.7 — on a par with the previous month.

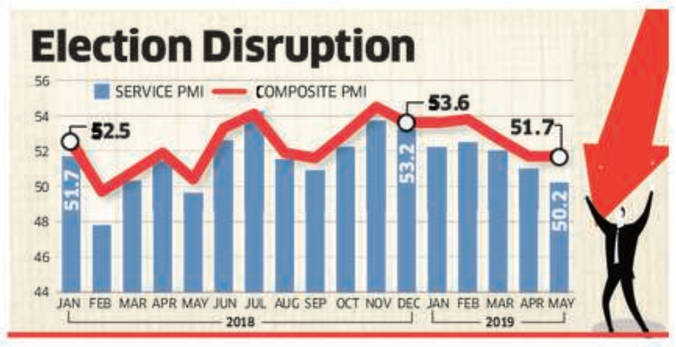
The economy grew slower than expected at a 20-quarter low in January-March due to slow growth in manufacturing and agriculture, dragging the overall growth to a five-year low in FY19 to 6.8%.

UPBEAT HIRING, REVIVAL LIKELY

The report showed sectoral hiring picked up in May as companies became more confident about prospects. "Signs that we may see a revival in services in the near term were, however, evidenced by a pick-up in hiring activity and improved sentiment," said De Lima.

Services exports grew at the fastest rate in 11 months in the third consecutive month of expansion. "Optimism was largely linked to predictions of an improvement in underlying demand, favourable public policies and planned marketing. Though up from April, the level of positive sentiment was below its long-run average," the report said. While some companies indicated that successful marketing boosted demand, others said competitive conditions and disruptions from elections prevented them from securing new work.

Employment in the services sector continued to grow in all five broad services.



Customs, I-T Depts Work Closer to Vet MNC Transfer Pricing

MNCs would file separate transfer pricing positions for taxation and for int'l trade, thereby getting away with info arbitrage in some cases

Sachin.Dave
@timesgroup.com

Mumbai: The days of information arbitrage may just be over for many companies. The special valuation branch of the customs department is scrutinising transfer pricing methodologies of several multinationals, with a view to reconcile their tax and import-export submissions.

Until now, MNCs used to file separate transfer pricing positions to both departments — one for taxation purpose and the other for international trade.

Since the two departments wouldn't share data with each other, firms could get away with information arbitrage in some cases, said people aware of the matter.

Transfer price is basically a price charged by a unit or division of a company to another. Rules suggest that there has to be an 'arm's length' while fixing this price so that it's not too low or too high than the existing open market price. Tax officers can question and demand tax in case they suspect that companies are escaping taxes. The customs department also has its own valuation mechanism, whereby it checks the price of imports and exports to subsidiaries outside India. "Collaboration between the customs and income tax department was initiated a few years ago; it's only recently that we have seen that data and information provided by businesses to one is being used by the other more frequently," said Pratik Jain, partner and national leader, indirect taxation, at PwC India.

Transfer price is basically a price charged by a subsidiary or division of a firm to another

Tax experts said often the objective of the customs department was to challenge the arm's length pricing and check if firms were underquoting prices. For the tax department, it is to see if the arm's length price quoted by a company was high and if it should be lower.

Arm's length pricing usually is an industry average price at which companies buy and sell goods.

For the first time in 2016, the customs department sought details from MNCs about their transfer pricing positions with the tax department. While no notices have been issued so far, that could happen in some cases in the coming months, said industry trackers.

"Customs circulars (on valuation) issued in early 2016 mandate submission of transfer pricing reports apart from other relevant valuation-related information. Given that the methodology under both laws for a given transaction could be different, this could be an area of disconnect from an SVB (special valuation branch) proceedings standpoint," said Suresh Nair, partner at EY India.

In some cases, according to MNC executives, the transfer pricing figures would be different for genuine reasons. "The transfer pricing for customs is a subjected matter of the logistics department in a company. While the finance or the tax team looks at transfer pricing for taxation, often these two departments don't talk to each other in a company," said a senior financial executive at a multinational firm.

WB Keeps India's Growth Rate at 7.5%

Growth will be backed by robust investment, private consumption

PTI

Washington: India's economy is projected to grow at 7.5% in the next three years, supported by robust investment and private consumption, the World Bank has forecast, in some good news to the new Indian government. The bank in its Global Economic Prospects released Tuesday said that India is estimated to have grown 7.2% in fiscal year 2018/19, which ended March 31.

India will remain fastest growing emerging economy & by 2021, its growth rate is projected to be 1.5% more than China's 6%

A slowdown in government consumption was offset by solid investment, which benefited from public infrastructure spending. As against a growth rate of 6.6% in 2018, China's growth rate in 2019 is projected to drop to 6.2% and then subsequently to 6.1% in 2020 and 6% in 2021, the World Bank said. With this, India will continue to retain the position of being the fastest growing emerging economy. By 2021, its growth rate is projected to be 1.5% more than China's 6%. The World Bank's report came as a good news for India days after Data from Central Statistics Office showed that India's economic growth slowed to a five-year low of 5.8% in fourth quarter of 2018-19, pushing the country behind China. This has been attributed to a steep fall in agriculture and manufacturing growth.

According to the World Bank, "Private consumption and investment will benefit from strengthening credit growth amid more accommodative monetary policy, with inflation having fallen below Reserve Bank of India's target."

Support from delays in planned fiscal consolidation at the central level should partially offset the effects of political uncertainty around elections in FY2018/19, it said. The World Bank said India's urban consumption was supported by a pickup in credit growth, whereas rural consumption was hindered by soft agricultural prices.

Punish, to Reform And Not Cripple

Ban errant audit partners, fine their firms

Audit firms in India are convulsing from a bitter dose of their own medicine: audit of their own conduct has brought out serious deficiencies that have resulted in harsh penalties. It is necessary to strike a balance between penalising misconduct that undermines the very purpose of statutory audit and disrupting the activity of auditing large companies in India. Rather than ban a firm in its entirety, it would be a better idea to ban, for a period extending from a year to life, depending on the severity of the lapse, the partner directly involved in the lapse, and to penalise the firm with a steep monetary levy. At the same time, it makes sense to address some systemic issues that have a bearing on corporate governance.

The Big Four audit firms are a bugbear for smaller but professionally no less competent Indian firms. But the fact remains that for globalising India, having these firms capable of offering multiple business services with global networks and a degree of global trust is an asset. No firm should be allowed to feel that it is above local regulation. The full weight of the authority of local regulation must be imprinted on Big Four's collective psyche, and, equally, on other members of the audit profession in the country. The reality is that the way India's business and politics are run demands generation of unaccounted money by companies. An estimate of expenditure in the recently concluded elections has come up with a figure of ₹60,000 crore. Since a portion of the money that is collected by politicians has a habit of sticking to their persons while being transmitted to their parties, the funds collected for the elections can be put at ₹1,00,000 crore. About 3% is accounted for. The rest comes off the books of companies — all duly authenticated by auditors. Making political funding open and transparent is a precondition for audit to become truly rigorous.

While that clean-up is on, the new National Financial Reporting Authority must crack the whip and make it clear that missteps would be punished. Penalty must reform, not cripple, the profession, however.

Welcome Integration of Water Management

It is welcome that the new government has walked the talk and set up the integrated Jal Shakti ministry, reorganising Water Resources, River Development and Ganga Rejuvenation bodies, and merging them with Drinking Water and Sanitation, to provide much-needed policy focus and coordination. Notably, Jal Shakti minister Gajendra Singh Shekhawat has announced that the Centre intends to provide piped drinking water to all households nationwide. Implemented, that would be transformative, given that an estimated 600 million people face high-to-extreme water stress, as per NITI Aayog.

Shockingly, 75% of households do not have drinking water on their premise, and 84% of rural households lack access to piped water supply. It is the hitherto missing link in the Swachh Bharat Abhiyan, so that household toilets are actually used as intended. The Jal Shakti ministry needs to be empowered to coordinate policy with the ministry of agriculture, which accounts for some 80% of water demand. The way forward is to systematically link cropping patterns to agro-climatic zones, and not encourage water-guzzling crops in drier regions with glaring policy distortions like free power. There is also the pressing need to bridge the rising gap between irrigation potential and its actual realisation, and widely diffuse sprinklers and micro-irrigation systems.

Besides, we need decentralised systems with participatory management by panchayats for effective rural piped water networks. Relying, instead, on a large irrigation bureaucracy would make it both high-cost and quite dysfunctional. Further, only a tiny number of urban areas nationally have both sewage systems and sewerage treatment plants, which clearly needs improving with stepped-up resource allocation.

Gargantuan garbage dumps should become mandatory tourist destinations

Raising a Stink About Wastefulness

It is entirely befitting that the news of Delhi's Ghazipur landfill at 63 metres being poised to equal the Taj Mahal and Qutab Minar (both 73 metres) in height by 2020 came on World Environment Day. Indeed, given the landfill is already taller than most of Delhi's popular monuments, including Red Fort and Humayun's Tomb, there is a case for it to become a must-visit spot in the capital, not only for tourists but locals as well. There is nothing quite like the sight of a miasmic, malodorous mountain of Delhi's detritus to raise a stink about how much rubbish humans generate, often unthinkingly. Moreover, since all nations have huge garbage dump sites, no visitor can feel smug or condescending when looking at India's largest landfills at places like Ghazipur and Deonar in Mumbai's eastern suburb.

It's significant that 7 years after a design by a Taiwanese architect for an energy generating 'Vertical Landfill'—to remind us of the outrageous amount of waste that humans produce—got only third prize at a prestigious international contest, in 2019 the winner was a Serbian student's futuristic 'Methanescraper'. Hopefully, his not-unsimilar idea of a skyscraper in which organic matter placed in modular containers would decompose and generate methane to be stored in giant vats and turned into power will not be trashed as well.

BUDGET 2019 Finance minister Nirmala Sitharaman needs to be audacious on July 5

Debuting in Tough Times

Omkar Goswami

Madam Finance Minister,

Congratulations on taking charge of a critical portfolio. I wish it would have come at a better time.

Tabling a Union Budget a month and some days after taking over is difficult. It will deprive you of the time needed to fashion a fiscal framework as you contemplate hundreds of proposals that your senior bureaucrats shall table for your consideration. Your predecessor faced the same problem in 2014 — leading to him present a directionless first Budget replete with small allocations across various programmes without any overarching fiscal purpose.

Moreover, your first Budget will be presented under a grim scenario. India's GDP growth has slipped to a 20-quarter low of 5.8% in January-March 2019. The growth rate for 2018-19 has dropped to 6.8%. Add to that an unemployment rate of 6.1%, which is at a 45-year high.

Don't presume any immediate growth uptick across Asia's emerging markets. China's growth is shrinking. Going by our corporate results for 2018-19, India will also see a downturn in growth over the first two quarters of this fiscal year, especially if we face a drought. While crude oil prices aren't necessarily firming up, don't anticipate a large dip, given growing tensions in the Persian Gulf. So, expect a current account deficit (CAD) exceeding 2.5% of GDP.

In such a challenging milieu, here are some suggestions that you might wish to consider.

First, your government has a superbly efficient minister for road transport in Nitin Gadkari. Significant road construction — be it national and state highways, village or urban roads — is a must for the economy. It is also the largest employment creator. You should increase this budgetary outlay. Ask Gadkari how much he can execute between July 2019 and March 2020 and a quarter thereafter; what additional expenditure he needs; and earmark that in your Budget.

More Than Loose Change

Second, given agrarian distress, you must allocate more under three major heads. The interim Budget earmarked ₹75,000 crore for Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), the scheme that aims to give ₹6,000 per person per year to 12 crore small and marginal farmers. You should raise that to ₹1,00,000 crore and increase the coverage of farmers. And ensure that at least two-thirds of this is distributed by December 2019.

The interim Budget allocated ₹60,000 crore under the National Rural Employment Guarantee Act (NREGA). 2019-20 and 2020-21 will be the years to significantly step up on the scheme — to give the poor much-needed money and also create an upsurge of rural employment. Raise NREGA allocation to ₹1,00,000 crore.

You might need to increase the food subsidy, which has been pegged at ₹1,84,220 crore. With the threat of drought and rural hardship, push that to ₹2,00,000 crore. Hopefully, you won't spend all of it.

Now for her to talk the walk

PTI

Third, tone down the tax revenue estimates. A sputtering economy cannot generate 13.5% increase in gross tax revenue as anticipated in the interim Budget; or a 13% hike in corporate tax collections; a 17% rise in personal income-tax receipts; or an 18% growth in goods and services tax (GST). Pare these down to a growth rate averaging 10% — 6% on account of real GDP growth and 4% due to inflation. Thus, peg gross tax revenue to about ₹24,73,000 crore, instead of ₹25,52,131 crore in the interim Budget.

That will increase the fiscal deficit. Thus my fourth point. Part of the hole can be plugged by a systematic focus on divestment. This is where NDA-1, as well as the UPA governments, have failed miserably. It is high time that real efforts are made in this area.

Let me give you an example of the potential. A bankrupt textile unit of the United India Mills has an enormous property on Caddell Road in Mumbai, covering a massive block from the road to the sea. Nobody works there. All you have are rusted equipment, cobwebs and a sea-facing guesthouse for lord knows what. If you, along with your colleague Smriti Irani, put that on the block, the government should get a huge chunk of revenue.

There are dozens of such examples. Just press the accelerator on divestment. And, as a starter, raise disinvestment receipts from ₹90,000 crore to at least ₹1,50,000 crore.

Greater divestment alone won't plug the gap. My fifth point is that you should consider giving the fiscal deficit target of 3.4% of GDP a miss for a year. Don't get misled by fiscal purists, or your bureaucrats. We badly need to reflate the economy.

Kind Cut

There is a French phrase, 'L'audace, l'audace, toujours l'audace' (Audacity, audacity, always audacity). It is that which made John Maynard Keynes what he was. Adopt it.

Finally, don't expect a rate cut or two by the Reserve Bank of India (RBI) to lift the economy. Rate cuts may be necessary, but hardly sufficient. Count such rate cuts taken by the Bank of Japan and see what good it did to growth. Ditto the euro zone.

Come July 5, I hope you will succeed.

Tone down the tax revenue estimates. A sputtering economy cannot generate 13.5% increase in gross tax revenue as anticipated in the interim Budget

WIT & WISDOM

"I intend to live forever. So far, so good."

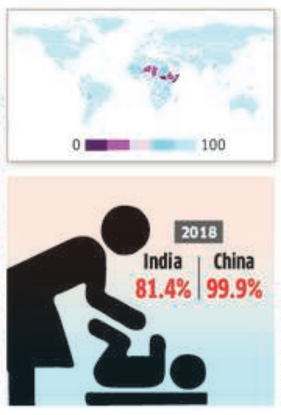
Steven Wright
Comedian

Ensuring Safe Delivery

Although global coverage of skilled birth attendance has shown impressive gains in recent years, wide gaps in coverage across countries persist. The lowest coverage levels tend to be in the poorest countries where maternal mortality levels are highest...

Percentage of births assisted by a skilled attendant, by country

Region	2000	2018
West and Central Africa	44	57
Eastern & Southern Africa	39	62
Middle East & N Africa	74	89
South Asia	36	77
East Asia and the Pacific	85	96
Western Europe	99	99
Eastern Europe & C Asia	95	99
LatAm & the Caribbean	88	94
North America	99	99
GLOBAL	62	81



Source: Unicef/WHO

Bell Curves ■ R Prasad

If a jug fills drop by drop, isn't it wiser to replace the philosopher with a plumber?

FOREIGN POLICY

Catching Easterly Winds

Harsh V Pant

Shunning a long-standing norm of appointing a political heavyweight to this important post, Prime Minister Narendra Modi has inducted former foreign secretary, S Jaishankar, as external affairs minister. In Modi's first term, Jaishankar was instrumental in operationalising the PM's foreign policy vision into actionable policy. He was not only foreign secretary from January 2015 to January 2018, but he was also India's longest-serving envoy in Beijing and ambassador to the US. He was key to the successful conclusion of the India-US civil nuclear deal led by Prime Minister Manmohan Singh.

Modi appointed Jaishankar as foreign secretary in 2015 replacing Sujatha Singh, who was removed six months before her term ended. Jaishankar worked with another key person in the PM's team, National Security Adviser Ajit Doval. Jaishankar was key to resolving the 73-day long Dokalam crisis between India and China in 2017. He also effectively articulated Modi's ambition to see India as a leading power, rather than a balancing one, which proactively shapes global norms.

With this appointment, Modi is making it clear that foreign policy will be a key priority of his government, especially at a time when the escalating US-China trade and technology conflict is upending long-held assumptions about the global order, and when there is a danger of India-US ties hitting a rough patch over growing disagreements on trade-related issues.

Jaishankar's entry into the Cabinet also reflects Modi's desire to continue with his significant foreign policy outreach he initiated in his first term. In continuation with it, the invitation to leaders of Bimstec (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) member States to attend his government's swearing-in last weekend underscores Modi's resolve to redefine the manner in which India imagines its strategic periphery.

Bimstec has been gaining salience in the Indian foreign policy imagination over the last few years. More than two decades old, it initially started off as Bist-ec (Bangladesh, India, Sri Lanka and Thailand Economic Cooperation) in 1997, and came into its own in 2004 — after Myanmar joined it later in 1997, and Nepal and Bhutan in 2004. Covering almost 21% of the world's population and a combined GDP of more than $2.5 trillion, few had heard of Bimstec before Modi made it central to his regional outreach.

If Modi had started off his first term by inviting Saarc (South Asian Association for Regional Cooperation) member States to his government's inauguration ceremony, with the Bimstec outreach, he signalled that he had learnt his lesson about engaging with Pakistan.

When Pakistani Prime Minister Imran Khan had called Modi after his electoral victory, Modi had responded by suggesting that "creating trust and an environment free of violence and terrorism were essential for fostering cooperation for peace, progress and prosperity in our region". The message could not have been clearer — New Delhi would only respond to Pakistani overtures if it sees substantive shifts in Islamabad's policy on terrorism.

In the foreground

PTI

Highlighting Bimstec also underlines India's desire to make its eastern frontier the locus of its foreign policy outreach. In this reading, the Bay of Bengal becomes a connector between India and its eastern neighbours, linking India not only to its traditional South Asian partners like Bangladesh, Bhutan, Nepal and Sri Lanka, but also out to Southeast Asia via Myanmar and Thailand.

India's strategic neighbourhood is being reconstructed by ignoring the tantrums of Pakistan on the west and by engaging East and Southeast Asia. This situates the Bay of Bengal at the very heart of the emerging geopolitics of the wider Indo-Pacific.

From his first term, Modi had indicated that he did not view Saarc as central to enhancing regional connectivity. At the Saarc summit in Kathmandu in 2014, Modi had suggested that opportunities for regional cooperation must be realised "through Saarc or outside it" and "among us all or some of us". When his initial outreach to Pakistan failed to yield any substantive change in Pakistan's policy, his administration went all out to emphasise the importance of Bimstec for Indian foreign policy.

There was even an outreach summit with Bimstec on the sidelines of the Brics (Brazil, Russia, India, China, South Africa) summit in Goa in 2016. This led to some member States lending support to India's call for a boycott of the Saarc summit scheduled in Islamabad in November 2016, after India blamed Pakistan for terror attacks in Kashmir in September 2016. Since then, the Saarc process has largely been ignored by India, and Bimstec has become the platform for highlighting New Delhi's 'Neighbourhood First' and 'Act East' policies.

As Modi starts his second term, he couldn't have done better than entrust Jaishankar with the important task of taking the foreign policy outlined in his first term to its logical conclusion.

The writer is professor, international relations, Department of Defence Studies, King's College London, UK

Citings

New Asian Drama

PARAG KHANNA

The future is Asian because demographically, the world is already Asian. More than 50% of the world population lives in Asia. As the world population plateaus — somewhere around, but perhaps less than, 10 billion people — we will never live in a world where the majority of the world population is not Asians in Asia. We need to get used to that fact.

Then there's the economy. Especially if you measure in PPP [purchasing-power parity] terms, but even if you don't, you have 35-40% of the global economy centred on the Asian realm. Third, Asia is 'Asianising'. These major Asian economic powers, and also the major markets to which Western companies want to export and do business in, are already trading more with each other than they are with the rest of the world. These major Asian economic powers, and also the major markets to which Western companies want to export and do business in, are already trading more with each other than they are with the rest of the world. If you want to be a successful global company, you cannot make the statement 'I am a successful global company' unless you are a big deal in Asia. It's the present that's already Asian, based on that data. For 500 years prior to 1990, Asia was more or less divided — or getting divided — by colonial powers and by the Cold War.... While we've been paying attention to a lot of other things, whether it's the war on terror or whatever the case may be, the fact is that Asia has been very steadily, very diligently integrating.

From "Asia's Future: More Than a China Story"

THE SPEAKING TREE

A Beautiful Place

SRI SRI RAVI SHANKAR

When there is alertness and presence of mind, your life improves. For this, you need to cultivate the habit of listening. When you are listening to somebody, the speaker's very first sentence triggers some conversation within you. You are constantly agreeing or disagreeing with the speaker. Have you ever wondered whether you can listen without any thoughts or preconceived notions? To cultivate the habit of listening, you have to 'go' to a place where everything is beautiful.

Where is the place? That most beautiful place is within you! When you come to this place, then any place is beautiful. Then, wherever you go, you add beauty there.

Learning something about our breath is very important. Our breath has a great lesson to teach us: for every rhythm in the mind, there is a corresponding rhythm in the breath, for every rhythm in the breath, there is a corresponding emotion. So, when you cannot handle your mind directly, you can handle the mind through breath. The first thing we did when we came to this planet is that we took a deep breath and then we started to cry. The last thing we will be doing: we'll breathe out and make other cry. In between, the whole life, we are breathing in and out, but, we have learnt very little about our breath.

We need to learn a little bit about our breath. We need to know a little bit about all the layers of our existence: body, breath, mind, intellect, memory, ego and the self. This is what I call Art of Living, learning a little bit about ourselves, the seven layers of our life.

Chat Room

After Pledges, No Action

Apropos the Edit, 'No 1 in Air Pollution No Badge of Honour' (Jun 5), we talk about reducing pollution and planting more trees on World Environment Day, and then conveniently forget this issue. We do need to make behavioural changes as a society but tackling the problem also requires strong political will from our government. Since the improvement will be gradual, we will have to show perseverance. Using public transport is a small step in that direction.

BAL GOVIND
Noida

Bashing the Bhashas

This refers to the Edit, 'Hindi Would Spread Faster Minus Force' (Jun 4). The holy language cow has reared its head again because we treat language as a political tool rather than as a means of communication. Those in the south have no objection to learning Hindi — the objection is against compulsion and it being given the status of national language. North Indians too should learn one of the Dravidian languages. The medium of instruction should be that language that will make the Indian child nationally and internationally competitive. Steven Pinker, in The Language Instinct, said that till the age of about 10, children can easily pick up spoken language. After that, one has to 'learn' it, which is more difficult. So, children can pick up four more languages (speaking only) before they are 10.

The four languages should be Hindi, state language and two foreign languages. If state language is same as mother tongue, then the child should learn another language. Follow this order: first speaking, then reading, and last writing. Hence, by the time the child is 10, (s)he will be fluent in 4-5 languages. As long as the 'teaching' and exams are oral, children will have no problems. Do this and languages will be fun, remain means of communication, not political or academic subjects where you have to pass a stupid exam.

T R RAMASWAMI
Mumbai

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

QUICK HITS

Mitsubishi in Talks to Buy Bombardier's Regional-Jet Business

Montreal: Mitsubishi Heavy Industries said on Wednesday it is holding talks to buy Bombardier Inc's regional jet programe, in a deal that would shake up the market for narrowbody jets with fewer than 100 seats. Mitsubishi Heavy, which is working to break into aviation with the launch of its own regional jet programme, told Reuters by email that it was in discussions but that no decision had been made. Bombardier also confirmed that it was in discussions with Mitsubishi Heavy but did not give any details. Reuters

Family of Slain Chicago Cab Driver Sues Uber

Chicago: The family of a Chicago cab driver who died after being hurt in a fight with a ride-sharing driver is suing Uber. Fangqui Lu is wanted on a murder warrant in the September death of Anis Tungekar. Authorities say the 64-year-old Tungekar was injured two days before his death by Lu, who worked for Uber. Lu is believed to be in China. Tungekar's family seeks $10 million in a lawsuit filed Tuesday. Family attorney Michael Gallagher says Uber knowingly allowed a violent individual to operate as one of its drivers. Uber declined comment. AP

Cardinal Pell Appeals Child Sex Convictions

Melbourne: The most senior Catholic found guilty of child sex abuse has begun his appeal in an Australian court against his convictions of molesting two choirboys in a cathedral more than 20 years ago. Australian Cardinal George Pell appeared in the Victoria state Court of Appeal in person wearing a cleric's collar for the hearing that is set to be heard by three judges on Wednesday and Thursday. The 77-year-old was not required to come to court. He has been in a Melbourne prison since he was sentenced in March to six years in prison. AP

S Korea Approves $8 M in Aid for Hungry North

Seoul: South Korea approved $8 million in humanitarian aid for the impoverished North on Wednesday, authorities said, with negotiations over Pyongyang's nuclear arsenal deadlocked and inter-Korean relations at a standstill. It will be the first such aid Seoul has provided Pyongyang since 2015 and follows the North's lowest recorded harvest for a decade, according to the UN. The donation comes as President Moon Jae-in seeks to salvage diplomacy between Pyongyang and Washington following the breakdown of the Hanoi summit. AFP

Trump Says There's a 'Chance' of Military Action Against Iran

However he would prefer to engage verbally with Iranian President Hassan Rouhani

Washington: President Donald Trump said there's "always a chance" of the US taking military action in Iran, though he'd prefer to engage verbally with Iranian President Hassan Rouhani.

"I'd rather not, but there is always a chance," Trump said when asked about the prospect of conflict in an interview on ITV's Good Morning Britain. "I'd much rather talk."

The comments come amid heightened tension between the two countries, after Trump blamed the Islamic Republic for recent violence in the Middle East and ordered 1,500 US troops to the region last month. The small deployment indicated that Trump's administration wants to avoid fuelling fears of another war, though the president made it clear it wasn't off the table entirely.

Trump said "of course" he'd be willing to talk to Rouhani, pointing out that the Iranian president had himself said he wasn't looking for conflict with the US. "The only thing is we can't let them have nuclear weapons," Trump said.

Pentagon officials believe Iran was behind recent attacks on oil tankers, a Saudi oil pipeline and the Green Zone diplomatic compound in Bagdhad, though the US hasn't published evidence for the claims.

The United Arab Emirates and other countries are investigating the attacks on the ships, Saudi Arabian Foreign Affairs Minister Adel Al-Jubeir said last month.

"The Americans need to stay away," Iranian Supreme Leader Ayatollah Ali Khamenei said on Tuesday. "Where they've gone there's been war, killings, sedition, and humiliation," he said, adding: "If they get close, we know how to act, we know what needs to be done." Bloomberg

(L-R) Prince Charles, Queen Elizabeth II, US President Donald Trump and US First Lady Melania Trump watch a fly past during an event to commemorate the 75th anniversary of the D-Day landings, in Portsmouth, England

US Govt Bans Cruises to Cuba

Havana: The Trump administration banned cruises to Cuba under new restrictions on US travel to the Caribbean island imposed on Tuesday to pressure its Communist government to reform and stop supporting Venezuelan President Nicolas Maduro. The tightening of the decades-old US embargo on Cuba will further wound its crippled economy, as well as hurt US travel companies that had built up Cuban business during the brief 2014-2016 detente between the old Cold War foes. The State Department said the US will no longer permit visits to Cuba via passenger and recreational vessels, including cruise ships and yachts. The US Commerce Department said the ban would be effective from Wednesday, giving cruise lines no grace period to change destinations and creating confusion among cruise passengers. Reuters

Volkswagen to Trim as Many as 4,000 Jobs Amid Digital Overhaul

Frankfurt: Volkswagen AG's main car brand will let lapse as many as 4,000 general and administrative jobs while adding at least 2,000 IT positions over the next four years, avoiding layoffs at its German factories as it negotiates a major shift toward electrification and self-driving cars.

The move, brokered with VW's powerful unions, includes job guarantees through 2029, the manufacturer said on Wednesday in a statement. The brand will rely on partial retirement and attrition to help reach targeted staff reductions as it culls models and focuses on new technologies that require fewer factory workers.

With earlier job cuts, VW is on track with a plan announced in March to improve profit by 5.9 billion euros ($6.7 billion) a year, the unit's chief operating officer, Ralf Brandstaetter, said in the statement. "We are making the company fit for the digital age in a sustainable way."

The prospect of deeper cutbacks had alarmed VW's union leaders as manufacturers wrestle with the transformation of sprawling industrial operations. App-based services like ride-sharing and car-sharing are already threatening the industry's traditional business model of individual car ownership — a trend that may accelerate once self-driving vehicles reach critical mass — and electric cars require fewer parts and workers for assembly.

The extended job guarantee is "an important signal," VW works council chief Bernd Osterloh said in Wolfsburg, near the company's headquarters. VW signed a broader labour pact in 2016 to cull 30,000 jobs worldwide, with Germany accounting for 23,000, to generate about 3 billion euros in annual savings. Bloomberg

Sudan Protesters Reject Generals' Call for Talks; Toll Rises to 60

Khartoum: Sudanese protest leaders dismissed a call on Wednesday for talks with the ruling generals, saying the military cannot be serious about negotiations while troops keep shooting and killing protesters. The military's violent crackdown has already claimed 60 lives this week.

A spokesman for the protesters said they would instead continue their pro-democracy campaign to pressure the military to hand over power to a civilian authority.

Earlier Wednesday, the head of the military council, Gen. Abdel-Fattah Burhan, said the generals were ready to resume negotiations and that there would be "no restrictions" in talks with the leaders behind the months-long street protests.

A spokesman for the protesters said they would instead continue their pro-democracy campaign to pressure the military to hand over power to a civilian authority

"We open our hands to negotiations with all parties ... for the interest of the nation," Burhan said, adding that those responsible for the violent beak-up of the demonstrators' sit-in in Khartoum would be held accountable.

The motives for Burhan's about-face — if sincere — were not immediately clear. Burhan had earlier cut the negotiations and cancelled all agreed-on points between the military and the Forces for Declaration of Freedom and Change, an alliance which represents the protesters. AP

First FedEx, Now Ford: China Clamps Down on US Companies in Trade War

Beijing: China fined Ford Motor Co's main joint venture in the country for antitrust violations, marking the latest action toward a US company as tensions between the two nations escalate.

Changan Ford Automobile Co will be fined 162.8 million yuan ($23.6 million) for restricting retailers' sale prices in the southwestern city of Chongqing since 2013, according to a statement on the State Administration for Market Regulation's website. The fine amount is equivalent to 4% of Changan Ford's annual sales in Chongqing.

The announcement comes just days after China said that it's investigating FedEx Corp. for "wrongful" deliveries, a move framed by the state news agency as a warning by Beijing after the Trump administration declared a ban on business with telecommunications giant Huawei Technologies. China has also threatened to blacklist foreign firms that damage domestic companies' interests and on Tuesday warned its citizens against travel to the US.

Though China didn't spell out any links between the fine and the US tensions, "it's hard to see it as not related," said Andrew Polk, co-founder of research firm Trivium China in Beijing. "At this stage I think our baseline assumption should be that there are no coincidences." Bloomberg

IMF Cuts China's GDP Forecast to 6.2%

Beijing: The International Monetary Fund on Wednesday said it was lowering China's economic growth forecast for 2019 and 2020, citing "uncertainty" over the trade war between Beijing and Washington. The world's second-largest economy is expected to rise by 6.2% this year and 6% in the next, the IMF said, down from previous forecasts of 6.3% and 6.1%, respectively.

"Everybody loses in a proactive trade war. If trade is threatened, if trade is damaged, growth will suffer," Kenneth Kang, deputy director of the IMF's Asia and Pacific department, said at a press conference in Beijing to present the findings of a visit to China. AFP

10% Drop in H-1B Visa Approvals in 2018: US

Washington: There was a sharp 10% decline in the approval of H-1B visas by the US in the fiscal year 2018 which experts attributed to the "aggressive" policies of the Trump administration to clamp down on the use of the work visa programme, popular among highly-skilled Indian IT professionals.

The H-1B visa is a non-immigrant visa that allows US companies to employ foreign workers in speciality occupations that require theoretical or technical expertise. The US Citizenship and Immigration Services (USCIS) approved 335,000 H-1B visas, which included both new and renewable, in the fiscal year 2018.

This was 10% less from 373,400 in the previous fiscal year of 2017, according to the USCIS's annual statistical report. The approval rate of H-1B declined from 93% in 2017 to 85% in 2018.

"This administration has aggressively pursued strategies to clamp down on use of the H-1B programme, and these efforts are now showing in the data," Migration Policy Institute analyst Sarah Pierce was quoted as saying by The Mercury News.

The US Citizenship and Immigration Services approved 335,000 H-1B visas, which included both new and renewable in 2018

The daily said for the first six months of this fiscal year, the overall H-1B approval rate for new and continuing visas continued to plummet to 79% by the end of March, down from 85% last year.

The Trump administration has tightened the noose on firms violating H-1B visa rules. President Donald Trump has himself accused many IT companies of abusing the work visas to deny jobs to American workers. PTI

UN Chief Weighed Selling NY Residence to Ease Budget Crisis

Antonio Guterres

New York: UN secretary-general Antonio Guterres told world diplomats on Tuesday that he considered selling his Manhattan townhouse to help the global body overcome a crippling budget crisis.

Guterres put forward proposals to address a $1.5 billion shortfall in the UN peacekeeping budget and a $492 million hole in its regular budget from unpaid contributions by member-states.

"The first thing I did when I arrived was to ask if I could sell the residence," said Guterres, who became secretary-general in January 2017. "I'm not joking. It's a true story," he told a UN budget committee.

The UN chief's residence in midtown Manhattan is a four-story townhouse with a garden overlooking the East River, located in the posh Sutton neighbourhood – and estimated to be worth tens of millions of dollars.

Guterres said he quickly discovered that he did not have the authority to sell the residence under UN agreements with the United States, the host government of the United Nations. But the attempt highlighted the severe restrictions placed on the United Nations as it tries to manage its assets and revenue flows.

Guterres described UN finances as "critical" and said that even if all countries paid their contributions on time and in full, the United Nations would still face cash problems towards the end of the year.

The United States, which is the top financial contributor to UN peacekeeping, also owes the biggest amount at $852 million, followed by Brazil, Japan, Venezuela, Saudi Arabia and Argentina, according to UN officials.

President Donald Trump's administration announced in December that it would cap its contribution to the UN's multi-billion-dollar peacekeeping budget at 25%, down from 28.47%.

To address the shortfall, Guterres called for the creation of a peacekeeping working capital fund of $250 million and proposed that cash balances from all missions be placed in a single pool to ease budget management. AFP

TIPS, TRIVIA & TRENDS

YOUR DAILY DIET OF FUN AND FACTS

Miley Cyrus Speaks Out After Being Groped by Fan

While celebrities are loved, respected and adored by a lot of people around the world, a fan took things too far by groping singer-songwriter Miley Cyrus as she was walking to her car with husband Liam Hemsworth. Following the disturbing encounter where the 26-year-old singer was grabbed by the hair and kissed on the cheek as she walked through the crowd in Barcelona, the star responded to the incident. On Tuesday night, Cyrus on her Twitter handle explained that regardless of what a woman is doing or wearing, it is not acceptable to touch her without consent. "She can be wearing what she wants. She can be a virgin. She can be sleeping with 5 different people. She can be with her husband. She can be with her girlfriend. She can be naked. She CAN'T be grabbed without her consent," she tweeted. Cyrus also added a hashtag "#DontF–WithMyFreedom" – a reference to one of the lines in the lyrics of her new song 'Mother's Daughter'. Along with the powerful message, Cyrus also attached a clip from TV programme Inside Edition of a reporter speaking about the incident. The video also featured a segment from an American show The Talk, where the hosts discussed how the singer's personal space should not have been violated. In her second tweet, Cyrus shared a screenshot of some Twitter users' comments who suggested that the songstress deserved to be grabbed because of her dressing. Cyrus responded to the users like a boss saying, "Don't f-- with my freedom. #stillnotaskingforit". ANI

Trump Blames Drug Use for Transgender Army Ban

US President Donald Trump said on Wednesday he decided to ban transgender Americans from serving in the military because they take a "massive amounts of drugs". Trump told Britain's ITV television in a wide-ranging interview that the military had strict rules regulating the use of prescription drugs. "They take massive amounts of drugs, they have to, and you are not allowed to take drugs, you are in the military, you are not allowed to take any drugs," Trump said. "And they have to, after the operation they have to, they have no choice." The ban went into force in April following a protracted legal battle that went all the way to the US Supreme Court. The Pentagon says the restrictions are not a blanket ban. But they do bar an overwhelming majority of people who identify as transgender from enlisting. The policies could also impact currently serving personnel. "We have a great military and I want to keep it that way," Trump told ITV. AFP

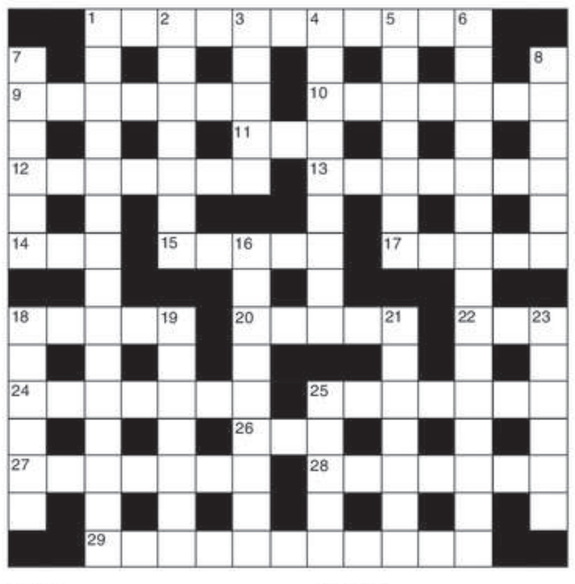
Aznavour Sculpture Sells for $2.3 Million

A bronze sculpture of a bullfighter owned by the late singer Charles Aznavour has sold for $2.3 million, Christie's said. The French crooner, one of the great singer-songwriters of the last century, was a passionate art collector. He amassed a large collection at his home in southeast France, where he died in the bath last October, aged 94. "La Tauromachie" by the French sculptor Germaine Richier shows a torero with a bull's head. It is one of series of 11 made by the pioneering woman artist, with others on display at the Guggenheim in Venice and Museum of Modern Art in Brussels. A second sculpture from Aznavour's collection by the French artist Cesar also went under the hammer for 72,000 euros in the Tuesday sale. AFP

High Heels 'Necessary', Japan Minister Says After Petition

Japan's health and labour minister has defended workplaces that require women to wear high heels to work, arguing it is "necessary and appropriate" after a petition was filed against the practice. The remark came when Takumi Nemoto was asked to comment on a petition by a group of women who want the government to ban workplaces from requiring female employees to wear high heels. "It is socially accepted as something that falls with the realm of being occupationally necessary and appropriate," Nemoto said on Wednesday. The petition was submitted to the labour ministry on Tuesday, and the campaign has been dubbed #KuToo. AFP

Crossword 7426



ACROSS
1 Five triathletes in hospital department setting (11)
9 Obsessive drinks spirit, indicating heart problem (7)
10 Hardship plain to see in suburbs of Paisley (7)
11 Young Henry's returned note (3)
12 Part with associate in accordance with the law (7)
13 Frenchman with a student build extension (7)
14 Cat's grave unfinished (3)
15 Superior boat adrift round Beachy Head (5)
17 Writer's keeping joke ready (5)
18 Canon's temporary accommodation housing European (5)
20 Ill-assorted bunch catch a cow maybe (5)
22 Fruit with it (3)
24 Old boy and I enter race abroad, needing oxygen (7)
25 Dance on eastern stage (3-4)
26 Leading aircraftman's shiny coat (3)
27 Former SA president also appearing in Asian festival (7)
28 Wade awkwardly in grass, making progress (7)
29 Harry ogles Laura's snack (7,4)

DOWN
1 Booking calls for bands showing promise? (10,5)
2 Plain article found in house (7)
3 Marshal in fact loses energy (5)
4 Note spirit he concocted for kidney problem (9)
5 Surprisingly old mamba primarily contains new poison (7)
6 Concede defeat when other two lit bombs (5,2,3,5)
7 Hammer everything in opera house (6)
8 Priest in lay-by disrupted secondary action (2-4)
16 Bacall annoyed Gardner in battle (9)
18 Former president nearly absorbs a shock (6)
19 Present a uniform for display in museum (7)
21 Lear's daughter loves pinching herb (7)
23 Poet supported by the ancient mariner (6)
25 Mineral deposit contains chief pigment (5)

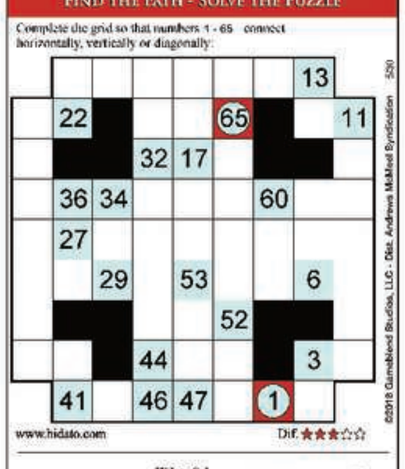
SOLUTION TO No. 7425:
ACROSS: 1 Doubloon. 5 Hansom. 9 Spheroid. 10 Goblin. 12 Rare. 13 Malefactor. 15 Special Branch. 19 Self righteous. 23 Tower block. 25 Pupa. 28 Ratify. 29 Ablative. 30 Cursed. 31 Examiner.
DOWN: 1 Disarm. 2 Usher. 3 Lore. 4 Origami. 6 Aroma. 7 Split ends. 8 Monarchy. 11 Bell. 14 Dear. 15 Saltwater. 16 Ash. 17 Rood. 18 Esoteric. 20 Gill. 21 Tick box. 22 Career. 24 Rifle. 26 Union. 27 Calm.

©The Daily Mail

HIDATO

FIND THE PATH - SOLVE THE PUZZLE

Complete the grid so that numbers 1 - 65 connect horizontally, vertically or diagonally:



www.hidato.com Dif. ★★★☆☆

Yesterday's puzzle solution.

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7 LITTLE WORDS

Find the 7 words to match the 7 clues. The numbers in parentheses represent the number of letters in each solution. Each letter combination can be used only once, but all letter combinations will be necessary to complete the puzzle.

CLUES	SOLUTIONS
1 in a happy way (10)	
2 holder for a film roll (8)	
3 warships and seabirds (8)	
4 moved at a "measured" pace (6)	
5 very accurate watch (11)	
6 Hilary Duff's Disney role (6)	
7 hit (6)	

HED	TER	FUL	CHE	CA
ER	TES	ZIE	FR	CHR
NIS	ONO	INC	LY	TER
ME	HED	LIZ	BAS	IGA

Yesterday's Answers: 1. ACHING 2. POACHED 3. EFFECTIVE 4. SCULPTURES 5. COURSEWORK 6. AVALON 7. BARBECUING 5/30

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Dilbert

by S Adams

PEs Close to Controlling Stake in CitiusTech

Due diligence going on, final offers likely by end of this month; founders to stay on with minority stake

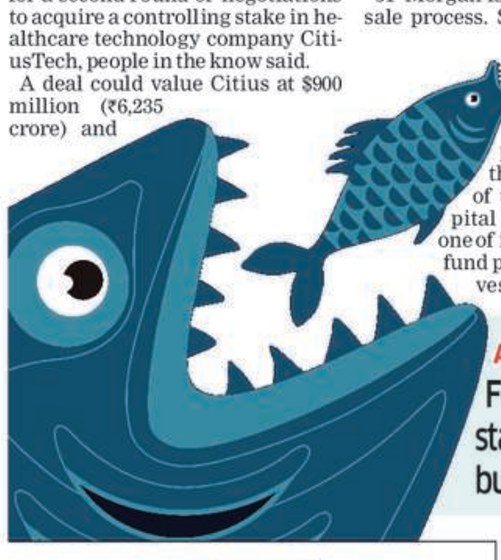
Reghu Balakrishnan & Indulal PM

Mumbai: Global funds Bain Capital, Blackstone Group, KKR & Co, CVC Capital Partners, GIC and home-grown private equity firm ChrysCapital have been shortlisted for a second round of negotiations to acquire a controlling stake in healthcare technology company CitiusTech, people in the know said.

A deal could value Citius at $900 million (₹6,235 crore) and allow General Atlantic to cash out of its five-year-old investment in it.

American fund GA had invested $111.25 million in the company in March 2014 and owns an around 32% stake. Founders Rizwan Koita and Jagdish Moorjani, and employees hold the remaining shares.

JP Morgan is running the official sale process. Singapore sovereign wealth fund GIC might partner with one of the other shortlisted firms to proceed further on the process, said one of the people. ChrysCapital is likely to rope in one of its Canadian pension fund partners, like CPP Investment Board.



The shortlisted candidates are currently doing due diligence and expected to submit their binding offers by this month end. A final decision is likely to be made in the first half of July. GA, KKR, ChrysCapital and CVC Capital declined to comment, while emails sent to CitiusTech, GIC, Blackstone and Bain Capital did not elicit any responses till press time Wednesday. **ET** on April 2 broke the story of the impending sale.

Founders are likely to retain an about 20-25% stake in the company and manage the business after the transaction, said one of the people cited earlier. But a final decision on this will be made only close to completion of the deal.

Citius is a provider of healthcare technology services and solutions to other medical technology companies, as well as health care and life sciences organisations.

The company, with 3,000 employees and having centres in India, Singapore, the UAE, UK and the US, posted $175 million in revenue with a 27-30% operating margin in fiscal 2019. It is primarily focussed on providing digital services, such as cloud, analytics and data management. Its clients include US-based Geisinger Health, DaVita and Centra Health. "We have been growing at 25% annually over the last few years, so even if we continue to grow at this rate, we would reach our goal of becoming a $500 million company in five years," CitiusTech CEO Koita had told ET in an interview last November.

Koita was the founder and CEO of Transworks BPO, which was sold to the Aditya Birla Group in 2003. He set up CitiusTech in 2005 with fellow IIT batchmate Moorjani.

Currently, the US is the biggest market for the company, contributing 90% to total revenue. But it expects revenue from other international business to soon comprise 20% of revenue, driven by both organic and inorganic growth. In terms of business segments, enterprise application has traditionally been the biggest, with data management and data science also starting to record rapid growth given the impact these have in improving health care delivery, Koita had said. The outsourcing space in India has seen an increased interest from private equity investors in last few years.

In January, AION Capital Partners, a joint venture between global PE firm Apollo Global and domestic fund ICICI Venture, acquired InterGlobe Technologies, the IT and back-office arm of Rahul Bhatia-owned InterGlobe Enterprises, for $230 million. Other top deals in space in the past one year include Blackstone's buyout of TaskUs and CVC Capital Partners' acquisition of a controlling stake in US-headquartered legal process outsourcing provider UnitedLex, which has significant operations in India.

Prior to its investment in TaskUs, Blackstone had reaped a windfall by selling business process outsourcing services company Intelenet Global Services to France's Teleperformance for $1 billion. Blackstone exited Intelenet with a fourfold return on its investment.

A SOURCE SAID

Founders may retain an about 20-25% stake in the company and manage the business after the transaction

DEPARTMENT MAY MOVE SC IF NECESSARY

DoT to Oppose Spectrum Sale of Bankrupt Telcos

Wants to ensure RP gets no sale right; move may hit RCom, Aircel resolution

Gulveen Aulakh & Devina Sengupta

New Delhi | Mumbai: The Department of Telecommunications (DoT) plans to oppose the sale of airwaves held by bankrupt telcos during the insolvency resolution process, a move that will make Aircel and Reliance Communications less attractive to buyers and hit their lenders.

A senior DoT official told **ET** that the department will take all legal steps, including moving the Supreme Court if necessary, to ensure that that the resolution professional doesn't get the right to sell spectrum during the bankruptcy proceedings. To begin with, DoT is expected to state its position at the ongoing hearings of the Aircel bankruptcy process at the National Company Law Tribunal (NCLT).

"DoT's view is that this spectrum belongs to the government and it does not come under the definition of property of the telco," said this official.

The department believes that the government is the licensor of the airwaves and is the only one authorised to sell it through auctions, according to existing law. More so, since spectrum is a finite and sovereign asset, it makes the government the sole authority responsible for allocating it, the official explained.

"A legal opinion is being sought... All legal options are also being explored," said a second official aware of the matter.

The DoT is of the view if the spectrum is sold by the resolution professional under the Insolvency and Bankruptcy Code 2016, the value will be far less than the market price of airwaves. In addition, the sale proceeds will first accrue to banks and other financial lenders, with operational creditors like the DoT way down in the priority list, in terms of getting paid.

"We're examining what should be the way forward...whether this category of transaction can be removed from IBC," the second official said.

One of the officials said that if NCLT, which is the dedicated insolvency court, were to give a decision on the lines that spectrum could be sold by the RP managing the bankrupt telco, the government would be "within its rights to move the Supreme Court".

The move assumes huge significance as the result of the decision will affect the insolvency, bankruptcy and revival proceedings of defunct carriers Aircel and Reliance Communications. Without the prized airwaves, the companies would have little value, or perhaps no value at all, to potential buyers. In addition, the outcome in this issue could impact sectors such as mining as well.

UV Asset Reconstruction Company (UVARCL), which has put in a bid with Aircel's RP Deloitte to take over Aircel, will argue forcefully against the DoT's view. "The spectrum is part of the other assets that will be with the company. The DoT cannot take away the spectrum," said a person aware of the development.

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'Expansion of Telecom Network in Villages to be Put on Fast Track'

Programmes initiated and being implemented by BSNL will be expedited, says Prasad

Muntazir.Abbas
@timesinternet.in

New Delhi: Telecom minister Ravi Shankar Prasad may take some steps soon to accelerate telecom connectivity in rural and remote regions across the country, including areas bordering China that have been neglected so far. "More needs to be done and those programmes (being implemented by state-run BSNL to cover unconnected villages) will be expedited soon," Prasad told **ET**.

He said that some work was initiated in coordination with the home ministry during his tenure as telecom minister in the previous government. In his previous stint, from May 2014 to July 2016, Prasad had led the initiative to deploy 4,072 towers to boost connectivity across 96 districts in 10 states affected by left-wing extremism (LWE).

The government's plan to provide rural telephony services in unconnected areas across the northeast, including parts of Assam and Arunachal Pradesh that border China, has not made much progress so far.

The telecom operator, despite proposing lowest deployment costs, has yet to get the department's nod to extend the programme to LWE-affected villages. Nearly 40,000 villages in India still lack mobile telephony services. The government's Universal Service Obligation (USO) fund, with a ₹50,000-crore corpus, was to be used to connect the unconnected villages. But fund allocation from it was drastically cut to ₹3,573.70 crore in FY19 from ₹6,998.76 crore disbursed in FY18.

The BSNL-led northeast-I initiative thus has yet to get off the ground despite technical test drives, which were successfully conducted a year ago. The Cabinet had approved the project in 2014. "We want this programme to be started soon. We are also ready to deploy 4G (fourth-generation)-ready infrastructure wherever possible," BSNL chairman Anupam Shrivastava told ET.

There were unsubstantiated allegations that some people wanted the strategic initiative to be awarded to private sector players, instead of BSNL, but government officials believe that critical infrastructure across villages bordering China can only be implemented by the state-owned operator. The northeast-II programme, though, has been awarded to private sector player Bharti Airtel. In some recent instances, villagers in bordering areas reported mobile signals from China-based telecom networks.

BSNL-led northeast-I plan has yet to get off the ground despite technical test drives which were conducted a year ago

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CII has an Index to Assess State, Central Budgets

Our Bureau

New Delhi: The Confederation of Indian Industry (CII) has launched a Fiscal Performance Index to assess state and central budgets. The index incorporates qualitative assessments of revenue expenditure, capital expenditure, revenues, fiscal prudence and the level of public debt to arrive at a more holistic picture of fiscal performance than the fiscal deficit to GDP ratio, according to the CII.

As an example, the index considers expenditure on infrastructure, education, healthcare and other social sectors beneficial for economic growth, compared with other revenue expenditure. It also takes tax revenue as a more sustainable source of revenue for the government than one-time income sources. "A single criterion, such as the fiscal deficit to GDP ratio, does not tell us anything about the quality of the budget. Hence, the government should use multiple indicators to measure the quality of budgets at the central and the state levels rather than a single indicator," CII president Vikram Kirloskar said.

Index also takes tax revenue as a more sustainable source of revenue for the govt

Shearwater's MiNest Ventures into Shared Living Space

Firm looks to invest $80-100 million over the next three years

Sobia.Khan
@timesgroup.com

Bengaluru: Shearwater Ventures, a National Capital Region-based investment advisory and asset management firm, is diversifying into shared living space segment under the brand name MiNest.

The company, promoted by real estate industry veteran Rajeev Bairathi, intends to invest $80-100 million (nearly ₹700 crore) over the next three years to offer 10,000 beds targeting young professionals and students in India. In the first phase, the firm will launch co-living and student housing projects across NCR and later expand to Bengaluru, Hyderabad and Pune.

"Over the next three years, MiNest will create 5,000 beds for aspirational young professionals for shared community living in key metro cities in India and another 5,000 beds for student living in the key higher educational hubs of the country," said Rajeev Bairathi, MD, Shearwater Ventures.

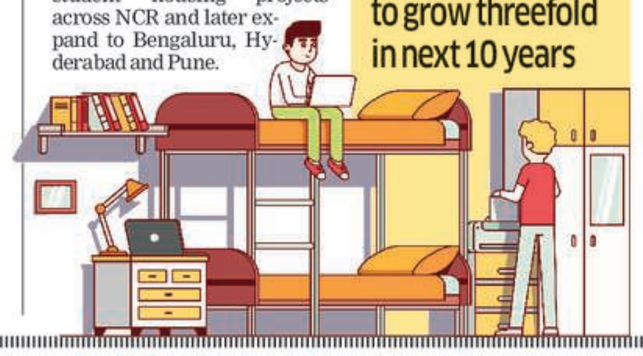
MiNest will follow a hybrid model comprising wholly-owned and leased-out facilities. Each co-living facility for professionals will comprise 100-150 beds while student living facilities will have 400-500 beds each. "Once we cross 1,000 beds, the plan is to raise money from private equity funds to fund our growth," said Bairathi.

Shared living segment, which comprises co-living and student housing, is disrupting the residential rental market in the country. According to industry estimates, student rental housing industry is pegged at $15 billion globally and is expected to grow threefold in the next 10 years, while the co-living market is around $10 billion and is expected to grow to $15 billion by 2020.

Shearwater Ventures is also in the process of applying for an NBFC (non-banking financial company) licence from the regulator and is expected to commence services by the fourth quarter of 2019.

INDUSTRY ESTIMATES

Student rental housing industry is pegged at $15 b globally, expected to grow threefold in next 10 years



Exporters want Benefits of Capital Goods Scheme under GST Regime

Move SC against govt which has set conditions for exporters to avail benefits of the scheme

Sachin.Dave@timesgroup.com

Mumbai: Many Indian exporters approached the Delhi High Court last week against the government for not extending the benefits of EPCG (Export Promotion Capital Goods) scheme to goods and services tax (GST) regime.

The exporters claimed that some of the services that were earlier allowed under the EPCG scheme were discontinued under the GST regime. According the exporters, the government has set some conditions if exporters were to claim benefits of the scheme.

These amendments meant that some exporters were unable to meet export obligations resulting in losing out on the benefits of the EPCG scheme under which an exporter can import certain amount of capital goods without paying any duty for upgrading technology related with exports. "The incentives announced prior to GST have been curtailed in some form and may be unintentional in various cases, thereby raising the situation of court intervention. It is impossible to meet the obligation for the EPCG licence issued prior to GST regime, the principle of supervening public interest will have to be tested," argued Abhishek A Rastogi, partner at Khaitan & Co.

In October, the government, through an EPCG notification, gave some leeway but created some problems for certain section of the exporters. Directorate General of Foreign Trade extended the timeline for availing benefits of the EPCG scheme by six months through a notification.

The notification meant that exporters were required to make sure that the average export obligation is maintained during a time. The specified services that qualified to meet export obligation have been removed. "Various issues of notification have been a subject matter of judicial review on various legal parameters," said Rastogi.

This is the second time the exporters moved the court after some benefits available under the earlier tax regime were not transitioned under GST. Giving respite to several exporters issued notices by the tax department, the Madurai bench of the Madras HC held that pre-import conditions led to absurdity and were not relevant when the exporter had already exported the goods.

The issue pertained to the tax treatment of transactions where exporters ship the finished products before import of raw material and then claim the benefits.

The Directorate of Revenue Intelligence, India's primary anti-smuggling intelligence agency, had started issuing show-cause notices to exporters for wrongfully availing of exemptions in cases where exports preceded imports.

ABHISHEK A RASTOGI
Partner, Khaitan & Co

It is impossible to meet the obligation for EPCG licence issued prior to GST regime, principle of supervening public interest will have to be tested

May this tournament witness good cricket and celebrate the spirit of sportsmanship. *khel bhii jiito aur dil bhii !*
NARENDRA MODI wishes Team India

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Like Olden Days

West Indies fast bowlers rekindle memories of World Cup glory

Jason Holder's West Indies are reviving memories of their World Cup glory days with a pace attack that has the ability to strike fear into opposition batsmen.

The two-time champions opened their campaign at the tournament in England and Wales by skittling out Pakistan for just 105 at Trent Bridge as their quicks made good use of the bouncer.

Oshane Thomas led the way with four for 27, while Andre Russell, Sheldon Cottrell and captain Holder provided good support as the West Indies cruised to a seven-wicket win.

When West Indies beat Australia in the inaugural 1975 World Cup final at Lord's, their side included a four-man pace battery.

And when they defeated England four years later in another Lord's final to retain their title, the West Indies did so with the original "fearsome foursome" of Andy Roberts, Michael Holding, Colin Croft and Joel Garner.

Nobody is suggesting the current line-up is yet in that class but the fact they bowled Pakistan out cheaply without Kemar Roach and Shannon Gabriel shows that, once again, West Indies have an impressive stock of fast bowlers.

And it was further evidence that, although they only scraped into this World Cup via a qualifying tournament, they are more than capable of beating anyone on their day.

Australia, who began the defence of their title with a seven-wicket rout of outsiders Afghanistan, will pose a far sterner challenge at Trent Bridge on Thursday.

But the West Indies, who have won two of the past three World Twenty20 tournaments, will take heart from the way Thomas bounced out David Warner in a warm-up match in Southampton last month.

> For the first time in a long while they have fast-bowling depth. Every side in this tournament will be wary of playing the Windies and I wouldn't want to face them in a knockout match. They are the sort of team that, if they get on a roll and build some momentum, then they could win it all
> **STEVE WAUGH** Former Australia captain

BOUNCERS

One danger for the West Indies is that they become "bouncer happy" and use the tactic too often, with Warner and Steve Smith, both returning from one-year bans for ball tampering, more than capable of putting away any misdirected short stuff.

Former Australia captain Steve Waugh, a two-time World Cup winner, has been impressed by what he has seen from the West Indies so far.

"For the first time in a long while they have fast-bowling depth," Waugh said.

"Every side in this tournament will be wary of playing the Windies and I wouldn't want to face them in a knockout match.

"They are the sort of team that, if they get on a roll and build some momentum, then they could win it all."

As for a batting order in which Chris Gayle is one of several big-hitters, Waugh said: "They are the most watchable team in the tournament with a batting line-up that can kidnap any bowling attack with brute force."

Australia, however, have plenty of pace in left-arm quick Mitchell Starc and Pat Cummins.

Clive Lloyd, the captain of the West Indies sides that won the 1975 and 1979 World Cups, said: "Australia have got some firepower and some very good batsmen.

"We just need to see what happens when the pressure is on the West Indies, but the game against Australia should do that, as that will be a good test of where we are at."

AFP

Don't Count the Spinners Out

While the pacers have got the bigger pie of the spoils so far, the spinners aren't too far behind

Purushottam Bhaumik

The 12th edition of the ICC World Cup is well and truly underway.

If the first week is anything to go by, this tournament is likely to be anything but a run fest. Bowlers, in fact, have had a better time than batsmen so far. While the quicks, as expected, have got the bigger pie of the spoils, the spinners aren't too far behind.

It'll be interesting to follow the performance of the spinners in this World Cup. Already the warm-up games and the initial encounters have given a glimpse of what the tweakers are capable of once they get an opportunity to attack the opposition. Don't be surprised if a spinner might actually end up being the leading wicket-taker.

The warning was issued in the very first match when hosts England began their campaign in style, beating the South Africans in a rather one-sided affair. What really stood out in the match, among other things, was that contrary to popular belief that seamers would rule the roost in English conditions, it was a wrist spinner Imran Tahir who bowled the first ball of this World Cup. Not only did he open the bowling, he got a wicket in his very first over too. He bowled a fine spell capturing two wickets, although in a losing cause.

Now a quick look at the Men in Blue. Already the selectors have sprung a little surprise by selecting three spinners in the squad. In their opening game against South Africa, the two wrist spinners, Kuldeep Yadav and Yuzvendra Chahal, showed their class. Between them they shared five crucial wickets that break the spine of the Proteas batting. With Ravindra Jadeja already coming good with the bat in the first warm-up game, it is a matter of choosing the right players according to the conditions.

New Zealand, West Indies and surprisingly Sri Lanka are a bit frail in the spinning department. Their batsmen and quicks have to make up for this weakness if they are to have a shot at the title.

Defending champs Australia had a predictable win over Afghanistan with leg-spinner Adam Zampa picking up three wickets.

Mohammad Nabi of Afghanistan has also added to the tweakers' tally by demolishing the Sri Lankan middle-order with a four wicket haul.

Well begun, is only half done. A lot more will be said and done in the coming days. Look forward to an exciting month of limited-overs cricket and further tweaks and turns.

Langer Prepares Aussies for Windies Pace Test

Justin Langer has hailed the West Indies' "Calypso cricket", admitting they were his heroes when he was growing up as he prepares Australia to face their current battery of fast bowlers.

The two teams, who have won seven out of the 11 World Cups so far between them, meet at Trent Bridge on Thursday after both cruised to comfortable opening victories.

Head coach Langer said defending champions Australia would need to adjust their mindset to take on the West Indies quicks and other fast bowlers at the tournament in England and Wales.

"We've probably spent four months thinking and playing against spin bowling," he said on Tuesday.

"We have to adapt to West Indies no doubt, who have got a number of good, fast bowlers. South Africa will be same. England will be the same. Have to adapt our game plan and adapt pretty quickly.

"Obviously a very dangerous team the way they bat and aggressive bowling, but they've got weaknesses as well and we're playing pretty good cricket."

West Indies, who won the first two World Cups, in 1975 and 1979, were the dominant force in the world game for two decades and boasted a succession of world-class fast bowlers and thrilling batsmen.

"When I was a kid it was Calypso cricket, and I think we're seeing plenty of signs of Calypso cricket," said Langer said.

"Running and bowling fast. They're not necessarily going to be bowling the same spot every ball, but going to be exciting to watch. They all try to hit sixes most balls so Darren Bravo's probably a little bit more unorthodox.

"Always exciting playing the West Indies. When I was growing up they were my heroes."

Langer described veteran opener Chris Gayle, who scored 50 in the West Indies' seven-wicket victory against Pakistan, as a "brilliant player".

"They got a number of dangerous players," he said.

"With him on the team they seemed to grow a leg. They take confidence from him. Again, hopefully don't take too much confidence on Thursday."

Australia were on the end of a thumping last year when England posted a world record one-day international score of 481 for six at Trent Bridge and Langer described the experience as "brutal".

"Had some really good times here at Trent Bridge and last year was a down," he said.

Langer welcomed David Warner's innings of 89 not out in Australia's win against Afghanistan, his first official international match since completing a one-year ban for ball tampering. "You can see the look in his eyes," he said.

"A lot of people are talking. Looks determined. For him to battle through 90 or 80, whatever it was, and to still be there at the end and get the job done for the team, that's a great sign for us."

AFP

How Federer can Beat Nadal at Roland Garros

Roger Federer faces Roland Garros' mission impossible on Friday when he tries to become just the third man to beat 11-time champion Rafael Nadal on the Paris clay.

The great Spaniard has only been defeated twice on the red brick dust in the French capital in 93 matches since his 2005 debut.

Ten years ago Robin Soderling hit winner after winner as the unheralded Swede ended Nadal's 31-match win streak at the tournament.

"I think to beat him on clay is challenging. But to beat him in five sets on clay is even more difficult," said Soderling who crushed 63 winners in that last-16 landmark win.

"You have to play extremely well. To beat him on clay, the only chance for any player is to be really aggressive.

"Take some risks. Many, many players, even good players, top players... you can almost see that they don't really believe 100 per cent that they can win."

Nadal was far from his best that day in 2009.

He was to eventually pull out of Wimbledon with a knee injury, ending his hopes of defending the title he had so thrillingly won against Federer 12 months earlier.

Nadal, however, was to get his revenge over Soderling in the Roland Garros final in 2010 as he captured his fifth title.

He was to win the next four as well, a run which ended in 2015 when Novak Djokovic stunned him in straight sets in the quarter-finals.

That was the last time 33-year-old Nadal lost in Paris although he was forced to withdraw before the third round in 2016 due to a wrist injury. "I didn't want to give him too much comfort and opportunities where he can dictate the play," said Djokovic of his 7-5, 6-3, 6-1 win in 2015.

"I tried to mix up the pace, get into the net. Dropshots, high balls, fast balls, always something different. He made some unforced errors that are not characteristic for him maybe from the forehand side.

"But that's what happens when you don't feel comfortable on the court. I think because I play fast to his forehand and moved him around the court, he was a bit uncomfortable in his footing. That's where I want him."

Federer, playing his first French Open since 2015, has lost all five meetings he has had with Nadal in Paris.

The pair haven't met at the tournament since the 2011 final which Nadal won in four sets.

Overall, Nadal leads their head-to-head 23-15 and is 13-2 on clay.

Their last meeting on clay was in the Rome final in 2013 when Federer managed just four games.

Furthermore, it's been 10 years since Federer beat Nadal on the surface, in the final in Madrid where the higher altitude keeps the ball moving faster through the air, playing perfectly into the Swiss star's game plan.

If Federer is to have any hope of a shock victory on Friday, then he needs to significantly improve his break point statistics.

Currently he stands at 20 out of 55 for the tournament (36%) compared to Nadal's 31/54 (57% conversion rate). In his four-set quarter-final win over Stan Wawrinka on Tuesday, Federer converted just two of 18.

Despite the weight of history counting against the 20-time major winner, Federer insists Friday's outcome is not a foregone conclusion. "Like against any player, there is always a chance. Otherwise nobody will be in the stadium to watch because everybody already knows the result in advance," said the 37-year-old who at least has the comfort of knowing he has won their last five meetings, albeit on hard courts.

"That's exactly what everybody believes by facing Rafa. But you never know. He might have a problem. He might be sick. You might be playing great or for some reason he's struggling. Maybe there's incredible wind, rain, 10 rain delays."

The Swiss had taken a two-year break from clay altogether in an attempt to focus on Wimbledon, but returned to the red dirt last month, reaching the quarter-finals in Madrid and Rome.

He has built on that form in the French capital, losing just one set—the same as Nadal—en route to the last four. "I'm very happy to play Rafa, because if you want to achieve something on the clay, inevitably, at some stage, you will go through Rafa."

AFP

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VOLUME 56 **NO.** 217

VITALS

Chhetri Scores in 1-3 Loss to Curacao

Sunil Chhetri struck in his milestone match but India lost 1-3 to higher-ranked Curacao in their opening tie of the King's Cup football tournament in Igor Stimac's first game in charge on Wednesday. Chhetri became the most capped India player by surpassing Bhaichung Bhutia's 107 international matches and he scored the lone goal for his side in the 31st minute from a spot kick for his 68th goal, though it did not make any difference to the result of the match.

Ronaldo Rape Lawsuit Dropped

The rape lawsuit against Cristiano Ronaldo has been dropped, according to a report from Bloomberg on Wednesday. A notice of voluntary dismissal was filed last month in Nevada state court in Las Vegas. The filing didn't say whether the accuser, American woman Kathryn Mayorga, had reached a settlement with Ronaldo. Mayorga filed a complaint in September last year alleging she was sexually assaulted by Ronaldo in 2009. Ronaldo strongly denied the accusations.

EAST CENTRAL RAILWAY

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The **Divisional Railway Manager (Engg)/E.C.Railway/Samastipur** for and on behalf of the President of India invites Open Tender from experienced and financially capable tenderers for the following works in **E-Tendering mode of IREPS** web portal of Indian Railways:-

Sl. No. (1) Tender Notice No. - TC-134-SPJ - 2019, **Name of work** : Supply of (01) one number road vehicle (Jeep, Gypsy/Tata Sumo etc.) on hire basis of official use of DEN/Br./Samastipur (For two years.). **Tender Value. (In ₹.) :** 6,09,610/-, **Earnest Money. (In ₹.) :** 12,200/-, **Cost of Tender document. (In ₹.) :** 2,000/- **Completion period of the work:** 24 Months.

Sl. No. (2) Tender Notice No. - TC-136-SPJ - 2019, **Name of work** : Provision of 3.0m wide FOB at five Stations (BGDS, NRN, IML, BHB & KFA) in the jurisdiction of Sr.DEN/III/SPJ. **Tender Value. (In ₹.) :** 8,20,50,598/-, **Earnest Money. (In ₹.) :** 5,60,300/-, **Cost of Tender document. (In ₹.) :** 10,000/- **Completion period of the work:** 11 Months.

Sl. No. (3) Tender Notice No. - TC-137-SPJ - 2019, **Name of work** : At Samastipur - Repairs and improvement of heritage park by providing boundary wall, grill floor etc. **Tender Value. (In ₹.) :** 79,90,418.81, **Earnest Money. (In ₹.) :** 159800/-, **Cost of Tender document. (In ₹.) :** 5,000/- **Completion period of the work:** 09 Months.

(1) Last Date & time for Receiving E-Tender mode on IREPS web portal : - 24/06/2019 upto 12:00 hours. **(2) Opening Date & time for E-Tender:** On 24/06/2019 after 12:00 hours. **(3) Website particulars where complete details of tender & tender document can be seen on Website:** www.ireps.gov.in **(4) Amendments /modifications if any shall not be published in the newspapers but the same shall be uploaded in the website:** www.ireps.gov.in.

Sr. Divisional Engineer/Co-ord/Samastipur
PR/441/SPJ/Engg./T/19-20/56

EAST CENTRAL RAILWAY

TENDER NOTICE

Tender Notice No. SNT-RE-DNR-112A Dt. 31.05.2019 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 -

Name of the work with its Location: Work of trenching & laying of 6 Quad Telecom. Cable, PIJF Cable & OFC Cable, Backfilling, Jointing, Termination and Testing of OFC, 6 quad & PIJF 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 Giridih-Nawadih-Koderma section of East Central Railway and some minor signalling modification works at stations to make the section RE fit. **Approximate Cost of Work :** Rs. 11011556.62 (Rs. One crore ten lakh eleven thousand five hundred fifty six and paise sixty two only), **Earnest money :** Rs. 205100.00 (Rs. Two lakh five thousand one hundred only), **Tender closing date and time :** 25.06.2019 up to 12.00 hrs., **Website particular and notice board location where complete details of tender can be seen. :** (http://www.ireps.gov.in); Notice Board at the office of Chief Project Director, Railway Electrification, Danapur, Near Jagjeevan Stadium, P.O - 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.

Dy. CSTE/RE/Danapur
PR/438/RE/S&T/T/19-20/52

Divine Alloys & Power Co Limited
CIN:U27102WB2004PLC099681
Reg office:BLOCK A,139, REGENT ESTATE, 176/14/139 RAIPUR ROAD, KOLKATA-700092, WB
(Under Corporate Insolvency Resolution Process)

INVITATION FOR EXPRESSION OF INTEREST

Notice for inviting "Expression of Interest" (EOI) from prospective Resolution Applicants for submitting Resolution Plans in the matter of DIVINE ALLOYS & POWER CO LIMITED (DAPCL/Corporate Debtor) was published in the Economic Times (All India), Bartaman (Kolkata Edition) and Prabhat Khabar (Jharkhand Edition) on 13th May, 2019, in terms of provisions of Section 25(2)(h) of IBC, 2016. Last date for receipt of EOIs from the prospective resolution applicants in the matter of DAPCL was 4th June, 2019 which is now extended to 21st June, 2019. The terms and conditions are given in "Form G" dated 6th June, 2019 along with detailed EOI process document that has been uploaded on the website of DAPCL [www.divinealloysandpower.in]. For any clarification or further information as regard the above, kindly write to the email id provided below.

Rajesh Kumar Agrawal
Resolution Professional, Divine Alloys & Power Co Limited,
IBBI/IPA-001/IP-P01023/2017-2018/11722,
Email ID: rajesh521@yahoo.com/cirp.divine@gmail.com

Place: Kolkata
Date: 6th June, 2019

WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
(A Govt. of West Bengal Enterprise)
WBSEDCL
Regd. Office : Vidyut Bhavan, Block-DJ, Sector-II, Bidhannagar, Kolkata - 700 091
CIN : U40109WB2007SGC113473, cecorpmont@gmail.com, www.wbsedcl.in

The **Regional Manager, Hooghly Region, WBSEDCL** invites e-Tender only from the bonafide, experienced & resourceful contractors of Govt., semi-Govt., Govt. undertaking organizations, Govt. enterprises etc., who are technically & commercially qualified and have successfully completed similar nature of work having value not less than 80%/50%/40% (Eighty/Fifty/Forty percent) of the Estimated Cost in a Single/Two/Three contract(s) during last 7 (Seven) years [Submission of Bid through online] for - **1. NIT No.:** RM/HG/CND/IPDS/19-20/91 **Date:** 29.05.2019; **Name of Work:** Work for laying of 33 kV 400 sq. mm. XLPE cable (3C) of R/L-2.125 KM by micro-tunneling from Bighati132/33/11 kV Sub-Station to Shedpur more for Chandannagar 33/11 kV Sub-Station, Town - Chinsurah, Dist: Hooghly (under IPDS) under Chandannagar Division of Hooghly Region, WBSEDCL; **Tender ID:** 2019_WBSED_225903_1; **Estimated Amount:** Rs. 44,79,772/-; **Bid submission closing date (online):** 15.06.2019 (up to 15:00 hrs.) and **2. NIT No.:** RM/HG/CND/IPDS/19-20/92 Date: 29.05.2019; **Name of Work:** Work for laying of 33 kV 400 sq. mm. XLPE cable (3C) of R/L-2.35 KM by micro-tunneling from KMDA park to Chandannagar 33/11 kV Sub-Station for Chandannagar 33/11 kV Sub-Station, Town- Chinsurah, Dist: Hooghly (under IPDS) under Chandannagar Division of Hooghly Region, WBSEDCL; **Tender ID:** 2019_WBSED_225917_1; **Estimated Amount:** Rs. 49,55,432/-; **Bid submission closing date (online):** 17.06.2019 (up to 15:00 hrs.). For other details, visit **https://wbtenders.gov.in** and **www.wbsedcl.in.**

ICA-T3275(3)/2019

EAST CENTRAL RAILWAY

E - TENDER NOTICE

E-TENDER NOTICE NO. ECR-CAO-CON-NORTH-ETN-36-19-20 E-TENDER IS INVITED ON BEHALF OF THE PRESIDENT OF INDIA FOR THE UNDER MENTIONED WORK.

S.N. 1, Name of work : Linking of BG track, dismantling BG track & point and crossing, carting & stacking of released materials, linking of level crossing, unloading & spreading of ballast, unloading 52 kg/60 kg rails and pannels, spreading of PSC sleeper, linking and packing of BG track, point and crossing, transportation and leading P.way materials etc between NKE(including) to VKNR(including) in connection with doubling of NKE-VKNE section. **2. Approx cost of the work :** Rs. 14,37,53,392.61, **3. Earnest money :** Rs. 8,68,800/-, **4. Date and time for closing of tender :** 25.06.2019 at 14.30 hrs., **5. Website particular, Notice board location where complete details of tender can be seen and addressed of the office from where the tender form be purchased etc.:** The above E-Tender, E-Tendering document alongwith full information is available on website i.e. **http://www.ireps.gov.in** and also can see in the office of CAO/Con/ECR,MHX,Patna.

Note : Tenderers are requested to visit the website **http://www.ireps.gov.in** atleast 15 days before last date of closing for latest corrigendum/corrections etc in response to this E-tender.

CAO/Con/North/MHX, Patna
PR/446/CON/Engg./T/19-20/44

EAST CENTRAL RAILWAY

E - TENDER NOTICE

E-TENDER NOTICE NO. ECR-CAO-CON-C-N-ETN-35-19-20 E-TENDER IS INVITED ON BEHALF OF THE PRESIDENT OF INDIA FOR THE UNDER MENTIONED WORK.

S.N. 1, Name of work with its location: Construction of passenger platform, signal building, PF shed, yard drain, gate lodge, circulating & warfage area at Kanti & Mahwal station and other allied misc. works between Muzaffarpur(excluding) to Mehsi(Including) in connection with MFP-SGL doubling project. **2. Approx cost of the work of :** Rs. 22,35,25,421.52, **3. Earnest money to be deposited :** Rs. 12,67,600/-, **4. Date and time for closing of tender :** 25.06.2019 at 14.30 hrs., **5. Website particular, Notice board location where complete details of tender can be seen and addressed of the office from where the tender form be purchased etc.:** The above E-Tender, E-Tendering document alongwith full information is available on website i.e. **http://www.ireps.gov.in**

Note : In case of any descripencies found in tender notice, English version will be final. Tenderers are requested to visit the website **http://www.ireps.gov.in** atleast 15 days before last date of closing for latest corrigendum/corrections etc in response to this E-tender.

CAO/Con/North/MHX, Patna
PR/444/CON/Engg./T/19-20/44

EAST CENTRAL RAILWAY

E - TENDER NOTICE

E-Tender is invited on behalf of the president of India for the under mentioned work.

E-TENDER NOTICE NO. ECR-CAO-C-S-ETEN-12-19-20 IN SINGLE PACKET SYSTEM

S.N. 1, Name of work : Linking of BG Track, Points and crossing and P.way related works, supply and spreading of stone ballast and other misc. works etc. in connection with yard remodelling of Kiul & Lakhisarai. **2. Approx cost of the work (in Rs.) :** Rs. 6,47,83,735.16, **3. Cost of tender form (in Rs.):** 10,000/-, **4. Earnest money (in Rs.):** Rs. 4,73,900/-, **5. Period of work completion :** 12 (Twelve) Months, **6. Date and time for closing of tender :** 24.06.2019 at 15.30 hrs.

Any e-tenders which is sent by Post/Courier/Fax or by hand will not be accepted. All such manual submission of tender even if it is on firm's letter pad or received in time will not be accepted. The above e-tender document alongwith full information is available on website **http://www.ireps.gov.in**

Note : In case of any discrepancies found in tender notice, English version will be final. Tenderers are requested to visit the website **http://www.ireps.gov.in** atleast 15 days before last date of closing, for latest corrigendum/corrections etc in connection with this e-tender.

CAO/Con/MHX, Patna
PR/445/CON/Engg./T/19-20/44

FORM -G
INVITATION FOR EXPRESSION OF INTEREST
(Under Regulation 36A (1) of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

I.N	RELEVANT PARTICULARS	
1	Name of the Corporate Debtor	**Shri Badrinarain Alloys & Steels Ltd**
2	Date of incorporation of Corporate Debtor	06.01.1983
3	Authority under which Corporate Debtor is incorporated / registered	Registrar of Companies, Kolkata
4	Corporate Identity No. / limited liability identification No. of Corporate Debtor	L27100WB1983PLC035650
5	Address of the Registered Office and Principal Office (if any) of Corporate Debtor	**Regd Office:** Tulsiberia Road, Kulgachia, P.O. Mahisrekha, Howrah - 711 303,WB. **Principal Office:** 56E, Hemanta Basu Saranai, 5th Floor, Room No. 95, Kolkata - 700001, WB.
6	**Insolvency commencement date of the Corporate Debtor**	**5th December, 2018 vide order passed by NCLT, Kolkata Bench**
7	Date of invitation of expression of Interest	6th June, 2019
8	Eligibility for resolution applicants under section 25(2)(h) of the Code is available at	www.sbaslindia.com
9	Norms of ineligibility applicable under section 29A are available at	www.sbaslindia.com
10	Last date for receipt of expression of Interest	21st June, 2019
11	Date of issue of provisional list of prospective resolution applicants	24th June, 2019
12	Last date for submission of objections to provisional list	29th June, 2019
13	Date of issue of final list of prospective resolution applicants	1st July, 2019
14	Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicants	24th June, 2019
15	Manner of obtaining request for resolution plan,evaluation matrix, information memorandum and further information	Shall be shared with all prospective resolution applicants eligible to receive under regulation 36B(1) of IB(IRPCP) Regulations, 2016
16	Last date for submission of resolution plans	26th July, 2019
17	Manner of submitting resolution plans to resolution professional	Details shall be provided in the RFRP documents
18	Estimated date for submission of resolution plan to the Adjudicating Authority for approval	20th August, 2019
19	Name and registration number of the resolution professional	**Subodh Kumar Agrawal** IBBI/IPA-001/IP-P00087/2017-18/10183
20	Name, Address and e-email of the resolution professional, as registered with the Board	**Subodh Kumar Agrawal** 1, Ganesh Chandra Avenue, R No. 301, Kolkata : 700 013, subodhka@gmail.com
21	Address and email to be used for correspondence with the resolution professional	1, Ganesh Chandra Avenue, R No. 301, Kolkata - 700 013, cirp.badrinarain@gmail.com
22	Further Details are available at or with	www.sbaslindia.com can also be obtained by sending a request at email ID as mentioned in para 20 and 21 above
23	Date of publication of Form G	6th June, 2019

Subodh Kumar Agrawal, Resolution Professional
For Shri Badrinarain Alloys & Steels Ltd
IBBI/IPA-001/IP-P00087/2017-18/10183
1, Ganesh Chandra Avenue, R No. 301, Kolkata 700 013

Date: 6th June, 2019
Place: Kolkata

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