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Inside story

Baring PE Asia Frontrunner in Race for CitiusTech

Baring Private Equity Asia has emerged as the frontrunner to acquire healthcare analytics company CitiusTech from its current PE backer and serial technology entrepreneurs Rizwan Koita and his fellow IIT alumnus Jagdish Moorjani. ▸▸ 5

Merchant Fee Waiver may Hit Revenues of Banks, Payment Cos

The government's decision to order banks to stop charging merchants for digital payments might hurt the revenue of banks and payment companies and thereby discourage onboarding of new merchants, say industry executives. ▸▸ 6

Number of Infy's Onsite Crorepatis Rises to More than 2,200

Infosys has more than 2,200 employees outside India who earned more than ₹1 crore last fiscal, a jump of over 500 since FY17, data accessed by **ET** shows, highlighting the high-cost nature of the software company's move to hire in its major markets. ▸▸ 13

ET INSTA POLL

Do you think Sitharaman's budget is good enough to rekindle the animal spirits?

36% YES | 58% NO | 6% CAN'T SAY

TODAY'S QUESTION

Do you think Sitharaman's budget was long on vision but short on detail?

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DECODING THE BUDGET **ET** goes into the fine print of Budget 2019-20 to decipher what it means for each sector and the impact it will have on the economy

Markets Unlikely to See Fireworks this Diwali: ET Poll

Most Street experts expect Nifty to gain or lose 2-5% in the next few months

Our Bureau

Mumbai: Indian stock indices may struggle to make gains in the next few months as the budget failed to offer clarity on any immediate revival of the economy and reversal of the deteriorating consumer sentiment, according to participants in an ET poll.

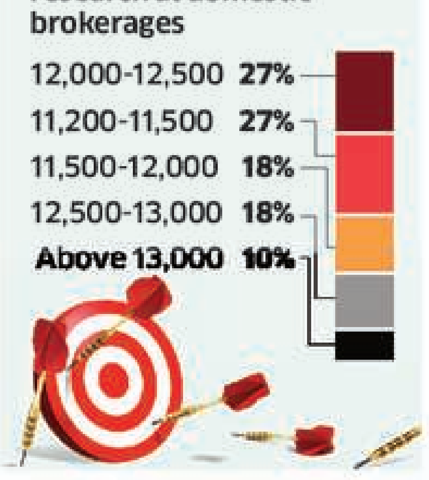
The likely change in minimum public shareholding norms is also expected to be an overhang on companies in the near term. Moreover, the helpline provided for high-quality, pooled assets of nonbanking finance companies (NBFCs) may not be enough to ease the sector's liquidity woes, the respondents said.

An **ET** poll of 20 money managers and heads of research at domestic brokerages showed that the Nifty is likely to see limited upside or could possibly drift lower by Diwali. About 27% see the Nifty at 12,000-12,500, which would mean an upside of 2-6% from current levels. Another 18% see it at 11,500-12,000 points and 27% at 11,200-11,500, which would translate into a downside of 2-5%.

Only 10% of the poll respondents see the Nifty above 13,000 by Diwali while 18% see the index at 12,500-13,000 points.

Nifty Target

Responses by 20 money managers and heads of research at domestic brokerages



'No Stimulus for Revival' ▸▸ 12

MORE REPORTS ▸▸ 5, 6, 7, 9, 10, 11, 13, 14, 16

CARRYING FORWARD OF PAST LOSSES TO CUT BUYER'S TAX OUTGO

I-T Act Tweak to Aid IL&FS Sale

A key budget proposal will help sweeten the deal for any potential suitor of IL&FS, report **Sachin Dave**, **Saloni Shukla** & **Maulik Vyas**. The proposal will allow buyers to carry forward losses in companies where the government has seized control. Experts said this was aimed at resolving the IL&FS situation. ▸▸ 16

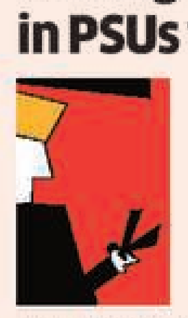
More Measures Soon to Shield Angels from Tax

There could be more steps on way for startups. New tax return forms will be rolled out by September aimed at shielding angel investors and startups from questioning by taxmen, reports **Deepshikha Sikarwar**. ▸▸ 6

Super-Rich Tax may Hit 2,000 Foreign Funds

The proposal to raise tax on the mega-rich could also affect about 2,000 foreign funds that are legally equivalent to associations of persons, reports **Pavan Burugula**. ▸▸ 9

Govt Open to Cutting Stake in PSUs to 40%



The government is open to reducing its stake in select state-run firms, including oil companies, to as low as 40%, a senior finance ministry official told **Dheeraj Tiwari**. ▸▸ 11

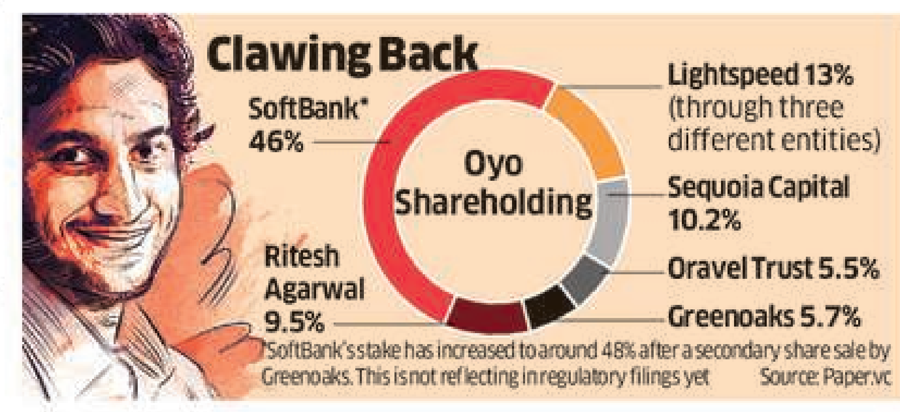
EYEING STAKES OF EARLY INVESTORS SEQUOIA, LIGHTSPEED

Oyo Founder in Talks to Buy Back $1.5-b Shares

Ritesh Agarwal raising debt to finance deal; company may be valued at $10 b

Samidha Sharma & Biswarup Gooptu

Clawing Back



*SoftBank's stake has increased to around 48% after a secondary share sale by Greenoaks. This is not reflecting in regulatory filings yet Source: Paper.vc

Mumbai | New Delhi: Ritesh Agarwal, founder of Oyo Hotels & Home, is in the midst of buying back shares from early investors Sequoia Capital and Lightspeed Venture Partners to bulk up his ownership, said three people familiar with the matter.

The move, unprecedented among leading privately held, new-age Indian startups, will help Agarwal raise his stake to around 30% from the current 10%. This may go up to as much 32-33%, including the stakes held by the management and employees.

To finance the buyback, the 26-year-old founder has been in talks with financial institutions and banks in India, Japan and Europe to shore up $2 billion in secured debt, sources close to the matter said on condition of anonymity.

Agarwal to Pledge His Shares ▸▸ 13

Eye on IPO, InMobi Rejigs Structure

SoftBank-backed InMobi has adopted a holding company structure and spun off three core businesses into separate entities as it readies for an IPO, reports **Megha Mandavia**. ▸▸ 6

Overseas Borrowings in FY20 could be Limited to $10b: Fin Secy

Experts say move may lead to India's inclusion in global bond index, helping draw more funds

Saikat Das & Deepshikha Sikarwar

Mumbai | New Delhi: India's foreign currency borrowing programme is likely to start small with an offer in the second half of the year and will probably be below $10 billion cumulatively in the current financial year.

"We can afford definitely to add something of the sovereign bond portfolio. I don't see a very large programme and it's not advisable — it will be a small programme. How much it would be—5% or 10%—of our borrowing or a little more is something to be decided," said finance secretary Subhash Chandra Garg. "I don't think it will be necessary and advisable to go anything beyond this. A 10% programme for ₹7 lakh crore is about ₹70,000 crore, which is about $10 billion."

The government plans to borrow ₹7.1 lakh crore this year. If it raises money offshore, that will reduce domestic borrowing, easing conditions for other borrowers.

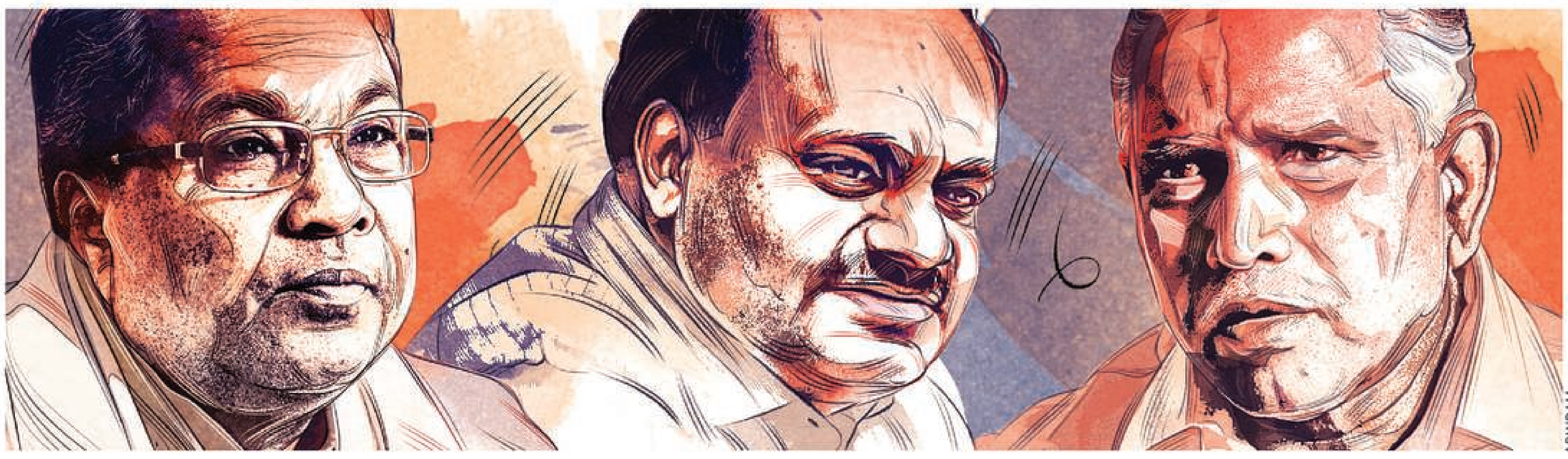
Issue Most Likely in Second Half ▸▸ 10

Past Issues

Offering, Year, Amount Raised

Offering	Year	Amount Raised
India Development Bonds	1991	$1.6 b
Resurgent India Bonds	1998	$4.2 b
India Millennium Deposits	2001	$5.5 b

- BJP expecting some more defections in next few days; Yeddyurappa 'keen to become CM'
- If BJP manages to form government, it will have to deal with Congress-JDS defectors



ARINDAM

KarNataka Swings: BJP's Next Move Tomorrow

Party to take next step after Speaker's decision on resignations of Cong, JDS MLAs on Tuesday

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New Delhi: BJP is playing a wait-and-watch game in Karnataka and will plot its next move after assembly Speaker KR Ramesh Kumar takes a call on the resignations of Congress and JDS MLAs on Tuesday. BJP is expecting some more defections in the next few days.

Kumar will take a decision on the resignations of 10 Congress and three JDS MLAs on July 9. While the two parties have alleged that BJP is engineering the resignations, BJP has blamed it on inner party tussles.

A floor test is likely when the state assembly convenes this week.

BJP sources said the party was expecting more resignations in the coming days. Based on how this plays out, BJP will make the move on forming the government in the state. BJP leader BS Yeddyurappa is said to be keen on becoming chief minister again and the party is likely to bow to his wish if the numbers are in its favour.

After 13 resignations, the strength of the assembly is 211, with 106 as the majority mark

Holding assembly elections is likely to be beneficial for BJP as it may get a majority because of the anti-incumbency against the JDS-Congress regime and the daily infighting within Congress. However, BJP state unit leaders are not much in favour of the idea, sources said. If BJP does manage to form the government, it will have to deal with Congress-JDS defectors by ensuring their victory in the byelections and by giving them a berth in the council of ministers.

In the recent Lok Sabha polls, BJP won 25 out of 28 seats. JDS head HD Deve Gowda (Tumkur) as well as senior Congress leaders Mallikarjun Kharge (Gulbarga) and M Veerappa Moily (Chikkballapur) lost the elections.

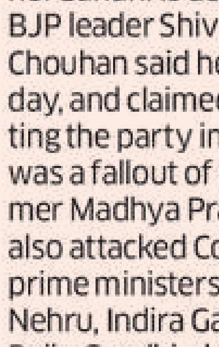
Elections to the 224-member Karnataka assembly were held in May 2018 in which BJP emerged as the largest party, with 105 MLAs but short of the majority mark of 113. Congress with 79 MLAs supported JDS that had 37 MLAs and gave the CM's post to Kumaraswamy. After the 13 resignations, the strength of the assembly is 211, with 106 as the majority mark. BJP and BSP (1) can form the government. A few more resignations will further lower the magic number in the assembly.

ANI

Congress members protest outside Sofitel hotel, Mumbai

Congress a Sinking Ship: Chouhan

NEW DELHI: Congress is a sinking ship whose captain Rahul Gandhi is deserting it, BJP leader Shivraj Singh Chouhan said here on Sunday, and claimed MLAs quitting the party in Karnataka was a fallout of it. The former Madhya Pradesh CM also attacked Congress prime ministers Jawaharlal Nehru, Indira Gandhi and Rajiv Gandhi, charging them of "weakening" the country. "Congress is a sinking ship and Rahul Gandhi who is it's captain is deserting it. When the captain will flee, the Congress MLAs will not be behind in fleeing," he said launching Delhi BJP's membership campaign at JLN stadium here. "It was due to Nehru that two-third of Kashmir is under Pakistan occupation, Indira strangulated democracy, Rajiv Gandhi in Shah Bano case deprived Muslim women their rights, and this mother-son (Sonia-Rahul) duo were involved in corruption when Manmohan Singh was the prime minister," Chouhan said. Congress is "dying" of its "evil deeds", he stated. – PTI



Congress is dying of its evil deeds: Chouhan

CRISIS WORSENS FOR JDS-CONGRESS REGIME

Rebel MLA: No Question of Withdrawing resignations

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Bengaluru: Political events in Karnataka are expected to take swift turns on Monday with CM HD Kumaraswamy arriving in Bengaluru after his US trip, amid the resignation of 13 MLAs threatening the survival of the 13-month-old JDS-Congress government.

Even as leaders of both coalition partners were huddled in meetings on Sunday night to discuss possible options to save the regime, dissident MLA ST Somashekar of Congress told reporters from a Mumbai hotel that all 13 of them were together, and there was no question of withdrawing their resignations. Somashekar insisted they have not asked for a change in Kumaraswamy's leadership.

The state BJP, in a tweet, asked the coalition to stop blaming it for the resignation of their MLAs, who the party said have quit "upset over the maladministration." There are reports that some more ruling coalition MLAs, including suspended Congress MLA R Roshan Baig and Congress MLAs Sowmya Reddy and Anjali Nimbalkar would quit on Monday.

Congress has convened a meeting of top leaders, including AICC general secretary KC Venugopal, on Monday morning to discuss options, which might include persuading senior ministers to step down to pave way for the inclusion of dissidents in the ministry. The CM is learnt to have told Siddaramaiah that he would persuade JDS members and that the latter should get his party MLAs back.

Siddaramaiah has also called a CLP meeting on Tuesday. He told the party MLAs that it was a compulsory meeting, and those failing to attend would face action. In Mumbai, Somashekar, however, said none of them will attend.

The Numbers Game

Total Assembly Seats: 224	
Bharatiya Janata Party: 105	
Congress: 79-10 = 69	
Janata Dal(S): 37-3 = 34	
Bahujan Samaj Party: 1	
Independents: 2	

Rebel MLAs in Mumbai – PTI

CENTRAL LEADERSHIP EAGER TO DEMONSTRATE FLEXIBILITY

Amid Firefighting, Congress Battles In-house Machinations

Our Political Bureau

New Delhi: The Congress high command is battling not only the crisis that has engulfed the JDS-Congress regime in Karnataka but also the machinations of the state party leadership.

The high command, it is learnt, is eager to demonstrate coalition flexibility to save the government there but much will depend on the accommodative attitude of the Deve Gowda family-led JDS and, importantly, the Siddaramaiah-led Karnataka Congress faction. The resignation of die-hard senior Congress MLA Ramalinga Reddy is a rebuke to the state leadership for denying him the PCC chief's post, which went to Siddaramaiah's nominee Dinesh Gundu Rao, a novice.

The fact that some of the Congress MLAs who "resigned" on Saturday are known supporters of Siddaramaiah gives the impression that the former Congress CM, who has a political rivalry with the Gowda family, may be testing the waters. In fact, Siddaramaiah was not favourable to the idea of propping up HD Kumaraswamy government. Some rebel MLAs saying that they might consider withdrawing their resignations if Siddaramaiah is made the CM fuels the buzz around him that he might have played a role in the crisis.

Propping up senior Congressman Mallikarjun Kharge, an in-house opponent of Siddaramaiah, as a possible compromise CM candidate is seen as a JDS counter-operation. "This government can be saved if high command takes some hard decisions on the composition of ministry and acts against the mischief-makers," said a senior party leader.

There are indications of Gowda complaining to the top Congress leadership about the machinations of a Congress section. Consequently, a top Sonia Gandhi representative is learnt to have conveyed the high command's unhappiness, especially the way Siddaramaiah failed to pre-empt rebellion.

Many leaders feel the evident drift in the Congress central leadership has emboldened both the unhappy elements within the coalition and rival BJP, prompting Congress to keep a close watch in Madhya Pradesh and Rajasthan.

BCCL

Deve Gowda, Shivakumar at a meeting on Sunday

SENIORS TO MEET SOON

Young or Old Cong President? Party Leaders Discuss

We need someone who can stay at the post for a longer period of time: Bajwa

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New Delhi: Ever since Rahul Gandhi resigned as Congress president, the party is struggling to find a new chief. Senior party leaders are expected to meet this week to discuss the leadership issue.

After Punjab chief minister Captain Amrinder Singh suggested on Saturday that a youngster should get the responsibility, names of many young leaders, such as Rajasthan deputy chief minister Sachin Pilot and UP general secretary (west) Jyotiraditya Scindia, have started doing the rounds.

Echoing Singh's viewpoint, former Punjab Congress chief and party MP Pratap Singh Bajwa told **ET**: "We need someone who can stay at the post for a longer period of time and, in my opinion, a young president would be the best bet for the party."

With two senior leaders coming out in support of young leaders, senior leaders who were looking for an alternative among themselves, such as Mallikarjun Kharge, Sushil Kumar Shinde and Mukul Wasnik (all Dalit leaders), are under pressure to take a call. In fact, a group of leaders were openly backing Kharge. Name of Maharashtra Congress leader Mukul Wasnik is also being discussed as most leaders feel the party should choose a middle-aged Dalit leader.

Milind Deora resigns as Mumbai Congress president, willing to play a national role

Milind Deora, who resigned as Mumbai Congress president on Sunday, expressed his willingness to play a role at the national level to help stabilise the party.

It is becoming obvious that selecting a party chief, in the absence of Gandhis, is going to be a tough task for Congress. "The problem is all the three Gandhis have distanced themselves from the selection process. This is creating more confusion," says a senior Congress leader.

Former Mumbai Congress chief Sanjay Nirupam said party president should be someone who can take on the ruling party directly. "The party president should be a firebrand leader who can take on the ruling party and the government on the streets," Nirupam told ET. "Sadly, the names that are being discussed have mostly shied away from taking on Modi in the past. We need leaders who can practice politics of struggle like Rahul Gandhi."

Future of Team Rahul Uncertain

NEW DELHI: Inducted into key roles with much fanfare and hope, top members of team Rahul Gandhi face an uncertain future as the party deals with the aftermath of its dismal performance in the Lok Sabha elections and Gandhi's resignation. Gandhi recently quit as the Congress president, taking responsibility for the drubbing, and many of his closest aides followed him. On Saturday, Keshav Chand Yadav resigned as Indian Youth Congress chief, while AICC Scheduled Caste Cell chairman Nitin Raut had quit earlier. Most of the resignations the Congress is witnessing are from the members of team Rahul Gandhi, be it AICC secretaries or a range of state chiefs he positioned in different regions. Within the party, there are already talks that the future of Gandhi's associates and team members are uncertain as he made a sudden and unplanned exit. – PTI

Most of the resignations Cong is witnessing are from the members of team Rahul Gandhi

I had met Rahulji 8-10 Days Back and had Submitted my Resignation, says Scindia

NEW DELHI: "My resignation is not today's event. I had met Rahulji 8-10 days back and had submitted my resignation," Congress leader Jyotiraditya Scindia told **ET** on Sunday after a few TV channels reported that he has resigned as AICC general secretary in charge of UP (west). "Accepting the people's verdict and taking accountability, I had submitted my resignation as general secretary of AICC to Shri @RahulGandhi. I thank him for entrusting me with this responsibility and for giving me the opportunity to serve our party," Scindia tweeted on Sunday afternoon. Incidentally, the report of his resignations coincides with Congress' move to appoint a new PCC chief in MP. – Our Political Bureau

JAISHANKAR TO BE IN LONDON THIS WEEK TO ATTEND COMMONWEALTH FOREIGN MINISTERS' MEET

A Busy Travel Itinerary for Diplomat-Turned-Foreign Minister

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New Delhi: S Jaishankar has charted out a busy travel schedule for himself, which will take the diplomat-turned-external affairs minister to at least six countries within 60 days of joining office.

While PM Narendra Modi made the Maldives and Sri Lanka as first and second destinations abroad in his second term as part of his neighbourhood policy, Jaishankar visited Bhutan in early June within two weeks of his appointment. He is expected to visit a few other neighbouring countries this month.

After Bhutan, Jaishankar's next stop was Tajikistan, where he represented PM Modi at the CICA (Conference on Interaction and Confidence-Building Measures in Asia) summit. Tajikistan houses India's only military base abroad and the visit immediately after Modi's trip to Bishkek for the Shanghai Cooperation Organisation summit was aimed a furthering India's agenda in Central Asia.

The new foreign minister will be in London this week to attend the Commonwealth Foreign Ministers' meeting on July 10, amid UK's appeal to India to play the role of a mentor in this grouping. The Commonwealth is among a few global forums which do not have China as a member and presents India with an opportunity to chart a new direction in geopolitics.

Jaishankar's presence in the Commonwealth will present him with an opportunity to engage with his counterparts from Southeast Asia, Africa and the Caribbean.

Later in the month, he is expected to travel to Brazil for the BRICS foreign ministers' meet that will help prepare for the BRICS Summit in Brasilia in November. His Russian and Chinese counterparts, Sergey Lavrov and Wang Yi, too will be in Brazil.

At home, Jaishankar hosted US secretary of state Mike Pompeo, a key Chinese Politburo member, the Russian Deputy PM and the foreign minister of the UAE.

Breaking tradition of the past five years, he accompanied Modi for the G-20 Summit in Osaka. Besides being present in all the meetings that the PM attended, he also held meetings with his counterparts, notably Taro Kono of Japan. Jaishankar's predecessor, Sushma Swaraj, had never accompanied the PM abroad.

COMMONWEALTH OPPORTUNITY FOR INDIA

The Commonwealth is among a few global forums which do not have China as a member and presents India with an opportunity to chart a new direction in geopolitics

THIRD EYE

ZAHID

Flowing With Time

The environment ministry was taken by surprise when a June 18 order divested it of the National River Conservation Directorate, which was moved out to the new jal shakti ministry. The green ministry had lost the Ganges to a separate department in 2014 under PM Modi's first term. In his second stint, all rivers are out of its ambit. The environment ministry will now only have a monitoring role on water pollution issues.

Searching for Merit

As government is in the final stage of zeroing in on the next IAF chief, one of the contenders is leaving no stone unturned. The senior most officer in contention is meeting the defence minister on Monday. As has been the case for the past four years, the government is expected to select the chief on merit and not mere seniority.

Dinner Politics

Assam chief minister Sarbananda Sonowal recently hosted a dinner for newly elected MPs from his state, but invited only those who won on BJP ticket. This left the opposition fuming as they felt the CM should have invited all the 14 Assam MPs. Leader of opposition in the state assembly, Debabrata Saikia, said this action of the CM reflects arrogance and is not in sync with the democratic norms.

Poliloquy R PRASAD

We don't seek power. In fact, we are rotating renunciation!

RUN-UP TO 20TH KARGIL VIJAY DIWAS

Arms and ammunitions left by Pakistan Army during Kargil war in 1999 found at Point 4355

20 Yrs After Kargil War, Remnants of Pakistan Army Found in Dras

Army discovers equipment, ammunition and bunkers on a hill top while creating a trekking path for an expedition of the 13 Jammu & Kashmir Rifles; leftovers are likely to be the result of India's advance to the point during the war

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Mushkoh: Nearly four weeks before the preparations for celebrating the 20th anniversary of the Kargil war began, the Indian Army discovered remnants of Pakistan Army equipment, ammunition and bunkers on a hill top in Dras, which appear to have been left in a hurry in the face of Indian onslaughts in 1999.

There have been no known sightings by the Indian Army of this site called Point 4355 (at about 14,500 feet elevation), which appears to have been held by the Pakistan Army for a few months in light of their immense preparations, such as equipment brought and bunkers built, there. Officials added that this could probably be the first time that such a site has been discovered in this sector, as the area was uncharted in view of the unexploded grenades and RPG (rocket propelled grenade) rounds not being known about and marked for the safety of Indian troops.

Officials explained that the Army was creating a trekking path for an expedition of the 13 Jammu & Kashmir Rifles (JAK RIF) to Batra Top when it discovered this site. The Army, as part of the Kargil Vijay Diwas celebrations, on Sunday morning launched the 13 JAK RIF expedition to Batra Top, where an officer of the unit, Captain Vikram Batra, had died fighting against the Pakistan Army and was posthumously awarded the highest gallantry award, Param Vir Chakra, for his act. The Army chose the trekking path which passes along the Safed Nallah, ahead of Mushkoh Valley in Dras. It skirts Point 4355 and reaches atop Batra Top.

"It was during the creation of the trekking path when we discovered that Point 4355 has several unexploded Pakistani grenades and RPGs just strewn on the ground on the hill top. When we started climbing we even discovered Pakistani Medium Machine Gun (MMG) ammunition belts, indicating a hasty retreat in the face of Indian advance. At the top of the hill, we spotted Pakistani bunkers made of stone, some of which still had grenades left there," explained an official.

ET visited Point 4355. There are about three bunkers, including a main one which is positioned towards the approach to the hill. A broken helmet lays in the main bunker. Adjacent to the bunkers are also small caves which would have housed Pakistani soldiers. Equipment for tentage was also found. Troops on the ground explained that the post would have accommodated around 20 to 30 Pakistani soldiers. "From their preparations and equipment, they would have come about two to three months before the war started in May, 1999," said an official.

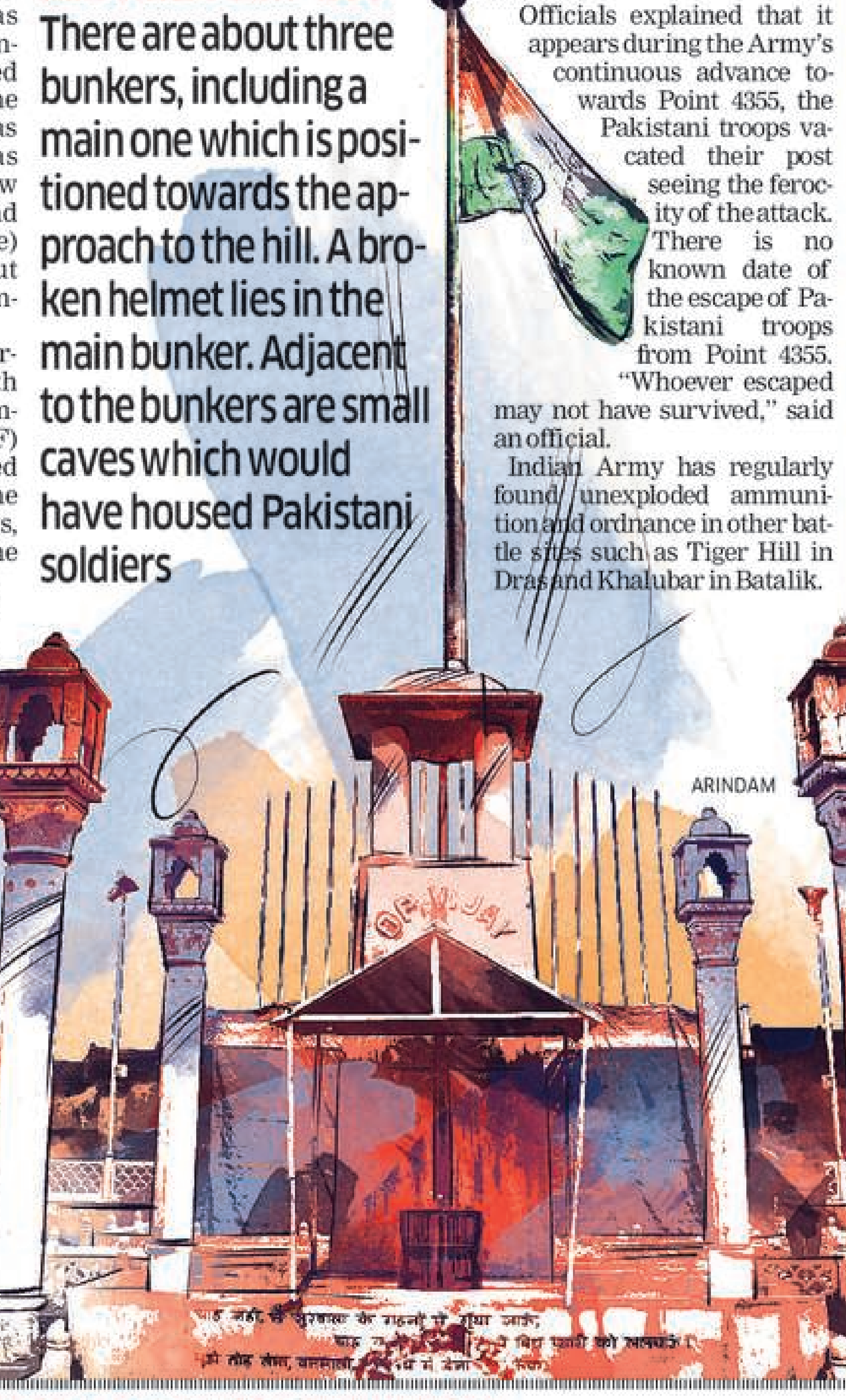
During this visit, the Army had marked with stone the unexploded grenades and RPGs. The Army has passed strict instructions to not touch any of the ammunition and ordnance left by the Pakistan Army during the war. MMG ammunition belts were left on huge boulders. Food containers which were rusted were strewn all over the place. A snow boot without a pair was also found at the site. A food packet called 'Instant Chicken Yakhni', manufactured in Pakistan, was also found at the site. From the look of it, it appears that the Pakistani soldiers left in a hurry during an Indian counter-attack.

Officials explained that it appears during the Army's continuous advance towards Point 4355, the Pakistani troops vacated their post seeing the ferocity of the attack. There is no known date of the escape of Pakistani troops from Point 4355. "Whoever escaped may not have survived," said an official.

Indian Army has regularly found unexploded ammunition and ordnance in other battle sites such as Tiger Hill in Dras and Khalubar in Batalik.

NEW FIND: POINT 4355

There are about three bunkers, including a main one which is positioned towards the approach to the hill. A broken helmet lies in the main bunker. Adjacent to the bunkers are small caves which would have housed Pakistani soldiers



ARINDAM

HOMAGE TO A BRAVEHEART

Brother Visits Vikram Batra's Battle Site

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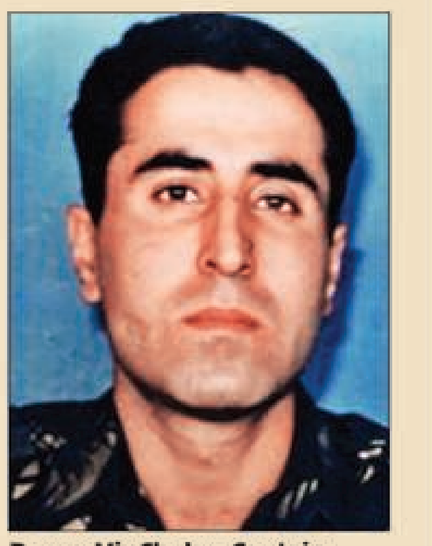

Param Vir Chakra Captain Vikram Batra

Dras: One of the first things Vishal Batra did after reaching the mountain top where his brother Captain Vikram Batra died fighting the enemy during the 1999 Kargil War between India and Pakistan was call his parents, telling them he has reached the battle site. He wanted to say that it should have been Vikram making this call.

Vishal who has visited Kargil and Dras sectors- two crucial battlefields during the war- around 15 times with hope that he could be given a chance to walk upto Point 4875, famously known as Batra Top, named after his brother. His 'dream came true'. On Sunday, Vishal and the 14 Corps Commander, Lieutenant General YK Joshi, then the commanding officer of Vikram's unit, 13 Jammu and Kashmir Rifles (JAK RIF) and other officers from it, who all fought alongside Vikram climbed Batra Top. It was on this day, when the feature was captured.

KARGIL

"I called my parents when I reached Point 4875, but it should have been Vikram making that call. I did get emotional and was thinking of saying 'yeh dil maange more'," said Vishal.

Joshi clearly remembers this message created by Vikram. He said that back in 1999 when he had ordered Vikram to capture Point 5140- another peak intruded upon by Pakistani soldiers- he asked him what would be his secret radio message, signifying victory. "He said 'Yeh Dil Maange More'. I found it funny. I asked him why this message. He told me that I will capture not one but many Pakistani bunkers...I still remember these words said by Vikram when he was successful," said Joshi.

After gaining victory at Point 5140, 13 JAK RIF was ordered to capture Batra Top. Vikram had fallen ill, but volunteered to help in its capture. He had died fighting against the Pakistani army at the 'ledge', an area just below the highest point of Batra Top on July 7. For his role in the operation, he was awarded India's highest war time bravery award, Param Vir Chakra.

Vishal said that for him the site of his brother's death is a 'shrine' for him. "Although he is physically not there, I believe that he is somewhere in the mountains, watching over us and keeping us safe...My belief is that soldiers never die," he said.

Centre to Introduce Bill to Speed Up Lutyens' Eviction

The Bill to amend the 1971 legislation will be introduced this week; make it easier to evict overstaying officials

Nidhi.Sharma@timesgroup.com

New Delhi: The Centre will introduce an amendment bill this week to make it easier for the government to evict squatters, including overstaying former MPs and ministers and even secretary-level officials, from government accommodation in Lutyens' Delhi.

The housing and urban affairs ministry will introduce the Public Premises (Eviction of Unauthorised Occupants) Amendment Bill, which would amend the 1971 legislation and make it easier for the government to evict overstaying officials and free up houses.

Amendments to three major sections in the Act would help the government in starting eviction proceedings within three days of the term of the official ending. At present, the process takes five to seven weeks, and several years if the official files an appeal against eviction in a civil court, a senior ministry official said.

There is a shortage of 13,000 government residential accommodation and the estimated waiting time for serving employees is eight to 10 years, according to the ministry.

The amendment bill is likely to be introduced in the Lok Sabha on Monday.

As per the proposed procedure for eviction from residential accommodation, an estate officer (under the ministry's directorate of estates) would issue a written show-cause notice to a person if he is in unauthorised occupation of a residential accommodation. The notice would require the person to show cause why an eviction order should not be made against him within three working days.

Notice would require the person to show cause why an eviction order should not be made against him within three working days

Easing Eviction

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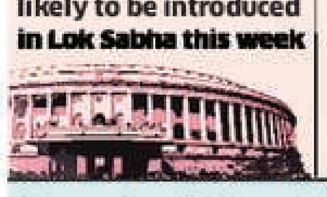


It would amend Sections 2, 3 and 7 of the Act

It prescribes that an estate officer needs to serve only one showcase which would give only three working days to the illegal occupant to reply

Even during litigation the illegal occupant would have to pay market rent for the house he is staying in

Directorate of Estates has been involved in several cases of litigation, some even high-profile ones like former minister Ambika Soni and Kumari Selja

SANGATHAN PARV: TARGET TO GET 100 MILLION NEW MEMBERS

BJP Adds Social Engagement to Its New Membership Drive

Wants members to plant trees & conserve water apart from working for Swachh Bharat

RakeshMohan.Chaturvedi
@timesgroup.com

New Delhi: BJP has not confined its ambitious membership drive to only getting more party card holders alone. It has combined this exercise with social responsibility by encouraging tree plantation, Swachh Bharat and water conservation in villages and cities across the country.

The 'Sangathan Parv' or membership drive was launched on July 6 by BJP leaders across the country. The leaders also planted saplings before asking people to join the saffron party. A dedicated mobile number has been made public for people to give a missed call to express their desire to join the party.

However, unlike in 2014 when the aim was to get as many missed calls as possible, this time the BJP is going in a more systematic manner. BJP Working President JP Nadda held a meeting of party Morcha (Front) heads and members on Sunday at the party headquarters to brief them on the exercise.

"The membership drive should also have a social responsibility aspect. It should include a Swachhta Abhiyan at every booth and a plantation drive as well. Every couple should plant a tree per five members of their family," Nadda said.

Prime Minister Narendra Modi led by example by participating in the membership drive in his constituency Varanasi on Saturday. Reiterating this view, BJP chief Amit Shah said the PM has entrusted the three responsibilities — of Swachh Bharat, planting trees and undertaking some programme to ensure water conservation in every village.

"The Prime Minister has given three responsibilities to those going for a membership drive. The BJP worker will spread awareness about Swachta without fail in every village. They have to plant five saplings each and also undertake some initiative for water conservation," Shah said.

BJP has set a target of getting 100 million new members and Nadda maintained that the party will exceed this target.

A special focus of the drive is to reach out to the weaker sections of the society and associate them with the party and its programmes.

Youth Primary Focus Across Kashmir Valley

HakeemIrfan.Rashid@timesgroup.com

Srinagar: BJP's J&K unit held membership drive across 10 districts in Kashmir Valley on Sunday, with special focus on Pulwama, Shopian and Kulgam districts.

The party functionaries claim that youth across Valley are their primary focus and they believe that southern Kashmir would prove most fertile area for the party. "Our aim is no corruption and good governance. BJP has no baggage and youth in Valley are recognising and responding to it. Our interaction with first time voters was positive and very fruitful," BJP's state spokesperson Khalid Jehangir told **ET**.

WELCOME EMAIL FROM PM MODI

Now Enrol for BJP on NaMo App as Well

Aman.Sharma@timesgroup.com

New Delhi: The BJP has opened a membership option on the Narendra Modi Mobile App (NaMo App) to attract young voters and those among the 10-million people who have downloaded the App but who may not have enrolled as BJP members. This is part of the membership drive kicked off by Prime Minister Narendra Modi from Varanasi on Saturday.

Those enrolling through the App or through other sources (through a phone call) will get an email from Modi welcoming them to the party, BJP functionaries handling the membership drive told **ET**.

"Welcome to the BJP family. Your becoming a BJP member will significantly strengthen the party. Thanks to the blessings of the people of India and the hard work of countless karyakartas (workers), the BJP has become India's preferred party. From Kashmir to Kanyakumari, Kutch to Kohima, people have blessed the BJP in record numbers," states an email being sent in the PM's name to the new members. ET has seen the email.

Liking or retweeting one particular tweet of the BJP would enrol one as a member and a membership card will be generated

Annual DGs Meet Gets Delhi Chapter in New Avatar

EARLY SIGNS IB steers a closed door discussions on internal security in Delhi in June after having moved to other places

Rahul.Tripathi@timesgroup.com

New Delhi: The annual Intelligence Bureau (IB) conference is making a quiet comeback to the Capital, albeit, in a different form. Coined as 'Conference on National Security Strategies', IB steered a closed door discussions on internal security on June 27-28 at Vigyan Bhavan, where the annual conferences were held every year, prior to 2014.

The two-day event had sessions on Kashmir, Left Wing Extremism (LWE) and North East but no media coverage was allowed. This was also the first conference after the NDA came back to power with BJP president Amit Shah being appointed as the union home minister.

The yearly DG-IG conference, organised by IB — country's internal intelligence agency — was moved out of New Delhi after Narendra Modi government came to power in 2014.

A senior government official told ET, "These discussions are in the run-up to the annual conference which is held every year in November-December. DGs-IGs who come for the round table discussions during the annual conference are either on the verge of retirement or in their last year of service. The recommendations made by the Prime Minister and National Security Advisor (NSA) during the conference mostly remained on the paper. For these reasons, it was decided to hold two-three conferences on National Security Strategies every year involving young officers at DIGs, IG, ADGs level."

Other officials familiar with the developments said the conference of sub-groups in Delhi started last year but after Amit Shah took over as the home minister he directed the IB to expand the scope of these meetings following which sessions on social media and cyber security were added recently.

During the first day of the two-day conference, a session was dedicated on 'monitoring and leveraging civil society groups in J&K'. The meeting of top police officers from the country further discussed institution of a new national honour for national unity on the pattern of Padma Awards, confirmed officials.

Longer Sessions of Legislatures Makes Govt More Responsible: LS Speaker

Jaipur: Lok Sabha Speaker Om Birla on Sunday suggested longer sessions of legislatures and asked legislators to raise more questions, saying this makes a government more accountable. Speaking at the inaugural session of an one-day programme for orientation of members of the Rajasthan assembly, he called on legislators to rise above party lines and take part in debates in the House in the interest of the state and the country.

The Lok Sabha speaker said a minister gets more scope to review his department if the number of questions related to his portfolio raised in the legislature is high. He suggested that sessions should be longer as it makes a government more responsible.

Birla also said the tradition of storming into the Well of the House is not good as it usually leads to adjournment. —**PTI**

SOUTH DELHI MUNICIPAL CORPORATION

OFFICE OF THE DEPUTY COMMISSIONER (RP CELL)
Dr. Shyama Prasad Mukherjee Civic Centre (25th Floor)
Jawaharlal Nehru Marg, New Delhi-110002, Ph. No. 011-2322-7514

OPEN E- AUCTION FOR ALLOTMENT OF AUTHORIZED PARKING SITES ON MONTHLY LICENSE FEE BASIS

E-AUCTION NOTICE

Bids are invited on behalf of Commissioner, SDMC from eligible bidders for allotment of authorized parking sites under the jurisdiction of SDMC on monthly license fee basis in two bid system (Technical and e-Auction) **for a period of three years (extendable further up to two more years).**

1. Particulars: Tender Number & NIT date, **Scheduled:** NIT no. 221 dt. 05.07.2019. **2. Particulars:** Pre-bid Meeting, **Scheduled:** Dt. 12.07.2019 at 15:00 hrs. **Venue:** R P Cell at 25th Floor Civic Centre. **3. Particulars:** Last date of submission/uploading of Documents, **Scheduled:** Dt. 31.07.2019 upto 17:30 hrs. **4. Particulars:** Opening date of E-Auction, **Scheduled:** Dt. 14.08.2019 at 11:00 hrs. **5. Particulars:** Reference to MCD website be mentioned, **Scheduled:** www.mcdonline.gov.in & www.tenderwizard.com/SOUTHDMC.

The eligible bidder may submit their bids online containing the auction documents duly signed on each page along with requisite Earnest Money and other documents as mentioned in the Bid document. **The Bid documents can be downloaded through the SDMC's website www.mcdonline.gov.in or www.tenderwizard.com/SOUTHDMC.**

Any bid not accompanied with the tender fee and earnest money is liable to be summarily rejected.

-Sd/-
ASSISTANT COMMISSIONER (R.P.CELL, SDMC)
R.O. No. 22/DPI/S/2019-20

EAST CENTRAL RAILWAY
E-TENDER NOTICE

L.No. M/259/2/OT/MNE/2017/Tender date : 04.07.2019. For and on behalf President of India invited e-open tender (E-Tender Notice no.- CW-Sonpur-18-2019) from experienced contractor for the work given below.

1. Name of work with its location : Mechanized & Manual Cleaning and Housekeeping at MNE (Mansi) station for 1460 days (Four years). Location : Mansi Railway Station. 2. Approx cost of the work : ₹4,73,93,367/- (₹ Four Crore Seventy Three lacs Ninty Three Thousand Three Hundred Sixty Seven only). 3. Cost of Tender Form : ₹10,000/- (₹Ten Thousand only) (Non-refundable). 4. Earnest Money to be deposited : ₹3,87,000/- (₹ Three Lacs Eighty Seven Thousand only). 5. Date & Time for submission of tender and opening of tender : Tender submission date & time : Up to 15.00 Hrs. 01.08.19. Opening date & time : After 15.00 Hrs, 01.08.19. 6. Website particulars & Notice Board Location where complete details of tender can be seen etc : Available on website www.ireps.gov.in. Railway administration reserves the right to postponed/modify or to cancel the tender any time without assigning any reasons.

DENHM/ECR/Sonpur
PR/0679/SEE/Mech./T/19-20/40

EAST CENTRAL RAILWAY
Replacement of over aged OHE

Open e-tender notice No TRD/OT/13/144KM/19-20. E-tenders are invited from reputed contractors having proven experience, electrical license, successful execution of similar works and sound financial standing supported by the valid documents for the work as per details given below.

1. Name of work with location : Replacement of over aged OHE from SSG/SSP to CDMR/SP in MGS division (72 Km X 2 = 144KM). 2. Approx. Cost of the work : ₹20,53,95,374.26, 3. Earnest money to be deposited : ₹11,77,000/-, 4. Last date and time or submission of tender : Upto 30.07.19 on 15.00 hrs. 5. Website particulars from where the details of e-tender can be obtained : www.ireps.gov.in

Sr. Divnl. Elect. Engineer (Tr-D)/ ECR/Mughalsarai
PR/0681/MGS/Elect./T/19-20/28

FOOD CORPORATION OF INDIA
भारतीय खाद्य निगम
Headquarters, New Delhi-110001
FUNDS DIVISION

INVITATION OF OFFER FOR SHORT TERM LOAN

FCI intends to raise Rs. 10000 crore with green shoe option through Short Term Loan from Scheduled Banks for one month maturity. For more detail, visit **https://eprocure.gov.in/eprocure/app** and **http://fci.gov.in/tender.php.** The last date of submission of offer is 29.07.2019 till 11:00 AM.

General Manager (Funds)
Telefax No. - 011-43527407

UTTARAKHAND TRANSPORT CORPORATION H.Q.
1, RAJ VIHAR CHAKRATA ROAD DEHRADUN
(E-TENDER NOTICE)

Uttarakhand Transport Corporation (A Government of Uttarakhand Undertaking) invites sealed tenders **For empaneled of supply of Man Power Agency.**
The tender form can be downloaded from site www.uktenders.gov.in can be submitted along with the cost of tender Rs. 10,000.00 + 18% GST, in the form of DD in favour of Managing Director, Uttarakhand Transport Corporation payable at Dehradun.

E-Tender Schedule

- Last Date for Buying of E-Tender Form — 01 August 2019 upto 14.00 Hrs.
- Last Date for submission of E-Tender Forms — 01 August 2019 at 15.00 Hrs.
- Pre Bid Meeting — 10 July 2019 at 11.00 Hrs.
- Tender Opening (Technical bid) — 01 August 2019 at 16.00 Hrs.

General Manager (Operation)
Uttarakhand Transport Corporation

IL&FS
SALE OF UNDER-CONSTRUCTION WIND ENERGY ASSETS

Pursuant to the Report on Progress and Way Forward dated October 30, 2018 (**"Report"**) submitted by Infrastructure Leasing & Financial Services Limited (**"IL&FS"**) to the Ministry of Corporate Affairs, Government of India and which, in turn, was filed with the Hon'ble National Company Law Tribunal Mumbai (Special) Bench (**"NCLT"**), expressions of interest (**"EOI"**) are invited for a potential acquisition of 100% of the issued and outstanding equity shares of the 2 project companies implementing under-construction wind energy projects with aggregate capacity of 104.0 MW, held by IL&FS Energy Development Company Limited (**"IEDCL"**, a subsidiary of IL&FS) (**"Potential Transaction"**).

The process for the Potential Transaction are an integral part of the steps outlined in the Report, and are expected to assist the Board of Directors of IL&FS appointed pursuant to the orders of the NCLT in October 2018 (**"Board"**), in part, in evolving the resolution plan(s) outlined in the Report.

EOIs are sought by the Board from applicants interested in the Potential Transaction. Consummation of any transaction pursuant to the process initiated by this advertisement will be subject to requisite approvals, including, the approval of the Board, approvals of the Board of the Directors of IL&FS Energy Development Company Limited, approvals required under applicable law and approval of the NCLT or other competent authorities nominated by the NCLT/ National Company Law Appellate Tribunal. The Board has engaged **Arpwood Capital Private Limited** and **JM Financial Limited** to assist in the Potential Transaction.

Interested parties may refer to www.ilfsindia.com/ad/ for details in relation to the opportunity (including the assets that can potentially be acquired), eligibility criteria, preliminary teaser, prescribed format of the EOI and other terms and conditions. Applicants fulfilling the eligibility criteria should submit the EOI in the prescribed format, along with the relevant supporting documents, latest by **5 PM Indian Standard Time on July 19, 2019**.

IL&FS reserves the right to suspend, modify or terminate the Potential Transaction at any time without providing any reasons or incurring any liability to any party.

EAST CENTRAL RAILWAY
E-TENDER NOTICE

e-tender is invited on Behalf of the President of India for the under mentioned work.
1. Name of the work with its location : Design, Drawing, Modification, Supply, Erection, Testing and Commissioning of 25KV OHE and PSI work between Sakri(Incl.) – Nirmali(Incl.) in connecting with gauge convertion of Sakri Jn – Nirmali section. e-Tender No.EL/C/N/MHX/ETEN/42/19-20. 2. Approx. Cost of the work : ₹22,00,16,724.50, 3. Earnest money and tender Document cost to be deposited : ₹12,50,100/- and ₹10,000/- respectively. 4. Date and time for closing of tender : 15.07.2019 up to 12.00 Hrs. 5. Website particular and notice board location where complete details of tender can be seen and address of the office from where the tender form can be purchased etc. : Tender can be down loaded from IREPS website: www.ireps.gov.in and detailed can be seen from the notice board at CEE/CON/ Mahendrughat office, CAO/CON/ECR office Complex, Patna-04.

Dy CEE/Con/North/ECR/ SPJ
PR/0683/CON/Elect/T/19-20/32

EAST CENTRAL RAILWAY
OPEN E-TENDER NOTICE

Open E-Tender Notice No.-L-Open-2019-20-09 Dated : 03.07.2019

The Divl.Rly Manager (Elect/G)/ Sonpur for and behalf of the president of India invites "Open E-Tender" for following works. The last date of online E-tendering is 05.08.2019 up to 12.30 Hrs. All information and tender documents related to E-Tender is available on **website-www.ireps.gov.in.**

Sr. No. 1. Name of work : At. MFP Annual Maintenance contract for 02 Nos JOHNSON make escalators installed MFP Station (E-2888 & E 2889) for 03 Years. **Approx. Cost (in Rs.) :** 30,46,866/-, **Earnest Money (in Rs.):** 60,900/- **Cost of Tender document (in Rs. (Non-Refundable)** : 3,000.00. The above Tender notice is available on Website - www.ireps.gvo.in RIGHT OF RAILWAY TO DEAL WITH TENDER ; Railway Administration reserves the right to postpone/modify or to cancel the tenders without assigning any reason.

Divl. Rail. Manager (Elect./G) E.C. Railway, Sonpur
PR/00669/SEE/ELEC/ T/19-20/32

vedanta
transforming elements

INTERNATIONAL COMPETITIVE BIDDING FOR OPERATION AND MAINTENANCE SERVICES OF CAPTIVE POWER PLANT AT BARMER, RAJASTHAN RJ-ON-90/1 BLOCK,INDIA

EXPRESSION OF INTEREST (EOI)

Cairn Oil & Gas, a vertical of Vedanta Limited, the Operator of the Onshore Block RJ-ON-90/1, Rajasthan and Offshore Block Offshore block CB/OS-2, Gujarat, on behalf of itself and its Joint Venture (JV) partners, invites interested contractors with proven capabilities and demonstrated performance in similar requirement to express their interest for prequalification to participate in the International competitive Bidding process for

OPERATION AND MAINTENANCE SERVICES OF CAPTIVE POWER PLANT AT BARMER, RAJASTHAN

The interested parties should evince interest to participate in the Expression of Interest by clicking on the "Evince Interest" link against EoI listing on the Cairn website i.e. http://www.cairnindia.com and submit their contact details online. Further to this, interested suppliers would be invited to submit their response via Smart Source (Cairn's e Sourcing Platform) within 14 Days from this publication.

CAIRN
Cairn Oil & Gas
www.cairnindia.com
Cairn Oil & Gas, a vertical of Vedanta Limited
Registered Office: Vedanta Limited, 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400093, Maharashtra, India
www.vedantalimited.com
CIN: L13209MH1965PLC291394

UP STATE ROAD TRANSPORT CORPORATION
UPSRTC
Parivahan Bhawan, 6, M.G. MARG, TEHRI KOTHI, LUCKNOW
Phone: 0522-2274250, 2621737 website: www.upsrtc.com

NOTICE INVITING TENDER

DEVELOPMENT OF BUS STATIONS OF UPSRTC ON PPP MODE

UPSRTC offers development of premium bus stations cum commercial complexes on PUBLIC PRIVATE PARTNERSHIP (PPP) basis across Uttar Pradesh on **Design, Build, Finance, Operate and Transfer (DBFOT)** model.

A tender notice on the above project was published on 02.03.2019 and bid documents were uploaded on e-portal; https://etender.up.nic.in and subsequently a pre-bid meeting was held on 16.03.2019. The revised bid schedule for the onward process is given underneath.

Sr. No.	Name of Bus Stations	Site Area (sqm.)
1	Kaushambi (Ghaziabad)	36,500
2	Kanpur Central (Jhakarkati)	30,350
3	Varanasi Cantt.	23,876
4	Civil Lines, Allahabad	18,000
5	Vibhuti Khand (Lucknow)	58,800
6	Bareilly (Satellite)	29,000
7	Sohrabgate, Meerut	17,580
8	Transport Nagar, Agra	30,744
9	Idgah, Agra	8,000
10	Agra Fort (Agra)	4,046
11	Rasulabad, Aligarh	42,000
12	Mathura (old)	6,790
13	Bulandshahr (New Land)	10,300
14	Ghaziabad	10,036
15	Raibareilly	10,885
16	Faizabad	10,530
17	Gorakhpur	20,000
18	Charbagh, Lucknow	6,784
19	Zero Road, Allahabad	6,265
20	Garh Muktheswar (New Land)	52,000
21	Amausi, Lucknow	29,000
22	Sahibabad	43,383
23	Mirzapur	13,835
		5,18,704

PROJECT HIGHLIGHTS

- Initial Concession Period of **60 years** (Extendable by another **30 yrs** on FROR basis), E-bidding, QCBS based transparent bid –evaluation, Liberal 'zoning regulations' and 'impact fee' concessions.
- Tender documents available at :

https://etender.up.nic.in

BIDDING SCHEDULE

PUBLICATION OF CONSECUTIVE NIT	06.07.2019 on https://etender.up.nic.in
PRE BID CONFERENCE (Repeat)*	13/07/2019 (15:00 hrs) Venue: Hyatt Regency, Vibhuti Khand, Gomti Nagar, Lucknow
UPLOADING OF ADDENDUM/ CORRIGENDUM, IF ANY	22/08/2019 on https://etender.up.nic.in
BID SUBMISSION DATE & PLACE ("APPLICATION DUE DATE")	05/09/2019 (upto 15:00 hrs) on https://etender.up.nic.in
OPENING OF TECHNICAL BID	05/09/2019 (15:30 hrs onwards)

* In view of next pre-bid meeting scheduled on 13/07/2019, your queries/ suggestions are expected till 11/07/2019 on ppp.busstationup2017@gmail.com.

For enquiries;
Atul Bharti (GM),
Mob: 9415049643
Email:ppp.busstationup2017@gmail.com

MANAGING DIRECTOR

MUMBAI METROPOLITAN REGION DEVELOPMENT AUTHORITY
एम एम आर डी ए
MMRDA
(A Govt. of Maharashtra Undertaking)
Plot No. C-14 & 15, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
Tel. No.2659 7400 Fax No. 2659 7412 e-Tendering Portal : https://etendermmrda.maharashtra.gov.in

e – RFP NOTICE

MMRDA INVITES E-RFP FOR DESIGN, BUILD, FINANCE, OPERATE AND MANAGE AUTOMATED SMART PARKING MANAGEMENT SYSTEM (ASPMS) AT VARIOUS PARKING LOTS IN BANDRA-KURLA COMPLEX.

Mumbai Metropolitan Region Development Authority (MMRDA) constituted under the Mumbai Metropolitan Region Development Authority Act, 1974 has been developing Bandra-Kurla Complex (BKC).

A large number of Financial Institutions and Banks such as UTI, ICICI, IL&FS, NABARD, NSE, BOI, CITI Bank, SBI, Dena Bank, SEBI, Punjab National Bank, Kotak Mahindra Bank and Canara Bank have already established their offices in BKC. Insurance Institution of India, Institution of Chartered Accountant, CBI, Regional Passport Office, Accountant General Regional Training School, American Consulates, American Schools, Dhirubhai Ambani Foundation Schools, Asian Heart Hospital, MCA and many others are also part of the BKC. Commissioner of Income Tax has also committed to start shortly. A convention and exhibition plot of 7.5 ha. has also been allotted.

BKC is thus emerging as a new business district of Mumbai.

The MMRDA has therefore created certain parking spaces along the road and certain parking spaces temporarily on certain plots of land in BKC. Following are the Parking Lots now proposed to be offered on License basis:-

Sr. No.	Name of Parking Lot	Area of Parking Lot (in Sq.Mtr.)
1.	Parking lot at Bandra- Kurla Complex, 'G' Block Plot No.13	7071.90
2.	Parking lot at Bandra-Kurla Complex, 'G' Block Plot No.RG-1B	5350.20
3.	Parking lot at Bandra- Kurla Complex, 'G' Block Plot No.R1-5 to R1-8	15,799.00
4.	Parking lot at Bandra-Kurla Complex, 'GN' Block, Near Arya Vidya Mandir & behind BKC Police Station	591.25
5.	Parking lot at Bandra-Kurla Complex, 'GN' Block, Plot R-10, Near Arya Vidaya Mandir	3370.59

Download and submission of RFP:
The e-RFP with the details will be available on the above mentioned e-Tender Portal from 08/07/2019 (12.01 Hrs) to 26/07/2019 (12.00 Hrs.) and can prepare & submit from 08/07/2019 (12.01 Hrs) to 26/07/2019 (12.00 Hrs.). The Tenderer has to pay the RFP cost and Earnest Money Deposit as mentioned in RFP Document before submission of RFP. The RFP shall be finalized based on highest monthly License Fee to be quoted by the Tenderer, subject to eligibility stated above and other qualifying criteria as detailed in the RFP Document. The Tenderers who are participating in e-Tendering for the first time shall have to obtain digital ID & Password from the abovementioned portal.

For any additional information & help for uploading and downloading the e-RFP :-The Tenderer may please contact MMRDA's e-Tender Service Desk at the ID: etendersupport@mailmmrda.maharashtra.gov.in, Tel. Phone No. 022-2659 7445.

For Technical information Vendors may please contact :- **Mr. N. V. Waghmare, Lands & Estate Manager, Lands & Estate Cell, MMRDA,** Tel. Phone No. 022-2659 7403 during office Hrs.

Sd/-
R. A. Rajeev, IAS
Metropolitan Commissioner, M.M.R.D.A.

Fulrani

EASTERN RAILWAY

'e'-Tender Notice No. : NIT/02/19/13, Dated : 05.07.2019. The Controller of Stores, Eastern Railway invites e-tenders for supply of the following items :

Sl.	Tender No.	Description	EMD (₹)
		Tender Opening Date : 15.07.2019 , Time : 13.30 hrs.	
1	10182427A	Procurement of set of Axle Box complete etc.	2,39,830
		Tender Opening Date : 16.07.2019 , Time : 13.30 hrs.	
2	08181499	Procurement of Dry typereturn air filter for conventional RMPU type AC coaches etc.	59,450
3	08191102	Procurement of Solid state temperature Controller for AC Coches etc.	76,570
		Tender Opening Date : 17.07.2019 , Time : 13.30 hrs.	
4	21181464B	Procurement of Flap Door Arrangement in assembled condition etc.	79,800
5	21191355	Procurement of Flap Door arrangement for BOXNHL wagon etc.	10,44,230
		Tender Opening Date : 19.07.2019 , Time : 13.30 hrs.	
6	11191118	Procurement of Air Spring Below etc.	2,85,770
7	21191205	Procurement of 'K' Type Composition Brake Block etc.	2,18,480
		Tender Opening Date : 22.07.2019 , Time : 13.30 hrs.	
8	11191037	Procurement of Face Plate for Buffer Plunger etc.	2,99,740
9	14195071	Procurement of - 24 Fibre Armoured Underground Optical Fibre Cable etc.	3,81,560
10	21181155	Procurement of packing plate for height adjustment for Casnub Bogie etc.	52,980
11	21191050	Procurement of outer spring for Casnub 22-HS Bogie etc.	52,130
12	21191445	Procurement of Pipe 32 NB for BOXNHL (BMBS) wagon etc.	83,940
		Tender Opening Date : 24.07.2019 , Time : 13.30 hrs.	
13	11191003	Procurement of Aluminium Axle Box Front Cover etc.	71,760
14	11191121	Procurement of Non-Asbestos Based Organic Brake Pads for LHB type coaches etc.	9,26,970
15	11191126	Procurement of Intercar Gangway Mounting etc.	3,20,940
16	11191140	Procurement of Silent Block (Type-A) etc.	2,66,260
		Tender Opening Date : 25.07.2019 , Time : 13.30 hrs.	
17	11191010	Procurement of Wearing Piece for Side Bearer etc.	2,38,250
18	11191030	Procurement of Rear Cover for Axle Box etc.	1,97,240
19	11191033	Procurement of Lower Spring Seat for Axle Box Guide Arrangement etc.	3,02,230
20	14181105A	Procurement of underground, armoured, unscreened, railway signaling cable (Heavy duty) with high conductivity copper conductor of size : 30 Core × 1.5 Sq. MM etc.	1,77,370
21	14195047	Procurement of underground Railway 4 QUAD Cable × 1.4 MM Dia copper conductor cable etc.	3,13,890
		Tender Opening Date : 26.07.2019 , Time : 13.30 hrs.	
22	08191681B	Procurement of 9 Watt. LED Tubular Lamp etc.	4,30,290
23	11191007	Procurement of Lower Spring Beam (13T) etc.	87,490
24	11191049	Procurement of Longitude Side etc.	77,270
25	11191102	FRP Glass Shutter Assembly for Lavatory window etc.	92,200
		Tender Opening Date : 27.07.2019 , Time : 13.30 hrs.	
26	11171560A	Procurement of Wash Hand Sink D Type (Stainless Steel) etc.	38,140
27	11191009	Procurement of Hanger for Bogie Bolster Spring Suspension etc.	3,88,200
28	11191016	Brake head for 13T & 16T bogies (with bogie mounted brake cylinders) to RDSO's SK. No. 98033, COL-I & II, Item No. 1, 2& 3 (Col-I : II =1:1 Left and Right), ALT No. 4	61,000
29	11191047	Procurement of Double Acting Hydraulic Shock Absorber etc.	5,66,240
30	11191058	Procurement of Screw Coupling Assembly etc.	2,88,120
31	11191098	Single piece FRP louvre shutter (complete) for 2'-0" wide window etc.	5,71,440
32	11191099	Two piece Glass shutter (FRP) assembly etc.	4,13,470
33	11191100	FRP guide frame arrangement with equalising device etc.	3,71,820
34	11191598	FRP door window guide arrangement with equalising device etc.	2,93,150
35	11191683	Revised IRS side buffer casing etc.	2,11,020
		Tender Opening Date : 29.07.2019 , Time : 13.30 hrs.	
36	05181040A	Procurement of oil hydraulic as per IS No. 10522/83 (VG-68) etc.	87,880
37	05191227	Procurement of transformer oil etc.	1,03,900
38	14195043	Procurement of Bell Unit for Double Line block Instrument RDSO's Drg. No. SA 22897 (Adv) Specn. No. IRS : S-22/91, Bell Unit gong as per RDSOs Drg. No. S-22912 and S-22912A or latest	97,160
		Tender Opening Date : 30.07.2019 , Time : 13.30 hrs.	
39	21191002A	Procurement of axle end steel high tensile cap screw (1" dia 8 UNC 2A × 2.1/4" thread length) for cartridge bearing assembly (6"×11") Class 'E' etc.	43,150
		Tender Opening Date : 31.07.2019 , Time : 13.30 hrs.	
40	14181027A	Procurement of underground, armoured, unscreened, railway signaling cable (Heavy duty) with high conductivity copper conductor of size : 19 Core × 1.5 Sq. MM etc.	3,87,300
41	21191118	Procurement of Distributor Valve complete without common pipe bracket etc.	4,00,510
42	21191126	Procurement of Air Brake Hose Coupling length 790 mm for Feed Pipe etc.	3,00,740
43	21191127	Procurement of Air Brake Hose Coupling complete for Brake Pipe etc.	7,34,380
		Tender Opening Date : 01.08.2019 , Time : 13.30 hrs.	
44	08181130A	Procurement of Passenger alarm cum reservation chart indication light etc.	45,940
45	08185036	Procurement of supply, commissioning, installation and testing of higher rating 320 KVA D.G. Set, etc.	34,760
46	08191017	Procurement of cable single core, 3 sq. mm, 750 Volts etc.	1,60,670
47	08191052	Procurement of Water Boiler of 30 ltrs. etc.	1,51,530
48	08191078	Procurement of battery box for 1100 AH VRLA battery etc.	46,550
49	08191081	Procurement of low maintenance lead acid battery for 2V, 800 AH Capacity etc.	1,53,560
50	08191492	Procurement of hermetically sealed scroll compressor for RMPU AC coaches etc.	6,49,920
51	0819512	Procurement of Fastener assembly for axle pulley of AC & Non-AC Coaches etc.	58,190
52	08191686	Procurement of battery operated LED based torch light etc	1,93,110
53	09191037	Procurement of Fuel injection tube assembly DLW Drg. No. SKE-0863, Alt - 'm' etc.	84,020
54	11181053	Procurement of Head Stock Beam etc.	59,130
55	11181189	Plate as per sk. No. LLH-33/93 Item no. - 1, Alt-No.-4	33,430
56	11181193	'Z' section for ICF as per Sk. no. LLH-33/93 item no. 5, Alt no. - 4	45,300
57	11181195	Pressed angle LLH-33/93 IT-6 etc	55,850
58	11191120	Stainless steel moulding inlay complete set for ACCN/ACCW coaches lavatory etc.	30,300
59	11191282	Procurement of Foot Step Arrangement etc.	44,430
60	11191682	Rubber buffer spring etc.	4,15,340
61	11191801	Procurement of ICF head stock complete etc.	96,010
62	14185074A	Procurement of SMPS based IPS (mini) for L.C. Gate etc.	1,06,450
63	14195008	Procurement of Power supply arrangement etc.	1,24,250
64	21175035C	Procurement of door assembly (double link) for BOBRN wagon etc.	66,430
65	21181246	Procurement of door chainless cotter long for covered wagon etc.	35,930
66	21191057	Procurement of High Capacity draft gear arrangement (MK-50/RF-361) including draft gear follower for high tensile C.B.C. etc.	3,63,480
67	21191077	Procurement of Modified Brake Gear Pin with washer and Bulb Cotter etc.	60,160
68	21191319	Procurement of Bronze Bush for D.O.M. of BOBRN wagons etc.	40,030
69	21191393	Procurement of Non-Asbestos 'L' type composition brake block for freight stock etc.	6,96,790
		Tender Opening Date : 02.08.2019 , Time : 13.30 hrs.	
70	11181151	Procurement of Head stock beam (outer) etc.	32,490
71	11181155	Procurement of Body patch for C zone etc.	30,910
72	11181159	Procurement of body patch for C zone etc.	34,160
73	11191027	Procurement of Guide bush for axle box guide arrangement etc.	1,36,580
74	11191072	Procurement of Brake Beam Complete etc.	1,79,370
75	11191623	Procurement of inter vehicular coupler unit etc	6,62,400
76	11191666	Procurement of hanger block for bolster suspension etc.	1,50,850
77	19191683	Procurement of Filter element etc.	68,390
78	19195028	Purchase of overhauling kit etc.	81,420
79	21191079	Procurement of cast steel brake beam complete with bush for Casnub 22 W(M) bogie etc.	78,310
		Tender Opening Date : 05.08.2019 , Time : 13.30 hrs.	
80	05191275	PU paints kit consisting of 7 (seven) components	78340
81	06191385A	Form no. OP/T-48/OP/D-2, Station Master diary book	39,190
82	07191001	Procurement of Manual Metal Arc Welding Electrode, Class A2, Type of Coating; Medium (spec, No. IRS : M-28/17 , Code ER4211X as per IS:814-2004), size - 3.15 mm × 350 mm	35,460
83	07191002	Procurement of Manual Metal Arc welding electrode, class A2, Type of coating : Medium (Spec. No. IRS: M-28/17, code ER4211 X as per IS : 814-2004), size - 4 mm x 450 mm.	2,34,640
84	07191003	Procurement of manual metal arc welding electrode, class A2, type of coating : medium (spec. no. IRS : M-28/17, code ER4211 X as per IS : 814-2004), Size-5mm x 450mm.	1,03,620
85	07191070	Procurement of Manual Metal Arc Welding Electrode, Class M5, type of coating : Heavey (Spec. No. IRS : M-28/17, code E18.8MnR26 as per IS : 5206-2003), size - 4mm x 350mm.	1,27,320
86	10181125	Procurement of Sub Kit AOH-1 for maintanence of N-32 tap changer etc.	88,710
87	10191081	Procurement of bellow for traction motor etc.	38,910
88	10191138	Carbon brush for Tr. motor	38,490
89	10191550	Procurement of Independent Brake Valve (SA-9) etc	3,78,390
90	10192373	Procurement of outer spring (Motor truck) etc.	2,05,840
91	10192457	Flexible shunt and mobile contact etc.	33,710
92	10192468	Procurement of wind screen wiper assembly etc.	80,260
93	10194999B	Procurement of printed circuit board etc.	73,930
94	11191055	Procurement of pillar part bottom [R.H] etc.	54,610
95	20191038	Procurement of lower spring seat etc.	83,720
96	20191121	Procurement of inter vehicle coupler socket etc.	70,600
97	20191298	Procurement of collar (finish machined) etc.	44,200
98	20191421	Procurement of rubber snubber for axle box guide arrgt. etc.	30,130
		Tender Opening Date : 06.08.2019 , Time : 13.30 hrs.	
99	05181251	High performance anti-corrosion epoxy coating	91,340
		Tender Opening Date : 07.08.2019 , Time : 13.30 hrs.	
100	14185043B	Procurement of relay ACI plug in type style qta2 etc.	1,08,050
101	14185045A	Procurement of SMPS based IPS etc.	1,06,450
		Tender Opening Date : 02.09.2019 , Time : 13.30 hrs.	
102	08191114	Carbon brush for traction motor type 253 BX/4601 AZ for BHEL EMUs/MEMUs with, m/s Assam carbon product Ltd's-Grade EG 14D (I) etc.	4,70,270
103	21191383	Procurement of Lock etc.	5,28,910
		Tender Opening Date : 03.10.2019 , Time : 13.30 hrs.	
104	21181210B	Procurement of distributor valve complete with pressure transformer etc.	2,21,600
105	21191133	Procurement of overhauling Kit for KE design distributor valve etc.	5,21,720

Note : All above mentioned tenders are e-tenders and all tenderers are requested to submit their bids on-line through the IREPS website at **https://www.ireps.gov.in** For more details regarding the above mentioned tenders and other supply tenders please visit IREPS website.

Adunique **(Stores-19/2019-20)**

Tender Notices are also available at Eastern Railway's website : www.er.indianrailways.gov.in/www.ireps.gov.in

EAST CENTRAL RAILWAY
E-TENDER NOTICE

E-Tender Notice No. COM-ATM-JMU-19. Notice for calling of open e-tender for award of contract for Installation of four Automated Teller machine (ATM) of Jamui Railway station circulating area on period of five (05) years from the date of commencement of the contract.

1. Name of the work with its location : Open e-tender for award of contract for Installation of four Automated Teller machine (ATM) of Jamui Railway station circulating area for on period of five (05) years from the date of commencement of the contract. 2. Cost of the work for One years : *₹1/- *The bid amount is treated as license fee for the 1st year Though the tender floated without reserve price, due to technical constrain it was shown as ₹1/-. License fee for subsequent years, there is an escalation of 10% on previous year's license fee. 3. Earnest Money : ₹Zero. 4. Date & Time fixed for bidding of e-tender and opening of e-tender : Date and time for bidding of e-tender - Before 12.00 hrs. on 30.07.2019. Date and time for opening of e-tender - After 12.00 hrs on 30.07.2019. 5. Website particulars & Notice Board Location where complete details (Notice and tender documents) of tender can be seen : Website particulars - www.ireps.gov.in. Notice Board Locations - Office of the Sr. Divnl. Comml. Manager, East Central Railway, Danapur.

Divl. Railway Manager (Comml.)/ECR/Danapur
PR/0675/DNR/Comml./T/19-20/44

EAST CENTRAL RAILWAY
E-Open Tender Notice

E-Tender notice no. CRW-HRT-M-Paint-Shop-2019

For and on behalf of President of India. Dy. Chief Mechanical Engineer, Carriage Repair Workshop, Harnaut invites open e-tender for the following works as detailed:-

1. Name of work with its location : Outsourcing the activities of paint shop at Carriage Repair Workshop, Harnaut, Nalanda, Bihar for three years. **2. Approx cost of the work:** Rs. 8536320.00 (Rupees eighty five lakh thirty six thousand three hundred twenty only) **3.Earnest Money to be deposited :** Rs. 170800.00 (Rupees one lakh seventy thousand eight hundred only). **4. Date & Time for submission of tender and opening of Tender :** The tender have to be submitted online on www.ireps.gov.in. up to 12.00 hrs. on 02.08.2019 and will be opened on the same day at 12.30 hrs.**5. Website particulars, Notice board location where complete details of tender can be seen.:** Detailed tender notice, Eligibility criteria & tender documents can be seen from the CRIS website: http.//www.ireps. gov.in & full details of notice can be seen on notice board in the office of Chief Workshop Manager, Administrative Building, Carriage Repair Workshop, Harnaut, Nalanda, Bihar-803110. All corrigendum will be uploaded on website if required.

Dy. Chief Mechanical Engineer
Carriage Repair Workshop/ Harnaut
PR/00672/HRT/2/ T/19-20/44

EAST CENTRAL RAILWAY
E-Tender Notice

E-Tender Notice No. COM-ATM-ARA-19

Notice for calling of open e-tender for award of contract for Installation of four Automated Teller machine (ATM) of Ara Jn. Railway station circulating area on period of five (05) years from the date of commencement of the contract.

Particulars : Sl. No. 1. Name of the work with its location : Open e-tender for award of contract for Installation of four Automated Teller machine (ATM) of Ara Jn. Railway station circulating area for on period of five (05) years from the date of commencement of the contract. **2. Cost of the work for One years :** *Rs 1/- *The bid amount is treated as license fee for the 1st year Though the tender floated without reserve price, due to technical constrain it was shown as Rs.1/- License fee for subsequent years, there is an escalation of 10% on previous year's license fee. **3. Earnest Money :** Rs. Zero **4. Date & Time fixed for bidding of e-tender and opening of e-tender : Date and time for bidding of e-tender-** Before 12:00 hrs. on 29/07/2019. **Date and time for opening of e-tender -** After 12:00 hrs. on 29/07/2019. **5. Website particulars & Notice Board Location where complete details (Notice and tender documents) of tender can be seen :** Website particulars - www.ireps.gov.in. Notice Board Locations- Office of the Sr. Divnl. Comml. Manager, East Central Railway, Danapur.

Divisional Railway Manager (Comml).
East Central Railway, Danapur
PR/00673/DNR/COML/ T/19-20/48

AT $1 BILLION VALUATION

Baring PE Asia Leads Race for CitiusTech

KKR also strong contender, new owner may end up holding 80% stake in co; founders and current management to continue running the business

Indulal PM & Arijit Barman

Mumbai: Baring Private Equity Asia has emerged as the frontrunner to acquire healthcare analytics company CitiusTech from its current PE backer and serial technology entrepreneurs Rizwan Koita and his fellow Indian Institute of Technology alumnus Jagdish Moorjani.

The deal is expected to be sealed at a valuation of $1 billion, after a highly competitive bid process that saw some of the largest buyout PE funds participate, people aware of the ongoing discussions told **ET**.

The Hong Kong-based $17-billion fund is competing with US buyout group KKR, another strong contender, and two other bidding groups — Goldman Sachs together with New Mountain, and homegrown Chrys Capital along with Canadian pension fund Ontario Teachers Pension Plan.

The binding offers were submitted in the first week of July. The last round of negotiations are on, and a final decision is expected later this week, the sources said.

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

Private equity firm General Atlantic had invested $111.25 million in CitiusTech in March 2014 and owns around 32% of the company, with Koita, Moorjani and employees holding the rest. GA had in April mandated JP Morgan to find a suitor for its five-year investment.

The highly competitive bidding saw interests from Blackstone, Bain Capital, Apax and CVC Capital Partners among others.

If successful, the new investor will end up owning around 80% of the company through a combination of primary and secondary sale, but the founders and the management team will continue to run the business.

When contacted GA, Baring Asia, and KKR declined to comment.

ET was the first to report about the impending transaction, back in April, and about five PE funds being shortlisted after the initial cut, on June 6.

This would be the first healthcare tech investment for Baring PE Asia in India, after owning healthcare platforms and pharmaceutical companies in China and Japan.

The PE, the principal shareholder in Hexaware, had earlier this year acquired NIIT Technologies after buying out founder promoters. Bullish on the Indian outsourcing and technology space, it was also in negotiations with the Mindtree promoters to come in as a white knight against L&T.

CitiusTech, with 3,000 employees and having centres in India, Singapore, the UAE, the UK and the US, posted $175 million in revenue with a 27-30% operating margin in fiscal 2019. It clocked an estimated Ebitda of $55-60 million on $200 million revenue.

It is primarily focused on providing digital services such as cloud, analytics and data management. Its clients include US-based Geisinger Health, DaVita and Centra Health.

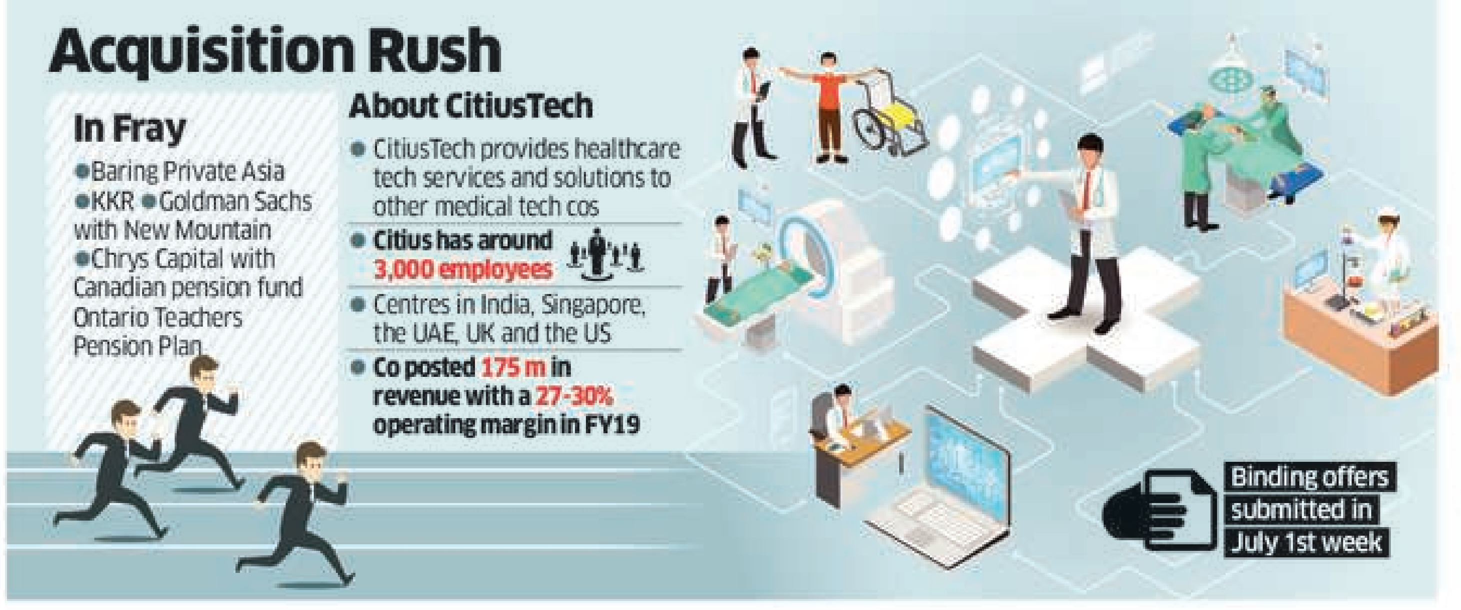
Koita was the founder and CEO of Transworks BPO, which he sold to the Aditya Birla Group in 2003. He then set up CitiusTech in 2005 with Moorjani.

Currently, the US is the biggest market for the company, contributing 90% to its total revenues. But it expects other international business to soon account for 20% of its revenues, driven by organic and inorganic growth.

In terms of business segments, enterprise application has traditionally been the biggest, with data management and data science also starting to record rapid growth, given the impact these have in improving healthcare delivery.

"We have been growing at 25% annually over the last few years, so even if we continue to grow at this rate, we would reach our goal of becoming a $500 million company in five years," Koita had told ET in an interview in November.

According to a report by consultants Allied Market Research, the US healthcare information technology (HCIT) market generated $61.01 billion in 2017, and is projected to reach $149.17 billion by 2025, growing at a CAGR of 11.7% from 2018 to 2025. The demand is driven by government mandates and support for healthcare IT solutions, rising use of big data in healthcare, high returns on investment for healthcare IT solutions, and the need to curtail escalating healthcare costs.



Maruti Cuts Production in June, Again

NEW DELHI The country's largest car maker Maruti Suzuki India (MSI) has cut vehicle production for the fifth consecutive month in June, according to a regulatory filing.

The auto major said it slashed total vehicle production, including Super Carry LCV, by 15.6 per cent last month to 1,11,917 units as compared to 1,32,616 units in the year-ago month. Total passenger vehicle production stood at 1,09,641 units last month, down 16.3% from 1,31,068 units in June 2018.

The auto major cut production of mini segment vehicles, including models like Alto, by 48.2% to 15,087 units last month as against 29,131 units in the year-ago period.

Similarly, the company slashed production of compact segment cars like WagonR, Swift and Dzire by 1.5% to 66,436 units in June from 67,426 units earlier. Production of utility vehicles witnessed a decline of 5.3% to 17,074 units, as against 18,023 units in June last year. — **PTI**

DECODING THE BUDGET

Domestic players have something to cheer about with more protection against imports, which may spur demand . But even a small import levy is a burden too heavy for others. Television makers, for example, may find it more profitable to bring in products from Thailand, Malaysia and Vietnam to sell here

TV Cos may Stop Making in India, Turn to Zero-Duty FTA Imports

More brands set to reduce domestic output due to 5% import duty on open cell panels

Writankar.Mukherjee
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Kolkata: More television makers will cut down local manufacturing and instead explore options to import TVs at zero duty through the FTA route with the government not reducing 5% import duty on open cell television panels in the budget, industry executives said.

Import of finished TV sets from countries with which India has free trade agreement (FTA) leads to net savings of around 5%, they said.

Sony has started sourcing of televisions from Thailand through the FTA route and moved some locally produced models to Malaysia, three senior industry executives. The Japanese company, which focuses on premium and large screen models, is also considering Vietnam as a market for sourcing televisions through the FTA route, they said.

India's largest television maker Samsung had completely stopped local production of TV last year and started sourcing from Vietnam.

Industry executives said the decision not to cut import duty on open cell panel may force other large brands such as LG and Panasonic, too, to explore such options. Even online-focused brands such as Kodak and Thomson are going to import through FTA than expanding local production.

Avneet Singh Marwah, CEO at Super Plastronics, maker of Thomson and Kodak televisions, said the company will now consider imports from FTA nations than expanding local production. "It is a cost disadvantage to produce in India," he said.

Open cell panel is the most critical component of a TV, accounting for 70% of the final cost, industry executives said.

"With the government not reducing duty on open cell TV panels in the budget, imports of finished sets will get a boost through FTAs," said Sunil Vachani, chairman at contract manufacturer Dixon Technologies. "This will impact local production and investment since all manufacturers were waiting for the budget."

According to industry insiders, this is a rare case of inverted duty structure since there is no production of TV panels in India and the sole project by Vedanta has also been shelved. With the proposed Regional Comprehensive Economic Partnership (RCEP) FTA likely to be signed later this year, imports of TV sets are set to surge and local production will take a hit, they said.

Panasonic India president Manish Sharma said if the duty was abolished, companies would have passed on the benefit to consumers to revive sales when the industry is already facing a tough time with the cricket world cup also not boosting sales.

An email sent by ET to Sony India remained unanswered till press time on Sunday.

The Indian TV market is worth around ₹22,000 crore.

The electronics and IT ministry had last week informed Parliament that import of television surged 45% to ₹7,224 crore in 2018-19 from countries like China, Vietnam, Malaysia, Hong Kong and Taiwan. Imports from Vietnam alone soared to ₹2,317 crore in FY19 from ₹62 crore in the year before.

TV imports have surged primarily due to duty on open cell panels, which was initially 10% and subsequently reduced to 5%. Import duty on TV from non-FTA nations is 20%.

No Dole, Air India Still Hopes to Fly High

MihirMishra@timesgroup.com

New Delhi: Air India is ready with a plan to maximise its revenues and reduce costs so as to repay debt of ₹4,500 crore this fiscal even as the Union budget has not allocated any funds for the national carrier, two officials said.

"Air India will have to increase its revenues by about 10% and reduce its cost by about same percentage to be able to raise the amount to repay its debt of about ₹4,500 crore," a senior government official told ET on condition of anonymity.

As per the proposed plan, the airline will launch new flights and increase its presence on profitable routes, the sources said. The airline is getting some benefit of the grounding of Jet Airways that has led to its premium class occupancy increase substantially on the international as well as domestic routes.

₹58,000CR
AIR INDIA'S TOTAL DEBT

₹4,500 CR
AMOUNT OF DEBT THAT AI HOPES TO REPAY IN CURRENT FISCAL

The government has already taken over Air India's debt of over ₹29,000 crore, thus, reducing the annual interest repayment burden for the airline by about ₹2,700 crore. It "is highly unlikely to offer anything extra to the airline", said the second official cited earlier.

Finance minister Nirmala Sitharaman did not announce any fresh fund infusion in the airline during her budget speech on Friday. Instead, she reiterated the government's intent to divest stake in Air India.

Air India had a debt of more than ₹54,000 crore on its books when the government unsuccessfully tried to sell 76% stake in it last year. The government then transferred about ₹29,000 crore of working capital debt into a special purpose vehicle — Air India Asset Holdings (AIAHL).

With this, the airline's annual interest payment liability had come down from ₹4,400 crore to about ₹1,700 crore. Total debt of the carrier, including that taken over by the government, has increased to over ₹58,000 crore now. The government has announced a bond issue of ₹7,000 crore to be raised by AIAHL, which will be used to repay the national carrier's debt that has been transferred to the SPV.

TODAY ON ETPrime.com

Airbus Flying High
The lean Airbus A321XLR is a big hit with airlines. But for passengers – and pilots – it isn't good news.

Legal Trouble
Legal opinion obtained by the corporate affairs ministry flagged conflict of interest.

Cancer Concern
Doctors want more validation. Plus, there are the issues of cost and fewer early-stage patients.

Credit Growth Unlikely
Sustainable double-digit credit growth may require periodic recapitalisation of public sector banks which might not be forthcoming given the fiscal constraints. In this context, capital conservation by lenders becomes crucial by minimising credit and operational risks – from weeding out frauds to selling unrelated businesses.

Hyundai's Smart EVs May Hit the Road in 2-3 Years

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Mumbai: South Korean carmaker Hyundai Motor is progressing "very fast" towards a mass-market electric vehicle it is planning for the Indian market, even as the government gives a further push to electric mobility by making it more affordable.

The "Smart EV" project has got a green signal from the headquarters and the first product may hit the market in the next two to three years, several people in the know said. The project has been approved and there is a dedicated electric vehicle architecture being mooted for the Indian market, they said.

The vehicle architecture is expected to be shared between Hyundai and affiliate Kia, and India will be the manufacturing hub for the vehicle for the emerging markets.

Hyundai Motor India MD SS Kim said the company was working on the EV. "Normally it takes about two-three years; the work is on," he said.

Kim spoke to ET recently. In the union budget on Friday, finance minister Nirmala Sitharaman suggested cutting the GST rate on electric cars to 5% from the current 12%, and proposed an income tax benefit on the interest paid on the loans taken to purchase EVs. She also proposed incentivising manufacturing of lithium ion battery.

The proposals are aimed at boosting the government's initiatives to promote mass adoption of electric mobility, as part of efforts to reduce the country's dependence on fossil fuel and air pollution in its cities.

Cos may Buy More from Local Cable Firms

But some feel the customs duty hike on optical fibre will add to the costs, impact 5G rollout

Kalyan.Parbat@timesgroup.com

Kolkata: The budget proposal to raise basic customs duty on optical fibre cables (OFC) to 15% from 10% will increase tower fiberisation costs, adding to the telecom sector's continuing financial stress, and jolt India's target to be 5G-ready by 2020, industry insiders said.

Indian OFC manufacturers, however, expect finance minister Nirmala Sitharaman's proposal to encourage telecom companies to source the fibre locally, thereby giving a boost to its domestic production.

A major potential deterrent to India's 5G ambitions is inadequate fibre connectivity, given that well below 25% of telecom towers are linked by fibre. And, the prospect of higher import duty on OFC sitting on top of chunky right of way (RoW) costs, the industry insiders said, would hinder the efforts to rollout reliable fibre-based tower networks that are critical to support 5G data speeds of 10 Gbps and next-gen applications such as video-on-demand and Internet of things to smart cities. Most 5G use cases also won't even work without strong pan-India fibre connectivity.

The latest Economic Survey estimates the telecom sector's contribution to GDP to reach 8.2% by 2020 on the back of the industry players leveraging 5G technologies in a big way. The government, in fact, has resolved to make India 5G-ready by 2020 and plans to auction 5G spectrum later this year.

Senior tower industry executives see this to be a tough target to achieve. "The proposed hike in basic customs duty on OFC will result in higher capex, eventually burning a hole in the pockets of the telecom industry, which is already in a financial turmoil, and seriously impede 5G rollouts in India," said Tilak Raj Dua, the director-general of the Tower & Infrastructure Providers Association (Taipa). The industry is in the process of estimating the overall incremental fiberisation cost per km following the proposed OFC duty hike, he said.

Taipa is an industry grouping representing Indus Towers, Bharti Infratel, ATC, GTL, Reliance Infratel and Tower Vision.

According to Dua, fibre is the most significant component to enhance fast broadband connectivity, and a sharp duty hike would undermine 5G rollouts in India where less than 25% of towers are fiberised, compared with as much as 80% in the US, China, Japan and South Korea.

Another senior executive of a Big 3 telecom company backed the view, saying the "fibre capex component in a telco's total network capex is likely to significantly rise in a 5G scenario from the current 35-40% level in 4G, which is why a higher OFC import duty, along with RoW costs, can sharply increase 5G rollout costs, going forward".

Dua said India's plans to become 5G-ready rapidly would face big challenges as a higher input cost structure would further push it behind pioneer 5G-deployed markets such as the US, China, Japan or South Korea.

Rajan Mathews, the director-general of COAI, downplayed the immediate OFC duty hike fallout "as most telecos are already sourcing their optic fibre and cable needs from domestic suppliers who have set up world-class manufacturing facilities".

SUITS & SAYINGS

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

Posh Digs

Ceejay House in central Mumbai's tony neighbourhood of Worli will house the office of SoftBank Vision Fund (SVF), the $100-billion technology fund. This will be Vision Fund's first outpost in India. Home to some of the most high-powered global financial institutions, investment banks, private equity and venture funds – including Barclays, Credit Suisse, Matrix Partners and Chrys Capital – Ceejay House was once among the most expensive commercial establishments in the city. SVF's first India office is likely to open in the next few months as the fund looks to increase the size of its local team.

ID Check

At a recent global airline event, the promoter of one of India's low-cost airlines, which recently got into an alliance with a West Asian airline, got to meet the latter's big boss. This was the first time that the Indian promoter was meeting the global airline chief. The Indian promoter, never known to miss an opportunity to make the first move, decided to take the initiative. But he ended up introducing himself to one of the juniors in the group. No harm done –the latter guided him to the right person.

Electric Everest

Electric vehicles seem to be the flavour of the season, with finance minister Nirmala Sitharaman announcing big tax breaks for potential buyers in the budget. But the Chinese are way ahead, said a top corporate boss who went hiking in Tibet last week. China has deployed a fleet of electric buses to ferry folks bound for the Everest base camp, at around 16,000 ft, to serve those approaching the world's tallest mountain from the northern side. The objective – protecting the fragile ecology of the peak that's recently been swamped by a rush of would-be summiteers from the Nepalese side.

Spin Off or Not?

A mortgage lender has been in the eye of the NBFC storm for the past few months. Some investors are betting that the troubles may soon be over, with restructuring and equity investments. But there is one nagging question – whether it's much-coveted retail business will remain part of the company or be spun off? If it is spun off, then traders punting on a turnaround may face a similar fate as they did with Jet Airways or Reliance Communications.

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

ET tech

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Tweet OF THE DAY

NASSIM NICHOLAS TALEB
@NNTALEB

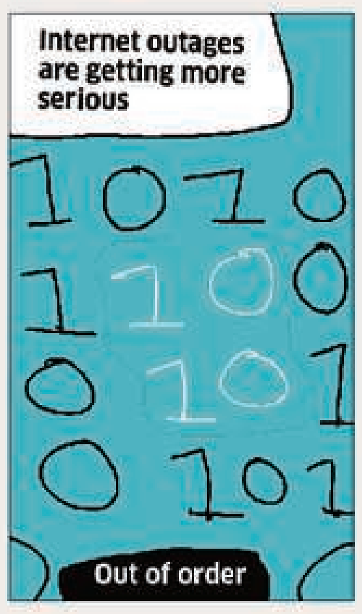
IQ testing is like making cars compete in a racetrack, and use it to make claims about their ability to cross a dense forest (with unpaved roads) such as the Amazon

Tech Buzz

Play Button on Chrome Toolbar Soon

San Francisco Google is working on a play and pause button for its Chrome browser's toolbar that will help users pause or resume a video playing in the browser, regardless of the where it's coming from. The feature is called Global Media Controls and is now in testing phase. It will work for both audio and video. –IANS

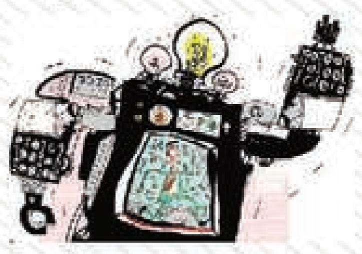
Quick Byte ANIRBAN BORA



2.5 billion

Cloud gaming market's expected growth by 2023, from $234 million in 2018 – IHS Markit

AI to Help Predict Cyclones



New York Using AI, researchers have developed an algorithm to detect cloud formations that lead to storms and cyclones. The study, published in the journal IEEE Transactions on Geoscience and Remote Sensing, shows a model that can help forecasters recognise potential severe storms more quickly and accurately. Using AI, the computers were able to point out in real time where, in an ocean of data, should researchers focus in order to detect the onset of severe weather. –IANS

Jargon Buster

Jailbreak App

A third-party application that is installed on devices that usually restrict it. It involves a process of removing limitations imposed by the OS

DECODING THE BUDGET

BETWEEN THE LINES From fintech to IT, many sunrise sectors are parsing the budget proposals to figure out the impact on their businesses. While payment firms rue tax-free digital pay, IT buybacks may have reached the end of the line

No Incentives Left for Banks to Push Digital Pay, Fears Fintech

Move to stop banks, payments firms from charging for digital payments may slow onboarding

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Bengaluru: The government's surprise decision to order banks to stop charging merchants for digital payments might hurt revenue of banks and payment companies make from processing such transactions and thereby discourage new merchant onboarding, according to industry executives.

A clutch of bankers and payment executives **ET** spoke to raised concerns that overall expansion of digital payments could be directly affected by this move.

"This will hurt payment companies and help large organised retail, and it might hurt overall merchant onboarding strategies for banks," said a senior banker on the condition of anonymity.

Banks like HDFC Bank, ICICI Bank, State Bank of India and Axis Bank have been leaders in providing card payment facilities to merchants. Merchants pay a fee to these lenders for the digital payment facilities they provide. This is referred to as merchant discount rate in common parlance. Now the government has banned such charges and asked banks to absorb them.

"It is proposed to make a consequential amendment in the Payment and Settlement Systems Act, 2007, so as to provide that no bank or system provider shall impose any charge upon anyone, either directly or indirectly, for using the modes of electronic payment prescribed under section 269SU of the Income-tax Act," said the budget 2019 memorandum.

Since the changes will be directly made in the PSS Act, which gives powers to the central bank to regulate payments in the country, there will be nothing much that the banking regulator can do with regards to the move, said a founder of a payment processing company.

"We have to read and understand the new section in the Income-tax Act that the finance minister has referred to so that it is clear as to what are the 'electronic modes' where there will be no charges at all. As of now, it looks like it includes all debit cards along with UPI and wallets," he said.

Simultaneously, the government is also mandating installation of UPI payments and QR codes at organised retail, thereby trying to get consumers to start transacting through their smartphones rather than using their cards.

"For small merchants, players like Paytm, Amazon are offering huge incentives. Hence, the government has its eyes set on the organised retail sector. By mandating UPI payments there, it will be interesting to see how it affects the card networks like Visa and Mastercard," said the person quoted earlier.

However, a top executive at a card payment company said that this is another move to push UPI, but then the finer details of the document are being closely evaluated to understand how it will affect charges on debit card payments.

While the finer details are still being evaluated, payments companies are looking at fresh business opportunities in the government's push towards penalising cash payments. Startups operating in the business payments space will see wider adoption as construction companies and logistics companies may move to paying their workers digitally to avoid the new government levy.

RULES IN PLACE...

The govt is mandating installation of UPI payments and QR codes at organised retail outlets to get consumers to start transacting through smartphones instead of using their cards


ANIRBAN BORA

As Buyback Gets Taxing, IT Cos may Switch to Dividends

Govt looks to plug a loophole in buybacks as these are not taxed like dividend payouts


ANIRBAN BORA

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Bengaluru: Cash-rich Indian IT services companies may now offer more dividends to return cash to shareholders, against the recent norm of share buybacks that have become less attractive with the budget proposing to introduce a new tax.

"Buyback is the most efficient way to return capital in India because it was not taxed earlier. It also helps companies improve the value when they think the market is not fairly pricing the stock," said V Balakrishnan, a former finance chief of Infosys. "Suddenly you tax buyback, companies will shift to dividend because buyback comes with its own hassles."

Share buybacks by listed companies aren't taxed currently, but there is a 15% tax on dividend payment. To discourage companies from using this loophole, the budget has proposed a 20% tax on the money spent on share buybacks.

Technology services companies have been rewarding shareholders by buying back shares and issuing dividends. Top companies such as Tata Consultancy Services, Infosys, HCL Technologies and Wipro returned more than ₹40,725 crore to stockholders through share buyback in the past one year.

Infosys has a stated strategy of returning 70% of free cash flow to shareholders, while TCS returns most of the cash flow to its shareholders. The most aggressive in using the buyback route in recent years has been Wipro, as it repurchased 14% of shares with three buybacks done over the past four years.

Equity analysts said the proposed tax would impact the stock performance of these companies over the next few days. "With the new buyback tax, the government would gain ₹8,145 crore (based on last fiscal year's total buyback of ₹40,725 crore in the IT sector)," Madhu Babu, an IT analyst at Centrum, wrote in a note to clients. "Select midcaps like Persistent Systems, Cyient (and) Mphasis which could have been companies with potential regular buybacks stand impacted sentimentally."

The brokerage also expects higher negative sentimental impact on Wipro.

It was understood that such a proposal to tax distribution of capital through buyback would come sooner or later, said Kuldeep Koul, lead analyst (IT services), at ICICI Securities. "Companies may still go for a buyback, the impact will be on effective return. But between a dividend and a buyback, buyback will still be beneficial," Koul said.

Brokerage firm Prabhudas Lilladher wrote in a note it would retain its "underweight" stand on IT, citing the impact of the proposed tax on buyback of shares.

Flashback

₹40,725 crore
Amount tier-I cos like TCS, Infosys, HCL and Wipro returned to stockholders through share buyback in the past year

70%
Amount of free cash flow that Infosys returns to shareholders

TCS returns most of the cash flow to its shareholders

14%
Amount of equity Wipro bought back with three buybacks over the past four years

This proposal would impact the stock performance of these companies over the next few days, say equity analysts

'Startup Sops to Up Fund Inflow'

NEW DELHI The initiatives announced by the government for startups in the budget would significantly improve flow of funds and encourage budding entrepreneurs, secretary in the department for promotion of industry and internal trade Ramesh Abhishek said. "Major tax reforms have been announced for startups that will significantly improve flow of funds to them and address many tax related issues they have been facing," Abhishek said. – **PTI**

More Good News in Works for Startups

New tax return forms will be out by Sept to save angel investors, startups from questioning by tax officers

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New Delhi: There could be more measures in the offing for startups following the budget announcements. The government is working on another set of measures that could be rolled out soon to make it easier for them to do business in the country.

A new set of tax return forms, aimed at saving angel investors and startups from any questioning by tax officers, will be rolled out by September.

"We would be modifying the return forms, which will allow the system to check if the investment made in the startup is genuinely made by someone capable of making that kind of investment," a senior government official said.

The move is in line with the announcement on e-verification for angel investors in the budget.

The official said this will totally cut down any physical interface of startups and angel investors with tax authorities in the future. Tax experts said that collecting information via returns to establish the genuineness of the investment as well as the investor is the right approach.

"With increased data mining and intelligence-gathering capabilities, it would not be difficult to map the information gathered with other data available and verify the genuineness of the investment," said Amit Maheshwari, partner, Ashok Maheshwary & Associates.

The government had in April made some changes in one category of income-tax returns by including the shareholding of startups and investments in startups. The proposed set of changes will build on these. These will complement the e-verification process to establish the identity of the investor and source of his funds.

E-verification seeks to help establish the identity of the investor and source of his funds. Consequently, funds raised by startups will not require any kind of scrutiny by the income-tax department.

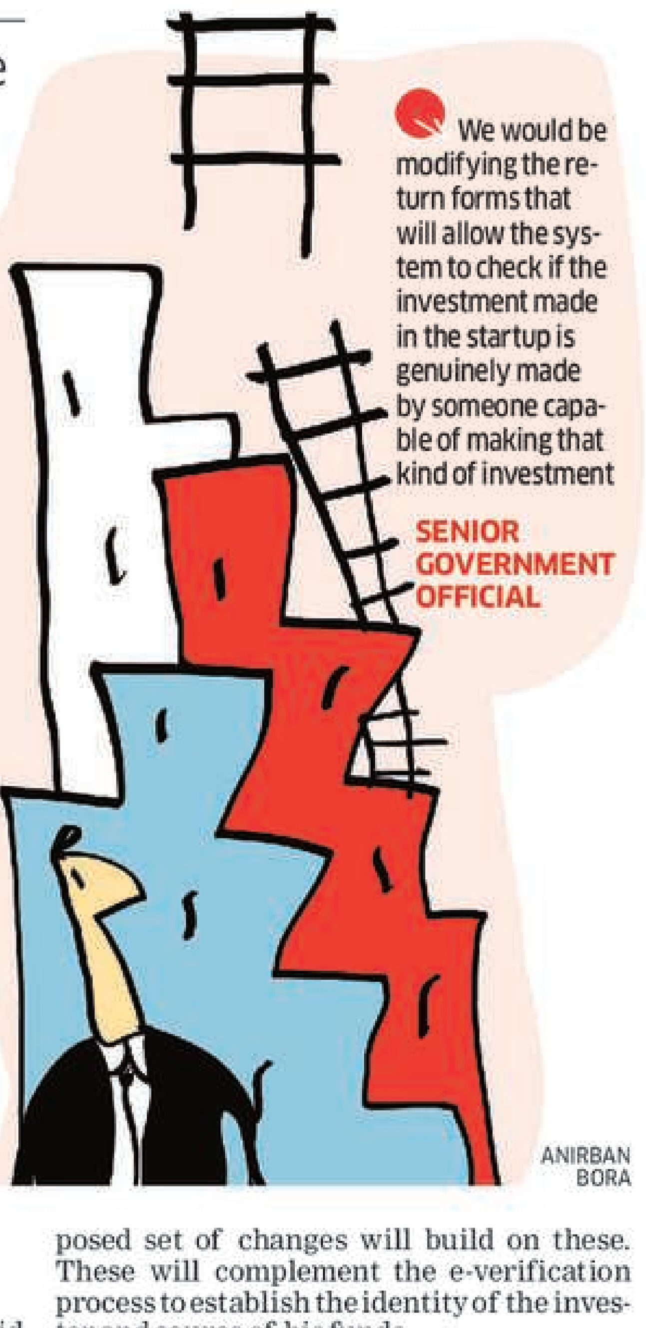
Besides, there is a clear directive from the apex body, the Central Board of Direct Taxes, to its field officers on tackling past cases concerning startups.

The government has extended the tax benefit to category-II Alternative Investment Funds (AIFs). These would also, like category-1 AIFs, not face scrutiny on the valuation of shares held by them in startups.

Tax experts say collecting information via returns to establish the genuineness of the investment as well as the investor is the right approach

We would be modifying the return forms that will allow the system to check if the investment made in the startup is genuinely made by someone capable of making that kind of investment

SENIOR GOVERNMENT OFFICIAL


ANIRBAN BORA

Handset Makers Seek Fast Action on Sourcing Norms

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New Delhi: Foreign handset makers expect the budget announcement on easing local sourcing requirements for single-brand retail to encourage investments in India, but they want the government to make the changes meaningful and implement the proposal quickly.

"It is a welcome reform, but the real impact can be gauged only after the exact details of the sourcing norms are announced," said Vikas Agarwal, head of India operations, OnePlus.

FM Nirmala Sitharaman did not announce details of the proposal in her budget on Friday. Current regulations require foreign-owned single-brand retailers to locally source 30% of the value of items sold in India. This rule has been cited as an impediment for investment by several foreign retailers. Single-brand retail is a "necessity" as the local retail ecosystem is yet to mature to global standards, Agarwal said, adding: "Given the ambitious goal of (India to become a) $5 trillion economy, we hope the execution will be swift and meaningful this year, without any further delay."

Single-brand retail is critical for marquee brands wanting to set up stores in a market like India, since investments for such retail activities come from the brands themselves, and not local partners or franchisees who may not have as much skin in the game, an industry executive said. "For brands, it's about long-term brand presence. They prefer direct investment to be able to make necessary investments in line with their global standards, but unless they meet local sourcing norms, they cannot invest," this executive said. "As things stand, building a local sourcing and supply chain may not be an attractive opportunity for most brands due to small local scale, upfront investment and lack of clarity or uncompetitive incentives."

30% of the value of items sold in India have to be sourced locally by foreign-owned single-brand retailers, as per current regulations

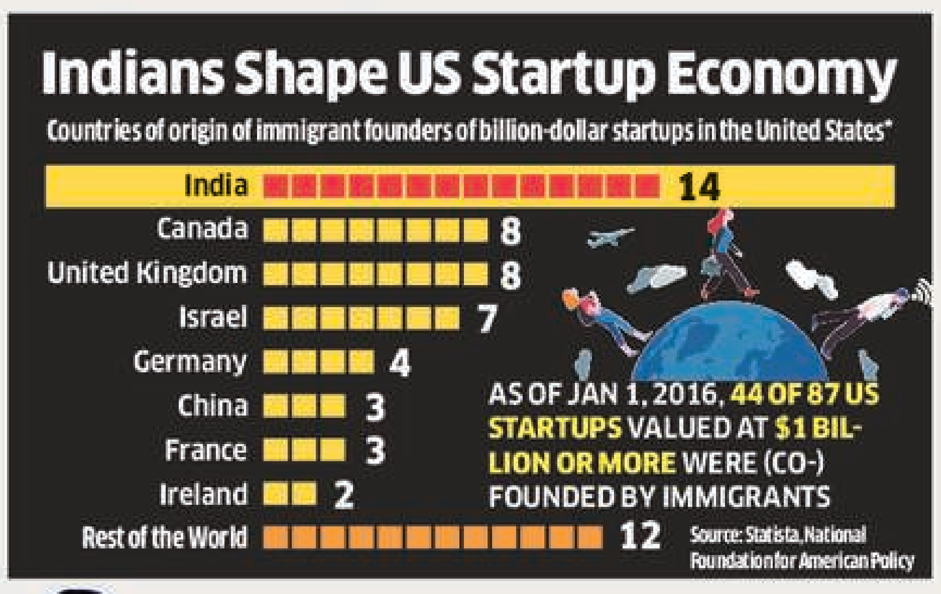
EASIER SOURCING RULES WILL
- Encourage investments
- Benefit players looking to establish proprietary retail stores


ANIRBAN BORA

Tech Trotter Meanwhile in tech...

Indians Shape US Startup Economy

Countries of origin of immigrant founders of billion-dollar startups in the United States*



Source: Statista, National Foundation for American Policy

Gates Says Jobs Cast 'Spells' to Keep Apple From Dying

SAN FRANCISCO Apple's Steve Jobs was singular in his ability to take a company "on a path to die" and turn it into the world's most valuable – in part by "casting spells," billionaire Bill Gates said. Gates spoke of Jobs, the Apple CEO who died of pancreatic cancer in 2011, in a segment on leadership to be broadcast Sunday on CNN's Fareed Zakaria GPS. "I was like a minor wizard because he would be casting spells, and I would see people mesmerised, but because I'm a minor wizard, the spells don't work on me," said Gates. – **Bloomberg**

InMobi's New Holding Structure has 3 Separate Business Entities

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Bengaluru: InMobi has established a holding company structure with its three core businesses operating as separate entities under it, as the SoftBank-backed mobile marketing tech firm gets ready for an eventual public listing.

The three subsidiaries under the holding company InMobi Group are: InMobi UMC that will house the flagship advertising technology business, data business TruFactor and the consumer content platform, Glance.

"Each of these businesses is a multi-billion-dollar opportunity. We are now at a stage where restructuring these businesses as independent companies gives them the autonomy that they need to execute their own strategy," said Naveen Tewari, CEO, InMobi Group.

Over the past few years, InMobi has invested in multiple business initiatives that stem from its marketing platform business. While the new businesses — data and consumer content — are related to the flagship business, they differ in terms of the market segments they are going after, the stage they are in, and the kind of strategy, investment and execution that they need.

"Each company is at a different maturity stage, following a separate growth path. We want to run all the companies autonomously to ensure not just steady, but efficient execution across each of these businesses as they embark on their own growth trajectory," said Tewari. "Separating these companies helps give clarity to clients as they do business with us." While the InMobi Group has not finalised whether it will list the holding company or the three entities separately, the structure is better suited for an eventual public listing, he said.

Cofounder Abhay Singhal will head InMobi UMC, while Piyush Shah, another cofounder, will lead TruFactor. The Glances team will report to Tewari. For now, there will be only one board, at the group level.

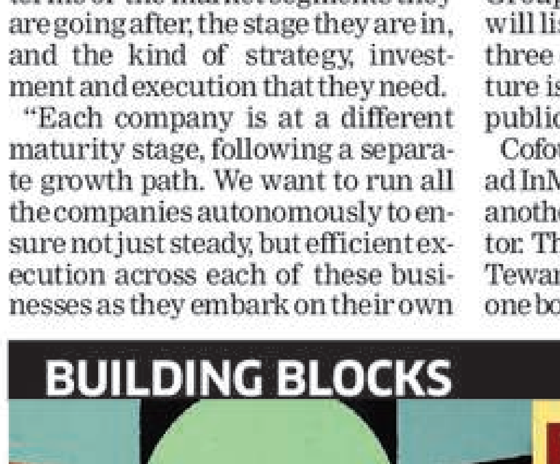
InMobi counts Google and Facebook as its competitors in the mobile advertising space.

"The new structure gives each of our companies the clarity and independence to scale their business. At the same time, being part of the InMobi Group provides these companies access to the best-in-class platforms and technologies, if and when they choose to," Tewari said.

Being operationally profitable at a group level for the past three years has helped InMobi invest in its new business initiatives, which are now being converted into independent companies — TruFactor and Glance, he said. The company does not disclose group profit and revenue.

InMobi is betting big on its business-to-consumer unit Glance, which uses artificial intelligence to identify trending topics and personalise the experience for smartphone users. It also bought Pinsight Media, the mobile advertisement business of US telecom firm Sprint, and spun it off into TruFactor. It offers data-driven insights to telcos.

BUILDING BLOCKS



The three subsidiaries under the holding company InMobi Group
- **InMobi** UMC that will house the flagship ad tech business
- **Data business TruFactor**
- **Consumer** content platform Glance

VASILE DOBRIAN, *Meridional City*

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NEW DELHI / GURGAON, MONDAY, 8 JULY 2019

MONEY MATTERS
Seven of 10 Firms Add ₹53,732 cr in Market-cap

MOST GLOBAL INDEX PROVIDERS, such as MSCI, give higher weight to free float while constructing an index

Higher Free Float could Pump Up India's Weight in MSCI Indices, Boost Inflows

All Set for a Rise

Index Free Float of Global Indices

	Avg Index free float shareholding (%)
India (Nifty 50)	50.17
US (Dow)	95.37
US (S&P 500)	95.07
Germany(DAX)	86.62
France (CAC 40)	75.21
UK (FTSE 100)	90.40
China (SHCOMP)	40.58
Japan (Nikkei)	83.52
Hong Kong (Hang Seng)	57.26
Canada (SPX index)	88.79

Source: Bloomberg, compiled by ETIG

Nifty Companies with Lowest Free Float (Fig in %)

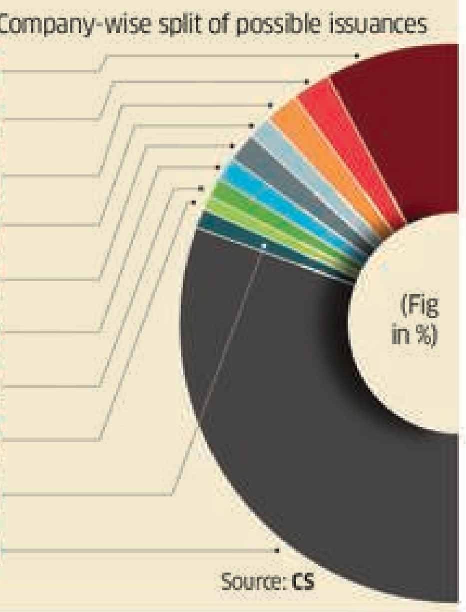
Titan Co	13.04
ONGC	13.27
IOC	18.17
Wipro	21.25
Britannia	23.21
TCS	23.85
Coal India	29.04
Adani Ports	31.39
BPCL	31.50
Ntpc	32.30
Gail India	32.61
HUL	32.76
SBI	32.88

0 9 18 27 36

ARINDAM

Rise in free float Company-wise split of possible issuances

TCS	16
Wipro	4
Avenue Supermart	4
Bandhan Bank	3
HDFC Life	3
Coal India	3
HUL	2
GIC	2
HDFC AMC	2
Others	61.00



Source: CS

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ET Intelligence Group: India's weightage on the Emerging Market index and several global indices could potentially increase by 80-100 basis points after the budget proposed raising the free float of stock in locally listed companies.

India's current weight on the MSCI EM index stands at 8.4%. Barring mainland China shares, India has the lowest public float proportion among the top 10 nations by market capitalisation, according to data compiled from Bloomberg. The average free-float market capitalisation of the Nifty is 50.17%. Comparable figures for global indices such as Dow Jones, S&P 500, DAX, CAC-40, and FTSE 100 are 95.3%, 95%, 86.6% and 90.4%, respectively.

There is an argument that lower public float is a deterrent for some foreign funds seeking to increase allocation to Indian equities. Smaller free float results in higher volatility in the prices due to a large order of buying or selling. So, they prefer to invest in stocks with higher free float.

DECODING THE BUDGET

Most of the global index provider firms, such as MSCI, give higher weight to free float while constructing an index. For instance, MSCI takes into consideration several parameters, including Foreign Inclusion Factor (FIF), for determining weights. FIF indicates the total proportion of shares in a company readily available for FPI buying. Therefore, an increase in free float would translate into higher weights on the MSCI EM, and MSCI Asia ex-Japan — measures used by global fund managers to evaluate their performance in dollar terms.

CLSA, an MNC broker, said in a note that the proposal to raise FPI limit to the FDI ceiling is expected to increase India's neutral weight in EM and AxJ benchmark indices by 80-100 basis points. Higher inflows from passive funds due to higher weightage could offset the overhang of equity supply worth ₹4 lakh crore ($57 billion) in the next few years owing to the increase in minimum shareholding criterion.

Passive funds account for 11-15% of the total assets under management by foreign portfolio investors (FPI). FPIs' total AUM stands at $425 billion as on June 15, 2019, according to NSDL data.

BACK TO THE DRAWING BOARD

Axis may Have to Fork Out More to Hike Max Life Stake

Regulator turns down bank's proposal of buying additional 10% stake at face value

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Mumbai: India's insurance watchdog has asked private lender Axis Bank to rework its proposal for buying an additional 10% in Max Life Insurance, people aware of the regulator's directive told **ET**.

The Insurance Regulatory and Development Authority (IRDAI) has turned down the current Axis proposal of buying the stake at face value, and instead asked the lender to come up with a fair value deal. So, Axis must pay more if it wants to meet regulatory compliances and enhance its stake in the insurer. Its holding company, Max Financial Services, has a market capitalisation of ₹11,209 crore.

"The matter was brought to the regulator and it has asked Axis Bank to rework the structure so that it pays market value for the transaction," said a source close to the development.

Max Life and Axis Bank declined to comment.

Max Life's earlier attempt to merge with HDFC Life and later to acquire IDBI Federal Life Insurance fell through due to structure and valuation issues.

Max Life Insurance is a joint venture between Max Financial Services (owns 70%) and other investors that own the remaining 30%. These include the Japanese firm Sumitomo, Axis Bank and other smaller shareholders. In 2011, Axis Bank acquired a 4% stake from Max India in its joint venture Max Life Insurance for an undisclosed value. Max Life had entered into a long-term agreement with Axis Bank, and that arrangement is valid at least until 2021. To extend this arrangement, Max will have to either get into corporate agency or the equity structure tie-up.

Bancassurance deals are struck with banks in a way that cash is set off in the form of future commission income that banks will earn. It is the most sought after distribution channel for insurance companies as it is low cost.

Max Life's earlier attempt to merge with HDFC Life and later to acquire IDBI Federal Life Insurance fell through due to structure and valuation issues

According to section 40A of the Insurance Act, banks are not eligible for any payout from the insurer other than the commission. A discount in the valuation of equity is a way around this regulation. The regulator closely monitors payments made on bancassurance deals. Max Life Individual APE has grown at a strong 22% to ₹3,917 crore, with increased contribution from protection products. Max Life MCEV on an operating basis has grown about 22% to ₹8,938 crore. The value of new business after cost overrun has grown by 30% to ₹856 crore. Max Financial Services was formed in January 2016 as the result of a three-way demerger of Max India. Max Financial Services is the holding company for Max Life, India's largest non-bank promoted private life insurance company. With MFS going public, this will be the first quasi-listing of a private life insurance company.

INFOSYS ₹8,600-CRORE BUYBACK TO CLOSE ON SEPT 20

Buyback Tax Infosys, Others may Have to Pay 20% Levy Themselves

Repurchases worth ₹10,000 crore under progress; cos will not be able to make revisions to factor in the new tax

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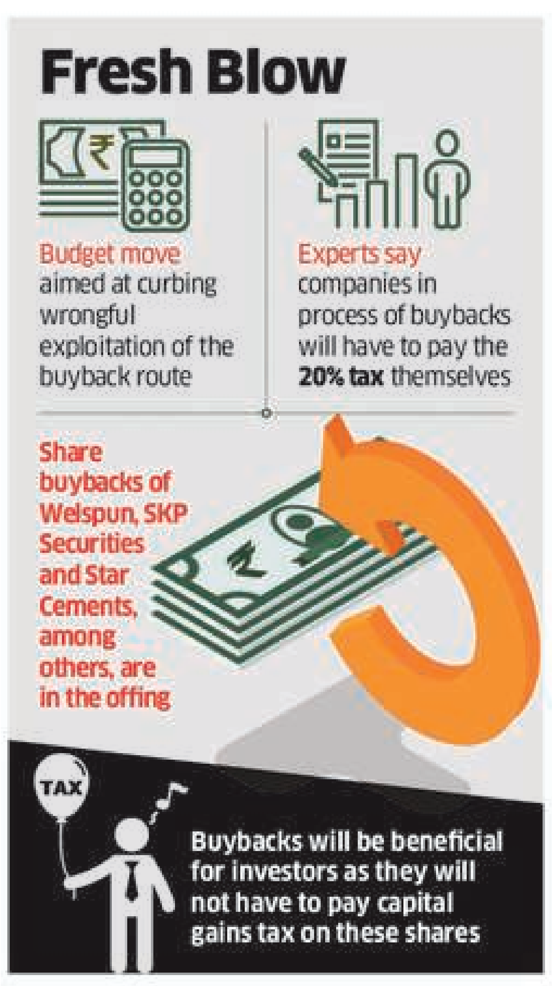


Mumbai: The government's budget proposal to tax buybacks by listed companies could affect at least half a dozen share repurchases worth ₹10,000 crore that are already in progress. The list includes the ₹8,600 crore share buyback by Infosys, which has already begun. Since these companies have fixed their offer prices already, they will not be able to make revisions to factor in the new tax. Experts said such companies will have to pay the 20% tax themselves.

Previously, only share repurchases by unlisted companies were subject to such a tax. The measure is a part of anti-abuse provisions and aimed at curbing wrongful exploitation of the buyback route.

"The law does not provide any exemption for companies which have filed their prospectus with Sebi," said Lokesh Shah, partner at law firm Luthra & Luthra. "Any buyback implemented on or after July 5, 2019, by listed companies is subject to the additional income tax, payable by the company, at an effective tax rate of 23.29% consequent to the buyback."

Although the Infosys buyback opened for public subscription on March 19, the new tax will still be applicable since the rules apply to any payment a company makes for buybacks after July 5. The Infosys buyback will close on September 20 after which the company will make the payout to shareholders.

Share buybacks of Welspun, SKP Securities and Star Cements among others are in the offing.

Tax experts are awaiting clarity on how the buyback tax will be calculated. Currently, the tax on unlisted companies is calculated on the basis of the difference between buyback and issue prices. The government has extended the same formula for listed companies but that doesn't take into consideration the fact that listed shares are frequently traded. Experts said tax should be calculated on the cost at which investors bought the shares and not the original issue price.

"Buyback tax is payable on the difference between buyback price and the price at which shares are issued by the company," said Amit Maheshwari, partner, Ashok Maheshwary & Associates. "As of now, the way the section is worded, for calculating the amount on which the tax is applicable, the purchase price of investor would not be taken into account and hence could lead to potential double taxation to that extent."

For investors, buybacks will be beneficial as they will not have to pay capital gains tax on these shares. Until now, gains made from buybacks were subject to capital gains tax in the investor's hand. Now, companies will have to deduct the tax based on the amount payable on account of share repurchases.

The government extended applicability of the new tax to listed entities since several companies were using buybacks instead of high dividends to return money to shareholders. In 2007, the government had introduced 15% tax on dividend distributed by listed companies. This tax is deducted by the companies based on their total dividend payout. The FY16 budget saw the introduction of additional dividend tax (ADT), which applies to any individual getting dividends worth more than ₹10 lakh in a financial year. ADT, unlike dividend distribution tax, is charged in the hands of investors.

"Buybacks were also being used by promoters to shore up their shareholding and acted as a method used for stalling the fall in prices," said Tomu Francis, partner, Khaitan & Co. "The route will now become relatively expensive."

Nifty Could Face Selling Pressure Near Highs

The chart pattern signals more weakness for the Nifty, according to technical analysts. They suggest to go long on stocks such as Britannia Industries and Colgate-Palmolive, while advising traders to take short positions on Maruti Suzuki, Wipro, Infosys, DLF and RBL Bank. Any upside recovery attempt from near the immediate support of 11,800-750 is unlikely to hold for long.

▸▸ SMART INVESTING

THE LOWER FISCAL DEFICIT target may be viewed positively by RBI which may cut repo rate by another 25 basis points in August policy review

Brokerages Give a Thumbs Up, says PSU Banks could Gain the Most

Our Bureau

Mumbai: Brokerages gave a thumbs up to the government's move to lower the fiscal deficit target for FY20 to 3.3% of GDP in the Union budget, from 3.4% target set in the interim budget. This might be viewed positively by the Indian central bank which may cut repo rate by another 25 basis points in the August monetary policy, brokerages said. Brokerages believe that PSU banks will be the biggest beneficiaries from the Budget announcements. Meanwhile, the proposal to increase the minimum public shareholding in listed companies could result in supply overhang in the near term, some brokerages said. **ET** takes a look at how brokerages perceived the Union budget.

BARCLAYS

The government has lowered fiscal deficit target which is laudable because there was pressure for running a higher deficit as growth has hit a soft patch, said Barclays. The fiscal restraint is important because the markets are already fatigued with too much public sector borrowing, it said. Barclays said the nominal GDP growth assumption of 12% is high and could lead to some revenue shortfalls later on.

CLSA

PSU banks are the biggest beneficiary of the budget while non-banking PSUs appear worse off, said CLSA. The government's tax revenue assumtion still appears optimistic and a revenue shortfall of ₹40,000 crore to ₹50,000 crore is likely, the brokerage said. CLSA said disciplined approach of the government to contain inflation will keep pushing bond yields lower. Lower bond yields should help FPI flows in the debt market, said CLSA. Sebi will take its time to evaluate the proposal to cut maximum promoter holding but $35 billion to $40 billion of additional paper supply can hit the markets over the next three to four years if accepted, it said.

DEUTSCHE BANK

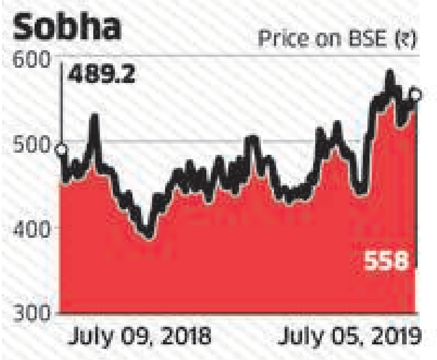
Although there are obvious risks to the budget arithmetic, the headline fiscal deficit target of 3.3% of GDP will be taken positively by the RBI and a rate cut of 25 bps is likely in the August monetary policy, the bank said. While India's external debt dynamic remains favorable to opt for sovereign bond issuances to fund part of the fiscal deficit, this should go hand in hand with the fiscal consolidation glide path set by the FRBM committee, failing which the vulnerability to the exchange rate could increase in the medium term, said Deutsche.

MORGAN STANLEY

The fiscal deficit target indicates marginal consolidation which looks achievable, said Morgan Stanley. The firm also said that the Budget addresses near term growth challenges and is a positive for equities and bonds. Capital infusion of ₹70,000 crore in state-owned banks will help address the issues in the financial sector, it said. Markets have reacted to likely higher equity supply but this is still not confirmed since it is only a recommendation to the Sebi, said Morgan Stanley.

Continued on ▸▸ Smart Investing

What to Buy, Sell and Hold



- **Edelweiss** has maintained buy rating on **Sobha** with a target price of ₹619. While tight liquidity remains key concern for the sector at large, the cut in interest rates, RERA-driven consolidation and improving affordability offer growth opportunities for organised developers like Sobha, said Edelweiss. The brokerage expects the company's robust launch pipeline to aid growth prospects. Shares of Sobha ended down 0.37% at ₹558.05 on Friday.
- **Anand Rathi** has maintained sell rating on **Ashok Leyland** and lowered target price to ₹55 from ₹57. Positive comment on FY20 growth on the back of pre-buy, higher R&D expenses, rising capex, deterioration in operating cash-flow and increase in cash conversion cycle days are the key highlights of the annual report, said Anand Rathi. The brokerage continues to expect weak pre-buy and the impact of the dedicated freight corridor in FY22 on tractor-trailers and higher haulage segment. Shares of Ashok Leyland ended down 3.33% at ₹87 on Friday.
- **IIFL** has retained buy rating on **NTPC** with a target price of ₹158. NTPC offers one of the highest earnings visibilities in the sector, given its cost plus model, favourable regulations and ongoing efforts to improve coal availability, said IIFL. Standalone EPS is likely to grow 9% pa over FY19-21, driven by 2.5GW pa capacity addition and lowering of under-recoveries, it said. Despite the run-up in the last four months, the stock trades inexpensively, said IIFL. Shares of NTPC ended down 4.81% at ₹136.45 on Friday.
- **Motilal Oswal** has maintained buy rating on **Marico** with a target price of ₹435. Sales growth momentum, new launch trajectory and commodity cost trends are key determinants of earnings growth for FMCG companies like Marico, said Motilal Oswal. Importantly, the company's commentary of late on these has been encouraging, it said. Marico is much better placed than peers in the current uncertain environment, the brokerage said. Shares of Marico ended up 1.42% at ₹379.40 on Friday.
- **IDFC Securities** has an outperformer rating on **ITC** with a target price of ₹330. Imposition of nominal central excise duty on cigarette segment in the Union Budget is positive for ITC and removes the near term overhang, considering the expectations of high increase in taxation after no hikes in the GST council meet, said IDFC Securities. Any major taxation led changes are more likely to take place in the GST council meeting, said IDFC Securities. Shares of IDFC ended up 0.6% at ₹279.45 on Friday.

TECH VIEWS

Nifty Could Face Selling Pressure Near its Highs

The overall chart pattern signals more weakness during this week for the Nifty, according to technical analysts. They suggest to go long on stocks such as Britannia Industries and Colgate-Palmolive, while advising traders to take short positions on Maruti Suzuki, Wipro, Infosys, DLF and RBL Bank.

CHANDAN TAPARIA
DERIVATIVES & TECHNICAL ANALYST, MOTILAL OSWAL FINANCIAL

Where we are : Nifty has got stuck in a broader trading range from the last 34 trading sessions and absence of follow-up buying is missing at higher levels. It is mainly trading in between the broader price range of the election result day (May 23) when the index moved in the range of 11,614 to 12,041. Technically, it formed a Bearish Engulfing Candle on the daily scale and a Shooting Star on weekly scale, which implies that selling pressure is seen at higher levels, which is restricting the index to climb its multiple hurdles and life-time high territory.

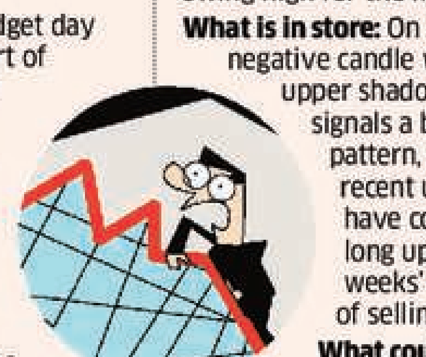
What is in store: Bank Nifty has been outperforming the Nifty. During the budget day it turned sharply from its crucial support of 31,313 zones. It formed a Spinning Top candle on daily and weekly scales but managed to hold its support and gains near its life-time high territory which implies that buying interest is seen on declines but follow-up is missing at higher levels. Now, it has to continue to hold above 31,313 zones to extend its gains towards 31,780 then 32,000 zones while on the downside supports are seen at 31,000 levels.

What could traders do: A small follow-up in private and PSU Banks could lead the positive sentiment in the broader market. Sector-specific buying interest and positive set up is mainly seen in most of the private and PSU banks, NBFC and FMCG stocks while metals, IT, auto and capital goods stocks have seen profit booking declines. Stock wise we have observed positive bias in Kotak Mahindra Bank, Indusind Bank, State Bank of India, Bank of Baroda, HDFC, Marico, Colgate Palmolive, Dabur while weakness is seen in Vedanta, Jindal Steel and Sun TV.

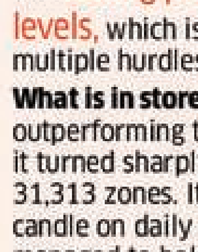
NAGARAJ SHETTI
TECHNICAL RESEARCH ANALYST, HDFC SECURITIES

Where we are: After showing choppy trading in the previous 5-6 days, the Nifty finally gave up its effort to scale up on Friday and witnessed a sharp crack by around 135 points on the day of the budget. A long negative candle was formed on Friday that has engulfed previous four session's high-low range. This pattern signals formation of a bearish engulfing candle. Technically, formation of important swing high during important events like budget needs to be watched carefully. Hence, Friday's high of 11,981 is going to be a crucial near-term swing high for the market.

What is in store: On weekly charts, a small body negative candle was formed with a long upper shadow. Technically, this formation signals a bearish shooting star type pattern, but not a classical one. The recent upside bounce seems to have completed and a formation of long upper shadow in the last two weeks' candles indicates emergence of selling pressure at the highs.



What could traders do: The near term trend of Nifty seems to have reversed after forming lower top at 11,981. The overall chart pattern signals more weakness in this week. Any upside recovery attempt from near the immediate support of 11,800-750 is unlikely to hold for long. The next downside levels to be watched is around 11,650 in the next 1-2 weeks. Ultimately the gap support of 11,426 could come in for testing. Some stock recommendations are: RBL Bank – Sell between ₹632-645, target ₹600, stop loss ₹655, time frame 2 weeks. DLF - Sell between ₹186-192, target ₹174, stop loss ₹195, time frame 2 weeks.



SANDEEP PORWAL
TECHNICAL ANALYST-INSTITUTIONAL DESK, ASHIKA STOCK BROKING

Where we are: The Nifty snapped its winning streak and traded lower on Friday, Union Budget remained a key trigger for the intraday whipsaws. Market breadth indicates a change in the stance of the market participants since advance-decline ratio skewed toward the decline. On the sectoral front barring Nifty Bank, FMCG, financial services and PSU bank, all the other sectors were key underperformers as they staged a correction up to 4% in Friday's session. Mid- and Small Cap indices also failed to sustain at the intermediate highs and traded lower.

What is in store: Since the breakout near the election outcome day index continues to trade within the range of 11,590-12,040 band, Nifty is trading direction neutral with mixed bias. On the daily chart, formation of bearish engulfing candlestick near the upper end of the range indicates the above-mentioned range still remains valid. We expect follow-up correction while a major trend reversal to take place only in the event of a close below the level of 11590, it remains a make-or-break level in the near term.

What could traders do:
Sideways trending market is always tricky to play, as a failed breakout of the range keep resulting in the unusual rise in the volatility. On the option front, Call writing is seen at 12,000 strike for both weekly and monthly expiries – thus a level of 12,000 remains a key hurdle. We expect auto stocks to continue to remain underperformers. On the stock front, we recommend long in Britannia and Colgate Palmolive while we expect a follow-up correction in Maruti, Wipro and Infosys.

Quantitative Strategies

MOTILAL OSWAL SECURITIES

Option Writing

STRATEGY 1

Writing against Cash / Fut Holding

Sell ONGC 170 CE 25-JULY-19 at ₹1.40

Target Level	: 0.10
Stop Loss Level	: 2.00
Gross Monthly Yield	: 1.25%
OI	: 5%
Margin	: ₹97,000
Days to Expiry	: 18

Writing with Hedging

Leg 1: Sell ONGC 170 CE 25-JULY-19 at ₹1.40
Leg 2: Buy ONGC 180 CE 25-JULY-19 at ₹0.35

Target Level	: 0.05
Stop Loss (Spread) Level	: 1.60
Gross Monthly Yield	: 0.95%
ROI	: 3.90%
Margin	: ₹96,000
Days to Expiry	: 18

STRATEGY 2

Writing against Cash / Future Holding

Sell RELIANCE 1320 CE 25-JULY-19 at ₹10.60

Target Level	: 0.15
Stop Loss Level	: 15.80
Gross Monthly Yield	: 1.30%
ROI	: 5.25%
Margin	: ₹99,000
Days to Expiry	: 18

Writing with Hedging

Leg 1: Sell RELIANCE 1320 CE 25-JULY-19 at ₹10.60
Leg 2: Buy RELIANCE 1380 CE 25-JULY-19 at ₹3.00

Target Level	: 0.10
Stop Loss (Spread) Level	: 11.40
Gross Monthly Yield	: 0.90%
ROI	: 3.85%
Margin	: ₹97,000
Days to Expiry	: 18

Pair Trading

STRATEGY 1

Leg 1: BUY RECLTD 1 LOT 25-JULY-19 at ₹166.95
Leg 2: SELL PFC 1 LOT 25-JULY-19 at ₹131.50

Tenure	: 7-8 Days
Target Profit	: 3.75%
Stop Loss	: 1.85%
Margin	: ₹3,25,000

This pair has 86% correlation over the last one year. Pair has trade lot ratio of 1.27 with price ratio of 0.80. It is not fully money neutral as we believe that REC will outperform. It has crossed its average mean and has potential to head towards upper band of spread with more buying in REC as per its statistical data of 2SD band.

Pair Trading

STRATEGY 2

Leg 1: BUY HDFC BANK 2 LOT 25-JULY-19 at ₹2,479.20
Leg 2: SELL HDFC LTD 1 LOT 25-JULY-19 at ₹2,271.85

Tenure	: 7-8 Days
Target Profit	: 2.75%
Stop Loss	: 1.35%
Margin	: ₹4,20,000

This pair has 98% correlation over the last one year. Pair (HDFC / HDFC Bank) has trade lot ratio of 0.50 with price ratio of 0.92. It has been moving in between price spread difference of 200 to 350 basis points from last couple of months. It has come to the lower band of the spread band from 350 to 200 basis and now spread may widen again as per its statistical data of 2SD Band.

Day Trading Guide
Motilal Oswal Financial Services

Nifty failed to test psychological 12,000 zone and drifted sharply towards 11,800 levels. It remained muted before the budget but after that it witnessed sustain selling pressure and wiped out all the gains of past four trading sessions. It formed a bearish engulfing candle on daily scale and a shooting star on weekly scale, which implies that selling pressure is seen at higher levels. Index has failed to surpass its trading range of last seven weeks and got stuck in the wider trading range of 11,600 to 12,000 zones. It has negated its formation of higher lows on daily scale but holding near to its key support of 11,761 zones. Now it has to cross and hold above 11,850-11,888 zones to get the stability to witness an up move towards 11,980-12,000 zones while on the downside major supports are seen at 11,720 then 11,650 levels.

Tech Picks
CHANDAN TAPARIA, *Derivatives & Technical Analyst*

MARICO — BUY, TARGET ₹393
Respecting its rising trend line on weekly scale with renewed buying interest in FMCG sector
LAST CLOSE▸ ₹378 STOP LOSS▸ ₹371

KOTAK BANK — BUY, TARGET ₹1,517
Surpassed its falling supply trend line, forming higher lows on monthly scale
LAST CLOSE▸ ₹1,517 STOP LOSS▸ ₹1,485

STATE BANK OF INDIA — BUY, TARGET ₹384
Making higher highs–higher lows, sustained buying interest, trading at life time high territory
LAST CLOSE▸ ₹370 STOP LOSS▸ ₹363

VEDANTA — SELL, TARGET ₹154
Forming lower highs from last six trading sessions and drifted below 50 DEMA
LAST CLOSE▸ ₹164 STOP LOSS▸ ₹169

F&O Strategy
CHANDAN TAPARIA, *Derivatives & Technical Analyst*

India VIX fell down by 12.64% from 14.95 to 13.06 levels in the last week and drifting lower after a marginal bounce of last two weeks. Volatility remained lower even after the budget event and now it started falling down which indicates that participants are not expecting much action or expecting a sideways consolidation till any other trigger doesn't affect the Indian market. On the option front, maximum Put OI is at 11,500 followed by 11,300 strike while maximum Call OI is at 12,000 followed by 12,500 strike. We have seen Put writing at 11,400 then 11,700 strike while meaningful Call writing is seen at 12,000 followed by 12,200 strike. Option data suggests a trading range in between 11,600 to 12,000 zones.

Bank Nifty has been outperforming to the Nifty index and during the budget day it turned sharply from its crucial support of 31,313 zones. It formed a spinning top candle on daily as well as on weekly scale but managed to hold its support and gains near its life-time high territory which implies that buying interest is seen on declines but follow up is missing at higher levels. Now, it has to continue to hold above 31,313 zones to extend its gains towards 31,780 then 32,000 zones while on the downside supports are seen at 31,150 then 31,000 levels.

STRATEGY:
MONTHLY SHORT STRANGLE **SELL 1 LOT OF 11,300 PUT AT ₹20**
SELL 1 LOT OF 12,200 CALL AT ₹18
Net Premium Received: 38 Points
Keep Stop Loss Of Net Premium Of 62 Points (Risk Of 24 Points)
Max Reward: 38 Points

RATIONALE:
- Index is expected to move in a wider trading range in between 11,600 to 12,100/12,200 zones
- Maximum Put OI is at 11,500 followed by 11,300 which could provide support on declines
- Maximum Call OI is at 12,000 followed by 12,500 strike which could restrict its upside momentum
- Thus, suggesting a Short Strangle strategy to get the benefit of time decay and decline in volatility

Fx Technical
KISHORE NARNE, *Head – Currency & Commodities*

USD/INR Status: Short-term weakness is likely to remain intact for the pair
CMP: ₹**68.59** Target: ₹**68.10** Stop Loss: ₹**70.35**
Trade: Bias for the pair remains weak and selling in the range of 68.75–69 range is still advised. It looks to target 68.35–68.10 in the short-term

RESISTANCE	68.75	69.15	69.35
SUPPORT	68.35	68.10	67.85

GBP/USD Status: The pair is likely to trade in a negative territory
CMP: **$1.2506** Target: **$1.2370** Stop Loss: **$1.2635**
Trade: The pair is trading in a lower highs and lower lows formation on daily chart which signifies weakness. Selling on rise around 1.2560 is advised for short-term targeting 1.2370 area.

RESISTANCE	1.2560	1.2595	1.2635
SUPPORT	1.2470	1.2415	1.2370

Commodity Calls
AMIT SAJEJA, *AVP – Commodities*

COMMODITY	EXCHANGE	STRATEGY
Gold (Aug)	MCX	BUY around ₹34,350; SL ₹34,050; Target ₹35,100
Crude Oil (Jul)	MCX	Buy around ₹3,880; SL ₹3,820; Target ₹4,050
Nickel (Jul)	MCX	Buy around ₹880; SL ₹860; Target ₹915
Guar Seed (Aug)	NCDEX	Buy around ₹4,325; SL ₹4,265; Target ₹4,435

CASH-FLOW MISMATCH is likely the outcome of investing in overseas arms on borrowed money; over a third of these units have made losses

Cox & Kings' Business Model Offers Clues to Bond Default

Rajesh Naidu & Sachin Dave

Mumbai: Is the Cox & Kings business model partially to blame for the ₹150-crore unsecured commercial paper default? Some accounting experts believe so.

They say that one must look at the company's business model — both as standalone and consolidated entities — to understand what exactly has triggered a cash-flow mismatch.

In the past four years, there has been a pronounced increase in receivables as a standalone entity. According to Capitaline, Cox & Kings receivables have jumped more than two times to ₹2,031.3 crore in FY19 from ₹952.6 crore in FY16. Receivable days have increased two times to 269 days in FY19 from 122 days in FY16.

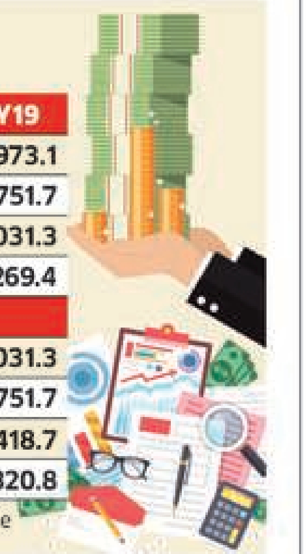
"Why does a company, which is into the travel business, have such high receivables?" asked a chartered accountant on the condition of anonymity. Cox & Kings and one of the partners of DTS & Associates (the auditor) didn't answer **ET's** queries.

Receivables are the sums of money clients or customers owe to a company. Typically, receivables are high in a sector that is commoditised in nature. To push sales, a producer gives more relaxed payment terms to clients.

Payments Due On the Rise

STANDALONE	FY16	FY17	FY18	FY19
Total Debt*	1,230.8	1,283.1	1,988.7	1,973.1
Net Sales*	2,848.2	3,117.5	2,622.7	2,751.7
Receivables*	952.7	1,226.2	1,788.5	2,031.3
Receivables days	122.1	143.6	248.9	269.4
CONSOLIDATED				
Total Debt*	4,101.0	3,673.9	3,983.3	2,031.3
Net Sales*	7,505.3	7,176.3	6,450.6	2,751.7
Receivables*	1,398.3	1,820.1	2,241.6	2,418.7
Receivables days	68.0	92.6	126.8	320.8

*Figures in ₹ crore SOURCE : Capitaline



On a consolidated level, accounting experts believe the company's investments in its subsidiaries have not been profitable enough.

The data showed that 37% of its subsidiaries that have reported earnings are making losses. In the past five years ending FY18, according to the company's annual report, loans and advances to subsidiaries have jumped to ₹1,464 crore in FY18 from ₹468.5 crore in FY14. Also, investments in overseas subsidiaries have jumped to ₹220 crore in FY18 from ₹115 crore in FY13.

Another chartered accountant, who did not wish to be named, said: "It looks like the company is borrowing money (short-term loans) on the strength of its standalone business and investing in overseas subsidiaries as equity. This is creating a cash-flow mismatch for the company."

If a company borrows short-term to invest in its overseas subsidiaries as equity, its dependence on its standalone operations becomes very high. It must generate enough revenues to service the interest on short-term loans as its investments in overseas subsidiaries as equity would take long to yield adequate returns.

Brokerages Give a Thumbs Up, say PSU Banks Could Gain the Most

▸▸ From ETMarkets Page 1

MOTILAL OSWAL
The maximum possible receipts from the surcharge introduced on the super rich would yield less than ₹8,000 crore in FY20, said Motilal Oswal. Reasonable headline fiscal targets and comfortable inflation will allow RBI to cut rates by 25-50 bps in remainder of FY20, it said. The proposal to increase the minimum public shareholding in listed companies could result in supply overhang in the near term and may even impact the secondary market but the government is likely to opt for wide-ranging consultations before going ahead with this proposal, it said.

NOMURA
The reduction in fiscal deficit target to 3.3% of GDP signals that the government is prioritising prudence over populism and is focussed on reviving investment, said Nomura. This is a distinct shift from the previous budget, which focused on handouts to farmers and tax sops for the middle class, it said. The brokerage said the revenue assumptions look optimistic. The budget ticks all the right boxes on improving the investment climate and reforms, said Nomura.

NPS Scorecard

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

TIER I: **Equity Plans**

Fund	NAV	Returns(%) 3-Mth	6-Mth	1-Year	Assets (₹ cr)
Birla Sun Life Pension	12.30	5.20	N/A	N/A	50.03
HDFC Pension Fund	22.55	8.70	13.18	10.03	2310.85
ICICI Prudential Pension	30.31	8.94	11.69	9.27	1446.09
Kotak Pension Fund	27.95	9.92	11.77	9.43	290.90
LIC Pension Fund	19.47	8.21	10.23	8.31	586.74
Reliance Capital Pension	27.60	9.01	10.85	8.54	103.84
SBI Pension Fund	25.95	8.36	11.96	9.46	2567.93
UTI Retirement Solutions	30.05	7.59	11.56	9.89	398.94
Nifty 50 Index	–	9.87	12.32	8.78	–

ANIRBAN

TIER I: **Government Bond Plans**

Fund	NAV	Returns(%) 3-Mth	6-Mth	1-Year	Assets (₹ cr)
Birla Sun Life Pension	12.24	19.02	N/A	N/A	30.04
HDFC Pension Fund	18.26	19.18	9.91	10.95	1901.71
ICICI Prudential Pension	24.67	19.00	10.01	11.06	1149.14
Kotak Pension Fund	24.51	19.57	10.02	11.07	253.20
LIC Pension Fund	19.80	22.06	11.87	12.05	615.17
Reliance Capital Pension	23.86	18.59	9.92	11.03	109.01
SBI Pension Fund	26.53	18.84	10.01	11.17	3063.18
UTI Retirement Solutions	23.75	18.11	9.24	10.52	352.20
CCIL All Sovereign Bond - TRI	–	18.60	9.51	10.42	–

TIER I: **Corporate Debt Plans**

Fund	NAV	Returns(%) 3-Mth	6-Mth	1-Year	Assets (₹ cr)
Birla Sun Life Pension	12.25	13.10	N/A	N/A	24.28
HDFC Pension Fund	18.02	13.08	9.10	10.10	
ICICI Prudential Pension	27.84	13.31	9.33	10.40	865.80
Kotak Pension Fund	27.40	12.06	8.88	9.99	179.78
LIC Pension Fund	17.93	13.11	8.65	9.84	369.07
Reliance Capital Pension	24.74	11.93	8.81	9.87	65.70
SBI Pension Fund	27.73	12.83	8.99	9.93	1635.95
UTI Retirement Solutions	24.90	12.06	8.60	9.65	227.58
CCIL Bond Broad - TRI	–	14.99	8.85	9.98	–

Returns as on Jul 05, 2019. Assets as on May 31, 2019 Source: **Value Research**

Seven of Top 10 Firms Add ₹53,732 cr in Market-cap

Press Trust of India

New Delhi: Seven of the 10 most valued domestic firms together added ₹53,732.55 crore in market valuation last week, with HDFC emerging as the biggest gainer. Tata Consultancy Services (TCS), Infosys and ICICI Bank were the only companies in the top-10 list which suffered losses in their market capitalisation (m-cap) for the week ended Friday.

Among the gainers, the valuation of HDFC soared ₹14,941.11 crore to ₹3,93,135.72 crore. SBI's m-cap rallied ₹8,656.87 crore to ₹3,30,746.10 crore and that of HDFC Bank jumped ₹7,925.16 to reach ₹6,76,480.35 crore.

The market valuation of Kotak Mahindra Bank advanced ₹7,860.21 crore to ₹2,89,760.94 crore and that of ITC climbed ₹6,742.25 crore to ₹3,42,567.46 crore.

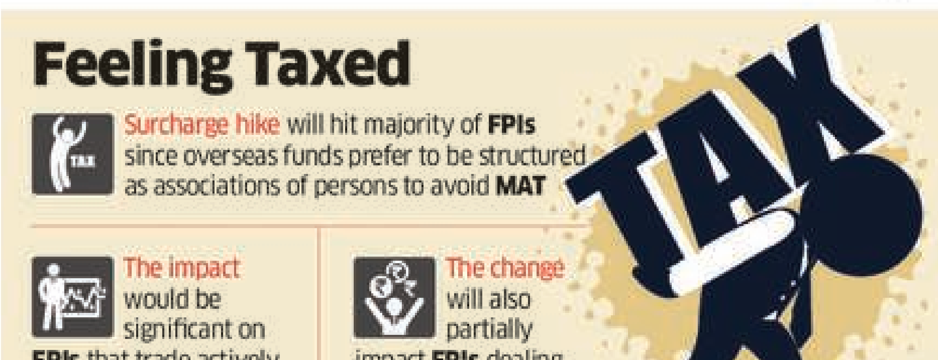
Reliance Industries (RIL) added ₹6,719.38 crore to its m-cap to stand at ₹8,00,366.99 crore, while Hindustan Unilever (HUL) added ₹887.57 crore to reach ₹3,87,802.46 crore.

In the ranking of top-10 firms, TCS was first, followed by RIL, HDFC Bank, HDFC, HUL, ITC, SBI, Infosys, Kotak Mahindra and ICICI Bank.

TAX BURDEN TO AFFECT ABOUT 2,000 foreign funds that are legally equivalent to associations of persons; experts, however, expect government to ease the norms for overseas funds

Foreign Funds to Feel the Pinch of Increased Tax on Mega Rich

Pavan.Burugula@timesgroup.com



Mumbai: Friday's proposal to raise the tax burden on the mega-rich could also affect about 2,000 foreign funds that are legally equivalent to associations of persons (AOP), a class of income earners required to pay more taxes after new liability slabs were created in the federal budget.

Many foreign portfolio investors (FPI) in India are structured either as trusts or AOP and would be affected by the new surcharges, said tax experts. Industry estimates suggest that at least 1,500 to 2,000 actively trading FPIs will come under the purview of the new tax proposals.

Effective tax on funds, earning more than ₹5 crore of income in a year and structured as AOPs or trusts, will increase from 35.8% to 42.7%. The rate will increase from 35.8% to 39% if the fund makes an income between ₹2 crore and ₹5 crore in a year.

The surcharge increase will affect the majority of FPIs since overseas funds, especially mutual funds, have preferred to be structured as AOP or trusts to avoid Minimum Alternative Tax (MAT).

"The proposal, if implemented, will significantly raise the effective long-term and short-term tax rates," said Suresh Swamy, partner, PWC.

The impact would be significant on FPIs that trade actively in the futures and options (F&O) markets. Gains made in derivatives are considered as business income for tax purposes and are subject to income tax. The threshold of ₹5 crore is too small for FPIs since foreign institutions are known for taking large positions in the Indian markets.

DECODING THE BUDGET

"If a sub-account of an FPI qualifies and files India tax return as AOP, the effective tax rate for its business income can now go up to 42.74%," said Amit Singhania, partners Shardul Amarchand Mangaldas. "This culminates into an effective increase of 7% for income greater than ₹5 crore."

The change will also partially impact FPIs dealing in the cash markets. For instance, for an FPI earning more than ₹5 crore income, the long-term capital gains tax rate would go up from 12% to 14.25%, while short-term capital gains rate would increase from 18% to 21.4%.

"The move, probably unintentional, will impact adversely since a significant portion of FPIs are trusts," said Rajesh Gandhi, partner, Deloitte India. "This announcement is in contrast with what FPIs were expecting from the budget – lowering of taxes on capital gains."

Indian tax rates are already perceived to be high by FPIs since New Delhi imposes both capital gains tax and transactional taxes, such as STT and stamp duty, on stock market gains.

Most of the FPIs have moved to AOP and trust structures in the past five years due to concerns about possible applicability of MAT. Currently, MAT is applicable on all foreign corporates that have a permanent establishment in India.

Also, corporate structures are expensive to set up. Most of the global funds usually create a corporate entity in Luxembourg or Cayman Islands. The corporate entity in turn sets up a separate structure for each class of fund that plans to invest in India.

The move to extend the tax surcharge to foreign entities was in line with the increase in the income tax for wealthy Indians who make more than ₹5 crore a year. Experts said the threshold could have been kept higher for foreign entities since the amount translates to about $730,000 for FPIs.

Tax experts expect the government to ease the norms for overseas funds.

"In the past, when similar anomalies arose with respect to Minimum Alternate Tax, the government promptly resolved it," said Swamy. "FPIs will expect the government to act with greater swiftness in this case, as they will need to make a decision immediately on whether to start providing for the additional taxes in their books."

Budget Begins the Race to a $5-tn Economy

By Invite

AMITABH CHAUDHRY

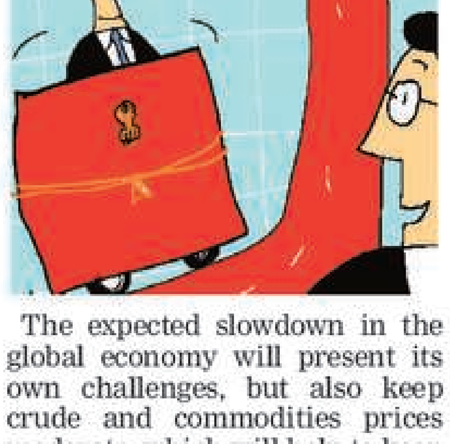
The FY20 budget was the first step in operationalising the Prime Minister's vision to take India to a $5 trillion economy by 2025. Against the backdrop of the massive mandate, the budget is patently growth oriented and balances the needs for meeting expectations of almost every set of stakeholders.

Remarkably, the government did not lose the ball on fiscal prudence, a feat which will surely be rewarded by investors. The Budget has three notable features.

First, multiple strategies are proposed to revive growth, the predominant one being infrastructure spending, with spends of ₹100 lakh crore envisaged over five years. Affordable housing is another, with expansion of the scope of tax benefits on investments in affordable housing which will help both construction and in increasing disposable incomes of beneficiary households. The phased reduction in corporate tax rates continues, with an increase in the cap on companies eligible for the lower 25% rate. Improved compliance is expected to partially offset the resultant lost revenues.

Second, in addition to monetising existing assets through Invits, REITs, TOTs, CPSE ETFs, etc, and continuing disinvestment, a couple of path breaking proposals to raise additional resources have been proposed: One, the effective dilution of the 51% floor in goverment holdings in CPSEs by including the stake of government-controlled institutions. Two, considering India's low sovereign debt to GDP ratio, part of its borrowing would be in external markets in foreign currencies. With appropriate risk mitigation, this will reduce pressure on domestic markets. In addition, multiple measures have been announced to enhance the flow of foreign currency funds into India. With a large amount of global debt at very low yields, foreign investors are likely to find the existing, cash generating assets quite attractive.

Third, availability of credit and finance is an important component for reviving investment. Recapitalisation of public sector banks (PSBs) is an important step in boosting bank credit flows. The partial credit guarantee to PSBs for buying high rated pooled assets on NBFCs will enable liquidity for sound intermediaries. Allowing all NBFCs to participate on TReDS will reduce working capital costs for MSMEs. In addition, keeping the borrowing programme in check will enable a gradual drop of sovereign interest rates.



The expected slowdown in the global economy will present its own challenges, but also keep crude and commodities prices moderate, which will help to keep inflation in control and open up room for further monetary policy easing. The fiscal stimulus embedded in the Budget proposals will help in crafting a coordinated response in reviving investment and growth. Execution, as always, will be key to achieving the $5 trillion goal. The budget proposes multiple initiatives to improve Ease of Doing Business environment. This will also have a direct impact not just on investor confidence, but also towards improvements in process and system efficiency.

(The author is CEO, Axis Bank)

ET in the Classroom

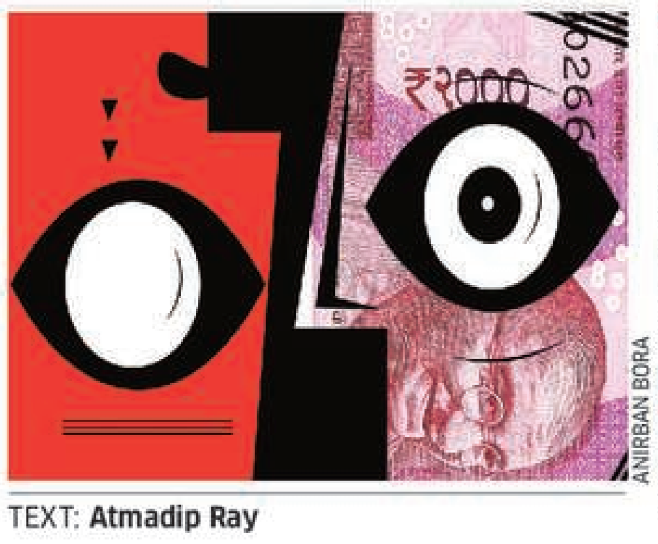
Opening the Liquidity Tap for NBFCs

1. How does the budget seek to enhance NBFC liquidity?

The budget offered NBFCs a ₹1-lakh crore lifeline. The government would stand part-guarantor on loans purchased by state-run banks for six months. In other words, banks are encouraged to purchase securitised loan pools from NBFCs up to ₹1 lakh crore, while the government would bear the first loss of up to 10% of the assets, if any.

2. What did the RBI do to strengthen the impact of the budget proposal?

RBI has taken steps to ensure flow of sufficient liquidity for banks so that they are able to purchase loan pools from NBFCs.



TEXT: **Atmadip Ray**

3. How will that be Possible?

RBI has decided to frontload the FALLCR scheduled to increase by 0.5% each in August and December 2019 and permit banks to recognise with immediate effect the increase in FALLCR of 1% of each bank's NDTL (net demand and time liability). The move is expected to free up resources at banks for meeting the incremental loan demand.

4. How does it Work?

FALLCR, or Facility to Avail Liquidity for Liquidity Coverage Ratio, is a facility for banks to carve out a portion of their bond holdings in statutory liquidity ratio to be counted for the so called liquidity coverage ratio (LCR), a regulatory norm.

The LCR refers to the proportion of highly liquid assets held in government securities by banks to ensure their ability to meet short-term obligations. Banks pledge securities whenever there is a shortfall.

As RBI increased FALLCR by 1% with immediate effect, Banks can avail additional liquidity of ₹1,34,000 crore. These liquid assets can be used to purchase NBFC loan pools over and above their regular lending to NBFCs, including housing finance companies.

Smart Ideas With Contemporary Touch Work, Too

By Invite

RASHESH SHAH

Innovation drives economic growth. The Union Budget 2019-20 has explored some innovative ideas for both spending and revenue generation. The vision for a $5-trillion economy by 2024 stays as the long term target; we have to innovate, perform and reach the goal – year by year – from now on. And it will be very exciting to see how the Indian economy performs in the coming fiscal years. With this budget document, the government has made it clear that 'a sustained economic growth is the solution for all'. And you have to explore innovative ideas to drive this growth, year after year.

Innovative solution to NBFC issues: The budgetary solution to the NBFC sector's issues is ingenious if not innovative outright; as the liquidity and structural issues in the alternative lending space seem to dent economic growth, the FM has decided to deal with it in a healthier way. The banks can buy high-rated pooled assets (at least AA rated) of sound NBFCs, amounting to a total of ₹1 lakh crore, under a pool purchase programme. Against this, the government has promised the banks to provide a one-time, six-month partial credit guarantee for the first loss of up to 10%. It's a win-win situation for both banks and sound NBFCs, who despite having the best financial parameters, have lost out in the din that followed the defaults by a few NBFCs. Clearly, the FM has used the opportunity to bring modern practices like debenture redemption reserves (DRR) to the sector.

Sovereign bonds: An example is the proposed borrowing via Indian Sovereign Bonds which will be used to mop up at least $10 billion or about ₹70,000 crore, in external currencies. Few, including economists, would have thought of that even though India's sovereign-external-debt-to-GDP stays among the lowest globally at less than 5%. The benefits include less crowding out in the domestic market and leaving much more to the private sector to use for capital expenditure. More importantly, it will create a benchmark for Indian companies to raise money abroad.

Secondly, this is perhaps the best time to explore such an option, since overseas yields are low. Given India's better credibility, such fund raising should become cheaper. With the Indian bonds entering the global bond indices, we will have a diversified investor base who can continue to participate in the India growth story. However, the currency risks, global uncertainties, crude prices will have to be carefully managed.

Disinvestment: Obviously the tepid tax revenue growth could be a major reason for the government scouting for other sources of revenue. Apart from sovereign bonds, it has cited disinvestment of public sector companies as an option to cut the fiscal deficit to 3.3% of the GDP in 2019-20. The current target is 1.05 trillion which will have to be done through the strategic disinvestment route. However, this means that in many companies, government stake will go below 51%. It also needs a comprehensive relook at policies that insist on the government retaining 51% stake in such companies. Simultaneously, a few of them like the debt-ridden Air India will not be in any shape to be divested, unless more capital is infused or the government compromises on its demands to complete an outright sale.

Corporate tax cut: The move to lower corporate tax for companies with an annual turnover of up to

₹400 crore to 25% is equally inspiring if not innovative, given the shadow of fiscal deficit. Corporate profits as a percentage of the GDP has been coming down of late to as low as 3%. Before the budget announcement, corporate tax rate stood at 35% if we include surcharge and cess. Thus, a sustained boost to corporates – like a steady cut in tax rates over a period should boost corporate earnings and the overall revival.

Globally, the corporate tax across the more developed countries ranges between 17-21%, after falling from a high of 49% in 1985. Large Indian corporates have been spared of higher cuts, to avoid affecting business sentiment in an already slowing economy and because they are large contributors to tax revenues. Now that budget day is over, the current liquidity challenges, weak corporate earnings and insipid returns from the markets need to be addressed with a lot more pragmatism.

The merging of the NRI route with that of foreign portfolio investors (FPIs) is another smart move; the hike in statutory limit for FPI investment in corporates and the permission to subscribe to listed debt securities of REITs and infrastructure investment trusts are astute in the present context. As the FM said, the key to attract cross-border investments is availability of investible stock to the FPIs who are more than willing to participate in the India growth story.

Budget 2019-20 proves that big bang reforms need not be the innovation that India needs; smart ideas with a contemporary touch can be effective in driving and solving some of our resource mobilisation and growth issues.

(The author is chairman, Edelweiss Group)

Road Map in Place, Govt Should Now Focus On Execution

By Invite

KAKU NAKHATE

Finance minister Nirmala Sitharaman's maiden budget is prudent with a 3.3% fiscal deficit target, yet providing for long-term infrastructure development and social growth. This commendable achievement, in conjunction with the central bank's dovish policy, would help reduce lending rates and in turn make India a $5 trillion economy.

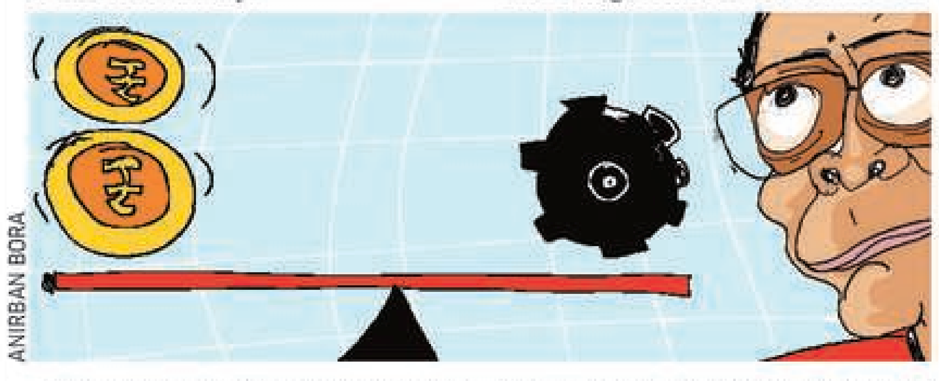
The proposal of raising funds through overseas sovereign bonds is a bold step aimed to help support the ambitious ₹100 trillion infrastructure overhaul. I believe, this move will spur job creation, which is a key concern for the economy right now. The overall picture that emerges from the budget is that the government has its heart set upon building both the hard and the soft infrastructure, so that growth can be equitable to all classes. I compliment the FM for thinking through many facets of growth that go beyond numbers.

The budget has numerous announcements which clearly indicate the government's progressive mind set: tax breaks for the purchase of electric cars; incentives to start-ups on fund raising and widening of the 25% corporate tax bracket.

The allocations for key segments like housing, electricity, clean cooking gas and single grid for power — will significantly strengthen the rural economy to make India a super power in social (quality of living) indices.

This is not to say that the government has lost sight of immediate priorities. Stressed NBFCs have found a mention and the proposed solution of a credit enhancement for banks to invest in pooled NBFC assets — with a one-time provision of 10% loss — is a good stop-gap arrangement.

The larger solution for the financial sector is, of course, in the recapitalisation and revitalisation of our public sector banks. The Budget has allocated ₹700 billion for this and has promised consolidation, simplification and above all, the prospect of the government lowering its holding threshold to even below 51%.



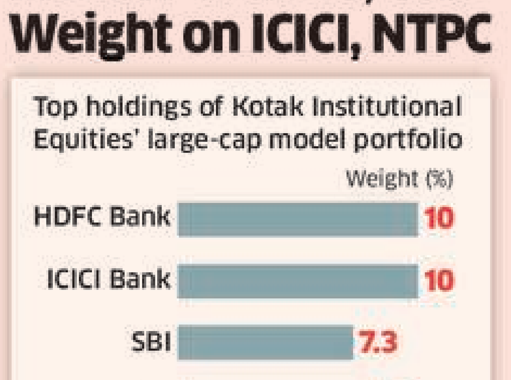
Though the proposal to set the minimum public shareholding limit in a company at 35% comes with a great intent, it might deter long-term FDI flows into the country.

I believe, the budgetary provisions will kick-start the economic cycle and put the GDP growth firmly on track. The next step is a transparent and efficient execution of projects, around which this government has built a great reputation over the last five years.

(The author is president, Bank of America Merrill Lynch India)

GROWTH & VALUE STOCKS

Kotak Adds Lupin to Model Portfolio, Cuts Weight on ICICI, NTPC



Kotak Institutional Equities has added Lupin Limited to its recommended model portfolio and cut positions in ICICI Bank, NTPC and PowerGrid. The brokerages has also recommended mid-cap stocks in automobile, auto components, banks, diversified financials, capital goods and gas utilities. Kotak Institutional Equites' model portfolio comprises growth and value stocks with the highest weightage assigned to HDFC Bank, ICICI Bank, HDFC and Reliance Industries. Its top mid cap picks include CESC, Jubilant Foodworks, Federal Bank, Equitas and Kalpataru Transmission.

CHART of the day

Fed Doesn't Have a Clue: Trump

Tweets that the bank is a bigger problem than US competitors; It's the latest bid to get the Fed to lower interest rates

Bloomberg

President Donald Trump renewed his attack on the Federal Reserve, saying the central bank "doesn't have a clue," and may be sizing up his two latest picks for Fed governor as successors to Chairman Jerome Powell.

The fresh criticism is consistent with ideas that the president is laying the groundwork to replace Powell when the chairman's term is up in 2022, assuming Trump is re-elected, or will attempt to do so earlier if the Fed doesn't bend quickly enough to his will.

"Our most difficult problem is not our competitors, it is the Federal Reserve," Trump said in a Twitter post late Friday. The Fed had "raised rates too soon, too often" and "doesn't have a clue," he said. Trump has repeatedly accused Powell of not doing enough to bolster the economy.

Trump this week nominated economists Judy Shelton and Christopher Waller to seats on the Fed's board of governors. While their backgrounds are divergent, both are thought likely to enthusiastically support the president's call for lower interest rates.

Either may be in line for the Fed's top job once Powell's term as chairman expires or even before, according to a person familiar with the matter.

Trump discussed firing Powell in late 2018 and asked White House lawyers earlier this year to explore options for removing him as Fed chairman, according to people familiar. Last month Trump denied in an interview that he'd threatened to demote Powell back to a board governor

> **Donald J. Trump**
> **@realDonaldTrump**
> Strong jobs report, low inflation, and other countries around the world doing anything possible to take advantage of the United States, knowing that our Federal Reserve doesn't have a clue! They raised rates too soon, too often, & tightened, while others did just the opposite...

-- Powell's term on the board runs until 2028 -- but said he'd "be able to do that if I wanted."

Powell has said that he intends to serve his full four-year term at the helm of the Fed and that "the law is clear" on that issue.

The Federal Reserve Act says governors may be "removed for cause" by the president, which generally has been taken to mean an inefficiency, neglect of duty or malfeasance -- not merely setting policy that displeases the commander-in-chief. Trump's regular assertions of policy missteps may be a way to build a case for neglect of duty.

The latest comments by Trump -- two rounds on Friday alone -- came after the government said June growth in payrolls smashed expectations and overturned ideas that the central bank was almost certain to cut rates at its July 30-31 meeting, as the president has urged.

Growth "would be like a rocket ship" if the Fed eased, Trump told reporters at the White House on Friday.

Trump has spent a year criticizing Powell and the Fed for raising rates in 2018 and failing to reverse course since then. He first said in July 2018 that he was "not thrilled" with the Fed's actions, and the criticisms have only ratcheted up since then.

Friday's payrolls report for June shifted the debate from how much to cut interest rates this month to whether to move at all. Yields on two-year US Treasuries previously jumped to 1.87% from 1.76%, reflecting reduced odds of the Fed aggressively reducing borrowing costs in the near term.

China Drafts Rules on Liquidity Support for Securities Firms

Bloomberg

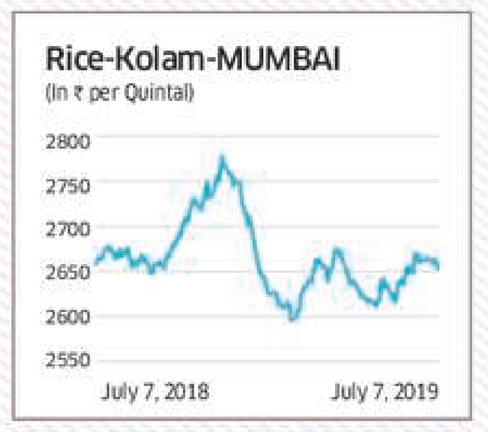
China's securities regulator is soliciting public opinions over a rule allowing a state fund to bail out securities companies that "face significant liquidity risk," according to an online note from the China Securities Regulatory Commission. The rule also regulates the methods and sources of liquidity support securities firms can seek – ranging from asset sales to seeking assistance from shareholders or other brokerages. The regulation is under public review until August 5, according to the note. It didn't disclose when the rule would be implemented. In late June, the People's Bank of China allowed brokerages to issue more debt as officials sought to ease a funding strain spurred by the government seizure of a bank. The central bank and the securities regulator called on banks and brokerages to increase financing support to smaller brokers, according to people familiar with the matter.

Tweet of the Day

Dan Rather @DanRather

I used to think, what if we could fast forward to the future and show what the climate crisis will bring. But instead, as we dither, dismiss, and demagogue, the future's come to us. Brutal heat wave in Europe. Record temperatures in Alaska. And far too much hot air in Washington.

Quarts & Ounces



58,549 TONNE

India's exports of oilmeal during May 2019, according to Solvent Extractors Association of India

Oil Registers Weekly Loss on Jobs Data

NEW YORK Oil posted its first weekly loss since mid-June, as a forecast-topping US employment report wasn't enough to offset the economic worries dogging the market. Futures in New York closed down 1.6% for the week, despite eking out an increase on Friday after the government said payrolls climbed by 224,000 in June. West Texas Intermediate oil for August delivery gained 17 cents, or 0.3%, on the day, closing at $57.51 a barrel on the New York Mercantile Exchange. There was no settlement Thursday due to a holiday in the US, so all transactions were booked on Friday.

Gold Duty Raised after Studying Smuggling Impact

NEW DELHI The decision to raise import duty on gold in the Union Budget was taken after a careful consideration, including its likely impact on smuggling of gold, a top official said. Finance minister Nirmala Sitharaman hiked import duty on gold in the budget to 12.5% from 10%. "The decision has been carefully taken. The govt has assessed that (smuggling) dimension as well," finance secretary Subhash Chandra Garg said.

Lenders, Ruias Plan to Move SC on NCLAT Essar Order

Joel Rebello, Saloni Shukla & Maulik Vyas

Mumbai: The latest ruling by the bankruptcy appellate tribunal in the Essar Steel resolution case may not mark the end of the long-drawn legal tussle. Bankers and the Ruias plan to appeal against the decision by the National Company Law Appellate Tribunal (NCLAT) in the Supreme Court, said the people aware of the matter.

The lenders are unhappy with the tribunal ruling that operational creditors should be treated at par with financial creditors at the time of settling claims. The Ruias, the original promoters of Essar Steel, have been trying to regain control of the asset, so appealing against the NCLAT decision that went in favour of ArcelorMittal's bid is the next logical move.

Bankers told ET they had no option but to move the Supreme Court as the NCLAT order slashes their recoveries to ₹30,000 crore or 60% of the overall claims against 89% earlier. More importantly, the order undermines the essence of the Insolvency and Bankruptcy Code (IBC), which gives financial creditors a superior claim in the recovery process, they said.

"We are filing an appeal next week because this order has ramifications beyond the Essar case," said one of the bankers. "Financial creditors are treated as secured creditors according to the code but this order, by giving even operational creditors an equal share, has destroyed this distinction. If secured creditors are treated like operational creditors, then we might as well give loans at 16% to 18% per annum without any security."

On July 4, the appellate tribunal held that the committee of creditors (CoC) had "no role to play in the matter of distribution of amount among the creditors, including the 'financial creditors' or the 'operational creditors." Essar Steel owes a total ₹69,192 crore to financial and operational creditors. As per the NCLAT decision, financial creditors will get 60.7% of their dues, while operational creditors with claims over ₹1 crore will get 59.6%. Creditors with claims of up to ₹1 crore will be paid in full.

"The NCLAT has relied on its recent decision in Binani Industries Ltd while passing the order. The judgement of Binani Industries was also appealed before the Supreme Court and it was upheld. What remains to be seen is whether the SC would take a different view given the unique facts of Essar Steel," said Ashish K Singh, managing partner of law firm Capstone Legal. "Any detailed decision by the SC on this important matter would set the precedent for many pending cases. Moreover, it would help financial institutions manage their risk at the time of lending as well."

MORE FUNDS

As part of resolution plan, ArcelorMittal will infuse another ₹8,000 cr of working capital in Essar Steel

As part of the resolution plan, ArcelorMittal will also infuse another ₹8,000 crore of working capital in Essar Steel. The earlier plan approved by the committee of creditors (CoC) had provided for 89% recovery for all financial creditors and around 20.5% for operational creditors with dues of more than ₹1 crore.

The NCLAT held that the CoC could only look at the viability of a resolution plan and not the distribution of the amount. It also said CoCs were not allowed to form subcommittees to negotiate with resolution applicants.

Lenders are unhappy that operational creditors should be treated at par with financial creditors at the time of settling claims

The Ruias have been trying to regain control of the asset, so appealing against the NCLAT decision is the next logical move

The order undermines the essence of IBC, which gives financial creditors a superior claim in the recovery process

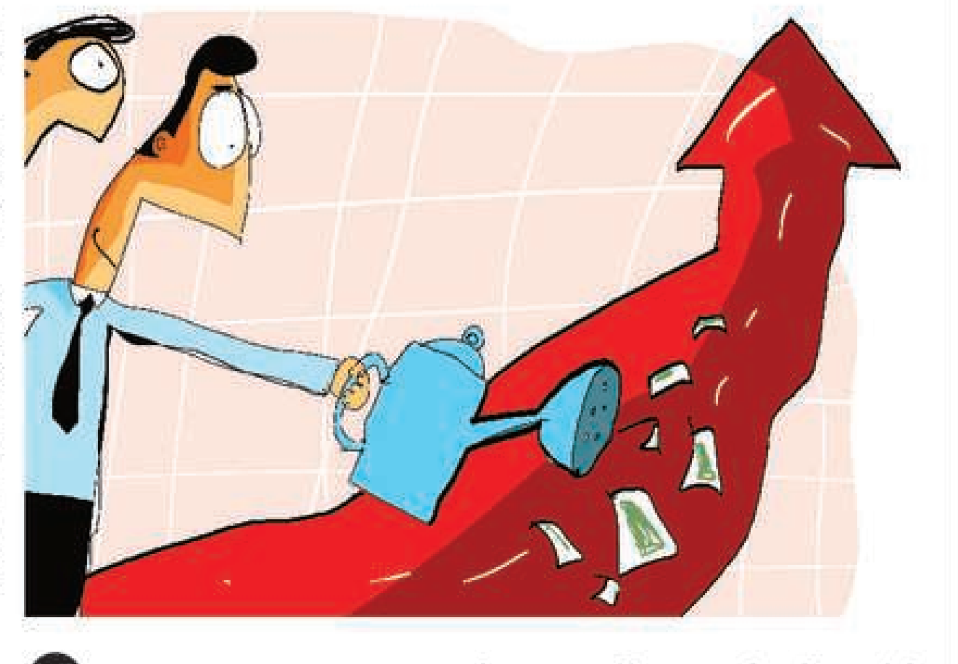
Any detailed decision by the SC on this important matter would set the precedent for many pending cases. Moreover, it would help financial institutions manage their risk at the time of lending as well

Ashish K Singh, managing partner, Capstone Legal

Expert Take Meaningful initiatives have been announced to attract foreign investment; Budget lays emphasis on financial sector reforms to solve liquidity crisis

Budget Ticks the Right Boxes, Sets the Agenda for New Term

BHARAT IYER



The union budget for FY2019-20E ticks the right boxes. The focus is on maintaining macro stability, attracting more foreign capital into the country via both equity and debt markets and reviving growth gradually.

Growth assumptions are well-anchored, with nominal GDP forecast to grow by 11%. Tax revenues are forecast to grow at about 18%, only a tad aggressive. In this backdrop, policy makers continue to attempt fiscal consolidation, with the fiscal deficit targeted at 3.3% of GDP against 3.4% earlier and market expectations closer to 3.6%.

Meaningful initiatives have been announced to attract foreign investment, very necessary given a meaningful decline in the domestic savings rate over the last decade. These include: a) an intent to ease foreign direct investment limits in select sectors such as insurance, media and aviation; (b) easing the 'know your customer' (KYC) norms for foreign portfolio investors (FPI); (c) government potentially borrowing more in the overseas financial markets, given the current low levels of sovereign external borrowings (less than 5% of GDP), freeing up local capital for the private sector and (d) FPIs being allowed to invest in listed debt securities issued by ReITs and InvITs.

The currency and bond markets reacted positively to the budget. The INR strengthened by about 0.15% and yields on the benchmark 10-year bond declined a meaningful 6 bps.

Equity market reaction on the day was a tad underwhelming though, with the Nifty declining by about 1%, though the Bank Nifty remained flat. But investors would do well to consider that the broad market had already rallied a meaningful 18% over the last 8 months, partially in response to policy positives emanating from the decisive mandate in the national elections in May and the stimulus provided in the interim budget in February.

The key concern on the day pertained to potential increase in supply for the equity markets following announcements that (a) the government would ask the capital markets regulator to consider increasing the free float requirement for listed equities from 25% to 35% and (b) including the investments of government-controlled entities in considering appropriate government ownership levels (51%) in public sector undertakings. The panic reaction could however be unwarranted as the regulator has yet to opine on the proposal and the time frame for implementation. Also investors would do well to note that a low free float factor currently constrains India's weight in the global benchmark equity indices, which the proposed move would potentially address.

IN SHARP FOCUS

The focus is on maintaining macro stability, attracting more foreign capital into the country via both equity and debt markets and reviving growth gradually

On balance, the focus on macro stability is key for sustaining current rich valuations for Indian equities at about 18x one year forward earnings. Corporate earnings are recovering, led by lower credit costs for financials and should aid market performance. Adjusted for one-off gains and losses, earnings for benchmark indices increased 15% over FY19 and a similar growth rate is expected over FY20E. Earnings growth should continue to lead markets higher and we target a Nifty level of 12500 by the year end.

Banks, materials including cement and steel and segments benefitting from government investments in priority infrastructure segments such as transportation and affordable housing should likely lead market performance.

Disruptions in global financial markets remain the key risk to the equity markets, given the dependence on foreign capital to boost growth, particularly the investment cycle.

(The author is MD & global equities research head, JP Morgan India)

Budget will Spur India's Overall Growth

Focus clearly on taking the economy to $5 trillion in a few years

ASHOK WADHWA

The Modi 2.0 government and finance minister Nirmala Sitharaman's first union budget is largely consistent with the interim budget presented earlier this year.

The clear focus is on taking the economy from the current size of $1.85 trillion to $5 trillion within the next few years. The budget has laid a multi-pronged approach to achieve this objective by focusing on infrastructure development, investing in the new-age digital economy, financial sector reforms and several long-term structural reform measures.

The minister announced many measures to boost infrastructure connectivity by focusing on several aspects of transportation — the upgradation of 1.25-lakh km road network, continual expansion of metro rail projects, enhanced focus on efficient utilisation of waterways to help reduce road congestion and making India a hub for MROs for the aviation industry.

Additionally, the ongoing investments towards the development of industrial corridors, dedicated freight corridors, Bharatmala and Sagarmala schemes will facilitate ease of people and cargo movement. The government is expected to invest $1,400 billion over the next several years on nation-building, which is also likely to boost an inflow of global capital towards Indian infrastructure.

The government's proposed initiatives towards boosting affordable housing is also impressive. Structurally, the government has been innovative in presenting a joint development model of constructing genuine affordable housing on government land and in seeking to create a model tenancy law.

DIGITAL DRIVE

The minister has been cognisant of the global shift towards digital technology

In the immediate term, the additional tax incentive of ₹1.5 lakh provided to homebuyers for loans taken up till March 2020 for ₹45 lakh will help improve housing sales velocity and positively impact the financial services sector that has a large exposure to the underlying real estate asset.

The budget has laid emphasis on financial sector reforms to help solve the liquidity crisis being faced by several NBFCs. The minister has allowed FPIs & FIIs to invest in debt papers of NBFCs and for purchase of high-rated pooled assets of financially-sound NBFCs amounting to a sum of $14 billion during this fiscal, the government will provide a one-time, six-month partial credit guarantee to public sector banks for the first loss of up to 10%.

The government will invest approximately $10 billion to recapitalise PSU banks. Apart from assisting in providing short-term liquidity measures, the budget has proposed a structural reform by the RBI having increased regulation over HFCs from the NHB. While one needs to read the fine-print, especially towards the proposed funding measures, in the long run, the structural reforms will help to ensure India's financial services sector does not face such a crisis of confidence again.

The minister has been cognizant of the global shift towards digital technology. The budget has proposed to improve the skills of our youth in artificial intelligence, big data and robotics and ease Indian startups from angel tax and reduced scrutiny on startup-related valuations, which will aid in Indian innovation.

The proposed labour reform to streamline multiple labour laws into a set of four labour codes and the amnesty scheme for excise and service tax-related cases to help free up $50 billion of locked-up capital is pathbreaking.

The budget will spur India's overall growth and development over the next several years. Next, if Team India wins the cricket world cup later this month, it would just be the icing on the cake!

(The author is Group CEO, Ambit Private Limited. Views are personal)

Issue Most Likely in Second Half

►► From Page 1

Incidentally, the budget only sees a near-Rs 10,000 crore rise in external debt in FY20.

"The first (overseas borrowing) will take some time and then every year you can come up with one or two issues," Garg said. "We will try to do one issue this financial year… Most likely in the second half, because minimum three to six months are needed for putting everything right."

Finance minister Nirmala Sitharaman had in her budget speech announced the country will start overseas borrowings.

"The government would start raising a part of its gross borrowing programme in external markets in external currencies," she had said, adding that this will also have a beneficial impact on the demand situation for government securities in the domestic market. India's sovereign external debt to GDP is among the lowest globally at less than 5%, she pointed out. Such a move would boost the case for India's inclusion in the global bond index, which would make domestic debt paper a draw for overseas investors, said market participants.

"Sovereign bonds should facilitate India's entry into the global bond index," said A Balasubramanian, chief executive officer of Aditya Birla Sun Life AMC. "Overseas borrowings would have multiple implications, ranging from costs to exchange rates. Such bonds could be priced at 3-3.20% in the current scenario. The question of hedging cost may not arise as New Delhi can settle lots of defence-related import payments overseas itself."

Defence equipment forms a major part of India's imports. If New Delhi raises money offshore, import bills could be paid abroad, limiting the exchange-rate impact. This will also help in price discovery for large Indian companies such as Reliance Industries, Adani and Vedanta, looking to tap overseas credit markets.

"Bond yields are likely to fall with a cut in government paper supply," said Balasubramanian.

RUPEE DEPRECIATION MAY HURT

The rupee has lost more than 14% against the dollar in the past eight years. If it extends losses every year by 1-2%, New Delhi's overseas interest payments or principal repayment obligations could go up.

India has already tried dollar-denominated quasi-sovereign issuances, but these were for the specific purpose of bolstering forex reserves to tide over temporary crises. This is the first time an overseas offering is being made part of the annual borrowing issuance, a proposal that has been under discussion for over two decades.

Garg said concerns about such borrowings were misplaced.

"There are a lot of people in the country who possibly believe that it's good for the country to remain an internal-looking economy, not getting integrated with the global side, etc," he said. "So, it's possibly that kind of fear which, in my judgement, that's not very well-informed fear and concern," he said, adding that the country had already opened up quite a lot.

Government debt is open to foreign investors, he pointed out.

"There is the FII route which is available, the non-residents, the central banks, other sovereign funds… which we have allowed," Garg said. "We have even allowed foreign investment in the state bonds."

ENSURING MORE VISIBILITY

A sovereign issue will give more visibility to the country, widening the investor base for India's sovereign debt, said MS Gopikrishnan, an independent market expert and former treasury head of Standard Chartered Bank India. "This will reduce the requirement for borrowing onshore; the cost of borrowing can also fall."

There are investors that buy only dollar bonds and not local currency bonds for various reasons — a segment that can be tapped by this initiative. Such a move could also underscore the government's fiscal discipline, reviving hopes for a sovereign rating upgrade, currently pegged at the lowest in the investment grade category by S&P and one notch above that by Moody's.

"Sovereign bonds also help instill policy discipline, given hard-nosed overseas investors would be holding the bonds," said Ananth Narayan, associate professor of finance at the SP Jain Institute of Management and Research.

At less than 5%, India's sovereign external debt to GDP is among the lowest globally. This is lower than one-fourths of Indonesia's foreign denominated debt pegged at 21.6%.

OPPORTUNE TIME

"Given the fact of negative interest rates in Europe, now is the most opportune time," said Harihar Krishnamoorthy, treasurer at FirstRand Bank. "Timing our issue now is best as trade wars and global slowdown fears have led to low interest rates everywhere. The advantages of alternate funding, lower global interest rates and the ability to leave more money locally for private sector outweighs the small theoretical risk."

Moreover, indiscriminate use of foreign currency bonds amplifies risks, particularly for a country with large current account deficits. In the past year, Latin American countries, including Argentina and Mexico, had raised investor concern with surging yields.

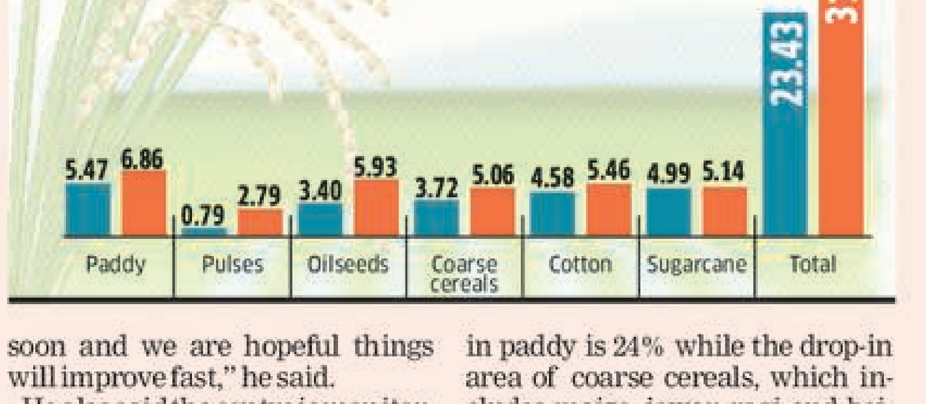
Although the structure of the proposed fund raising is not finalised, the government is likely to appoint credible investment bankers with broad investor reach. The Reserve Bank of India (RBI) would also be involved in playing an advisory role, experts said. The government's offshore borrowings are likely to be priced after adding a mark-up or spread over and above either of the two benchmark gauges — US Treasury yields and London Interbank Offered Rate (Libor).

The government may explore various options for hedging such dollar exposure. But it is unlikely that currency risk for the whole sum would be covered.

"If they do it, total costs would be slightly higher than domestic borrowings," said an investment banker with a large foreign bank. It may be partly hedged through forward contracts with the RBI, dealers said. The government could also try to time the market keeping in mind the relative stability of the global market and the rupee.

Oilseeds, Pulses Planting Falls Sharply due to Weak Rainfall

Rituraj.Tiwari@timesgroup.com



New Delhi: Plantation of oilseeds and pulses, which India imports heavily, has fallen sharply because of weak rainfall till now but this can change soon as the government has announced higher support prices and the monsoon is now on the upswing.

Finance minister Nirmala Sitharaman, in her budget speech on Friday, had urged farmers to make a big success in planting oilseeds just as they had done in pulses in recent years. India is a heavy importer of cooking oil because inadequate oilseed production leads to a huge shortfall in domestic production of the cooking medium. Sitharaman had also listed "self-sufficiency and export of foodgrains, pulses, oilseeds, fruits and vegetables" among the 10 points in the government's vision for the economy. Crop planting as on last Friday was 26% below last year, a much bigger gap than 9.5% a week ago although the rainfall deficit narrowed from 44% in mid-June to 23% on Friday.

Agriculture minister Narendra Singh Tomar is hopeful of early recovery because the monsoon has improved significantly.

"Situation is under control. Cultivation area will soon increase. IMD has predicted a normal monsoon and we are hopeful things will improve fast," he said.

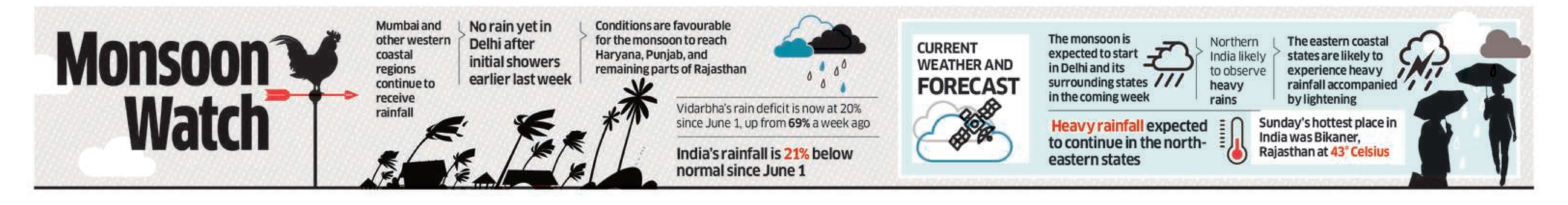
He also said the centre is monitoring the situation closely with states and would take every step to deal with any calamity.

"Even it rains profusely, there are parts which remains parched. So that is not a problem. We are in touch with every state governments and plans are afoot to deal with any situation," he had said.

Due to delayed monsoon, farmers have sown crops over 23.43 million ha — down by 8.53 million ha from 31.96 million ha last year. During the entire kharif season, farmers sow around 106.36 million ha of land. "The shortfall is mainly due to drop in acreage of pulses and oilseeds. The area of pulses is down by 70% while that of oilseeds is down by around 43%. The shortfall in paddy is 24% while the drop-in area of coarse cereals, which includes maize, jowar, ragi and bajra, is around 26.5%," said an agriculture department official.

The government recently announced minimum support price (MSP) for kharif crops where it has hiked MSP of oilseeds like groundnut, sunflower, soyabean, sesamum and nigerseeds in the range from ₹200 a quintal to ₹311 a quintal.

"Now that the new MSP has been announced and monsoon covering more areas, sowing activities will go up covering the shortfall. The rains in July and August are important for crops," said an agriculture department official. The met department has predicted advancement of rains in Haryana, Punjab and Madhya Pradesh.



Govt May Reduce Stake in Select State-run Cos to 40%

THE BIG GOAL Move to help govt meet the budgeted disinvestment target of ₹1.05 lakh cr

Dheeraj.Tiwari@timesgroup.com

New Delhi: The government is open to reducing its stake in select state-run firms including oil companies to as low as 40%, said a senior finance ministry official. This will help the government meet the budgeted disinvestment target of ₹1.05 lakh crore.

"The idea is to unlock the value in these firms. In case of oil firms, their crossholdings amongst each other give us that space," the official said.

The govt may pare its stake in nonstrategic companies to as low as 26%

Finance minister Nirmala Sitharaman had said in her budget speech that the government was considering the option of taking its stake below 51% to an appropriate level on a case-by-case basis in companies that have to be retained under state control.

She noted that the government has decided to modify the 51% government stake definition to include the holdings of state-controlled entities.

In the case of Oil & Natural Gas Co. (ONGC), the current government holding is 64.25% but around 19% is held by Indian Oil Corp, Gail (India) Ltd and Life Insurance Corp of India, all state-owned companies.

"We will discuss it with respective stakeholders wherever required and take an appropriate call depending on how much (stake) they would like to retain," the official said, adding that in some companies the government may want to keep the threshold at 40-45%.

The government may pare its stake in nonstrategic companies to as low as 26%. "We may like to retain it at that threshold because if we want to strategically divest, the new owner may like to have that control for purposes of voting rights etc," he said.

In a post-budget interaction with ET, Department of Investment and Public Asset Management secretary Atanu Chakraborty noted that the government had made the separation between control and a 51% stake for the first time.

"We have decided to go below 51% and open much larger investment space for people to come in, including international funds, which is needed," he had said, adding that there are a lot of professionally run companies where promoters do not even hold 2-3% and if you look at Sensex 30, in around 18 out of 27 companies, promoter group holding is below 40%.

Going Lean

Central govt and its agencies' stake in oil PSUs

ONGC	IOC 7.84%	GAIL (India) 2.45%	LIC 9.48%	Govt stake 64.25%
IOC	ONGC 14.20%	Oil India 5.16%	LIC 6.51%	52.18%
GAIL (India)	IOC 4.83%	ONGC 2.41%	LIC 4.76%	52.64%

As of March 31, 2019

Idea is to unlock the value in these firms

Govt will work it out with respective stakeholders

Taxman Plans to Go After New NRIs Possessing Undeclared Foreign Assets

Black money law to soon cover those who acquired these assets while residing in India

Deepshikha.Sikarwar @timesgroup.com

New Delhi: Tax authorities would soon start targeting undisclosed overseas assets of individuals, who had acquired those when they were residents in India but had since become non-residents.

Changes proposed to the black money law as part of the 2019-20 budget are aimed at covering such non-residents who possess undeclared overseas assets, a government official said.

The move comes amid reports of many high-net-worth individuals moving out of India and changing their residency status.

Finance minister Nirmala Sitharaman on Friday proposed to change the definition of 'assessee' retrospectively from July 1, 2015, to include a non-resident or resident but not ordinarily resident, who was residing in India in the year before an undisclosed asset was acquired.

Incidentally, the black money law covers the direct owner of an asset as well as a beneficial owner.

The law was part of the Narendra Modi-led NDA government's big crackdown on black money in its first term. It had offered an amnesty scheme, giving one last opportunity to people to come clean and declare their overseas assets with a 30% tax and 30% penalty.

Under the law, tax evaders will have to pay 30% tax plus a penalty of 90%. They could also face up to 10 years of rigorous imprisonment.

The changes to the Act had become imperative to give more teeth to the authorities to go after tax evaders, who may have changed their residency status. India is now receiving information on assets held overseas by Indians under various global treaties, making it easier for authorities to nab evaders.

Crackdown

CHANGE TO THE DEFINITION OF 'ASSESSEE' has been sought retrospectively in the black money law

FM HAS SOUGHT TO INCLUDE AN NRI OR RESIDENT BUT NOT ORDINARILY RESIDENT, WHO WAS RESIDING IN INDIA IN THE YEAR BEFORE AN UNDISCLOSED ASSET WAS ACQUIRED

MOVE WILL ALLOW TAXMAN TO ACT AGAINST THOSE who may have changed their residency status

No Booster Dose

WHY THE BUDGET OFFERED NO STIMULUS

Despite expectations of a big stimulus package to revive the economy, the budget focused on indirect measures to revive credit flow and investments. The macroeconomic framework statement for FY20 presented along with the budget points to the reasons for this.

1. Topping the table in growth rate; macroeconomic stability

IMF forecast for 2019 (% growth)

India	7.3
China	6.1
Russia	1.7
Brazil	2.5

Fastest-growing economy needs no stimulus

2. Pickup in fixed-investment rate

Fixed investment (% increase)

FY18	9.3
FY19	10

If investment rate is picking up, stimulus not required

3. Global confidence in the Indian economy has improved

It should lift investment, precluding the need for stimulus

4. Medium-term growth prospects of the economy are bright

Estimated GDP growth

FY21	7.3%
FY22	7.5%

Slowdown just a phase that will get over

5. Growth momentum is expected to strengthen in FY20

Economy will look up this year

SINGLE-BRAND RETAIL

Local Sourcing Rule Likely to Go or Get Diluted

Govt to weigh both the options with an eye on attracting more foreign investment

Deepshikha Sikarwar & Kirtika Suneja

SUBHASH GARG
Finance Secretary

Very clearly it has been stated that for the single brand retail trading local sourcing requirement is somewhat of an anachronistic kind of arrangement... It is not required to be there

New Delhi: India could altogether drop the local sourcing requirement for foreign investment in single-brand retailing as it eyes increased investment from companies such as Apple.

"Very clearly it has been stated that for the single brand retail trading local sourcing requirement is somewhat of an anachronistic kind of arrangement... It is not required to be there," finance secretary Subhash Garg told ET. "That's what the intent, or that is what the signalling is."

Responding to a question on whether the clause would be dropped or diluted, Garg said both the approaches will need to be examined. "There can be a proposal for entirely removing the local sourcing requirement from the single brand retail," he said. "There might also be liberalising it in some way where the life of these companies becomes much easier."

India allows 100% foreign investment in single-brand retail under the automatic route but requires the investor to source 30% of the value of goods sold from within the country.

Finance minister Nirmala Sitharaman, in her budget speech on Friday, had announced that the local sourcing norms will be eased for FDI in single brand retail sector.

As per the existing policy, the 30% local sourcing procurement requirement has to be met, in the first instance, as an average of five years' total value of the goods purchased, beginning April 1 of the year of opening of the first store. Thereafter, it needs to be met on an annual basis. The policy allows investors to set off incremental sourcing from India for global operations against this 30% requirement for local outlets for the first five years.

An official at the Department for Promotion of Industry and Internal Trade (DPIIT) said there are year on year restrictions that need to be simplified. "The annual requirement clause can be relaxed," the official told ET.

'No Stimulus for Revival'

►► From Page 1

"The market was expecting some sort of fiscal stimulus from the government. Also, there were no major announcements, which will lead to an immediate revival in the economy," said Sanjeev Prasad, co-head, Kotak Institutional Equities. "The government stressed on investment reforms including labour reforms and the market will wait for details. Valuations are on the higher side which is a challenge."

Benchmark indices ended their four-day gaining streak and ended down 1% on Friday as a result of these concerns. The Nifty fell 135.60 points or 1.1% to 11,811.15 and the Sensex ended nearly 400 points, or 1%, down at 39,513.39. "There is nothing to suggest that there will be a V-shaped recovery in the economy. This is not a market-changing budget," said Piyush Garg, chief investment officer at ICICI Securities.

The Sensex had fallen 0.4% in the month preceding the budget and foreign portfolio investors (FPIs) had net sold local shares worth ₹4,600 crore during that period. The buoyant sentiment after the victory of the BJP-led coalition for the second time in national polls and the fall in crude oil prices did not last as concerns over the NBFC crisis grew.

MIXED BAG

The ET poll showed the street was enthused by the government's fiscal discipline, measures to help NBFCs, the electric vehicles push, steps to deepen the bond market and recapitalisation of state-owned banks.

However, the market was disappointed by lack of a clear stimulus plan, especially since growth slowed to a five-year low in the March quarter. The market was disappointed by more taxes on wealthy individuals and buybacks and the lack of measures to revive business confidence. The street was also not keen on the government's recommendation that the regulator increase the minimum public shareholding for listed companies and lack of clear guidelines with respect to reducing unemployment.

One estimate put the amount of additional paper that would come into the market at Rs 4 lakh crore if the public float limit was raised. While there is no clarity on the timeline, 44% of those polled said companies should be given a minimum five years to meet the proposed requirement. About 31% said it should be at least three years.

"If and when it is implemented, there will be certainly a time frame of two to three years to meet the new minimum public shareholding requirements," said Prasad of Kotak Institutional Equities.

The liquidity measures announced for NBFCs were appreciated but 62% of those polled said they wouldn't be enough to alleviate the sector's concerns.

"There's some help for the NBFC sector and the housing sector but that is a longer-term story," said Andrew Holland, CEO, Avendus Capital Alternate Strategies.

Prasad said the liquidity window provided to NBFCs may not be enough. "It is more to manage the situation currently and assess the situation," he said. "The government has started in a small way and is likely to provide more support going forward as and when needed by NBFCs."

Given the absence of any major takeaways from the budget, market participants said they will look to the June quarter results and the monetary policy in August for cues. "Market will focus on earnings that will start trickling in — they will provide some short-term direction," said Garg of ICICI Securities. "Plus there will be global cues and we will watch out if sequential slowdown in the economy has bottomed out."

DoT Likely to Start Tracking System for Mobiles Next Month

Press Trust of India

New Delhi: The government will launch a technology solution next month to enable detection of lost or stolen mobile phones, an official said. The tracking system would make the detection of mobile phones possible even if the SIM card is removed or unique IMEI number is changed.

The Centre for Development of Telematics (C-DoT) is ready with the technology and the service is expected to be launched in August. "C-DoT is ready with the technology. The telecom department will approach the minister for its launch after the Parliament session. It should be launched next month," said a DoT official.

The Department of Telecom (DoT) had assigned the mobile phone tracking project, Central Equipment Identity Register (CEIR), aimed at bringing down counterfeit cellphones and discouraging theft, to C-DoT in July 2017. The government has proposed to allocate ₹15 crore for setting up CEIR.

The CEIR system will block all services on stolen or lost mobile phones on any network even if the SIM card is removed or IMEI number of the handset is changed. The system is also expected to protect consumer interest and facilitate law enforcement authorities. It will connect the IMEI database of all mobile operators. It will act as a central system for all network operators to share blacklisted mobile terminals so devices placed under the said category in one network will not work on the other, even if the SIM card in the device is changed.

EAST CENTRAL RAILWAY
E-TENDER NOTICE

e-tender is invited on Behalf of the President of India for the under mentioned work. 1. Name of the work with its location: Design, Drawing, Modification, Supply, Erection, Testing and Commissioning of 25KV OHE at Islampur station in connecting with construction of new Line No.4 and extension of line no. 2 & 3 and removing infringement which are coming in the alignment of new line and in the extension of existing line at Islampur station. e-Tender No.EL/C/S/MHX/ETEN/47/19-20. Approx. Cost of the work: ₹1,91,33,360/-. Earnest money and tender Document cost to be deposited: ₹2,45,700/- and ₹5,000/- respectively. 2. Name of the work with its location: Hiring/Supply & regular running of 01 no. vehicle for 24 months for use of SEE/Con/CPU Electrical Construction wing at Chopan. e-Tender No.EL/C/S/MHX/ETEN/48/19-20. Approx. Cost of the work: ₹14,17,646.40, Earnest money and tender Document cost to be deposited: ₹28,400/-, and ₹2,000/- respectively. Date and time for closing of tender: 11.07.2019 up to 12.00 Hrs. Website particular and notice board location where complete details of tender can be seen and address of the office from where the tender form can be purchased etc.: Tender can be down loaded from IREPS website: www.ireps.gov.in and detailed can be seen from the notice board at CEE/CON/Mahendrughat office, CAO/CON/ECR office Complex, Patna-04.

Dy CEE/Con/South/ECR/MHX
PR/0682/CON/Elec/T/19-20/48

EAST CENTRAL RAILWAY
E-TENDER NOTICE

No.-COM-ATM-BKP-19

Notice for calling of open e-tender for award of contract for Installation of four Automated Teller machine (ATM) of Bakhtiyarpur Jn. Railway station circulating area on period of five (05) years from the date of commencement of the contract.

Particulars: Sl. No. 1. Name of the work with its location: open e-tender for award of contract for Installation of four Automated Teller machine (ATM) of Bakhtiyarpur Jn. Railway station circulating area for on period of five (05) years from the date of commencement of the contract. **2. Cost of the work for One years:** Rs. 1/- *The bid amount is treated as license fee for the 1st year. Though the tender floated without reserve price, due to technical constrain it was shown as Rs. 1/-. License fee for subsequent years, there is an escalation of 10% on previous years license fee. **3. Earnest Money:** Rs. Zero. **4. Date & Time fixed for bidding of e-tender and opening of e-tender:** Date and time for bidding of e-tender-Before 12:00 hrs. on 29/07/2019. Date and time for opening of e-tender- After 12:00hrs. on 29/07/2019. **5. Website particulars & Notice Board Location where complete details (Notice and tender documents) of tender can be seen.** Website particulars - www.ireps.gov.in, Notice Board Locations-Office of the Sr. Divnl. Comml. Manager, East Central Railway, Danapur.

Divisional Railway Manager (Comml.)
East Central Railway, Danapur
PR/0674/DNR/ELEC/T/19-20/44

NORTH WESTERN RAILWAY
Signal & Telecommunication Department
NOTICE OF INVITING E-TENDER

DRM/S and T acting for and on behalf of the President of India invites E-Tenders against Tender No. SNT-JP-13-2019-20 closing date 02.08.2019 15:00. Bidders will be able to submit their original/revised bids upto closing date and time only. Manual offers are not allowed against this tender, and any such manual offer received shall be ignored. Contractors are allowed to make payments against this tender towards tender document cost and earnest money only through online payment modes available ON IREPS portal LIKE net banking, debit card, credit card etc. Manual payments through Demand Draft, Banker cheque, Deposit receipts FDR etc. are not allowed. **1. Name of work with it location:** Comprehensive Annual Maintenance contract for Universal Fail Safe Block Interface (UFSBI) installed in Block Section of RPC section for Three Years. **2. Approx. Cost of work (Rs.):** 6818250/-. **3. Earnest Money (Rs.):** 136400/- (Online Payment Only). **4. Date & Time for Submission up to on www.ireps.gov.in:** 02.08.2019 Up to 15.00 hrs. **5. Website Particulars & Notice board location:** www.ireps.gov.in and DRM office/NWR/Jaipur.

639-AD/19

Please join us on /NWRailways

NORTH WESTERN RAILWAY
NOTICE OF INVITING E-TENDER

DRM(C&W), DRM office, Bikaner acting for and on behalf of The President of India invites E-Tenders no 06/Mech/C&W/2019-20 date. 05.07.2019. Bidders will be able to submit their original/revised bids up to closing date and time only. Manual offers are not allowed against this tender, and any such manual offer received shall be ignored. **1. Name of work with its location:** Supply and Conversion of Bio-Tank P-Trap into S-trap fitted in ICF Coaches (ICF&LHB) over Bikaner Division (BKN, LGH, SGNR, HSR & BNW). **2. Approx. cost of the work:** Rs. 42,24,978/-. **3. Earnest Money to be deposited:** Rs. 84,500/- (Online Payment through net banking or payment gateway in F/O Sr. DFM, NWR, Bikaner. **4. Date and time for submission of tender:**- Submission of e-tender up to 26.07.2019 at 15.00 hrs. **5. Date and time for opening of tender:**- Opening of e-tender on 26.07.2019 at 15:30 hrs. **6. Cost of form:** Rs. 3,000.00 (Online Payment through net banking or payment gateway in F/O Sr.DFM, NWR, Bikaner. **7. Website particular:** www.ireps.gov.in

642-AD/19

Please join us on /NWRailways

OFFICE OF THE MANAGING DIRECTOR PURVANCHAL VIDYUT VITRAN NIGAM LIMITED VIDYUT NAGAR; POST OFFICE: D.L.W. VARANASI-221004

Short Term E-Tenders are invited for the followings works. The Tender will be accepted up to at 15.00 hours. Please visit our website www.etender.up.nic.in for details/download and for any other corrections/Ammendments/Modification/Extensions till the date of submission of bids. **s.no. 1 Tender specification no.** EAV-21/2019-20 **Name of work** Construction of New 33 KV underground Line on turn key basis form 132 KV Sub-Station Ledhupur to 33/11 Sub-Station Shaktipith till tapping point of 33 KV Line in district Varanasi under Purvanchal Vidyut Vitran Nigam Limited, Varanasi. **Earnest money (Rs.)** 50,000.00 **Tender fees (Rs.)** 5,000+GST **Last date & time for online submission of tender documents** 24.07.2019 **Last date & time for opening of bid part-1** 25.07.2019 **CHIEF ENGINEER (IPDS)** **"Save Electricity in the interest of Nation"** RO 1233/06.07.2019

EAST CENTRAL RAILWAY
E-TENDER NOTICE

E-Tender Notice No. COM-ATM-MKA-19. Notice for calling of open e-tender for award of contract for Installation of four Automated Teller machine (ATM) of Mokama Jn. Railway station circulating area on period of five (05) years from the date of commencement of the contract.

1. Name of the work with its location: Open e-tender for award of contract for Installation of four Automated Teller machine (ATM) of Jamui Railway station circulating area for on period of five (05) years from the date of commencement of the contract. 2. Cost of the work for One years: *₹1/- *The bid amount is treated as license fee for the 1st year Though the tender floated without reserve price, due to technical constrain it was shown as ₹1/-. License fee for subsequent years, there is an escalation of 10% on previous year's license fee. 3. Earnest Money: ₹Zero. 4. Date & Time fixed for bidding of e-tender and opening of e-tender: Date and time for bidding of e-tender - Before 12.00 hrs. on 30.07.2019. Date and time for opening of e-tender - After 12.00 hrs on 30.07.2019. 5. Website particulars & Notice Board Location where complete details (Notice and tender documents) of tender can be seen: Website particulars - www.ireps.gov.in. Notice Board Locations - Office of the Sr. Divnl. Comml. Manager, East Central Railway, Danapur.

Divl. Railway Manager (Comml.)/ECR/Danapur
PR/0678/DNR/Comml./T/19-20/44

EAST CENTRAL RAILWAY
E-TENDER NOTICE

E-Tender Notice No. COM-ATM-KIUL-19. Notice for calling of open e-tender for award of contract for Installation of four Automated Teller machine (ATM) Kiul Jn. Railway station circulating area on period of five (05) years from the date of commencement of the contract.

1. Name of the work with its location: Open e-tender for award of contract for Installation of four Automated Teller machine (ATM) of Kiul Jn. Railway station circulating area for on period of five (05) years from the date of commencement of the contract. 2. Cost of the work for One years: *₹1/- *The bid amount is treated as license fee for the 1st year Though the tender floated without reserve price, due to technical constrain it was shown as ₹1/-. License fee for subsequent years, there is an escalation of 10% on previous year's license fee. 3. Earnest Money: ₹Zero. 4. Date & Time fixed for bidding of e-tender and opening of e-tender: Date and time for bidding of e-tender - Before 12.00 hrs. on 30.07.2019. Date and time for opening of e-tender - After 12.00 hrs on 30.07.2019. 5. Website particulars & Notice Board Location where complete details (Notice and tender documents) of tender can be seen: Website particulars - www.ireps.gov.in. Notice Board Locations - Office of the Sr. Divnl. Comml. Manager, East Central Railway, Danapur.

Divl. Railway Manager (Comml.)/ECR/Danapur
PR/0677/DNR/Comml./T/19-20/44

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personal

CHANGE OF NAME

R/O K-32C, Sheikh Sarai II, previously known as Deepa Panicker & Deepa Nand Kishore has changed name to be known as Deepa Padma Gopalakrishnan

I, Mona Dua W/o, Anil Dua R/o, F-801, Amrapali Princely Estate, Sector-76, Noida have changed my name to Savita Dua for all purposes.

I Ajeet Singh Panesar S/o Baldev Singh R/o B-78, Asha Park, Jail Road, New Delhi- 18 have changed my name Ajit Singh for all purposes

I, Prakash Chandra Nair S/o Chandra Shekharan Nair R/o Flat No.1, Him Vihar Apartments, Plot No.8 , I.P. Extension, Patparganj, Delhi-92, have changed my name to Prakash Chandra for all Purposes.

I, Pooja Rani D/o Ashok Kumar & W/o Vikas Sawhney R/o B-19, 3rd Floor, Manak Vihar, Tilak Nagar, Delhi have changed my name to Pooja Sawhney

I, Ranjna W/o Manoj Kumar R/o A-288, Sector-2, Pocket-00, Rohini, Delhi-110085 have changed my name to Ranjana Sukhija for all purposes.

I Kishan Chand S/o Lakhmi Chand R/o 545/13, Sikka Colony, Near Luthra House, Behind Gali ICICI Bank, Sonepat declares that Kishan Singh Midha, Kishan Singh & Kishan Chand are the names of one & same person. In future, I shall be known as Kishan Chand.

I, Shubham S/o Sh. Rajesh Kumar R/o House No 22 Rajdhani Enclave Ground Floor Pitampura New Delhi-34, have changed my name to Shubham Behl for all Purposes

I, Bharti Dhingra w/o Mohit Dhingra r/o J-6/78, F.Floor, Rajouri Garden, N Delhi, also known as Bharti Dhingra, Bharti Sedha and Bharti is one and the same person for all purposes.

I Zinnat Praween D/O, Wakeel Ahamad R/o A-66, 2nd Flr, Gulab Bagh, Uttam Nagar, ND-59 have changed my name to Zeenat Khatun for all purposes.

I, Jasbir Singh Sabarwal S/o Gurbax Singh R/o B-48, Block-B, Sharda Puri, Ramesh Nagar, N.Delhi-15 have changed my name to Jasbir Singh for all purposes.

I, Manoj kumar s/o Sadhu Ram R/o-Y-649-650,Janta Mkt,Camp No.1,Nangloi,Delhi-41 inform that in my Son's Harshit Singla Educational & other documents my name was wrongly mentioned as Manoj Singla, whereas correct name is Manoj Kumar

I, Sandhya Batra W/o Gulshan Kumar R/o 1137 Housing Board Sector -7, Bahadurgarh, Jhajjar Haryana 124507 have changed my name to Sandhya Sharma for all future purposes.

I, Nishad Azmi S/o. Kitabuddin R/o. F-184, Flat No.401, Peace Apartment, Shaheen Bagh, Abul Fazal Enclave-II New Delhi-25 have changed my name as Nisar Ahmad Azmi for all purposes.

I, Ankush Thakur R/o H.No.1383, Sec-14, Faridabad, Haryana, have changed my minor Daughter's name from ILINAN THAKUR to ILINNAH THAKUR for all purposes

I, Hari Metter Verma/Hari Mittar Verma S/o Nathu Ram Verma R/o A-2/32, Ashok Apartment, Paschim Vihar, Delhi-110063, have changed my name to Hari Mitter Verma.

I, Rajan Kumar Gupta S/O Satpal Gupta R/O G-342/C 2nd Floor Sushant Lok-II Sector- 57 Gurgaon Haryana-122011 have changed my name to Rajan Gupta vide affidavit dated 29/06/19 at New Delhi

I hitherto known as Varun Mishra alias Varun Kumar S/O Vijendra Pal employed as Assistant Director (Legal & Investigation) in the O/o the CPMG, Meghdoot Bhawan, Delhi Circle, New Delhi R/o Near Sewa Niketan, Verma Nagar, Etah, U.P.-207001 have changed my name and shall hereafter be known as Varun Mishra.

I Harbinder Singh Gulati S/o Pritam Singh R/o 94 A, Block - L, Saket, Delhi-17 declare that my minor son name has been wrongly written as Tejas Gulati in his aadhar card, Passport & Tejas Singh in his 10th class documents. The actual name of my son is Tejas Singh Gulati which may be amended accordingly.

I, Anil S/o Ramniwas R/o B-4/9, H.B. Society, Miyanwali Nagar, Delhi-110087, have changed my name to Anil Bindal.

I Poonam Rani W/o Sanjeev Kumar R/o A-77, Hari nagar, clock tower hari nagar, N.Delhi -64 have changed my name Poornima for all purposes

I ,Daljeet Kumar S/O Dayal Singh R/O 101, Gali - 12, Arjun Nagar, Gurugram,Hr. (INDIA) have changed my name to Daljeet Kumar Arora

I Devashish S/O, Mr. Dalip Dutta R/o 777/23, Heera Nagar, Khandsa Road, Gurgaon have changed my name to Devashish Dutta for all purposes.

I, Amanpreet Kaur D/O Devinder Singh Cheema R/O RZ-101/2, Gali-3, East Sagarpur, Delhi-46 vide affidavit 2/7/19. My actual DOB & Name is 17/01/1993 & Amanpreet Kaur respectively. It is wrongly mentioned in Army records as 17/01/1992 & Amanjit Kaur.

I, Ram Prakash Vashisth S/o Shri Banwari Lal R/o 21,Saket kunj Appartment, Sec-9,Rohini, Delhi-85,have changed my name to Ram Parkash Vashisth

I, Pratyush Bhassin S/o Davinder Bhasin R/o 6/12, 3rd Floor, West Patel Nagar, Delhi-08, have changed my name to Pratyush Bhasin

I, shweta singh w/O vikas sinha R/O 136 , vasant enclave ,vasant vihar , new delhi - 110057,have changed my minor daughter name from Aanya Singh to Aanyaa singh for all future purposes.

I Raman Rajpal S/O, Rajpal Singh R/o 414/1 Renu Cottage Cross Lane-12, Forest Lane have changed my name to Raman Singh for all purposes.

LOST & FOUND

NOTICE is hereby given that the equity share certificate no. 13909 (72 shares) bearing Distinctive no. 495138433 to 495138504 & Folio no. S0000825 of face value of Rs. 5/- each of CASTROL INDIA LTD having it's registered office address at Technopolis Knowledge Park, Mahakali Caves Road P O Box No. 19411, Chakala, Andheri (East), Mumbai, Maharashtra, 400093 registered in the name of Schandravati Bahl & Beas Dev Bahl have been lost/mislaid & the Applicant has applied to the company to issue duplicate certificates. Any person who have claim in respect of said security should lodge such claim with company at its registered office within 15 days from this date, else the company will proceed to issue duplicate certificate without further intimation.

I, Rashmi Pundhir R/o- Flat No. 6, Building No. C6, Golf Link Appt., Sec 23B, Pkt-8, Dwarka, ND, have lost my marksheet, provisional & migration certificate of Class Xth & XIIth, Roll No- 6167293 & 6265028, year- 2007 & 2010 issued by CBSE respectively has been lost.

GENERAL

I, Manjit Kaur W/O Devinder Singh Cheema R/O RZ-101/2, Gali-3, East Sagarpur, Delhi-46 vide affidavit 2/7/19. My actual DOB is 01/01/1966. It is wrongly mentioned in Army records as 01/06/1962.

tender & notices

TENDERS

एक्ज़िम बैंक EXIM BANK
भारतीय निर्यात-आयात बैंक
EXPORT-IMPORT BANK OF INDIA

INVITATION FOR PRE-QUALIFICATION

Export-Import Bank of India invites applications from Indian entities for Prequalification of Consultant for preparation of Detailed Project Report (DPR) for construction of roads in Papua New Guinea, financed under a Line of Credit extended to the Govt. of Papua New Guinea.

Details on: http://www.eximbankindia.in/lines-of-credit-tenders.aspx

All subsequent Addenda/Corrigenda shall be notified on Bank's website.

STATE URBAN LIVELIHOOD MISSION (SULM), U.P.
(STATE URBAN DEVELOPMENT AGENCY, (SUDA) U.P.)
7/23, Sector-7, Gomti Nagar Extension, Lucknow-226002
Website : http://www.sudaup.org

Cluster-4, RFP No.:2611/241/NULM/Teen/2017-18(SUSV-Tender) Date:05.07.2019

e-TENDER NOTICE

The Mission Director/Director SUDA UP invites Request for Proposals (RFP) through e-tendering for Survey of street vendors, preparation of City Street Vending Plan (CSVP) and Detailed Implementation Plan (DIP) for infrastructure improvement projects etc. under Support to Urban Street Vendors (SUSV) component of Deen Dayal Antyodaya Yojana-National Urban Livelihood Mission (DAY-NULM) for 11 Cities/ULB of Uttar Pradesh

For details of RFP visit website: https://etender.up.nic.in & www.sudaup.org (only for information)

MISSION DIRECTOR/DIRECTOR, SULM-SUDA UP

JHARKHAND URBAN INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED
(Govt. of Jharkhand Undertaking)

3rd floor, Pragati Sadan, Kutchary Road, Ranchi-834001, Jharkhand.
Ph No.: +91-651-2225878,
CIN: U45200JH2013SGC001752, e-mail Id-juidcolimited@gmail.com

NIT No:JUIDCO/PMAY/Vertical-III/2019/265

e-procurement notice — 2nd call of tender

1.	(a) Name of the work	Construction(including structural design) of 120 dwelling units in 06 number of G+3 blocks at Nawadih, Madhupurunder Pradhan MantriAwas Yojana (Urban) [Package N].
	(b) Scope of Work	Scope of work include Architectural Planning & Design, Engineering Procurement, preparatio n of detailed structural design & drawing project execution & construction, after obtaining approval from municipal bodies including w ater supply and sanitation, sewer network, electrification work, storm water drainage, rain water harvesting, landscaping, barbed wire fencing, street lighting, construction of internal roads and parking area of Pradhan M antri Awas Yojana at Nawadih, Madhupuron EPC basis.
2.	Mode of Bid Submission	e-tendering (http://jharkhandtenders.gov.in)
3.	Estimated Cost (Rs.)	Rs. 7.31 Crore (Rupees Seven Crore Thirty One Lakh) only.
4.	Tender Fee and Bid Security	Tender document fee: Rs. 25,000/- (Rupees Twenty- Five Thousand) only [Non-Refundable] Bid Security: Rs. 7,31,000/- (Rupees SevenLakhThirty One Thousand) only.
5.	Date / Time of Publication of Tender on Website	06.07.2019 17:00 Hrs
6.	Last Date / Time of Bid Submission	26.07.2019 17:00 Hrs
7.	Last Date / Time of Submission of Tender Fee & EMD	27.07.2019 17:00 Hrs
8.	Date of Bid Opening	27.07.2019 17:30 Hrs
9.	Bid Submission Address	Jharkhand Urban Infrastructure Development Company Limited, 3rdFloor, Pragati Sadan, Kutchery Road, Ranchi - 834001
10.	Helpline No. of e-Procurement Cell	+91 651 2225878

Note: Only e-Tenders shall be accepted.

Further details are available on Jharkhand Government e-procurement website and can be seen on the website http://jharkhandtenders.gov.in

SD/-
General Manager (P&E)
JUIDCO Limited, Ranchi

PR 211052 Urban Development(19-20)D

U. P. CO-OPERATIVE SUGAR FACTORIES FEDERATION LIMITED
9-A, Rana Pratap Marg, Lucknow
Telephone No. (0522) 2200183, (0522)2628310 Fax no. : 0522-2627994
E-Mail: upsugarfed@yahoo.co.in Website : www.upsugarfed.org

TENDER NOTICE

Ref no. UPF/GMT/2019-20/270 Dated : 05/07/2019

On line E-Tender is invited from registered Firm/Contractor/companies for the following outsourcing jobs at SATHA (ALIGARH) and RUDRA-BILASPUR (RAMPUR).

Sl No	Name of the Item	Technical bid Opening at 11.00 A.M.	Commercial bid Opening at 3.00 P.M.	E.M.D in Rs.	Tender Fees in Rs.
1.	Outsourcing of Technical staff and skilled, unskilled workers for operation and maintenance of equipments/machinery during season 2019-20, off season repair and maintenance work year 2019 for following two cooperative sugar mills:- 1.Kisan Sahkari Chini Mill, Satha Aligarh having cane crushing capacity 1250 T.C.D. 2.Rudra-Bilaspur Kisan Sahkari Chini Mill Distt. Rampur having crushing capacity 2000 T.C.D.	12/07/2019	12/07/2019	2000000 (Twenty Lacs Only) for each Mill	10,000/- Ten Thousand +12% GST =Rs 11,200/- for each Mill

The details of submission of e-bids alongwith eligibility, date & time for opening of technical/Financial bids, E.M.D. experience and other terms & conditions will be available on e-tender portal http:/etender.up.nic.in and Federation's website www.upsugarfed.org. from 05/07/2019 at 06:55 PM to 11/07/2019 upto 18:55 PM where tender documents may be downloaded by any tenderer. The tender fee (non refundable) and E.M.D. against each work as mentioned above in the form of Demand Draft drawn in favour of UP Co-operative Sugar Factories Federation Ltd., payable at Lucknow which will be deposited in Federation office before opening of Technical bid E-Tender without earnest money shall be liable to be rejected. The Federation reserves the right to cancel any or all bids process without assigning any reason to & decision of Federation will be final & binding. Any corrigendum can only be seen on www.upsugarfed.org and https://etender.up.nic.in.

(Bimal Kumar Dubey)
MANAGING DIRECTOR

Bihar State Milk Co-operative Federation Ltd.
Dairy Development Complex, P.O.- Bihar Veterinary College, Patna-800014 (Bihar)
Phone No.-2224083, 2228953, 2228347, 2220387, Fax No.-0612-2228306
Email:- marketingcomfed@gmail.com Website: www.sudha.coop

COMFED

NOTICE INVITING EXPRESSION OF INTEREST (EOI) FOR EMPANELMENT OF EXPORT HOUSE

Bihar State Milk Cooperative Federation Limited (COMFED) is the apex body for dairying for the State of Bihar, proposes to select reputed Export House, to assist COMFED in export of SUDHA brand Dairy products. Registered agencies / Export House having previous experience of at least five years in export of Agriculture produce preferably Dairy produce with strong financial background may submit their Expression of Interest (EOI) containing customer profile and transacted business preferably of dairy produce during last five years with their audited balance sheet.

Experience Agencies / Export House registered with Ministry of Commerce & Industries (Additional Director General of Foreign Trade), possessing CRISIL ratings willing to empanel themselves with COMFED for carrying forward export of dairy produce may submit their Expression of Interest (EOI) either through courier / post or in person in sealed envelope to the COMFED office latest by 26.07.2019 by 4.00 PM super scribed "EOI for Export House due date 26.07.2019".

The EOI, should reach the office of undersigned by 26th July 2019 at Bihar State Milk Cooperative Federation Ltd, Dairy Development Complex, Post - BVC, Patna - 800014, Bihar in a sealed cover containing documents as stated. The interested parties will have to make a presentation about their profile and export business carried out with their credentials stated above at our office at Patna on 30.07.2019 from 12 noon onwards. Interested parties must submit their EOI as stated above with above stated documents, credentials for evaluation by the date. For all legal matters and disputes Patna court will be our jurisdiction.

Managing Director

JHARKHAND URBAN INFRASTRUCTURE DEVELOPMENT COMPANY
3rd Floor, Pragati Sadan (RRDA Building)
Kutchery Chowk, Ranchi-834001, Jharkhand
CIN: U45200JH2013SGC001752

PR Ref: 210239
NIT No. : JUIDCO/PMAY/Vertical-III/19/246
Tender ID: 2019_UDD_39073_1
Project Name: Construction(including structural design) of 5,474 dwelling units in 17 number of G+8 blocks (17 blocks with 322 dwelling units each) at Birsanagar (Part II), Jamshedpur under Pradhan Mantri Awas Yojana (Urban) under Package X.

Corrigendum – 2

Sl. No.	Clause No./ Reference No.	As per corrigendum 1	AMENDMENTS/ ADDENDUM
1.	Notice Inviting Tender	1.Last Date & Time for submission of online bid (Bid Due Date) – 08.07.2019 upto 1700 Hrs 2.Last Date & Time for submission of tender fee & EMD – 09.07.2019 upto 1700 Hrs 3. Date & Time for Opening of Technical Bids – 09.07.2019 at 1730 Hrs	2.Last Date & Time for submission of online bid (Bid Due Date) – 11.07.2019 upto 1700 Hrs 3.Last Date & Time for submission of tender fee & EMD – 12.07.2019 upto 1700 Hrs 3. Date & Time for Opening of Technical Bids – 12.07.2019 at 1730 Hrs

Sd/-
PR 211055 (Urban Development and Housing) 19-20 (D) General Manager (P & E)

JHARKHAND URBAN INFRASTRUCTURE DEVELOPMENT COMPANY
3rd Floor, Pragati Sadan (RRDA Building)
Kutchery Chowk, Ranchi-834001, Jharkhand
CIN: U45200JH2013SGC001752

PR Ref: 210235
NIT No. : JUIDCO/PMAY/Vertical-III/19/245
Tender ID: 2019_UDD_39069_1
Project Name: Construction (including structural design) of 4,118 dwelling units in 15 number of G+8 blocks (11 blocks with 322 dwelling units each and 4 blocks with 144 dwelling units each) at Birsanagar (Part I), Jamshedpur under Pradhan Mantri Awas Yojana (Urban) under Package W.

Corrigendum – 2

Sl. No.	Clause No./ Reference No.	As per corrigendum 1	AMENDMENTS/ ADDENDUM
1.	Notice Inviting Tender	1.Last Date & Time for submission of online bid (Bid Due Date) – 08.07.2019 upto 1700 Hrs 2.Last Date & Time for submission of tender fee & EMD – 09.07.2019 upto 1700 Hrs 3. Date & Time for Opening of Technical Bids – 09.07.2019 at 1730 Hrs	2.Last Date & Time for submission of online bid (Bid Due Date) – 11.07.2019 upto 1700 Hrs 3.Last Date & Time for submission of tender fee & EMD – 12.07.2019 upto 1700 Hrs 3. Date & Time for Opening of Technical Bids – 12.07.2019 at 1730 Hrs

Sd/-
General Manager (P & E)
PR 211056 (Urban Development and Housing)19-20*D

WHEN IN ROME, HIRE ROMANS Onsite employee expenditure escalates for Infosys as it is following a localisation strategy, a trend among IT companies that has created increasingly competitive talent markets overseas. It has also led Infosys to cut its margin targets

More Than 2k Crorepatis in Infy Ranks Abroad

Jochelle.Mendonca
@timesgroup.com

Bengaluru: Infosys has more than 2,200 employees outside India who earned more than ₹1 crore last fiscal, a jump of over 500 since FY17, data accessed by **ET** shows, highlighting the high-cost nature of the firm's move to hire in its major markets.

In FY17, Infosys had over 1,700 employees who earned more than ₹1 crore, as ET had reported.

The numbers are not directly comparable. FY19 data, which ET has accessed from an Infosys executive, excludes more than 1,700 people directly employed by the company's European branches. This could not be obtained due to the European Union's General Data Protection Regulation (GDPR).

Infosys has hired more than 9,100 people in the US since 2017, much in line with former chief executive Vishal Sikka's stated goal of hiring 10,000 in its major market.

However, it appears to have come at a price. The company has cut its margin target twice since the hiring goal was announced. It now expects a margin of 21-23% for FY20, down from 22-24%.

Onsite employee costs are a part of that, experts said. As most IT companies are following localisation strategies, the market for talent is getting more competitive and employee costs are getting higher, they said.

"Margins in the past have been enabled at the +20% rate because of the low wages offshore and the ability to utilise a high number of freshers. As the market pivots into digital, both of these factors are diminished," said Peter Bendor Samuel, chief executive of IT consultancy Everest Research. "For the difficult-to-find digital skills, the hourly cost often exceeds $150 and, in some cases, rises as high as $175-200. Although these costs can be passed on to their clients, there is not (enough) room to make the high margins they are used too."

Infosys declined to comment.

The Rich Club EMPLOYEES AND THEIR EARNINGS OUTSIDE INDIA IN FY19

Paul Haines, associate partner, Infosys Consulting | ₹6.9 cr
Jeff Kavanaugh, VP, Infosys Knowledge Institute | ₹4.8 cr
Nitesh Bansal, global head, engineering services | ₹4.8 cr
John Brizzi, VP, Infosys Consulting | ₹5.7 cr
Srikantan Moorthy, head, US delivery | ₹4.6 cr
Holly Benson, global practice leader | ₹4.8 cr
Andrew Groth, regional head, Australia & New Zealand | ₹5 cr
Daniel Albright, managing partner, management consulting | ₹4.5 cr
David Wagner, partner, Infosys Consulting | ₹4.6 cr

Jasmeet Singh, global head, manufacturing | ₹4.5 cr
Stewart Nelson, director, Noah Consulting | ₹6.8 cr
Shannon Tassin, director, Noah Consulting | ₹6.8 cr

Source: Data accessed by ET, Annual report

Among the highest paid overseas are both older employees and consultants who have come in through acquisitions. The list includes Paul Haines, previously director of Noah Consulting and now an associate partner at Infosys Consulting, who earned ₹6.9 crore in FY19; and John Brizzi, vice-president and partner at Infosys Consulting, earning ₹5.7 crore.

Data ET has accessed also shows that some of Infosys' acquisitions have come at a high cost, excluding the initial purchase price.

At Noah Consulting, for example, directors Stewart Nelson and Shannon Tassin are among the top 10 earners globally for Infosys. There are five more Noah executives who took home compensation of more than ₹1 crore in FY19, the data showed. Infosys had already reversed the $5 million contingent money that was supposed to be payable to Noah's shareholders if they met certain targets.

However, analysts said newer technologies such as automation and artificial intelligence could help reduce some of the costs of delivery for the Bengaluru-based IT company. "Global pay scales and local presence has reduced most geographic arbitrage," said Ray Wang, chief executive at Constellation Research. "However, advances in automation, AI and robotic process automation (RPA) are also helping to improve machine scale and reduce the number of (people needed) for onshore and offsite delivery."

'Govt Bound by Law to Achieve 3% Fiscal Deficit'

New Delhi: Finance minister Nirmala Sitharaman assured that all numbers mentioned in the budget are realistic and achievable, saying she was duty-bound, as a minister, to follow the glide path to achieve 3% fiscal deficit target as per law.

"I am a minister. There is a law under the Fiscal Responsibility and Budget Management (FRBM) Act where we have committed ourselves for the gliding path — for the adherence to achieving 3% (fiscal deficit) limit set on me. Till such time the law exists, I have to comply," Sitharaman said.

On the narrative of fiscal relaxation to boost growth, she said, "I would happily join the debate either this way or that way..."

"There is no exaggeration in any target, inclusive of disinvestment. It is only ₹25,000 crore more than what it was earlier," she said. PTI

decoding Focus will be on distribution, preventing more than 15% losses from being passed on as tariff and not allowing deferred hikes

Ministry to Review States' Role in Uday

Sarita.Singh@timesgroup.com

New Delhi: The government will take a carrot-and-stick approach to address indiscipline among some power distribution companies in the proposed succession scheme to the Ujwal Discom Assurance Yojana (Uday).

Coupled with other proposed reforms, such as disallowing commercial losses of more than 15% to be passed on in consumer tariffs and deferring of power price hikes by regulators, the government expects to set right the electricity distribution network — the weakest but the most critical link for consumer interface in the power sector.

Finance minister Nirmala Sitharaman, in her budget speech, said the government is examining performance of Uday and would improve it. The government is likely to revise targets and parameters of each state depending on their issues and past performances. There will be funding available as reward to improving states for investment in initiatives such as installation of smart meters, aerial bunch cabling and system upgrade. The present scheme did not have dedicated funds for these measures, a senior government official said.

Extra funds for network upkeep will be available to discoms that meet the targets in time

The power ministry has been allocated nearly ₹10,200 crore towards schemes such as Integrated Power Development Scheme, Deen Dayal Upadhyaya Gram Jyoti Yojana and strengthening of systems in the budget. The official said the ministry might have to seek more funds for the second phase of Uday.

Uday financial incentives and additional funds towards network upkeep will be available to distribution utilities that meet the targets in the given timeline. The government official said performance of each state is being reviewed. "A micro study will be conducted on Uday trajectory and reasons for non-achievement in some states. There are about 7-8 states that have failed in achieving their targets, upsetting the scheme."

Uday in its present form envisages reducing debt burden of distribution companies by entrusting 75% of their loans to state governments. The financial parameters included issuing bonds for the remaining 25% debt, reducing commercial losses and gap between cost and supply of power, regular tariff revision. While the operational parameters included metering at feeder level and distribution transformer level, connections to all households, installing smart metering, feeder segregation and distribution of LEDs. Increasing debt and overdues of distribution utilities over the last nine months has drawn criticism to Uday.

Rules for Captive Power Plants to be Amended

Govt proposes to change definition of ownership to capital value, voting rights

Sarita.Singh@timesgroup.com

New Delhi: The power ministry will rework amendments to the rules for captive plants to prevent their misuse and abolish undue charges on free electricity trade to provide cheaper energy alternative to industries.

A senior government official said the ministry will soon come out with a fresh draft to strengthen norms. Finance minister Nirmala Sitharaman, in her budget speech, said the Centre will work with states to remove barriers such as cross-subsidy surcharges, undesirable duties on open access sales or captive generation for industrial and other bulk power consumers.

Indian Captive Power Producers Association secretary general Rajiv Agrawal said the government should also address coal availability issues. "It is visionary on part of the finance minister... It is time for the government to remove other discriminations and impediments to global competitiveness too, namely charging captive power generators 20-140% higher coal costs, vis-à-vis other power producers," he said.

The ministry had, last year, proposed getting rid of loopholes in norms relating to captive and group captive generating power plants following complaints against dummy projects being created to avoid surcharges. The changes could lead to correction in equity and shareholding in over 5,000-mw existing captive power projects.

The government proposed to change the definition of 'ownership' for captive power plants that should now be in terms of value of capital along with the voting rights and not in terms of number of shares only.

Group captive power plants — based on coal, solar and wind — are operational in large numbers in the states of Karnataka, Haryana, Rajasthan, Maharashtra and Tamil Nadu. The concept was evolved by industries to avoid cross-subsidy charges levied on inter-state electricity sale. However, like open access, it is also seen as a threat to state discoms.

POWERPERFORMANCE
Ownership of captive power plants will now not depend solely on number of shares
Cross-subsidy charges levied on large power consumers may be removed
Changes in norms may lead to correction in equity and shareholding in over 5,000-mw captive power projects

Open access as the name suggests refers to enabling buyers to choose source of electricity and giving them right on transmission and distribution system for transfer of power.

States fear losing their high paying industrial consumers to spot markets and thus impose levies on such transactions. Open access was announced as a reform in the Electricity Act 2003.

In the proposed new tariff policy, the government proposes to remove cross-subsidy charges levied on the large power consumers. The Centre proposes to give direct benefit transfers to the targeted consumers. The tariff policy also proposes to penalise gratuitous load shedding by distribution companies.

Agarwal to Pledge his Shares

▸▸ From Page 1

Oyo is expected to be valued at around $10 billion in what will be a mix of secondary and primary transactions, they said.

In an emailed response to ET's queries, an Oyo spokesperson said, "As a company policy, we do not comment on industry speculation." Lightspeed and Sequoia didn't respond to queries.

Agarwal is going to pledge his shares in the process of raising debt, said another source.

"While Agarwal will buy $1.5 billion worth of shares from Sequoia and Lightspeed, another $500 million will come in the form of primary capital. The primary part of the deal may see existing investors also pitch in," said a person privy to the details. The $500 million in primary capital will go into the company's coffers, he added.

The Oyo founder, along with the management, will emerge as the second-largest shareholder after SoftBank Vision Fund, which owns almost 48% of the company. As per clauses drawn up by Oyo, the Japanese group cannot increase its ownership beyond 49.9% without receiving approvals from Agarwal, Sequoia, Lightspeed and Greenoaks Capital. SoftBank had bought back some shares from Greenoaks as part of a secondary transaction a few months ago, said sources in the know. This led to Oyo's founder starting discussions to raise promoter and management control in the company, said another person familiar with the development. Greenoaks' stake of 5.76% may have been pared to about 3% post SoftBank's purchase. A spokesperson for Greenoaks said the company does not comment on "rumour or speculation".

If Agarwal's repurchase of shares is successful, Sequoia and Lightspeed will partially liquidate their stakes in Oyo and be able to snag bumper returns from their early bet on the company. Lightspeed owns 13.4% of Oyo and has in all invested Rs 158 crore, while Sequoia has ploughed in Rs 165 crore and holds a 10.24% stake, as per Paper.vc, a business signals platform. The two funds also own stakes in Oyo China, which is separate from Oyo Global, which houses the India business. They had invested separately in the China entity last year.

WRESTING BACK CONTROL

Agarwal's bid to regain a substantial stake in the company is the third such attempt by a SoftBank-backed founder in India.

Bhavish Aggarwal, cofounder of ride-hailing platform Ola, was the first to do so, having modified the company's Articles of Association in 2017. This ensured that any sale among its investors would require board approval, thereby blocking SoftBank's attempt to partially acquire Tiger Global's stake in the Bengaluru-based mobility firm.

Online marketplace Snapdeal's founders Kunal Bahl and Rohit Bansal also undertook a significant recapitalisation. This resulted in a new entity — B2 Professional Services, controlled by founders' wives — buying out early investors and emerging along with the founder group as the second-largest stakeholder in the company after SoftBank. These moves by startup entrepreneurs come as Sebi has approved the issuance of shares with differential voting rights.

Govt Efforts to Drive Investment Growth are a Long-Term Positive

Budget strikes balance between prudence and populism

ANAND RADHAKRISHNAN
MD & Chief Investment Officer (EM equity) India, Franklin Templeton

Setting the tone for the new government, the Union Budget 2019-20 emphasises boosting infrastructure development, improving credit flow through recapitalisation of public sector banks (PSBs), addressing the non-banking finance companies (NBFC) issue, boosting foreign flows and a steady social sector spending to provide basic amenities to all.

At the same time, the budget shows intention to follow fiscal consolidation path by reducing fiscal deficit estimate to 3.3% for FY20 and 3% for the next two years thereafter. In the backdrop of global trade tensions, the government intends to make use of opportunity by inviting global companies to set up manufacturing plants here.

The government has proposed to the Securities and Exchange Board of India (Sebi) that promoter holding limit be reduced from 75% to 65%. If approved, this would provide incremental equity supply over the next three to four years. On a case-to-case basis, the government intends to reduce its holding below 51% in certain centre-owned entities.

Several measures have been taken to boost foreign flows. FDI limits have been relaxed for single-brand retail, aviation, insurance and media. KYC norms for foreign portfolio investors (FPIs) have been eased. Sectoral limit has also been proposed to be raised for FPIs and raising government securities in international markets. The budget also proposes the FPI limit in companies goes up to FDI limit. These efforts to drive investment growth are a long-term positive.

Much-needed impetus has been provided to banks and NBFCs. PSBs will get ₹70,000 crore capital to improve credit flow. Foreign institutional investors (FII) and FPI investment will be allowed in debt securities issued by NBFCs. The government will provide a guarantee of ₹1 lakh crore worth of securitisation to buyers of high-rated pooled assets of NBFCs for first loss up to 10% and for six months. It would boost investor sentiment.

ET By Invite

ARINDAM

By providing tax incentives, an impetus has been provided to the housing sector. However, this is valid only till March 31, 2020. This may be too short a time for giving a meaningful stimulus to housing.

Due to limited fiscal space, the FM did not make any major tax announcements. Cess on petrol and diesel increased by ₹1 per litre and custom duty on gold is also raised to 12.5% from earlier 10%. By refraining from any populist measures government has continued its focus on fiscal deficit control.

In summary, while the budget maintains a balance between prudence and populism, challenges regarding economic growth have not been fully acknowledged or addressed.

Venturing Out of Our Own Backyard

Overseas borrowing needs honest accounting

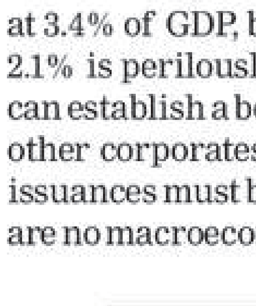
Government's announcement in the Budget to raise some of its borrowings abroad has brought cheer to the bond markets, as it should. This marks a significant departure from the way India looks at its borrowing needs. But the government must tread carefully, assessing the costs of borrowing in foreign currency vis-à-vis its advantages. True, with excess liquidity in foreign markets creating negative bond rates in countries such as Germany, India could borrow cheaper to finance domestic investments. This will free up domestic savings, which can be deployed into viable private investments and help check interest rates in India. Today, foreign institutions are allowed to buy Indian government bonds in rupees, and the exchange risk is borne by them. Similarly, when India borrows in foreign currency, the exchange risk will have to be borne by the government. The cost of hedging the foreign exchange risk on such borrowings to interest payments must be factored in. This calls for honest accounting. Government must specify the exact proportion of its borrowings that would come through this route.

In 2003, Barry Eichengreen, Ricardo Hausmann and Ugo Panizza coined the term 'original sin' for countries unable to borrow abroad in their own currency. The global financial global crisis showed the perils of foreign currency borrowing without having adequate foreign currency revenue streams to service the debt.

India, with forex reserves of around $427 billion, now wants to leverage on its relatively lower external debt exposure — less than 5% of GDP — to sell sovereign bonds overseas. At the end of March 2019, the total sovereign debt stood at $103.8 billion. Macroeconomic conditions are relatively more stable now. The 2018-19 fiscal deficit is at 3.4% of GDP, but the current account deficit (CAD) at 2.1% is perilously close to danger levels. The issuances can establish a benchmark that helps price discovery for other corporates tapping overseas credit markets. The issuances must be done in a planned way, ensuring there are no macroeconomic risks.

The Name is Bond, Corporate Bond

Finance minister Nirmala Sitharaman's Budget speech contains several welcome policy measures to induce an active and thriving corporate bond market. A functional bond market is vital for transparent arm's-length finance, to better allocate resources for long-gestation infrastructure projects. Now, most corporate bonds continue to be privately placed and held to maturity here. It is this lack of depth in the secondary bond market that precludes a functional market for corporate bonds. In mature economies, central banks accept corporate bonds as collateral for their liquidity management operations, so as to purposefully develop the bond market. And Sitharaman has stated that the Centre would work with the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (Sebi) to allow AA-rated bonds as collateral for central bank repurchase obligations, or repo trading, under its liquidity adjustment facility (LAF). For starters, RBI may want to accept corporate bonds for its overnight LAF operations, as risks of a rating downgrade and change in market price would be minimal. We do need long-term repos in corporate bonds.



At the same time, there's the need to have a user-friendly electronic dealing platform, complete with a central counterparty for corporate bonds, and a repo order matching system, akin to that for government securities, for a liquid bond market. The point is to have clear-cut regulatory guidelines so that banks and primary dealers (in G-secs) act as marketmakers in the bond market — subject, of course, to a sound risk-management framework. Further, to augment bond market liquidity, corporates need to be encouraged to reissue exiting bonds under the same International Securities Identification Number (ISIN), to duly shore up floating stock.

It's about time to get into training by getting on trains

Just the Ticket for Ticketless Travel

A while ago, when the transport authorities of a US city overnight raised subway fares, a music group composed a ballad about a hapless commuter who, unable to pay the surcharge, found himself condemned to "ride forever 'neath the streets of Boston, / He's the man who never returned." Now, Moscow is reportedly offering a free ticket to any passenger who can do 30 squats in the span of two minutes, providing a monetary incentive to sedentary office workers to get in some much-needed physical exercise. While this freebie facility is currently available at only one of the city's stations, plans are afoot — or aleg — to cover other parts of the network.

Indeed, Mexico City is said to be contemplating a similar scheme for passengers on its rapid transit system, but in deference to the less robust constitution of its citizenry, the number of squats will be reduced to 10. In India, thanks to overcrowding, train passengers must display analogous athleticism, being enjoined to travel atop the coaches. That railways can occasion much to rail about is underlined by the tale of the passer with a larger suitcase who was challenged by the conductor for journeying on a children's ticket. Following a heated altercation, the conductor threw the suitcase out, causing the other to expostulate, "Not satisfied with harassing me, now you've gone and thrown my son off the train!"

As a function of government in our democracy, the Budget has lived its life, and deserves rebirth

Is the Budget Worthwhile?

Ashok V Desai

Nirmala Sitharaman's Budget was an improvement on Arun Jaitley's in a few respects. Jaitley routinely gave lots of grants of ₹50/100 crore to many NGOs, which were presumably on the right side of the ruling party. These were missing in Sitharaman's Budget. Jaitley's favourite organisations would probably continue to be patronised. But there was no expansion of their number.

The second respect in which it differed from Jaitley's Budgets was that although Sitharaman gave the longest speech in my memory, there was not a single figure in it. The Budget documents were, of course, full of figures — they can hardly do otherwise — but none of them figured in her speech. I got the impression that while her revenue and expenditure departments made up the Budget, she took not the smallest interest in it. She must have been the first finance minister to do so, just as she was the first one to exchange the portfolio for a bright red cloth bag.

The Budget emerged centuries ago as an instrument for Parliament to control the volume and direction of the monarch's expenditure. It was meant to make the monarch — in our context, the government — responsible for what he or she did with the money he or she raised from his people. Sitharaman is apparently quite unaware of this obligation. It may be because our MPs take the duty of making the government accountable very lightly: debates on the Budget are some of the least attended in our Parliament.

The third respect in which it differed from all previous Budgets — and not just Jaitley's — was that macroeconomics was simply missing from her speech. As I said, the primary function of a Budget is to control government expenditure and limit it to what the representatives of the people approve. But as governments grew in size, both their Budget balance and their tax and expenditure policies had serious effects on the national economy. Parliaments are supposed to watch and control these effects. This function was entirely forgotten by Sitharaman. She did not err. Simply, it is her experience that Parliament does not care.

Old Hat

So, what does Parliament care about? It cares about what she talked about. It was all about controls, subsidies, fashions, prejudices and crazes that parliamentarians — in her case, mostly those of her party — get excited about. Election to legislatures, inter alia, gives their members power and resources to pursue their foibles. Some of them have some rationale. But pensions for shopkeepers, payment platform for micro, small and medium enterprises (MSMEs), cattle-feed marketing... these are just a few examples of unnecessary foibles.

Beyond a photo op

Politicians can indulge in them because they have access to free money from taxes paid by the people and debts incurred by governments in their name. Democracy has considerable reputation across the world. But in India, it has evolved into a sometimes lucrative but often ludicrous game. This is not an argument against democracy. I would rather live under the Indian democracy than the political arrangements in most of the world's nations. But after 70 years of evolution, our democracy has become something unique, somewhat peculiar, worthy of rational reform.

Ever since the early 1990s, we talk glibly of reforms. We mean economic reforms. But we also deserve some political reforms by now. That is a big agenda. Let us start with something more achievable.

It would be worthwhile to appoint a parliamentary commission on what is appropriate for the State to spend people's money on, and what it should leave to for-profit and non-profit organisations. We got confused on this with good reason: we started as a socialist democracy. But under the present political regime, this socialism has blossomed into something quite Indian. We only have to read our Budget speeches to see how bizarre it has become. It is time to confine GoI finances and activities to what is in the interests of the nation, and nothing else.

New Houses

One way of doing so would be to have two houses of Parliament. One should be elected by proportional representation, with elimination of parties and candidates who get the least votes up to the point where the largest party would have a majority. The other should be elected by income-tax (I-T) payers, with votes in proportion to the tax they pay. The first house would pass the expenditure Budget: people's representatives would decide what to spend on. The second house would approve the revenue Budget: taxpayers would decide the level of taxes and borrowings.

The two houses would have to agree on the Budget. The compromise they reach would optimise the finance at the command of the government and the uses it is put to. This is not the only possibility. One can think of other options that might be better. My argument here is just that the Budget has lived its life, and deserves rebirth.

We need a parliamentary commission to decide what is appropriate for the State to spend money on, and what it should leave to for-profits and non-profits

The writer is former chief economist, ministry of finance, GoI

INFRASTRUCTURE INVESTMENT

Best Route of Policy Reforms

Ram Singh

Finance minister Nirmala Sitharaman was unequivocal in emphasising the importance of infrastructure for the economy. According to her, GoI is determined to give the required boost to industrial corridors, dedicated freight corridors, Bharatmala network of roads, Sagarmala and UDAN (Ude Desh ka Aam Naagrik) projects to improve connectivity and bridge the rural-urban divide. However, the budgetary provisions for infrastructure were unexpected.

Instead, GoI has decided to rely on off-Budget sources and public-private partnership (PPP) for funding and development of infrastructure. This approach can deliver the desired results only if the budgetary announcements are backed by swift policy reforms needed to address the problems besetting private projects and PPPs.

Aggregate investment has declined to about 30% of GDP, a rate much lower than the 15-year average of 35%. The consumption growth has also slowed down, as is the case with exports. In this scenario, increase in infrastructure investment is key to reviving the virtuous cycle of consumption and investment. The multiplier effect of infrastructure spending on growth is extensive. Besides, a timely completion of infrastructure projects helps reduce logistical costs and increases economic competitiveness.

The vision laid out in the Budget is ambitious. Special attention has been paid to road and railway sectors. The investment target for the Pradhan Mantri Gram Sadak Yojana (PMGSY) has been kept at ₹80,250 crore. This amount is to be used to upgrade 1,25,000 km of village roads. In February's interim Budget, the finance ministry already made the highest-ever budgetary allocation of ₹83,016 crore for highways and ₹64,587 crore for railways. In addition, GoI plans to restructure the national highways programme to create a network of integrated highway grids to augment capacity and improve connectivity.

Overall, infrastructure investment is slated to be ₹20 trillion annually. Where will this money come from? The Budget has increased the special excise duty and raised the road and infrastructure cess on petrol and diesel. However, the growth in the direct budgetary support for FY20 is less than 7%. In an environment of low investment and slowing consumption growth, to support a growth rate of 8%, the infrastructure investment will have to grow at a much higher rate.

Monetisation of public assets has potential to supplement the resources needed to fund infrastructure. This can be done through the toll-operate-transfer contracts for national highways, infrastructure investment trusts and real estate investment trusts. Moreover, GoI seeks to tap the overseas bond market to raise required funds.

From tar to finish

Nonetheless, the infrastructure investment requirement can't be met only through public funding. So, the Budget correctly emphasises the importance of the private investment as a key driver, which can add to capacity, improve product delivery by employing new technology, which, in turn, can boost economic competitiveness.

Both the Budget and Economic Survey have underlined the centrality of PPPs, to be used to tap private funds to unleash faster infrastructure development. Besides, GoI plans to encourage foreign portfolio investment as well as FDI in infrastructure. It also plans to introduce credit default swaps for the infrastructure sector and encourage equity investment by NRIs. In principle, these measures can help boost infra-investment.

But private investment depends on the cost of capital, along with the magnitude and certainty of returns. Here, much more remains to be done. Several problems beset PPPs. These projects have been mired in contractual disputes with government departments and various regulatory hurdles. All these factors make infrastructure investment unnecessarily risky, and are the major reason behind non-availability of capital for PPPs and other private projects.

The fundamental problem of infrastructure finance is the asset-liability mismatch. This problem can be addressed only by developing a vibrant bond market. A well-developed bond market will also benefit investment funds, such as insurance, pension and mutual funds, which are capable of investing in corporate bonds across different schemes. The increased limit for FDI in insurance sector intermediaries will add to the funds for the bond market.

However, for the market to develop to the required depth and width, a compressive regulatory framework has to be put in place for both bonds and grading agencies. To boost private investment, budgetary announcements must be backed by policy reforms.

The writer is professor, Delhi School of Economics

NON-BANKING FINANCIAL COMPANIES

Change the Rules of the Game

Sugata Ghosh

When the year ends, finance minister Nirmala Sitharaman will have to deal with a new dilemma — whether to pull back the helping hand she has now stretched to struggling shadow banks.

Indeed, the most decisive feature in her otherwise insipid Budget is the support to non-banking financial companies (NBFCs). Even those who question her heroic assumption of 12% nominal GDP growth, tend to think it was a step in the right direction. Till now, the suspicion was that the finance ministry, as well as RBI, favoured a therapeutic, bloodletting cure to either let NBFCs shrink to a new normal, or die a natural death.

The Budget showed they cannot afford to take risks on an industry that has grown in size, clout and significance since 2008-09, and particularly after demonetisation when banks, inundated with deposits but unsure where and whether to lend, funded NBFCs. Also, consumption — the single-biggest and often the only story — has been languishing.

GoI will now make good 10% loss suffered by a public sector bank (PSB) in the first six months after buying a pool of NBFC loans. (So, if State Bank of India buys ₹20,000 crore of Dewan Housing Finance Corporation's (DHFL) loans, the bank's losses of up to ₹2,000 crore suffered in the first six months will be compensated.) Beyond this amount and after this period, SBI has to take the hit.

Defaults, however, typically show up after an interval, which could be 14 months for a three-year loan, or two years after the disbursement of a five-year loan. Withdrawing the guarantee in December or January would be too early in restoring confidence in a business that neither banks nor fund houses were ready to lend in the past nine months. However, if the ministry extends the guarantee by another six months, it could be construed as an admission that NBFCs are not out of the woods. The Budget could have left it to the Reserve Bank of India (RBI) to decide how long the guarantee support would continue.

This little piggy bank went to market

The measure may still prompt PSBs to buy portfolios of NBFCs. A large NBFC (which recently defaulted) has written to its bankers offering them slices of its loan book in exchange for the banks writing off their outstanding loans to the NBFC. Some of the private banks may make use of the liquidity facility announced by RBI (within hours of Sitharaman's speech) to consider fresh loans or rejig outstanding loans to some of the NBFCs.

Along with empowering RBI to dismiss inept boards of NBFCs, GoI's signal that it recognises the importance of NBFCs, and is willing to back them should help: government and external directors in PSBs who have resisted fresh exposure to NBFCs after the Infrastructure Leasing & Financial Services (IL&FS) and DHFL fiasco, may soften their stance.

But neither RBI nor New Delhi should drop their guard even if NBFCs regain some of lost trust, and public funding starts slowly flowing back to these companies. In fact, it may well be the harbinger of the next crisis. What is required is not a six-month credit support, but changing the rules of the game over the next few years so that there is no 'too-big-to-fail' syndrome in the NBFC universe.

There should be regulatory restrictions, rather, disincentives, for growing beyond a certain size, and a roadmap for conversion into a bank, or merger with a bank, once the size is crossed. Perhaps, RBI should even direct large- or mid-sized NBFCs that fail to meet regulatory norms to shrink or compel promoters to chip in equity.

Preparing ground for soft landing is important for an administration that believes in the virtues of disruption. A lender that has no access to an interbank money market and runs a continuous mismatch by borrowing cheaper one-year money and lending it for five years to preserve margin is particularly vulnerable. Their survival can be threatened in many ways. An NBFC giving auto loans will be shaken, if its borrowers refuse to repay amid fears that the advent of electric cars may ruin the market for their used vehicles.

It's futile to pick flaws in the books and operations of NBFCs. The truth is, they do what bankers don't. A banker's skill lies in analysing balance-sheets and evaluating collaterals. NBFCs deal with borrowers who neither have a balance-sheet nor solid security — even trusting borrowers who deal in cash and hide their true income. The Budget accepts it. New Delhi has probably sensed that the path for making of New India will have twists and turns.

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THE SPEAKING TREE

A Climb to Heaven

NARAYANI GANESH

Everyone wants to go on pilgrimage to the island — whether Buddhist, Hindu, Christian or Muslim. Equally, it attracts those with no persuasion at all, for Sri Lanka's eclectic spiritual heritage makes it one of the few remaining places where animism, religious mythology, history and folklore twine to present an intriguing, yet charming, kaleidoscopic view of our common spiritual evolution.

Adam's Peak rises majestically in the south of the Central Highlands, not far from the town of Ratnapura. A large footprint on a rock on the top of the mountain is held venerated as Buddha's Sri Pada, as Nataraja's cosmic dance step, as Adam's footprint when he entered the Garden of Eden, or as Saint Thomas the Apostle's imprint. Indigenous tribes called it Butterfly Mountain, and the Sinhalese refer to it as Samanalakanda, or abode of the deity Samana.

In Sri Lanka briefly (12 years ago), there was no time to make the pilgrimage. Dudley Fernando, our guide, quipped, "The one who climbs Adam's Peak and witnesses the glorious sunrise, catching the peak's shadow fall on the clouds, is a fortunate and wise person. But the one who returns for a second experience... is a fool!" Why? Because the peak has to be reached on foot, a tiring exercise for even the fit and the determined.

That's what pilgrimages are all about — the journey, rather than the destination, is what counts, the hardship and hurdles propelling one to reflect and retrospect. It could be why the mountain is also known as the climb to heaven, or Svargarohanam.

Chat Room

Reforms to Cut Bad Loans

Apropos the news report, 'Budget Takes Economy To Semifinal' (Jul 6), finance minister Nirmala Sitharaman could not play Santa as the government needs to adhere to fiscal discipline. The surcharge on fuel should not cause much uproar at a time when roads are congested and people can afford to buy expensive cars. However, the ₹70,000 crore recapitalisation of PSU banks comes from taxpayer money. The need is for the government to pursue governance reforms to bring down the burden on bad loans.

S N KABRA
Mumbai

Where Vishwas Meets Akanksha

This refers to 'Budget Takes Economy To Semifinal'. Pro-poor and middle class-friendly proposals are missing in the Budget. Is it by design or default? After all, assembly polls are due next year, and the government may want to announce sops in its next Budget. In the interim Budget, former FM Arun Jaitley offered relief to direct tax payers. This is smart politics by the NDA. Notwithstanding this, farmers, MSME entrepreneurs and job seekers who are a worried lot will anxiously watch how Vishwas (confidence) would translate into meeting their Akanksha (expectation).

BRIJ BHUSHAN GOYAL
Ludhiana

India Swiftly Beat Sri Lanka

Apropos the news report, 'Indian Fans Celebrate as 'Men in Blue' Defeat Sri Lanka by 7 Wickets' (Jul 8), India crushed Sri Lanka by seven wickets at Headingley. After the bowlers led by the magnificent Jasprit Bumrah restricted the Lankans to just 264, the batsmen ran riot with century makers, K L Rahul and Rohit Sharma leading the charge. Rohit Sharma's record fifth century in this edition of the World Cup was a fine innings and deserves accolades.

N J RAVI CHANDER
Bengaluru

Letters to the editor may be addressed to
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QUICK HITS

Saudi Airline Flyadeal Picks Airbus Jets over Grounded Boeing Max

Riyadh: Saudi Arabian budget airline flyadeal will not proceed with a provisional $5.9 billion order for Boeing 737 Max aircraft, instead opting for a fleet of Airbus A320 jets. Flyadeal has been reconsidering a commitment to order the Boeing jets after two Max aircraft crashed in Ethiopia in March and Indonesia last October. Flyadeal announced on Sunday it would take delivery of 30 A320neos ordered by its parent, state-owned Saudi Arabian Airlines, at the Paris Air Show in June. "This order will result in flyadeal operating an all-Airbus A320 fleet in the future," it said. Reuters

US Billionaire Arrested on Sex Trafficking Charges

Washington: A hedge fund billionaire has been arrested on sex trafficking charges in the New York area, after having long been followed by accusations of molesting young girls, US media reported. Jeffrey Epstein, who is expected to appear before a magistrate on Monday, was arrested on Saturday at a New Jersey airport after arriving from Paris in his private jet. A source familiar with the case told the television station Epstein was charged with one count of sex trafficking and one count of conspiracy to commit sex trafficking. AFP

US Call for Syria Troops Divides German Coalition

Berlin: Discord broke out in German Chancellor Angela Merkel's ruling coalition on Sunday, after the United States urged the country to send ground troops to Syria as Washington looks to withdraw from the region. "We want ground troops from Germany to partly replace our soldiers" in the area as part of the anti-Islamic State coalition, US special representative on Syria James Jeffrey had told German media including Die Welt newspaper. Jeffrey, who was visiting Berlin for Syria talks, added that he expects an answer this month. AFP

14 Killed in Taliban Car Bomb Attack in Ghazni

Kabul: A Taliban attack on a government security compound in central Afghanistan on Sunday killed at least 14 people and wounded more than 180, including scores of children, hours before a meeting in Qatar aimed at preparing the ground for peace talks. Islamist Taliban fighters detonated a car bomb in Ghazni city near an office of Afghanistan's main intelligence service, the National Directorate of Security (NDS), during Sunday morning's rush hour, officials said. Reuters

Iran Set to Break Limits on Uranium Enrichment

Move likely to draw a tougher reaction from President Trump who has pressured Tehran to renegotiate the 2015 nuclear pact

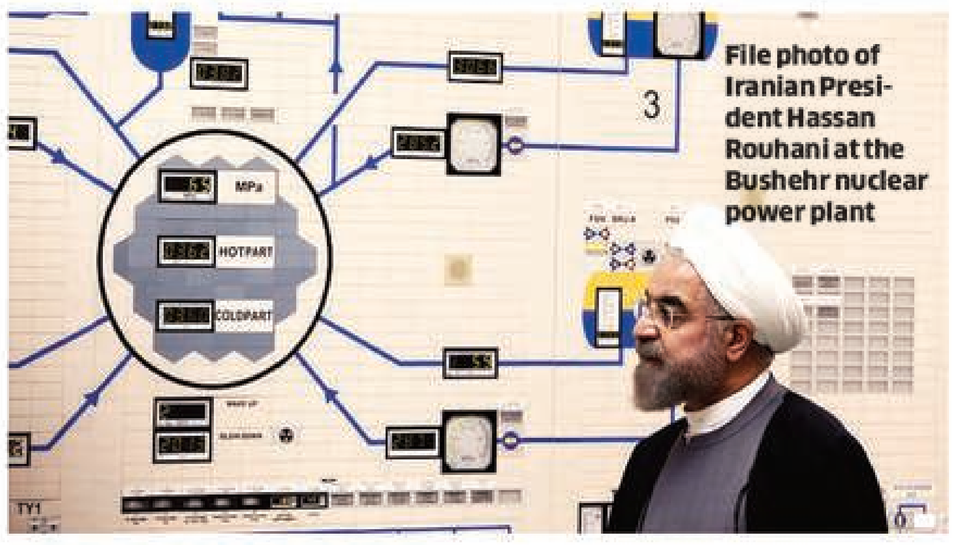
Tehran: Iran said on Sunday it was set to breach the uranium enrichment cap set by an endangered nuclear deal within hours as it seeks to press signatories into keeping their side of the bargain. The move — involving purifying beyond the 3.67% allowed by the 2015 agreement — comes despite opposition from the European Union and the US, which has quit the deal.

President Hassan Rouhani's order to exceed the threshold would be implemented "in a few hours" after the last technical details were sorted, Iran's Atomic Energy Organisation spokesman Behrouz Kamalvandi said live on state television.

Rouhani initially flagged the Islamic Republic's intentions on May 8, exactly a year on from US President Donald Trump unilaterally abandoning the multilateral deal.

He has said the move is in response to a failure by remaining state signatories to keep their promise to help Iran work around biting sanctions reimposed by the US in the second half of last year.

French President Emmanuel Macron told Rouhani of his "strong concern" over the risk of weakening the nuclear agreement and



File photo of Iranian President Hassan Rouhani at the Bushehr nuclear power plant

UNDER THE 2015 NUKE deal, Iran was prohibited from purifying uranium beyond the 3.67% level

the consequences that would follow during a telephone call Saturday, according to a statement from the Elysee Palace. However, the two leaders agreed to "explore by July 15 the conditions for a resumption of dialogue between all parties", the statement said, adding that Macron would consult with Iranian authorities and international partners to bring about the "necessary de-escalation" of the situation over the coming days.

It is not yet clear how far the Islamic Republic will boost enrichment. But a top advisor to Iran's Supreme Leader Ayatollah Ali Khamenei hinted on Friday it could reach 5% .T he 2015 deal was reached between Iran and six world powers -- Britain, China, France, Germany, the US and Russia -- and saw Tehran agree to drastically scale down its nuclear programme in exchange for sanctions relief. AFP

HK Protesters Take Message to Mainlanders in New March

Hong Kong: Tens of thousands of protesters marched through one of Hong Kong's most touristy areas on Sunday, trying to gain support from mainland Chinese visitors for the city's opposition to an extradition bill which has caused political turmoil.

Protests against the now-suspended bill have drawn millions of people to the streets in the former British colony in recent weeks, posing the biggest challenge Beijing has faced to its rule in the territory since Hong Kong returned to Chinese control in 1997.

The protests have received little coverage in mainland China, however, with censors blocking news of the largest demonstrations on Chinese soil since the bloody suppression of pro-democracy protests centred on Beijing's Tiananmen Square in 1989.

The bill, which would allow people to be sent to mainland China for trial in courts controlled by the Communist Party, has triggered outrage across broad sections of Hong Kong society amid concerns it threatens the much-cherished rule of law that underpins the city's international financial status.

Hong Kong has been governed under a "one country, two systems" formula since its return to Chinese rule, allowing freedoms not enjoyed in mainland China, including the right to protest and an independent judiciary.

Protesters march towards the West Kowloon railway station during a protest against the proposed extradition bill on Sunday in Hong Kong

China and Britain have engaged in a public spat over the bill but Chinese ambassador Liu Xiaoming told BBC TV on Sunday that China was "not interested in diplomatic war with the UK" and he had full confidence in Hong Kong's ability to resolve the situation without China's intervention.

Protesters on Sunday braved intermittent rain and marched through streets of Tsim Sha Tsui, a popular shopping destination dotted with luxury shops, to try to deliver their message directly to mainland Chinese tourists in the hope of garnering sympathy.

At times they shouted slogans in Mandarin, mainland China's official tongue, as opposed to Hong Kong's main language Cantonese.

They also handed out flyers and sent messages by social media and Apple's phone-to-phone AirDrop system written in the simplified form of Chinese characters used on the mainland.

The short march finished at the city's high-speed rail station that connects Hong Kong to the mainland, one of the main entry points for Chinese visitors but a sensitive spot after part of the facility came under Chinese jurisdiction last year. Reuters

Facebook's Cryptocurrency Plan Draws ECB's Ire on Regulation

Paris: Financial regulators must act fast to prepare for the push by US tech giants such as Facebook into the financial system, according to European Central Bank Executive Board member Benoit Coeure.

"It's out of the question to allow them to develop in a regulatory void for their financial service activities, because it's just too dangerous," Coeure said on Sunday in Aix-en-Provence in southern France. "We have to move more quickly than we've been able to do up until now."

Facebook's plan for a digital currency called Libra has policy makers scrambling

Facebook's plan for a digital currency called Libra has policy makers scrambling. The UK's three main financial regulators are working together on how best to respond. Governor Mark Carney has said the Bank of England approaches it "with an open mind but not an open door".

The plan has also drawn fire in Washington, with more than 30 groups influential with Democrats demanding a halt to the project to deal with the "profound questions" it raises.

David Marcus, the executive leading Facebook's Libra and blockchain efforts, will testify before Congress this month on the initiative. Bloomberg

Deutsche Bank to Cut 18,000 Jobs in €7.4-Billion Restructuring

German bank to scale back its investment bank and exit global equities business

Frankfurt: Deutsche Bank plans to cut 18,000 jobs in a sweeping, 7.4 billion euro overhaul designed to turn around Germany's struggling flagship lender. The plan represents a major retreat from trading by Deutsche Bank, which for years had tried to compete as a major force on Wall Street.

The bank will scrap its global equities business and scale back its investment bank. It expects a 2.8 billion euro ($3.1 billion) net loss in the second quarter as a result of restructuring charges.

Beyond the expected cutbacks to equities, Deutsche said it would also axe some of its fixed income operations, an area traditionally regarded as one of the bank's strengths. It will create a new unit to wind-down unwanted assets, with a value of 74 billion euros of risk-weighted assets.

CEO Christian Sewing flagged an extensive restructuring in May when he promised shareholders "tough cutbacks" to the investment bank. The pledge came after Deutsche failed to agree a merger with rival Commerzbank.

The overhaul, one of several over the past few years, signals that Deutsche is coming to terms with its failure to keep pace with Wall Street's big hitters such as JP Morgan Chase & Co and Goldman Sachs. Last week, the head of Deutsche's investment bank Garth Ritchie agreed to step down, marking a sign of the division's waning influence.

Sewing called the package the "most fundamental transformation" of the bank in decades. Media reports had suggested that Deutsche Bank could cut as many as 20,000 jobs — more than one in five of its 91,500 employees. Reuters

African Leaders to Launch Historic Free Trade Deal

Niamey: African nations will officially launch a landmark trade agreement at an African Union summit in Niger on Sunday, with the long sought-after agreement hailed as a historic step towards "peace and prosperity" across the continent.

The deal, which African leaders hope will create the world's largest free trade area, was given a boost when Nigeria and Benin's presidents signed on to rapturous applause on Sunday at the two-day summit in Niger's capital Niamey.

After 17 years of tough negotiations, the AU is expected to launch the "operational phase" of the African Continental Free Trade Area later in the day in what AU commission chairman Moussa Faki said would be a "historic" moment.

"An old dream is coming true, the founding fathers must be proud," said Faki, adding that AfCFTA would create "the greatest trading area in the world".

Niger's President Mahamadou Issoufou hailed it as "the greatest historical event for the African continent since the creation of the Organisation of African Unity in 1963", referring to the AU's predecessor.

With Nigeria and Benin's signatures, 54 of the 55 AU member countries have now signed onto the deal, with Eritrea the only holdout

With Nigeria and Benin's signatures, 54 of the 55 AU member countries have now signed onto the deal, with Eritrea the only holdout. Around 4,500 delegates and guests attended the AU summit in Niamey, which has been revamped and boasts a brand-new airport, upgraded roads, and new hotels for the occasion. AFP

Top UK Diplomat in US Criticises Trump in Leaked Memos

London: Leaked diplomatic cables reveal that Britain's ambassador to the United States regards President Donald Trump's administration as inept, hobbled by infighting, and unlikely to improve.

The memos published in the Mail on Sunday newspaper contain highly critical comments from Ambassador Kim Darroch about the current state of Trump's government, providing a rare look at how a senior British diplomat views the government of Britain's closest ally.

"We don't really believe this administration is going to become substantially more normal; less dysfunctional; less unpredictable; less faction riven; less diplomatically clumsy and inept," Darroch wrote in one of a series of leaked documents covering the period from 2017 to the present.

Britain's Foreign Office did not challenge the authenticity of the leaked documents. It called the leak "mischievous behaviour" and said the public expects diplomats to provide honest assessments of the politics in the countries where they are posted.

Justice Secretary David Gauke called the leak "disgraceful" but said Britain "should expect our ambassadors to tell the truth, as they see it".

The memos also characterised Trump's policy on Iran as "incoherent, chaotic". Trump has frustrated European allies by withdrawing the United States from a complex deal designed to prevent Tehran from obtaining nuclear weapons and has seemed in recent weeks to be on the verge of armed conflict with Iran.

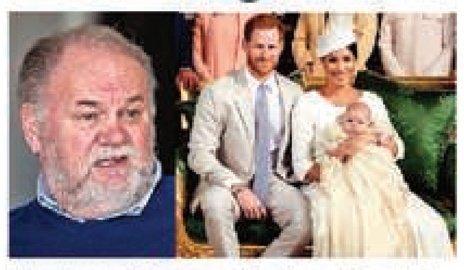
The ambassador said he did not believe Trump's public explanation for calling off a planned military strike against Iran last month.

Darroch said there are doubts about whether the White House "will ever look competent" and that the only way to communicate with the president is by being simple and blunt. AP

TIPS, TRIVIA & TRENDS

YOUR DAILY DIET OF FUN AND FACTS

Meghan Markle's Father Upset over not being Invited to Grandson's Christening



Duchess of Sussex Meghan Markle's father Thomas Markle opened up about not being invited to his grandson's christening ceremony on Saturday. The 74-year-old spoke to the Mail on Sunday saying he wanted to be a part of the celebrations in the private chapel at Windsor Castle in England, US Weekly reported. "I have been asked if I would have liked to have gone to Britain to see my new grandson being christened," he told the Mail, according to US Weekly. "I was an altar boy at age 12, a confirmed member of the Queen's church at age 14, and Archie is my new grandson, of course, I would have enjoyed being there for the blessing, wishing Archie and his parents health and happiness." Meghan's mother Doria Ragland was present for the ceremony and was also a part of the family picture shared by the official Instagram account of the duke and duchess of Sussex. ANI

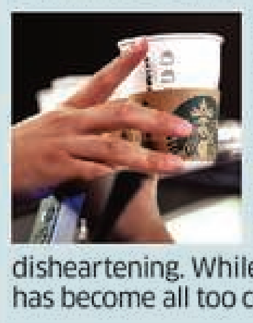
The Dugong Show: 24-Hour Webcast Shows Celebrity Thai Sea Cows

A round-the-clock webcast starring two beloved baby dugongs in Thailand named Mariam and Jamil went live on Sunday, allowing a more in-depth look at the celebrity sea cows. Mariam captured hearts in viral social media posts last month showing her playfully nuzzling up to rescuers in shallow waters off southwestern Thailand while Jamil washed ashore further up the coast a week ago. The orphaned dugong duo are being held separately, but anyone with an Internet connection can now see them through a 24-hour livestream that uses eight camera angles and scheduled feeding times. "We show them live because we don't want people to disrupt them by going to see them at the current locations," said Kongkiat Kittiwatanawong, director of the Phuket Marine Biological Center. He added that cameras will also help with monitoring their recovery. A little after 2pm Jamil was seen splashing away in a small pool in the Phuket centre. Normally dugongs don't leave their mothers until they are a little more than a year. Mariam is female and believed to be about six months old while Jamil is half her age. Experts say interest in the dugongs has helped galvanise awareness in ocean conservation. The slow-moving mammals feed on sea grass but are at risk from habitat loss, water pollution and nets used in fishing. AFP

Wife of Ex-Chinese Interpol Chief Sues Agency

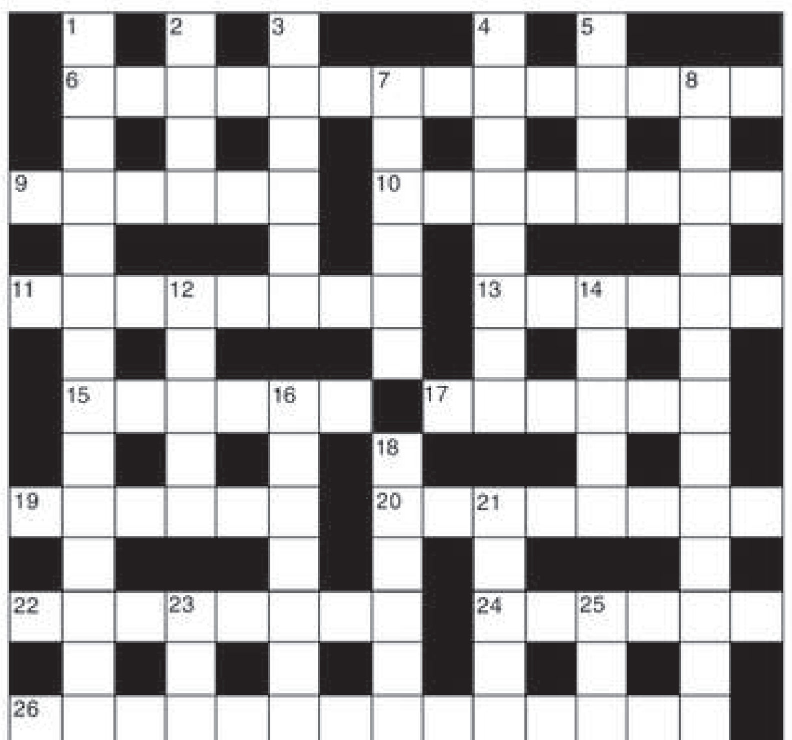
The wife of former Interpol president **Meng Hongwei** is suing the international police agency, accusing Interpol of failing to protect him from arrest in China and failing to protect his family. Meng's wife Grace Meng said her lawyers filed a legal complaint in the Permanent Court of Arbitration in The Hague, Netherlands. She says Interpol "breached its obligations owed to my family" and "is complicit in the internationally wrongful acts of its member country, China". Interpol said on Sunday it strongly disputes the allegations. The court did not comment. Meng Hongwei was arrested in September amid a campaign against corruption and political disloyalty led by Chinese President Xi Jinping. A Chinese court said he confessed to accepting more than $2 million in bribes. His wife calls the case politically driven. AP

Starbucks Apologises to Police for Incident in Arizona Shop



Starbucks apologised after an employee reportedly asked six police officers to leave or change their location in one of the company's shops in a Phoenix suburb because another customer reported feeling unsafe. Starbucks said it has "deep respect for the Tempe Police Department" and was apologising "for any misunderstanding or inappropriate behaviour that may have taken place" during the July 4 encounter. The Tempe Officers Association said the officers had just bought their drinks and were standing together before their shift started when a barista made the request for a customer. Association president Rob Ferraro called it perplexing that someone would feel unsafe when officers are around. "This treatment of public safety workers could not be more disheartening. While the barista was polite, making such a request at all was offensive. Unfortunately, such treatment has become all too common in 2019," the association said in a tweet. AP

Crossword 7453



ACROSS

6 Young neighbour excited by orthodox teen (3,3,4,4)
9 Schedule to finish within range (6)
10 Support team that's behind (8)
11 Trained English journalist bags old coin (8)
13 Clothes are keeping dry on island (6)
15 Element a detective found in drink (6)
17 Dismiss scripture expert (6)
19 Build up a team on radio (6)
20 Like old record or new hair shirt (8)
22 Irish booze comes in through state (8)
24 We have two of these attempts to cadge a lift (6)
26 At random, I'd been ruined betting on this? (3-5,6)

DOWN

1 Exit right, say, heading for Wells Fargo? (5,9)
2 Bird appears during the afternoon (4)
3 Metal mount saves airline (6)
4 Loathe old European jalopy (8)
5 Plans omit a fateful date in Rome (4)
7 Someone insignificant, like weak wine? (6)
8 Honour both at Hereford after refreshment (5,2,3,4)
12 Drink some predicted must go up (5)
14 Rely on propulsion without hydrogen (5)
16 Online ID menus are in need of encryption (8)
18 Writer left in smooth part of Orkney perhaps (6)
21 Furniture-maker managed to recruit a nondrinker (6)
23 Good listener's equipment (4)
25 Found out about release (4)

SOLUTION TO No. 7452

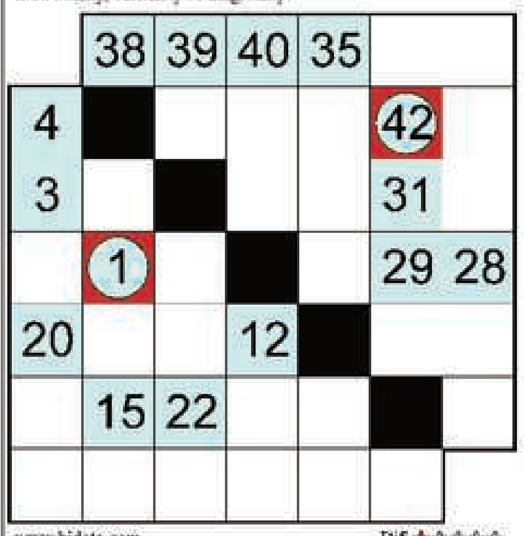
ACROSS: 1 Chamber music. **8** Line-out. **9** Classic. **11** Chameleons. **12** Boss. **14** Book club. **16** Tanker. **17** Pap. **19** Refine. **21** Rattling. **24** Iota. **25** Bumper cars. **27** Shake-up. **28** Obscene. **29** User friendly.

DOWN: 1 Centavo. **2** Adolescent. **3** Butter up. **4** Recent. **5** Ural. **6** In stock. **7** Blackberries. **10** Cash register. **13** Cauterised. **15** Bar. **18** Payphone. **20** Fat cats. **22** Inanely. **23** Jumper. **26** Veer.

HIDATO

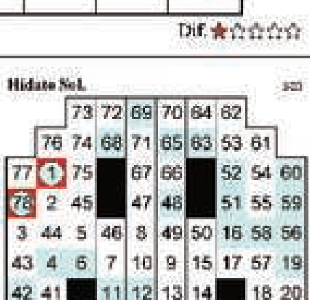
FIND THE PATH - SOLVE THE PUZZLE

Complete the grid so that numbers 1 - 42 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 removed unwanted plants (6)	
2 washer's hot companion (5)	
3 water-boiling container (6)	
4 pertinent (8)	
5 glanced (6)	
6 dealt a quick blow (6)	
7 baseless (9)	

DED	WEE	YER	RE	TT
KE	LE	JAB	UN	LO
UND	FO	DR	VA	OK
ED	ED	BED	NT	LE

Yesterday's Answers: 1. PISAN 2. COMMIT 3. VILE 4. BOYSENBERRY 5. PLEATHER 6. EGOT 7. BACKGROUNDS

Dilbert

by S Adams

State Banks in a Fix Over Proposed Hike in Minimum Public Holding

Shareholding limit proposed to be increased from 25% to 35%; 15 out of 19 PSU banks have over 75% promoter holding; seven of them, including Andhra Bank, Corp Bank and IOB, have over 90% govt holding

Atmadip.Ray@timesgroup.com

Kolkata: The budget proposal to raise the minimum public shareholding limit to 35% from 25% may be a stiff challenge for state-run banks.

While this will impact over 1,000 companies with public shareholding less than 25%, state-owned companies could be hit the hardest, experts said. Among public sector units (PSUs), several state-run lenders have been in a precarious situation with repeated capital infusion by the government over the years pushing promoter holding way above 75%.

Many banks have been given a time frame of two years from the time of breaching the norm to achieving compliance. In any case, banks with stressed finances are finding it difficult to raise capital from the market and bring the government holding down to below 75%. If the Securities and Exchange Board of India (Sebi) accepts the finance minister's proposal, these lenders may be in for a hard time.

Moreover, the budgeted ₹70,000 crore fresh government capital infusion into the banks will push the level of public holding even higher.

"The purpose (of the budget proposal) is to widen the canvas of public shareholding--that is a very good move to broad-base the stocks and deepen the stock market," said Allahabad Bank chief executive SS Mallikarjuna Rao. "As for PSBs (public sector banks), in any case it takes a time horizon of around two years or more since many PSBs have more than 80% government holding."

As many as 15 out of 19 state-run banks have more than 75% promoter holding. As things stand, Sebi has allowed them two years to raise the public holding to 25% from the time the limit was breached. Seven of them — including Andhra Bank, Corporation Bank and Indian Overseas Bank — with over 90% government holding have the toughest task among all.

"Government has large holdings in government banks which have further increased in the last 10 years, driven mostly by the need for government participation to drive policy and for social objectives," former Reserve Bank of India governor Urjit Patel had said last month at an event in Stanford University.

State Bank of India, in its post-budget analysis, observed that the minimum public shareholding requirements generally vary between 10% and 25% in certain developed securities markets, such as Singapore, the UK, US and Hong Kong.

State of Affairs

Banks with govt holding in excess of 75% on March 31

Bank	%
Allahabad Bank	85.82
Andhra Bank	90.85
Bank of India	87.05
Bank of Maharashtra	87.74
Central Bank of India	91.20
Corporation Bank	93.50
IDBI Bank	97.46
Indian Bank	81.49
Indian Overseas Bank	92.52
Oriental Bank of Commerce	87.58
Punjab & Sind Bank	85.56
Punjab National Bank	75.41
Syndicate Bank	78.48
Uco Bank	93.29
United Bank of India	96.83

INFUSION CONFUSION

Several state-run lenders have been in a precarious situation with repeated capital infusion by the government over the years, pushing promoter holding way above 75%

Finding a Way Out

8 years Time period for which historical losses can be carried forward

Minimum Alternate Tax applied on book profit won't be triggered for new buyer in IL&FS

IL&FS, ITNL, IFIN may see higher losses after recasting of accounts by new auditors

Writing off of assets leads to book profit and higher taxes when new buyer takes over

Change in I-T Act may Lure Buyers to IL&FS

Proposed amendment in budget allows carryforward of losses to cut tax outgo for potential suitor

Sachin Dave, Saloni Shukla & Maulik Vyas

Mumbai: A key budget proposal will help sweeten the deal for any potential suitors of Infrastructure Leasing & Financial Services (IL&FS), which has been under the supervision of a government-designated board after defaulting on repayments in September last year.

The proposed amendment to Section 79 of the Income-Tax Act will allow buyers to carry forward losses in companies where the government has seized control. Experts said this was aimed at resolving the IL&FS situation. A buyer will be able to set off historical losses in IL&FS and its subsidiaries against future profits, lowering taxable income.

SEC 79 of I-T Act states losses can't be carried forward if majority shareholding changes hands

"The new amendment now means that carryforward of losses will be available in situations like IL&FS and its subsidiaries if there is a new buyer," said Amit Maheshwari, partner Ashok Maheshwary & Associates LLP. "The company would be eligible to carryforward the loss and adjust even if there is a new buyer, provided the conditions prescribed are met and the principal commissioner, tax commissioner has been heard."

The government sacked the management and set up a new board led by Asia's richest banker Uday Kotak to chart a turnaround at IL&FS last year. The default sparked a liquidity crisis among nonbanking finance companies (NBFCs). The board is in the process of selling the financial group's assets piecemeal as it attempts to salvage a debt burden of nearly ₹1 lakh crore.

Section 79 of the I-T Act specifically deals with losses and states that these cannot be carried forward if a majority shareholding — 51% and above — changes hands. The government has already carved out exceptions for startups and companies filing for bankruptcy. The new amendment extends the benefits to companies taken over by the government and whose boards are replaced.

"The amendment is intended to address the issue that loss carryforward would have otherwise lapsed if there is non-commonality of at least 51% shareholding in year of set off vis a vis year of loss," said Ketan Dalal, managing partner, Katalyst Advisors. "This amendment would remove a major deterrent to the ability to transfer ownership of such a company."

The budget also proposed to tweak regulations pertaining to Minimum Alternate Tax (MAT), which is levied at 18.5% on profit.

For instance, if such a company has a loss of ₹8,000 crore when it's acquired, under current regulations this loss cannot be carried forward and will be set off in one financial year. If this company incurs a profit of ₹800 crore in the next year, it will be liable to pay anywhere between 18.5% to 35% tax. But now going forward, the company can carry forward the loss of ₹8,000 crore and could save on the tax component.

The problem, said industry trackers, is that the purchase of a distressed asset triggers write-downs in the profit and loss accounts of companies, resulting in likely book profits. Existing laws require that MAT be paid on book profits.

There may be a twist in the IL&FS saga, said experts. The Serious Fraud Investigation Office (SFIO), the investigation arm of the Ministry of Corporate Affairs (MCA), has alleged that the financial statements of subsidiary IL&FS Financial Services (IFIN) don't represent an accurate picture. A similar situation could prevail in parent IL&FS and IL&FS Transportation Networks Ltd (ITNL), another subsidiary.

Due to this reason, the National Company Law Tribunal (NCLT) has allowed recasting of accounts. Whether the losses incurred in the recast financial results will be allowed to be carried forward would be a question that the government may have to specifically answer.

A Bouquet for Foreigners

The budget announced a number of measures to attract foreign flows to make up for declining domestic savings and investments. The economic survey also flagged the impact of low savings on investments. ET takes a look at the measures and how they help.

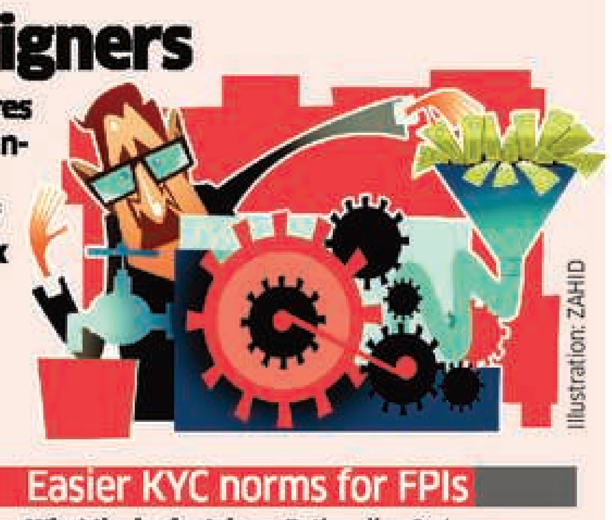


Illustration: ZAHID

NRI-FPI scheme merged

What budget does: Merge NRI-portfolio investment scheme route with foreign portfolio investment route

How does it help: NRI investment in Indian capital markets is comparatively low. It will provide NRIs with seamless access to Indian equities

FPI Investment in ReITs & InvITs

What the budget does: FPIs permitted to invest in listed debt securities issued by ReITs and InvITs

How does it help: These instruments are just starting in India. FPI investors have experience with them and will help boost adoption

Higher FPI limit in cos

What the budget does: Limit for FPI investment in a company raised from 24% to sectoral FII limit. Corporates can opt for lower threshold

How does it help: Raise liquidity in a company by increasing the FII limit. Encourage more investment

NIIF investment meet

What the budget does: Annual global investors' meet in India, using NIIF as anchor

How does it help: Market India to foreign investors under a professional and interested stakeholder

FDI relaxation

What the budget does: a) Proposes opening up of FDI in aviation, animation, AVGC and insurance sectors b) 100% FDI for insurance intermediaries. c) Easing local sourcing norms for FDI in single-brand retail

How does it help: Attract more FDI; greater interest in airlines

Sovereign foreign borrowing

What the budget does: Government to start borrowing overseas

How does it help: Attract foreign investment, more space for domestic borrowers, lower interest rates

Net govt market borrowing (₹lakh crore)

	₹lakh crore
FY18	4.51
FY19 (RE)	4.23
FY20 (BE)	4.73

Easier KYC norms for FPIs

What the budget does: Rationalise & streamline existing know your customer (KYC) norms

How does it help: Ease process of investment, encourage more FPI

Higher public floating stock

What the budget does: Sebi to consider raising minimum public shareholding in listed companies to 35% from 25%

How does it help: More float to make stocks more liquid; greater headroom for investment

Free float market cap

As % of total	Mar 31, 2017	Mar 31, 2018
NSE	45.4	45.2
BSE	44.7	47.8

Exit route

What the budget does: FIIs/FPIs can sell investments in certain infrastructure debt securities to any domestic investor within a specified lock-in period.

How does it help: More liquidity for investors through exits will encourage higher investment

Asset monetisation

What the budget does: Govt to move ahead with infrastructure asset monetisation

How does it help: Easier to attract foreign investment here than in greenfield projects. Capital so raised can be invested again.

₹24,000 crore–Amount raised through such monetisation so far

And some more steps...

- Credit Guarantee Enhancement Corporation
- Action plan to deepen long-term bonds market
- Deepening markets for corporate bond repos, credit default swaps etc.
- Lower ₹1,000 crore net owned funds for foreign reinsurers from ₹5,000 crore earlier

Case for foreign funds

Declining savings have impacted investments (% of GDP)

	Gross savings	Gross capital formation
FY16	31.1	32.1
FY17	30.3	30.9
FY18	30.5	32.3

More the better

FPI inflows	$ million
2015	10,596
2016	-3,190
2017	30,784
2018	-11,334
2019 (as on Jul 5)	13,808

FDI inflows	
FY15	45,148
FY16	55,559
FY17(P)	60,220
FY18(P)	60,974
FY19(P)	64,375

ET By Invite

SHYAMAL MUKHERJEE

CHAIRMAN, PWC INDIA

ARINDAM

It's a Public Budget Led by Pvt Investment

While acknowledging the need to pump-prime the economy, FM has relied on pvt cos to drive investments

Against the backdrop of fall in consumption demand, weak GDP numbers and slowdown in the global economy, finance minister Nirmala Sitharaman delivered her maiden budget speech clearly laying out the building blocks for us to be a $5-trillion economy in the next five years.

Largely a budget that puts institutional reform at its heart, it acknowledges the need to invest ₹100 trillion in infrastructure development over the next five years. There is a focus on mobilisation of low-cost capital for this through deepening of the corporate bond and infrastructure bond market.

While acknowledging the need to pump prime the economy, the finance minister has relied on the private sector to drive investments; but mobilisation of the required investments during the year could be a challenge, given the economic environment. The fiscal deficit has been projected at 3.3% of GDP – an improvement from the 3.4% presented in the interim budget. Higher targets have been assumed for proceeds from disinvestment and dividends from the central bank. Any slippage on these fronts and the inability of the private sector to step up will put the onus of demand generation on the Government and will expose the deficit target to risks.

MINIMUM GOVT

The budget carries forward the government impetus on minimum government and maximum governance

The budget also carried several measures to deepen the capital markets. The minimum public shareholding in listed companies has been raised to 35% from 25%. Simplification of KYC norms for FPIs, making government T-Bills available for public deposits through seamless transfer between RBI and Sebi, facilitating NRI investments in Indian capital markets are some of the measures.

The NBFCs that have been under stress have received good attention in the budget. A one-time partial guarantee to the public sector banks for first loss up to 10% on high rated pooled assets of the NBFCs up to ₹1 trillion has been proposed. This along with the capital infusion of ₹70,000 crore proposed for the public sector banks as well as recovery of NPAs should provide adequate funds to the NBFCs enabling them to extend credit. The deferred tax on NPAs on par with banks will also help the NBFCs.

MSMEs, contributing over 40% to the GDP and the largest employment generators, have been facing severe access-to-credit issues with the NBFC crisis. The liquidity improvements in NBFCs will help the MSMEs too.

Women SHGs have been extended interest subvention and a loan of ₹1 lakh to one SHG member has been proposed. Addressing the working capital issues for the MSMEs through faster payments supplies to government via a national payments portal is also a positive move. As many as 100 new clusters for traditional industries have been announced. Patents and GI for creative artisans to enhance their international market access is also a welcome move.

The budget carries forward the government impetus on minimum government and maximum governance and encourages citizens to deliver on their duties while demanding their rights. While ambitious targets have been set, the achievement of the same will depend on a trust-based partnership between the private and public sectors.

Redemption Reserve Clause Gone, Non-Bank Cos will Bank on Bonds

Many NBFCs, including Aditya Birla Finance, Mahindra & Mahindra Finance, Shriram Transport Finance and IIFL Finance, planning to raise at least ₹10,000 crore in the ongoing quarter

Saikat.Das1@timesgroup.com

Mumbai: The budget is set to revive the retail bond market, as a number of non-banking finance companies including Aditya Birla Finance, Mahindra & Mahindra Finance, Shriram Transport Finance and IIFL Finance are planning to raise at least ₹10,000 crore in the ongoing quarter.

On Friday, finance minister Nirmala Sitharaman proposed to scrap the obligation of debenture redemption reserves (DRR), a provision that requires NBFCs to build a reserve over the term of the debt to repay investors. It was often termed as a stumbling block for NBFCs to raise money via public bonds.

"Abolishing DRR is an additional cost saving to an extent, as we are not supposed to set aside money from current year's profits against principal repayments (for retail bond sales)," said Umesh Revankar, the managing director at Shriram Transport Finance. "This has given an addition push to do more public bond sales. In this quarter, we are planning to raise ₹1,000-2,000 crore via such route."

Shriram Transport Finance has planned to raise up to ₹10,000 crore through public issuance this financial year. The company, according to a market source, expects to sell papers rated 'AA+', offering rates in the range of 9-9.50%, similar levels at which it borrows money from banks.

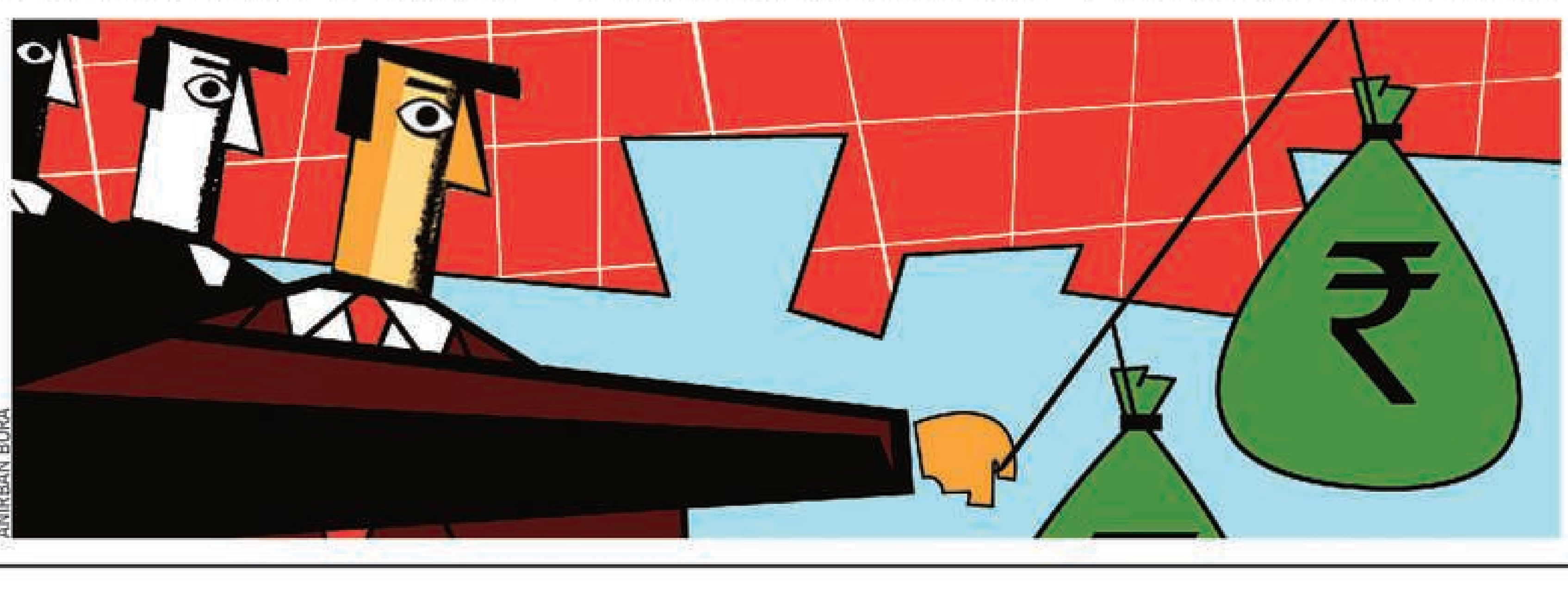
Aditya Birla Finance could be considering at least ₹5,000 crore of bond sales this financial year, said market sources.

The company didn't respond to an email seeking comment until the publication of this report.

Mahindra & Mahindra Finance will more closely evaluate public issuance of NCDs after removal of DRR requirement, said Dinesh Prajapati, its head of treasury. "We are planning to tap the public market at an appropriate time as we seek to grow our book."

This year, M&M Finance has approvals to raise up to ₹10,000 crore via public issuances, of which it has already raised ₹2,146 crore.

"Many non-banking finance companies have expressed interest to bring out public bond sales," said Ashish Agarwal, the executive director at AK Capital, an arranger of debt sales. "DRR was seen as an obstacle for borrowers, who needed to block a portion of their profits. With this clause going away, many para banks would now be keen to tap the retail bond market subject prevalent market condition."



ANIRBAN BORA

PVT ISSUES EXEMPT

Debenture redemption reserves is currently applicable to only public issues, as private placements are exempt from the requirement

IIFL Finance too is said to be exploring retail bond sales as it plans to raise up to ₹5,000 crore this financial year. It has already raised ₹1,000 crore. The company is likely to hit its second tranche within months, said a source with the direct knowledge of the matter.

HOW DRR WORKS?

If a company is to repay ₹ 100 crore principal on a bond with five-year maturity, it must set aside one-fourth of it to create the reserves for the full repayment at the end of five years.

Out of this amount that is set aside proportionately every year, the borrower must invest 15% in most liquid debt securities (government bonds), which earn much lower rates of interest than other securities.

To allow NBFCs to raise funds in public issues, the requirement of creating a DRR will be done away with, the finance minister said. DRR is currently applicable for only public issues, as private placements are exempted from the requirement.

WORLD OF CRICKET

KHAWAJA RULED OUT

Australia batsman Usman Khawaja will miss the rest of the World Cup with a hamstring strain he suffered in their 10-run defeat against South Africa at Old Trafford on Saturday. Matthew Wade will replace Khawaja in the squad, subject to confirmation from the ICC. Meanwhile, Marcus Stoinis was hampered by a side complaint against South Africa and Mitchell Marsh has been added to the squad as cover for him.

ONE-DAY PHENOM

Rohit, who is casually referred to as the Borivali Bradman, is churning out truly Bradmanesque numbers at the World Cup

BAT ON REGARDLESS

Anand Vasu Manchester

And so it finally came to pass. India will take on New Zealand — the only team they did not face in the group phase of the 2019 World Cup — in the semifinal, while old foes England and Australia will do battle for the second spot in the final.

At the start of the competition, if you told Virat Kohli that his team would win seven of eight matches they played and top the group, he might've thought you were just being a cheerleader. But even as respect for this team has grown, remember they lost an opener who is a gun batsman in global competitions, an allrounder and had an injury to their first-choice new ball partner to Jasprit Bumrah, the adulation for another man has gone through the roof.

Rohit Sharma, who racked up his fifth century of the tournament — and to put this in perspective the great Sachin Tendulkar managed six hundreds from six whole World Cup editions — has a No. 1 fan in Kohli. The manner in which Kohli has placed the destructive opener at the top of the order has grown steadily in the course of the tournament.

"I have been watching it for years now, I have been saying it publicly, in my opinion Rohit is the best one-day player. When he plays, we are heading towards a big score and really happy with the way he's playing," said Kohli only days ago. "When he plays well we know we are heading for a big score. He gives everyone confidence to go out and bat."

But, if Kohli has benefited from the starts that Rohit has provided, with astounding consistency, another man who owes a lot to the star is KL Rahul, who began his World Cup at No. 4 and then was forced up the order when Shikhar Dhawan was injured. "You would be a fool to be tempted to bat like Rohit because he is in a different class. He is on a different planet altogether when he gets going," said Rahul, who scored his maiden World Cup century, and his second overall, in India's match against Sri Lanka. "We expect it from him and he is delivering every time. To bat with him is really easy because he takes the pressure off you. He keeps getting the boundaries and the scoreboard keeps ticking, I just have to keep there with him. It is great fun."

If Rohit is scoring runs for fun now, it was not always so. In the lead-up to the World Cup, when he was getting starts in the IPL but not converting them into big scores, he had a chat with Yuvraj Singh, who Rohit refers to as a "big brother" and that's hardly surprising with the two having played so much together, and living literally one big six away from each other in Mumbai.

"We always talk about the game, about life. He said to me: when it matters you will do it. I guess probably he was talking about the World Cup," said Rohit after his fifth century. "He was in a similar phase in 2011 before the World Cup, was not getting enough runs. So what he told me to just be in good space. And that's what he did, that's why he was so successful at that World Cup."

But, Rohit is not merely in just a "good" space, and nor is this World Cup a flash in the pan. In the history of the World Cup, no batsman has averaged more than Rohit's current 68.78 (minimum 15 innings played) and the next best is considerably lower, AB de Villiers, at 63.52. The greatest of them all, Sir Viv Richards averaged 63.31 over 31 innings.

As a measure of just how well Rohit has done in the build up to the World Cup, IPL performance notwithstanding, savour this fact: In the last 365 days, Rohit has scored 2,063 runs in 34 innings with 10 centuries. And, wait for it, no batsman in the history of the game has scored 10 ODI hundreds in a 365-day chunk.

Or, to put it another way, in the 142-year history of cricket, only one player has scored five centuries in a single tournament or series. That was Sir Clyde Walcott in the 1955 Test series against Australia.

Rohit, who has been casually referred to as the Borivali Bradman — mostly in jest by well-wishers pulling his leg — is becoming truly Bradmanesque when it comes to the numbers in 50-over cricket. Now, at least one more opportunity beckons. And Rohit knows that his team needs him more than ever.

ROHIT'S CENTURIES

122* — 144 balls, 13 x 4, 2 x 6, Vs South Africa

140 — 113 balls, 14 x 4, 3x 6, Vs Pakistan

102 — 109 balls, 15 x 4, Vs England

104 — 92 balls, 7 x 4, 5 x 6, Vs Bangladesh

103 — 94 balls, 14 x 4, 2 x 6, Vs Sri Lanka

Rohit Closes in on Kohli

Rohit Sharma closed in on his captain Virat Kohli at the top of ICC ODI batting chart on the back of his brilliant run of form in the World Cup.

TOP 5 BATSMEN

#	Player	Pts
1	**VIRAT KOHLI** (Ind)	891
2	**ROHIT SHARMA** (Ind)	885
3	**BABAR AZAM** (Pak)	827
4	**FAF DU PLESSIS** (SA)	820
5	**ROSS TAYLOR** (NZ)	813

One-Sided Affair

India may have faced challenges on the field, but in the stands, it's been a story of complete domination

Boria Majumdar

It has now become a cliché to suggest that a 'sea of blue' takes over every stadium Indian cricket team plays in. But it needs to be experienced to understand what impact this 'sea of blue' can have on a game. Sitting with the fans for a good part of the India-Sri Lanka game at Headingley, I literally felt pity for the Sri Lankan team on occasions.

After a poor start, Sri Lanka were doing well with Angelo Mathews mounting a revival. However, there was deathly silence each time Mathews hit a boundary. It was as if a county match was being played in Yorkshire with some 50 people watching. And the moment Ravindra Jadeja stopped a boundary, the collective cheer was such that it could be heard at the Leeds station.

The passion and the collective yearning of this fan brigade to see the team do well is infectious and as Ravi Shastri has already pointed out multiple times this World Cup, "it makes a huge difference to the team."

Even after an hour of Indian win, the fans weren't ready to go home. They were still chanting "Rohit Sharma superstar" and waving the tricolour. It wasn't Leeds. It was a typical Indian cricket ground back home and was a complete Indian takeover of sorts. There was the dhol (drum) and the bugle and some even had the shankh (conchshell) now made popular by Sudhir Gautam and his ilk. Images and replicas of the World Cup were doing the rounds and what was also noticeable was the percentage of women who had come to watch Indian team play. While Charulata Patel is now the best known face of this legion of women fans, others have travelled from the US, Africa, India and also Australia. "We saved money to come and watch this game and this is our anniversary present to each other," said a couple offering me a home-made samosa, which they had got for lunch.

Things reached a crescendo the moment Rohit Sharma got to his century. The cheer was just too loud and it did not stop for a good 2-3 minutes. The only comparison was the cheer for Alastair Cook when he got to his hundred at the Oval last year in his last Test innings. Rohit was the center piece of a 20,000 strong Indian support in Leeds and the kind of affection showered on him must have added years to his life! It was collective appreciation of a very different level.

In fact, it is as if cricket is now a single country sport with all the other teams and their fans playing a supporting role to make the story look somewhat more democratic. The truth is that it will be yet another 'sea of blue' and a complete Indian monopoly in Manchester come Tuesday. If there are 100 Kiwi fans among the 25,000 present at Old Trafford, Kane Williamson should feel proud and delighted. Virat Kohli, on the other hand, knows he has an army of 25,000 fans that he can unleash on New Zealand every single ball right through the 50 overs. They won't tire and they won't need a break. They will keep being vocal and back the boys all through the 10 hours of the game. As a sportsperson playing the sport, nothing can be better.

The passion and the collective yearning of this fan brigade to see the team do well is infectious

Sourav Ganguly, who has captained India in one of the best World Cup campaigns in 2003, was smiling when asked this question. "The moment they see you they go up in cheer. Even when I enter the field today I get the kind of cheer I used to in my playing days. Imagine what Virat experiences in every venue that he plays in. I have to tell you this support does a lot to the team. And it also ends up unnerving the opposition. Every wicket taken or boundary scored is celebrated for minutes and you have to feel for the opposition batsman or bowler. It is not easy if you are not an Indian player in this World Cup".

VITALS

Wrestling: Vinesh, Divya Win Gold, Pooja Settles for Silver

Putting up a dominating show, India's top wrestler Vinesh Phogat won her first gold medal after shifting to 53kg category while Divya Kakran claimed the top honours in the 68kg category at the Grand Prix of Spain. World Championship bronze medallist Pooja Dhanda (57kg) had to be content with a silver after losing the title clash to Russia's Veronika Chumikova. Also winning silver medals were Seema (50kg), Manju Kumari (59kg) and Kiran (76kg). Sakshi Malik withdrew from the competition due to a minor injury.

Messi Blasts Copa America After Red Card

Lionel Messi hit out at "corruption and the referees" at the Copa America after he was harshly sent off as Argentina secured third place with a 2-1 victory over Chile. In a niggly and fractious match on Saturday, five-time Ballon d'Or winner Messi and Chile captain Gary Medel were given their marching orders eight minutes from half-time after tangling on the goalline. Television replays of the incident suggested Messi had done little wrong. "Corruption and the referees are preventing people from enjoying the football and they're ruining it a bit," said the global star.

Gauff Faces Toughest Challenge Yet in Halep

American teenager Cori 'Coco' Gauff has captured the hearts of fans with her dream run to Wimbledon's fourth round but a stern examination awaits in the form of seventh seed Simona Halep today. The 15-year-old's popularity has soared off the charts in a memorable week at the All England Club, with organisers also recognising her potential to grab attention and giving her a Centre Court match-up in the third round. Gauff did not disappoint, saving two match points to beat Polona Hercog 3-6 7-6(7) 7-5.

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