WWW.ECONOMICTIMES.COM

THE ECONOMIC TIMES

BENNETT, COLEMAN & CO. LTD. | HYDERABAD | 14 PAGES | ₹3.50 ONLY | FRIDAY, 7 JUNE 2019

Trump Threatens China with $300b of New Tariffs

AROUND THE WORLD ▸▸ 13

A Midsummer Delight for the 'Cool' Companies

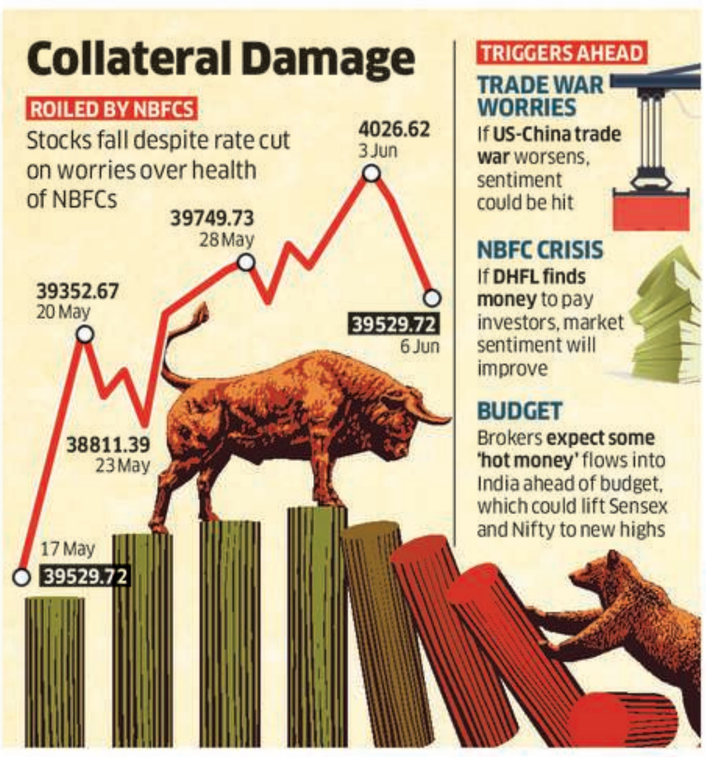
BRANDS: CREATING DESIRE ▸▸ 5

Struggling Rohit Sharma Played His Best Knock

SPORTS: THE GREAT GAMES ▸▸ 14

Bears Get the Better of D St Bulls as NBFC Worries Weigh

Benchmark indices drop almost 1.5%, logging their steepest one-day fall in 2019; FPIs, DIIs dump stocks



Our Bureau

Mumbai: The stock market tumbled on Thursday over growing worries about the health of nonbanking finance companies after Dewan Housing Finance Corporation Ltd's (DHFL's) failure to make interest payments eclipsed optimism around the third straight interest rate cut and change in stance by the Reserve Bank of India.

Benchmark indices dropped almost 1.5%, posting their biggest single-day fall in 2019 so far, with the Sensex ending below 40,000 and the Nifty below 12,000. The Sensex dropped 553.82 points, or 1.38%, to close at 39,529.72. The Nifty declined 177.90 points, or 1.48%, to close at 11,843.75. Both indices had last posted bigger losses on December 21.

Foreign portfolio investors (FPIs) net sold shares worth Rs 1,448.99 crore on Thursday. Domestic institutions too pulled out Rs 650.84 crore from stocks.

The change in RBI's policy stance to 'accommodative' from 'neutral' — an indication that there would be no rate increases henceforth — was expected to lift sentiment, but investors were disappointed that the central bank did not specify how it plans to tackle the liquidity crisis at NBFCs.

The assurance by governor Shaktikanta Das that the RBI will do whatever it takes to ensure stability of the system did little to ease concerns.

BIGGEST SINGLE-DAY FALL SINCE SEPT 24, 2018

Nifty Bank Index Plummets

Nifty Bank index fell 2.32% on Thursday, its biggest single-day fall since September 24, 2018, as no steps were announced to provide immediate relief to the troubled NBFC sector, said analysts. ▸▸ 9

WIPRO FOUNDER PREMJI TO STEP DOWN IN JULY

ARINDAM

IT's Azim Icon Hangs Up Boots, to Focus on Philanthropy

Rishad Premji to take over as Wipro chairman, CEO Neemuchwala to hold MD's office as well

Our Bureau

Bengaluru: Wipro founder Azim Premji will step down in July from the company he built over five decades into one of the country's largest technology services firms and devote more of his attention to philanthropic initiatives.

The 74-year-old Premji will give up his executive functions as chairman and managing director but remain on the board as director and founder chairman.

Eldest son Rishad Premji, already a board member, will take over as chairman, and chief executive officer Abidali Neemuchwala will become managing director as well. The changes will take effect on July 31.

"It has been a long and satisfying journey for me," said Premji, who won **ET's Lifetime Achievement Award** in 2013. "As I look into the future, I plan to devote more time to focus on our philanthropic activities."

Premji has been one of the most generous donors among India's industrialists. In March, he pledged 34% of his Wipro shares to Azim Premji Foundation, a philanthropic initiative focussed primarily on education, taking the total commitment to the organisation to 67% of his wealth, or Rs 1.45 lakh crore.

The foundation set up the Azim Premji University as a not-for-profit venture in 2010. The Premji family holds a 74% stake in the software exporter.

"Wipro was started by my father Hasham Premji. I think where I contributed was to expand the existing product range and diversification," the normally reticent Premji said in an interaction with students two years ago. "What inspired me was a mission to do better than what we were doing in the past and grow much faster than how we grew in the past."

Premji has been one of the most generous donors among India's industrialists

In 1966, Premji dropped out from college in Stanford at the age of 21 to return to India after his father's death to take over Wipro, originally Western India Vegetable Products Ltd, which had edible oil as its main product and was based in Amalner in Maharashtra.

Premji diversified the business and focussed on building a technology venture, both hardware and software. The latter would thrive as the former dwindled.

RELATED REPORTS ▸▸ 6

PE Investors of SRL Looking to Exit by Sept-end

The consortium of three PEs – Jacob Ballas, Siguler Guff and IFC – which owns 31.5% in SRL has begun the process to exit the firm by September end, reports **Arun Kumar**. Malaysia's IHH Healthcare, which originally planned to buy out their holdings after its acquisition of Fortis Healthcare, the parent company of SRL, is facilitating the transaction. Kotak Mahindra Capital has been appointed as the merchant banker to the deal. ▸▸ 4

Tata Sons Offers to Buy NCDs Worth ₹7,520 cr

Tata Sons has offered to buy non-convertible debentures worth ₹7,520 crore held by public and private insurers, report **Kala Vijayraghavan & Shilpy Sinha**. Most insurers have sold their bond exposure back to Tata Sons, while a few are in the process to sell since Tata Sons can no longer hold public deposits or investment instruments. Among private sector life insurers, SBI Life had the highest exposure of ₹821 crore to the holding company. ▸▸ 4

Toll Road Lease may be Reduced to 15-20 Years

The Centre plans to reduce the lease period for projects awarded under the toll-operate-transfer mode to 15-20 years from 30 years, reports **Nishtha Saluja**. The change will require a go-ahead from the Cabinet. "We have initiated the process for cabinet approval," said a senior government official. Introduced in 2016, investors make a one-time lump sum payment in return for long-term toll collection rights. Around 75 operational national highway projects completed using public funding have been preliminarily identified for potential monetisation through TOT model. ▸▸ 8

Indiabulls to Exit Real Estate Business

The Indiabulls Group is set to exit the real estate business with the sale of cofounder and chairman Sameer Gehlaut's 39.5% stake for Rs 2,700 crore to US-based private equity firm Blackstone and its local partner Embassy Group, said two persons with direct knowledge of the development. Indiabulls will turn its focus fully to financial services as it seeks to merge with Lakshmi Vilas Bank. ▸▸ 4

RBI Cuts Rate, Softens Stance, But no Reprieve for NBFCs Yet

Lowers repo rate by 25 bps, hints at further cuts but investors disappointed by lack of liquidity window

Our Bureau

Mumbai: The Reserve Bank of India lowered interest rates for the third time in succession — to a nine-year low—and shifted its monetary stance to 'accommodative' from 'neutral' to help revive the economy, which has slowed the most in five years. The shift in stance implies that more cuts are on the way as long as prices remain in check but industry and investors were disappointed by the absence of a special liquidity window for struggling nonbanking finance companies (NBFCs). Stocks and bond prices fell.

The economic growth forecast and inflation projections were cut for the current fiscal amid lacklustre industrial and investment activity. The six-member monetary policy committee (MPC) voted unanimously in favour of the rate cut and change in stance.

"The headline inflation trajectory remains below the target even after taking into account the expected transmission of the past two policy rate cuts," said RBI governor Shaktikanta Das. "Hence, there is scope to boost aggregate demand, and in particular, private investment activity."

The central bank's moves will add to measures that the newly elected government is taking to stimulate the economy.

The repo rate, at which the RBI lends to banks, was cut to 5.75% from 6%, the lowest it's been since 2010. The cash reserve ratio and statutory liquidity ratio remained unchanged. An ET poll of 28 analysts and economists had predicted a quarter point cut.

"This policy outcome looks dovish relative to expectations due to the change in stance," said Nomura Securities economist Sonal Varma. "Its accommodative stance suggests the RBI has become more concerned about the growth slowdown, while acknowledging that inflation remains capped despite its ongoing easing."

MORE REPORTS ▸▸ 9.11

Three in Three

RBI cuts rate third successive time as growth takes centre stage

RECORD LOW RATES
Repo rate cut to **5.75%** from **6%**
Key **policy rate lowest** in 9 years

GROWTH BLUES
GDP Forecast for FY20
April policy: **7.2%**
June policy: **7%**

INFLATION COMFORT
Modest uptick in **inflation forecast** for Apr-Sep at **3-3.1%**
Oct-March **retail inflation** seen at **3.4-3.7%**

Sebi Mulls 'Default Probability' Rule for Rating Firms

Sebi is examining a 'default probability' framework to keep rating agencies on their toes, reports **Sugata Ghosh**. The plan involves Sebi assigning probabilities to different baskets of rated debts. A default probability, for instance, of 1% for A-rated papers, would mean that a rating firm tracking 500 A-rated papers would be pulled up if the number of defaults exceeds five in a year. The impact of such a rule would be a reduction in the number of top rated companies, say experts. ▸▸ 4

Today on ETPrime.com

- NCLT to Banks' Rescue
- Cloud Kitchens Catching On?
- Ranjan Pai Bets On Medanta
- Immigration Law Expert's Take

BRANDS: CREATING DESIRE ▸▸ 5

Inside story

Piyush Goyal to Talk WTO, Ecommerce at G20 Meet

Commerce and industry minister Piyush Goyal will discuss developments in the global trade situation, matters related to the World Trade Organization (WTO) and digital trade at the G20 ministerial meeting on Trade and Digital Economy on June 8-9 in Japan. This is Goyal's first visit abroad after assuming charge of the ministry.

Economy: Macro, Micro & More ▸▸ 8

Niti Aayog Draws Up a List of Over 50 CPSE Assets for Monetisation

Niti Aayog has identified more than 50 assets, including land and industrial plants of state-owned enterprises NTPC, Cement Corporation of India, Bharat Earth Movers and Steel Authority of India that could be put on the block. "We are looking at asset monetisation," a government official said, adding that Niti Aayog has sent a list to the Department of Investment and Public Asset Management (DIPAM).

Economy: Macro, Micro & More ▸▸ 8

ET INSTA POLL

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

11% YES	84% NO	5% CAN'T SAY

TODAY'S QUESTION

Is a 25 bps rate cut enough to put India's growth back on track?

www.economictimes.com

Cooperative Banks Turn to New Tech

As digitisation changes the face of modern banking, community banks – one of the last bastions of a shared economy – are up against a stiff challenge. In a bid to stay relevant, cooperative banks are fast turning to technology, providing a business opportunity for leading IT service providers. Cooperative banks have always been a weak spot in the financial services landscape, which is closely monitored and controlled by the RBI. Mainstreamed way back in 1966 and brought under regulatory supervision, they have however steadily improved over time.

IN TELANGANA

Speaker Admits Request of 12 Cong MLAs to Merge with TRS

CR.Sukumar
@timesgroup.com

Hyderabad: The Telangana Speaker on Thursday admitted the request of the 12 defecting Congress MLAs to merge the Congress legislature party with the state's ruling Telangana Rashtra Samithi (TRS), dealing a major setback to the national party and robbing it of the opposition status in the state.

The late evening development comes a fortnight after the Congress appeared to have gained some lost ground in Telangana by securing three of the 17 Lok Sabha seats, and weeks after it won three member of legislative council (MLC) seats.

Earlier in the day, state Congress leaders had protested in front of the Assembly, seeking to disqualify the turncoats. Led by Pradesh Congress Committee (PCC) president N Uttam Kumar Reddy, they had attempted to meet the Speaker, Pocharam Srinivas Reddy, but he was unavailable.

"Those MLA s have been purchased, one at a time, over four months. The disqualification petitions of the MLAs are pending with the Telangana Speaker for four months now," said PCC chief Reddy. "The matter (seeking orders to disqualify turncoats) is pending in the court of the Telangana Chief Justice for over a month now."

On Thursday morning, the defecting MLAs had obtained the blessings of TRS president and Telangana chief minister K Chandrasekhar Rao before submitting a letter to the Speaker seeking the merger. They claimed to represent the CLP. Congress leaders in the state now plan to explore legal options to prevent the merger, apart from seeking to get the turncoats disqualified. ET had earlier reported that the ruling TRS is working hard to win over more from the Congress to dissipate the national party in the Telangana Assembly.

Congress had Won 19 Seats ▸▸ 3

Twitter may Lead $100 million Funding in ShareChat

Indian language social networking app may be valued at $650 m; Twitter likely to pump in more than $50 million

Samidha Sharma & Aditi Shrivastava

Mumbai | Bengaluru: Microblogging site Twitter is leading a $100 million financing round in Indian language social networking app ShareChat, its first such investment globally, two people familiar with the matter said. The homegrown app, which has been fighting a bruising battle with China's ByteDance for market share and user engagement, is expected to be valued at $600-650 million in the new round, sources indicated. Twitter is learnt to be pumping in more than $50 million with the rest of the capital coming in from ShareChat's existing backers like Xiaomi, Shunwei Capital, Morningside Ventures. Another likely new investor which may come on board as part of the latest funding is Hong Kong-based HillHouse Capital, another person in the know said.

Twitter's co-founder Jack Dorsey has been directly involved in the deal as the microblogging site looks to make inroads into what's commonly referred to as India 2 —cities which go beyond the metros.

The San Francisco-based technology major's interest in ShareChat comes after the Indian startup had been engaged in prolonged funding discussions with China's internet giant Tencent. Sources close to the matter said talks with Tencent had fallen through for the second time around in a span of a year.

In all, ShareChat has raised around $120 million in risk capital.

"Twitter never makes a minority investment of this kind, it is usually an acquisition. This is very significant for ShareChat looking at how the Chinese players especially ByteDance have been able to wean away users onto their platform," said an investor tracking the segment. The homegrown startup founder in 2015x emerged as one of among the new crop of regional language content players which was tapping the next 100 million internet users buoyed by the cheap data availability made possible with the launch of Reliance Jio. However in the last year, it has faced immense pressure because of ByteDance's aggressive moves in India. "ShareChat had been looking to bring in a large strategic round to fight the deep-pocketed ByteDance," said another investor. When contacted by ET, Twitter declined to comment while ShareChat and Hillhouse did not respond on the financing round till press-time.

The investment is significant for both the players coming at a time when the Indian social media space is dominated by Facebook and its group entities like Instagram and Whatsapp and more recently by products from the ByteDance stable like short video app TikTok and messaging platform Helo which directly competes with ShareChat. Facebook boasts of more than 240 million active user base in India with Instagram cornering around 65 million users, as per Statista.

While Twitter's investment is purely financial in nature, it may look to leverage ShareChat's reach to go beyond its 30-35 million monthly active user base in India, people tracking the industry said. There may be an integration on the Twitter app itself like what the company did after acquiring Periscope, the live video app, in 2015.

Twitter's India Chat

$123 million
Cash raised by Sharechat till date

ShareChat Vs ByteDance's Helo
Active users (In million)

	DAILY	MONTHLY
Sharechat	15	40
Helo	12	25

CLEAR DISADVANTAGE 'Countries in the region losing out by not being connected enough'

Jaishankar Pitches for Better Bimstec Connectivity in his Maiden Speech

Rise of China and India shows 'Global rebalancing' is taking place

DipanjanRoy.Chaudhury
@timesgroup.com

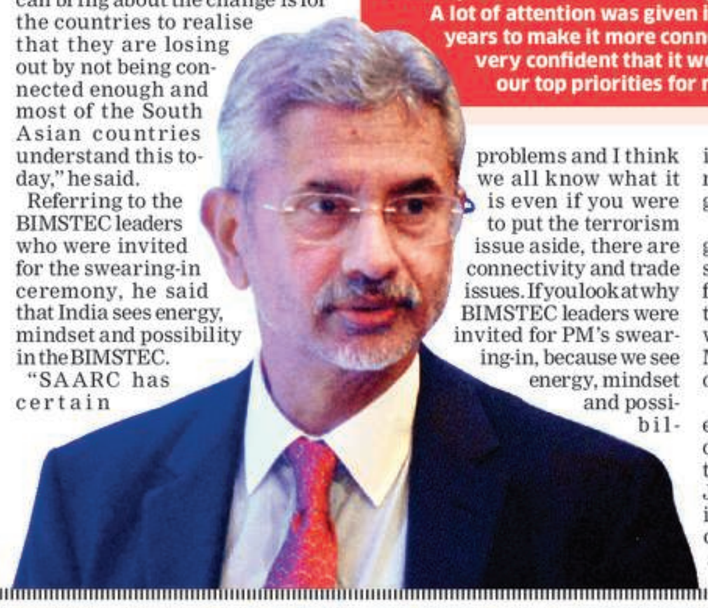
New Delhi: Newly appointed external affairs minister S Jaishankar on Thursday rued the fact that South Asia is among the least inter-connected regions in the world, but efforts are being made to make the region more integrated. Referring to BIMSTEC, which connects South Asia with Southeast Asia, Jaishankar said that India has strong synergy with other BIMSTEC states.

"If you look around the world, it is among the least connected regions due to multiple reasons such as history, identity, etc. A lot of attention was given in the past five years to make it more connected and I am very confident that it would be among our top priorities for the next five years," said Jaishankar at an interactive session at 'The Growth Net Summit 7.0', organised by public policy body Ananta Aspen Centre.

This was Jaishankar's first public appearance since he was appointed foreign minister last week.

"The first development which can bring about the change is for the countries to realise that they are losing out by not being connected enough and most of the South Asian countries understand this today," he said.

Referring to the BIMSTEC leaders who were invited for the swearing-in ceremony, he said that India sees energy, mindset and possibility in the BIMSTEC.



"SAARC has certain problems and I think we all know what it is even if you were to put the terrorism issue aside, there are connectivity and trade issues. If you look at why BIMSTEC leaders were invited for PM's swearing-in, because we see energy, mindset and possibility in BIMSTEC," he said in an indirect reference to Pakistan's intransigence on SAARC connectivity pact.

"If we want to propel economic growth, then there is greater responsibility for Indian foreign policy to focus on the external aspect of it," the minister said, adding that he would launch PRAGATI within MEA to review projects undertaken or piloted by the ministry abroad.

There is big responsibility on the external affairs ministry to focus on project execution which has strategic significance, he pointed out. Jaishankar said that he has been in constant touch with finance and commerce ministries to avoid silo approach in governance.

He assured that Indians around the world will be assisted, taking forward the work and social media outreach of his predecessor Sushma Swaraj. "Today, Indians abroad expect the government to help them. This has changed the image of the foreign ministry," he said, giving credit to former foreign minister Swaraj.

Jaishankar further said that a large majority of people in India have recognised that the country's stature in the world has risen in the past five years. He said a "global rebalancing" is taking place and the "sharpest manifestation" of that is the rise of China, and to an extent, India as well.

Speaking his Mind

Top Priority for Next 5 Years

If you look around the world, it (South Asia) is among the least connected regions due to multiple reasons such as history, identity, etc. A lot of attention was given in the past five years to make it more connected and I am very confident that it would be among our top priorities for next five years

Indirect Reference to Pak intransigence

SAARC has certain problems and I think we all know what it is even if you were to put the terrorism issue aside, there are connectivity and trade issues. If you look at why BIMSTEC leaders were invited for PM's swearing-in, because we see energy, mindset and possibility in BIMSTEC

THE STANCE Looking out for yourself not incompatible with doing global good

'Won't Pick Sides but Protect Interests'

DipanjanRoy.Chaudhury
@timesgroup.com

New Delhi: Foreign minister S Jaishankar emphasised Thursday that India will stay non-partisan in the Sino-US trade war and will be solely guided by national interests.

"Frankly, in every clash, there is an opportunity. There are risks also. I don't deny that. And, obviously, my job will be to manage the risks and maximise the opportunity," Jaishankar said at his maiden public interaction since his appointment. He was responding to a question on India's position on escalating tension between US and China.

The International monetary Fund estimates the trade war between US and China could bring down global Gross Domestic Product (GDP) in 2020 by about $455 billion or 0.5%.

"Looking out for yourself is not incompatible with doing global good or supporting a global order. And, at the end of the day, let's be frank. All of us do look out for ourselves. I need to see where we are, where our interests are involved," Jaishankar said.

He recalled his comment made in response to former US Central Intelligence Agency director David Petraeus query on India's position on US-China rivalry at an earlier event this January. "Sure, we have taken sides. I have taken my side," Jaishankar reiterating his response to Petraeus, indicating that India would not take any side in the US-China conflict, but would be guided by its own national interests.

US President Donald Trump's administration on May 10 raised tariff to 25% from 10% on $250 billion worth of Chinese exports to America. The Trump administration also threatened to raise tariff on the remaining $325 billion worth of China's exports to the US in the coming months if the communist country does not to agree on a trade deal. Beijing retaliated by raising tariffs on $60 billion worth of US imports to China.

"Look, for a big country like India with a strong tradition of independence, we have always navigated the world with that sense of getting optimal outcome out of difficult landscapes," said Jaishankar.

New Delhi is also unhappy over Trump administration's decision to end a special trade privilege granted to India in 1976 for exporting goods to the US duty free on May 31.

A Costly War

Trade war between US and China could bring down global GDP by about $455 billion or 0.5% in 2020: IMF

On May 10, US raised tariff to 25% on $250-bn of China's exports

Beijing retaliated by raising tariffs on $60 bn worth of US imports

$5.6 bn India's exports under GSP in 2017

New Delhi is unhappy over US decision to end GSP to India

Jaishankar's 1st Official Trip to Bhutan

NEW DELHI: External Affairs Minister S Jaishankar will visit Bhutan on June 7-8. This will be Jaishankar's first visit abroad as the external affairs minister.

During the visit, external affairs minister will meet Jigme Khesar Namgyel Wangchuck, the King of Bhutan. He will also call on Lyonchhen Dr. Lotay Tshering, prime minister of Bhutan and meet his counterpart Lyonpo Dr Tandi Dorji.

During the visit, the two sides will discuss upcoming high-level exchanges, economic development and hydropower cooperation. –OPB

SCO SUMMIT

Modi-Imran Meeting Not Scheduled in Bishkek: MEA

DipanjanRoy.Chaudhury
@timesgroup.com

New Delhi: Prime Minister Narendra Modi is not scheduled to meet his Pakistani counterpart, Imran Khan, on the sidelines of the Shanghai Cooperation Organisation (SCO) summit in Kyrgyzstan's capital Bishkek next week, according to the external affairs ministry. The PM will attend the SCO summit from June 13-15.

"To the best of my knowledge, no meeting is being arranged between Prime Minister Modi and Pakistan Prime Minister Imran Khan on the sidelines of the SCO meet," external affairs ministry's spokesman Raveesh Kumar said on Thursday.

Speculations started after Khan called Modi to congratulate him on his 2nd PM stint

The statement poured cold water on speculation to the contrary which had been fuelled by Pakistan foreign secretary's ongoing visit to Delhi. Speculation has also been rife that national security adviser (NSA) level backchannel talks might start once Pakistan appoints a new NSA.

Last month, according to sources, no decision could be taken on a meeting between Modi and Khan in Bishkek. If the two PMs do meet, however, India will convey that its red lines on talks and terrorism have not changed, said one person. In the past few years, India has not budged from its stand on the issue. Murmurs of a possible meeting between the two PMs started gaining momentum after Khan called Modi to congratulate him on his landslide victory.

OTHER NEWS OF THE DAY

Hospitalised, Pragya Fails To Appear in Court

BHOPAL | MUMBAI: BJP MP Pragya Singh Thakur failed to appear before a court in Mumbai Thursday – for the second time this week – in connection with 2008 Malegaon blast case. Her lawyer told the court she is suffering from high blood pressure and is unable to travel to Mumbai. Thakur was hospitalised for a stomach ailment Wednesday night and discharged early Thursday, her close aide Upma said, adding that she would return to the hospital after attending an event in Bhopal. –PTI

Kishor meets Mamata; may Ready Bengal Plan

KOLKATA: Poll strategist Prashant Kishor met West Bengal chief minister Mamata Banerjee here on Thursday, raising speculation about working with her in the near future to help her foil the BJP's growing influence in the state and maintain her grip on Bengal for the 2021 state polls. Accompanied by TMC MP and the chief minister's nephew, Abhishek Banerjee, Kishor had a discussion with the CM at Nabanna, the state secretariat, for nearly two-and-a-half hours, sources said. –PTI

Gogoi Asks Shah to Ensure Relief for Ex-Armyman

NEW DELHI: Congress MP Gaurav Gogoi Thursday expressed concern over the detention of a former Army man as a foreigner and sought home minister Amit Shah's intervention to get him relief. In a letter to Shah, Gogoi said retired subedar and decorated Kargil War veteran Mohammad Sanaullah has been in a detention centre after a foreigners tribunal in Assam declared him a foreigner on May 28. "I sincerely want relief for former Army officer Mohammad Sanaullah," he said. –PTI

FIRST LEGISLATION THIS MONSOON SESSION

Bill To End Automatic Nomination of Cong Prez for Jallianwala Trust

To replace Congress president with president of largest Opposition party

Anubhuti.Vishnoi@timesgroup.com

New Delhi: One of the first legislations set to be piloted by the Union government in the upcoming Budget session seeks to do away with the automatic nomination of the president of the Indian National Congress — currently Rahul Gandhi — to the Jallianwala Bagh Trust.

The Jallianwala Bagh National Memorial (Amendment) Bill proposes to make changes in the composition of Memorial's Trust and replace the Congress president with the president of the largest opposition party. It also seeks to allow for removal of other nominated members, **ET** has learnt.

The move comes in the centenary commemoration of the Jallianwala Bagh massacre which is being observed by the Centre.

The Modi government had attempted to get the Bill for the same through at the near end of its first tenure, passing it in Lok Sabha in February 2019. However, the Rajya Sabha did not pass the Bill amid strong opposition from the Congress party and it therefore lapsed with the 16th Lok Sabha.

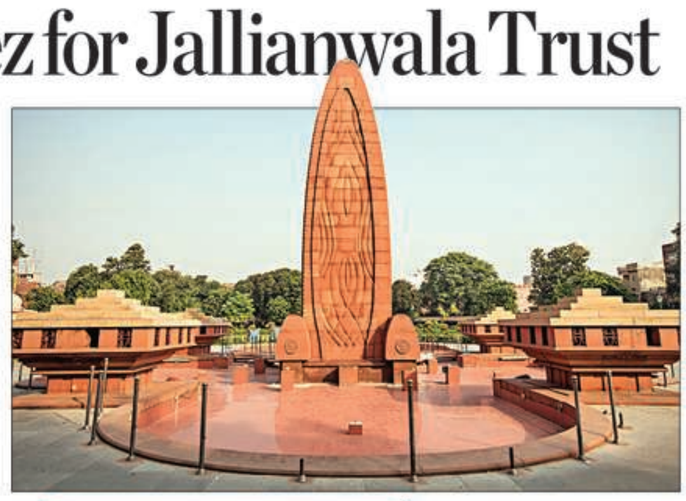
Currently, the Trust is chaired by the Prime Minister and has on board president of the Congress party, the culture minister, leader of the Opposition in the Lok Sabha, Governor and Chief Minister of Punjab. There are also three eminent persons nominated on the Trust -- mostly Congress persons so far including the likes of Ambika Soni and former LG Virendra Kataria, among others.

The amended Bill has added a provision in the Bill to permit the central government to terminate the term of a nominated trustee before the expiry of his term without assigning any reason.

The amended Bill on the composition of the Trust calls for nomination of the 'Leader of Opposition' recognised as such in the House of the People, or where there is no such Leader of Opposition, then the Leader of the single largest Opposition Party in the House".

The Cabinet, after passing the Bill, in December 2018 had argued that the amendment was being made as "in the existing Act, there is a provision for representation of a single national political party".

The Culture ministry will be taking this legislation to Parliament.



OPERATION BLUE STAR

Badal meets Shah over 'Seized' Treasure

NEW DELHI: Shiromani Akali Dal (SAD) on Thursday demanded immediate handing over of treasure of Sikhs allegedly seized by the Army during Operation Blue Star as well as regular pension to those who left the forces after the intervention to flush out terrorists from the Golden Temple. The demand was placed before home minister Amit Shah by a delegation led by SAD chief Sukhbir Badal. –OPB

RAHUL GANDHI'S 'RESIGNATION INSISTENCE'

Chaos Across State Units After Indecision on Congress Chief

CLManoj@timesgroup.com

New Delhi: Amid the "leadership vacuum" in the Congress High Command due to "resignation insistence" by party chief Rahul Gandhi since the 25, May CWC meeting, the AICC has accelerated its efforts to relay signals of Gandhi becoming 'ad hoc functional' in discharging official duties. Yet, the effectual collapse of the 'Congress central command' in the eyes of party's stakeholders due to the lack of official clarity on the status quo of Congress president's current leadership – whether he is in caretaker capacity awaiting a new arrangement or, on a rethinking mood on his abdication desire – has evidently gave impetus to post-poll simmering crisis in many State Congress units.

On Thursday, the AICC publicised Gandhi – who is yet to resume meetings with party leaders – along with CPP chairman Sonia Gandhi and AICC Foreign Affairs Department Chairman Anand Sharma, holding "bilateral talks" with a visiting Chinese delegation led by CPC polit bureau member Li Xi. Along side, the AICC also released Gandhi's three-day tour programme to how Waynad Lok Sabha constituency from Friday.

But, what is attracting more attention is the daily spectacle of ranging post-poll infighting and power-struggle engulfing many State Congress units and the remining few Congress governments. Worse, party circles feel, the AICC establishment being in limbo post-Gandhi's resignation offer-cum communicado status – compounded by CWC resolution urging him to "restructure" leadership structure – have critically affected the AICC in-charges' standing and credibility to effectively intervene and execute fire-fighting.

Post-poll infighting and power-struggle engulfing many state units

"Well, the whole thing has become bit of a joke now. When there is no clarity on the status of Congress president itself, which AICC office bearer can even pretend to be in full command to deal with issues in PCCs", quipped a senior Congress leader.

The barely settled Congress Rajasthan government in now in a state of post-poll deep division with Chief Minister Ashok Gehlot and PCC chief-cum-deputy-CM Sachin Pilot slugging it out openly and through their supporters. Punjab CM Captain Amrinder Singh's supporters are straining in the leash for retaliation after minister Navjyot Singh Sidhu's repeated breach of the CM's authority by claiming patronage from the Gandhi siblings. . Amid, BJP attempt to topple Congress government in Madhya Pradesh, the Scindia supporters are seeking their leader be made PCC chief in place of CM Kamalnath who is also state Congress unit. There are indications that demands will soon intensify on strict implementation of "one-man-one-post' norm in Rajasthan, MP and Chattisgarh Congress besides carrying out post-debacle social re-engineering in collective leadership.

BILATERAL TALKS: Congress parliamentary party chairperson Sonia Gandhi and president Rahul Gandhi with CPC Central Committee member Li Xi in New Delhi – PTI

THIRD EYE

Justifying Self-praise

Justice MR Shah pulled up a young lawyer recently for praising himself as a diligent, hard-working person. "Why are you giving a certificate to yourself? I can understand if Solicitor General Tushar Mehta praises you," he said. "This is the age of self-certification like in Income Tax where we make a self-assessment," Mehta quipped

BJP UP Chief Bucks Trend

Mahendra Nath Pandey is the only UP BJP president who has won an election while occupying the party president's post in the state. Before him, Vinay Katiyar contested the 2004 Lok Sabha elections and lost. Another BJP president Keshri Nath Tripathi contested the 2007 assembly election and lost. The then state BJP president Surya Pratap Shahi contested the 2011 assembly election and also lost

Broken Promises

Karnataka PWD minister HD Revanna said he will leave the country if Narendra Modi returns to power, and minor irrigation minister CS Puttaraju said he will retire from politics if the CM's son does not win by a margin of 2.5 lakh votes. Voters have proved both of them wrong. But both the leaders don't seem to want to walk the talk, says Mandya's new MP Sumalatha Ambareesh

Poliloquy R PRASAD

Hindi or English, Rana Pratap wins Haldighati in the first semester and captures Agra in the second!

OTHER NEWS OF THE DAY

Sidhu Divested of Local Govt Dept, Gets Power

Chandigarh Punjab minister Navjot Singh Sidhu, who is at loggerheads with chief minister Amarinder Singh, was divested of the crucial local government department and was given the power and new and renewable energy sources portfolio in a cabinet reshuffle on Thursday.

The rejig took place hours after the first state cabinet meeting following the Lok Sabha elections and it was skipped by the minister who is under fire from Singh for Congress' "poor performance" in the urban areas in the polls.—PTI

Army Deploys UAVs to Search for AN-32 Plane

New Delhi The Army on Thursday deployed unmanned aerial vehicles (UAVs) to search for the missing AN-32 transport aircraft of the Indian Air Force.

The search operations for the plane, which went missing over Arunachal Pradesh, entered the fourth day on Thursday.

"Unmanned aerial vehicles were also deployed today along with the C-130Js and helicopters but so far, we have not able to locate anything. The search operations will continue through the night," a defence spokesperson said.—OPB

Security forces have killed over 100 terrorists, including Zakir Musa, so far this year

Musa Killed, Al-Qaeda Kashmir Names New Chief, may be Expanding

Rahul. Tripathi@timesgroup.com

New Delhi: A day after the al-Qaeda offshoot in Kashmir announced its new commander and his deputy after killing of Zakir Musa, Union home ministry officials citing intelligence assessment said that the global terror outfit al-Qaeda is trying to expand its footprints beyond Kashmir and is also active in Punjab.

On Wednesday, Ansar Gazwa-ul-Hind (AGuH) released a 12 minute video announcing Abdul Hameed Lelhari, alias Haroon Abbas, as the successor to Zakir Musa, militant and the chief of the Kashmir unit of the al-Qaeda, who was gunned down by security forces in the valley, last month. According to an audio statement of al-Qaeda's spokesperson Abu Ubaida, Ghazi Ibrahim Khalid has been named the deputy of Abdul Hameed Lelhari.

A senior government official however said the possibility of militant's group's links to Pakistan cannot be ruled out. "Pakistan has been using proxies to stoke trouble in valley. Though the group claims its affiliation to al-Qaeda, their links with Pak based militants cannot be ruled out." A former Hizbul Muajhideen (HM) commander, Musa was named as the head of the Ansar Ghazwat-ul-Hind cell in Kashmir on July 27, 2017. He was earlier appointed by HM Burhan Wani's successor in 2016.

Al-qaeda affiliate Ansar Gazwa-ul-Hind has named Abdul Hameed Lelhari, alias Haroon Abbas, as the successor to Zakir Musa

Musa in 2016 released a video threatening to chop off the heads of Hurriyat leaders and advocated establishing the Islamic law in Kashmir. As per the assessment of intelligence agencies, Musa has recruited nearly two dozen youths in the valley and has an "appeal" among the youths. It may be recalled that Punjab police late last year arrested three students including cousin of Musa that also raised suspicion on AGuH's plans to spread outside Jammu and Kashmir and of efforts by Pakistan's ISI to expand the arc of militancy on India's western border.

According to home ministry officials, security forces this year has killed over 100 militants so far. Last year over 300 militants were killed in Jammu and Kashmir, the largest number in the last four years. A total 213, 150, and 108 militants were killed in 2017, 2016, and 2015 respectively. The number of violent incidents also peaked last year at 614, compared to 342, 322, and 208 in 2017, 2016, and 2015 respectively.

While al-qaeda is trying to establish its presence, the National Investigation Agency (NIA) in a chargesheet filed last month also confirmed the presence of Islamic State in the valley. In its chargesheet, NIA identified three accused persons namely Tahir Ahmad Khan, Haris Mushtaq Khan and Asif Suhail Nadaf and said they were active cadres of Islamic State Jammu & Kashmir (ISJK), a Kashmir based terrorist affiliate of proscribed International terrorist organisation ISIS.

The three were named by NIA in a botched attempt of trying to carry out attack on a police team at the tourist reception centre in Jammu and Kashmir last year. The case was first investigated by Jammu and Kashmir police and later transferred to NIA.

Protesters hold ISIS flag during a protest after Eid prayers in Srinagar on Wednesday. ToI

'KASHMIR-BASED PARTIES OPPOSE TO MAINTAIN GRIP ON POWER STRUCTURE'

Delimitation a Constitutional Requirement, Says J&K BJP

HakeemIrfan.Rashid
@timesgroup.com

Srinagar: The BJP unit in Jammu and Kashmir welcomed the reported discussions at the Centre on delimitation of constituencies in the state as a long-pending constitutional demand and said that Kashmir-based parties had been opposing the exercise just to maintain their grip on the power structure in the state.

The party's state secretary, Ashok Koul, said political reservation of Schedule Tribes, Kashmiri Pandits and refugees from the other side of Jammu and Kashmir was the need of the hour and could be done during the President's rule. Otherwise, he said, the National Conference and People's Democratic Party would never allow it to happen.

"Delimitation is a constitutional requirement and cannot be played around with by political parties for their personal ambitions. There is nothing fishy about this demand and it is part of the PDP-BJP Agenda of Alliance as well," Koul told ET.

The working document of the BJP-PDP alliance, which collapsed when the BJP walked out of the partnership in June 2018, mentions constitution of a delimitation commission for legislative assembly constituencies as required by law under social and humanitarian initiatives.

"Abdullahs and Muftis want that they should always remain in power and thus invoke Article 370 and other political matters selectively.

NOTHING FISHY

Nothing fishy about this demand & it is part of the PDP-BJP Agenda of Alliance as well: BJP's Koul

Farooq Abdullah, during his government, arbitrarily banned delimitation in the state till 2026, which was unconstitutional," said Koul. "If it happens after every decade everywhere in the country, what is so special about J&K? Why won't Kashmiri Pandits, STs and POK (Pakistan-occupied Kashmir) refugees get what they deserve? They should be given political reservation." J&K did not figure in the delimitation exercise carried out across the country in 2008.

At present, Kashmir division has 46 seats, Jammu division has 37 and Ladakh division has four assembly seats. The BJP, buoyed by its performance in the recent parliamentary elections, believes that all the important legal and political decisions pertaining to J&K should be taken when the state is under President's rule and there is no hindrance of the state assembly, where Kashmir-based parties get most of the seats.

ANNOUNCEMENT BEFORE DISCUSSIONS

No Proposal on Free Rides for Women: Puri on Kejriwal's Promise

Who is funding, what, when – we do not know, says Union minister

Our Political Bureau

New Delhi: After the populist announcement by Delhi chief minister Arvind Kejriwal on free travel for women on public transport, housing and urban affairs minister Hardeep Puri called him out and said there was no such proposal received by Delhi Metro or his ministry, which is the nodal ministry for India's Metro services.

Lashing out at Kejriwal for floating half-baked proposals and not seeing vital issues through, Puri said, "Where is the proposal? The ministry has not received it. DMRC has not received it. Who is funding what when – we do not know." He said Kejriwal was in the habit of making ambitious announcements through full page advertisements but they never fructified. "He did the same thing in unauthorised colonies. We asked him lets sit and solve this. He couldn't do it."

He (Kejriwal) did the same thing in unauthorised colonies. We asked him lets' sit and solve this. He couldn't do it, says Puri

The minister criticised Delhi government's performance on public transport front. He said before allowing women to travel free there was a need to improve Delhi's public transport. "We are all for women safety. BJP has always supported such initiatives. But we would like to know from the chief minister that there is a sanction for 11,000 new buses. How many have been bought and introduced?" Accusing Delhi government of depriving Delhi's citizens of vital schemes of the Centre, Puri said that Delhi government was not participating in Swachh Bharat and Ayushman Bharat. "They are disruptionists. What can you do? I have myself written several letters over the last 6 months to join schemes but nothing has moved," he said.

QUESTION FOR CM

'We would like to know from the CM that there is a sanction for 11,000 new buses. How many have been bought & introduced?'

The minister floated a new concept – deduct provident fund for undelivered promises. "You know when we served as government functionaries our bosses would write on files if they saw some half baked proposal – let the money be deducted from provident fund of the officer. So is there a provident fund for former chief ministers" Puri asked alluding to BJP's claim that it would sweep the state in the forthcoming Assembly elections.

Congress had Won 19 Seats

▸▸ From Page 1

Helping the turncoats circumvent the disqualification provisions of the anti-defection law, Congress lawmaker Pilot Rohit Reddy on Thursday announced his allegiance to the treasury benches, taking the total number of Congress MLAs defecting to TRS to 12, or two-thirds of their total Assembly strength.

Though the Congress had won 19 out of 119 seats in the state Assembly in December, their number got reduced to 18 with PCC president Uttam Kumar Reddy, who has been elected to Lok Sabha from Nalgonda, submitting his resignation as an MLA on Wednesday.

This is the second time the Congress has faced embarrassment in the state over the last few months. Soon after sweeping the Assembly polls in December, the ruling TRS had managed to lure four Congress members from the legislative council.

"TRS president and Telangana chief minister K Chandrasekhar Rao perceives the Congress, which has a strong cadre base across the state, as the potential threat and wouldn't want to give it any scope for resurgence," said political analyst Manchala Srinivasa Rao. "Ahead of the Lok Sabha poll results, TRS had paused luring further defections from the Congress in Telangana Assembly, only to keep its options open to support the Congress-led coalition government at the Centre, which anyhow didn't happen."

This is not the first time that TRS had engineered defections. In the 2014 Assembly polls, the regional party, which had won 63 of the 119 seats, had managed to lure 25 MLAs and seven MLCs of Opposition parties to shift loyalties, weakening the two key opposition parties – Congress and Telugu Desam Party (TDP). Further, the ruling TRS went ahead and merged the TDP legislative party with its own legislative party.

In the 2018 Assembly polls, TRS won 88 out of the 119 Assembly seats. By entertaining the defections — 12 from Congress, one from TDP and two independent, the regional party improved its tally to 103. Now, Congress will be left with six MLAs, All India Majlis-e-Ittehadul Muslimeen with seven members, and BJP and TDP with one lawmaker each, in the Assembly.

REVERSES FORMER CM NAIDU'S ORDERS

Jagan Reopens Doors for CBI in Andhra

Our Political Bureau

Hyderabad: The YS Jagan Mohan Reddy-headed Andhra Pradesh government on Thursday decided to cancel the orders issued earlier by the N Chandrababu Naidu-led government that barred the entry of the Central Bureau of Investigation (CBI) into the southern state.

The move by the YSR Congress government assumes significance amidst rumours that Chief Minister Reddy was contemplating to seek CBI probe into the alleged large-scale corruption by the former chief minister Naidu and his men.

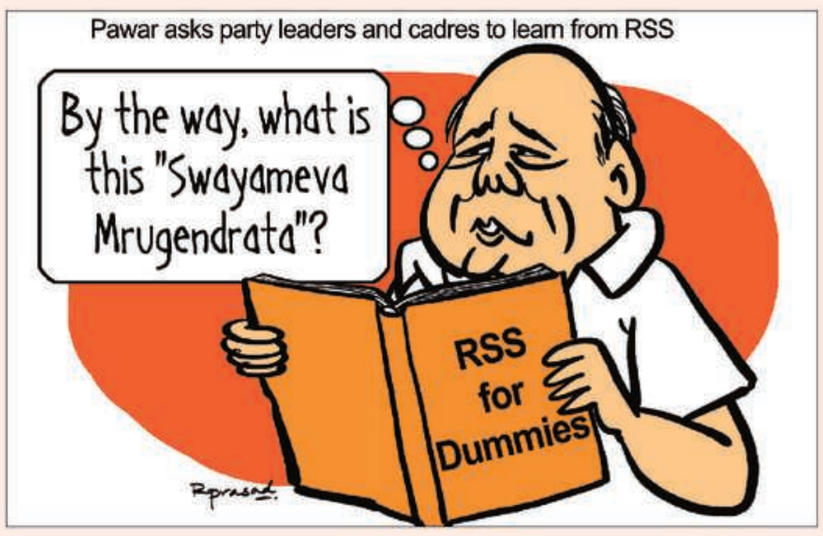
The Naidu government had in November last year raised concerns over the misuse of central investigation agencies by the Narendra Modi-led NDA government and withdrew the 'general consent' for the central agencies to conduct raids and investigations in Andhra.

Naidu's Telugu Desam Party (TDP), ever since it severed ties with the NDA and pulled out of the Union government in March last year, had raised apprehensions over the likely raids by the central agencies on the businesses, bureaucrats and politicians.

Accordingly, the Andhra home secretary had on November 8 last year issued government orders withdrawing the 'general consent', while exercising the powers under Section 6 of Delhi Special Police Establishment Act 1946, a central Act under which the CBI was created. Under this Act, the CBI has jurisdiction over Delhi to probe corruption cases pertaining to central institutions and funds. The central agencies can enter any Indian state with the consent of the respective state government through 'general consent' that the states extend through a formal notification on an annual basis.

By revoking the November 8, 2018 orders, the Andhra government on Thursday paved the way for the CBI to carry on its jurisdiction over the state.

YSR Congress, the then key opposition party in Andhra, found fault with the decision of the Naidu government to shut doors on the central investigating agencies. YSR Congress had alleged that the move to prevent CBI from entering Andhra was primarily aimed at preventing the central agency from probing into the alleged massive corruption by Naidu and his men.



Follow RSS Work Ethics, Pawar Tells NCP Cadre

Mumbai: Nationalist Congress Party chief Sharad Pawar had made fun of the RSS in the past, especially the khaki half pants its cadres used to wear, but on Thursday he acknowledged the work done by RSS which had helped BJP win the recent Lok Sabha elections and asked his party workers to follow the RSS work ethics. Pawar asked party leaders and cadres to learn from the RSS on how to interact with the masses. "Our cadres go to people's houses (to distribute pamphlets) but if they see a locked house, they slip the pamphlet from under the door and leave. But if the RSS cadres go to meet people and if they find one house shut, then they go in the evening, if it is shut in the evening too, then they go next morning. This is how they keep in touch," he said.—OPB

Swachh Survekshan League Launched

Plan to assess cleanliness of towns and cities on quarterly instead of annual basis

Our Political Bureau

New Delhi: Taking a leap forward on Swachh Bharat, the government on Thursday launched Swachh Survekshan League which would assess cleanliness of towns and cities on quarterly instead of annual basis.

The Swachh Survekshan League has been launched with the aim of sustaining the on-ground performance of cities along with continuous monitoring of service level performance in cleanliness. It will involve assessing the cities in three quarters till December 2019. The Survekshan would have a weightage of 2000 marks for each quarter, which will be evaluated on the basis of monthly updation of an online system by cities along with citizen's validation on the 12 service level progress indicators through outbound calls.

It will feed into Swachh Survekshan 2020, which would be launched in January-February 2020. How a city would fare in the overall annual ranking would depend on whether it cleans up its act and sustains it during the entire year. Speaking on the need for a quarterly evaluation mechanism, housing and urban affairs minister Hardeep Puri said, "Every year, the Swachh Survekshan is redesigned innovatively, to ensure that the process becomes more and more robust, with focus on sustaining the changed behaviours. However, one concern that was commonly voiced was that cities cleaned themselves up just before a survey and slipped down after that. This year, therefore, we are launching the 'Continuous Survekshan' – the SS 2020 League, where cleanliness assessments will happen throughout the year – similar to the continuous assessments that are followed in schools and colleges – and feed into the larger annual survey in January 2020."

Nishank to Meet State Ministers on National Education Policy

MEETING ON JUNE 22 Draft policy is to be discussed with all states and other stakeholders this month and taken to the Cabinet by mid-July

Our Political Bureau

New Delhi: The Union human resource development ministry, headed by Ramesh Pokhriyal Nishank, has called for a meeting of all state education ministers on June 22 to discuss the National Education Policy which has already sparked a strong protest from some states over the alleged imposition of Hindi.

The draft policy has recommended radical changes in the education sector, including restructuring of governance and regulatory structures, a flexible and semester-based academic and examination system and a strong emphasis on Indian knowledge systems. As per the ministry's 100-day agenda, the draft policy is to be discussed with all states and other stakeholders in June and taken to the Cabinet for approval by mid-July.

The Modi government had announced its plans for a new Education Policy in its last stint but did not release the draft to the public towards the end of its tenure as the issue was getting politicised ahead of the Lok Sabha elections.

The draft was released on May 31 within hours of the new HRD minister taking charge. It, however, triggered a controversy sparking a strong reaction over the alleged attempts to impose Hindi in non-Hindi speaking states through the three-language formula. Various political parties — especially from Tamil Nadu — have strongly protested forcing the Centre to immediately issue a clarification and even revise the policy draft on this particular aspect.

The HRD ministry issued a clarification on June 1 saying that this was only a draft document and assured that the Modi government was committed to equal development of all Indian languages and would not impose or discriminate against any language. With the controversy continuing to simmer despite the clarification, the Centre decided to drop the clause on June 3 and replace it with an alternative suggested by the policy committee chaired by K Kasturirangan. Other than the HRD minister, various ministers also stepped in to firefight as the controversy snowballed.

'India Loses $13b to Trade Misinvoicing'

PTI

New Delhi: India lost a staggering $13 billion, over ₹90,000 crore, to trade misinvoicing, equivalent to 5.5% of the value of the country's total revenue collections in 2016, according to a report by the US-based think tank Global Financial Integrity. In 2016, almost two-thirds of Indian imports that appear to be most at risk for some degree of potential revenues losses are imports from just one country, China, which was by far India's largest source of imports in that year, GFI said in its latest report released this week.

'Loss is equivalent to 5.5% of the value of the country's total revenue collections in 2016'

The report, "India: Potential Revenue Losses Associated with Trade Misinvoicing", analyses India's bilateral trade statistics for 2016 (the most recent year for which sufficient data is available), published by the United Nations (Comtrade).

Sebi Eyes 'Default Probability' Rule to Keep Rating Cos on Toes

Plan involves capital markets regulator assigning probabilities to different baskets of rated debts

Sugata.Ghosh@timesgroup.com

Mumbai: Amid corporate delinquency, investor losses, and blame game, India's capital market regulator is examining a 'default probability' framework to keep credit rating agencies on their toes.

The plan, which was recently discussed with large rating companies, involves the Securities & Exchange Board of India (Sebi) assigning probabilities to different baskets of rated debts.

A default probability, for instance, of one per cent for A-rated debt papers, would mean that a rating company tracking 500 A-rated papers would be pulled up if the number of defaults exceed five in a year. The regulator would similarly set probabilities for various ratings — triple A, double A, triple B, double-B, etc.

"Once implemented, India would probably be the only market to have such default probabilities fixed by the regulator," a person familiar with the matter told **ET**.

"The impact of such a rule would be a reduction in the number of top-rated companies which may not be a bad thing. In fact, number of triple-A companies in India is far more than that in the US or some of the advanced markets," said a senior fund manager.

An implicit sovereign guarantee for a large number of state-owned companies which regularly raise debt and the backing of business houses or groups to several companies result in higher ratings on securities issued or loans taken by these entities.

Since the IL&FS default that was followed by a spate of rating downgrades by several notches in quick succession, rating agencies have come under the lens of regulators as well as SFIO, the central investigative agency. IL&FS bonds were downgraded from 'triple A' (or, highest rating) to 'D' (or, default grade) in just 40 days. About 25,000 companies are rated in India, of which half are estimated to be below 'investment grade'.

In recent years, rating agencies have become fiercely competitive. In the absence of any regulation on the fees they charge, there is often a wide variation in their fees. Some of the agencies have even deviated from the indicative fee laid down by the Reserve Bank of India (RBI) for rating of bank loans. The rating business has expanded after RBI's decision that banks would have to maintain higher capital for unrated loans.

In reducing conflict of interest and make rating agencies more independent , one of the suggestions that has cropped up is compulsory rotation of rating agencies every five years — the kind of regulation that applies to auditors, some of whom have come under the glare of government enforcement agencies investigating the IL&FS fiasco. "This is being resisted by some of the large agencies on the grounds rotating agencies would disturb the long-term data on a bond issuer's rating movements. But does historical data really matters?," said a source.

Keeping A Watch

- **The aim** is to make rating companies more vigilant
- **A 'default probability'** framework could make them more alert
- **Sebi held** preliminary discussion on the subject with rating companies
- **Rating firms** are under the lens of regulators and government agencies since IL&FS default

Some Relief for Huawei as Flex Resumes Shipments

Roadmap will get clearer as co crosses 90-day reprieve given by US to keep servicing customers

Bharani.Vaitheesvaran @timesgroup.com

Chennai: Singapore-based electronics contract manufacturer Flex has resumed shipments to Chinese phone and telecom equipment maker Huawei, whose business has been disrupted after the United States put it on a blacklist over national security concerns.

In a statement to **ET**, a Flex spokesperson said: "We have resumed shipments for the majority of products we assemble for Huawei globally," without giving details about specific products or its Indian operations, which include manufacturing units near Chennai and in neighbouring Andhra Pradesh.

Huawei did not reply to an email seeking response to the resumption of supply from Flex.

ET reported last month that Flex had halted supply to Huawei after the US added the Chinese company and its affiliates to the Entity List, following an indictment by a US court on charges, among others, of doing business with Iran.

Flex counts among a clutch of vendors — manufacturers, chip designers and other component suppliers — that Huawei relies on to conduct its global business.

The resumption of supply should be a relief to the Chinese telecommunications company, and the roadmap for Huawei will become clearer as it crosses the 90-day reprieve given by the US to keep servicing customers, people aware of the developments said.

Huawei has struck a deal with Russian telecom company MTS to conduct 5G trials. Huawei is deemed to play a crucial role in China's acceleration of 5G technologies even as Western telecom operators race ahead in offering 5G services in select regions.

India's telecom minister Ravi Shankar Prasad had termed the prospect of allowing Huawei to conduct 5G trials in India a "complex question, involving security issues."

A government official who is aware of the deliberations at the Department of Telecommunications (DoT) regarding Huawei's access to the 5G trials told ET that a decision would be taken after the issue is looked at from the security, scientific and technical angles.

According to Counterpoint research, Flex accounted for a tenth of global electronics manufacturing services globally, trailing Taiwanese competitors Pegatron and market leader Foxconn, which holds over 50% share and manufactures for American phone maker Apple.

Huawei, according to Counterpoint, gets nearly 23% of its manufacturing done from EMS companies such as Flex and Foxconn.

COUNTERPOINT FINDINGS

Flex accounted for a tenth of global electronics manufacturing services globally, trailing Taiwanese competitors Pegatron and market leader Foxconn

Tata Sons Offers to Buy Back ₹7,520-crore NCDs

Insurers were worried that in a rising interest rate scenario, bonds would sell at a discount if it had to sell the holdings urgently

Kala Vijayraghavan & Shilpy Sinha

Mumbai: Tata Sons has offered to buy non-convertible debentures (NCDs) worth ₹7,520 crore, held for long by leading public and private insurers.

Most insurers have sold their bond exposure back to Tata Sons, while a few are in the process to sell since Tata Sons, which converted into a private company from a deemed public company in September 2017, can no longer hold public deposits or investment instruments.

Among private sector life insurers, SBI Life had the highest exposure of ₹821 crore, followed by Aditya Birla Sun Life at ₹395 crore and HDFC Standard Life at ₹325 crore. Among general insurers, ICICI Lombard held papers worth ₹325 crore, followed by Oriental Insurance at ₹246 crore.

Several insurers met the top management at the holding company, "seeking explanation and understanding" over its conversion, said a top official at a leading private insurer.

The insurers were worried that in a rising interest rate scenario, the bonds would sell at a discount if it had to sell the holdings urgently. "Tata Sons gave us quotes because the bonds were illiquid and we were not getting easy exit," said Gopikrishna Shenoy, CIO at SBI Life. "We met the management to understand why they are converting into a private company." Tata Sons declined to comment.

Insurance companies had three months to exit or sell their papers after the conversion of Tata Sons, which is the holding company of Tata Group, as there were few buyers. Though sector regulator IRDAI did not force the companies to reduce their debt in the holding company within the timeline, the insurers wanted to exit and make good returns on their investment.

The corporate debt market is illiquid and faces challenges of poor trading volume. Mutual funds do not generally buy long-term papers of 5-10 years. These NCDs had a tenor of 1-10 years. "Tata Sons bought back NCDs at market rate," said AK Sridhar, chief investment officer at India First. "It is a triple-A paper and we were happy to hold the debentures and because the regulations did not allow, we sold it."

Life insurers held debentures worth ₹5,211 crore of Tata Sons at the time of conversion. Out of this, ₹2,281 crore was held by private insurers. General insurance companies held papers worth ₹1,439 crore in Tata Sons. "The decision to buy back the debentures at a higher price was taken by Tata Sons after the insurers raised objections over the hurried conversion into a private company," said an executive close to the development.

Tata Sons went for the conversion after a bitter legal battle with former chairman Cyrus Mistry, who was ousted in 2016. The insurers received annual interest on the securities and had earlier sought the regulator's permission to continue holding on to the NCDs.

PEs NY Jacob Ballas, Others Start Process to Sell 31.5% in SRL

Arun.Kumar17 @timesgroup.com

New Delhi: Private equity investors NY Jacob Ballas, Siguler Guff and International Finance Corporation (IFC), whose exit from diagnostics company SRL was stalled after a legal setback, have started the process of selling their combined 31.5% stake by September end, said two people involved in the deal.

Malaysia's IHH Healthcare, which originally planned to buy out their holdings after its acquisition of Fortis Healthcare, the parent company of SRL, is facilitating the transaction, one person said.

"The three PE firms expect to sell their combined holding for about ₹1,250 crore, resulting in a total valuation of ₹3,600-4,000 crore for SRL," said one person.

The three investors have appointed Kotak Mahindra Capital as the merchant banker for the deal, the people said.

Two other investors — Axis Bank (5.5%) and the family of Gurinder Singh Dhillon of Radha Soami Satsang Beas (5%) — may exit the diagnostics company if they get the same terms as the buyers of the three PE firms' stakes, the person said. "However, it's very unlikely that IHH would facilitate the exit of these two investors," said one person.

IHH Healthcare, which had proposed to buy out the PE firms following its acquisition of Fortis, couldn't proceed with the plan after the Supreme Court stayed its open offer for Fortis Healthcare shares on a plea by Daiichi Sankyo. The Japanese drug maker is seeking implementation of an arbitration award payable by the former Fortis promoters.

Stuck in a legal logjam, IHH decided to help the PE firms sell their stakes and provide comfort to incoming investors in terms of board positions and exit routes such as listing or buyback, the person said.

₹2,700-CRORE DEAL

Indiabulls to Exit Realty with Gehlaut Stake Sale

Kailash.Babar@timesgroup.com

Mumbai: The Indiabulls Group is set to exit the real estate business with the sale of cofounder and chairman Sameer Gehlaut's 39.5% stake for ₹2,700 crore to US-based private equity firm Blackstone and its local partner Embassy Group, said two persons with direct knowledge of the development. Indiabulls will turn its focus fully to financial services as it seeks to merge with Lakshmi Vilas Bank.

The transaction puts an enterprise valuation of ₹7,000 crore on Indiabulls Real Estate's portfolio — 23.5 million sq ft of residential projects and 2.4 million sq ft of commercial space under construction.

Blackstone already owns a 50% stake of Indiabulls' commercial portfolio, including two marquee properties in central Mumbai's Lower Parel and Prabhadevi apart from one project in Gurgaon. Blackstone has also acquired the Chennai commercial property developed by Indiabulls Real Estate in its entirety. These include ready and leased properties.

"The deal terms have been finalised and the parties are set to execute the same starting tomorrow (Friday)," said one of the persons mentioned above. "The entire transaction will be concluded in three legs, including an open offer as the final phase and will be done by the end of this year."

As part of the transaction, Blackstone-Embassy will be acquiring Gehlaut's 15% stake in Indiabulls Real Estate through an open-market deal on Friday. The remaining stake of about 24% will be acquired in six-eight weeks from now, triggering an open offer.

Following this, the Indiabulls Group, which derives over 10% of its revenues from real estate, will focus on financial services. Blackstone, Embassy and Indiabulls Real Estate declined to comment.

Gehlaut had told **ET** in April that he was willing to give up the real estate business for financial services in the context of the group's proposed acquisition of Lakshmi Vilas Bank. Indiabulls Housing Finance (IHF) and its subsidiary Indiabulls Commercial Credit Ltd (ICC) are proposed be merged into Lakshmi Vilas Bank after a change in the merger agreement announced on the stock exchanges last month.

Blackstone and Embassy are planning to keep the realty developer listed as the alliance's residential platform. This is the first time Blackstone is acquiring a listed real estate company in India.

In April, their joint venture Embassy Office Parks listed India's maiden Real Estate Investment Trust (REIT). This has 33 million sq ft of office and hospitality assets, comprising seven business parks and four city-centric buildings in Mumbai, Bengaluru, Pune and Noida. The REIT raised ₹4,750 crore through the issue that was subscribed 2.58 times.

Embassy Office Parks REIT, the listed entity, will hold the first right of refusal on Indiabulls Real Estate's under-construction commercial portfolio once ready and leased. However, the decision will be taken independently by its board, said the people cited above.

Apart from Blackstone, Macquarie and Brookfield Asset Management are also said to have shown interest in acquiring the company. Of these, Macquarie's proposal involved delisting the company after conclusion of the transaction.

Blackstone Homes In

Blackstone to acquire stake in Indiabulls Real Estate

THREE-STAGE TRANSACTION

Deal size **₹2,700 cr**

Blackstone-Embassy alliance to buy promoter Sameer Gehlaut's 15% stake on Friday

They will then buy promoters' remaining **24%+ stake** over next 6-8 weeks

Open offer and deal closure likely by 2019 end

WEST BENGAL HIGHWAY DEVELOPMENT CORPORATION LIMITED
A Wholly Owned Company of Govt. of West Bengal
Corporate Identity Number U45203WB2012SGC180687

Notice Inviting e-NIT (Tender ID : 2019_WBHDC_226697_1)
e-NIT No. WBHDCL/CGM/eNIT-13/18-19 dated 03.06.19 (2nd call)

Consultancy services for Authority's Engineer for "Upgradation of Kalyani Expressway to 4/6 lane configuration from Muragacha (Ch. 4.565 Km) to Kampa (Ch. 35.340 Km) including elevated connection with proposed Mogra-Kampa-Barajaguli road corridor in the District of North 24 Parganas in West Bengal (Phase-II)" to be executed through EPC mode.

Sd/
Chief General Manager, WBHDCL

Tender Documents are available in www.wbhdcl.gov.in and https://wbtenders.gov.in
ICA-T3587(3)/2019

WEST BENGAL HIGHWAY DEVELOPMENT CORPORATION LIMITED
A Wholly Owned Company of Govt. of West Bengal
Corporate Identity Number U45203WB2012SGC180687

Notice Inviting e-NIT (Tender ID : 2019_WBHDC_226661_1)
e-NIT No. WBHDCL/CGM/eNIT-12/18-19 dated 03.06.19 (2nd call)

Upgradation of Kalyani Expressway to 4/6 lane configuration from Muragacha (Ch. 4.565 Km) to Kampa (Ch. 35.340 Km) including elevated connection with proposed Mogra-Kampa-Barajaguli road corridor in the District of North 24 Parganas in West Bengal (Phase-II) to be executed through EPC mode.

Sd/
Chief General Manager, WBHDCL

Tender Documents are available in www.wbhdcl.gov.in and https://wbtenders.gov.in
ICA-T3336(3)/2019

UTTARAKHAND SUGARS
Near Railway Crossing, Badripur Road, Jogiwala (Dehradun)
Email.usugars@rediffmail.com, uttarakhandsugars@gmail.com

Ref. No. 171/CPC/2019-20 Dated 05.06.2019

SHORT TERM TENDER NOTICE FOR EXPORT SUGAR

Directorate of Sugar Dept of Food and public Distribution Govt. of India has vide its circular F.NO. 1(4)/2018-SP-1 dated 28/09/2018 & 12/10/2018 decided to allow all grades of sugar namely raw, plantation white as well as refined under MIEQ (Minimum Indicated Export Quota) vide which (22219 MT) quantity of sugar has been allotted to Cooperative Sugar Mills of Uttarakhand Cooperative Sugar Factories Federation Ltd. for export.

2. In this connection tenders are invited from experienced Export House/Merchandise, Govt./Cooperative Institutions (In which State Govt./Central Govt. has/have invested share capital and such institutions having valid Importer/Exporter code and experience of sugar export) to purchase the quantity of Sugar from Cooperative sugar mills of Uttarakhand and arrange its export as per above mentioned notification under MIEQ and stipulated norms on the basis of as it where it is as well as export of sugar under third party arrangement by purchasing sugar from other mills.
   Last date of submission of tender - 17.06.2019 at 11.00 A.M.
   Tender opening date - 17.06.2019 at 12.00 Noon
   The tender forms can be obtained from the office of the Uttarakhand Sugars up to 05.00 P.M. of the day immediately preceding the last date of submission or downloaded from the Website www.uttarakhandsugars.com & www.uk.gov.in
3. The bidders need to submit the proof/cost of bid document/processing as stated in the above table in the Exporter(Corporation/Cooperative Sugar Mills)'s office or through Demand Draft in favour of Uttarakhand Cooperative Sugar Factories Federation Ltd (herein payable at Dehradun. The scanned copy of Demand Draft must be enclosed along with the bids but the original Demand Draft should reach the office of Uttarakhand Sugars/Exporters (Corporation/Coperative Sugar Mills) at Dehradun before opening of technical bid.
4. All bid must be accompanied by bid Security/Earnest Money Deposit (EMD) in the form of Demand Draft drawn in the favour of Uttarakhand Cooperative Sugar Factories Federation Ltd, Dehradun. The scanned copy of the bid Security/EMD must be submitted along with the bid and the original should reach the Federation's office at Dehradun before opening technical bids. No interest would be payable on bid Security (Earnest Money) deposited with the Federation.
5. The bids will be opened in the presence of bidder's representatives, who choose to attend at the venue, date and time mentioned in the above table. An authority letter of bidder's representative will be required to be produced.
6. In the event of date specified for bids opening being declared a holiday for Federation's office then the due date for opening of bids shall be the following working day at the appointed time and place.

Uttarakhand Sugars reserves the right to cancel/reject any or all the tenders without assigning any reason thereof, in such a case the Bidders shall not be eligible for any compensation. Detailed terms and conditions are described in the tender document, which shall form part of this notice.

Contact Person : R.K. Seth
Contact No. :9412089227

Sd/-
DEEPENDER KUMAR CHAUDHARI
MANAGING DIRECTOR

CORRIGENDUM
Please refer our advertisement INVITATION FOR SUBMISSION OF SCHEME OF ARRANGEMENT/ COMPROMISE WITH CREDITORS OF M/s. NAGARJUNA OIL CORPORATION LIMITED – "COMPANY UNDER LIQUIDATION" published in this News paper on 10.05.2019, In this regard kindly note that the last date of submission of bid stands extended to 1st July 2019 (17.00Hrs).

V.Mahesh
Liquidator for
Nagarjuna Oil Corporation Limited
No.39/19, Aspen Court, 6th Main Road,
R.A.Puram, Chennai-600028
maheshvenki@vmacs.co.in
vmacsibc@vmacs.co.in
Date: 06.06.2019
Place: Chennai

RailTel
(A Govt. of India Enterprise)
CIN No. U64202DL2000GOI107905

OPEN E-TENDER NOTICE

RailTel, Mumbai invites open tender in single packet system for "Rectification/Patch work of BBNL OFC, Excavation of Trenches and laying of OFC through ducts, testing, commissioning and maintenance of OFC in the sections of all the blocks of following Districts of Gujarat State by RailTel.".

1. e-Tender No. RailTel/e-Tender/OT/WR/NOFN/2019-20/06 Dt: 06.06.2019, District: Mehasana, Approx. Cost : ₹43.83 Lakhs
2. e-Tender No. RailTel/e-Tender/OT/WR/NOFN/2019-20/08 Dt:06.06.2019, District: Sabarkantha, Approx. Cost: ₹37.68 Lakhs

Last Date & Time for submission of e-Tender (Online)	Up to15:00 Hrs on 01.07.2019
Date of Opening of e-tender	15:30 Hrs on 01.07.2019

(i) Tenderers are requested to visit the website www.ireps.gov.in or www.railtelindia.com for details of tender after 05.06.2019 (ii) Tenderer may participate in above e-tender electronically through website www.ireps.gov.in only. (iii) Tender document cost & EMD will be accepted through net banking or payment gateway only. (iv) All intending, tenderer will have to register on www.ireps.gov.in for participating in E-Tender. (v) Any further corrigendum/ modification will be issued on website only.

Western Railway Microwave Complex,
Senapati Bapat Marg, Mahalaxmi, Mumbai-400 013,
Phone: 91-(22)-24923907, Fax: 91-(22)-24923913

The Times Group
Readers are recommended to make appropriate enquiries and seek appropriate advice before sending money, incurring any expenses, acting on medical or other advice or entering into any commitment in relation to any advertisement published in The Times Group publications. The Times Group does not vouch for the claims made by the advertisers. The Printer, Publisher, Editor, Owner and Officers of The Times Group publications shall not be held liable for any consequences, in the event the claims made by the advertisers are exaggerated, incorrect, false, misleading or if the claims are not honoured by the advertisers. The Times Group has invested in several companies; the names of some of the investee companies can be viewed on www.brandcapital.co.in

WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
WBSEDCL
(A Govt. of West Bengal Enterprise)
Regd. Office : Vidyut Bhavan, Block-DJ, Sector-II, Bidhannagar, Kolkata-700 091
CIN : U40109WB2007SGC113473, cecorpmont@gmail.com, www.wbsedcl.in

NIT No.: ZM/BDN/Civil/eTender/2019-20/04, 05 & 06 Date: 31.05.2019

e-Tenders in two parts (Part-I: Techno-Commercial, Part-II: Financial) are invited by the Zonal Manager, Burdwan Zone, WBSEDCL, New Administrative Building, 2nd Floor, Power House Complex, Dist.- Purba Bardhaman from experienced, resourceful, bonafide and working agencies of WBSEDCL/WBSETCL/WBPDCL/Central Govt./State Govt./Semi-Govt./Govt. Undertaking for : Name of Work: (1) Construction of new boundary wall at broken part of 280 M. length after dismantling and increasing of height of old boundary wall of 255 M. length, renovation of old control room building, installation of a new MS jail type gate, fencing and other allied civil works at Kusumgram 33/11 kV Sub-Station under Kalna Division; (2) Construction of 08 nos. of 30 metres high mast at Sadarghat and Becharhat 33/11 kV Sub-Station under Burdwan South Division; (3) Construction of new boundary wall, switchyard along with cable trench, pathways, coverslab and spreading of crushed stone, construction of one new rotary island & other allied civil works at Kusumgram 33/11 kV Sub-Station under Kalna Division. Estimated Cost: (1) Rs. 62,46,594/-; (2) Rs. 9,72,685/-; (3) Rs. 87,39,826/-. For other details, including qualifying requirements, key dates, visit www.wbsedcl.in & www.wbtenders.gov.in
ICA-T3369(3)/2019

TIMES interact
Connecting People, Connecting Needs.

MATRIMONIALS | WANTED GROOMS | WANTED BRIDES | BY CASTE | GENERAL | BRAHMIN | CASTE NO BAR

ALLIANCE for our son, aged 29 yrs, residing in Chennai, height 5'78, B.E, doing business Intercaste Vellalar, Net worth about 200 Crores. The bride from a decent, educated family of same net worth. caste no bar age below 26. Email-mgnath77@yahoo.com . 7299744777

NO DOWRY / SPIRITUAL

BRAHMIN Boy 30/5'-11'Manager CPSU, B.Tech(Che), MBA(IIML), Ph.D(IIML Persuing)Parents & SisterCl-1, Pref.IITian, IIMian or Medico Girl kuldeep01960@gmail.com

KKB Madhay Nari MTECH MBA working MNC USA, 41/ 5'8" very fair Never Married Veg. Girl. Seeking Brahmin boy age 43+/ 5'10"+/ fair never married preferably in USA. Matrimonial agencies/ bureau DO NOT CONTACT. shaadikkb@gmail.com , 9535683854

KKB Madhay Nari, MCA MBA working MNC B'lore, 35/5'8" very fair Never Married Veg. Girl. Seeking Brahmin boy 35 to 39/5'10" or above/Fair Never Married.Matrimonial Agencies/Bureau DO NOT CONTACT, shaadikkb1@gmail.com , +91-9535683854

BRAHMIN Girl,25/158cm,slim,b'ful,MBBS (Capt)seeks suitable Army Medical Officer,Parents & Brother Cl-1 Kuldeep01960@gmail.com

JAIN

SM 4 Smart,Fair, Girl Nov 92/5'3"/ BA (DU), PG(UK), Masters Studying USA, Family in Agra seeks boy Preference Working In USA. E: abhinava2727@gmail.com Mob:9897422260

SARYUPARIN

GROOM for Saryuparin girl Gautam gotra origin east UP 22 NRI Middle East 5'6" BBA working pvt sector e-mail vigya2019@gmail.com

BY RELIGION | CHRISTIAN

A Beautiful born again NIPC Girl Fair/Slim/25/5'1"/MSW/ Mumbai from cultured believer family seeks alliance from born again professionals from believer family. M: 9867226059 Or jcjm2019@gmail.com

THE TIMES GROUP
Readers are recommended to make appropriate enquires and seek appropriate advice before sending money, incurring any expenses, acting on medical recommendations or entering into any commitment in relation to any advertisement published in this publication. The Times Of India Group doesn't vouch for any claims made by the Advertisers of products and services. The Printer, Publisher, Editor and Owners of The Times Of India Group publications shall not be held liable for any consequences, in the event such claims are not honoured by the Advertisers.

HINDU

PQM for Rajput girl, 1982/5'6",NM Software Engineer, Indiana/US, seeks liberal minded family/match, US residents only, 9599122901.

GENERAL | CASTE NO BAR

PJB Khatri girl, b'ful, fair, slim, 5'7", Jan 82, IIM + B.E, wkg reputed Bank , Business Family. Cont:- 9769316864 Email: sood.jan82@gmail.com

NM, 72 Born girl, 5'5"/Senior Position / Maharastrian Family, looking for NM & well settled boy. Email: vj23903@gmail.com

business | BUSINESS PROPOSALS

ARE u or any family members /friends suffering from BP/diabetes/Cholesterol/or long term health complications ? Relief is now available : 9910511007

real estate | PROPERTY ANCILLARIES | PROPERTY LOANS

HOME & Mortgage Loans from Pvt. Banks. Start from 10 lakh to 5 Crores. Takeover, Top-up, NRI, Plot purchase & mortgage. Ph: 9949327022

jobs | SITUATION VACANT | MARKETING, ADVERTISING & SALES | MARKETING

WANTED Sales Executives Freshers / Experience for selling Diesel Generators, Qualification: Degree/MBA. Salary+Incentives + TA. Contact: 9014646213 / 9393399399.

TODAY ON ETPrime.com

NCLT Comes to Banks' Rescue

Banks realise that the IBC is not going to solve all their NPA woes. They have seen that about half of the loan value is being recovered via NCLT. So, all roads lead to NCLT, then.

Cloud Kitchens Catching On?

Swiggy, Zomato, Foodpanda, and others have invested in cloud kitchens. The erstwhile Faasos, now known as Rebel Foods, has been at the forefront of this trend, and is gaining traction.

Ranjan Pai Bets Big On Medanta

Ranjan Pai-led Manipal Hospitals has been longing to enter the northern and north-central Indian market, but his plan has been jinxed. With the acquisition of Medanta, he will remedy this.

Immigration Law: Expert's Take

An interview with immigration law expert Austin T Fragomen Jr. about the challenges faced by Indian companies and professionals due to the Trump administration's 'buy American, hire American policy'.

IN A NUTSHELL

JLR Launches 2019 Discovery at ₹75.18 Lakh

NEW DELHI Tata Motors-owned Jaguar Land Rover (JLR) on Thursday launched the 2019 edition of its Land Rover Discovery SUV in India with price starting from ₹75.18 lakh. The model will be available in four variants powered by a 2.0 litre diesel engine, JLR India said. JLR India president Rohit Suri said the Discovery's capability have been enhanced with the high-powered Ingenium diesel variant.—PTI

'Keventers No Longer As Good'

NEW DELHI Super Milk Products, which in 2015 re-launched the Keventers brand of milk products, came in for a shock when a Delhi HC judge remarked that the popular milkshake brand was "no longer as good as it used to be" before closing down in 1970. Super Milk was in court against one of its licensees which was allegedly selling sub-standard milk products under Keventers name.—PTI

70K Miles

Or 113,000 kms of roads which GM will be adding across the US & Canada to the area where its Cadillac Super Cruise semi-autonomous driving system can run. The GM system can travel on 130,000 miles of limited-access highways that don't have crossing traffic. —AP

WHEN RISING MERCURY'S GOOD FOR SOME

A Midsummer Delight for the 'Cool' Brigade

Nation-wide heatwave and delayed monsoons hand in the best business in three years for cooling appliances and beverages companies

Writankar Mukherjee & Ratna Bhushan

Kolkata | New Delhi: This summer has been the best in three years for the cooling appliances and beverages sectors with heatwave across the nation and delayed monsoon and stable prices driving demand for air-conditioners and refrigerators. As per industry estimates, air-conditioner and refrigerator sales are up 15-18% in March to May compared to same period last year.

For cola makers, business has grown 10-15% driven to a large extent by low and no sugar variants on a smaller base compared to the larger core business, prompting companies to step up production in the peak season, beverage industry officials said.

Sales of ice cream and cold beverages too have shot up by over 20-22%, industry executives said.

"Prices had remained stable during summer this year due to stable commodity and input prices increasing consumption," said RS Sodhi, MD at Gujarat Cooperative Milk Marketing Federation that owns the Amul brand.

A senior beverage industry official, requesting not to be named, said: "The overall category is showing good growth this season. Rapidly shifting consumer preferences trends are seeing resonance and there's traction of non-sugary, diet and other hydration options. Hence, the overall portfolio is gaining volume share." PepsiCo declined comment on ET's query.

CHILLING OUT

Air-conditioner and refrigerator sales are up 15-18% in March to May compared to same period last year

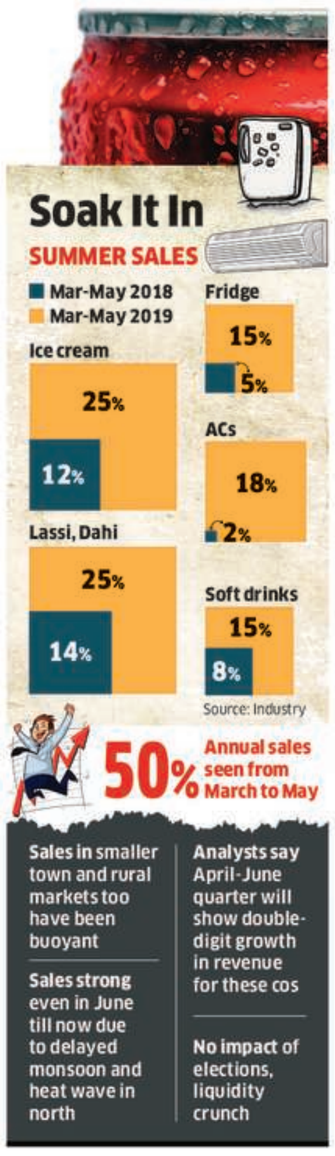
Sodhi said Amul sales have gone up by 25% during the summer but he cautioned that prices will now go up for dairy products such as ice cream and beverages due to increase in milk and skimmed milk powder prices. "Last two summers, there were price hikes during the season but this year it will now take place," he said.

For white goods, the pick-up in AC and refrigerator sales has come as a big respite after tepid demand for the overall industry for over last three years when sales were hit due to demonetisation, implementation of GST, increasing prices due to rupee depreciation and weaker summer.

While AC sales volume has grown by 15-18% in March to May, led by 18-20% jump in sales in April and May, refrigerator sales has grown by 14-15% in summer. Sales had picked up only late March due to delayed onset of summer.

"The heat wave pushed up sales and there has been no disruption due to elections. While AC prices have remained stable since last year, refrigerator prices have declined by 4-5% from last summer due to cut in GST rates boosting sales," said Kamal Nandi, business head at Godrej Appliances and president of industry body, Consumer Electronics and Appliances Manufacturers Association.

Voltas MD Pradeep Bakshi said there is healthy demand from first-time buyers as well with night temperatures going up. He said Voltas' AC volume sales are already up by 50% this summer.



BOTTOMS UP The liquor maker earned 10% of operating profit from IPL matches during FY19

RCB Rakes in Moolah for United Spirits despite a Poor IPL

Sagar.Malviya@timesgroup.com

Mumbai: United Spirits, India's biggest liquor maker, earned over 10% of its operating profit from cricket during FY19 even as its team — Royal Challengers Bangalore — languished at the bottom of the Indian Premiere League.

The Indian unit of the world's largest distiller Diageo said RCB's revenue more than doubled to ₹313 crore while EBITDA increased over 431% to ₹146 crore in year to March 2019. However, last fiscal's numbers also included revenue and profitability for Season 12 since IPL kickstarted early this year. Excluding last season, RCB had an overall revenue of ₹260 crore and an EBITDA of ₹123 crore.

"Strategically, we make a few shifts that potentially cater to the growth — exponential growth in commercial partnership revenue due to a strategic shift from just monetising jersey real estate to player time cost and moving from just ticket revenue to match day income with initiatives aimed at increasing gross margin per seat," Sanjeev Churiwala, chief financial officer at USL told **ET**.

One of the original eight teams in the IPL, Vijay Mallya, erstwhile owner of USL, had bought RCB for $111.6 million in 2008 and made it into a subsidiary. RCB, that has failed to make it to the play-off stages of the world's premier domestic cricket tournament seven times, posted its maiden profit in FY17 with revenues of ₹162 crore. A year ago, RCB's contributed just 3% to USL's operating profit.

"Liquor business is facing margin pressure due to high raw material costs. Apart from high profit, RCB also helps in getting intangible benefits in terms of advertising USL brands. However, it is still a non-core asset and the company could look at monetising to focus management bandwith and capital in spirits business," said Abneesh Roy, senior vice president at Edelweiss Securities.

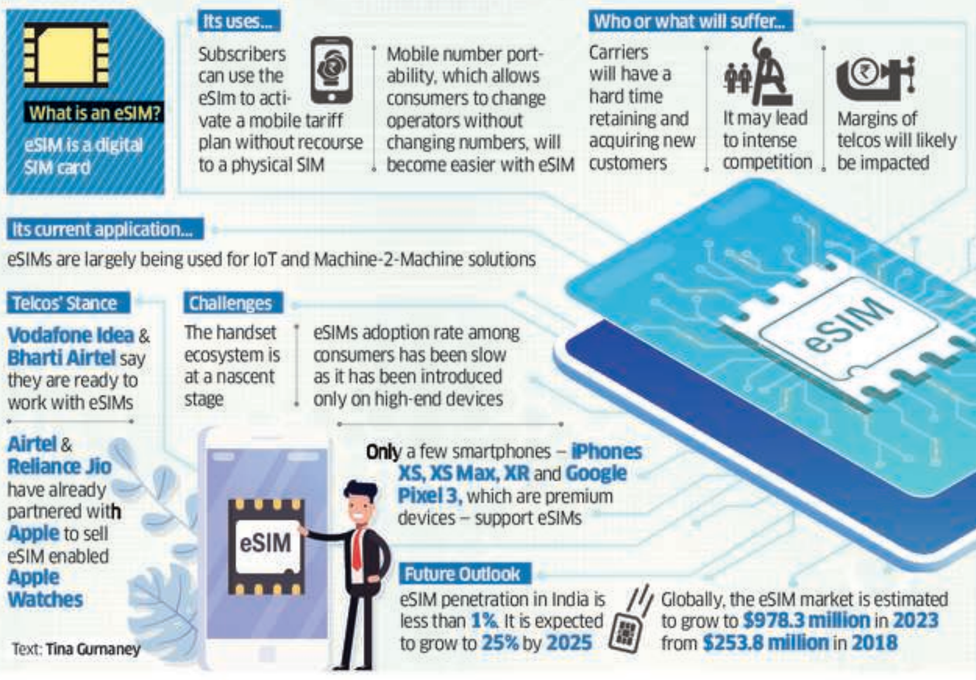
From a financial standpoint, franchise owners and investors are likely to focus more acutely on return on investment as the IPL moves into a more mature and stable phase, say experts.

"RCB will command a premium even after not performing well largely because of Virat Kohli and also because Bangalore is a huge market for advertisers. It is their gateway to South India. Hence it is slightly insulated from their on-field performance," said an IPL Brand Valuation Report 2018 by Duff & Phelps pegging RCB franchise valuation at $98 million, and sharing the third sport with Chennai Super King. According to the corporate finance advisory firm, Mumbai Indians is the leader in IPL brand ranking with valuation of $113 million followed by Kolkata Knight Riders at $104 million.

ET GRAPHICS

Switch At Your Will

Mobile phone users may soon be able to change operators on a whim, thanks to embedded SIM, or eSIM cards, making telecom providers raise their game to retain users, company executives and experts say



Text: Tina Gurnaney

COAI Urges Govt to Clear Air on Huawei Telecom Gear

PTI

New Delhi: Industry body COAI has urged the government to clarify its stance on the use of Huawei equipment in telecom infrastructure, particularly for futuristic 5G networks, at the earliest to enable operators to take a long-term view in investment decisions. Cellular Operators' Association of India (COAI) director general, Rajan Mathews told PTI that it is for the government to decide on whether Huawei telecom gear will be allowed in 5G networks, but an early decision on the matter would help operators make investment decisions.

"The industry is saying, it is really up to the government to decide on Huawei ... all we are saying is let us know earlier rather than later because we have to make decisions on 4G ... operators are buying 4G equipment that future proof, in terms of forward compatibility for 5G...any sudden change of rules midway, will mean financial loss to us...," Mathews said.

Last month, the Trump administration had placed Huawei and its affiliates on blacklist, a move that essentially banned the Chinese telecom equipment company from purchasing parts and components from American firms without the US government approval. The US had subsequently relaxed some of the restrictions to reduce disruption for its customers.

India, however, is yet to take a call on whether it intends to place curbs on Huawei or allow the Chinese telecom equipment maker to participate in the upcoming 5G trials, that are scheduled to commence in 100 days. IT minister Ravi Shankar Prasad Monday alluded to the contentious issue saying it was a "complex" matter and will be looked at seriously including security aspects.

"We will take a firm view on it. There are also security issues...it is not only a matter of technology, as regard their participation in 5G is concerned...Participation of 5G is not conditional upon the trial being started. Whether a company is allowed to participate or not, is a complex question including security issues," the minister had said.

The same day, chinese telecom gear maker Huawei however said that its engagement with the Indian government for 5G trials has been "positive".

ICC World Cup: 114m Tune into 1st Match

Our Bureau

Mumbai: The debut match of the ICC Cricket World Cup 2019 between England and South Africa clocked a reach of 114 million on television while the average viewership was 101 million impressions, as per BARC viewership data shared by Star India.

In terms of reach, the World Cup has seen a 2.2 times jump compared to the opening match of the most recently played ICC tournament, the ICC Champions Trophy 2017, between England and Bangladesh.

BARC defines impressions as the number of individuals of a target audience, averaged across minutes. Reach is the total number of individuals who viewed the event for at least one minute.

The viewership cannot be compared to the previous World Cup, when the ratings were monitored by TAM Media Research.

"We are thrilled with the record opening numbers and believe that the early numbers will only get bigger with the India games that follow," said a Star India spokesperson.

The broadcast of the ICC CWC 2019 is available in English, Hindi, Tamil, Telugu, Kannada, Bangla and Malayalam.

Oppo Marketing to Get 'Heavier' In Brand Push

Danish.Khan@timesinternet.in

New Delhi: Chinese handset maker Oppo plans to go back to its "heavier" marketing strategy as it expands into a full price range company and targets the top spot in India's intensely competitive smartphone market, currently dominated by Xiaomi and Samsung.

"As we enter the sixth year in India, it's time for us to renew the brand identity. We are definitely going back to a heavier marketing strategy to re-brand ourselves as a technology innovator. We will put a lot of marketing efforts," Will Yang, chief marketing officer for South Asia at Oppo, told ET. Yang said Oppo's ambition is to become No. 1 in India, a market that's very complex due to the nature of consumers and their demands.

"A major obstacle has been the product evolution and how to bring revolutionary technology at affordable prices. Localisation has also been an obstacle," he said. The major portion of Oppo's marketing expenditure went into partnerships – with the International Cricket Council for the ongoing World Cup, with Marvel Studios and with Wimbledon. The company entered India in 2013, backed by aggressive marketing spends and high channel margins.

Vivo Readies Online-exclusive Handset Series

Danish.Khan@timesinternet.in

New Delhi: Chinese mobile phone maker Vivo is readying to launch an online-exclusive smartphone series called Z, with handsets priced at ₹10,000-30,000, after having doubled its growth year-on-year in the quarter to March.

"We need our presence felt in the online... offline has been responsive so far, and we feel that now going forward, online is also an important segment. We would like to be present there as well," Nipun Marya, director, brand strategy, Vivo India, told ET. The new series will target millennials, who flock to e-commerce platforms to buy smartphones, a customer segment that has played a major role in helping Xiaomi outpace its rivals over the past year or so. "Z series will be made available within this quarter," said Marya.

Korean handset maker Samsung, which had launched an online-exclusive series in February to target millennials, has already sold two million devices online.

Marya said there is a significant consumer base that shops online. "This market is very dynamic. We are consistently assessing it. Our goal is to build a strong brand in the medium to long term here," he said.

Get a daily mail with the most important news on the telecom industry from all media outlets. Send a blank mail to join@ettelecom.com to sign up.

Flipkart, Amazon Beef Up Govt Affairs Teams

EXPERT TEAM Walmart-owned co hires Dhiraj Kapoor; Amazon advertises for three jobs

Rasul.Bailay@timesgroup.com

New Delhi: The December amendments to the foreign investment rules for e-commerce marketplaces — that roiled foreign-funded online platforms with a host of restrictions — have prompted Flipkart and Amazon to ramp up their government affairs and public policy teams in India, according to sources.

Walmart-owned Flipkart has hired Dhiraj Kapoor, former vice-president corporate affairs Carlsberg India, as the head of government affairs and he is putting together a national team with government affairs staff in most of the major states. He will report to Rajneesh Kumar, chief of corporate affairs for Flipkart, one person said. Kumar is also the spokesperson for Flipkart.

On top of that Flipkart plans to hire experts and retired IAS and IPS officers to advise the Bengaluru company on policy issues and government affairs.

A spokesperson for Flipkart said the Bengaluru company collaborates and works with different stakeholders across the country to create shared value.

"To continue creating value for these different stakeholders including communities, we work with industry associations, farmers & FPOs, other partners, governments and public authorities at the centre and state levels," Kumar, the spokesperson said in an emailed response. "Consistent engagement helps us bring best practices to our operations and supply chain. As a home-grown company, we always try to use our technology- and innovation-led problem solving approach to support all our stakeholders, including public authorities, in executing their growth vision."

Rival Amazon is ramping up its government affairs team and is placed ads for three managerial posts for government affairs and public policy and two of such positions have been currently advertised on LinkedIn.

A spokesperson for Amazon declined to comment. A senior executive of a foreign digital company said the aggressive hiring in government and policy teams of both Amazon and Flipkart are in direct fallout of the December policy that many believe the two largest e-commerce companies were "caught off-guard" when the government announced the policy changes.

'Vehicle Sales Won't Bounce Back Immediately'

Monsoon to decide sales, which should hopefully pick up from Aug-Sept onwards, says Toyota Kirloskar exec

Sharmistha.Mukherjee @timesgroup.com

ANI

Masakazu Yoshimura, MD of Toyota Kirloskar Motors, with N Raja, deputy MD, during the launch of Toyota Glanza in New Delhi on Thursday.

New Delhi: Japanese auto major Toyota Motor Corporation (TMC), which operates in the Indian market through a joint venture with the Kirloskar Group, said there is unlikely to be an immediate bounceback in vehicle sales and demand would pick up closer to the festive season this year.

"In the first five months of the year, the market has gone down by 8%. After the announcement of the election results, we have seen improved traction...But the bounceback will not happen immediately...subject to monsoon being good, August-September onwards there should be some improvement in the market," N Raja, deputy managing director (sales and marketing), TKM, said.

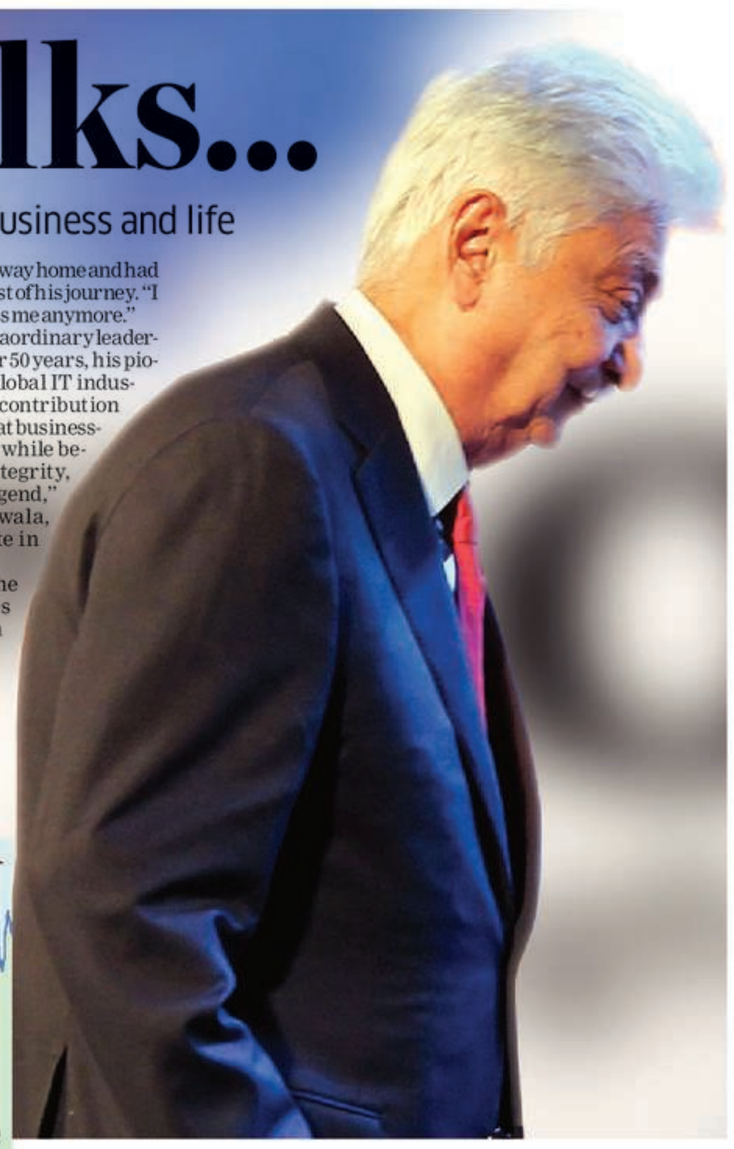
Raja said Toyota Kirloskar Motor (TKM)'s volumes have fallen by 3% till May this year. The company — which launched the first cross-badged vehicle premium hatchback Glanza sourced from partner Suzuki's stable Thursday — is working on bringing growth back to the positive trajectory in 2019. "Cumulatively, we are down by 3% in the first five months compared with last year. Our aim is to go positive," said Raja. TKM had grown sales by 9% to 151,000 units in 2018. The Glanza marks the company's entry into the premium hatchback segment sized at 400,000 units annually. The vehicle has incorporated hybrid systems and will come for between ₹7.21 lakh and ₹8.90 lakh (ex-showroom, Delhi). The Glanza is being manufactured and supplied to Toyota Kirloskar Motor (TKM) by Suzuki Motor Gujarat (SMG).

Raja said new launches by carmakers such as Toyota (Glanza), Hyundai (SUV Venue), Kia (SUV Seltos), MG Motor (Hector) will help excite consumer sentiments. Additionally, rate cuts by the Reserve Bank will help revive demand. "Today, we see people are holding back...These kinds of stimuli — a stable central government, policies coming in which will be oriented towards economic growth, rate cuts on primary lending, all these will help in mobilising the market," said Raja.

Get a daily mail with the most important news on the automotive industry from all media outlets. Send a blank mail to join@etauto.com to sign up.

That's IT, Over to You Folks...

Wipro veterans vouch for Premji's intensity, ethics and never-say-die attitude and the lessons they learnt in business and life



Ayan Pramanik & Megha Mandavia

Bengaluru: Chairman Azim Premji led by example, and for Wipro employees, he was a professional who backed his staff to take the decisions that would go on to make the IT services provider what it is today.

In fact, Premji credited the thousands of Wipro employees who had shaped and built a successful, ethical and socially-responsible organisation in the letter announcing his retirement.

The company may have faced obstacles, but Premji trusted his colleagues and backed them as long as they had done enough homework.

"The first thing is his intensity. He has a never-say-die attitude. I have never seen anything like that," said Dilip Ranjekar, CEO of Azim Premji Foundation, who has worked with Premji for over 43 years. "The second thing is his professionalism. He is a proprietor, yet extremely professional. He ran the organisation on merit and facts."

Ranjekar added: "The other thing is his extremely middle-class values. There is no flashiness, no flaunting. He knows that what he does or doesn't do affects the organisation. He always ran a tight ship at Wipro."

Wipro created the largest number of executives who went on to become successful managers across the IT industry.

"The freedom he gave helped us to become better decision makers," says a former CEO, who had worked in Wipro.

KK Natarajan, the chairman of Mindtree, who was a Wipro campus hire in 1981, said Premji's rigour and attention to detail was a great lesson that he applied in his journey as a manager. "He also gave space to his people. There is nothing you cannot disagree with Mr Premji. You can disagree with him in a public forum, and once a decision is taken, he doesn't carry anything into a future interaction," Natarajan, who quit Wipro to help cofound Mindtree, said.

A LEGEND

Azim Premji's extraordinary leadership, his pioneering role, and his unique contribution by demonstrating that businesses can be successful while being committed to integrity, have made him a legend

ABIDALI Z NEEMUCHWALA

Premji also inspired him to be more philanthropic, Natarajan said, which meant not just writing a cheque, but addressing the most difficult problems, such as primary education, and delivering results.

"What stands out about Azim Premji is that he is a very humane person. He never asked us to do anything which we would ever be ashamed of," said Sudip Banerjee, Independent Director of LTI, who spent nearly 25 years with the company and last served as president of its enterprise solutions business. "It was a real privilege to work with him when the IT services industry started taking off from India. I always admired his sense of integrity and fairness."

Banerjee recalled how Premji had once driven him half-way home and had hailed a cab for the rest of his journey. "I said, do not embarrass me anymore."

"Azim Premji's extraordinary leadership of Wipro for over 50 years, his pioneering role in the global IT industry, and his unique contribution by demonstrating that businesses can be successful while being committed to integrity, have made him a legend," Abidali Z Neemuchwala, CEO of Wipro, wrote in a letter.

He said, one of the "greatest privileges of my life has been to work with Azim Premji."

Bonus

Year	Ratio
1995	1:1
1997	1:2
2004	1:2
2005	1:1
2010	3:2
2017	1:1
2019	3:1

Azim Premji Trusts Rishad's Expertise

Our Bureau

Bengaluru: In 2018, Rishad Premji successfully pushed for a change in how the software industry measured its key metrics. He was then the chairman of Nasscom, the industry lobby group. For years, Nasscom had shared the industry's guidance on annual growth following a survey of its members. This would be done at the end of the year.

Rishad, who had seen the disruption in the IT services industry over the last few years, convinced the industry body that forecasting was an old model.

The sector had to be measured on how it navigates the shifts in the services model, considering clients were increasingly spending on digital at the cost of legacy services, he said.

Nasscom then started sharing a survey on the business confidence of its members.

"We are not sharing the guidance because it is a good or bad year – it is a philosophical shift," he said about the change.

The 41-year-old chief strategy officer of Wipro has been elevated as chairman after his father decided to step down from the company he ran for over 53 years.

"As he retires, leaving this great legacy in our hands – there is only one way to thank him and express our gratitude – we must continually take Wipro to newer heights," Rishad Premji wrote to employees.

Wipro has lagged peers in growth over the last few years and a recovery is still a few quarters away.

Rishad and CEO Abidali Neemuchwala have to make bold bets to ensure that Wipro grows faster. Premji, however, thinks Rishad has the requisite experience.

"His diverse and cross-industry experiences give him the benefit of a broad view of global business. He is firmly rooted in the values that are the bedrock of the company — his commitment to the Spirit of Wipro is absolute," Premji wrote to employees.

Neemuchwala on a Digital Mission

Our Bureau

Bengaluru: Abidali Z Neemuchwala has been re-designated CEO and MD of Wipro. The appointment takes effect July 31.

Over the last three years, Neemuchwala has faced challenges including client bankruptcies, an acquisition that did not work and business challenges in its home market.

He has tried to navigate these challenges in step with Rishad Premji, the chief strategy officer who will now take over as chairman, especially at a time when business opportunities have increased for the IT sector.

"Rishad and I have worked very closely together over the past four years, forging a very strong working relationship. This extends to the entire leadership team of Wipro. This cohesive and collaborative leadership will be a great source of strength for our company," Neemuchwala wrote in an email to employees after the announcement. Neemuchwala has championed the digital strategy for the Bengaluru-headquartered IT services exporter through many key acquisitions.

Appirio, the cloud-services focused firm acquired in 2016 under his leadership, has added significant value in digital service offerings.

Neemuchwala has focused on shifting the company's core model from "arbitrage to digital", Peter Bendor-Samuel, a prominent global IT sector analyst, said earlier. "There are many good signs that his strategies are starting to pay off," he said in late 2017. Under him, Wipro has stepped up efforts to use automation across traditional services.

Neemuchwala has also consistently looked out for startups that could add value to Wipro's core services and in newer technology areas, and has invested small amounts in these firms.

Premji, the teacher, philanthropist, mentor, winner and the motivator

Opinion

Mr Premji's Strength is the People He Picks

ASHOK SOOTA

Executive Chairman, Happiest Minds

I will narrate my own experience of how Azim Premji hired me.

In 1984, when he interviewed me for the position of President for the IT business, the interaction was done over several days. My interest in working with him increased due to the depth and detail he went into while hiring me. Premji knew that he was taking an important decision for his information technology business, and he had to make the right call. He personally met the people I had provided as references. They would tell me how he would take detailed notes.

One of Premji's biggest strengths was the people he picked. The second aspect was that he would give a lot of latitude and freedom to the people who reported to him.

That did not mean he was not hands-on. He went into a lot of detail, and when he took part in your decision-making, he would add value all the time. He would also ask questions. At the end of the day, if I took a decision, he would not overrule it.

BUILDING BUSINESS

Has completely focused on building his business with the highest standards of corporate governance and integrity

To use his own words, "I don't want to take the monkey off your back." Lots of people have questioned his idea of focusing on small things to cut costs.

He didn't believe in ostentatious spending. Whether it was hotels or electricity, he looked for multiple ways to cut costs.

Premji's leadership model was to be efficient, keep costs low and maximise profits.

With the profits he generated and the wealth he built, Premji actually has been generous through his philanthropy. He has celebrated the joy of giving and has inspired several people to get into philanthropy.

Premji completely focused on building his business with the highest standards of corporate governance and integrity.

He focused on two areas at Wipro — education and training. It was natural that when he got into philanthropy, he chose education.

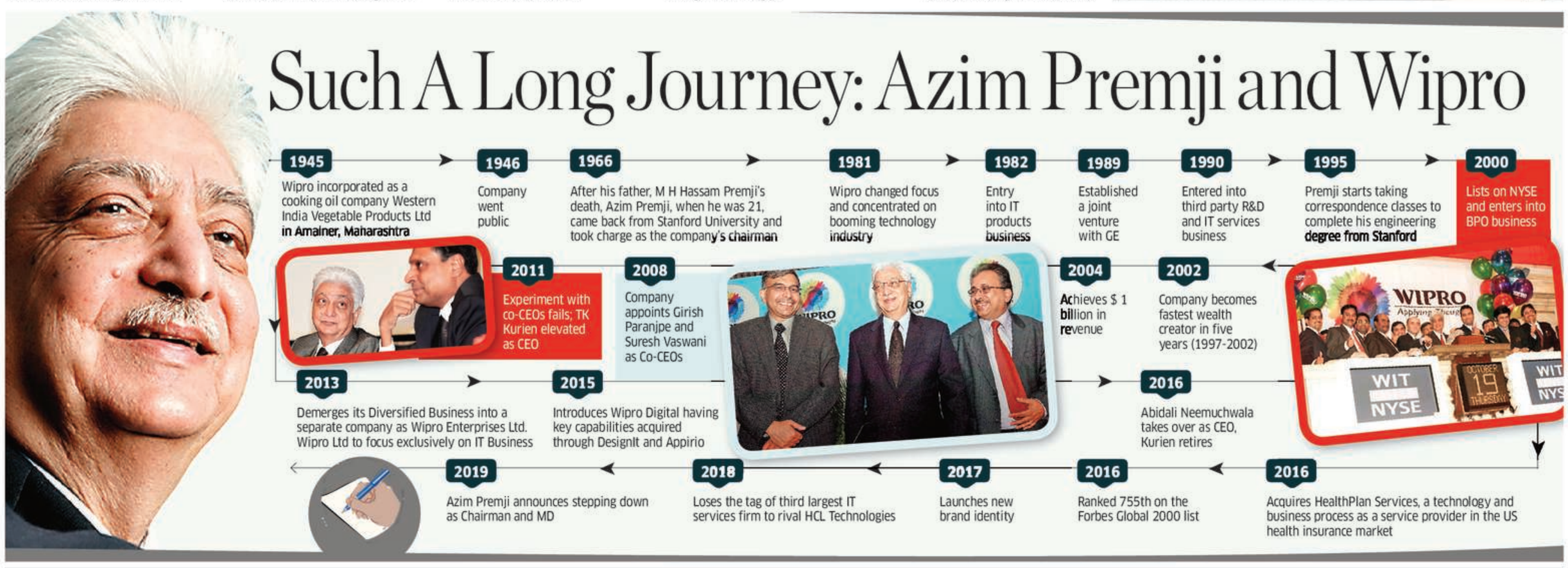
Premji has chosen the right person to succeed him.

Rishad is highly talented and knows the IT industry. He has taken charge at the right time. He is a bright young man and has got a good head on his shoulders.

Azim Premji has been a visionary leader, great manager and a wonderful human being.

(As told to Raghu Krishnan)

Such A Long Journey: Azim Premji and Wipro



>> L to R: Rajnish Gupta, Senior Director, Enterprise & SMB Sales, HP Inc. India; Amir Ullah Khan, Advisor, Bill & Melinda Gates Foundation; K. Ganesh, Serial Entrepreneur & Partner, Growth Story; Priyanka Dutt, India Country Director, BBC Media Action; Jaideep Mehta, CEO, News Corp Mosaic Digital

Seizing the wave of disruptive technology

Tech gurus and thought leaders converged in Bekal recently to deliberate on the inevitability of digital transformation and how companies would do well to embrace the changes with devices that augment design, security and collaboration

SHAILJA.KATYAL
@timesgroup.com

Emerging digital technologies such as artificial intelligence (AI), predictive analytics, biometrics, and blockchain are here to stay. In order to discuss and share the emerging technological trends and ways to harness the potential in a thriving digital ecosystem, C-Suite executives and leading industry players came together in Bekal recently for the Big Switch event organised by The Times of India in association with HP Inc. India.

Kicking off the proceedings, Sumeer Chandra, MD, HP Inc., said: "We are living in a world of rapid change and digital disruption is all around us. We wanted to create a platform whereby we can get leading digital innovators in the country to come and talk about their experiences, their journeys about how they are driving digital transformation, thereby creating a platform of learning and knowledge sharing. I am really pleased at how far we have come and the quality of engagement at these forums."

He, along with the HP team, also gave a presentation on 'Office of the Future to match The Millennial Mindset'. They spoke about the digital renaissance taking place at the workplace and how technology and smart devices are powering collaboration at the workplace like never before. PCs are being designed to help the workforce interact instantly in multiple ways from anywhere across the globe. It is a dynamic phase of collaboration where team members can use tools to speed up innovation, switch from the boardroom to their personal devices, while keeping the conversation going even when they're not in the same office or time zone.

Vickram Bedi, Senior Director-Personal Systems, HP Inc India, said: "Digital transformation is becoming a part of our daily life. We are far ahead as compared to other countries, thanks to the government initiatives and the networks of this country where data has now become so easily available and affordable. The task ahead of us is to maximise and leverage it, to start creating new usages and ecosystems so that everybody in this country can participate."

Leo Joseph, Senior Director – Printing Systems and Solutions, HP Inc, speaking at another discussion on the need to secure printers, said: "A printer is also vulnerable to security threats. According to a study conducted, only 18 percent of CIOs or IT heads think a printer can be hacked and isn't secure. A printer is nothing but a PC. It has its own hard disk, network connectivity and you can send emails to it. So clearly, it is the easiest device to hack if you don't take care of its security."

Leo also threw light on the subject of 'Mobile Printing and Smart Apps' and how it allows printing on the go with the help of a mobile.

This was followed by a panel discussion which delved into the 'Reality of Dominance in the age of Digital'. Moderator Jaideep Mehta, CEO, News Corp Mosaic Digital, set the tone for the discussion by stressing on the need to be digitally agile and attracting the next wave of talent at the workplace. According to him, "The big difference that we see happening is that, as we go digital, the next wave is being defined by the dramatic disconnect from the previous digital change or you could say that it is the next orbit shift, driven by AI. So, as we travel the digital journey, as the processes get more and more intelligent and as our ability to do things with data becomes more sophisticated -- all of it is driving the next digital wave and manifesting in various ways."

TECHNOLOGY AS AN ENABLER

Priyanka Dutt, India Country Director, BBC Media Action, threw light on how user-specific technology has led to efficient transfer of information. She said: "We do a lot of media and communication work for social impact. Some of the work that we do uses television and radio and lots of below-the-line communication approaches. Given that the communities we serve are first-time users of technology, a lot of the technology that we use is the ubiquitous mobile phone. Now obviously, the communities that we are talking about are largely rural, poor and illiterate. So for us what is fundamental is that not just this opportunity of massive penetration of technology, but also one of our core values that our communities are at the heart of everything we do. And that human-centric design principle is fundamental in terms of making sure that we design things that are appropriate for our users. We are not about introducing new technology, but about leveraging what people are already doing."

RADICAL CHANGE IN BUSINESS LANDSCAPES

Talking about the epochal shift that's reshaping the economy, K. Ganesh, Serial Entrepreneur & Partner, Growth Story, said: "If you look at the last 18 months, tectonic changes have taken place in the Indian market. There are three things that are almost like Black Swan events that have come together like never before in India and nowhere else in the world. Firstly, demonitisation has singularly and almost overnight forced adoption of digital payments. Secondly, we never thought that India would become the country with the cheapest data bandwidth rate. Thirdly, fintech has transformed the traditional financial methods to make delivery of financial services quicker and more reliable."

SYNERGIES WITH DEVELOPMENT SECTOR

Expounding the role of technology as a great leveller, Amir Ullah Khan, Advisor, Bill & Melinda Gates Foundation, said: "Access to technology in the 20th century was entirely based on literacy. You needed to be first literate to access technology. The world of technology has made the lives of those in the development sector easier by knocking out 'literacy' from the whole bargain. Today, to access a machine, I don't need to be literate anymore. The whole definition of literacy has changed and therefore the 300 million population that was bereft of access to anything good, is beginning to see the change."

>> Sumeer Chandra, MD, HP Inc., addressing the audience

STAYING AHEAD OF THE CURVE

Rajnish Gupta, Senior Director, Enterprise & SMB Sales, HP Inc. India, highlighted the pressing need for companies to invest in digital technology. "Companies, that are not able to relate to their customers through digital media, will start to fall behind. Companies, which take on the ownership of investing really quickly and in areas that really impact the customer journey, will be the leaders in their domain and they are the ones that will lead the pack. And we have seen multiple examples of this when we do tech-refreshes with companies across the country," he said.

TECH TALES

Technology, customer focus translates to success

Here's some insight that will help in building a successful enterprise from senior execs with experience in the changing marketplace

SAFA SHUAIB

Success stories are always inspiring. They hold precious lessons for beginners and help experienced professionals find new paradigms. Tech Tales is another word for storytelling that is exciting. Moderating this panel discussion, Salil Gupta, Chief Business Officer, News Corp Mosaic Digital, said, "What we want to bring out here is the success stories of these trans-functional leaders"

So, the questions to every panelist were, 'tell us your success story', 'what worked for you?', and 'tell us about your field'. And 'how important is the role of millennials in business today?'

GROWING NUMBER OF SENIOR CITIZENS

>> Meena Ganesh, MD&CEO, Portea Medical

The first speaker was Meena Ganesh, MD&CEO, Portea Medical. She said around 70-85 percent of healthcare happens outside the hospital. "What people don't realise is the number of elderly people in our country is 1.20 million - aged over 60 years. The number of elders is growing faster than the number of youngsters. The onset of chronic diseases such as hypertension, diabetes etc is seen in people above 30 years. While people have knowledge, not everyone has the right knowledge. There is a lot of interest in preventive care and wellness", she said.

Technology is a significant factor in healthcare. "It is about diagnosis and treatment, personalisation, and a combination of data and AI. One drop of blood can predict many diseases, she added.

UNDERSTANDING THE CUSTOMER IS THE KEY

The next to speak on the panel was Tarun Pandey, Executive Vice President -IT, Aditya Birla Financial Services. "I believe in changing and adapting to a culture. We do it over a period of time. The people who do it slowly will have difficulty in dealing with it", he said.

On how one can enhance technology, he explained, "by changing the thinking to a 'customers outside in view'. He said, "We need to look at what the customer thinks of us. We are with our customers from cradle to grave." To create a 360-degree view of a customer, it can take a few years, he said. Speaking on the importance of data and identity, he said, "You have to understand the internal data to understand the customer, and new areas you can get into."

>> Syed Peerzade, CIO, Reliance Big Entertainment

BUSINESS IS ABOUT CONTENT

Syed Peerzade, CIO, Reliance Big Entertainment, speaking on the entertainment segment, said, "Our approach was that of a startup and we are still working as a startup." The gaming industry has witnessed high growth. "This business is about content and retaining customers", he added.

>> Rajiv Arora, Group CIO, Siemens

FOCUS ON USER EXPERIENCE

Anil Khatri, CIO, SAP, South Asia, brought the focus on user experience. "We have a few collaboration platforms that are popular with millennials. Youngsters use more than one platform on social media", he said. Looking ahead, he said, "Personalised technology-enabled data and Apps will play a major role."

>> HP Solution Zone tour

USE DATA FOR HIGHER PRODUCTIVITY

Speaking on trends in work today, Rajiv Arora, Group CIO, Siemens, said, "There are three major trends seen - work automation, workforce adapting to digital technologies, and internal and external gig economy". He said a major issue faced was inadequate digitalisation. People are retiring as early as 45-50 years. Many cannot adapt to the changing technology that is happening at a rapid pace.

The future is in using data to get the workforce to become more productive, he said.

>> Hariharan Iyer, Group CIO, Raymond Ltd

DIGITAL TRANSFORMATION

"Choice against force is a question of balance in the digital transformation of a customer-driven exercise. Customers are digitally-distracted. Unless you capture their interest, you will lose the customers", said Hariharan Iyer, Group CIO, Raymond Ltd, speaking on digital transformation.

"We need to capture data in a seamless way. That is digital transformation in today's world. The only solution is to give them flexibility and success will follow", he said. The reason many businesses fail today is because customers are constantly distracted and there is no instant gratification. While around 75 percent of ideas fail, it is great learning, he explained.

INNOVATION MARKETPLACE

'Customer centricity is the key to business success'

Annadurai, a 32-year-old hi-tech autorickshaw driver from Chennai, was one of the speakers at the HP Big Switch event at Bekal. Talking about his journey, Annadurai said: "Some years ago, a customer wanted to charge his phone battery, but I did not have the facility in my autorickshaw. That got me thinking. I wanted to give my customers the best travel experience. Today, my vehicle is equipped with the best services, complete with digital payments, wi-fi, laptop, tablet, newspapers, magazines, etc. Customer centricity is important for all businesses." Annadurai is also a six-time TedX speaker.

shailja.katyal@timesgroup.com

MASTERCLASS

LOOKING INTO THE FUTURE

Safa Shuaib

Masterclass was conducted by Neil Jacobsohn, Senior Partner, FutureWorld International. "I can't get a job in the present, so I got one in the future," summed up his message. This is his journey to 2030.

Neil publishes a report based on what will happen in the future, dated from the future, to show what is happening in the world. "I used software to see what I would look like, and I hope I don't live to see it happen," he smiled. With the stage technology has reached today, anything is possible. And this is just the beginning. News and music companies produce content, but have not changed the mechanism through which they are delivered. They think they are making money out of it but do not realise that today, on the Internet, everything is available free. Change is happening in every industry and it is not going to stop. It doesn't matter which industry you are in. New players and rules are completely changing the game, and the traditional models stumble. Traditional corporates just don't work anymore.

For editorial queries, please reach out to:
***bsmanu.rao**@timesgroup.com*

BAILING OUT NBFCs: OUTRIGHT RESCUE OR A PRUDENT POLICY FIX

Sitharaman's Difficult Choice

Managing the economy at this juncture is probably the toughest challenge for the Modi Cabinet. NBFCs, a key constituent, are in trouble. The debate is - bail out all or only the deserving ones. The FM has to ensure she doesn't create a moral hazard, say **Shilpy Sinha** and **Saloni Shukla**

It is nine months since Infrastructure Leasing & Financial Services (IL&FS) imploded. RBI has pumped in nearly ₹3.6 lakh crore in liquidity since April 2018. Conversion of loans into tradeable securities or securitisation is at record highs. Non-banking finance companies (NBFCs) have sold assets worth at least ₹1.3 lakh crore. Defaults by big borrowers are few and far between.

Not just that. Some shadow banking lenders such as Mahindra Financial and Shriram Transport have raised more than a billion dollars in overseas debt. Some others have recovered from a slump and are posting record profits. Still, Anil Ambani, the chairman of a financial conglomerate, declares that the non-banking finance industry is in urgent need of a bailout package for survival.

"The sector has gone into ICCU over the past eight months," Ambani said in a recent interview with ET. "The contagion and its cascading effect on the economy are clearly visible. In ICCU, if you want to save the patient, what is needed is not paracetamol but full life support."

Nirmala Sitharaman, the 59-year-old economist from Jawaharlal Nehru University who has just taken charge of the finance ministry, has her job cut out. That is to pull up the economic growth rate, which has slumped to a five-year low. But she is starting her innings with a key player severely injured. It's like Liverpool Football Club's Jurgen Klopp going into a Champions League knock-out match without Mohammed Salah.

"The new FM can incentivise banks to lend to private NBFCs," said Raman Agarwal, chairman, Finance Industry Development Council, a representative body of NBFCs. "The issue of bank's hesitation and increasing costs needs to be addressed. The situation is critical for small and medium-sized NBFCs, where banks play a big role in providing growth funds."

Ever since IL&FS defaulted, the entire industry is on the ropes. Mutual funds, a key lender to the segment but without reliably long-term funds, have frozen because of redemption pressures. So NBFCs, a key intermediary that lent to millions of small firms and individuals to buy cars and motorcycles, are unable to meet the demand. SMEs account for 8% of India's GDP.

That's partly blamed for the collapse in sale of automobiles and cut in discretionary spending. Automobile sales fell 17% in April, the sharpest decline in almost 8 years, data from Society of Indian Automobile Manufacturers shows. Maruti Suzuki, the auto bellwether reported a 19.6% decline in sales; tractor sales by Mahindra & Mahindra, a key indicator to farm economy, were 14.7% less in the fourth quarter than a year ago.

"Basic thing that the government can do is to ensure that growth capital is available to all deserving NBFCs," said KV Srinivasan, founder of Profectus Capital, backed by private equity firm Actis. "This will create a positive ripple in the financial services sector. Auto sales, two-wheeler and SME have taken a hit because of liquidity squeeze in the past six-eight months."

LIQUIDITY WINDOW

A key demand of the industry has been that the RBI lend funds to NBFCs under an exclusive window by keeping their assets as collateral. This, the industry argues, would help them overcome the resistance of traditional lenders such as banks and mutual funds in lending to them.

"Special window is like giving medicine to a sick patient," said Piran Engineer, an analyst with Motilal Oswal. "Next time you would not want to fall sick. Prudent players will take a step back and look at their business model."

NBFCs are preserving liquidity and in the process are shrinking their balance sheets.

"Investors and lenders are showing discomfort for NBFCs that have holes particularly due to related party transactions," said Abizer Diwanji, national head, EY. "NBFCs, which have excess of 8 times leverage, haven't been able to manage liquidity well."

Normal disbursement for Indiabulls Housing was ₹12,000 crore to ₹13,000 crore in a quarter. After the IL&FS crisis, Indiabulls reduced disbursements to ₹3,000 crore in the December quarter and to ₹7,000 crore in March.

Margins are squeezed due to higher cost of funds and CP primary issuances going down. For instance, the share of CP percentage for Gruh Finance was 20-22%. It has fallen to 15%.

Liquidity balance for NBFCs has gone up to 8-10% from 3-4% before the crisis. Long-term money is even more difficult.

But is it liquidity that's at the root of the inability of NBFCs to lend?

The net banking system liquidity moved to a surplus in the week ended May 31 to more than ₹2,000 crore, that is for the first time in more than three months. The average liquidity deficit in May was ₹38,736 crore, down from ₹72,014 crore a month before, data from CARE Ratings show. The average call rate at 5.89% in the week was lower than the repo rate of 6%.

If the data is any indication, it is not the liquidity but something else which is holding back NBFCs.

"The control and the regulations for NBFCs are made by the RBI, so probably the new finance minister may have to direct the regulator to lend a helping hand," says Kuntal Sur, head of financial services at PwC. "It's not as if they are facing any fiscal or tax hurdle the new FM can help with."

STRUGGLING VS THRIVING

Some 200 km away from where Ambani is finalising his asset sales to remain relevant, a competitor is smiling his way to the bank in Pune, the home of the Bajajs.

Sanjiv Bajaj, managing director, Bajaj Finserv, is sitting on the biggest wealth of his lifetime at ₹450 crore as his stock price reaches the sky while Ambani firm's wealth turned into dust. While Bajaj Finance trades at 10.3 times its book value, Reliance Capital is at 0.2 times, data from Bloomberg shows.

"Investors will trust NBFCs which managed the crisis well without RBI's assistance, had strong internal norms and diversified into less riskier segments," said Digant Haria, analyst, Antique Broking. "Those NBFCs to whom banks are willing to buy portfolio but averse to lending will gain confidence gradually as they realign the business practices related to ALM, concentration of sectors, ticket size of loans."

Painting the entire industry with the same brush would be doing injustice to those who have managed the risk well, while others compromised on it for higher market valuations. Many of the NBFCs, using cheaper funds from mutual funds, borrowed for short term to lend for long term to boost their profitability.

"The NBFC sector on a broad base does not have a problem," says Gautam Chhugani, director, India financials at Bernstein, a research house. "The problem is concentrated with the real estate-focused NBFCs. The Bajajs, Shrirams, Mahindras are not affected. They are able to raise money and drive disbursements."

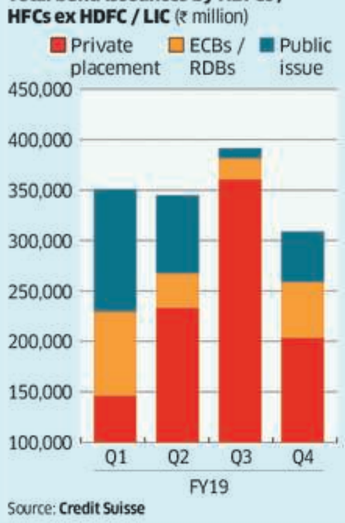
While the chorus was that the entire industry was affected when the credit markets froze last year, there is a realisation that it was only in pockets such as mortgages where there was trouble. There too, it is mostly concentrated in builder loans where inventory has piled up.

"There will be fear when there are sporadic events," says Rashesh Shah, chairman, Edelweiss Financial. "There was fear when certain corporate groups defaulted. October-to-December was very challenging where even I didn't know who is in what shape even within the industry. After March, I feel confident that all these are all manageable accounts. This is a liquidity problem and not a solvency problem as there is value in the asset."

ANIRBAN BORA

KEY INDICATORS OF NBFCs' FINANCIAL HEALTH

Total bond issuances by NBFCs / HFCs ex HDFC / LIC (₹ million)



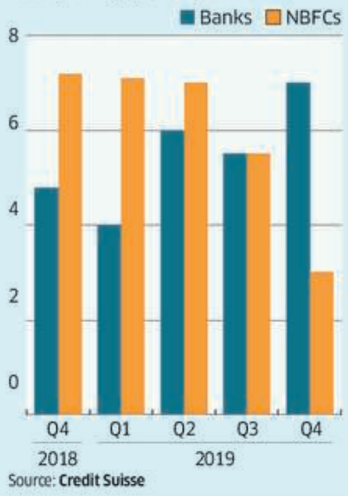
Source: Credit Suisse

Bank exposure to NBFCs at 8-16% (NBFC % of loans)

	Q4 2018	Q4 2019
BoB	15	16
Syndicate Bank	14	16
OBC	10.5	13
Union Bank	11	12
Canara Bank	10	12
Indian Bank	10	11
Andhra Bank	9	10
SBI	–	8
ICICI Bank	7	7
HDFC Bank	7	6.5
Yes Bank	–	5
Kotak Bank	5	4
IndusInd Bank	3	4.5
Axis Bank	1	2

Source: Company data, Credit Suisse

NBFCs growth slowing, PSUs picking up (Loan growth in %)



Source: Credit Suisse

WHAT'S THE LEGACY?

Every top administrator would like to leave behind a legacy that future generations would talk about. In a society where development stands ahead of politics, achievements of economic administrators are keenly watched.

In terms of economics, Manmohan Singh's legacy as a finance minister is far outshined by his achievements as Prime Minister. Pranab Mukherjee's is marked by "tax terrorism" and broken banks. P Chidambaram was the darling of markets.

Would Sitharaman choose from the above, or from her recent predecessor and party colleague Arun Jaitley? Jaitley, who is being blamed for presiding over sliding economic growth rate, has left behind a banking system that is a lot clean and reliable.

The asset quality review (AQR) of the RBI that he approved opened a can of worms, but ended the political legacy of kicking the can down the road. Although the ugliness of the banking system is in full glare, it ended the practice of banks and businesses sugar-coating bad practices as social necessity.

"AQR will be a short-term surgical strike," said Engineer of Motilal Oswal. "In the long term, it will definitely benefit the industry."

Former chief economic advisor Arvind Subramanian suggested that the central bank go for an AQR to restore confidence in the industry. Without a stamp of approval from the regulator, it would be difficult for investors to separate the good from the bad.

"AQR is an absolute requirement and that will differentiate good ones from bad ones," says Diwanji. "When they introduce AQR for NBFCs, RBI should introduce a comprehensive turnaround action plan."

There's little doubt that the NBFC problems need to be addressed, but a thorough study of it is essential so that the good ones get the benefits while the bad ones meet their fate.

"The new finance minister should make some positive statements to cheer up the NBFC sector and assure them that the finance ministry and the RBI will always stay vigilant if any need arises," says Sur of PwC. "That is a better idea than forcing her to bring about some regulation to help them."

STRATEGIC DISINVESTMENT EXERCISE

Niti Draws Up List of over 50 CPSE Assets for Sale

Land, industrial plants of NTPC, SAIL may be put on the block; list sent to DIPAM

Dheeraj Tiwari & Yogima Seth Sharma

New Delhi: In what could set the stage for big-ticket asset monetisation, Niti Aayog has identified more than 50 assets including land and industrial plants of state-owned enterprises NTPC, Cement Corporation of India, Bharat Earth Movers and Steel Authority of India that could be put on the block.

"We are looking at asset monetisation," a government official said, adding that Niti Aayog has sent a list to the Department of Investment and Public Asset Management (DIPAM). The official said the list will help the administrative ministries or the public-sector companies to kickstart the sale process.

The list was drawn up by Niti Aayog CEO Amitabh Kant in consultation with the secretaries of nodal ministries. "We will keep coming up with new lists as and when required over the course of time," another official said.

The official said NTPC's Badarpur plant, which is closed, has about 400 acres of land. Among the other assets are brownfield projects of companies including Sail.

The government raised ₹2,350 crore in the first two months of the current financial year, for which a disinvestment target of ₹90,000 crore has been set. In 2018-19, it raised ₹84,972.16 crore against the budgeted target of ₹80,000 crore.

Earlier, DIPAM had identified some assets that were hived off from companies such as Scooters India, Bharat Pumps & Compressors, Project & Development India, Hindustan Prefab, Hindustan Newsprint, Bridge & Roof Co and Hindustan Fluorocarbons. These firms are now up for strategic sale.

In February, the cabinet had cleared the institutional framework for monetisation of non-core assets of state-owned companies under strategic disinvestment.

This included setting up of a ministerial panel led by the finance minister to oversee disinvestment and restructuring among public enterprises. Earlier this month, **ET** reported that the government will soon reactivate the ministerial panel, called the alternate mechanism.

Once the panel approves monetisation of an asset, the process must be completed within a year.

Up for Grabs

Niti Aayog shortlists assets for monetisation

DIPAM to function as central secretariat

Alternate mechanism to approve such sales

An oversight panel to monitor procedures

On Selloff Menu

NTPC's shut Badarpur plant | **Units** of Cement Corp of India | **Units** of Bharat Earth Movers Ltd

24 firms including Air India

Disinvestment target for FY20 ₹90,000 cr

Lease Period for Road Projects under TOT may be Reduced

EASIER NORMS Process to get Cabinet nod initiated; move to help investors get funding from banks

Nishtha.Saluja@timesgroup.com

New Delhi: The government is planning to reduce the lease period for projects awarded under the toll-operate-transfer (TOT) model to 15-20 years from 30 years since banks are reluctant to lend for the long-term, a senior government official told **ET**.

"Many of the investors seek bank funding. And banks are not comfortable to lend for 30 years. I believe they have some regulatory issues. They want the tenure to reduce further," said the official, who did not wish to be identified.

The change will require a go-ahead from the Union cabinet. "We have initiated the process for cabinet approval," said the official.

The government had introduced the TOT model in 2016 to monetise publicly-funded highways.

Under the programme, investors make a one-time lump sum payment in return for long-term toll collection rights.

Around 75 operational national highway projects completed using public funding have been preliminarily identified for potential monetisation through the TOT model.

The government is keen to push the TOT model to free up resources and also attract private funding, which has remained subdued.

While the base value of the TOT bundle may come down owing to a reduction in the lease period, the government may get to raise more money when it goes for a re-bid after 20 years given continuing increase in traffic density on these stretches, said industry watchers.

"I think investors will be quite comfortable with this change because of better predictability factor.... It would be easier to raise a loan for 20 years as compared to 30 years," said Vinayak Chatterjee, chairman, Feedback Infra.

Chatterjee said it is difficult to gauge the peripheral activity of any particular stretch over a period of 30 years. "There may be newer roads that come up; competition from railways may impact the traffic pattern," he said.

ET had reported on May 25 that NHAI was firming up details of the third round of TOT auctions for raising at least ₹5,000 crore.

The Road Ahead

ON THE ANVIL

- **Tweaks likely** in asset monetisation plan
- **NHAI to** seek Cabinet approval for changes in TOT model
- **Toll collection** rights may be reduced to 15-20 years from 30 years currently

WHY IT'S BEING DONE

Banks reluctant to fund long-term loans

Stakeholders want shorter lease tenure

HOW WILL IT HELP

- Easier finance for 15-20 years
- Boost to investors' sentiment
- Better predictability for investors
- Base value for TOT projects to come down
- Govt may get to raise more money when projects go for auction after 20 years

Insurance for Cars, Bikes to Cost More

New Delhi: Car and two-wheeler insurance to cost more from June 16 with The Insurance Regulatory and Development Authority of India (Irda) increasing the mandatory third party (TP) motor insurance by up to 21% in certain category of vehicles. Normally, the mandatory motor TP insurance cover rates are revised from April 1. However, this time, the new rates for the fiscal 2019-20 will be applicable from June 16.

Irda in an order said the new TP insurance for smaller cars (less than 1,000 cc) will cost ₹2,072 or 12% from the existing ₹1,850. The hike in insurance premium for cars with engine capacity of 1,000 cc to 1,500 cc has been increased by 12.5% to ₹3,221.

However, the TP premium for cars with higher engine capacity (1,500 cc plus) has been retained at ₹7,890. —PTI

DBT Plan 2.0 for Fertiliser Subsidy on Cards

PTI

New Delhi: The government is seriously thinking of giving fertiliser subsidy directly to farmers under the second phase of implementation of direct benefit transfer (DBT) scheme, a senior fertiliser ministry official said Thursday.

In October 2017, the first phase of fertiliser DBT was rolled out, under which subsidy is being transferred to companies after checking retail sales data captured through the Point of Sale (PoS) machines.

The transfer of fertiliser subsidy directly into farmers' bank accounts was to be taken up in the second phase after taking inputs from Niti Aayog.

The government bears over ₹70,000 crore annually as fertiliser subsidy to provide cheaper farm nutrient to farmers. "We want to try giving fertiliser subsidy directly into farmers' bank accounts. Now, we are ready for the phase two implementation. When and how — that is under discussion," the official said.

Besides, the government is planning to bring some improvement in the existing fertiliser DBT by allowing retailers to use desktop or laptop along with PoS machines for smooth operation, he said. "Now, the DBT platform is based on a PoS machine. We are coming out with desktop or laptop version. Since PoS machine has small screen, retailers sometimes face operational issues."

Goyal to Talk WTO, Ecomm at G20 Meet

Our Bureau

New Delhi: Commerce and industry minister Piyush Goyal will discuss developments in the global trade situation, matters related to the World Trade Organization (WTO) and digital trade at the G20 ministerial meeting on Trade and Digital Economy on June 8-9 in Japan. This is Goyal's first visit abroad after assuming charge of the ministry. He is also India's minister for railways.

"Commerce minister will hold bilateral meetings on the side lines of G20 in order to sensitise India's core interests in trade and investment issues and build coalition with like-minded countries for defending the interests of developing countries," commerce and industry ministry said in a release on Thursday.

The ministry said that the global economic and social system faces considerable challenges as rapid globalisation has led some to believe that they are not benefiting sufficiently and are discontent. "It is hoped that the G20 Ministerial Meeting being held in Japan will play a positive role in fostering economic opportunity and addressing challenges in the global landscape," it said.

India, along with South Africa, is a key proponent of protecting the interests of developing countries and the two have opposed global rules on ecommerce. The two have questioned the plurilateral discussions among 77 countries to negotiate rules on digital trade, arguing that these discussions are not consistent with the mandate of the multilateral trading system. Saudi Arabia and Indonesia have raised concerns at the negotiations.

While there are no binding commitments in G20, it sets the agenda for multilateral trade relations.

India and South Africa also want to impose customs duty on electronic transmissions citing revenue loss to the developing countries, as against the current practice of imposing a temporary moratorium on such transmissions at present.

Monsoon Watch

Weather office says monsoon is 'very likely' to reach the Kerala coast in 48 hours

Monsoon will also advance towards the **north-eastern states** in 2-3 days

The threat of monsoon being weakened by El Niño remains

Monsoon's **sluggish movement** in the sea may be because of the weak El Niño

Temperature differences in the surface of parts of the Indian Ocean may counter El Niño

CURRENT WEATHER AND FORECAST

Many parts of India remain in the grip of a fierce heatwave

Nowgong in eastern Madhya Pradesh is the hottest place in India with 47.9 degrees Celsius

The temperature in south India is forecast to be 2-3 degrees above normal for three days

Temperature in many parts of the country are up to 5 degrees above normal

In northern India, temperature is expected to rise further in the next few days

Will Car Loans Turn Cheaper? Yes, says Das
FINANCE & COMMODITIES ▸▸ 11

Market Trends

STOCK INDICES		% CHANGE
Nifty 50	11843.75	1.48
Sensex	39529.72	1.38

MSCI India	901.61	1.41	SX 40	23534.21	0.65
MSCI EM	2266.69	0.15	Nikkei	20774.04	0.01
MSCI BRIC	595.12	0.22	Hang Seng	26965.28	0.26
MSCI World	8770.17	0.07	Strait Times	3146.18	0.12

Values in US $, Gross At 7 pm IST

OIL ($) DUBAI CRUDE 59.29 ↘ 0.29 Absolute Change

BOND 10-YR YIELD 6.93 ↘ 0.09 Figures in %

GOLD RATE Prices per Troy Ounce ($)

	US	India
OPEN	1336.1	1467.43
LAST*	1341.9	1471.60

*At 10.30pm, After adjusting for import duty, Indian spot gold lower by $ 4.49 to US Comex gold price on Thursday. The premium on local gold is due to tight supply following import curbs.

FOREX RATE (₹-$ Exchange Rate)

OPEN	LAST*
69.38	69.28

Market on Twitter@ETMarkets

₹80-CR DEFAULT

Corp Bank Files Insolvency Plea against Nirav Modi Cos

Maulik.Vyas@timesgroup.com

Mumbai: Corporation Bank, one of the consortium of lenders to fugitive Nirav Modi's firms Firestar Diamond International and Firestar International, has approached the dedicated bankruptcy court with an insolvency resolution petition for the default of ₹38.65 crore and ₹41.31 crore respectively. Corporation Bank is part of the consortium led by Punjab National Bank (PNB) that lent money to the Modi-promoted firms.

This is the first insolvency petition filed by the lender since government agencies launched a probe against Modi and his uncle Mehul Choksi for their alleged involvement in the about $2-billion (over ₹14,300 crore) Punjab National Bank (PNB) fraud.

According to two separate insolvency petitions filed by Corporation Bank against Modi-promoted firms, the bank was part of the consortium that had given money as term loan to the companies and both the companies defaulted on March 31, 2018.

"The lenders are relying on all the trade receivables, stocks of finished and semi-finished diamonds and immovable properties including company's factory and Modi's residential properties situated in Maharashtra and Gujarat to recover their dues," said a person aware of the development. "Nirav Modi had also provided a personal guarantee for the loans and hence with this default, he will be personally liable as well."

Last year, soon after the scam came in light, Nirav Modi-controlled US firm Firestar Diamond had filed for bankruptcy in New York. The US firm listed around $100 million in assets and liabilities and noted it had 50-99 creditors. The bankruptcy court in the US is likely to hear the matter on July 17, 2019. Indian authorities are opposing the bankruptcy proceedings in the US.

Currently, multiple agencies including the Enforcement Directorate (ED), the Serious Fraud Investigation Office (SFIO), the CBI, the Department of Revenue Intelligence (DRI) and the Income Tax department are investigating the fraud. Email queries to Firestar Diamond International, Firestar International and Corporation Bank were unanswered. Nishit Dhruva, managing partner of law firm MDP & Partners and an advisor to the bank, confirmed the filing of the insolvency resolution petition in the National Company Law Tribunal but refused to divulge details. Separately, the ED approached the court to declare Nirav Modi and Mehul Choksi fugitive economic offenders in the court. Choksi's lawyers are opposing the move. The Bombay High Court will hear the matter on June 10.

"Even though the PNB has declared the fraud of about $2 billion, the actual size of dues would go even higher, since it will also include unsecured lenders, operational creditors and even employees of the company," said Priyanka Sinha, co-founder of Mumbai-based law firm A&P Partners.

BANKRUPT CO

Last year, soon after the scam came into light, Nirav Modi-controlled US firm Firestar Diamond had filed for bankruptcy in New York.

SOLITAIRE PRICE INDEX
7th June, 2019
4,138*
0.10%↓ Over last Month
3.87%↑ Over last Year
Nationwide Standard & Transparent Pricing since 2006. Published on every Friday.
DIVINE SOLITAIRES
*This is an average of Divine Solitaires Price List. This data has not been created by The Economic Times.
Call: 022-66264800 | www.divinesolitaires.com

DHFL, OTHER NBFC stocks crash; RBI should open liquidity window, say brokerages

'DHFL Delay Raises Risk of Contagion Among NBFCs'

Our Bureau

Mumbai: The delay in interest payment by Dewan Housing Finance Corporation (DHFL) that led to credit rating downgrades poses a risk of contagion in the sector and the market unless the Reserve Bank opens a liquidity window for the beleaguered sector. Analysts said non-banking finance companies, which rely on wholesale funding, are the most vulnerable, a concern that sent shares of these lenders tumbling on Thursday.

DHFL dropped 15.9% to Rs 93.90 on Thursday, a day after Crisil, Care and Icra downgraded its debt instruments to 'default' rating following a delay in interest payments. The event weighed down sentiment in other NBFCs also with Edelweiss declining 8.5%, Reliance Capital falling 7.7% and Indiabulls Housing tumbling 7.6%.

"This default, as well as the recent default by IL&FS and downgrade of credit ratings of NBFCs, could accentuate contagion risk in financial markets," CLSA said in a client note. "This will lead to tightness in bond markets and lower inflows into mutual funds, eventually resulting in higher costs and polarised allocation to high quality borrowers."

The brokerage prefers banks over NBFCs with ICICI, IndusInd, HDFC and ICICI Lombard being its top picks in the sector.

Mutual fund debt schemes holding DHFL saw one of their worst single-day losses on June 4 after the housing finance company missed interest payment.

About 22 mutual funds together owned DHFL paper worth Rs 5,236 crore across 226 debt schemes as on April 30, 2019, as per data from Value Research.

UTI Mutual Fund and Reliance Nippon Asset Management are among the largest fund houses holding DHFL paper. Nomura said Yes Bank, IndusInd Bank, Bank of Baroda and SBI have material exposure to DHFL at 0.4-1.4% of their FY19 loans.

"Weak mutual fund debt inflows and potential risk of outflows following haircuts, imply continued pressure on aggregate funding to NBFCs/HFCs," said Morgan Stanley in a note.

The brokerage said the event has made the market nervous and will impact NBFCs relying on wholesale funding the most.

CLSA said sectors like real estate, housing and automobiles, along with small and medium enterprises (SMEs), which have higher dependence on NBFCs, could be impacted.

The RBI may need to consider direct or indirect lines of liquidity to ease concern, the brokerage said. "A possible solution could be to provide a liquidity line to solvent NBFCs/HFCs so that the DHFL issue does not lead to a contagion," Nomura said.

In the Line of Fire

Company	CMP (₹)	% Chg	% Since Sep 23' 18*
DHFL	93.95	-15.93	-76.15
Shriram Transport Finance	1065.50	-8.57	-6.14
Indiabulls Housing	735.80	-7.62	-25.07
Edelweiss Financial	185.35	-7.53	-14.31
IFCI	8.95	-7.25	-36.97
L&T Finance Holdings	126.60	-7.18	-2.73
Bharat Financial	960.65	-6.84	-6.83
Piramal Enterprises	2065.10	-6.52	-18.00
IDFC	36.00	-6.37	-16.28
Reliance Home Finance	20.35	-4.91	-60.22

* Since DHFL crises

CO APPROACHES PRIVATE BANKS

DHFL to Raise ₹900 cr Via Loan Portfolio Sale

Pool consists of 2 loans to Amarylis Realtors and Gulmarg Realtors

Saikat.Das1@timesgroup.com

MUMBAI: Dewan Housing Finance Corporation (DHFL) is raising about Rs 900 crore by issuing Pass Through Certificates (PTCs), or securities used in loan portfolio sales.

The home financier, which will likely sell builder loans, has extended an additional credit support of Rs 1,100 crore against the proposed securitised portfolio. DHFL has obtained ratings for the PTCs.

The selected pool consists of two corporate loans pertaining to 'Amarylis Realtors LLP (ARL) and Gulmarg Realtors LLP (GRL) originated by DHFL, said Brickwork, a rating company.

The loans have an original tenure of 72 months, including a principal moratorium period of four years, The underlying loans service the interest on a quarterly basis.

The financing structure works like this:

Out of total monthly repayments, the buyers of portfolios would receive their share first. The rest will go to DHFL. If the builders whose loans are up for sale fail to repay, potential losses would be borne by DHFL up to the limit of credit enhancement.

The rating company has rated those PTCs triple-B (SO) with stable outlook. SO or structured obligation is a kind of additional credit support. "The company seems to have approached select private banks," an executive with direct knowledge of the matter told ET.

The home financier Tuesday failed to pay due interest of about Rs 1,000 crore on a select series of bonds sold an year ago.

Other rating companies, including CRISIL, ICRA and CARE, have downgraded DHFL debt securities to 'D' or default category.

Both ARL and GRL derive their lineage and legacy from the Sahana Group of companies.

"The scope of work includes supervising, monitoring and co-ordinating related activities from engineering designs to construction," Brickwork said.

Since the NBFC liquidity crisis became pronounced in September, DHFL has sold retail loans worth Rs 30,000 crore via securitisation. During this period, the home financier has paid about Rs 40,000 crore of financial obligations.

Many MFs Stop Subscription to DHFL Schemes

Prashant.Mahesh @timesgroup.com

Mumbai: Several mutual fund houses that hold debt securities of Dewan Housing Finance Corporation (DHFL) in their portfolios, have stopped accepting fresh subscriptions to such schemes until there is clarity on the company's payment plans, industry executives said.

Most of these debt mutual fund schemes wrote off 75% of their holdings in DHFL paper, after the firm missed interest payment and was downgraded to the default category by credit rating firms. This has led the net asset value of these schemes to fall up to 53% on Tuesday. For as many as two dozen open-ended debt schemes, the dip in NAV was at least 5%.

DHFL Pramerica, Tata Mutual Fund, BNP Paribas Mutual Fund, Baroda Mutual Fund and DSP Mutual Fund are among the fund houses that have suspended sales of the schemes.

"There are expectations that the company will pay back in a week and if this happens, new investors will benefit," said Vijay Kuppa, co-founder of investment platform Orowealth, as the schemes will write back the holdings, resulting in a surge in NAVs.

VYING FOR STEEL ASSETS

Arcelor Paid More for Essar Steel?

In an exclusive interview with ET, Sajjan Jindal, chairman of JSW Steel, the largest Indian steelmaker by market capitalization, said that his budget for the alloy-maker may have been just about half of what the European steelmaker is paying.

Going by that valuation yardstick, it might not be incorrect to say that even JSW Steel could be overpaying for Bhushan's assets.

ArcelorMittal's bid for Essar Steel's 10 million tonne (MT) asset values it at Rs 50,000 crore. JSW Steel has offered almost Rs 20,000 crore for Bhushan Power's 3 MT capacity. Tata Steel paid Rs 35,200 crore for Bhushan Steel and Power's 5.2 MT capacity.

Analysts believe that all the bidders may have ended up paying more. The steel cycle has reversed over the past few months and this could stretch the balance sheets of the acquirers. Steel prices have corrected more than 15% from their peaks of 2018 and are expected to further fall. According to analysts, fair valuation, given the industry situation and falling earnings, would be 5.5 to 6.5 times EV/EBIDTA, depending on the assets.

As Essar Steel is unlisted, its financials are not publicly available. However, analysts estimate that while acquiring its assets, EBIDTA/tonne of Rs 7,000- Rs 7,500 must have been assumed. The products are low-value (hot rolled coil) and the iron ore mines are not close to the plants.

Of Essar's 10 MT, 8.5 MT is fully operational and the remaining 1.5 MT may need some capex. Assuming these calculations, ArcelorMittal has paid 7.8 times EV/EBIDTA, which is expensive in a downcycle. ArcelorMittal's earnings have dropped to less than a third in just three quarters to $537 million in March.

But analysts also believe that this acquisition would give Arcelor the much-needed meaningful entry into India, justifying the premium. The capacity gives Arcelor a 10% market share.

Tatas considered EBIDTA/tonne of Rs 10,000 for Bhushan, analysts said. This acquisition was valued at 6.8 times EV/EBIDTA, which too appears steep. Bhushan has higher value-added products, mainly for cars. However, it has been affected due to slowdown in auto demand.

JSW Steel may be able to achieve Rs 8,000 per tonne EBIDTA, given proximity of iron ore mines for the 3 MT acquired capacity. Valuation in this case comes to 7.7 times EV/EBIDTA. However, JSW has also got large land parcels, which it could use to expand into the north.

—Jwalit vyas

Bidder/ Acquirer	Asset Bid for	Capacity* (MT)	Estimated Valuation Multiple^
ArcelorMittal	Essar Steel	10.0	7.8 EV/EBIDTA
JSW Steel	Bhushan Power	30	7.7 EV/EBIDTA
Tata Steel	Bhushan Steel & Power	5.2	6.8 EV/EBIDTA

* capacity of the asset bid for. ^multiple estimated by analysts for the offer

IN BID TO BOOST DIGITAL PAYMENTS...

RBI Removes Fees Levied on RTGS & NEFT Transactions

Central bank to also create a committee to discuss reduction in ATM withdrawal fees

Our Bureau

Mumbai: In a double bonus to millions of bank customers, the Reserve Bank of India (RBI) will remove all charges it currently levies for facilitating digital fund transfers across lenders and the financial system.

Transactions routed through Real Time Gross Settlement (RTGS) and National Electronic Fund Transfer (NEFT) platforms would no longer attract RBI fees, and the central bank expects the move would prompt banks to pass on these benefits to customers across India, one of the rare large economies where cash and cheque are still the preferred payment method for many bank account holders.

Additionally, the central bank will also create a committee to discuss reduction in ATM fees the customers pay banks, on withdrawals.

"In order to provide an impetus to the digital funds movement, it has been decided to do away with the charges levied by the Reserve Bank for transactions processed in the RTGS and NEFT systems," governor Shaktikanta Das said while announcing the monetary policy.

"Banks will be required, in turn, to pass these benefits to their customers. Instructions to banks in this regard will be issued within a week," said the governor.

NEFT and RTGS are central bank-controlled inter-operable payment channels used for fund transfer by a customer between different accounts. While NEFT transactions are done in time batches causing a slight delay in payments, RTGS transactions are instantaneous. However, while NEFT doesn't have any minimum transaction limit, RTGS can only be used for high-value transactions with a minimum limit of ₹2 lakh.

The policy decision has been aimed at achieving New Delhi's broader ambition of enhancing adoption of digital channels for payments and reducing the reliance on cash.

"The move to scrap transaction charges for RTGS & NEFT will boost digital transactions," said Rajnish Kumar, chairman of State Bank of India.

Currently, banks levy between ₹30 and ₹50 on customers depending on the time and value of the funds on RTGS transactions, and between ₹2.5 and ₹25 on NEFT transactions. Last month, the regulator had extended the cut-off timing on RTGS transactions from 4.30 pm to 6.30 pm.

You Can Bet on Calendar Spreads on Nifty Puts

Ram.Sahgal@timesgroup.com

MUMBAI: With markets surrounded by uncertainty ahead of the Union Budget on July 5, wealthy traders could initiate a diagonal calendar spread strategy on the Nifty. This involves the sale of an 11400 put option expiring on June 27 and simultaneous purchase of an 11200 put expiring on July 25 as a hedge against greater-than-anticipated downside.

The strategy is a play on volatility with the price of the sold option expected to decline by June end, while that of the purchased option anticipated to rise ahead of the Union Budget on July 5.

If the market remains above 11400, the loss to the trader will be limited to his outflow for the strategy. With the Union Budget slated for July 5, the volatility of the July option could increase just around the event, profiting the buyer, said derivatives experts.

Considering Thursday closing, the sale of the 11400 put fetches the trader Rs 38 a share (75 shares make one lot). This helps in reducing the purchase price of the July 11200 put to Rs 19 from Rs 57 a share (57-38). This Rs 19 outflow is the maximum one could lose.

By June end if the Nifty trades at or above 11400, the sold put expires worthless while the purchased put's premium rises due to the increase in implied volatility, one of the key determinants of an option's price.

If the Nifty corrects to 11200 by June 27, the 11400 option will expire Rs 200 in the money. However, the purchase of the 11200 put will come to the trader's rescue as its premium will be higher than that of the sold 11400 put due to its higher time value and implied volatility -- two important determinants of an option's price.

If by expiry the Nifty trades higher than 11400 and the trader wants to exit, his loss will be negligible and not more than Rs 19.

"It's a play on volatility," said Rajesh Baheti, director, Crosseas Capital. "I short the volatility in the current month expecting it to fall and go long vols on the next month which I anticipate would rise around the Budget."

Derivatives experts like Chandan Taparia of Motilal Oswal Financial Services and Nitin Kedia of Kedia Commodity believe the strategy is apt in the current scenario. "The macro challenges and NBFC issues make this better than most other derivatives strategies," said Taparia.

Rohit Srivastava, technical head, Sharekhan By BNP Paribas, also feels the overhang of macroeconomic challenges and NBFC liquidity issues are "effective caps to potential market upside."

A STITCH IN TIME RBI has acted swiftly to address slowing growth and offers a clear, consistent message. That's a lesson to its global peers.

Is Reserve Bank of India the World's Model Central Bank? Just Maybe

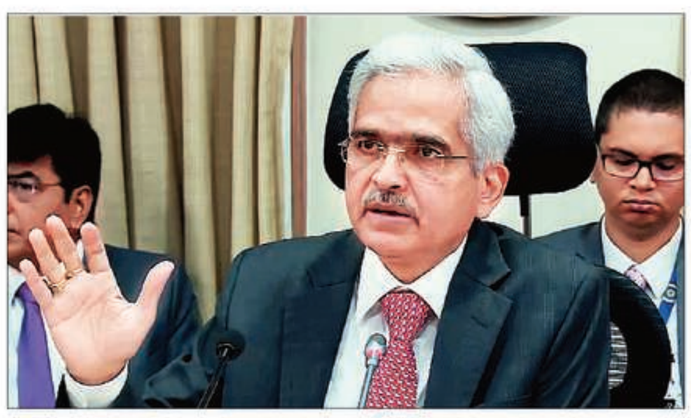
Daniel Moss

India is becoming the gold standard for monetary policy in Asia, if not the world.

While global markets are giddy from hints that the Federal Reserve may cut interest rates, India's central bank has been easing since February. Just as important, the Reserve Bank of India has been very consistent in its message: Borrowing costs need to come down to juice growth. Passive inflation and the central bank's full tank of gas make the case to cut even stronger. After Thursday's trim, the benchmark rate is 5.75%.

The RBI's approach is correct. There's no point targeting inflation if growth is waning and the very thing you're aiming at is dormant. Thursday's quarter-point reduction in the benchmark rate, the third in as many policy meetings, underscores the theme: "Growth impulses have weakened significantly," according to the central bank's statement. "A sharp slowdown in investment activity along with a continuing moderation in private consumption growth is a matter of concern." The RBI made clear that "global economic activity has been losing pace" and declared its stance to be "accommodative."

Much focus is rightly given to Beijing's efforts to pull both fiscal and monetary levers; as big as India's economy is, China's is much larger. But the People's Bank of China tends to be opaque and is trying to thread the needle between buttressing the economy and fretting about financial stability. Japan, meanwhile, gets plenty of attention as a pioneer of unconventional policies – yet its economy remains a parable about how booms can end in tears. And remember back in February, the consensus was that the Fed had just paused before resuming hikes. Few serious observers believe that now.



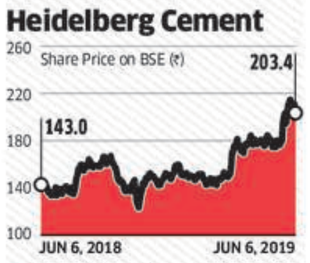
So give Governor Shaktikanta Das his due. The RBI's rate cut in February was risky – few economists anticipated it – but appropriate. The signaling power was immense. Officials followed that up with another reduction in April. The outlook has only deteriorated since then. Central banks in Malaysia, the Philippines, Australia and New Zealand concurred. India was, and still is, ahead of the curve – all the more remarkable given emerging markets tend to follow the Fed. Even the chaos surrounding the withdrawal of most banknotes from circulation in 2016 has slipped from the foreground.

It's important to separate the manner of Das's arrival as chief and the job he's done since getting there. Prime Minister Narendra Modi's team clashed with Das's two immediate predecessors, which cast a whiff of politics over their exits. Das was drawn from the ranks of India's bureaucracy rather than the central bank. It was clear the government didn't want any freelancing.

Given Das's success in monetary-policy development and execution, India would do well to keep him around. – Bloomberg

What to Buy, Sell and Hold

Heidelberg Cement

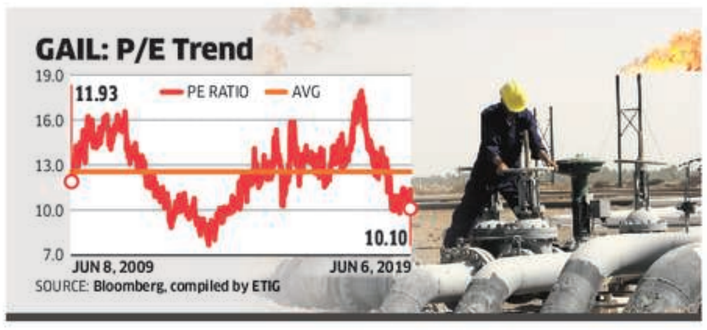


- **Anand Rathi** has retained its buy recommendation on **Heidelberg Cement** with a higher target of ₹263. Aided by strong price environment and concentrated efforts towards cost optimisation, company reported strong performance. Its shorter lead distances, an increasing share of premium cement volumes and higher utilization will continue to aid the company to good performance, said the brokerage. Shares of Heidelberg declined 3.67% to ₹203.40 on Thursday.
- **JM Financial** has maintained its buy rating on **Asian Paints** with a target price of ₹1,475 as they continue to see Asian Paints as a compelling long term investment theme that quite justifies the premium that it commands. While the business did witness headwinds on input-costs during the year plus increase in costs-base on account of the commissioning of two large greenfield facilities, it still managed to sustain its ROCE and ROE in FY19 at 21.3% and 24.1% vs 21.6% and 24.6% in FY18, said the brokerage. Shares of Asian Paints gained half a percent to ₹1,427.80.
- **Geojit Financials** has maintained its accumulate rating on **KNR Constructions** with a target price of ₹324 citing pick up in execution as projects are getting financial closure and appointed date. Healthy balance sheet, strong execution capability with better operational margin to support valuation, said the brokerage. Shares of KNR Construction declined 4% to ₹275.45 on Thursday.
- **Narnolia Financial** has maintained its neutral stance on **Cipla** with a target price of ₹565 citing strong US growth partly offset by weak tender business. Going forward, as the company is progressing well in its initiative to build a strong specialty pipeline; clinical trials for such specialty products will add to the costs and would put pressures in the margins, said the brokerage. Shares of Cipla declined half a percent to ₹560.90 on Thursday.
- **Karvy Stock Broking** has recommended to sell **Havells India** shares with a target price of ₹800 citing growth across segments offset by lower margins. Havells to trade at premium valuations due to its strong brand, highly penetrated distribution channel, efficient working capital management and cash flow generation, said the brokerage. Shares of Havells gained 0.5% to ₹781.25 on Thursday.

TARIFF HIKE for the mainstay HVJ pipeline system at 4% is lower than what the company demanded and market expected, which has led to a downgrade of the stock and a sell-off

GAIL Proposes, Regulator Disposes, Street Worries

Ashutosh.Shyam
@timesgroup.com



ET Intelligence Group: GAIL (India), the country's largest gas transmission company, lost over one-tenth of its market capitalisation on Thursday after the industry regulator raised gas tariffs far below the analysts' expectations.

The gas transportation tariff under the new norms of the Petroleum and Natural Gas Regulatory Board (PNGRB) will increase by 4% for its most significant pipeline for FY20, compared with the Street's expectation of a 15-20% hike.

The lower-than-expected tariff hike will translate into 4-8% earnings downgrade for the current fiscal. The company derives about one-third of the operating profit and 45% of the sum of part valuation from the gas transmission segment. The other segments include petrochemicals, LPG production and transportation and natural gas marketing.

The gas regulator has computed tariff of the old Hazira-Vijaipur-Jagdishpur (HVJ) pipeline and new HVJ pipeline on an integrated basis, which means it has considered both the pipelines as one unit.

The tariff is calculated based on capacity utilisation, capital expenditure, inflation and economic life in such a way that the pipeline earns a post-tax return of 12% and pre-tax return of 18%. The procedure uses a discounted cash flow model to arrive at the gas transmission tariff.

The old and new HVJ are parallel pipelines and account for nearly 60% of the gas transmission volume of GAIL. Historically, the regulator has been computing the tariff of both the pipelines separately. The gas tariff of the old HVJ and new HVJ were ₹25.46 and ₹53.65 per MMBtu, respectively, under the old method of tariff calculation.

GAIL had sought tariffs of ₹114 and ₹79 per MMBtu for old and new HVJ respectively. However, PNGRB approved lower tariffs of ₹43.7 for the old pipeline and ₹56.7 for the new one. On an integrated basis, the approved tariff for the pipeline is ₹41.1 per MMBtu.

The key reason for the tariff hike being lower than Street expectation is the economic life of the pipelines under the integrated tariff regime, which has been extended to March 2035 from March 2032.

The higher economic life has resulted in a relatively lower integrated gas tariff on account of the increase in the number of years in the discounted cash flow model.

Another explanation for the lower tariff is that under PNGRB rules, a company has to forego 50% of incremental regulated revenue for an existing network. The regulator has considered new HVJ as an extension of the old HVJ, which has resulted in lower blended tariff.

The lower gas tariff for the key pipeline may lead to a downward revision in the blended tariff for the current fiscal. In FY19, GAIL had blended gas tariff of ₹1.47 per standard cubic metre. The 4% rise in tariff would translate into marginal growth for FY20.

Kotak Institutional Equities expects 6% increase in GAIL's blended tariffs for the gas transmission segment to ₹1.57/scm from its earlier expectation of ₹1.62/scm. Consequently, it cut EPS for FY20 and FY21 by 3% and 4% respectively.

CLSA said that tariff revision proved to be a big disappointment and reduced the stock's target price to ₹365 from ₹420 and downgraded the stock from 'buy' to 'underperform'.

UNCERTAINTY looms large with RBI silent on rescue measures for NBFC sector, which has led to a crisis of confidence, say analysts

DHFL's D-Grade Stokes Fears On Bank Exposure, Index Tanks

Rajesh.Mascarenhas
@timesgroup.com

Debt Risk

Banks	Exposure to DHFL (₹ cr)*	CMP (₹)	% Chg	YTD Return (%)
State Bank of India	8,800	336.90	-4.40	13.86
Bank of Baroda	4,400	124.35	-6.22	4.67
Yes Bank	3,700	143.40	-6.15	-21.12
Bank of India	3,560	90.70	-5.91	-12.87
Union Bank of India	2,510	73.35	-6.02	-14.61
Canara Bank	2,400	261.75	-4.71	-4.84
Syndicate Bank	1,590	34.05	-7.35	-13.36
IndusInd Bank	1,530	1,522.65	-7.04	-4.79

*Indicative exposures, based on last filed NCD prospectus as of June 2018.
SOURCE: Morgan Stanley

Mumbai: Nifty Bank index fell 2.32% on Thursday, its biggest single day fall since September 24, 2018, as no specific measures were announced in the central bank's policy annoucement to provide immediate relief to the much-troubled NBFC sector, said analysts.

The market was disappointed that its expectation of a 50 bps cut in rates was met by the RBI with only a 25 bps cut to the repo rate on Thursday.

Banks funded over ₹50,000 crore to DHFL. State Bank of India, which has about ₹8,800 crore exposure to DHFL as on June 2018, fell 4.34% to ₹337. Bank of Baroda, with an exposure of ₹4,490, declined 6.33% to ₹124.20.

CRISIL, ICRA, and CARE have downgraded DHFL's credit rating to 'D' which is default rating. Jittery markets are facing a crisis of confidence with respect to the precariously perched NBFC including housing finance companies & fixed-income mutual fund sectors, said analysts.

"The markets reacted negatively today especially after the RBI policy announcement as markets were expecting a lot more – both on the front of a larger rate cut like 50bps or liquidity driven measures upfront and a roadmap for the NBFC crisis that is making headlines daily," said Rohit Srivastava, fund manager-PMS, Sharekhan by BNP Paribas.

"It leaves the market uncertain for the next one-and-a half months, and hopes were that some announcements would be made today. This led to selling pressure and profit-booking by those who were betting on some big news event after the election of a strong government," he added.

"Inadequately forceful response to the IL&FS bankruptcy has already created fear psychosis among market participants which is getting compounded by an almost blas e regulator treatment towards other troubled groups like DHFL, Essel, ADAG etc." said Ajay Bodke, CEO-PMS, Prabhudas Lilladher.

Nifty may be Heading Downward, Charts Show

Amit.Mudgill@timesinternet.in

ETMarkets.com: Nifty50 took a beating on Thursday, falling 180-odd points to close below the 11,850 mark amid weak market breadth. The index fell below 5-day and 13-day moving averages and formed a 'Bearish Belt Hold' candle on the daily chart, making a few analysts suspect the recent high of 12,103 could be a short-term top.

The index had crossed the hurdle zone of 12,000-12,040 decisively on June 3. "But the bears rushed in fiercely on Thursday, pushing the index closer to its swing low of 11,829, suggesting that the battle is likely to get tougher. The bulls need to put in extra efforts to defend the support zone at 11,830-11,800, which holds key for further extension of the rally on the upside," said Gaurav Ratnaparkhi of Sharekhan.

"Additionally, a few near-term oscillators triggered a 'sell' signal. The index may slip towards 11,750, 11,800 levels in the near term," Kumar said.

"The next lower level to watch is 11,600. This is the upper area of the previous opening upside gap of May 20," said Nagaraj Shetti of HDFC Securities.

Day Trading Guide | Kotak Securities

Index witnessed selling pressure near all-time high level, which increase the probability of short term price reversal. On daily charts, Nifty has formed strong candle stick reversal pattern. For the next few trading sessions 11,960 should be the trend decider level. Below the same we can expect correction continuation wave till 11,750-11,690, however sustenance above 11,960 could trigger one more quick uptrend rally to 12,100-12,175.

Tech Picks

SHRIKANT CHOUHAN
Senior VP- Technical Research

TATA STEEL — BUY TARGET ₹505
Hammer formation in weekly time frame, with support of 20-SMA
LAST CLOSE ▸ ₹484.60 STOP LOSS ▸ ₹474

APOLLO TYRE — BUY TARGET ₹210
Relative outperformance amongst peers and doji formation on daily charts
LAST CLOSE ▸ ₹199.50 STOP LOSS ▸ ₹195

INTERGLOBE AVIATION — SELL TARGET ₹1,575
Constant selling pressure around 1,715 levels, implying downward break
LAST CLOSE ▸ ₹1,670.85 STOP LOSS ▸ ₹1,715

BAJAJ FINANCE — SELL TARGET ₹3,300
Bearish divergence on the RSI with support of strong bearish candle
LAST CLOSE ▸ ₹3,452.95 STOP LOSS ▸ ₹3,535

F&O Strategy

SAHAJ AGRAWAL
DVP-Derivatives, Research

FUTURE: BUY MCDOWELL-N FUT JUN at ₹560; SL ₹540; TGT ₹590,600
Inverted H&S breakout seen on daily Charts.

OPTIONS
NIFTY Bull Call Spread: BUY JUN 11,900CE at ₹145 and SELL JUN 12,200CE at ₹35; Premium Outflow: ₹110; SL: ₹50; TGT: ₹190, 220
After making an all-time high at 12,100, Nifty was unable to sustain the gains and saw a sell-off from the higher levels. The hammering was aggravated yesterday on back of negative news flows relating to the NBFC sector. Although the sell-off has dampened the momentum, the internal structure of the market has not changed and remains positive. Unless 11,700 is compromised along with a Broader market meltdown, the Nifty should be headed towards 12,100-12,200 by end June.

Fx Technical

ANINDYA BANERJEE
DVP, Currency & Interest Rate Derivatives

JPY/INR: Buy between ₹63.50/63.80; TP ₹65/65.50; SL ₹63.20

Commodity Calls

KOTAK COMMODITIES

COMMODITY	EXCHANGE	STRATEGY
Silver (July)	MCX	Buy at ₹36,800/36,700; TP ₹37,400/37,450; SL ₹36,400
Crude (Jun)	MCX	Sell at ₹3,700/3,720; TP ₹3,550/3,520; SL ₹3,790
Copper (Jun)	MCX	Sell at ₹410.00/411.00; TP ₹404.50/403.50; SL ₹414.50
Cotton (Jun)	MCX	Sell at ₹21,950/22,000; TP ₹21,650/21,600; SL ₹22,200

Assuming 25% Earnings Growth, Sensex may Hit 50,000 in 2 Qtrs

Q&A

The market is assuming an earnings growth of 25%, which it will test in the first two quarters. This can take indices to new heights if the thesis is found to be correct, said **Manish Sonthalia,** head-PMS at Motilal Oswal Asset Management, in an interview with **ET Now**. Edited excerpts:

On one hand, quality is getting chopped – be it Page or Eicher and on the other hand, corporate banks have made a comeback, oil is cracking. What is going on?

Quality never goes out of fashion. These are transient times. Sooner or later, you will see many of these names coming back. If the long-term trajectory on the growth remains perfectly intact, it is easier to stay on course rather than flip and buy into something which may not be quality. Ultimately, it is the quality and the growth on your portfolio that make absolute returns and deliver relative returns over a period of time. I stick to the course rather than flipping around and buying into tactical plays which may be beaten down in current times because portfolios are created for three years and above and not for one or two years.

What are you making of the kind of earnings that we have seen so far? Do you believe that an incremental improvement in the overall earnings could kick in by Q3-Q4?

So in the quarter gone by (Q4), only the banks earned, Corporate India did not earn anything. It was negative growth or zero growth but let us talk about financial year 2019. As a whole, corporate India grew by 13% in earnings and we are talking about Nifty earnings growth for FY19. In FY18, this number was 4% or 5%. We begin the new financial year 2020 with an earnings growth assumption of 25%.

Of course, bulk of this earnings growth will come from the banks per se but there will be other sectors chipping in. If that scenario does not play out and that is the base case scenario, why the markets should be looking up rather than down at this given point in time is that you have a new government, you are starting the financial year 2020 with an assumptions of a 25% earnings growth. The markets want to give them two quarters to see how it plays out. If the earnings growth plays out 25% plus, you have the upward journey on the markets staying intact. If it does not, we fall back to maybe 40,000 or below that. I would be more optimistic than pessimistic at this given point in time but it has more to do with how the monsoons play out, the agenda on the economic front in the first 100 days of the government. Sentiments currently are positive and the short-term sentiments determine the direction of the market more than fundamentals.

Indian markets are up 10% in the first half of this year. Is another 10% coming in the second half or is this is as good as it gets for large-cap stocks?

I am very clearly of the opinion that markets are going to see 50,000 first on the Sensex before a 35,000 and this would happen over the next two quarters staring from the base case assumption of a 25% earnings growth. The markets would want to see whether that hypothesis gets played down in the first two quarters of this financial year. If that is the course, the markets will move upward and believe me this time around the buying is coming from the FPIs who have been sellers all of the last two years. We, local funds, also have been sellers. It is always a conundrum but emerging markets are to be bought in times of chaos and last year was a whole island of chaos and they are lapping up good quality stocks at very good prices.

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

MARKET SNAPSHOT

	SENSEX	NIFTY
Open	40136.43	12039.80
High	40159.26	12039.80
Low	39481.15	11830.25
Close	39529.72	11843.75
Change(Abs)	-553.82	-177.90
52-Wk High	(Jun 4)40312.07	(Jun 3)12103.05
52-Wk Low	(Oct 26)33291.58	(Oct 26)10004.55
3-Yr High	(Jun 4,19)40312.07	(Jun 3,19)12103.05
3-Yr Low	(Nov 21,16)25717.93	(Dec 26,16)7893.80

TURNOVER

Turnover in ₹ Crore
Shares & Trades in Lakhs

Date	BSE Turn	BSE Shares	BSE Trades	NSE Turn	NSE Shares	NSE Trades
6/6	2650	1936	12.27	37909	17056	131.49
4/6	2625	2058	11.41	31498	13965	110.93
3/6	3993	2131	11.25	33473	13623	111.18
31/5	2891	2052	11.89	42197	18902	135.44
30/5	2330	1864	12.16	37269	18873	111.25

ADVANCE & DECLINE

BSE (Number of traded scrips)	'A'	'B'	Others	Total	NSE Total
Advances	93	200	459	752	394
Declines	365	769	726	1860	1292
Unchanged	1	21	111	133	79
Total	459	990	1296	2745	1765

HIGHS & LOWS

BSE (Number of scrips)	'A'	'B'	Others	Total	NSE Total
52WK High	10	8	30	48	26
52WK Low	11	41	114	166	53
All High	8	1	15	24	16
All Low	4	14	24	42	26

FII ACTIVITY (₹ Cr.)

	EQUITY			DEBT		
Date	Buy	Sell	Net	Buy	Sell	Net
4/6	5110	4974	136	2531	969	1562
3/6	7737	5413	2324	3311	2588	723
31/5	9541	8547	994	2590	670	1920
30/5	7552	5480	2073	836	1514	-678
29/5	4791	4893	-101	2335	1800	534
Tot Jun	12847	10387	2460	5842	3557	2285
Total 2019	634485	553941	80544	157162	153484	3677

MF ACTIVITY (₹ Cr.)

	EQUITY			DEBT		
Date	Buy	Sell	Net	Buy	Sell	Net
4/6	849	907	-58	6693	3454	3239
3/6	1761	2081	-320	7912	5690	2222
31/5	2734	2218	516	10721	8800	1921
30/5	4267	6130	-1864	10478	11095	-617
29/5	2140	2045	96	12042	8003	4039
Tot Jun	2610	2988	-378	14604	9144	5460
Total 2019	267991	261267	6723	1151205	902270	248934

Five Consecutive Days Up

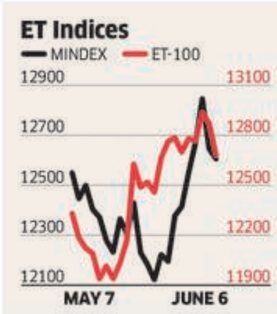
Company (BSE)	Days Close	Prev Close	5 Days Ago	5 Days Rtn.(%)
Alembic	44.85	44.75	42.90	4.55
VIP Indus.	448.95	445.05	435.25	3.15
IL&FS Invt.M	5.01	4.79	4.16	20.43
BCC Fuba	15.04	14.75	13.92	8.05
Nesco	535.00	527.00	511.00	4.70
Eicher Motor	20099.90	20075.00	19879.65	1.11
Nikhil Adhsv	169.15	161.10	140.69	20.23
Bata (I)	1390.90	1374.80	1320.20	5.36

Five Consecutive Days Down

Company (BSE)	Days Close	Prev Close	5 Days Ago	5 Days Rtn.(%)
Borosil Glas	190.60	193.05	199.75	4.58
DCW	18.10	18.14	20.14	10.13
Forbes & Co	2015.55	2065.19	2144.90	6.03
Force Motor	1522.80	1528.80	1579.85	3.61
Ingersoll R	624.20	633.95	654.40	4.61
Elecon Engg.	49.95	51.95	53.75	7.07
TRF	121.60	123.50	128.69	5.51
WPIL	899.15	904.60	979.40	8.19

Turnover Cash Market

ET Indices



Spurt in Volumes at BSE

Company	Days Volume	2 Weeks Avg. Vol.	% Chg	Days Close
Dr.Lal PathL	201116	1618	12326.53	1050.00
V-Mart Retal	32796	320	10143.31	2341.40
Max India	802979	12444	6352.85	62.70
Vidli Restr.	57000	1000	5600.00	13.90
Titan Biotec	25102	463	5324.18	40.00
Ecoplast	61502	1831	3259.85	110.15
Vipul	29624	1118	2550.77	44.35
RPP Infra	39629	1538	2475.92	128.25
Coromandel I	204767	8188	2400.75	427.80
Modern India	44453	2210	1911.33	69.65
TVS Motor Co	887501	45028	1870.98	489.00
Himat. Seide	255684	16320	1466.71	168.30

Spurt in Volumes at NSE

Company	Days Volume	2 Weeks Avg. Vol.	% Chg	Days Close
Shyam C.Ferr	8710034	8742	99530.58	5.35
Grind Norton	341245	8048	4140.18	584.30
Asian Hot.(E	51464	2852	1704.21	197.15
SKS Textiles	70000	4077	1616.98	39.15
Fiem Inds.	214218	15111	1317.65	451.30
Himat. Seide	1668974	125589	1228.92	167.90
Vipul	97426	8009	1116.39	43.55
NRB Indl.Ber	47894	3996	1098.42	18.45
Kesar Enterp	70308	6518	978.69	45.35
Ujaas Energy	1226183	158560	673.33	6.90
Cerebra Inte	691780	100797	586.31	24.55
Bank BeES	223002	32536	585.40	3146.09

52 WEEK AT NSE

HIGH			
*Ahimsa Indus	29.20	*SBI 10YR GLT	212.18
Antarctica	0.95	*Sirca Paints	302.00
Avadh Sugar	763.30	*Sh.Vasu Logs	130.00
Blue Star	826.80	Tanla Solut.	61.35
*DCB Bank	242.00	UTI SensNx50	339.00
*Deepak Nitr.	337.95	LOW	
*Edel NiftyBk	3853.00	*Aarvi Encon	34.35
*Edel Nifty30	346.00	Accelya Sol.	883.80
*Havells (I)	787.75	Asian Hot.(E	195.80
*HDFC Bank	2470.00	*Ashapura Int	5.20
HDFCNiftyETF	1250.87	Ansal Proper	8.10
HDFCSenETF	4250.00	Ansal Hsg.	8.60
*HDFC2-1100DG	9.70	*Arrow Greent	56.05
*Indraprr.Gas	350.80	*ASL Inds.	12.40
JIK Inds.	0.85	Atlas Cycles	46.05
Magadh Sugar	178.75	Balaji Tele.	66.00
Mahamaya St.	208.00	*Bansal Multi	5.05
*Mah.Scooter	4399.00	Bayer CropSc	3601.00
*MIRAE Nifty	131.00	*Blue Coast H	6.95
*Manap.Fin.	142.10	Celebrity Fs	6.90
Power Financ	136.20	Century Extr	4.15
PSP Projects	567.00	*Central Bank	24.70
*Refex Inds	67.85	*Cox & King.F	10.70
*Rel. LT Gilt	19.27	Cox & Kings	86.65
		Dewan H.Fin.	91.30

ALL TIME AT NSE

*Digjam	2.80	*MBL Infra.	9.20
*Eros Intnl.M	53.15	*Marvel Decor	26.30
Fortis Healt	121.85	*Mercator	2.25
*Global Educa	103.05	Nelcast	59.00
Hexa Tradex	14.60	*Noida Toll	4.35
Himat. Seide	157.60	NR Agarwal	254.00
*Hind.Nat.Gls	55.10	Omaxe	199.90
Honda SIEL P	988.00	*Parsvnath Dv	3.65
*Hotel Rugby	1.30	Peria Karama	138.00
*HT Media	30.05	*Powerful Tec	9.00
Igarashi Mot	231.00	*Praxis Home	111.05
Ind.Swift La	32.00	*Pushpanj.Rea	9.40
Innovana Thn	276.65	*Relian.Infra	83.35
*Intense Tech	33.50	Rossell (I)	48.35
*Jaihind Proj	0.70	*S Chand & Co	104.05
*Jet Knitwear	28.60	*Shalby	120.35
JHS Svend.Lb	20.80	Sintex Inds.	5.50
Jain Irrig.	43.25	*Spencers Ret	108.00
*JITF Infra	11.05	*Sintex Plast	11.20
Jubilant Lif	450.30	Surylak.Cott	25.30
*Khaitan Elec	2.60	Sutlej Text.	32.30
*Kridhan Infr	21.30	*Technofab En	36.85
*Latteys Inds	40.80	*The Mandh.RV	17.40
*Lypsa Gems	5.15	*Vaishali Ph	32.30
*Manpasand Bv	44.20	Zenith Birla	0.45

Positive Breakouts

Company (BSE)	Days Close	20 Days Mvg.Avg	% Chg	50 Days Mvg Avg
Hind.Mills	327.80	276.24	18.66	284.93
Wekon Intnl	7.24	6.30	14.92	6.69
Grandeur Prd	271.20	236.32	14.76	252.00
Mohit Paper	10.44	9.15	14.10	9.33
Stephanotis	84.00	73.99	13.53	68.08
Wallfort Fin	31.80	28.07	13.29	29.15
Ajanta Soya	23.55	20.82	13.11	20.88
Neogen Chem.	311.95	277.38	12.46	277.38
Centum Elec	530.30	472.97	12.12	462.89
Almondz Glob	22.10	19.77	11.79	21.34
Pennar Engin	63.85	57.14	11.74	57.53
Garware Tech	1207.45	1081.45	11.65	1099.87
Sunshield Ch	165.00	147.81	11.63	154.44
Narmada Gel.	151.25	135.54	11.59	130.50
Swarnasarita	10.60	9.54	11.11	10.47
National Oxy	40.60	36.91	10.00	36.33
Savita Oil T	1289.45	1174.13	9.82	1184.41
Jyoti Resins	167.10	154.46	8.18	138.52
Dhanvarsha F	68.00	62.88	8.14	59.72

Negative Breakouts

Company (BSE)	Days Close	20 Days Mvg.Avg	% Chg	50 Days Mvg Avg
Colorchips N	43.60	71.13	38.70	90.33
Arfin	126.00	161.37	21.92	173.59
Jaipan Inds.	12.60	15.97	21.10	16.82
Hind.Nat.Gls	57.00	71.46	20.24	77.52
Him Teknofor	74.65	91.55	18.46	116.73
Hi-Tech Wind	15.90	19.40	18.04	18.80
Amba Enterp.	9.54	11.58	17.62	11.54
Citadel Real	13.47	16.25	17.11	17.21
Kimia Biosci	26.00	31.12	16.45	34.54
Indo Rama Sy	28.50	34.07	16.35	34.81
The Mandh.RV	17.75	21.20	16.27	25.83
Vikas Multi	3.48	4.13	15.74	4.13
Ishaan Infra	14.75	17.36	15.03	19.46
Virat Indus.	41.05	48.24	14.90	53.96
Dhabriya Pol	52.00	58.90	11.71	63.30
Inani Marble	18.30	20.69	11.55	21.91
Brawn Biotec	33.30	37.47	11.13	39.06
UTL Inds.	17.25	19.28	10.53	17.44
Makers Lab.	45.15	50.27	10.19	53.28

Best Returns on BSE

Company	Days Close	Prices	% Chg	Average Volume
Fortnight				
MoneyBoxx Fi	24.20	12.20	98.4	32857
Evans Elect.	135.00	69.80	93.4	5500
Kesar Enterp	46.05	29.05	58.5	9154
Sh.Keshav Ce	64.90	41.00	58.3	6030
Kushal	21.35	14.00	52.5	28918
Gokul Refoil	15.03	10.09	49.0	82604
Websol Energ	35.10	23.65	48.4	104263
Gokul Agro R	14.60	9.85	48.2	17824
1 Month				
Eins Edutech	0.71	0.36	97.2	69724
Gradiente In	1.54	0.80	92.5	22340
Refex Inds	68.50	38.00	80.3	25917
Tata Teleser	5.27	2.98	76.8	683225
Gokul Refoil	15.03	8.56	75.6	55425
Kesar Enterp	46.05	27.45	67.8	6247
Avadh Sugar	730.60	449.45	62.6	22712
Magadh Sugar	178.95	118.00	51.7	7149

Worst Returns on BSE

Company	Days Close	Prices	% Chg	Average Volume
Fortnight				
Manpasand Bv	44.15	101.80	-56.6	39181
Cox & King.F	10.82	18.15	-40.4	36481
Maximaa Syst	2.78	4.60	-39.6	24218
Kridhan Infr	21.95	34.85	-37.0	123110
PC Jeweller	67.60	103.80	-34.9	4058294
Assam Co.(I)	1.40	1.95	-28.2	68032
Relian.Infra	84.95	118.20	-28.1	1501573
Dewan H.Fin.	93.90	129.90	-27.7	2827217
1 Month				
Cox & King.F	10.82	33.30	-67.5	18563
Manpasand Bv	44.15	107.80	-59.0	53861
Sh.Karthik P	4.51	10.00	-54.9	20993
Ashapura Int	5.07	10.19	-50.3	7831
NEL Holdings	2.90	5.42	-46.5	38812
Mercator	2.17	3.99	-45.6	523478
LEEL Elect.	8.27	15.20	-45.6	30218
Diksha Green	22.60	39.85	-43.3	116300

F&O Corner-NSE

Positive Trend

Company	Spot Price	Future Price	% Diff	OI Chg(%)
Suzlon Energy	5.35	5.40	0.93	-0.90
Cadila Healt	245.70	247.35	0.67	1.36
Engineers (I	117.25	118.00	0.64	-2.04
Container Co	524.35	527.65	0.63	4.10
IRB Infrast.	118.70	119.45	0.63	-1.30
Petronet LNG	236.75	238.25	0.63	6.60
Bajaj Finser	8125.20	8175.75	0.62	-1.11
BPCL	397.05	399.50	0.62	-1.95
Castrol (I)	145.40	146.30	0.62	6.54
HCL Techno.	1079.20	1085.85	0.62	-0.60

Negative Trend

Company	Spot Price	Future Price	% Diff	OI Chg(%)
Jet Airways	133.10	106.25	-20.17	3.32
PC Jeweller	67.80	54.40	-19.76	-4.60
Dewan H.Fin.	93.95	86.10	-8.36	15.74
Rel Capital	111.85	104.70	-6.39	16.23
Syndicate Bn	34.05	33.00	-3.08	17.19
Allahabad Bk	42.05	40.85	-2.85	2.75
Apollo Tyres	199.50	193.90	-2.81	9.01
Torrent Pow	244.55	239.00	-2.27	-0.62

Active Calls

Company	Contract	Traded Qty	Open Interest	Chg in OI (%)
NIFTY	12000.00-Jun	58556925	2670225	270.71
NIFTY	11950.00-Jun	41801400	1157475	455.34
NIFTY	11900.00-Jun	40205175	2133675	689.15
NIFTY	12100.00-Jun	36008100	2283225	25.01
NIFTY	12050.00-Jun	32010600	1131075	18.91
BANKNIFTY	31500.00-Jun	28139640	794640	251.08
BANKNIFTY	31000.00-Jun	26056340	870120	2580.59
BANKNIFTY	31400.00-Jun	21572740	436520	1040.33
BANKNIFTY	31600.00-Jun	21312040	573080	215.43
NIFTY	11850.00-Jun	20610450	1056300	2915.85

Active Puts

Company	Contract	Traded Qty	Open Interest	Chg in OI (%)
NIFTY	11900.00-Jun	69304800	108975	-94.08
NIFTY	11850.00-Jun	53446350	432525	-6.49
BANKNIFTY	31000.00-Jun	37260020	29040	-95.87
BANKNIFTY	30800.00-Jun	34877780	852940	571.08
BANKNIFTY	30800.00-Jun	32515460	44520	-75.11
NIFTY	11950.00-Jun	31793700	32700	-96.60
NIFTY	12000.00-Jun	26770725	61650	-96.54
NIFTY	11800.00-Jun	26658750	1463850	5.57
BANKNIFTY	31100.00-Jun	24502120	4980	-98.33
BANKNIFTY	31200.00-Jun	24174880	3860	-98.90

Future OI Gainers

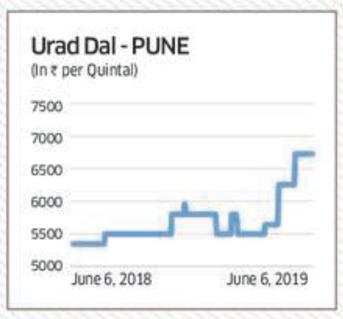
| Company | Open

Tweet of the Day

Holger Zschaepitz
@Schuldensuehner

This could be an interesting ECB meeting today. ECB President may try to protect his legacy and hawkish hopefuls for his succession may be more flexible in hope of safeguarding their chances and all this amidst falling inflation expectations

Quarts & Ounces



ET Index

COMMODITIES (2003=1000)

	CHANGE	PREV DAYS	LAST WEEK
Bullion	-0.29	4715.2	4645.9
DAYS INDEX			
4701.1			
Cement	0.00	2431.1	2431.1
DAYS INDEX			
2431.1			
Edible Oil	-0.49	1542.2	1545.7
DAYS INDEX			
1534.5			
Foodgrains	-0.06	2410.3	2419.2
DAYS INDEX			
2408.8			

Did You Know?

An ETF for Avocados? It may Take Some Time

There's now an ETF for anyone wanting to bet on the trade war, gamble on the cannabis craze, or go all-in on the death of the mall. The financial industry has wowed investors in recent years with ever-more specialised ETFs, but creating them isn't necessarily simple or quick. One reason for the lag is that there's a lot of work to set up a fund.

TRANSMISSION OF RATE CUT Although the Monetary Policy Committee has delivered two rate cuts this year, banks have not lowered lending rates. They say cost of deposits, the key component in determining lending rates, had not come down

Will Car Loans Turn Cheaper? Yes, says Das

Saloni.Shukla@timesgroup.com

Mumbai: The Reserve Bank of India has cut the cost of funds for banks by half a percentage since the beginning of this year, but the common man who queues up to get a loan to buy a home or a car is still paying almost the same as he did in December. But Governor Shaktikanta Das promises that it will be different this time.

"We have already seen a 21 basis points transmission in fresh rupee loans. We expect rate cuts on new individual consumer loans, two-wheeler loans," said Das. A basis point is 0.01 percentage point. "It has been noticed in the past that the transmission takes about 4-6 months but in the last 2-3 months 21 basis points have been transmitted."

The Monetary Policy Committee under Das has delivered two rate cuts of a quarter point each this year, but banks did not lower their lending rates. They point out that their cost of deposits, the key component in determining their lending rates, had not come down. On the contrary, they say rates are climbing for them.

"This rate cut may send out only positive notional signals — its real gain can be realised only if banks pass on the benefits to actual homebuyer borrowers," said Anuj Puri, chairman, Anarock, Property Consultants. "The apex bank will need to ensure that this actually happens at the ground level since there has been little evidence of such transmissions in the recent past." Furthermore, banks have been reluctant in passing on rate cut benefits to the consumer as they continue to struggle with higher capital requirement due to the ongoing cleaning-up of banks' books, NBFC crisis and increased competition to offer high deposit rates. India's largest lender — State Bank of India — had last cut its marginal cost of lending rate on May 10, by a marginal 5 basis points.

A Care Ratings analysis showed that median MCLR declined from 8.8% in January 2019 to 8.74% in April 2019, implying a transmission of only 6 bps in the subsequent three months following the first repo cut in Feb 2019.

"Because of higher interest rates, consumer spending like auto sales, real estate etc has been very weak," said Umesh Revankar, CEO, Shriram Transport Finance. "We urge RBI to open up funding to retail NBFCs through banks that will stimulate consumer spending."

RBI data shows that the credit-deposit ratio was at 75.3% signalling a pressure on the bank's resources which traditionally rely on deposits for lending. With most NBFCs going slow on lending after indiscriminate lending for several years, banks are turning risk averse. Most economic indicators like GDP growth, auto sales, air travel etc show a slowdown in consumption demand, a negative sign for the new government which is starting its second term amid weak investment activity. The regulator's crucial challenge will be to ensure banks pass on rate cut benefits to borrowers to prop up demand. "A more focused approach is needed to address issues in certain segments like NBFC & Housing Finance, failing which transmission of lower rates to end-borrowers may not happen fast enough," said Mihir Vora, director and chief investment officer, Max Life Insurance.

LOW TRANSMISSION

The MPC under Das has delivered two rate cuts of quarter point each this year, but banks did not lower their lending rates

Banks were reluctant in passing on rate cut benefits to the consumer as they struggled with the higher capital requirement due to the clean-up of banks' books, NBFC crisis and increased competition to offer high deposit rates

With most NBFCs going slow on lending after indiscriminate lending for several years, banks are also turning risk averse

ANUJ PURI
Anarock Property Consultants

This rate cut may send out only positive notional signals — its real gain can be realised only if banks pass on the benefits to actual homebuyer borrowers

MIHIR VORA
Max Life Insurance.

A more focussed approach is needed to address issues in certain segments like NBFC & Housing Finance, failing which transmission of lower rates to end-borrowers may not happen fast enough

State Govt Bonds as Reliable, Sound as Central Ones: Guv

Once FPIs are convinced of the mechanism, overseas money can flow into SDLs

Our Bureau

Mumbai: RBI Governor Shaktikanta Das has put to rest speculation about the quality of state government bonds by declaring that they are as sound and reliable in terms of credit standing as central government bonds.

"SDLs are not risky at all," said Das, at the post-policy press conference. There is an implicit sovereign guarantee in them. State governments are sub-sovereign. There is an implicit debt mechanism which RBI operates." "FPI investment should also come," he said.

"RBI's reiteration on state development loan safety net reflects its willingness and dispels doubts about their sovereign status," said Naveen Singh, ICICI Securities PD. "The regulator has taken a step in the right direction to improve market liquidity by make the valuation methodology uniform across segments. This may also help draw traction from foreign portfolio investors."

"Market liquidity should improve over a period of time with best practises in place like valuation and Ind AS accounting, which is work in progress," he said.

Once the FPIs are convinced of the mechanism and argument, some serious overseas money can flow into SDLs, resulting in spread compression. The spread or differential between state and central government bonds are in the range of 70-80 basis points.

A basis point is one hundredth of a percentage point.

"Once the 10-year yield settles around 6.9% or lower, we may see buying interest emerge on the papers which are offering good spreads over the 10-year central bond namely semi liquid central bonds, SDLs and even PSU bonds," said Vijay Sharma, head of fixed-income, PNB Gilts.

State bonds' secondary market volumes were at ₹1,235 crore on Thursday compared with ₹995 crore on Tuesday. Financial markets were shut on Wednesday due to Eid. Yield fell about five-six basis points, pushing prices up.

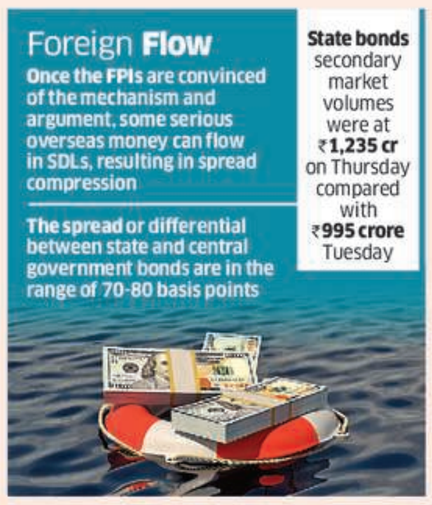
During the last financial year, investors were mandated to value SDLs by adding 25 basis points over the similar maturity G-secs. This year, it no more exists, catering to a wide base of investors.

While banks might have gained from the erstwhile valuation method, such measure could have created hindrance for a typical trader or bond house.

Moreover, allowing reinsurance of state bonds should help gain investor confidence.

Though FPIs may not be just rushing to start buying state government bonds until now, they have some re-assurance from the RBI or government about the mechanism through which the repayment of SDLs is broadly ensured.

On the due date of payment, the RBI automatically debits the state government account and makes payment, Das said.



PRESENT FORMAT UNSUITABLE WHEN RATES GO DOWN

RBI to Simplify its Format for Liquidity Management Soon

Joel.Rebello@timesgroup.com

Mumbai The Reserve Bank of India (RBI) will constitute an internal working group to review its liquidity management framework to simplify the current framework and bring more clarity in the objectives and quantitative measures on banking liquidity.

"While on the whole the current liquidity management framework has worked well, it has also become somewhat complex. An assessment of liquidity position by different market participants has varied markedly and is not always in sync with the actual systemic liquidity position in the economy. Accordingly, it has been decided to constitute an Internal Working Group to review comprehensively the existing liquidity management framework and suggest measures..." RBI said in a statement accompanying its monetary policy review.

Bankers and market participants say that the existing framework worked in times of tightening in monetary policy but has not been effective when rates are on the way down like they are currently. Expectations are that the new framework will work towards easier liquidity which will help in quicker transmission of RBI rate actions.

"The new framework will most likely have to align the RBI's rate moves with the liquidity stance. We cannot have a rate cut and keep liquidity tight because it negates the rate action. Also, the current framework was based on keeping liquidity in the deficit mode because that would make repo the operative rate. We will most likely move to a more flexible regime," said Ananth Narayan, associate professor, finance at SP Jain Institute of Management and Research.

In the liquidity management framework of 2014, the RBI had introduced the variable rate 14 day and overnight term repo. A working group headed by RBI executive director Deepak Mohanty in 2011 had suggested that the liquidity adjustment facility should operate in a deficit mode with the repo rate the single policy rate to unambiguously signal the stance of monetary policy. These directions on liquidity management will up for review. Under discussion could be specifics on which tool of liquidity management will be used by RBI under what circumstances because every liquidity tool has its own side effects on the market.

Expectations are that the new framework will work towards easier liquidity which will help in quicker transmission of RBI rate actions

Under discussion could be specifics on which tool of liquidity management will be used by RBI and under what circumstances because every liquidity tool has its own side effects on the market.

The RBI currently uses forex swaps, open market operations (OMOs) and cash reserve ratio (CRR) as tools to manage liquidity

Prices Fall Sharply as There's Too Much of Tea in the Market

While CTC tea prices fell by 2%, the dust variety dropped by 8%, raising concerns

Sutanuka.Ghosal
@timesgroup.com

Kolkata: Oversupply of teas has dampened the black tea market in the country with prices of two common variety of teas that are mostly consumed by Indian households falling by 2-8% year-on-year. While CTC tea prices have declined by 2%, the dust variety dropped sharply by 8%, raising concerns for the tea trade.

Industry officials said that the unbridled growth of small tea growers have resulted in oversupply of teas which at times are not of good quality, thereby impacting the overall market. Vivek Goenka, chairman, Indian Tea Association, said, "Over the past few years, the organised tea industry has not grown much. On the contrary, we have seen small tea growers expanding rapidly with very little check on quality. So, while production has been increasing, consumption was not moving in tandem with production."

"This year though the orthodox teas have done well as there is a steady demand from Iran, our major importer. But CTC and dust have not fared well which has raised concern among the trade as these two varieties constitute the bulk of production," said Goenka.

The organised players in the first four months of 2019 have produced 95.09 million kg of tea. The small growers are only a few million kgs less than the organised players and their production stands at 92.94 million kg in the same period.

While the small growers are fast catching up with the organised players, there's a huge disparity between the two categories. The cost of production of the small tea growers is much less than the organised players, so they can sell tea at a lower price than the bigger ones.

The organised trade is bound by the Plantations Labour Act, 1951, which involves the social cost, and that increases their cost of production. According to industry estimates, the cost of production of the organised players is estimated to be around 50% more than the small tea growers. Goenka believes that there is a need to improve the marketing push for Indian tea.

"While putting in stringent measures to check the traceability of teas is an important move, it has also become imperative to promote tea among millennials," he said.

In fact, ITA with support from the Tea Board, is looking to launch a social media campaign to target the younger population in the age bracket of 15-35 years. The campaign aims to boost tea consumption among coffee drinkers which, will strengthen the demand for the beverage and enhance prices.

GETTING DILUTED

CTC tea prices have declined by 2%, and the dust variety fell by of 8% in prices, raising concern for the tea trade

The organised players in the first four months of 2019 have produced 95.09 million kg of tea

The small growers have produced 92.94 million kg in the same period

The small growers can sell tea at a lower price compared to the organised players

Payment Haze: Rice, Soya Exporters Unable to Sign Contracts with Iran

Madhvi.Sally@timesgroup.com

New Delhi: Indian rice and soya bean exporters have asked the government to issue guidelines about the system of payments for exports to Iran because they are unable to sign contracts in the absence of clarity after the US ended India's waiver from sanctions against Iran.

Iran has remained the largest importer of basmati rice from India in recent years, buying over 30% of the total exports of the commodity from India. It also buys more than a quarter of the 1.5 million tonnes of soya bean meal exported from India.

"We are worried about what will happen with exports to Iran. The government should bring some clarity for the trade," said Aman Gupta, MD at Shiv Shakti Inter Globe Export. He said they were currently meeting deadlines of old export contracts.

"Iranian importers usually go for bulk buying like 100-200 containers. At this stage, we are only signing smaller orders of 10-20 containers. Some exporters have even stopped future contracts," said Gupta.

Iran has been a major destination for the export of soya bean meal, which is used by the livestock and poultry feed industry. "We have been exporting 1 lakh tonne soya bean meal every month, which has now come to a standstill because of no clarity on remittance," said Davish Jain, chairman at Soybean Processors Association of India (SOPA). He added that good exports from the country had ensured that farmers got remunerative prices. Exporters said they were getting payments from the UCO Bank, but have been told informally not to go for letter of credit (LC) transactions owing to the threat of any new US sanctions. "We are only exporting when money is being sent in advance," said an exporter from Mumbai.

This has led to volatility in basmati rice prices, they said. According to the trade, basmati rice (1121 variety) has moved from ₹73 a kg in the first week of May to touch a high of ₹82 a kg and is now at ₹77 a kg, said an exporter.

"With the formation of the new government at the Centre, we are hopeful of getting some guidelines and directions about the system of payments and trade ties with Iran," said Vinod Kumar Kaul, executive director at All India Rice Exporters Association. Iran imported 10.80 lakh tonnes of basmati rice from India, valued at ₹781 crore, in the 10 months to January 2019.

Exporters said they were getting payments from UCO Bank, but have been told informally not to go for LC transactions

Gold Rises on Demand from Jewellers

NEW DELHI Gold prices on Thursday shot up by ₹120 to ₹33,490 per 10 gm on rise in demand from jewellers, and a firm trend overseas, according to the All India Sarafa Association. Tracking gold, silver gained ₹50 to ₹37,900 per kg on increased offtake by industrial units and coin makers.

Wheat Rebounds on Dry Weather

LONDON Chicago wheat futures rose on Thursday, rebounding after two days of deep losses, with support from dry weather that is expected to reduce yields in Russia and Australia. The most-active wheat contract on the CBOT was up 0.7% at $4.94 a bushel by 1118 GMT.

Lead Prices Surge on Fall in Inventory

LONDON Lead prices surged to the highest in a month on Thursday after production was halted at the Port Pirie smelter in Australia and inventories slid to the lowest in a decade, leading investors to buy back bearish positions. Benchmark lead prices on LME gained 2.5% to $1,912 a tonne.

COMMODITIES

June 06, 2019: Yesterday's or the previous latest quotations for the commodities in various markets in India are given below. The rates are in rupees

BULLION

MUMBAI
Gold(10gms.)
Standard (33000) 33150
Silver(PerKg)
Silver .999 (38500) 37800

DELHI
Gold(10gms)
Nig.Bar 999.5 (33200) 33200
Standard(999.9)(33370) 33490
Ornaments (31650) 31770
Gold
Sovereign(8gms)(26700) 26700
Biscuit (33345) 33465
Silver(PerKg)
Spot.999 (37850) 37900
Delivery-Weekly (36800) 36950
Buyer Coins (Per price)(800/810) 800/810

KOLKATA
Gold(10gms.)
Standard-24K (33240) 33200
Guinea-23K (31535) 31500
Ornament-22K (32010) 31975
Silver(PerKg)
Bar (36800) 37150
Portion (36900) 37250

CHENNAI
Gold(10gms.)
Ornament(22carat Per-Gm (3091/3097) 3115/3122
Silver(Per-Gm)
Retail Silver (39.00/39.00)

BENGALURU
Gold(Per-Gm.)
Standard (per 10 gms.)(32985) 32786
Ornament (per gram)(3080) 3064
Silver(PerKg)
Bar Wholesale (per kg)(37400) 37400

HYDERABAD
Gold(10gms)
Standard Gold (32370) 32600
Ornament (30720/30820) 31000/31000
Silver(PerKg.)
Silver .999 (36700) 36950

OIL & OILSEEDS

DELHI
Oilseeds(Per qtl)
Mustard (3900/4000) 3850/3950
Cakes Expeller
Mustard (old bardana) (1900/1925) 1850/1900
Mustard (new bardana) (2000/2100) 2000/2100
Cottonseed (3100/3250) 3050/3200
Deoiled Extractions(tonne)
Rice Bran Continuous (12100/12200) 12100/12200
Mustard (17400/17600) 17400/17600
Soyabean Yellow (35000/35100) 35000/35100
Sunflower (18600/18700) 18600/18700
Groundnut(40-45%) (28000/29000) 28000/29000
Ricebran (per unit)(130/131) 130/131
Edible Oils(GST Extra)
Solvent Ref (Tin) (1800/1850) 1800/1850
Mustard (Tin) (1300/1475) 1300/1475
Mustard Expeller (7850) 7800
Sesame Oil (13700) 13000
Soyabean Ref Mill Delivery (8200) 8200
Soyaoil Degumed (7900) 7900
Soyabean oil (Tin) (1250/1325) 1250/1325
Cottonseed Mill Delivery (7200) 7200
Rice bran(Punjab (5750) 5720
Coconut Oil (Tin) (2375/2400) 2350/2375
Non Edible Oils
Rice Fatty (4850/4900) 4850/4900
Acid Oil (3750/3800) 3750/3800
Castor (11850/11950) 11500/11600
Vanaspati(15 kg/Tin,Incl.GST)
Dhruv (1040) 1040
Panghat (1220) 1220
Shagun (1180) 1180
Rath (1180) 1180

KOLKATA
Others(Quintal)
Mustard oil Ghanni (8480) 8480
Soyabin Oil (7470) 7450
Sesame Oil (12500) 12500
Ricebran Oil Gr.1 (6500) 6500
Ricebran Oil Gr.2 (5800) 5750
Soyabin Oil (15kg Tins)(1285) 1280
Vanaspati(15kg Tin)(885) 880

CHENNAI
Groundnut Oil(Quintal)
Oil (1300) 1300
Oil cake(70 kgs)(2600) 2800
Others
Castor Oil (Per Quintal) (13800) 13800
Coconut
Oil(15Kgs)(2850/2951) 2850/2951
Gingelly Oil (10kgs)(2600) 2600
Kernals(80 Kgs)(6350/6350) 6000/6150
Vanaspati (PerTin 15Kgs+Tax)(1280/1300) 1280/1300
Palm oil(10 kgs)(585) 580

BENGALURU
Oils(Per 10Kgs)
Coconut (1850/2300) 1850/2300
Ghee (4500/5000) 4500/5000
Gingelly (3000/3600) 3000/3600
Groundnut (890/1350) 890/1350
Groundnut Seed (Per Quintal)(9100/10000)

HYDERABAD
Groundnut(Per 15 Kgs)
Oil (1450/1650) 1400/1700
Refined Oil (1800/1900) 1800/1900
Others(Per 15Kgs)
Sunflower Oil (1400/1600) 1400/1600
Tissed Oil (2550/2650) 2550/1650
Karoli Oil (2800/2900) 2800/2900
Cot.Seed Ref Oil (1300/1400) 1300/1400
Rice Bran Oil Ref. (1250/1450) 1250/1450
Vanaspati (1200/1400) 1200/1300

KOCHI
Coconut(Quintal)
Coconut Oil (12900) 12900
Coconut Oil(Mill) (14400) 14400
Copra(Quintal)
Copra Edible(ungraded) (8900) 8900
Copra (As it is) (8635) 8635
Oil Cake Rotary (2900) 2900
Expeller (2100) 2100

ALLEPPEY
Coconut Oil(Quintal)
Clean (12900) 12900
Milling (14400) 14400
Oilcake (2900) 2900
Copra(Quintal)
Edible (8900) 8900
Thekkan (Rasty)(8800) 8800
Milling(dry) (8800) 8850

FOOD GRAINS

DELHI
Wheat(Quintal)
M.P. Desi (2450/2700) 2450/2700
Dara (1995/2000) 1995/2000
Chakki (2010/2015) 2010/2015
Atta chakki(10kg.) (2200/2240) 2200/40
Roller Mill
Atta(50Kgs.)(1070/1080) 1070/1080
Maida(50Kgs)(1100/1120) 1100/1120
Sooji(50Kgs)(1200/1210) 1200/1210
Bran (870/890) 870/890
Rice(Quintal)
Basmati Lal Qila (12200) 12200
Swad (9300) 9300
Sharbati Sela (4200/4250) 4200/4250
Sharbati Steam (4750/4800) 4750/4800
Sela (1121 No)(8000/8100) 8100/8200
Steam (9000/9100) 9100/9200
Sela (1509 No)(7700/7800) 7800/7900
Dupli.Basmati (8050/8150) 8150/8250
Basmati Common (8900/9000) 9000/9100
Sortex (9100/9200) 9000/9100
Permal Raw (242-52/2500) 2425/2500
Broken(25%)(2300/2350) 2300/2350
Permal Wand (2550/2600) 2550/2600
PR-11 Sela (3600/3700) 3600/3700
IR-8 (2200/2225) 2200/2225
Others(Quintal)
Bajra (2040/2050) 2030/2040
Jowar Yellow (2900/3000) 2900/3000
Jowar White (4400/4500) 4400/4500
Maize MP (1900/1920) 1800/1810
Maize Bihar (1860/1865) 1850/1860
Barley (1800/1810) 1800/1810
Urad(Raw)
Desi (5000/5100) 5000/5100
Rangoon SQ(6090/6100) 6090/6100
Dal Urad:
Chinika Local (6400/6700) 6400/6700
Best (7000/7600) 7000/7600
Doya Local (6500/6800) 6500/6800
Best (7500/8100) 7500/8100
Moong(Raw)
Rajasthan (6200/6700) 6100/6600
UP/Bihar (6200/6250) 6250/6350
Dal Moong
Chhilka (7000/7300) 6900/7200
Best (7500/8000) 7400/7900
Moong Dhoya
Local (7300/7800) 7200/7700
Best (8000/8200) 7900/8100
Mawoor(Raw)
Small (4500/5150) 4550/5200
Bold Imp.(4075/4100) 4125/4150
Desi (4450/4500) 4550/4560
Mawoor Dal
Local (5300/5400) 5300/5400
Best (5450/5700) 5450/5700
Matka
Local (5400/5450) 5400/5450
Best (5500/5550) 5500/5550
Moth (5850/5950) 5850/5950
Arhar
Rangoon (5775/5780) 5775/5780
Desi Karnataka(6075/6100) 6075/6100
Arhar Dal
Dara (7200/7500) 7200/7500
Patika (7800/8400) 7800/8400
Gram Rajasthan (4550/4600) 4550/4600
Australia (4625/4630) 4625/4630
Gram Dal Local (5300/5400) 5225/5275
Best (5300/5400) 5300/5400
Besan(35kg GST Extra)
Rajdhani (2990) 2990
Agro Pure (2290) 2290
Rajmash chitra:
China (7500/8100) 7500/8100
Pune New(5100/6700) 5100/6700
Shanneli (4700/6000) 4700/6000
Kabli Gram:
Small (4300/4400) 4300/4400
Medium (4600/4700) 4600/4700
Bold (5300/5700) 5300/5700
Lobia Brazil (4000/4700) 4600/4700
Peas White (4800/4850) 4800/4850
Peas Green (6150/6200) 6150/6200

BENGALURU
Rice(Per Quintal)
Fine (4800/5400) 4800/5400
Medium (4300/4800) 4300/4800
Basis(Per Quintal)
Wheat (2500/3300) 2500/2300
Bengal(Per Quintal)
Gram Dhal (5800/6400) 5800/6400
Black Gram Dhal (8600/10000) 600/10200
Green(Per Quintal)
Gram Dhal (8000/8400) 8000/8400
Others(Per Quintal)
Horse Gram (3600/3800) 3600/3800
Jowar (2300/2800) 2300/2800
Turdhal (7600/9600) 7600/9600

HYDERABAD
Rice(Per Quintal)
Fine Dsl (3800/4800) 3800/4800
Medium New (3000/3800) 3000/3800
Wheat(Per Quintal)
Bansi New (3200/3700) 3200/3700
Sharbatti Dsl (3900/4500) 3900/4500
Others(Per Quintal Ex.Tax)
Channa (4500/5000) 4500/5000
Channa Dal (5800/6300) 5800/6500
Jowar White (3000/3500) 3000/3500
Jowar Yellow (3200/3600) 3200/3600
Maize (1900/2100) 1900/2100
Mawoor Dal (5500/6200) 5500/6400
Moong (6800/7500) 6800/7500
Moong Dal (7500/8500) 7500/8500
Toovar (6900/7400) 6900/7400
Toovar Dal (7500/8000) 7500/8000
Urad (6500/7000) 6500/7000
Urad Dal (7500/8500) 7500/8500
Bajra (3200/3700) 3200/3700

GUR & SUGAR

DELHI
Sugar Mill Delivery(Per Qtl)
Private Mill:
Afzalgarh (3280) 3260
Malakpur (3695)
Modi(3300) 3290
Kinauni (3400) 3380
Budhana (3310) 3285
Dhampur (3290) 3260
Bundki (3275) 3260
Deoband (3260) 3250
Anoopshahar (3150)
Mawana(s) (3330) 3300
Daurala (3330) 3300
Agauta (3280) 3250
Simbhaoli (3400) 3380
Shamli (3275) 3260
Khatauli-s (Duty-Paid)(3400) 3400
Sugar Ready (3600/3725) 3575/3700
Gur & Khandsari(Per Qtl)
Gur Laddoo (3800/3900)
Pedi New (3300/3400) 3300/3400
Chaku (3400/3500) 3500/3600
Dhariya New (3600/3700) 3600/3700
Shakkar (3700/3800) 3700/3800
Khandsari (3900/4000)

CHENNAI
Sugar(Per Quintal)
Sugar S-30 (3300)
Jaggery (Per quintal)
Vellore Special (grade I) (1800/1900) n/a
Vellore Special (grade II) (2000/2100) n/a
Salem (grade I) (1800/1900) n/a
Salem (grade II) (1500/1600) n/a

RBI Lobs the Ball Into GoI's Court

Rate cuts cannot address the liquidity crunch

The Monetary Policy Committee has confined itself to the routine tinkering of rates, guided as it is by its mandate to contain inflation as measured by the consumer price index. A reduction of the policy rate by 25 basis points is neither here nor there, when it comes to addressing the funds crunch faced by builders and other players in the infrastructure sector, who depend on short-term financing from non-banking finance companies (NBFCs) to complete their projects. NBFCs raise short-term money for their operations. The collapse of IL&FS has shaken investor confidence in NBFCs as a class. Disruption in their funding cycle is manifesting as a solvency problem for their clients. In the absence of meaningful intervention, perfectly viable projects would go belly up for no fault of theirs. And an RBI rate cut of even 50 basis points or 100 basis points would not address this.

The government has to tackle the problem by thinking out of the box. It has to channel funds to viable projects.

This calls for two separate kinds of actions. One, to assess the viability of the projects at risk from disruption of their funding. Two, an agency that will inject long-term funds into these projects. The US government's Troubled Asset Relief Programme (TARP), in the wake of the global financial crisis, offers one model of carrying out this activity. TARP funds rescued a company like General Motors, besides banks. Once things stabilised and the companies were able to function in a healthy fashion, the government got out, at a profit in most cases. The new government has the mandate to take decisive action. If the government does not have the stomach for such bold, out-of-the-box action, it could simply ask banks to give extra funds to viable projects without bankers running the risk of going to jail for their rescue efforts.

While several of the regulatory measures announced by the Reserve Bank on Thursday are welcome, they do not help address the urgent problem that the real estate and construction industry face, along with NBFCs. Only state action can help them.

Let GoI Set Example for Corporate Conduct

The government's practice of not paying outstanding dues to public and private sector vendors must end. It reportedly owes about ₹15,700 crore to HAL. Private telecom equipment makers want the government to expedite dues of about ₹1,400 crore owed to them by BSNL. IL&FS claimed it was owed money by the government. Non-payment of dues dents cash flows of these companies and forces them to borrow. HAL, for example, has been borrowing from banks to meet its operational expenses that include payment to its vendors.

The government should set an example as a good business partner, and release payments to companies that undertake various tasks for it, be it building bridges or highways or making defence equipment, to keep the wheels of the economy moving. It must enforce the order issued before elections mandating companies to put all invoices raised against them by small suppliers on TReDS, the electronic platform for trade receivables. The government should also shun the practice of keeping the borrowings of state-owned entities that are serviced from the Consolidated Fund of India off the books. The accounting jugglery leads to the actual fiscal deficit being understated. Such practices must be eschewed as they undermine the sanctity of the Budget numbers. A robust accounting and reporting system must be in place to estimate the outstanding extra-budgetary resources flowing into the consolidated funds.

Ideally, off-budget financing — used to cover deferred fertiliser bills, arrears of the Food Corporation of India — must include disclosures to Parliament on the rationale for funding. The coming Budget should reflect greater transparency in accounting and disclosures to maintain the credibility of fiscal data reported by the government.

The #KuToo movement will only succeed when shoes are on the other foot

The Stiletto Issue Remains Unhealed

When Cannes still cannot do without stiletto heels, what chance do Japanese women have? Bringing vertiginous shoes to heel has largely been an unsuccessful crusade with authorities in most places being mulish about change. So, a Japanese minister insisting that high heels are "necessary and appropriate" for certain jobs as a response to the #KuToo movement — the anti-stiletto heels initiative there, playing on the Japanese words 'kutsu' (shoe) and 'kutsuu' (pain) — is not surprising. How exactly arch-harming footwear can be crucial work equipment is a mystery, though. Clearly, there has been no climb-down from when a newly-hired receptionist at an international consultancy office in London flatly refused to wear heels and sparked a signature campaign that led to the issue being discussed in the British Parliament in 2016 — but no laws were changed.

Indeed, stiletto heels remain de rigueur for certain occasions and occupations, including red carpets, catwalks, state banquets and talent contests. Besides front-office staff, princesses and political first ladies, in particular, are invariably seen teetering on them. Perhaps only when these women dare to dig in their heels against stilettoes will the rest benefit from flatter work hierarchies. Or, men should try stepping into these shoes, instead of tiptoeing around the issue.

LOUD THINKING Will Bengal be Narendra Modi's launch pad for truly inclusive politics?

Dada vs Didi Show(down)

Nilanjan Mukhopadhyay

For much of the 20th century, Bengalis prided themselves on Gopal Krishna Gokhale's observation, 'What Bengal thinks today, India thinks tomorrow.' The Lok Sabha polls and subsequent developments in West Bengal demonstrate this being reversed to 'What India thought yesterday, Bengal thinks today'. This is borne by the surge in BJP's support in the state — 18 seats out of a total of 42 with a vote share of 40.25%. The party is now the primary opposition to Mamata Banerjee's ruling Trinamool Congress (TMC), and in line to form the next state government in 2021 — or before.

West Bengal, in many ways, was the 'final frontier' for the BJP, as well as its affiliates wedded to Hindu nationalism. The state, after all, was considered the 'crucible of modernity' via the Bengal Renaissance in the 19th century, providing early leadership to social reform and later national movements. Undivided Bengal witnessed major communalisation through the 1940s, eventually ending in the terrible 'Great Calcutta Killings' and riots of 1946-47.

A Soft Fadeout...

But after the initial post-Independence flourish, the Bharatiya Jan Sangh-Hindu Mahasabha combine became politically extinct, suggesting that in the subsequent decades, the people had ruled Hindutva, in any of its forms, to be politically incorrect and against the modernist spirit. Anger at the post-Independence dream going awry was expressed through radical politics of the Naxals and West Bengal remained, post-1960s, the perennially romanticised 'alternate utopia'.

Even when people eventually voted the Left out after a 34-year period in 2011, social equations remained unchanged, criminalisation of public life continued unabated, and the state was left with little but its 'glorious past'. Yet, people stayed proud of their 'secular fabric' remaining intact, claiming they are Bengalis first, Hindus or Muslims later.

During the Ram Janmabhoomi agitation in the early 1990s, VHP mobilisation was limited in the state. Consequently, BJP was identified in West Bengal as a party of the Hindi heartland and any occasional electoral success was chiefly due to tactical alliances. So, political acceptance in the state has been BJP's crowning glory in these elections.

It would be unwise to conclude that the vote for BJP is symptomatic of the state being now on the brink of another communally polarised rupture. Yet, it would be naïve not to acknowledge that the vote for BJP indicates a significant 'coming out' of 'Hinduness' in the state. This is testimony that the Hindu vote continued to exist even after the death of Jan Sangh founder in the early 1950s but remained untapped. But in its success also lies the challenge ahead before BJP.

The nationwide rise of BJP's vote share from 31.3% in 2014 to 37.4% in 2019 is principally on the back of major Hindu consolidation. The Centre for the Study of Developing Societies (CSDS) post-poll survey estimated that compared to 36% of all Hindu voters in 2014, this time BJP has secured 44% of their vote. When one factors the vote share of allies, the support for NDA among Hindus rose to 51%. But the growth within West Bengal is exponential: from 21% in 2014 to 57% today.

FILE PHOTO

'Namaste', 'Nomoshkar'

This dramatic rise of 36-percentage point support among Hindus is matched by the corresponding growth of TMC support among Muslims. In 2014, the Muslim vote was divided between TMC (40%), Left Front (31%) and Congress (24%). In 2019, the support for TMC among Muslims has risen to 70%, suggesting that polarisation on religious lines has risen manifold. Chief minister Mamata Banerjee's statement — 'Jo humse takraega, woh choor choor ho jayega' (Those who cross our paths will be shattered into pieces) — on Wednesday during Eid celebrations, suggests that she remains committed to further consolidation of her Muslim vote base.

...Or Was It?

BJP can't respond to such provocative politics in the way it mostly does in other states since its stakes are higher in Bengal. If the party leadership allows BJP state leaders to respond in the same coin, the state could well be sucked into a cauldron of communal violence. This may be superficially beneficial, as it may open the window for central intervention. But it will negatively impact Modi's prime ministerial pursuit of his economic and international objectives. Social strife in a major state is the last issue that the PM wants to tackle when he wants to press ahead with job creation, reviving growth and increasing global clout.

BJP's spectacular performance in Bengal, with the state's above-national average Muslim population, also shows the sufficiency of the Hindu vote. The redundancy of the Muslim vote raises the spectre of further alienation of the community. However, this verdict must not be read as just a Hindu vote in response to Banerjee's courtship of extreme elements within the Muslim community. The BJP votes cast was also due to the 'Modi factor' in which he was the Dada standing up to Didi.

Banerjee once symbolised the middle-class working girl straight out of Ritwik Ghatak's 1960 classic film, Meghe Dhaka Tara (Cloud-Covered Sky). Today, many of West Bengal's Hindus have judged her as a failed deliverer. Aspirations, too, have changed, and in Modi, many in West Bengal, like in the rest of India, see the realisation of their dreams.

Tempering anti-Muslim belligerence is Modi's big challenge. His project to secure vishwas (trust) of the minorities can be inaugurated in West Bengal. The final frontier will then be his first victory podium.

BLUE ECONOMY

Charting Under-Charted Waters

Sumita Misra

The concept of the Blue Economy (BE) dates back to 1994, when entrepreneur and sustainability champion Gunter Pauli introduced it at the UN. It assumed importance after the UN Third Earth Summit Conference at Rio in 2012 focused on expanding the green economy to BE.

BE comprises the entire ecosystem of ocean resources, and seeks to establish close linkages between oceans, economic growth and environmental sustainability. It focuses on a more sustainable model of development by leveraging the marine sector, with emphasis on innovation, local and low-cost technologies, spatial planning, renewables and community participation — all the while addressing the threat posed by climate change.

Globally, BE is expected to grow at double the rate of the rest of the world economy. The ocean industry's value-added is expected to touch $3 trillion by 2030. To reap these benefits, India must develop a sustainable policy for both upstream and downstream activities.

India was among the first countries to create a governmental institution — Department of Ocean Development under the earth sciences ministry — in 1981. However, over the years, while significant research has been conducted, there has been a lack of policy thrust and coherence. With a coastline spanning 7,517 km, serviced by 13 major ports, 200 notified minor and intermediate ports, and 1,208 islands, BE represents a huge opportunity for India to accelerate economic growth.

The 10-point Vision for India 2030 released in February by GoI envisages oceans and coastal areas becoming the 'strength of the economy', while improving the quality of life of coastal communities. Here are six action points for achieving these goals:

❶ Country-specific definition of BE: India needs to frame a unique definition, reflecting its priorities. Various aspects of BE, with India's need for employment-led growth, should be incorporated while ensuring focus on sustainable development, environmental protection and adherence to Sustainable Development Goals (SDGs).

❷ A national accounting framework: BE's contribution to the national income needs to be disaggregated and measured across sectors. This means changing current methodologies of data collection and estimation. Furthermore, analysis must encompass aspects like BE's contribution to growth, sectoral trends and generation of time-series data.

FILE PHOTO

Catchment area

❸ Bringing all stakeholders on board: This would include (central and state) governments, agencies, think tanks, associated ministries (earth sciences, environment, new and renewable energy, tourism, shipping) as well as industries, associations and research institutions. The establishment of a National Ocean Development Council/Authority (NODC/NODA) as an apex agency providing requisite institutional framework should be considered.

❹ Policy: Encouraging investment in financial, physical, natural and human capital to harness BE's potential would be a critical objective. Policy should be multipronged covering coastal interests, deep sea minerals, blue trade, offshore energy resources, marine technologies, fisheries, shipping, human capital, and ocean governance and maritime security.

❺ Combating marine litter: Nearly 13 million tonnes of plastic waste are added annually to the oceans. By 2050, more plastic than fish is estimated in our oceans if the business-as-usual model continues. The UN environment assembly resolution on marine plastic litter and micro-plastics passed in December 2017 highlighted the urgent need for plastic reduction and waste management. India generates about 25,940 tonnes of plastic waste every day. This consumption is rising at about 10% a year. So, it's imperative India launch a National Plastic Elimination and Marine Litter Policy.

❻ Bilateral and multilateral partnerships: The India-Norway Ocean Dialogue and Joint Task Force on BE launched in January 2019 is promising. India needs to prioritise establishing such partnerships with other nations as well. It also needs to assume a more pre-eminent role in the Indian Ocean Rim Association (IORA). The immense wealth of scientific knowledge amassed by Indian scientists can be leveraged, while also learning from other global leaders in BE.

The writer is joint secretary, economic advisory council to the prime minister

NOW & THEN

Time to Change the Power Play

Jaideep Mishra

The new government of Prime Minister Narendra Modi needs to boost the overall growth momentum with focused revamp of the energy economy. India needs to step up low-emissions energy production, shore up efficiency levels, proactively raise supply of renewables and also overhaul market design.

A sustained policy focus right across the board — in power, hydrocarbons and renewable energy — is required. Also, resource allocation for R&D, complete with a forward-looking technology policy, needs to be stepped up for the entire sector. Further, India needs to pitch for big-ticket R&D initiatives across borders.

Consider power. There's a change in the techno-economic paradigm in the offing, as electric mobility becomes increasing viable vis-à-vis the oil-guzzling internal combustion engine. So, the power sector has the potential to systematically reduce our huge and rising demand for petroleum products.

Already, 100 GW of additional power capacity is estimated to be required in less than a decade to drive electric vehicles. It amounts to nearly a third of current generation capacity. And the way ahead is to prioritise and policy-induce electric buses and other modes of e-mobility in public transport, especially in dense urban centres.

For the future, fossil fuels, primarily coal, will continue to remain critical for power generation, especially when it comes to reliable baseload thermal plants. It is also a fact that most power plants across India have relatively low thermal efficiency levels. Hence the massive potential to shore up thermal efficiency nationally. It would amount to shoring up generation levels quite substantially, with little or no increase in coal usage.

New thermal plants incorporate super-critical boiler technology, but we can do much better. Newer plants, like NTPC's Telangana plant, have ultra-super-critical technology, and advanced ultra-super-critical know-how for domestic high-ash coal has reportedly been indigenised. It's time to systematically identify older, inefficient thermal plants for purposeful revamp.

The idea ought to be to step up thermal generation capacity, increase economies of scale, and gainfully embody newer thermal technology. Yes, at the same time, there is the need to instal and duly refurbish modern equipment for emissions-abatement in thermal stations, and have tightened norms in place. But we can do much more.

FILE PHOTO

Stop power napping

Even as we aim to reduce greenhouse gases like carbon dioxide from power plants by dutifully raising thermal efficiency, there's the pressing need to 'capture and use' carbon emissions to increase domestic production of methanol, a hydrocarbon substitute.

Methanol can be blended with automotive fuel and cooking gas. Such a structured programme can reduce oil imports, and bring down harmful emissions like particulate matter too. The Centre needs to have a game plan to boost the byproduct methanol, a lower emissions, hydrogen-carrier fuel.

However, stepped-up investment and technology revamp in power would require state power utilities to have viable finances and attractive bottom lines — which, unfortunately, is not quite the case. It is notable that all households nationwide now reportedly have power connection. But reform of power distribution to stem revenue leakage remains very much a work-in-progress, thanks to political patronage and reckless populism that continues to affect public finances across several states.

What's desirable are new norms for transparency in power utility finances — such as mandatory prepaid connections. There would still be the need for subventions. But these need to be clear-cut and budgeted for upfront.

Alongside, we need to boost renewable energy like solar power. The ₹1,40,000 crore multi-year Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM), a scheme announced last year to solarise agricultural pumpsets and set up as much as 10 GW solar capacity on fallow land, needs fast-forwarding. It would also make perfect sense to provide solar-powered charging points for e-buses and e-vehicles near large urban areas to begin with, to greatly reduce emissions in transport. Also, an attractive policy for solar rooftop capacity would be welcome.

There is much potential to charge domestic gadgets, and even small vehicles, with solar rooftop power, which clearly needs exploring. Rushing in to commit as much as 5 acres of land per MW of solar power, which then need lots of water for cleaning dusty panels, can often be suboptimal.

Both power and the main petroleum products need to be included in the goods and services tax (GST) regime, for efficient tax design. The retail market for oil products needs integrating with the larger retail industry, as is the case in mature markets, for efficiency improvement. India's indigenous nuclear power technology requires little or no enrichment of nuclear fuel, and the country needs to be in the Nuclear Suppliers Group (NSG) for nuclear commerce with other responsible nations. Imports of thermal coal, which add up to over ₹1,00,000 crore annually, need slashing.

jaideep.mishra@timesgroup.com

THE SPEAKING TREE

A Higher Awareness

ALFREDO S YOUNIS

We are living in a world of major awakening. We are not only part of this experience of awakening; we happen to be the architects. I often ask myself: How would I like to wake up tomorrow morning? What would be my ideal awakening? What would I like my eyes to see?

We want a world free of poverty, crime, racism, a world full of equality and understanding, where people are in happiness. We want a world without environmental destruction, a world of social stability -- a world with a new identity, a new beginning.

The essential lesson we need to learn from spiritual leaders like Dadi Janki (Brahmakumaris) is that it is not a matter of being only spiritual -- we need to be trustees of the purity of knowledge. It is not just a matter of knowing, it is what we really self-realise and how that knowledge makes us live our life in a particular way.

One of the most interesting things in my conversations with Dadi Janki is the high degree of consistency. A spiritual leader is effective if she has transformational value. You would be able to recognize that person as a teacher because they have transformed your life by their mere existence. Speaking well and giving knowledge is not everything; there is something more.

Factories don't exist without humans. Governments don't exist without people. The higher the level of consciousness, the higher will be the level of awareness and the higher the ability to work with unity.

Chat Room

Bad News for Debt Investors

Apropos 'Debt Funds Take a Tumble as DHFL Slips on Payment' by Prashant Mahesh (Jun 6), it is a cause for serious concern that debt funds like DHFL Pramerica were regularly being reported as ones generating the highest returns. The average retail debt fund investor is likely to take investment decisions based on absolute returns and may not have the expertise to assess the portfolio held by these funds. In view of the spate of defaults in debt paper even of AAA-rated companies, the regulator should explore lowering the investment ceiling per company for debt funds to 5% of the fund corpus to lower the negative impact on the NAV of the fund.

V R IYER
By email

Push Education, Health, Savings

This refers to 'Debuting in Tough Times' by Omkar Goswami (Jun 6). One would like to add to the writer's suggestions for Budget 2019. One, reduce income-tax rates on interest earned on bank deposits or exempt it up to a certain level. This would enable banks to lend more to industry at competitive rates. Two, introduce additional income-tax exemption of Rs 1 lakh on ELSS. And, three, provide more for education and health, and initiate structural reforms in these sectors to create an able and employable society.

LALJI DWIVEDI
Mumbai

Curb Criminal Water Wastage

Apropos the Edit, 'Welcome Integration of Water Management' (Jun 6), the new Jal Shakti minister would do well to initiate a national drive, on a war footing, to curb criminal wastage of water. The only causes of acute water stress are the skewed distribution and widespread wastage. If only the wastage can be reduced, we would be well on our way to winning this war.

KRISHAN KALRA
Gurugram

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

QUICK HITS

Google to Acquire Data Analytics Company Looker for $2.6 Billion

New York: Alphabet Inc's Google said on Thursday it would buy Looker, a privately-held big-data analytics company, for $2.6 billion in cash, in the first major acquisition for new Google Cloud Chief Executive Thomas Kurian. Google's cloud computing division is a distant third globally to Amazon and Microsoft in terms of revenue from renting infrastructure and other computing tools to businesses. But Google Cloud's BigQuery, a tool for managing large datasets, has been among bright spots in attracting customers, according to cloud industry analysts. Reuters

Driver Charged over Fatal Taiwan Train Derailment

Taipei: A Taiwanese train driver was charged with negligent homicide on Thursday over a derailment last year that killed 18 people, the island's deadliest rail accident for a quarter of a century. The crash on the scenic east coast line also injured more than 200 people and left the Puyuma Express lying zig-zagged across the tracks. The dead included eight members of a family returning from a wedding and three school children coming back from South Korea. AFP

Uber's First Helicopter Rides Set for New York

New York: Uber said on Thursday it is readying its first helicopter rides, which will carry passengers between New York's JFK Airport and lower Manhattan. The news of the Uber Air debut was first reported by the New York Times, and confirmed by Uber chief executive Dara Khosrowshahi, who tweeted the article with the comment: "Point to point multimodal journey planning and booking = no stress transport to and from JFK." The flights – which last about eight minutes – would begin July 9 with "dynamic pricing" expected to be around $200 to $225, with ground transportation included in the city and airport, Uber said. AFP

Ford to Shut Welsh Plant with Loss of 1,700 Jobs

London: Ford will shut its engine plant in Wales next year, costing about 1,700 jobs, the US auto giant announced on Thursday in a further blow to Britain's embattled car sector struggling with Brexit uncertainty. The head of Ford's Europe division, Stuart Rowley, said in a statement that "changing customer demand and cost disadvantages" had contributed to making the Bridgend facility in south Wales "economically unsustainable in the years ahead" and that it would shut in late 2020. AFP

Trump Calls for Mexico to 'Step Up' as US Trade Talks Extended...

US has threatened to impose tariffs starting Monday if no deal is reached on migrants

Washington: US and Mexican negotiators are set to resume talks on Thursday with time running short to avert President Donald Trump's threat to impose tariffs next week.

"We've told Mexico the tariffs go on" if no deal is made, Trump told reporters on Thursday while travelling to France to attend a ceremony to commemorate the 75th anniversary of D-Day. "They have to step up to the plate."

Trump said on Thursday that progress was made during a 90-minute meeting at the White House between Mexico's foreign minister, Marcelo Ebrard, and top American officials and that "something pretty dramatic could happen" in the coming days.

It's unclear how much progress on any deal can be made until Trump returns to Washington from a week-long trip to Europe. Trump continued to hold out the threat that the US will follow through with tariffs on Monday.

"If no agreement is reached, Tariffs at the 5% level will begin on Monday, with monthly increases as per schedule," Trump tweeted on Wednesday. "The higher the Tariffs go, the higher the number of companies that will move back to the USA!"

The peso fell more than 1% against the dollar as the currency reeled from the US tariff threats and more pessimistic assessments from ratings companies. Moody's Investors Service on Wednesday cut Mexico's outlook to negative from stable, and then Fitch lowered the nation's sovereign rating to BBB from BBB+. Bloomberg

...Threatens China with Tariffs on Another $300 B of Goods

Shannon: US President Donald Trump threatened to hit China with tariffs on "at least" another $300 billion worth of Chinese goods but said he thought both China and Mexico wanted to make deals in their trade disputes with the United States.

Tensions between the world's two largest economies have risen sharply since talks aimed at ending a festering trade war broke down in early May.

While Trump said on Thursday that talks with China are ongoing, no face-to-face meetings have been held since May 10, the day he sharply increased tariffs on a $200 billion list of Chinese goods to 25%, prompting Beijing to retaliate.

"Our talks with China, a lot of interesting things are happening. We'll see what happens... I could go up another at least $300 billion and I'll do that at the right time," Trump told reporters on Thursday, without specifying which goods could be impacted.

"But I think China wants to make a deal and I think Mexico wants to make a deal badly," said Trump before boarding Air Force One at the Irish airport of Shannon on his way to France for a D-Day commemoration.

China's Commerce Ministry also said on Thursday that Beijing would have to adopt necessary countermeasures if Washington unilaterally escalates trade tensions, and that US pressure have caused serious setbacks to the trade talks.

The International Monetary Fund warned on Wednesday that escalating tariff threats were sapping business and market confidence, and could slow global growth that is currently expected to improve next year. Reuters

Fiat Chrysler, Renault Merger Talks Collapse

Paris: Italian-American carmaker Fiat Chrysler on Thursday withdrew its blockbuster proposal to merge with Renault, blaming political objections in Paris and sparking a war of words with French officials. Fiat Chrysler had stunned the markets last week by proposing a "merger of equals" with the French group that would create an auto giant spanning the globe.

The plan was welcomed by analysts as one of the few deals in the auto sector that might prove a success, given the companies' complementary range of vehicles and regional markets.

The French government, which controls 15% of Renault, gave it a conditional green light but also warned against "haste".

In a statement issued after a board meeting Wednesday evening, FCA said it "remains firmly convinced of the compelling, transformational rationale" of its proposal, which it said was "carefully balanced to deliver substantial benefits to all parties".

"However it has become clear that the political conditions in France do not currently exist for such a combination to proceed successfully," it added.

Renault, whose longstanding alliance with Japan's Nissan is in trouble, expressed its "disappointment". Shares in the French company plunged by almost 7% in early afternoon trades in Paris. In Milan, FCA shares also slid at the open but then recovered to show a small gain.

The deal would have created a group worth more than 30 billion euros ($34 billion) across the two companies' namesake brands as well as Alfa Romeo, Jeep, Maserati, Dacia and Lada.

Renault's board had said on Tuesday that it was studying "with interest" the FCA offer but held off on granting approval pending further deliberations. AFP

Facebook Didn't Uphold Political Ads Policy, Says Rights Group

Brussels: Facebook Inc bought newspaper ads, shipped top executives to Europe, and briefed officials to show it was doing everything it could to prevent manipulation in May's European elections.

But a Dutch digital rights organisation has said it could easily buy and target political posts to voters in other countries, in spite of the social media giant's stated policies geared at preventing foreign interference in the elections.

"Facebook enabled us to influence German voters using a Dutch Facebook account and Dutch bank account. Election manipulation through Facebook? Piece of cake," the Dutch organisation Bits of Freedom said in a video on its website, showing its tests of the ads policies. The organisation's findings have partly spurred a group of European politicians and civil society activists to call for a Europe-wide inquiry into tech platforms' impact on elections. "This is one indication that promises made did not lead to sufficient improvements," the group said in a June 5 letter addressed to the leaders of the EU's three lawmaking institutions: the European Commission, Parliament and Council. Bloomberg

China to Release Blacklist of US Companies Soon

Beijing: China said on Thursday that it would soon release detailed information about a planned blacklist of "unreliable" companies and individuals as Beijing hits back in a trade war with Washington.

Last month the US Commerce Department placed Chinese tech giant Huawei and dozens of its affiliates on an "entity list" on grounds of national security. The move curbed access to crucial US-made components and software — though a 90-day reprieve was later issued.

Beijing announced its countermeasures last week, saying it would target firms that break their commercial contracts and stop supplying Chinese firms with its own list.

"The Chinese government is carrying out the necessary procedures, and specific measures will be announced in the near future," commerce ministry spokesman Gao Feng said.

For those companies that follow market rules, they have nothing to worry about, Gao said, adding the list would not target any specific field or company.

Last month the US placed China's Huawei and dozens of its affiliates on an 'entity list' on grounds of national security

"The unreliable entity list system that the Chinese government will establish is a normative system designed in reaction to practices distorting the market for non-commercial purposes," he told reporters.

China is consulting international examples on how to carry out its entity list, Gao said. AFP

China Grants 5G Licenses for Commercial Use

Shanghai: China on Thursday granted 5G commercial licences to four domestic companies, as it races to be a global leader in advanced wireless networks amid fierce rivalry from the US. 5G is the next-generation cellular network that offers faster data transfer speed and could enhance technologies such as autonomous driving, remote medical diagnosis and mobile payments.

But Beijing's ambitions have faced a major challenge from Washington, which has blacklisted China's Huawei just as it seeks to provide equipment for 5G networks in several countries. Since last year, 5G trials have been conducted in Chinese cities ahead of plans to deploy the technology across the country in 2020, and now the government has given the green light.

The Industry and Information Technology Ministry said China Telecom, China Mobile, China Unicom and China Broadcasting Network Corporation received business licences to operate 5G cellular mobile communication services.

"After the issuance of 5G licences, we will continue to welcome foreign companies to actively participate in China's 5G market, seek common development of China's 5G," said Miao Wei, the minister of industry and information technology. AFP

YouTube to Ban 'Hateful', 'Supremacist' Videos

Washington: YouTube announced on Wednesday it would ban videos promoting or glorifying racism and discrimination as well as those denying well-documented violent events, like the Holocaust or the Sandy Hook elementary school shooting.

The announcement by the Google-owned video-sharing platform was the latest of a series of tech industry moves to filter out hateful and violent content, which have spurred calls for tougher regulation.

"YouTube has always had rules of the road, including a longstanding policy against hate speech," a company statement said.

"Today, we're taking another step in our hate speech policy by specifically prohibiting videos alleging that a group is superior in order to justify discrimination, segregation or exclusion based on qualities like age, gender, race, caste, religion, sexual orientation or veteran status."

The move comes after a call by world leaders in Paris last month to curb extremism online, following revelations about the livestreaming of a mosque massacre in New Zealand.

The announcement by the Google-owned video-sharing platform was the latest of a series of tech industry moves to filter out hateful and violent content

"We will begin enforcing this updated policy today; however, it will take time for our systems to fully ramp up and we'll be gradually expanding coverage over the next several months," YouTube said.

YouTube and other platforms have also been seen as havens for conspiracy theorists denying Holocaust or the September 11 attacks, and for Nazi and white supremacist groups. AFP

Mexico Blocks New Caravan of Central American Migrants

Mexico City: Authorities blocked a new caravan of Central American migrants on Wednesday after they entered Mexico bound for the United States, as the government scrambled to dodge President Donald Trump's threat to impose tariffs over undocumented immigration. Soldiers and police forced hundreds of migrants in the group – which was mostly from Honduras – to a halt in the southern town of Metapa de Dominguez, about 12 kilometers from the Mexican-Guatemalan border.

The National Migration Institute (INM) said about 420 migrants had been stopped and taken to a detention center by bus. But many others may have fled: state police initially estimated the caravan had some 1,200 people.

The incident came as a high-level delegation led by Mexican Foreign Minister Marcelo Ebrard held talks in Washington with US officials in a bid to avoid Trump's threatened tariffs.

Trump is threatening to apply tariffs of five percent on all Mexican exports starting Monday, and rising incrementally to 25% by October.

That has triggered panic in Mexico, which sends 80% of its exports to the United States.

Mexican police stop Central American migrants on their way to US

The talks, which broke off Wednesday without agreement, are due to resume Thursday. Trump tweeted that if no deal is reached then, the tariffs will come into force on Monday. The INM said that where applicable, the detained migrants would be "assisted to return to their countries of origin" – its term for deportation. Migrant rights activists traveling with the group told AFP more than 100 members of Mexico's newly created National Guard took part in the operation. AFP

TIPS, TRIVIA & TRENDS

YOUR DAILY DIET OF FUN AND FACTS

Ivanka Trump Trolled for The Hague Visit, Where War Crimes Are Tried

Ivanka Trump inadvertently went viral on Wednesday with a tweet where she announced she was "en route to the Hague!," a city on the west coast of the Netherlands best known for housing the International Criminal Court and the United Nations' International Court of Justice. "En route to The Hague! #GES2019" Ivanka had tweeted on Wednesday. The unintentional hilarity of the tweet lies in the fact that to many, The Hague invokes the idea of criminal courts where the likes of Muammar Gaddafi and Joseph Kony were indicted, reports Vogue. Netizens were quick to take the tweet in this light and make hilarious comments. One Twitter user overlaid jail bars to a picture recently shared by Ivanka where she and her husband Jared Kushner can be seen staring out of the Buckingham palace window. The caption accompanying the picture read, "Good. I hope the trial is swift and justice is served with you and the family behind bars." Another user wondered when her trial was set to begin. "Self awareness level = absolute zero," remarked another user. ANI

German Killer Nurse Gets Life for 85 Hospital Murders

A German nurse believed to be the most prolific serial killer in the country's post-war history was handed a life sentence on Thursday for murdering 85 patients in his care. Judge Sebastian Buehrmann called Niels Hoegel's killing spree "incomprehensible". The 42-year-old murdered patients selected at random with lethal injections between 2000 and 2005, when he was caught in the act. Hoegel has already spent a decade in prison following a previous life sentence he received for six other murders. The exhumation and autopsy of more than 130 bodies were necessary to build the case for the prosecution. Police suspect that Hoegel's final death toll may be more than 200. But the court was unable to say for sure because of gaps in Hoegel's memory and because many likely victims were cremated before autopsies could be performed. AFP

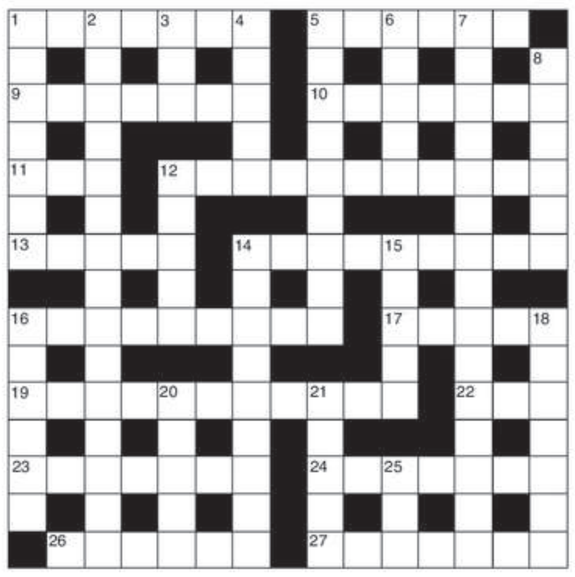
Pop Singer Shakira in Spanish Court over Alleged Tax Fraud

Colombian singer Shakira appeared in a Spanish court on Thursday to answer to tax fraud charges, with prosecutors accusing her of failing to pay up to 14.5 million euros ($16.29 million) in tax on income earned between 2012 and 2014. Shakira arrived to Esplugues de Llobregat court near Barcelona in the morning through the court's car park entrance to avoid the media and was seen briefly through a window. Prosecutors filed charges last December for the period they say Shakira was living in the region of Catalonia, but the singer's representatives say she did not live in Spain until 2015 and has met all of her tax obligations. The 42-year-old singer and the FC Barcelona defender Gerard Piqué have been living together in Barcelona since 2011 and they have two children. AFP

Chinese Cartoonist Slams Twitter for Refusing Tiananmen Emoji

Chinese artist Badiucao, whose anonymous political satire infuriated Beijing and earned him comparisons to Banksy, on Thursday announced a protest campaign against Twitter over what he says is its pandering to China. This is the second time the social media giant has come under fire in the last week over its handling of China-related content, after it apologised for mistakenly suspending accounts critical of Beijing – just days ahead of the 30th anniversary of the Tiananmen Square crackdown. The 33-year-old Badiucao said he reached out to Twitter ahead of the anniversary and offered to create a special tank man emoji that would appear next to the hashtag #Tiananmen30. Such emojis have been deployed on Twitter to mark a variety of special occasions and events, from the premieres of Hollywood blockbusters to national elections. But the platform – which is blocked in China – told Badiucao it would not be able to collaborate with him on this anniversary because "emojis are limited resources at Twitter," according to an email exchange the artist shared with AFP. AFP

Crossword 7427



ACROSS
1 First sign (7)
5 Politicos mostly absorb what's all around them (6)
9 One's conspicuous, sitting outside, content to wait (7)
10 Snooty Luke played extremely large instrument (7)
11 It's spread on timber and roads primarily (3)
12 Tree in front of entry had spoiled water outlet (4,7)
13 Promise small conflict involving Spain (5)
14 Frank goes over revised pier plan (9)
16 Extreme nuts cross river having made no preparation (9)
17 Big Smoke recalled in tragicomedy (5)
19 Rep stocks blue tights primarily? He's maybe a liar (11)
22 Returned French marshal's money (3)
23 Where things suddenly appear, some within aircraft (4,3)
24 Smelly solvent destroys path in New Hampshire area (7)
26 It's not mobile making crackling noise (6)
27 Veil cattle in Tibet carrying wood close to farm (7)

DOWN
1 Writer's favourite American drive (7)
2 Meddlesome, yet cultivate no interest in ITV (15)
3 Arctic explorers cross it (3)
4 Lake consumed river eventually (5)
5 Wood maybe on river hides hotel where members meet (9)
6 Swimmer first to spot coin (5)
7 Software that's followed by efficient surgeons (9,6)
8 Music group that should stay in control of record (6)
12 Document about university meeting (5)
14 According to organic data, it decays with microbe (9)
15 Public relations enlists one temporary frontrunner (5)
16 Mock bunch of skiers at Zermatt (6)
18 Managed to fire rifle (7)
20 Bridge player supports unknown agent to raise dough (5)
21 Spare weekend in two American cities (5)
25 Old man's step (3)

SOLUTION TO No. 7426:
ACROSS: 1 Environment. 9 Anginal. 10 Poverty. 11 Lah. 12 Legally. 13 Renewal. 14 Tom. 15 Abbot. 17 Money. 18 Tenet. 20 Lasso. 22 Hip. 24 Aerobic. 25 One-step. 26 Lac. 27 Mandela. 28 Headway. 29 Sausage roll.
DOWN: 1 Engagement rings. 2 Vanilla. 3 Rally. 4 Nephritis. 5 Envenom. 6 Throw in the towel. 7 Mallet. 8 By-play. 16 Balaclava. 18 Trauma. 19 Tableau. 21 Oregano. 23 Popeye. 25 Ochre.

©The Daily Mail

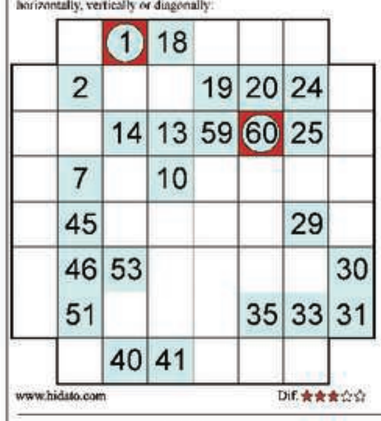
Dilbert

by S Adams

HIDATO

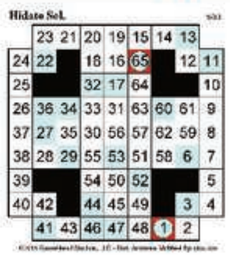
FIND THE PATH - SOLVE THE PUZZLE

Complete the grid so that numbers 1 - 60 connect horizontally, vertically or diagonally:



www.hidato.com Dif. ★★★☆☆

Yesterday's puzzle solution.



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 very angry (7)	
2 like a restaurant menu (10)	
3 represents a side in court (6)	
4 Peter, Paul & Mary piece (8)	
5 presenting an allied front (7)	
6 omnivorous little songbird (8)	
7 place to keep pins (7)	

HI	ST	MED	FI	UES
KSO	NUT	ARG	CUS	APPE
TCH	TIZ	ED	EA	UNI
ING	ON	NG	FOL	HA

Yesterday's Answers: 1. CHEERFULLY 2. CANISTER 3. FRIGATES 4. INCHED 5. CHRONOMETER 6. LIZZIE 7. BASHED

We're all disappointed, but we've got five days before the next game. You've got to allow some time for guys to introspect
HASHIM AMLA South Africa opener

WORLD OF CRICKET

HEAD TO HEAD

Mat	Pak	SL	Tied	NR
153	90	58	1	4
@ICCWorldCup				
7	7	0	0	0

WATCH OUT! TODAY
PAK vs SL
3:00PM
Star Sports

FRONT FOOT #2

Put on your thinking helmets and let former Kolkata Knight Riders Team Director and cricket aficionado **Joy Bhattacharjya** hurl you googlies, yorkers and bouncers to test your World Cup knowledge every week during the ICC World Cup. Readers can send in their answers to ETcricketworldcup2019@gmail.com. The first all-correct entry to be sent in by **Saturday, June 8, 5 pm** will win a copy of **THE NINE WAVES: THE EXTRAORDINARY STORY OF INDIAN CRICKET by Mihir Bose, courtesy Aleph Book Company (Rupa Publications).** Only one entry per reader will be entertained, and employees of Bennett Coleman & Company Limited cannot participate. **This contest is open to residents of India only.**

1. Which player, playing in the 2019 Cricket World Cup, has a distinctive 'salute' celebration after every wicket he takes, acknowledging his colleagues in his nation's defence services?

2. What is the top score by an Indian in a World Cup final match?

3. India arrived as absolute outsiders in the 1983 World Cup before putting together their legendary trophy run. Which is the only team they had managed to beat in the first two editions of the tournament?

4. Who is the most successful bowler in World Cup cricket history, taking a total of 71 wickets over four World Cups?

5. In what way, aside from his performances in the field, is Indian swing bowler Debashish Mohanty immortalized in World Cup cricket history?

#1 ANSWERS

1. Martin Guptill (237* against WI and a total of 547 runs) **2.** West Indies. Interestingly, WI had defeated Pakistan in 1992 without losing a wicket **3.** Donald and Derek Pringle. Derek represented England **4.** Sunil Walson, left arm medium pacer **5.** Rahul Dravid, 318 runs vs Sri Lanka with Sourav Ganguly and 237 runs with Sachin Tendulkar against Kenya

Winner Front Foot #1: RAMACHANDRA M. BHAT Bengaluru

Rohit struggled and batted ugly against South Africa, but that was probably his best innings

NEVER GIVE UP

Boria Majumdar

If you ask any of the top batsmen about their favourite innings, the answers more often than not tend to startle you. Sachin Tendulkar, for example, routinely picks the 241 not out he scored in Sydney in 2004, a knock which lasted for 10 hours and had little or no flamboyance about it. Similarly, for the fans, Rohit Sharma may have played many better knocks to look at but for him, his captain and his team, his innings against South Africa on Wednesday (June 5, 2019) will rank at the very top of the pile.

It was an innings where Rohit struggled for almost an hour before he got going. But in that hour when balls were going off the edge and flying past the bat, he managed to give up on his ego and didn't mind looking ugly. Looking ugly, as Clive Lloyd often says, is integral to cricketing greatness and that's what makes Rohit's knock against South Africa extra special.

Up against the world's premier fast bowler in Kagiso Rabada who had his tail up having already picked up Shikhar Dhawan, Rohit had his task cut out. As he so often says, "it is the job of the top three to score the bulk of the runs and we must relish that challenge." Had Rohit got out, South Africa might have sensed an opportunity with Virat Kohli already out. In other words, Rohit was the key to the run chase and to an Indian victory.

"What innings like these do to a batsmen can't really be explained. He could have got to a 50 and then tried to play a big shot and got out. But he refused to give up and made it a great innings," says Michael Clarke before going on to add, "Rohit played for 45 overs and you will see he will be much more comfortable the next game and can get into fifth gear from ball one. He has now spent valuable game time in the middle and that makes a massive difference."

Rohit of a few years earlier might have played an extravagant shot in trying to deflect pressure and got out. Not anymore

Rohit, who has not won a 50-over World Cup, knows this is perhaps his best chance. "I now know my game the best I ever did. I have played a World Cup before and know what to expect. In that sense I am the best prepared for the tournament and that's what I as a player needed to do," Rohit told this writer ahead of the tournament.

Rohit of a few years earlier might have played an extravagant shot in trying to deflect pressure and got out. Not anymore. Against South Africa, he was willing to bide his time and play out the difficult overs as if it was a Test match knowing well that the asking rate would never be high enough to challenge him.

Rohit was crestfallen when he missed out on the 2011 World Cup selection. But, like the story of his career, he refused to give up. He went back to domestic cricket and did the hard yards. He was prepared to struggle far away from the camera glare and get himself ready for the next one. It was because of a fabulous Rohit century (137) that India managed to reach the semi-finals in Australia four years ago but failed to go past a superior Australian team.

"Since the 2015 World Cup, we have plugged a few gaps in the team and we (now) have the best balance we can possibly have," said Rohit ahead of the World Cup.

When asked if all the talk about the best top-three adds to the pressure, he said, "That's our job. Opening the batting is a challenge but that's why you play the game. To overcome these challenges and scoring for India gives you the greatest joy. I have never looked at it as pressure. Rather, I will always want an opportunity to go out there and do something for my team."

This is one trait that binds greatness. The zeal and the willingness to embrace the occasion and the deep seated desire to be a hero. Rohit, in white-ball cricket, is no different. He knows he can win games and in doing so can raise his bat to the appreciation of the crowd. He has struggled to get to where he has. He has looked ugly at times. But true to his motto, he has never given up.

ABD Wanted to Play WC

...but South Africa team management rejected offer: Report

The great A B de Villiers wanted to come out of retirement for the World Cup but his last-ditch offer was rejected by South Africa's team management on the eve of the squad announcement, a media report has claimed.

According to 'ESPNCricinfo', de Villiers made this offer in May, barely 24 hours before the final squad for this ongoing showpiece in the UK was to be announced by Cricket South Africa.

The revelation comes amid a disastrous start to South Africa's World Cup campaign, which has seen them lose three matches including one to Bangladesh.

While Wednesday's six-wicket defeat to India turned the situation from bad to worse, the loss of pace great Dale Steyn to a shoulder injury has also considerably weakened the team.

Amid the revelation, de Villiers expressed his support for the beleaguered team.

"All that's important is that we should all focus on supporting the team at the World Cup. There is a long way to go and I believe the boys can still go all the way," de Villiers wrote on his twitter handle.

The three straight defeats have left them with an improbable task of winning all six of their remaining preliminary fixtures, just to keep their prospects of reaching the semi-finals alive.

The 35-year-old swashbuckler is considered a modern-day great for his innovative shots and more importantly, his ability to decimate rival attacks, making him a game-changer.

The website claimed that de Villiers approached South Africa's captain Faf du Plessis, head coach Ottis Gibson and convenor of selectors Linda Zondi, expressing his desire to come out of international retirement, but the offer was not entertained by the trio.

Retirement in 2018, exactly a year before the World Cup, meant de Villiers could not fulfil the selection criteria, which included playing domestic or international cricket in the intervening months.

The report stated that the collective view of those sought out by de Villiers was that recalling the dashing batsman at the last moment would have been unfair on the players who have been performing in his absence, such as Rassie van der Dussen.

Dussen made three fifties in his first four ODI innings after making his debut against Pakistan in January.

Zondi said on Thursday they have no regrets in turning down an approach from de Villiers. "At no point in the year that he had retired did he make himself available for selection," Zondi said in a CSA statement on Thursday.

"It was no option when I received the news on the day of the squad announcement, our squad was finalised and confirmed.

"AB is undoubtedly one of the best players in the world, but above all else, we have to stay true to our morals and principles, there is no regret in the decision."

There would also have been a feeling of opportunism on behalf of de Villiers, who had skipped South Africa's build-up to the event, but then sought to be part of the party at the last minute.

"I pleaded with AB de Villiers not to retire in 2018," Zondi added. "Although there was a perception that he was picking and choosing when to play — which was not true — I did give him the option to plan and monitor his season to get him to the World Cup fresh and in a good space.

"We made it clear that he would have to play during the home tours against Sri Lanka and Pakistan to be considered for selection, instead he signed to play in the Pakistan and Bangladesh Premier Leagues respectively.

"He turned down the offer and said he was at peace with his decision to retire."

Agencies

The Ultimate Striker

Ronaldo scores a hat-trick as Portugal beat Switzerland 3-1 to reach the final of the inaugural UEFA's Nations League

Tales Azzoni

On a night when Portugal unveiled its newest star, it was the same old Cristiano Ronaldo who came through for the national team again.

Teenager Joao Felix, who has been called Ronaldo's successor, made his international debut on Wednesday, but it was Ronaldo who scored the hat-trick that gave Portugal a 3-1 win over Switzerland and a spot in the final of the inaugural Nations League.

While the 19-year-old Felix wasn't much of a factor, Ronaldo proved decisive again, converting a first-half free kick and netting two late goals that gave the hosts a chance of winning UEFA's newest competition.

"It's one of those things you don't have enough adjectives to describe," Portugal coach Fernando Santos said. "He's a genius."

Portugal and Ronaldo will play either the Netherlands or England, which meet in the other semifinal on Thursday in Guimaraes. Switzerland will face that game's loser in the third-place game, also on Sunday.

Ronaldo's late double also helped erase the controversy surrounding Switzerland's second-half equalizer by Ricardo Rodriguez. It came from a highly disputed penalty kick that was awarded after a video review, and which nullified a penalty that had been given to Portugal as play continued.

Portugal will be seeking its second international title after winning the 2016 European Championship with a team led by Ronaldo.

The star forward put Portugal ahead at the Estadio do Dragao with a well-taken free kick in the 25th minute. His shot dropped quickly after going over the wall, catching Swiss goalkeeper Yann Sommer flat-footed.

When the game seemed headed to extra time, Ronaldo came through to put the hosts ahead again. He scored with a shot from inside the area after a nice pass by Bernardo Silva in the 88th, then completed his sixth international hat trick in the 90th, entering the area with the ball and cutting back inside before firing a shot into the far corner. It was his 88th goal for Portugal in 157 internationals. "They have this 'cherry on top'," Switzerland coach Vladimir Petkovic said about Ronaldo. "And he really made the difference."

Ronaldo had taken time off from the national team after last year's World Cup and hadn't yet played in the Nations League. It was only his third match with Portugal this year after returning to the squad for European Championship qualifiers.

Felix wasn't on the field anymore when Ronaldo came through with the late-game heroics. He had been substituted in the 70th.

The Benfica forward, who has been attracting the attention of some top clubs in Europe, had a golden chance to score his first goal with Portugal just before halftime, but he couldn't get a clean shot off after receiving a pass inside the area with only the goalkeeper to beat.

German referee Felix Brych didn't initially award the penalty for Switzerland after Steven Zuber was touched by Nelson Semedo inside the area, and as play continued he instead called one for Portugal when Silva was fouled in the other box. After a long delay, Brych went to the VAR cabin and reversed the non-call for the first penalty, allowing Rodriguez to convert the spot kick in the 57th to even the score.

It was the first time the VAR was used in a UEFA competition between national teams.

AP

STATOSPHERE

7 Ronaldo has claimed his seventh hat-trick for Portugal

88 Ronaldo now has 88 goals in 157 international matches – before this match he had not scored for Portugal in 349 days

13 Portugal are unbeaten in 13 competitive home matches, since September 2014

50 Switzerland haven't won in Portugal in 50 years, a sequence of 9 games including UEFA EURO 2004

Anisimova Blows Halep Away

17-year-old's dream run continues as she beats defending champion to reach semi-finals

Julien Pretot

Teenage sensation Amanda Anisimova blew defending champion Simona Halep out of the French Open 6-2, 6-4 in a quarter-final shock on Thursday, setting her sights on the Suzanne Lenglen Cup in a wide open draw.

Third seed Halep, who had been looking to become the first woman to retain her title at Roland Garros since Belgian Justine Henin won three times in a row from 2005-07, never found a solution to counter the 17-year-old American's beguiling mix of speed and accuracy.

The unseeded Anisimova, the first player born in the 2000s to reach the last eight at a Grand Slam, can become the first teenager to lift the trophy here since Iva Majoli of Croatia prevailed in 1997.

She next faces Australian eighth seed Ashleigh Barty, who beat American Madison Keys in straight sets in the day's other rescheduled quarter-final after Wednesday's complete washout.

"This is honestly more than I could ever have asked for," Anisimova, who won her first career title at tour-level on the Bogota clay in April, said on court at the finish. "That was one of the best matches I have ever played.

"Going out there today, I knew that if I wanted it I had to give something different."

Anisimova got off to a canon start, playing fearlessly to open a 4-2 lead with the first break, and then steal Halep's serve again to bag the opening set in under half an hour.

With balls leaving her racket at bullet speed, Anisimova kept the pressure on, sometimes drawing her opponent to the net before finishing off the point with passing shots.

Basic, but brutally efficient.

In a half-empty stadium, ticket holders having opted for an early lunch before the men's semi-final between Novak Djokovic and Alexander Zverev, a few 'Simona, Simona!' chants came down from the stands as Halep finally won a game having lost seven in a row.

Anisimova was 3-1 up and Halep had break points, only for the American to see them off, finding unpredictable angles that left the Romanian often unbalanced.

But Halep broke back in the seventh game when Anisimova overplayed a backhand down the line. The teenager showed signs of nerves at 4-4 but Halep failed to convert a break point and her failed efforts to get back into the contest proved costly as Anisimova wrapped it up with her 25th winner.

Reuters

PUBLISHED FOR THE PROPRIETORS, Bennett, Coleman & Co. Ltd. by Sharad Mohan Mehrotra at Times House, 8-2-351, Road No. 3, Banjara Hills, Hyderabad - 500 034. Phone: 23355335. Fax: 040-23254400 and printed by him at Times Press, Plot No. 5A, Road No. 1, IDA Nacharam, Hyderabad - 500 076. (District Rangareddy). Registered office: Dr Dadabhai Naoroji Road, Mumbai-1.

EDITOR (SOUTHERN MARKET): Archana Rai (Responsible for selection of news under PRB Act). All rights reserved. Reproduction in whole or in part without written permission of the publisher is prohibited.

RNI NO. H/SD/249 RNI 62135 /95

VOLUME 56 **NO.** 218

#KPMG josh

Recommender Labs™ is now part of KPMG in India

Recommender Labs uses its artificial intelligence, machine learning, and gamification capabilities to support clients in decision-making and business transformation.

For more, please visit:
http://recommenderlabs.in.kpmg.com/
Or scan the QR code:

KPMG

© 2019 KPMG, an Indian Registered Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.