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Today on

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Ecommerce policy: Tussle with companies to get tougher

Aditya Birla Group goes easy on payments bank business

Audit firms brace for talent exodus

India's 5G auction plan needs urgent course correction

BRANDS & COMPANIES ▸▸ 5

PURE POLITICS

Advantage BJP in Battle for Karnataka

HD Kumaraswamy has extracted the resignations of all his ministers to send a conciliatory message to the 13 rebel Karnataka MLAs, reports **KR Balasubramanyam**. Two independents quit the Cabinet and joined BJP, taking its strength in the 224-member House to 107. A few more Congress MLAs are said to be planning to quit. ▸▸ 2

Solution Found for Russian Arms Payment

A permanent solution has been found for the payment for arms bought by India that had been stalled due to financial sanctions by the US, the Russian side has confirmed without giving details, reports **Manu Pubby**. ▸▸ 3

US-China Quid Pro Quo on Baloch and Azhar?

The US may have reached a 'tactical understanding' with China by banning the Baloch Liberation Army in lieu of Beijing's earlier support to declare JeM chief Masood Azhar a global terrorist, reports **Dipanjan Roy Chaudhury**. ▸▸ 4

PSUs with Less Than 51% Govt Stake may Not Come Under CAG, CVC Ambit

State-run companies where the government brings down its stake below 51% may not come under the scrutiny of vigilance agencies such as the Central Vigilance Commission and the Comptroller and Auditor General.

Economy: Macro, Micro & More ▸▸ 11

Newspaper Body Seeks Withdrawal of 10% Customs Duty on Newsprint

The Indian Newspaper Society has requested the government to withdraw the 10% customs duty imposed on newsprint in the budget. Publishers of newspapers and magazines are already reeling under severe financial pressure, said the statement issued by the industry body.

Economy: Macro, Micro & More ▸▸ 12

ET INSTA POLL

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

67% YES | 26% NO | 7% CAN'T SAY

TODAY'S QUESTION

Is it right to look at stock investing as just rich people's business?

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SENSEX LOGS STEEPEST ONE-DAY FALL SINCE FEBRUARY 2018

Tax Fears, Global Fall Trigger Worst D Street Crash of 2019

Sensex closes 793 points lower, while Nifty ends down 253 points; volatility index rises 7%; Bank Nifty posts biggest one-day fall since Apr 2016

Our Bureau

Mumbai: Indian stocks slumped to their worst one-day fall in 2019 and the steepest in 17 months as a budgetary tax on foreign investors angered market players already worried over sliding economic growth and its impact on stock market returns. A global slide caused by worries over the Federal Reserve not cutting rates due to a stronger-than-expected jobs data in the US also hit sentiment.

Friday's budget disappointed investors who were expecting a bigger spending programme to revive growth. It also raised the tax on super-rich while announcing a plan to increase the supply of equity in the market through secondary or primary market sales by India Inc promoters.

The Sensex saw its worst one-day fall since February 2018, while the Nifty witnessed the steepest fall since October 2018. Bank Nifty posted its biggest single-day fall since April 2016.

Indian stocks have now fallen for two successive days since the budget on Friday, wiping out ₹5.6 lakh crore in market capitalisation.

Bajaj Finance slumped more than 8% and Bajaj Finserv fell 10% after MD Sanjiv Bajaj said the economic slowdown had taken a toll on first quarter performance.

The Sensex ended down 792.82 points, or 2%, at 38,720.57, while the Nifty ended down 252.55 points, or 2.1%, at 11,558.60.

The volatility index, India VIX — which measures the market's perception of near-term risk — rose 7% to 14. Bank Nifty ended down 2.8% at 30,603.85. Other NSE sectoral indices ended down 1-6%.

ONGC, Hero MotoCorp, Maruti Suzuki India, NTPC, L&T and State Bank of India were the worst performers on the Sensex, ending down 4-8%.

STOCKS OF COS WITH OVER 65% OWNER STAKE MAY STAY SHAKY ▸▸ PAGE 7

Correction Likely ▸▸ 10

Bears Take Charge

Key Reasons For The Fall

- **US jobs** data, which led to worries that Fed may not cut rates
- **Fear of** higher tax on FPIs
- **Budget proposal** to increase minimum public shareholding
- **Lack of** stimulus in Budget
- **Caution ahead** of June quarter earnings

Country [Index]	Monday Close	% Chg vs Prev. Close
China [Shcomp]	2933.36	-2.58
India [Nifty]	11558.60	-2.14
Singapore [STI]	3334.23	-0.97
Japan [Nikkei]	21534.35	-0.98

Compiled by ETIG Database Source: Bloomberg

Biggest Sensex Fall In Recent Times

Date	% Fall	Points Fall
02-02-2018	-2.34	-839.91
11-02-2016	-3.40	-807.07
04-10-2018	-2.24	-806.47
08-07-2019	-2.01	-792.82
05-10-2018	-2.25	-792.17
11-10-2018	-2.19	-759.74
10-12-2018	-2.00	-713.53

Illustration: ANIRBAN BORA

APPLICABILITY OF HIGHER SUPER-RICH SURCHARGE ON FPIs

No Clarification Now: FM

Finance minister Nirmala Sitharaman has ruled out an immediate clarification on the proposed increase in the income-tax surcharge on super-rich being applicable to foreign portfolio investors (FPIs). Asked if the government would clarify on the issue, the minister said she would respond in Parliament. ▸▸ PAGE 11

$120-m Fresh Funding Round may Value PharmEasy at $600m

PharmEasy is close to wrapping up a $100-120 million financing round led a host of new investors, including CDPQ and LGT. The firm could be valued at $500-600 million, reports **Biswarup Gooptu**. ▸▸ 6

Payments Firms Unhappy Over Govt Move on MDR

The government's move to mandate zero charges on digital transactions for merchants has caused disappointment among payments firms and could also affect onboarding of new merchants, said a note by an industry body. ▸▸ 6

Centre to Pay Input Tax Credit Refunds of State Taxes

The Centre will now pay the input tax credit refunds of state taxes, bringing down transaction time and costs, and reducing manual interface in claims processing, reports **Kirtika Suneja**. ▸▸ 11

Liquidation of Adhunik Metaliks, Zion Steel Ordered

Close to two years after getting admitted for insolvency, Adhunik Metaliks and Zion Steel have been ordered to be liquidated by NCLT as Liberty House failed to implement its resolution plan, reports **Vatsala Gaur**. ▸▸ 13

FIRST OCCURRENCE IN OVER TWO YEARS

Consumption Tale Twist: Bharat Lags India in June Qtr

Liquidity issues and lower farm wage growth impact rural sentiment

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Mumbai: Growth in rural consumption was slightly slower than that in urban areas in the June quarter, the first time this has happened in over two years, due to liquidity issues and lower farm wage growth that impacted sentiment, said companies and analysts.

Consumption in rural India, which accounts for about a third of the market, has been under stress over the past three quarters even though its rate of expansion has been faster than that in the cities. Rural growth rates, which were nearly double those in urban areas, moderated to 1.5 times in the December quarter and subsequently about 1.2 times in the March quarter.

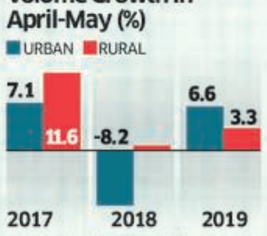
"Rural growth has further moderated and is now growing at the same level as its urban counterpart or slower due to the weak overall macroeconomic scenario including lower government spending, liquidity crisis hurting wholesalers, lower procurement despite MSP (minimum support price) hikes and limited beneficiaries of the PM KISAN scheme," said Abneesh Roy, executive vice president, Edelweiss Securities.

While market researchers Nielsen and Kantar Worldpanel (formerly IMRB) have not released data for the June quarter, numbers for the first two months of the period indicated visible rural stress. The rural market grew 3.3% in volume during April and May, compared with a 6.6% expansion in urban areas, according to Kantar data.

Linked to Farm Output ▸▸ 10

Rural Woes

Volume Growth In April-May (%)



Source: Worldpanel Division, Kantar

FMCG Market (%)

Source: Industry Officials

SPENDING TAKES A HIT IN APRIL-JUNE

Bajaj Fin, Titan Warn of Slump

Bajaj Finance managing director Sanjiv Bajaj has warned of a consumption slowdown that could bring down growth at India's largest NBFC by market capitalisation. Meanwhile, watch and jewellery maker Titan Industries said consumption had been hit in April-June due to rising gold prices. ▸▸ 7

NRIs' Residential Status Comes Under I-T Lens

Taxmen opening assessments of past 5-6 years; NRIs receive notices, told to share photocopies of passports

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Mumbai: The investigation wing of the income tax (I-T) department is going through the 'residential' status of non-resident Indians (NRIs) with a fine-tooth comb.

Several NRIs have received notices from the department for reopening tax assessments of the past five to six years and were also told to share photocopies of their passports.

A resident can attain NRI status by staying overseas for more than 182 days. The law also states that a person is a 'resident' if he has been in India for more than 60 days in the year in question and 365 days during the four years prior to that year.

Due to severe tax implications, many Indians carefully divide their time between India and abroad. While an NRI is spared tax on income from outside India, a resident is required to pay tax on global earnings.

Under the circumstances, persons who claimed NRI status (without fulfilling the norms on the period of stay) are being pulled up for alleged tax evasion and may be in for long litigation.

Details of India Stay ▸▸ 10

TAX BENEFIT

While an NRI is spared tax on income from outside India, a resident is required to pay tax on global earnings

BUDGET PROPOSAL

Amendment (with retrospective effect) in the black money Act to include NRIs in the definition of 'assessee'

TAXMAN'S QUERIES

Rationale for becoming NRI – whether for job, business, academic purposes or family matters

Or was it to legalise undisclosed foreign assets?

Was the person a 'resident' though he claimed NRI status?

Water Crisis? India Won't be at Sea

Niti Aayog working on plan to set up desalination plants along 7,800-km coastline

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New Delhi: Jal shakti via salt water. With the prime minister making countrywide sufficient clean water supply by 2024 a top priority, and water shortage in major urban centres grabbing headlines, Niti Aayog is working on a plan to exploit India's vast coastline and its marine waters by desalinating sea water and supplying it to population centres via a network of pipelines.

The plan is to set up floating desalination plants in marine waters under India's command or set up plants along the country's 7,800-km coastline. Under international law, territorial sea of a sovereign state extends to 12 nautical miles from its coastline and the maritime exclusive economic zone (EEZ) can be up to 200 nautical miles. India's maritime EEZ is estimated to be 1.63 million square km. Niti Aayog's plan is also energy-efficient, as it seeks to use solar energy or ocean energy for the project.

Govt think tank to provide Jal Shakti ministry with cost analysis and project viability report

The government's think tank will soon come up with a detailed plan listing various technologies that can be used in different states to help set up commercially viable desalination plants.

The Aayog will handhold the newly formed Jal Shakti ministry, providing it with the cost analysis and project viability report for such plants. Following this, a policy on desalination plants will be framed, a senior government official told **ET**. He spoke off record.

"The government will soon come up with a directive for the ministry to kickstart work in this direction," the official said.

India Facing Worst Water Crisis ▸▸ 10

Water Woes

Niti Aayog eyes ways to make sea water usable

India's massive coastline of 7,800 km offers huge opportunity

Large number of desalination plants may come up on sea or on the coast

Ocean energy or solar energy will be used to run these plants

WHY IS IT NEEDED?

By 2020, as many as 21 major Indian cities will run out of water

India ranks second from bottom in global water quality index

600 m people face high to extreme water stress

84% rural homes do not have access to piped water

Illustration: ZAHID

PMO Leads Way in EV Charging Stations

The government is leading the way in installing charging stations for electric vehicles, having set up several such units at various offices, starting with the Prime Minister's Office, reports **Aman Sharma**. PMO has 15 EV charging stations, followed by Niti Aayog and the finance ministry at 10 each. ▸▸ 12

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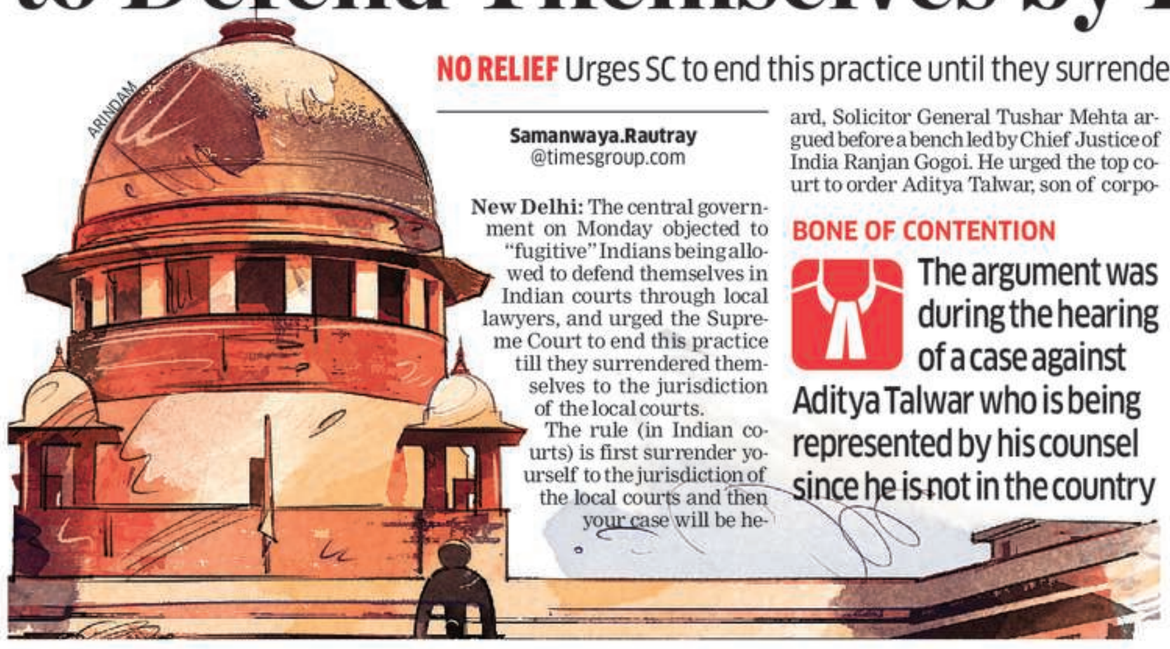
Govt Against Fugitive Indians Being Allowed to Defend Themselves by Local Lawyers

NO RELIEF Urges SC to end this practice until they surrender themselves to the jurisdiction of the local courts



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New Delhi: The central government on Monday objected to "fugitive" Indians being allowed to defend themselves in Indian courts through local lawyers, and urged the Supreme Court to end this practice till they surrendered themselves to the jurisdiction of the local courts.

The rule (in Indian courts) is first surrender yourself to the jurisdiction of the local courts and then your case will be heard, Solicitor General Tushar Mehta argued before a bench led by Chief Justice of India Ranjan Gogoi. He urged the top court to order Aditya Talwar, son of corporate lobbyist Deepak Talwar and wanted in connection with a money laundering case, to return to the country.

BONE OF CONTENTION

The argument was during the hearing of a case against Aditya Talwar who is being represented by his counsel since he is not in the country

Appearing for the Enforcement Directorate, Mehta claimed that Talwar was an Indian passport holder who shifted to Antigua.

This is a ₹300-crore scam where money has been siphoned off to other countries, the government's second senior-most lawyer told the court.

The Talwars are accused of several illegalities in aviation deals during the UPA era. Deepak Talwar has been in ED's custody since January.

The Delhi High Court had allowed Talwar junior to appear in the case before a special court through a counsel. The government has challenged this before the top court. Talwar's lawyers Kapil Sibal and Mukul Rohatgi denied the government's charges.

Sibal claimed that Talwar wasn't an Indian passport holder in the first place, and alleged that the government has slapped money laundering charges on him without even filing a chargesheet against him in a Central Bureau of Investigation case on the matter in 2017.

"How can there be illegal proceeds (of crime) without a chargesheet?" Sibal argued. He claimed that no summons were issued to Talwar in the case by CBI, and no witnesses were ever examined. The three-judge bench led by the CJI eventually stayed the proceedings before the special court.

"Why should any indulgence be given to a fugitive is your argument?" the CJI observed before passing a short order. The bench issued notices to Talwar and set the next date of hearing on July 23.

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Maha Cong Leaders Take Pot-shots at Each Other

Mumbai: With barely three months to go for the assembly elections in Maharashtra, the Mumbai Congress seems to be in complete disarray, especially after the resignation of the Mumbai party chief Milind Deora.

Deora's resignation has brought out the differences out in the open with leaders taking pot-shots at each other publicly in social media.

The first salvo was fired by former Mumbai Congress chief Sanjay Nirupam who, reacting to Deora's resignation, tweeted, "A resignation is about sacrifice; here, he (Deora) is asking for a national post. Is this a resignation or a means to climb up the party ladder? The party should be cautious of such 'loyalists'." While Nirupam did not name Deora, there's little doubt who he was targeting as Deora had expressed his desire to play a national role. — **Krishna Kumar**

OTHER NEWS OF THE DAY

HC Questions Need for Jaya's House as Her Memorial

Chennai: The Madras HC on Monday questioned the need for converting the residence of former Tamil Nadu chief minister J Jayalalithaa, Veda Nilayam, into a memorial and orally observed if a similar decision would be taken for her Kodanadu estate house. "When the ministers day in and day out are chanting the name of their leader in her memory, what is the need for raising a memorial from the public funds," Justice N Kirubakaran asked. Justice Kirubakaran made the observation while hearing a petition seeking appointment of an administrator to administer Jayalalitha-a's properties worth over ₹913 crore. – PTI

Shabana Azmi 'New Leader' of 'Tukde Tukde' Gang: Giriraj

New Delhi Union Minister Giriraj Singh has called veteran actor Shabana Azmi, who is known to be quite vocal about her views on social and national issues, the "new leader" of 'tukde tukde' and 'award wapasi' gang. Sharing a video of renowned actor saying, "If we criticise the government we are branded as anti-nationals", the BJP leader tweeted in Hindi, "Shabana Azmi is a new leader of 'tukde tukde' gang and 'award wapasi gang'." In the same thread, a Twitter user posted an old video of Azmi attending a TV debate where Shahi Imam Syed Ahmed Bukhari can be heard making a derogatory remark against her, saying, "I do not want to answer questions by a dancer, singer or a prostitute." Hitting back at the Twitter user, Azmi On Monday tweeted, "For the record in Safdar Hashmi murder I took on HKL Bhagat of Congress publically. I challenged Imam Bukhari on national TV 4 which he called me a naachnewali n was condemned by both Houses of Parliament. Have spoken against triple talaq n halala repeatedly so who is selective?" – ANI

J&K Guv Says People In Charge Destroyed Forests in J&K

Committed to cleanse the system & expose corrupt people in the state: Satya Pal Malik

SATYA PAL MALIK
Governor, Jammu & Kashmir

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Srinagar: Jammu and Kashmir Governor Satya Pal Malik accused people assigned to protect forests in J&K of destroying them and of buying bungalows in posh areas of the national capital, even as he reiterated that his administration is committed to expose corrupt people in the state.

Speaking to media persons at Zabarwan Hills on Monday after launching a drive to plant five million trees in the state by June 2020, Malik said, "Those people who were responsible for protection of forests have instead destroyed them ruthlessly and bought bungalows in Maharani Bagh and Vasant Vihar of Delhi."

He said he knows many families who made millions just because they were in charge of the forest department in the state.

Malik said that his administration does not believe in "political vendetta" and that "no extent of influence or party affiliation" will save corrupt people in the state. With the Centre extending President's rule in the state for another six months with effect from July 3, Malik said that he is not going anywhere soon and is committed to cleanse the system.

The 'Green J&K' drive launched by Malik coincides with the BJP's initiative of planting trees and conserving water during its membership drive.

Those people who were responsible for protection of forests have instead destroyed them ruthlessly and bought bungalows in Maharani Bagh and Vasant Vihar of Delhi

The Governor's administration has strengthened the Anti-Corruption Bureau in the state, which has been investigating high-profile cases including fraudulent appointments in J&K Bank and has raided offices of some influential politicians and businessmen.

"There is no vendetta against anybody. During the natural course (of investigation), even if influential people come in the net, we won't discriminate or hesitate and won't consider party affiliations. Law is always supreme," said Malik.

DELIVERY OF S400 AIR DEFENCE MISSILE SYSTEM ON TRACK

Permanent Solution Found for Payment of Russian Arms

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Moscow: A permanent solution has been found for the payment of arms purchased by India that had been stalled due to financial sanctions by the US, the Russian side has confirmed. With the resolution, Russia is confident that supplies for the S400 air defence missile system will commence within two years and all five regiments on order will be delivered by 2024.

While refusing to go into details as they involve financial institutions on both sides, senior Russian officials said that the solution to payments issue will also enable participation in upcoming Indian acquisition competitions like new generation submarines and fighter jets.

"For big contracts like the S400, we have found a permanent solution for the payments. The details are very confidential and there will be nuances in different contracts but the fact is that the solution is permanent," Vladimir Drozhzhov, deputy director, Federal Service for Military Technical Cooperation, said in reply to a query by **ET**.

FULLY EQUIPPED

The S400 would be delivered to India with its full scale capability to shoot down enemy aircraft at a range of over 400 km

The official said the solution will apply to future Indo-Russian contracts as well and shared that exports worth over $14 billion are in the pipeline for the Indian armed forces. ET had recently reported that a Euro payment solution has been figured out and past payments have also been made using the Rupee-Rouble route.

On the two upcoming big Indian competitions in which Russian companies are participating, the official said that Moscow is aware that the fear of sanctions will be used but is confident of overcoming the hurdle.

"In these new big tenders, we are realistic that sanctions will be used as an instrument to try to kick us out. We have found solutions to the payments for S 400 and the frigates deal and we will find a way to deal with the new tenders as well," Drozhzhov said. He was referring to the competition for 110 new fighter jets to be made in India and the ₹45,000 crore competition for six new conventional submarines to be made in India.

The official said the S400 would be delivered to India with its full scale capability to shoot down enemy aircraft at a range of over 400 km and that several foreign nations other than China and Turkey have been expressing their interest in acquiring the system.

"Within two years of the advance payment, the first system will be shipped. This should be either the end of 2020 or early in 2021. And all five systems will be delivered by 2024," he said.

(The reporter is in Russia at the invitation of state-owned Shipbuilding Corporation)

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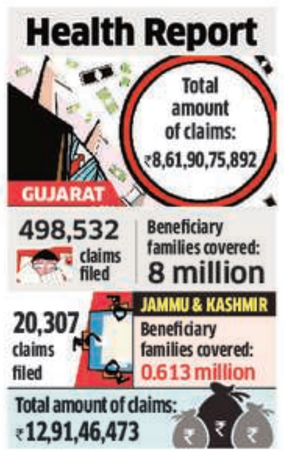
Ayushman Benefits Best Availed in Guj, J&K Surprises with 20K Claims

Aman.Sharma@timesgroup.com



New Delhi: Gujarat has raised the highest amount of claims under the Ayushman Bharat scheme at nearly ₹862 crore. Jammu & Kashmir, while being under President's Rule, has surprised the Centre with more than 20,000 people having availed themselves of the scheme's benefits so far while nearly 13 lakh e-cards are being issued to people in the insurgency-hit state.

Senior officials monitoring the scheme told **ET** that Gujarat has in fact emerged as the model state as it has merged two of its existing state health schemes, which had been launched when Narendra Modi was the state's chief minister, with the Ayushman Bharat Yojana. This has raised the level of beneficiary families covered in the state to almost 8 million now.

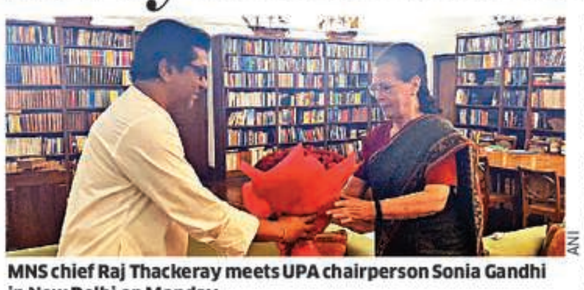
The state has also added 400 more packages to the existing Ayushman Bharat package list of about 1,400-odd packages, to make it 1,805 packages in all to cover more illnesses. This is said to have led to close to 0.5 million people in the state using the scheme's benefits— with ₹862 crore worth claims being raised so far.

J&K, which is facing insurgency and is under President's rule since last June before the start of Ayushman Bharat last September, has surprised the Centre with claims worth ₹13 crore being filed and 20,307 people availing the benefit in the state so far.

This is a "good start", in the words of an official monitoring the scheme, as about 0.613 million families in the state are eligible under the scheme. Nearly 1.3 million e-cards have already been issued in J&K despite the challenging topography and issues of unrest in the Kashmir Valley.

Raj Thackeray Meets Sonia Gandhi

Also meets EC, asks for use of paper ballots for Maha assembly elections



MNS chief Raj Thackeray meets UPA chairperson Sonia Gandhi in New Delhi on Monday

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Mumbai: Maharashtra Navnirman Sena (MNS) chief Raj Thackeray met Congress leader Sonia Gandhi at her residence in Delhi on Monday, raising curiosity and a few questions about the purpose of his visit.

While sources close to the MNS claimed that Thackeray's meeting was purely to discuss the issue of EVMs and nothing else, it was understood that it was essentially to explore the possibility of the MNS joining an alliance with the Congress and NCP for the forthcoming Maharashtra Assembly polls.

STRATEGIC PARTNERSHIP BREWING?

The meeting could be to explore the possibility of MNS joining an alliance with the Congress & NCP for the forthcoming Assembly elections

Before the Lok Sabha polls, the MNS had pitched an idea to form an alliance with the Congress and NCP to take on the BJP-Shiv Sena combine. While the NCP was quite keen and pushed the proposal, the Congress refused to have anything to do with the MNS.

Congress leaders had opposed the alliance on two counts; one, that teaming up with the MNS would damage the party's prospects among the sizeable north Indian community in Mumbai, and also affect the party's chances in northern states such as UP and Bihar. This was because Thackeray had made disparaging remarks against the migrants from these states and his party workers had even assaulted many of them.

In spite of Congress' refusal, Thackeray had campaigned for the Congress and NCP candidates in Mumbai and elsewhere in Maharashtra, and slammed the BJP.

The MNS chief has also taken positions similar to the Congress and NCP and blamed the EVMs for BJP's victory. On Monday too, he met Election Commission chief Sunil Arora and asked for the use of paper ballots for the coming assembly elections.

"I know the EC is not going to do anything. I met him because people would ask why I didn't present my grievances to the EC – I have zero expectations though," said Thackeray.

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AN UNDERSTANDING? Balochistan Liberation Army was a big concern for Beijing in execution of China-Pakistan Economic Corridor

Baloch Terror Tag may be China's Deal for Azhar

ARINDAM

Dipanjan.RoyChaudhary @timesgroup.com

New Delhi: Did China strike a deal with the US on proscribing Balochistan Liberation Army (BLA) in lieu of its consent to designate Maulana Masood Azhar a global terrorist in May?

While a definite answer may not be known immediately, sources told **ET** that the possibility of such an understanding cannot be ruled out. The reason being that the outfit had become a big source of concern for Beijing in the execution of the China-Pakistan Economic Corridor (CPEC) which passes through Baluchistan.

The BLA has carried out at least three known attacks against Chinese assets including its engineers and workers between November and April. The organization has been fighting the Pakistan government demanding for self-determination for Baloch people.

At the time of Azhar's designation, informed sources told ET that one of the big issues for China was whether should risk rubbing JeM the wrong way given that the CPEC also passes through its strongholds in Pakistan Occupied Kashmir. It eventually did not object to the designation under US threat that it would take the matter to vote where China would emerge as the only hold-out.

Two months later, sources said, it appears that China while taking the risk in PoK with Pakistan's assurance secured a deal with the US to designate BLA, which has attacked Chinese assets and unlike JeM, is not under the influence of Pakistan Army.

The fact that the US is holding talks with the Taliban using Pakistani interlocutors to reduce American troop commitment in Afghanistan could have also been a factor. Islamabad has been carrying out a major diplomatic effort to convey the Balochistan struggle for self-determination as terrorist action against Pakistan, added sources.

INFRASTRUCTURE AMID GUNS

One of the big issues for China was if it should risk rubbing JeM the wrong way, given that CPEC passes through its PoK strongholds

The US State Department last Tuesday issued the terrorist designation on the BLA, following attacks on Chinese-funded BRI projects in Pakistan's southern Balochistan province. The move will expose and isolate organisations and individuals associated with the insurgent group and deny them access to the US financial system.

"BLA has carried out several terrorist attacks in the past year, including a suicide attack in August 2018 that targeted Chinese engineers in Balochistan, a November 2018 attack on the Chinese consulate in Karachi, and a May 2019 attack against a luxury hotel in Gwadar, Balochistan," said the US State Department statement, which virtually painted China as a victim of BLA attacks.

"I certainly wouldn't be surprised if there's a China dimension to this move," Michael Kugelman, the deputy director of Asia programmes at the Wilson Center in Washington, told leading the Nikkei Asian Review. "It could be part of a broader deal connected to Masood Azhar," he said.

Survey Kicks Off to Monetise Govt Land Bank

BUILDING BLOCKS Govt aims to rationalise use of residences, land, and buildings, and generate revenue

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New Delhi: Under Modi 2.0, an extensive survey of government-owned properties — residential, land and buildings — has begun to rationalise their use and monetise them to generate revenue.

The Cabinet Secretariat has written to all central ministries, departments, public sector undertakings (PSUs) and autonomous organisations to collate a list of properties owned by them.

The exercise was initiated with a letter dated June 12 which directed all departments to send separate lists of buildings (including residential properties) and land owned by the respective organisations to the Cabinet Secretariat. The letter, reviewed by **ET**, says, "All ministries/ departments, PSUs and autonomous organisations must compile details of land and buildings, including residential houses owned by them, with a view to rationalise their usage/ disposal."

The govt is expected to wrap up the survey by June end

Two proformas have been circulated to the ministries to give separate details. The details sought for buildings owned by government departments include location, building type like residential or office or mixed land use, built-up area in square metres, floor area ratio (FAR), whether it is fully occupied and, if not, then the details of the unoccupied portion.

Sources said the survey has been initiated to ensure that government-owned buildings and land are optimally used and the government can generate revenue from the unoccupied property by leasing it out.

In the case of unutilised land, the government is planning to monetise it using different models. These could include leasing it out to private developers to build affordable housing complexes on a certain part and developing the remaining land for commercial purposes.

Another model would be to develop public infrastructure including a shopping complex depending on the location of the unoccupied land.

This was also mentioned by finance minister Nirmala Sitharaman in her budget speech when she said, "Large public infrastructure can be built on land parcels held by central ministries and central public sector enterprises all across the country. Through innovative instruments such as joint development and concession, public infrastructure and affordable housing will be taken up." A survey is the first step towards this and the government is likely to wrap up the survey by June-end.

TARGETED FIGHT Amendment to help brand likes of Masood Azhar and Hafiz Saeed as terrorists

UAPA Bill to Designate Individuals as Terrorists Introduced in House

Rahul.Tripathi@timesgroup.com

New Delhi: The government has introduced a bill to amend the Unlawful Activities (Prevention) Act "to add or remove the name of individual terrorists." The amendment will help the Centre designate individuals such as Jaish-e-Mohammad (JeM) chief Masood Azhar and Lashkar-e-Taiba's (LeT) Hafiz Saeed as terrorists. Currently, only their organisations can be proscribed.

Home minister Amit Shah said the bill "will align the domestic law with international obligations as mandated in several conventions and Security Council resolutions."

Opposing the UAPA amendment bill introduced in the Lok Sabha on Monday, Congress' Shashi Tharoor and RSP's NK Premachandran said the fundamental rights of an individual should not be foregone in the name of tackling terror. "There is no clarity on government claims that the National Investigation Agency (NIA) finds it difficult to deal with such individuals at present," said Premachandran. The government "cannot keep the House in the dark on so-called difficulties."

The individual, however, can appeal against the move and seek a hearing before a review committee the Centre has constituted under the UAPA.

The provisions are similar to Security Council sanction used to apply pressure on a state or entity to comply with objectives set by the UN without resorting to use of force. According to officials, the designation offer UNSC an important instrument to enforce its decisions. When a person is designated a global terrorist under UN 1267 ISIL and Al-Qaeda Sanctions Committee, a travel ban is imposed on the subject.

Introducing the bill, minister of state for home G Kishan Reddy said when the United Nations can name Jamaat-ud-Dawah chief Hafiz Saeed as a terrorist, why cannot India do the same.

The bill also empowers the director general of NIA to grant approval of seizure or attachment of property when the case is investigated by the said agency. It further empowers an "officer of the rank of Inspector of NIA to investigate the offences under chapter IV-VI," the bill states.

The minister also introduced the National Investigation Agency Amendment Bill, 2019, which empowers NIA to probe terror attacks targeting Indians and Indian interests on foreign soil. Reddy said the legislation will also allow the NIA to probe cyber-crimes and cases of human trafficking.

Reddy said that through the legislation, the government wanted to strengthen the NIA Act to empower the agency to conduct investigations in any part of the world if a terror attack targeting Indians or Indian interests were to happen. The bill will also allow the Centre and state governments to designate one or more courts of session as special court or special courts for conducting trial under the Act.

Reddy introduced a third bill to amend the appointment process in the National Human Rights Commission. "The Protection of Human Rights (Amendment) Bill, 2019, will strengthen NHRC," he said. One of the key provisions is to increase the members of the commission from two to three, one of which will be a woman.

As per the amendment, a retired Supreme Court judge could also be considered as chairperson. The post is at present reserved for retired chief justices of India. Reddy said the post of NHRC chairman would remain vacant if a retired CJI was reluctant to take up the responsibility. The NHRC was constituted under the Protection of Human Rights Act in 1993. The Act was last amended in 2006.

IN THE LOK SABHA

NATIONAL INVESTIGATION AGENCY AMENDMENT BILL, 2019

Empowers NIA to probe terror attacks targeting Indians, Indian interests on foreign soil

Allows NIA to probe cyber-crimes and cases of human trafficking

Allow the Centre and states to designate sessions courts as special court for trial

UNLAWFUL ACTIVITIES (PREVENTION) ACT AMENDMENT BILL

UAPA Bill empowers NIA DG to approve seizure/attachment of property in case

Inspector of NIA can investigate offences under chapter IV and VI

PROTECTION OF HUMAN RIGHTS (AMENDMENT) BILL

Increase NHRC members from two to three, one of which will be a woman

A retired Supreme Court judge could also be considered as chairperson

Haven't Invited Pak PM: Russia

DipanjanRoy.Chaudhury @timesgroup.com

New Delhi: Russia has conveyed to India that it has not invited Pakistan Prime Minister Imran Khan to the Eastern Economic Forum in Vladivostok in September, where Narendra Modi is chief guest.

Diplomatic officials told **ET** the Russian government has dismissed as "baseless" reports in Pakistan media that Khan has been invited for the forum. Neither Russian President Vladimir Putin, in his remarks at Kremlin last week, nor the forum organisers have made any reference on the Pakistan PM with regard to EEF.

Pak foreign office sources claimed Putin invited Khan to EEF at the SCO Summit

Putin's advisor Anton Kobyakov and Indian envoy to Moscow Bala Venkatesh Varma met in Moscow on Monday. Kobyakov said, "Narendra Modi will be guest of honour at EEF 2019, and India will become guest country of the forum." ET has learnt that Modi commissioned several business missions to the Far East and five chief ministers for the forum.

"We expect Mongolia President H Battulga, India PM N Modi, Malaysia PM M Mohammad and Japan PM S Abe will arrive in the capital of Primorye," said the Russian foreign ministry, snubbing Pakistan.

Aadhaar Voluntary as Act Amended

India should become a centre for data analysis and a data refinery: Prasad

New Delhi: Law minister Ravi Shankar Prasad has assured that amendment to the Aadhaar Act will make it voluntary for services such as opening of bank accounts and getting mobile connections. The Aadhaar and other Law (Amendment) Bill, 2019, which has already been passed by the Lok Sabha, was passed by the the Rajya Sabha through a voice vote on Monday.

Replying to the debate on the bill, Prasad said, "I assure the House that data sovereignty is integral and that it shall never be compromised as far as India is concerned." He also sought to allay the opposition's objections to not bringing the Data Protection Bill before the amendment to the Aadhaar Act, saying the former was work in progress. "We are going to come up with a comprehensive data protection law. We need to have a wider consultation on data protection as the world is keenly awaiting India's data protection policy movement," Prasad added.

Prasad said Aadhaar's core biometrics are never shared with anyone, unless for national security or under a court order. Telecom companies using the unique ID for SIM cards are not allowed to store biometrics or Aadhaar numbers, violation of which entitles a fine of ₹1 crore. In event of non-payment, this increases to ₹10 lakh daily, along with a three-year jail term.

Congress' Abhishek Manu Singhvi alleged that the government had not heeded Supreme Court observations on lacunae in the Aadhaar Act.

"It is not a tool of exclusion or a data collection tool. It is not a tool of control, surveillance or snooping," Singhvi said. He maintained that Aadhaar is meant only for service, direct benefit transfer and giving subsidy and should not be made mandatory.

Prasad pointed out that It will not be mandatory now to share your Aadhaar number for getting a mobile connection or opening a bank account. "The element of consent has been put as a precondition for voluntary identification," he said. OPB

Mayawati Begins Bypoll Candidate Selections

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New Delhi: BSP chief Mayawati has begun the process of selecting candidates for byelections to 12 assembly seats, necessitated following election of 11 MLAs to Lok Sabha and disqualification of an MLA from Hamirpur.

BSP hopes to emerge as principal challenger to the ruling BJP before 2022 Uttar Pradesh assembly elections

The BSP chief held meetings with party functionaries who work in Uttar Pradesh East, West and Bundelkhand regions. As per the new BSP organisation, one zone — with three to six leaders as *prabhari* (in-charge) — will now accommodate three state divisions. "The idea is to directly connect with supporters at ground level. She wants to ensure participation of every section of society ," a party source told **ET**.

Mayawati is likely to hold a review meeting in August.

Bereft SP Now Sees Silver Lining in Break-up Timing

Party insiders say it's better to break ties with BSP now than just before 2022 polls

Aman.Sharma@timesgroup.com

New Delhi: The Samajwadi Party, which has been virtually comatose since Bahujan Samaj Party chief Mayawati broke the alliance and has not even chosen its parliamentary leader so far since party president Akhilesh Yadav was abroad, is seeing a silver lining in the timing of severing of ties as it has worked out a "social re-alignment" plan to revive itself.

ET spoke to several leaders in the party who said that Mayawati's reasoning for breaking the alliance had not convinced even the BSP's own cadre and that "voters' sympathy" was with the SP as Yadav chose not to counter Mayawati with harsh words. "There is no blot on us…we neither back-stabbed BSP nor disrespected Mayawati. In a way, it is good that the alliance broke right now and not just before the 2022 state elections as then we would have had no time to prepare for the polls," said a senior SP leader, who spoke strictly on condition of anonymity since the party has dissolved its entire panel of spokespersons.

"Mayawati broke the alliance even though SP would have been ready to let her contest three seats in the bypolls, where BSP stood a chance with us. But now, the road is clear – SP has to fight alone now and in 2022. We are convinced the Muslim-Yadav formula is firmly with us, and especially Muslim voters would never trust Mayawati again," said the SP leader.

Unlike in the Congress, no senior SP leader has offered to resign taking accountability for the dismal Lok Sabha poll performance.

BJP has been taking digs at SP, questioning why the party has gone silent in TV debates and why Yadav has not even tweeted since June 15. While Yadav's estranged uncle, Shivpal, on Monday offered an alliance of his party with the SP if the latter approaches it, a leader close to the SP chief told ET that this is unlikely to happen as the trust factor with Shivpal Yadav is missing and that the SP leadership sees him as a "BJP mole".

"There is no denying the fact that we have become a laughing stock, as earlier the alliance with the Congress flopped and now the one with the BSP. But while our core vote did transfer to BSP, booth-level data shows BSP's core voters went to BJP in seats we contested," said the SP leader.

Rahul to Visit Amethi

New Delhi: Rahul Gandhi will visit Amethi for a day on Wednesday for the first time after defeat, having faced a lot of flak for skipping a visit to his family's pocket borough in Uttar Pradesh. Gandhi will hold a meeting between 12 noon and 3 pm with party workers at a school in Gauriganj and then pay a visit to some bereaved families. OPB

RJD Looks Within for Answers

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New Delhi: The two-day meeting of the RJD national executive that ended on Saturday highlighted the importance of galvanising the support base before the assembly elections in 2020, but could not answer the larger question of the Yadav family feud.

A number of party leaders raised questions at the executive about the behavior of Lalu Prasad Yadav's elder son, former health minister Tej Pratap Yadav, who formed his own outfit amid the elections and caused great damage to RJD. Several advocated strong action, albeit indirectly.

"When senior party leader Ali Ashraf Fatimi said something against the party, he was suspended for six years," a senior RJD leader told **ET** on condition of anonymity. "Here, a party leader launched his own outfit and defeated our party candidate. Why has no action been taken against him so far?"

STUCK IN A RUT

The larger question on the Yadav family feud remains unanswered for RJD

Sources told ET that leader of opposition Tejashwi Yadav is very upset with his brother for the regularity with which he creates troubles. Tejashwi did not attend the first day while Tej Pratap was present. Roles were reversed on the second day, though Tej Pratap did enter towards the end of the meeting. Appearing after 42 days of sabbatical, Tejashwi limited his comments to party priorities. RJD leaders, on condition of anonymity, told ET the family feud had forced Tejashwi to stay away from public eye.

Tejashwi spoke of unity within the party but leaders are expecting some action against those responsible for defeat. Some even suggested seeking new obejctives. "The fight for socialism is not yielding results. We need to think more and maybe, the fight for equality in terms of economic condition is the way forward," Shivanand Tiwari, senor RJD leader told ET. "We will have to come out from caste and community and appeal to every section of the society."

In Latest Mission, SPG to Wipe Out Paper Trail

Special Protection Group will go paperless, set up a Digital Office and launch mobile app for its personnel

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New Delhi: The Special Protection Group (SPG), which is responsible for the security of Prime Minister Narendra Modi and several other VIPs, is going digital and paperless. It is setting up a Digital Office and even a mobile application for its personnel to meet its "futuristic needs".

The government's e-office project may have met with limited success across ministries and departments but the SPG, which has dealt with physical files for decades for its administrative work, has decided to implement it.

The administrative work in SPG, including seeking travel approvals for its men and seeking stores like vehicles, forms the backbone of its key job of securing VIPs including Congress leaders Rahul, Sonia and Priyanka Gandhi. All existing files of SPG will be digitised and handling of files and documents automated.

"The solution is expected to encompass all the facets of SPG functioning. It shall include all the functionalities of SPG including HR, finance, training, medical, tours, library, MT (motor transport), access control, big data analysis, policy and decision making," reads a proposal floated by the SPG, a copy of which has been seen by ET. The proposal also envisions a mobile app (Android and iOS) for facilitating SPG personnel for initiating various requests to administrative offices and for approvals. All files will be moved digitally as e-files from desk to desk in hierarchy, including letters and orders, as per the proposal. All security standards specified by the government will have to be adhered to, the SPG has specified in the proposal.

Proposes that all letters and orders be moved as e-files

The Department of Administrative Reforms and Public Grievances has been pressing ministries and departments to go paperless and to adopt an e-office framework. While the Union home ministry has yet to come fully on board, along with various forces under it such as the BSF, CRPF, ITBP and NSG, digitisation work has progressed at good pace in the cabinet secretariat, under whose administrative control the SPG functions. The cabinet secretariat also runs the 'e-Samiksha' platform, on which all its communiqués are sent digitally to all ministries and compliance reports are sought online.

NCLT HEARING ON LEELA-BROOKFIELD DEAL

Need Another 3 Months to Finish Leela Probe: Sebi

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Mumbai: Capital market regulator, Securities & Exchange Board of India (Sebi), has informed the dedicated bankruptcy court that it will take three more months to complete its probe into the deal between Canadian investor Brookfield and Hotel Leelaventure.

On Monday, the Sebi counsel informed the Mumbai bench of the National Company Law Tribunal (NCLT) that the regulator had initiated the inquiry in April and it needs three more months to be over.

However, the NCLT bench, presided over by MK Shrawat and Ravikumar Duraisamy, asked Sebi to complete its inquiry sooner than that time and have adjourned the matter to July 25.

"All the information as sought by Sebi has been provided by Leela and JM financial. In view of the injunction order passed by the Sebi, the deal with Brookfield is stalled and cannot be acted upon and earlier hearings were also deferred because of these peculiar circumstances," argued Ashish Pyasi, an advocate at law firm Dhir and Dhir Associates, appearing for Hotel Leela. "On the last date of hearing, Sebi was directed to complete its examination in the complaint by ITC against Leela and Brookfield proposed transaction, however the same has not been done so far and the last order of NCLT was duly intimated to Sebi."

While Rohit Gupta, counsel for JM Financial ARC, argued that these proceedings (NCLT) are independent and the issue which has to be decided by the Sebi is not a serious fraud investigation that could need so much time. On May 25, the tribunal had asked Sebi to complete its inquiry within six weeks so that it can hear the case.

Currently, BSE-listed Hotel Leela is facing two separate cases in the tribunal. The first case has been filed by the JM Financial ARC under the insolvency resolution after the company failed to repay its dues. Another case is filed by the tobacco-to-apparel maker conglomerate ITC, who is also a minority shareholder in the company, for alleged oppression and mismanagement.

Along with LIC, which holds a 2.38% stake, ITC also approached Sebi, alleging that the deal violated rules on related-party transaction. Following the complaints, the Sebi has directed parties to hold the transaction.

ITC is seeking a waiver on equity-ownership threshold to be eligible to file a case against the embattled provider of luxury leisure accommodation. Under the law, to be eligible to file a case for oppression and mismanagement, ITC must own at least 10% in Leela. ITC owns 8.27%.

Slugfest over Hotel Leela

FEB 26 JM Financial ARC moves NCLT against Leela after hotel chain fails to repay dues

MAR 18 Leela announces selling assets to Brookfield for ₹3,950 cr

APR 24 Sebi directs Leela & Brookfield to hold the deal on the basis of complaint filed by LIC & ITC

ITC moves NCLT to cancel the Leela' asset sale deal

MAY 28 NCLT directs Sebi to complete investigation within 6 weeks

JUL 8 Sebi seeks 3 months to complete investigation

TaMo Gets Bangladesh Army Order for 200 Hexa Vehicles

New Delhi: Tata Motors on Monday said it has received an order for over 200 units of its sports utility vehicle Hexa from Bangladesh Army.

The company said it has won the contract for the four-wheel drive version of the model.

"Bangladesh is a key market for us and this order is a clear sign of Tata Motors' commitment and growing success in the market," Tata Motors head international business (passenger vehicles) Sujan Roy said in a statement. The company is exploring multiple avenues to work closely with the Bangladesh armed forces, he added. — **PTI**

TODAY ON ETPrime.com

Birla's Bank
The Aditya Birla group is going easy on its payments bank business. Not only does it add fuel to the debate over the business model of such entities, it has also spelled the demise of Vodafone's M-Pesa.

Audit under Fire
Under severe scrutiny, India's audit firms are having to assure employees, change business practices, and brace for a talent exodus as fears of indictment make the job less attractive.

E-comm Loopholes
The e-commerce industry has been caught in a policy rigmarole for the past five years. With Indian and US lobby groups not seeing eye to eye at the commerce ministry, Piyush Goyal will have a tough job plugging policy loopholes.

Not 5G Time Yet
The upcoming 5G auction is tagged as one of the biggest ever in terms of the quantum of spectrum to be put on the block and the expected revenue. But the highly indebted telecom sector must not be pushed into 5G.

Market Challenging for Now, says Eicher

Our Bureau

GETTY IMAGES

Siddhartha Lal, MD, Eicher Motors

Mumbai: It has been a fairly tough year for the Indian automotive industry and for Eicher Motors and the short term looks challenging, conceded Siddhartha Lal, managing director of Eicher Motors, but he remained upbeat about the long term as the maker of Royal Enfield motorcycles and Eicher trucks bets on global expansion.

"After several years of double-digit sales growth, we recorded flat sales volumes at Royal Enfield as slowing economic growth along with price increases brought on by regulatory changes affected demand," Lal said in his address to shareholders in Eicher's annual report.

"VECV was also affected by the economic slowdown, liquidity crisis and an all-time high discounting across the commercial vehicles industry."

RE sold 8,22,700 motorcycles in FY19, a negligible increase over 8,20,100 motorcycles in FY18. Meanwhile, VECV, a joint venture between the Volvo Group and Eicher, sold 73,000 trucks and buses in the year, an increase of 11% from 65,900 units in the previous year.

RE's monthly sales halved from 72,500 units at the end of May 2018 to 36,000 units at the end of May 2019. Consequently, its two-wheeler market share dipped from 3.9% to 2.1%.

The man credited with turning the fortunes of Royal Enfield, however, remained upbeat about the brand's prospects in the future. "I believe the trend for premiumisation of most product categories, including motorcycles, in India and developing markets will continue for the next few decades; and we are very well positioned for that," Lal said.

In the developed markets, there is a trend towards downsizing and simplification from big litre-class motorcycles, he said, and RE is again positioned to benefit there.

The company aims to transform Royal Enfield into a "premium global consumer brand" by 2030 that sells not just motorcycles but other "symbiotic products" and experiences, Lal said.

At VECV, the company will be focusing on sustainably growing its market share in the domestic market during FY20 and also explore the potential in the Indonesian and South African markets where the company recently entered with the UD brand.

Masaba's Label Raises $1m in Round Led by Binny Bansal

Mumbai: House of Masaba, a bridge-to-luxury fashion label founded by designer Masaba Gupta, has raised $1 million in first round of funding led by Flipkart cofounder Binny Bansal.

Other key investors include Purple Style Labs, Apoorva Patni of Patni Group, and Apurva Salarpuria of Salarpuria group who has invested in several consumer brands including Bira and Epigamia.

"After being in the fashion business for 10 years, it was the right time to bring on board institutional investors," said Masaba Gupta who is also the creative director of House of Masaba. "I believe the brand has immense scalability, both domestically and internationally. The idea was to partner with entrepreneurs who have successfully scaled businesses in India." She said the company turned profitable three years back, and has seen 100% growth in revenues year-on-year in the last three years. It will use the funds to scale infrastructure, distribution network and hiring.

The funding round was facilitated by Ashika Capital.

"Masaba has been able to create a great brand backed by her unique designs," Bansal said. "She is one the youngest designers to do so and I believe she is just getting started on building a great business."

The brand currently operates 11 stores across Mumbai, Delhi, Hyderabad, Chennai, Kolkata, Indore, Pune and Bengaluru. It plans to open stores in Ahmedabad, Chandigarh and Lucknow by the year-end. — **Gaurav Laghate**

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Company that chases two missions catches none

Tech Buzz

Now, Sony is Working on Foldables

Tokyo After Samsung, Huawei and Apple, now Sony is working on a foldable phone. According to device leaker Max J '@Samsung_News', Sony's prototypes currently feature a 3,220mAh battery, an LG-supplied display, a 10x zoom camera and a Snapdragon SM7250. Leaker said Sony could launch it in December or early 2020. – IANS

Quick Byte ANIRBAN BORA

200 million
Number of users that Telegram's encrypted-messaging app has
– Bloomberg

Leaked CVs Queer Pitch for Huawei

New Delhi New research analysing the resumes of Huawei employees suggests links between the company and the Chinese military and intelligence agencies could run deeper than previously thought. Researcher Christopher Balding, of the Fulbright University Vietnam, processed data from a trove of more than 590 million Chinese resumes that leaked online last year to unearth the ties. One profile describes an R&D engineer who simultaneously served as a Ministry of State Security representative. According to Balding, this engineer "engaged in behavior that describes planting information capture technology or software on Huawei products". Even though Balding's work doesn't constitute concrete proof, it is likely to rekindle anxieties in the White House and beyond. – BI

Jargon Buster

Mojibake
It describes instances where text is improperly decoded, resulting in random symbols

Piggybank **ON THE MOVE** Funding tap is open for a host of startups looking to expand and grow their billion-dollar ideas

PharmEasy is Closing in on $120m in Equity Round

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New Delhi: Online pharmacy venture PharmEasy is close to wrapping up a $100-120 million equity financing round, led by a host of new investors including CDPQ, the second-largest Canadian pension fund, and LGT, the private banking and asset management group controlled by the Liechtenstein princely family.

The transaction, which is expected to close by the end of the month, will value the five-year-old company at $500-600 million, according to multiple sources aware of the development. Other new investors entering the investor cap table include venture capital firm Aspada and a Korean investment firm.

The round, once it closes, will be one of the largest in the country's online pharma space, a sector that continues to face a combination of lack of regulatory clarity and conflicting court orders, but has also seen all the major players in the segment either scoop up or go to market for raising substantial capital.

PharmEasy and LGT declined to comment, while an email sent to CDPQ did not elicit a response till the time of publication of this report. CDPQ has also declined to comment on the PharmEasy deal.

As per the terms of the deal, the investment will be made in 91streets Media Technologies, the parent company of PharmEasy, and comes a little more than three months after the online drugs retailer started the merger process with pharmaceutical distribution company Ascent Health and Wellness.

ET reported the news of the merger in its March 28 edition. Prior to merger, the promoters of Ascent Health and Wellness held a substantial chunk in PharmEasy.

Once the merger is through, 91street Media will emerge as the holding company of both PharmEasy and Ascent Health and Wellness, which allows it to not only control front-facing online pharma sales and logistics, but also its critical distribution and supply chain channels.

Ascent, which caters to more than 25,000 retailers across the country, also works with a number of the top pharmaceutical companies, such as Zydus Cadila, Cipla and Sun Pharmaceuticals, along with notable hospital chains including Mumbai's Nanavati Hospital and Manipal Hospitals.

The company provides the pharma majors with all channels of distribution, including retail and institutional, while separately managing the pharmaceutical supplies, and acting as a vendor for the hospital chains.

For the country's online drug retailers, gaining control over distribution and supply chain is critical. Almost all of them have invested in pharmaceutical distributors, but have thus far kept the investments at arm's length.

Additionally, talks with SoftBank — first reported by business daily Mint — are continuing, the sources cited above added.

DEAL DETAILS
As per the terms of the deal, the investment will be made in 91streets Media Technologies, PharmEasy's parent company

Race is Hotting up for the Top Chair at Mindtree

AT THE TABLE

LAST WEEK'S EXIT BY
- **CHAIRMAN** Krishnakumar Natarajan
- **VICE-CHAIRMAN** NS Parthasarathy
- **CEO** Rostow Ravanan

IMPACT ON MARKET Mindtree stock closed down 10.43% after dropping 14% intra-day on Monday

Continuity will be the key theme... No position is sought to be disturbed at Mindtree, and no changes are contemplated right now
SN Subrahmanyan, L&T CEO

RAIMONDS STAPRANS, *Chairs*

Debashis Chatterjee and Rajeev Mehta are the front-runners to become firm's CEO

Raghu Krishnan & Rachita Prasad

Bengaluru | Mumbai: Cognizant Technology Solutions' former senior executive Debashis Chatterjee is among the front-runners to become chief executive of Mindtree, a Bengaluru-based mid-tier IT services firm now majority owned by engineering conglomerate Larsen and Toubro, people familiar with the development said.

Chatterjee quit as president and head of global delivery at Cognizant in May. Rajeev Mehta, the former Cognizant president who joined L&T in April, is the other person in the running for the top job, sources said.

L&T did not respond to an email by **ET**, while Chatterjee declined to comment.

L&T said on Friday that it would announce a new leadership team for Mindtree after the software services firm's chairman Krishnakumar Natarajan, vice-chairman NS Parthasarathy and CEO Rostow Ravanan, who are also cofounders, quit last week after they lost control of the company. They, however, remain shareholders.

Their exit has also raised concern among the second-rung leadership at Mindtree, who have asked L&T about their strategy for the company, a person who is aware of the conversations said.

The founders' exit over the weekend has also not been well received by investors. The Mindtree stock closed down 10.43% after dropping 14% intra-day on Monday in a market that dropped 2%.

"The overhang of residual shares is too high. Nalanda Capital still has 1.7% shares left after it tendered its holding in the open offer. Arohi is left with a small shareholding, which they want to sell. The promoters' shares are still unsold," said Shriram Subramaniam, founder of proxy advisory firm InGovern.

Nalanda Capital, a long term investor in Mindtree with a 10.6% stake, had sided with its founders when they objected to the hostile takeover by L&T. It, however submitted its shares in the open offer after markets regulator, the Securities and Exchange Board of India (Sebi), questioned the Singapore-based public market fund on whether it was acting in concert with Mindtree founders without triggering an open offer.

MAKING SPACE
L&T said Mindtree would be run as a separate entity and would not be merged with its own technology units

L&T, which holds 60.06% in Mindtree, is unlikely to increase its holding following the government's budget proposal to the market regulator to consider raising the current threshold of public shareholding to 35% from 25%.

Separately, L&T said Mindtree would be run as a separate entity and would not be merged with its own technology units.

"Continuity will be the key theme in the management transition... No position is sought to be disturbed at Mindtree, and no changes are contemplated right now. There will be a new CEO for Mindtree, the announcement about which will be done in due course," L&T CEO SN Subrahmanyan was quoted as saying by news agency PTI.

VC General Catalyst may Pick Cred for India Debut

Pratik Bhakta & Aditi Shrivastava

Bengaluru: US-based venture capital fund General Catalyst, an investor in global companies such as Snap, Stripe and Airbnb, is closing in on its first Indian startup.

Sources in the know said General Catalyst has held discussions with fintech firm Cred to be a part of the company's latest $120 million financing round.

The company's Series-B round is being led by existing investors including Sequoia Capital, Ribbit Capital and Yuri Milner's Apolleto Asia, according to three people in the know of the matter.

China's Hillhouse Capital is the other new investor participating in this round. **ET** wrote about this in its April 15 edition.

Cred — which is the second venture from Kunal Shah, the founder of mobile recharge platform Freecharge — is likely to be valued at $400-$500 million, within a year of launch. This will be a substantial jump from the $75 million valuation it commanded in its previous round. "The company has finalised a set of investors who are leading the round, but they may look to expand the capital raising further," said one of the people.

General Catalyst, which manages $3.75 billion in assets, is likely to invest a small amount, another source in the know said. ET could not establish the size of the investment from the American fund.

Kunal Shah, General Catalyst, Hillhouse and other investors did not respond to emailed queries till the time of going to press.

Cred offers a mobile application through which consumers can pay their credit card bills, in return for virtual coins that can be redeemed across merchants like coffee shops, movie theatres, among others. The company works closely with banks to innovate on its credit business as it looks to offer more to its prime credit card consumers.

Go-Ventures Adds $5m to Rebel Food

Mumbai: Go-Ventures, the investment arm of Indonesian ride-hailing firm Go-Jek, has invested $5 million (₹34 crore) in Rebel Food's ongoing Series-D round, regulatory filings show.

The Ministry of Corporate Affairs filing sourced through company research platform Tofler said the company has raised 667 Series-D2 Compulsorily Convertible Cumulative Preference Shares (CCCPS) of face value ₹1,000 with a premium of ₹4,51,287.21 per share, and 100 equity shares of face value ₹10 with a premium of ₹4,52,277.21 apiece from GV Bites. The amount adds up to ₹34,69,04,293.

In March, the company raised around ₹110 crore as part of its Series-D1 round from existing investors Sequoia Capital India, Lightbox Ventures and Evolvence India. **ET** reported earlier that the new round (Series-D) is expected to value the company at around $400 million. Go-Jek and Rebel Foods did not respond to emails. — **Bhavya Dilipkumar**

Ashutosh Gupta is New Country Manager for LinkedIn India

Our Bureau

Bengaluru: LinkedIn, a social network for professionals owned by Microsoft, named Ashutosh Gupta as country manager for India — its second such appointment in six months.

The previous country manager, Mahesh Narayanan, said he left LinkedIn to pursue other opportunities in the country's fast-growing digital ecosystem. Gupta will take over in September and report to Olivier Legrand, LinkedIn's managing director for the Asia Pacific region. He will join the company's Apac senior management team. In addition to his role as country manager, he will continue to lead the LinkedIn's marketing solutions online sales organisation for Apac and China.

BACK-TO-BACK
This is the firm's second such appointment in six months

"India is a strategic market for LinkedIn, and its developing economy and dynamic jobs market are ripe with opportunity for LinkedIn to add value for our members and customers," said Gupta. "I also look forward to forging deeper government relationships to inform policy-making with actionable data on jobs and skills, and make LinkedIn an integral part of the national agenda."

#BoycottJapan is Trending

SEOUL Angered by Japan's move to restrict exports of vital manufacturing materials to the country, South Koreans have taken to Instagram and other social media platforms to show their support for boycotts of Japanese travel and consumer products. More than 2,400 public posts with hashtag #BoycottJapan have been shared on Instagram since the measures were imposed, with some including a picture using Japan's red rising sun icon as "O" in the word "No". – **Bloomberg**

Uber Eats Signs up the Elderly

TOKYO Uber may have found an unusual way into the Japanese market. CEO Dara Khosrowshahi said that elderly people are some of the company's most eager Uber Eats deliverers in the fledgling market. "The elderly are actually signing up for Eats couriers," he said. – **Bloomberg**

Who will Foot Bill of Digital Pay, Industry wants to Know

Our Bureau

Bengaluru: The government's move to mandate zero charges on digital transactions for merchants has caused disappointment among the digital payments companies and could also affect onboarding of new merchants, said a note shared with the press by the Payments Council of India, the industry body for such companies.

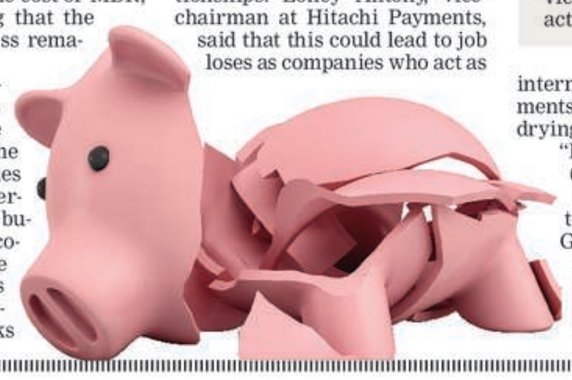
The council has also recommended that if the government intends to offer digital payments free of cost, it should create a means for bearing the cost of MDR, thereby ensuring that the payments business remains viable.

Top payment industry executives said that the move could impact the banks' revenues from their merchant acquiring business and they could pass on some of the charges from fintech players who help banks process such transactions.

"It is likely that banks would in turn try to recover some of this from their non-bank fintech partners, thus negatively impacting all ecosystem players, which are key to driving much needed growth of the acceptance/acquiring ecosystem," said Deepak Chandnani, CEO, South Asia & Middle East, Worldline, which deploys point of sales terminals for banks.

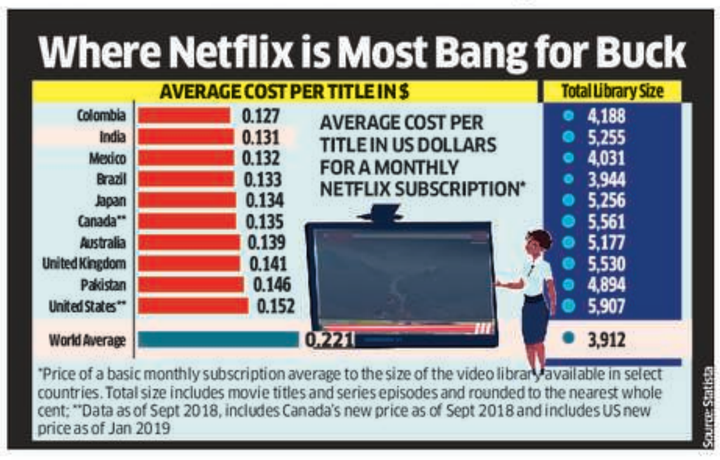
One of the major industry segments that could get affected by the move is companies which help banks process card transactions and manage the merchant relationships. Loney Antony, vice-chairman at Hitachi Payments, said that this could lead to job loses as companies who act as intermediaries in the digital payments space will shut down due to drying up of revenues.

"Digital payments grew from 6% of Gross domestic product to 14% and now slipped to 12%. Cash is also 12% of GDP. We have not made any progress on this front and if this trend continues, we will go back to single-digit very soon," he said.



New Chapter for Paytm

Bengaluru: Paytm is set to expand its offerings in its education services by building an ecosystem to attend to the requirements of students and government job aspirants. It is partnering with multiple institutions to offer a full range of services across payments, commerce, academic services and financial transactions. — **Our Bureau**



The Chase Gets a lot Easier for tech-wielding Cops now

Anjali.Venugopalan
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New Delhi: It's not just lathis and guns for the police anymore. From algorithm-based apps that can identify gangs, to ones that gather information from breaking news, to cameras in lock-ups that set off an alarm when unusual movement is detected, the police are going increasingly high-tech in a bid to improve efficiency.

Instead of combing through old news reports and files to get information on a person or organisation, intelligence departments in Punjab are now using an app that generates insights from scores of news websites, said Gurmeet Singh Chauhan, assistant inspector general (organised crime control unit), Punjab police.

The app, called PINE (Police Intelligence News Extractor) has been developed by Gurugram-based artificial intelligence (AI) startup Staqu. It can analyse mentions of a subject like the Khalistan movement, for example, on news websites and social media to assess which areas are likely to be crime-prone, said Staqu founder Atul Rai. Police in Uttarakhand and UP have been using PINE on a pilot basis, said Rai, adding that intelligence departments in Telangana have also been using the app.

For developing situations, cops earlier had to manually track breaking news from various channels. Now, the software reads headlines and tickers off news channels using optical character recognition (OCR) and generates reports almost instantly.

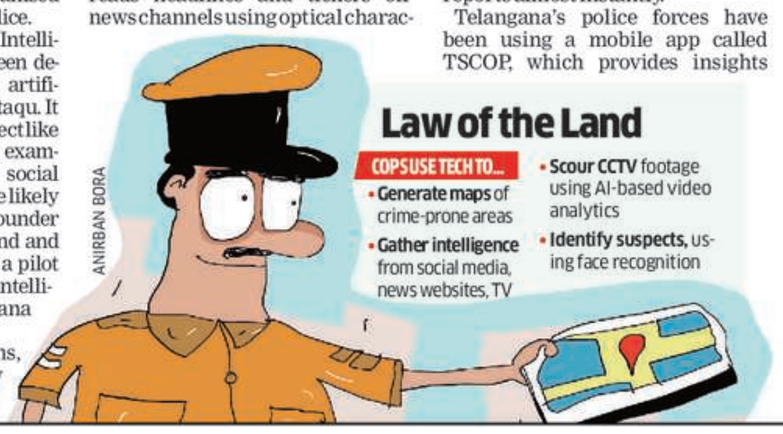
Telangana's police forces have been using a mobile app called TSCOP, which provides insights like which areas are times of the day are accident-prone, crime-prone or even water-logging prone using data analytics, said Ravi Gupta, additional deputy inspector general (technical services) of Telangana police.

It then generates "crime maps" using GIS (geographical information systems), which indicate which areas are more likely to experience eve-teasing or pick-pocketing, for example, he said. This helps the police plan which routes to patrol, and at what time. Gupta said there had been a reduction in crimes like pick-pocketing as a result.

The Delhi police also maps crimes, and additional deputy commissioner Shobhit Saxena said there has been a marked reduction in the number of night calls that report street crimes as a result, in the months since the system was implemented. The Delhi police has GPS-enabled bikes that track the route police patrol, he said.

The traditional image of police tying threads between various players to identify links is becoming obsolete. Staqu's app used by Uttar Pradesh, Uttarakhand, Punjab and Rajasthan combs through information and identify links between accomplices and helps them identify gangs.

Lock-ups in Delhi are also being enabled with cameras that can be programmed to set off a buzzer when unusual motion is detected at night, said Saxena. This can prevent prison breakouts, he said.



ET Markets

Beating Volatility

WWW.ETMARKETS.COM
NEW DELHI / GURGAON, TUESDAY, 9 JULY 2019

MONEY MATTERS

India's Too Careful... Fiscal Deficit To GDP Level Should Be at 5%

Market Trends

STOCK INDICES		% CHANGE
Nifty 50	11558.60	2.14
Sensex	38720.57	2.01
MSCI India	884.96	2.18
MSCI EM	2387.02	1.04
MSCI BRIC	634.32	1.12
MSCI World	9226.73	0.13
SX 40	22711.87	2.06
Nikkei	21534.35	0.98
Hang Seng	28331.69	1.54
Strait Times	3334.23	0.97

Values in US $, Gross — At 7 pm IST

OIL ($) — DUBAI CRUDE 62.70, 1.36 Absolute Change

BOND — 10-YR YIELD 6.56, 0.13 Figures in %

GOLD RATE

Prices per Troy Ounce ($)

	US	India
OPEN	1401.00	1565.02
LAST*	1406.00	1572.95

*At 10.30pm, After adjusting for import duty, Indian spot gold lower by $26.35 to US Comex gold price on Monday. The premium on local gold is due to tight supply following import curbs.

FOREX RATE (₹-$ Exchange Rate)

OPEN	LAST*
68.63	68.66

Market on Twitter@ETMarkets

Q1 BLUES Bajaj Finance witnesses lower growth in consumer demand despite a busy season; Titan acknowledges facing a tough macro-economic environment

Bajaj Finance, Titan Warn of Slump as Spending Takes a Hit

Our Bureau

Mumbai: India's biggest consumer finance company and its biggest retail jewellery and fashion firm have both warned of tough conditions in the first quarter ended June ratcheting up the pressure on New Delhi and the Reserve Bank of India to do more to stoke demand.

Bajaj Finance, the largest consumer durable lender in the country, warned on Monday of a slowdown that will cut growth for the firm. Bajaj is India's largest non-banking finance company by market capitalisation.

Sanjiv Bajaj, MD of the Pune-based financier of television to refrigerators to SME loans, said the firm has witnessed lower growth in consumer demand despite a busy season including the ongoing ICC Cricket World Cup in England and Wales.

"I believe, for the first time even when the World Cup is going on, television sales are lower than what it was last year, which is very unusual," he said speaking to a television channel. "Otherwise we have seen it reaching peak when there is a big season going on like Cricket World Cup. That is a signal. On SME, rural lending side, there is a slowdown. This is nothing to do with lack of ability of NBFCs to lend, but a slowdown is apparent."

Bajaj Finance shares fell 8.18% to ₹3,414 crore on the Bombay Stock Exchange.

Watch and jewellery maker Titan, in its quarterly update on Monday, said it witnessed a tough macro-economic environment with consumption being hit during April-June quarter due to rising gold prices.

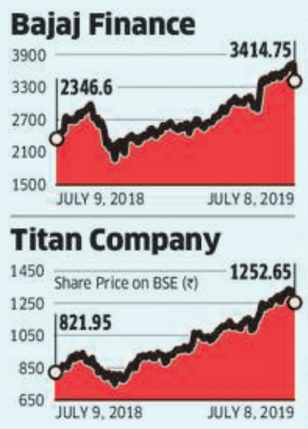
"Against this background, the company's growth, particularly in the jewellery segment, was lower than planned even though the gains in market share were sustained," the firm said in an exchange filing.

Revenue in the jewellery division (Tanishq) saw a muted 13% growth in the first quarter as sharp increase in gold prices dented consumer demand significantly. However, the watch division, which retails watches under a range of brands including the premium Titan and the economy brand Sonata, saw revenue growth of 19%, partly helped by a large institutional order from Tata Consultancy Services (TCS), a group company.

The eyewear segment grew 13%, aided by semi-annual activation that covered both Titan and Fastrack brands.

India's economic growth has been hit by a dramatic consumption slowdown that has affected car and jewellery sales and dampened demand for consumer durables. The ongoing slowdown in lending by non-bank finance firms has worsened the situation.

Continued on ▸▸ Smart Investing



GOING THROUGH A ROUGH PATCH

IVAN AIVAZOVSKY, *The Black Sea at Night*

LIQUID FUNDS SEE HUGE OUTFLOW

Retail Investors Up Allocations to Equity MFs in June

Flow Break-Up

Net inflows in Mutual Funds (₹ crore)

Fund Category	Apr-19	May-19	Jun-19
Multicap	1,873	648	1,835
Large cap	48	53	1,510
Large & Midcap	-20	278	489
Midcap	491	1,273	845
Small Cap	956	1,416	927
Focused	228	1,200	650

SOURCE: AMFI India

Political stability, low inflation and RBI rate cuts keep investors upbeat, say wealth advisors

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Mumbai: With the Narendra Modi-led coalition getting a clear mandate, retail investors increased their allocation to equity mutual funds in the immediate aftermath of the Lok Sabha election results.

But routine withdrawal from liquid funds by banks to meet quarterly capital adequacy norms led to outflows of ₹1.52 lakh crore, causing assets under management (AUM) for the industry in June to decline 6.5% to ₹24.25 lakh crore in May.

However, the overall average assets under management (AAUM) for June stood at ₹25.81 lakh crore, which was higher than ₹25.43 lakh crore in May and ₹25.27 lakh crore in April 2019. Investors continued to show their trust in SIPs, with collections through this mode at ₹8,122 crore.

Wealth managers said that political stability, low inflation, central bank rate cuts, expectations of normal monsoons, and a revival in corporate earnings led retail investors to increase their allocation to equity mutual funds.

"Confidence was back among investors and they started allocating to equity mutual funds," said A Balasubramanian, CEO, Aditya Birla Sunlife Mutual Fund.

Investors made higher allocation to largecap and multicap funds as compared to mid and smallcap funds. Investors put in ₹1,835 crore into multicap funds and ₹1,510 crore into largecap funds in June, compared with ₹648 crore and ₹53 crore in May 2019.

"Within equities, multicap and largecap categories gained significantly while arbitrage, small and midcap funds maintained their growth over the last few months. It is also good to see the SIP book sustaining at ₹8,122 crore and the folio numbers of live SIPs going up by 3.88 lakh," said Vishal Kapoor, CEO, IDFC AMC.

On the fixed income side, although there is an outflow from liquid schemes, flows into gilt schemes and long-duration schemes have stood positive owing to the RBI's dovish stand on interest rates.

A number of downgrades in the fixed income space led to risk aversion among investors, with many choosing to stay away from credit risk funds and be in safer categories. The category saw investors withdraw ₹2,695 crore.

"The ouflow from liquid funds is the usual quarter-end phenomenon where the industry witnesses temporary redemptions," said NS Venkatesh, CEO, AMFI.

Heard on the Street

Deutsche Lets Go 8 Members of India Research Team

Deutsche Bank has started asking its equities staff in India to leave the firm as part of its plan to shut down majority of its business in the Asia Pacific region. Market speculation is that the bank is planning to close down its India equities business and has asked eight people in the research team to resign. The talk is that the bank has also asked a sales trader to leave. "Trading desk has to unwind P notes," said another person aware of the developments. A Deutsche Bank spokesperson said it is too early to comment on specific details. "We will be communicating directly with our employees regarding their jobs and options available to them. We absolutely understand that these types of decisions affect people's lives in a profound way. That is why we will do whatever we can to be as responsible and sensitive as possible when implementing these changes," the spokesperson said.

Contributed by Sanam Mirchandani

BUDGET & HIKE IN MINIMUM PUBLIC SHAREHOLDING

High Promoter Holding Cos Likely to Underperform

Many of these stocks have premium valuations because of restricted free float

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Mumbai: Companies with promoter holdings beyond 65% of the outstanding equity base are likely to underperform in the next two years, as excess supply of stock may not always be met with sufficient demand to ensure price stability.

Friday's proposed federal move to increase minimum public shareholding from 25% to 35% would impact about 1,400 listed companies, including TCS, Wipro, HDFC Life, Avenue Supermart, Dabur, Bandhan Bank and Pidilite Industries, among others. These stocks are also unlikely to cross their yearly highs in the near term, analysts believe.

The move to increase public holding will lead to valuation corrections as many of the stocks are quoting at premium valuations because of the restricted free float.

"The sell-off will be an overhang on stock prices in these companies until they end up selling stakes to investors" said Deven Choksey, MD, KR Choksey Investment Managers. "Quite possible, the valuations will come down under the given situation....the longer it takes, the more painful it would be."

Most of the offers for sale done recently to meet minimum public holding norms are with a discount of 5-10% to the market price. Of the last 15 OFS proposals, 11 had offered discounts between 3% and 14%. The SBI Life Insurance OFS was priced at ₹650 per share when the prevailing stock price was at ₹710. Similarly, L&T Technology Services OFS was at a discount of 6% to the market price.

Kotak Mahindra Bank shares underperformed in the past one year due to uncertainty about dilution in the promoters' stake. The stock gained just 9.5%, while ICICI Bank and Axis Bank climbed 60% and 54%, respectively, in this period. HDFC Bank gained 16% during this period.

"If increased public shareholding norms are implemented, the supply of paper in the market will increase and investors would rather wait to buy at a discounted price," said Amar Ambani, head of research, Yes Securities.

At present, of the BSE 500 companies, 100 have promoter stakes above 65%. There are 40 PSUs with public holding lower than 35%. TCS alone would be required to dilute worth ₹60,000 crore to reduce its stake from 72.05% to the proposed 65%.

Low on Free Float

Promoters Holding More than 65% (BSE 100)

Company	Promoter Holding %	CMP (₹)	1-Year Return %	52-wk High	PE
Wipro	73.9	267.1	34.3	301.6	17.9
TCS	72.1	2,176.1	15.3	2290.7	25.8
Siemens	75.0	1,248.3	26.2	1366.9	44.8
PNB	75.4	72.8	-6.5	99.9	--
Pidilite Inds	69.8	1,201.3	12.4	1311.0	65.4
NMDC	72.3	106.9	3.0	124.3	7.1
HDFC Life	76.1	463.0	-2.4	510.8	74.9
Dabur India	67.9	401.3	7.0	490.7	47.6
Coal India	71.0	232.5	-14.2	299.6	8.2
Cadila Health	74.8	224.5	-42.1	432.4	12.4
Bosch	70.5	15,971.4	-11.1	22400.0	30.5
Bank of Baroda	69.2	124.6	6.5	157.4	44.2
Avenue Super	81.2	1,389.0	-11.2	1696.2	90.4

SOURCE: ETIG Database

ON THE HIGHER SIDE

Of BSE 500 cos, 100 have promoter stakes above 65%. There are 40 PSUs with public holding below 35%

Rupee Drops 24 P to 68.66 a Dollar as Stocks Crash

PTI

Mumbai: The rupee on Monday declined by 24 paise to close at 68.66 against the US dollar, cutting short its three winning run due to a massive selloff in equities and weakening expectations of a rate cut by the US Federal Reserve in near future.

Foreign institutional investors pulled out ₹401.99 crore Monday, hitting the rupee sentiment.

Emerging market currencies took a hit after the US job data fuelled expectations that the Federal Reserve will not cut interest rates quickly in near future. The US dollar traded strong against its rivals, and Asian currencies.

Investors sentiment was subdued on concerns that increased surcharge on super-rich could affect foreign funds investing in India, which could lead to flight of foreign funds from the domestic markets, currency traders said.

The rupee opened lower at 68.49 from the last close of 68.42 at the inter-bank foreign exchange (forex) market.

The local unit lost further ground to touch a session low of 68.76 before closing at 68.66, marking a fall of 24 paise over its previous close. The rupee on Friday settled 8 paise higher at 68.42 against the dollar.

The Sensex tanked 907 points in the intra-day trade before settling at 38,720.57, showing a sharp loss of 792.82 points or 2.01%. The Nifty of the NSE tanked 252.55 points, or 2.14%, to close at 11,558.60. The 10-year government bond yield was at 6.60%

Nifty Could be On Its Way Down to Test 200-DMA

Is Piramal Enter Stock a Misfit in Healthcare Indices?

▸▸ MONEY MATTERS

BP fears tanker seizure; Saudis say they foiled Red Sea attack; WTI gains as much as 1.7%, rebounding from losses last week

Oil Pushes Higher as Iran Tension Reignites Concern Over Supply

Bloomberg

London: Oil pushed higher as Iran's threats to retaliate over a seized crude tanker and word of a foiled attack in the Red Sea triggered new worries about potential supply disruptions.

Futures gained as much as 1.7% in New York on Monday. BP Plc diverted a vessel in the Persian Gulf over the weekend amid fears it would be targeted after British forces seized a tanker carrying Iranian crude last week. Saudi Arabia, meanwhile, said it had foiled an attack on a commercial ship in the Red Sea by Iran-backed Houthi rebels.

Oil slid last week as worries about deteriorating global demand outweighed a move by the Organization of Petroleum Exporting Countries and its allies to extend production cuts. Investors are also waiting for Federal Reserve Chairman Jerome Powell's testimony to Congress this week, which may offer clarity on the central bank's plans for rate cuts.

"Iran news is certainly dominating sentiment in the market, but I also think the post-OPEC selloff was a bit unwarranted," said Michael Tran, managing director for energy strategy at RBC Capital Markets LLC in New York. So investors "woke up today to more geopolitical risk and a market that was likely oversold."

Emergency repairs to Ineos Group Ltd.'s North Sea pipeline system also reduced crude flows, giving another boost to prices. Still, the rally stalled as trading continued Monday, mirroring a drop in US equities on uncertainty about the Fed's strategy.

West Texas Intermediate oil for August delivery rose 45 cents to $57.96 a barrel on the New York Mercantile Exchange at 1:15 p.m. The US benchmark lost 1.6% last week.

Brent for September settlement rose 38 cents to $64.61 a barrel on the ICE Futures Europe Exchange. It traded at a $6.56 premium to WTI for the same month.

With tensions escalating, European powers urged Iran to reverse its decision to breach the levels of uranium enrichment permitted under a 2015 nuclear accord. On Saturday, France and Iran agreed to resume talks by mid-July. Yet US Secretary of State Michael Pompeo said in a tweet Sunday that Iran's latest expansion of its nuclear program "will lead to further isolation and sanctions."

"The oil market is caught in a bind and does not know which way to go or trend," said Stephen Brennock, an analyst at PVM Oil Associates Ltd. in London.

WTI will struggle to sustain a move above the low $60s, according to RBC's Tran. New refinery capacity in China means Asia is saturated with gasoline and other fuels, capping demand for crude, he said.

"In order to get a sustained and material rally, we first need to clean up the sloppy global market for refined products," he said.

'FUNDAMENTAL DETERIORATION' AHEAD, say Street bears; 5 sell ratings is most since 1997

Wall Street Hasn't Been This Pessimistic About Apple Inc Stock in Decades

Bloomberg

New York: Wall Street hasn't been this pessimistic about Apple in a long time. Rosenblatt Securities downgraded the company to sell on Monday, bringing the total number of bearish analysts up to five, among the 57 ratings tracked by Bloomberg. It's the highest number of sell ratings the iPhone maker has had since at least 1997, according to historical data compiled by Bloomberg.

Skepticism surrounding the company has accelerated in 2019, with all five of the sell ratings coming in this year. Both New Street Research and HSBC lowered their ratings on the stock to sell in April, and in January, the number of firms with buy ratings dropped below 50% for the first time since 2004.

The caution has been largely driven by uncertainty surrounding demand for the company's critical iPhone line, with the US-China trade war seen as a particular headwind. In January, Apple cut its revenue outlook for the first time in almost two decades, in large part because of iPhone weakness. Apple's third-quarter results are currently expected to come out on July 30.

According to data compiled by Bloomberg, more than 60% of Apple's 2018 revenue was related to the iPhone, while 20% came from China, which is also a critical part of its supply chain. Last week, Citi wrote that Apple's China sales "could be cut in half" due to "a less favorable brand image desire."

Rosenblatt's downgrade came as analyst Jun Zhang expects the company "will face fundamental deterioration over the next 6-12 months," based on disappointing sales trends. The downgrade pushed Apple stock lower by as much as 1.9% in Monday trading.

Still, the sell-equivalent ratings hardly represent a consensus view. A plurality of 23 firms recommend buying the stock, while another 21 have hold ratings, according to data compiled by Bloomberg.

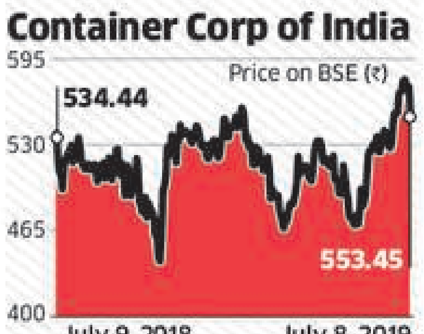
The news was not entirely negative for Apple on Monday, however, as Wedbush wrote it was "incrementally more positive on global iPhone demand" following checks in Asia. "We saw a 'slight uptick' out of Apple suppliers during our checks although overall handset demand remains challenging," analyst Daniel Ives wrote. He affirmed his outperform rating and $235 price target.

US Stocks Drop on Lower Odds for Steep Fed Rate Cut

US stocks fell on Monday, pressured by a drop in Apple Inc and declines in healthcare stocks as investors toned down expectations of an aggressive interest rate cut by the Fed later this month. A surprisingly strong US jobs data on Friday has forced traders to temper hopes of a sharp rate cut at the central bank's July 30-31 policy meeting, even as a reduction is still expected. Investors might get an opportunity to gauge near-term monetary policy thinking during Fed Chairman Jerome Powell's semi-annual testimony on July 10-11. Do not expect any big surprises to come out of Powell's testimony, but any type of surprise on the inflation numbers that come out later this week come move markets from current levels.

What to Buy, Sell and Hold

Container Corp of India



- **HDFC Securities** has initiated coverage on **Container Corporation of India** with a target price of ₹670. The container rail operator is expected to report healthy 16% earnings CAGR over FY19-22, with the commissioning of the (Western) Dedicated Freight Corridor as well as internal efficiencies, said HDFC Securities. With commissioning of the DFC, the medium term growth opportunity for CONCOR will drive up valuations. Shares of CONCOR ended down 3.6% at ₹553.45 on Monday.
- **ICICIdirect** has a buy rating on **Trent** with a target price of ₹500. The capital infusion (₹950 crore) by promoters (Tata Sons) is likely to act as a key catalyst for healthy revenue growth, said ICICIdirect. The capital to be raised can provide a fillip for store addition pace. A big amount is expected to be invested in enhancing warehousing capacity and supply chain. Shares of Trent ended down 2.8% at ₹427.20 on Monday.
- **Elara Capital** has initiated a buy rating on **APL Apollo Tubes** with a target price of ₹2,267. The brokerage expects domestic electric resistance welded pipe industry to grow at a CAGR of 7% over FY19-21E to 8 MT by FY21E, led by higher government spending towards several projects like metro, airport, urban development, irrigation & water sanitation. Shares of APL Apollo Tubes ended flat at ₹1611.50 on Monday.
- **ICICI Securities** has downgraded its Buy rating on **Torrent Power** to Add due to a recent run-up in the stock price. However, the brokerage has increased its target price from ₹295 to ₹327 because it remains positive on the company in the long term as it is one of the biggest beneficiaries of distribution reforms. The tarriff adoption of UNOSUGEN, the brownfield expansion of the SUGEN plant, has been approved, ICICI said. Thus, the brokerage has upgraded its EPS estimates by 8.9/10.8% for FY20/FY21. Shares of Torrent Power ended down 0.8% at ₹0.8 on Monday.
- **Credit Suisse** has maintained its outperform rating on **IndusInd Bank** with a target price of ₹1,800. The bank's merger with Bharat Financial Inclusion (BHAFIN) will result in microfinance loan book increasing to 10% of loans for the bank and adds a distribution network of 1850 branches with a customer base of 7.4 million. The brokerage expects merger-led EPS accretion to be 8% / 7% in FY20/21E. The bank has disclosed its exposure to some stressed groups at 1.9% of loans, defaults from which can keep credit costs elevated, Credit Suisse said. Shares of IndusInd Bank ended down 3.7% at ₹1475.95 on Monday.

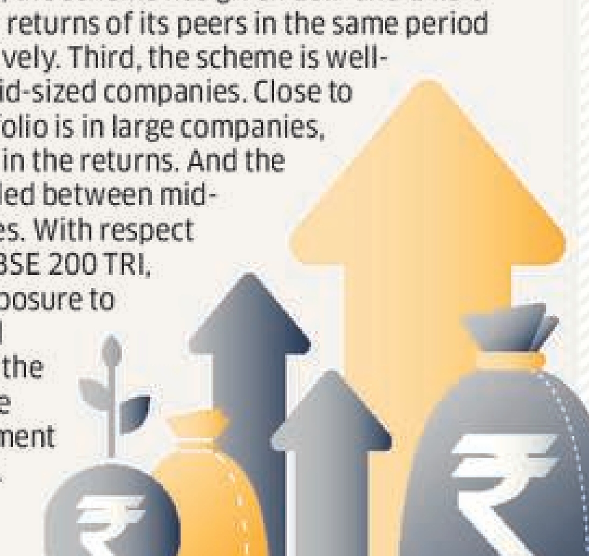
FUND REVIEW **Kotak Standard Multicap Fund**

Why A Multicap Scheme Makes Sense

In the absence of viable and strong triggers, a view that is gaining ground is that the markets have entered a slightly bearish phase which is expected to last for a long time. Even before the Union Budget, the position build-up in the futures and options segment alluded to the fact that the market perceived the budget as a non-event. In such times of high uncertainty of demand and limited triggers for interest in counters, it makes sense to be invested with a basic theme which works in almost all cycles of markets: investing in multicap schemes. The very structure of a multicap scheme which allows investments in companies of all sizes offering diversification is an attractive proposition in present market conditions.

Among multicap schemes, Kotak Standard Multicap is a distinguished performer. Three factors work in the scheme's favour. In comparison with its peers, it has low expense ratio. Second, it is the scheme's performance which stands out. In the past three-year and five-year period, the scheme has given 13.7 and 14.3% returns while the average returns of its peers in the same period are 11% and 10%, respectively. Third, the scheme is well-diversified in large and mid-sized companies. Close to 75% of the scheme's portfolio is in large companies, which mitigates volatility in the returns. And the remaining scheme is divided between mid- and-small-sized companies. With respect to benchmark index S&P BSE 200 TRI, the scheme has higher exposure to construction and financial themes. This works given the government's focus on the infra theme and improvement of balance sheet of banks.

– Rajesh N Naidu/
ET Intelligence Group



PORTFOLIO CHANGE (PAST 6 MONTHS)

New Entrants	Complete Exits	Increase in Allocation
Kotak Mahindra Bank	Anup Engg (Amalgamated)	SRF
The Anup Engineering	Ashok Leyland	Jubilant FoodWorks
	Avenue Supermarts	BPCL

RETURNS (in %)

PERIOD	CAGR RETURN	SIP CAGR RETURN	EQUITY MARKETCAP FUND MULTICAP – AVG ANNUALISED RETURN (%)
1 Year	10.10	18.92	2.32
3 Year	13.79	12.44	10.24
5 Year	14.38	13.95	10.01

RETURNS PEER COMPARISON (in %)

	1-YEAR	3-YEAR	5-YEAR
Axis Focused 25 Fund	2.29	15.74	13.73
Franklin India Focused Equity Fund	15.47	12.05	14.11
Parag Parikh Long Term Equity Fund - R	4.94	13.39	11.54

Source: Accord Fintech, Compiled by ETIG Database

Expert Take VISHAL DHAWAN, *Founder, Plan Ahead Wealth Advisors*

The scheme has an excellent long-term track record. It has consistently beaten its benchmark index over a long period. Its risk ratios are also excellent. Considering its large size, it is ideally suited for investors looking for a well managed fund that can move across market capitalisations depending on the fund manager's view.

'Tinkering with Taxes a Negative for the Market'

It was an okay budget where there were some good positives but quite a few confusing things and maybe some of them will be removed before the budget is passed by Parliament, says **Samir Arora**, founder & fund manager, Helios Capital. Edited excerpts:

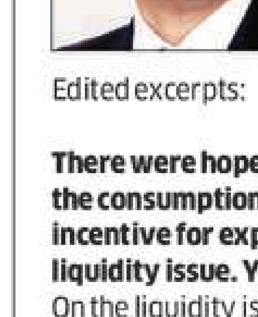
Would you say that the budget missed out on doing anything to revive animal spirits or were you comforted by the fact that they managed to tow the line on the fisc?

It was an okay budget where there were some good positives but quite a few confusing things and maybe some of them will be removed before the budget is passed by Parliament.

Private sector borrowing seems to be crowded out and we do not see anything happening on that front. Are there major concerns on our economic growth?

Overall, I do not think this will revive the market in the short term and that market will go on as it is but there might be more negatives. The first negative is that tinkering with taxes for foreign and even domestic investors. FPIs who are not formed as corporates will have to pay a 22% short-term capital gains tax even though the paper rate is 15% and they will have to pay some 14% long-term capital gains tax although it is projected as having 10% rate. In this climate for anybody to expect a foreign investor to pay 22% or 14% tax is unrealistic.

'Budget Fixes Most of India's Cyclical Growth Problem'



This is a good budget for addressing the immediate growth prospects that the economy had and therefore we should be quite optimistic about growth going forward, says **Ridham Desai**, MD, Morgan Stanley India.

Edited excerpts:

There were hopes that the budget would tackle the consumption slowdown, provide some incentive for exports and address the entire liquidity issue. Your views?

On the liquidity issue, this was as much as anybody could have done. Anything more would have been a moral hazard because it would have been then tantamount to bailing out a few NBFCs and I do not think that would have been a good precedent to set. Actually, the government has avoided that over the last five years and that is a good practice to individually go and bail out companies that are in trouble. I think we have to end that scheme in India. With respect to growth, the budget has actually done a lot because it now allows the RBI to get even more accommodative.

My own diagnosis of the growth problem was that it was a monetary phenomenon. Given that this government is planning to keep the deficit under control, RBI will have greater room. Again, given that they are going abroad to raise capital, is good for growth. I think it does fix in large part the cyclical growth problem that we were facing as much as it could within constraints of India's fiscal deficit.

Tech View

Nifty Breaks Below 50-day Exponential Moving Average

Amit.Mudgill@timesinternet.in

ETMarkets.com: Nifty50 on Monday formed a large bearish candle, bigger than Friday's. The index decisively broke below its 50-day exponential moving average and ended up forming a 'Bearish Belt Hold' pattern on the daily chart, as the bulls ran for covers. The index broke multiple supports in the 11,600-11,650 range and closed below the same after 35 trading sessions, said Chandan Taparia of Motilal Oswal Securities.

For the day, the index fell 252 points, or 2.14%, to 11,558. It now faces a hurdle at its 100-day simple moving average at 11,495

"Nifty50 has slipped and closed below the 50-day EMA and gone inside the gap-up area that had occurred on May 2. As long as it holds below 11,650, Nifty could drift further towards 11,420. An upside hurdle is seen at 11,720," Taparia said. For the day, the index fell 252 points, or 2.14%, to 11,558. It faces a hurdle at its 100-day simple moving average at 11,495.

"Nifty50 has seen a double top breakdown below 11,625 on the daily chart. We could trigger more panic. A strong support for the index is seen in the 11,500-11,426 range and the immediate strong hurdle is near the 11,620-11,690 zone," said Rohit Singre, senior technical analyst, LKP Securities.

Nagaraj Shetti of HDFC Securities sees a crucial support zone in the 11,600-11,425 range and expects the ongoing down-trend to halt around this region. Traders are advised to create fresh short positions by making use of the rally towards 11,625-700 levels, said Mazhar Mohammad of Chartviewindia.in.

Day Trading Guide | ICICI Direct

The index on Monday trading session breached the crucial support area of 11600. Failure to move above Monday's bearish gap area of (11811-11772) will keep the bias negative and signals extension of the decline towards the support area of 11300 levels in coming sessions, which would be the lower band of the bullish gap area of exit poll session and 80% retracement of the entire previous major upmove of May-June 2019 (11108-12103).

Tech Picks

DHARMESH SHAH
Head Technical

SBI LIFE INSURANCE — BUY, TARGET ₹798

Structural up trend forming higher peak and higher low and MACD in buy mode.

LAST CLOSE ▸ ₹759 STOP LOSS ▸ ₹737

SUPREME INDUSTRIES — BUY, TARGET ₹1194

Favourable risk reward set up as price rebounds after forming base at long term 200 weeks EMA

LAST CLOSE ▸ ₹1127 STOP LOSS ▸ ₹1087

TATA MOTORS — SELL, TARGET ₹147

Price reacting lower from the upper band of falling channel containing decline since April

LAST CLOSE ▸ ₹155 STOP LOSS ▸ ₹160

SHRIRAM TRANSPORT FINANCE — SELL, TARGET ₹981

The stock in downtrend forming lower high and lower low and MACD is sell mode

LAST CLOSE ▸ ₹1035 STOP LOSS ▸ ₹1061

F&O Strategy

AMIT GUPTA
Head Derivatives

Short Bajaj Auto

CMP ₹2725 | TARGET ₹2580 | STOP LOSS ₹2805

RATIONALE: a) Auto stocks have failed to exhibit any major recovery in the recent market upmove and have witnessed extended selling pressure. The open interest in Bajaj Auto has declined more than 40% since the March series. However, as the stock future has breached its highest Put base of 2800 strike, it is likely to extend declines in coming sessions.

b) Fresh short additions were also seen in the stock in the July series. At the same time, Put positions have shifted to OTM 2600 strike indicating expectation of further downsides.

Short Bank Nifty 11 July 31000

CALL ₹75-80 | TARGET ₹10 | STOP LOSS ₹145

RATIONALE: c) The Bank Nifty outperformed broader indices since the start of the July series. However, post Union Budget 2019, profit-booking was seen in most banks, which pulled the index lower.

d) The Bank Nifty fell below its important support of 31000 whereas Call writing blocks were seen in 31000 strike, which remain the key hurdle area, going forward.

Fx Technical

AMIT GUPTA
Head Derivatives

SELL USD/INR AT 69.20 – 69.30

TARGET ₹68.30 STOP LOSS ₹69.75

RATIONALE: US-China Truce is positive for EM currencies including rupee

Chinese Yuan has appreciated towards 6.84 v/s US $. Strength in CNY is likely to boost sentiment and should help rupee

RESISTANCE	69.00	69.15	69.40
SUPPORT	68.75	68.55	68.30

SELL JPY/INR in the range of 63.75 – 63.85

TARGET ₹63.10 STOP LOSS ₹64.25

RATIONALE: US$ could recover some of its losses v/s JPY as safe haven demand is likely to wane in backdrop of truce between US-China

JPYINR could decline due to relative strength in Rupee v/s JPY

RESISTANCE	63.90	64.10	64.25
SUPPORT	63.55	63.35	63.20

Share Buyback Tax Hits Infosys, Other Stocks

New law is expected to result in a taxation of at least 20% on cos' payout to shareholders

Rahul.Oberoi@timesinternet.in

ETMarkets.com: The new tax on share buybacks has hit Infosys and seven other companies straightaway, as repurchase offers of these companies are currently open. Union finance minister Nirmala Sitharaman on Friday imposed a tax on buyback of shares. As a result, eight listed companies, whose buyback offers are open, would now need to pay tax at the rate of 20% plus surcharge and cess on the amount of consideration paid less the issue price of such shares.

The companies that have taken the unexpected hit included IT behemoth Infosys, Orbit Exports, Aurion Pro Solutions, Action Construction Equipment, Nava Bharat Ventures, GE Shipping and GeeCee Ventures. Over the past three years, domestic IT companies have stepped up payout ratios and used a mix of dividend and share buybacks to return profits to shareholders.

For instance, out of the total cash returned to shareholders by TCS in the last two years, 60% was done through buyback and 40% through dividend. Wipro has largely used the buyback route after an increase in the dividend distribution tax. Nearly 90% of the company's payout in the last two years was through share buybacks.

"The amendment leads to a taxation of at least 20% on the payout to shareholders, which is a disincentive. This tax is effectively an alternative form of income-tax," Kotak Institutional Equities said in a note.

In her maiden Budget speech, the FM said, "In order to discourage the practice of avoiding dividend distribution tax through buyback of shares by listed companies, it is proposed to provide that listed companies shall also be liable to pay additional tax at 20% in case of buyback of share."

Ripple Effect

	M-CAP (₹ cr)	CMP (₹)	Pr. close (₹)	% chg
Action Construction Equipment	1,034.00	88.15	94.05	-6.27
Great Eastern Shipping Co	3,817.75	253.20	268.20	-5.59
Nava Bharat Ventures	1,685.09	94.35	98.50	-4.21
Aurionpro Solutions	250.11	105.80	107.90	-1.95
GeeCee Ventures	241.53	111.15	112.15	-0.89
Orbit Exports	336.86	119.20	119.50	-0.25
Infosys	3,08,474.80	717.45	718.25	-0.11

Compiled by: **ETIG Database**

Bajaj Finance, Titan Warn of Slump

▸▸ From ET Markets page 1

Bajaj said that the economy is slowing down and it is not just happening in the NBFC space.

Bajaj Finance has been talking about greater regulation and oversight from the RBI for large NBFCs. Sanjiv Bajaj says that classification of systemically important NBFCs should go beyond ₹500 crore as the top 10 NBFCs have above ₹1 lakh crore in assets.

"These are larger than most banks and should be treated differently from the remaining 10,000 NBFCs," he told ET some time ago.

While speaking to ET after the budget, Bajaj said the RBI should take cues from the government and support large NBFCs.

The government has proposed to improve liquidity of NBFCs through retail pool sell-downs to public sector banks based on partial government guarantee of up to ₹1 lakh crore. Soon after the budget announcement, the RBI allowed banks to reduce liquidity coverage ratio to the extent of ₹1.34 lakh crore and lend to NBFCs.

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

MARKET SNAPSHOT

	SENSEX	NIFTY
Open	39476.38	11770.40
High	39476.38	11771.90
Low	38605.48	11523.30
Close	38720.57	11558.60
Change(Abs)	-792.82	-252.55
52-Wk High	(Jun 4)40312.07	(Jun 3)12103.05
52-Wk Low	(Oct 26)33291.58	(Oct 26)10004.55
3-Yr High	(Jun 4,19)40312.07	(Jun 3,19)12103.05
3-Yr Low	(Nov 21,16)25717.93	(Dec 26,16)7893.80

TURNOVER (Turnover in ₹ Crore, Shares & Trades in Lakhs)

Date	BSE Turn	BSE Shares	BSE Trades	NSE Turn	NSE Shares	NSE Trades
8/7	2268	1660	10.74	32060	14318	115.00
5/7	2853	1760	10.98	33368	15495	113.70
4/7	2085	2621	8.99	28001	12930	94.16
3/7	1772	1276	8.31	26284	12521	93.94
2/7	1639	1320	8.19	26172	13621	96.91

ADVANCE & DECLINE

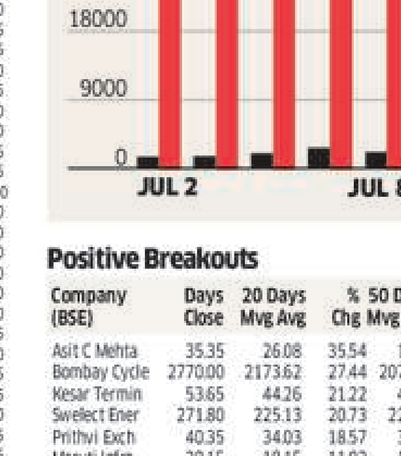
BSE (Number of traded scrips)	'A'	'B'	Others	Total	NSE Total
Advances	50	142	348	540	257
Declines	405	864	728	1997	1426
Unchanged	2	25	117	144	78
Total	457	1031	1193	2681	1761

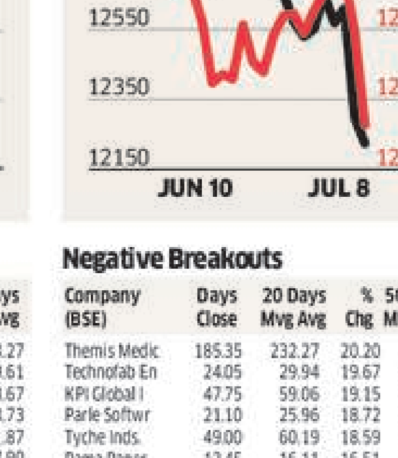
HIGHS & LOWS

BSE (Number of scrips)	'A'	'B'	Others	Total	NSE Total
52WK High	–	4	27	31	8
52WK Low	30	134	166	330	168
All High	–	3	12	15	5
All Low	4	22	37	63	45

52 WEEK AT NSE · ALL TIME AT NSE

HIGH	
*Ahimsa Indus	31.10
HDFCNiftyETF	1225.10
HDFCSenETF	4150.00
HDFC1-1140RG	9.40
*IndiaMART In	1368.70
Mandhana Ind	9.10
PSU Bank BeE	410.00
*Refex Inds	104.75
*Supreme Engg	39.35
*Touchwood E	102.50
LOW	
3P Land Hold	7.95
Aarvee Denim	17.05
*Artemis GI.L	48.20
*Alchemist	1.05
Almondz Glob	16.00
Ambika Cotto	1028.00
AMD Inds	16.70
Archidply In	30.00
Arshiya	15.50
Arvind Smart	92.55
*Aster DM Hel	116.25
Aurion Sol.	103.25
Balaji Tele.	52.20
Balaji Amine	350.00
Balkrish Ind	708.90
*Ballarpur In	1.70
Bal Pharma	51.55
Banco Prod.	116.00
Bombay Burma	891.65
*Bharatiya Gl	1.75
Oswal Greent	12.10
Biocon	230.00
BKM Inds.	2.65
*BLS Intnl.	71.00
Bosch	15901.00
*Bright Solar	12.00
*Capital Trus	115.00
Castrol (I)	124.50
*Consol Const	1.25
*Country Club	5.10
Century Enka	211.00
Century Extr	3.30
Chennai Pet.	192.00
*Chromatic (I	0.55
Cigniti Tech	276.20
Cineline (I)	35.30
*Cox & King.F	4.15
*CL Educate	94.10
*CMI	108.00
OIL Nova Pet	10.65
Compuage Inf	12.25
Compucom Sof	7.20
Control Prin	230.10
*Cox & Kings	27.15
*Cupid	111.00
*Damodar Inds	30.95
DCM	28.20
De Nora (I)	220.00
*Digicontent	10.60
Dhunseri Inv	207.55
*Prataap Snak	791.50
*Digjam	1.70
Donear Inds.	28.15
DPSC	8.60
Ducon Infra	7.15
eClerx Serv.	695.00
*Emami Paper	84.25
Emkay Taps &	111.15
Endurance Tc	1010.15
*Eros Intnl.M	14.75
Escorts	514.40
Ester Inds.	26.40
Excel Inds.	914.55
Foseco (I)	1235.00
*Future Suppl	533.95
Guj.Amb.Exp.	148.80
Genus Power	21.50
Geojit Finl.	32.00
GlaxoSmith.P	1171.00
Glenmark Pha	423.65
GM Breweries	444.65
GNFC	232.20
Goa Carbon	306.30
Graphite Ind	307.00
Gravita	54.50
Grob Tea Co	312.00
GSS Infotech	52.85
GTN Inds.	6.80
Guj.Raffia	11.30
*HealthCare G	135.00
HCL Infosys.	11.55
Hero Motocor	2360.00
*High Ground	2.40
Hind.Compost	186.00
*Hind.Nat.Gls	20.80
Hi-Tech Gear	211.15
*Hind.Media V	88.30
Indowind Enr	3.55
*Ind.Swift	3.80
Indian Terrn	97.50
INEOS Styrol	427.35
IL&FS Invt.M	3.55
IVP	78.10
Jayshree Tea	50.50
*Jindal Pol I	22.65
Kanoria Chem	52.35
*Khaitan Elec	1.30
Kokuyo Cam.	75.60
KRBL	216.65
Krebs Bioch.	68.00
Lakshmi Mach	4900.00
LG Balkrish	320.00
Lincoln Phar	154.20
Lumax Tech	99.25
Lyka Labs	20.35
Man Infracon	28.00
Marai Overs	19.20
Maruti Suzuk	5985.65
*SundMCap1RPG	8.10
*McLeod Russ	12.35
*Marvel Decor	23.00
*Mohini Healt	17.05
Mirda Corp.	102.00
MM Forgings	451.00
Mohota Inds	23.75
Morarjee Tex	11.70
Munjal Auto	38.80
Muthoot Cap	645.00
*Nagreeka Cap	7.40
Nahar Indl.E	28.20
Nahar Spg.	64.70
*Navkar Corp	24.75
Nandan Denim	37.00
*NE Carrying	6.45
*Network 18 M	24.55
*New(I) Assu.	143.50
Norben Tea	4.70
*NR Agarwal	202.75
OM Met Infra	19.45
*Onelife Cap.	6.65
Orient Press	121.00
Oswal Ag.Mil	6.25
PC Jeweller	38.20
*Petron Engg	6.20
Phillip Carb	108.50
*Pochiraju In	2.15
*Powerful Tec	8.00
*Prakash Pipe	78.75
Prakash Inds	57.05
Prakash Cons	2.15
Premier	3.45
Prozone Intu	20.00
*PVP Ventures	2.15
Rane Engine	415.00
Radha Madhav	5.10
*Rohit Ferro	0.75
Ruby Mills	192.00
Ruchi Soya	4.55
Rushil Decor	270.80
*Salasar Tech	135.10
SAL Steel	2.65
Sanwaria Con	5.20
Sarda Energy	205.95
*S Chand & Co	76.30
*Setco Automt	17.75
Shah Alloys	10.65
*Shalby	102.00
*SH Kelkar	125.00
Shree Pushka	99.90
Shreyas Sh&L	136.00
*Shyam C.Ferr	3.80
Sical Logist	95.65
Simplex Infr	107.15
SMS Pharma	47.60
*Spencers Ret	88.35
SPIC	20.50
Steel City S	52.10
STI (I)	7.25
*Inter.Const	7.75
Sundaram Cly	2230.00
Sun TV Netwk	468.00
*Superhouse	89.00
*Surani Steel	35.20
Sutlej Text.	28.30
Talbros Auto	144.10
*Talwalkars H	90.20
Tata Sponge	504.65
Texmaco Infr	40.70
Tourism Fina	81.65
Themis Medic	181.05
Tide Water O	4769.10
*Transwind In	5.35
*Trejhara Sol	17.25
TVS Broad.	22.20
TVS Motor Co	404.60
Titagarh Wag	55.00
Unichem Lab	169.00
Vaswani Inds	7.70
Vidhi Spcty.	64.40
*Vijay Sha.Bu	3.90
Vikas Ecotec	6.15
*Vishnu Chem.	111.95
*Vadivarhe Sp	19.80
*Worth Periph	50.00
Yes Bank	85.65
*Zicom Electn	1.35
Zuari Agro C	135.30





Positive Breakouts

Company (BSE)	Days Close	20 Days Mvg Avg	% Chg	50 Days Mvg Avg
Asit C Mehta	35.35	26.08	35.54	18.27
Bombay Cycle	2770.00	2173.62	27.44	2079.61
Kesar Termin	53.65	44.26	21.22	48.67
Swelect Ener	271.80	225.13	20.73	228.73
Prithvi Exch	40.35	34.03	18.57	31.87
Maruti Infra	20.15	18.15	11.02	17.90
National Oxy	39.00	35.51	9.83	36.28
Jyoti Resins	155.40	144.07	7.86	151.04
Sicagen (I)	25.45	23.66	7.57	23.96
Karma Energy	15.56	14.57	6.79	15.18
Unison Metal	55.75	52.80	5.59	52.29
Riddhi Siddh	293.55	280.61	4.61	277.71
Navkar Build	23.30	22.33	4.34	21.56
Sesha Paper	988.60	956.37	3.37	949.91
Sheela Foam	1341.75	1298.46	3.33	1281.44
Uni Abex	506.95	494.11	2.60	458.86
Xchanging So	51.50	50.70	1.58	47.76
Divinus Fab.	24.00	23.71	1.22	22.92
Nikhil Adhsv	163.45	162.03	0.88	150.28

Negative Breakouts

Company (BSE)	Days Close	20 Days Mvg Avg	% Chg	50 Days Mvg Avg
Themis Medic	185.35	232.27	20.20	251.35
Technofab En	24.05	29.94	19.67	46.25
KPI Global I	47.75	59.06	19.15	63.96
Parle Softwr	21.10	25.96	18.72	29.76
Tyche Inds.	49.00	60.19	18.59	63.59
Rama Paper	13.45	16.11	16.51	16.69
Ind.Swift	3.76	4.42	14.93	4.79
Citadel Real	11.53	13.47	14.40	15.20
Bimetal Bear	370.00	426.62	13.27	443.25
Ocean Agro	19.25	22.19	13.25	23.31
Mah.Ras.Apex	79.10	90.74	12.83	95.83
Inventure Gr	11.80	13.40	11.94	13.44
HealthCare G	145.35	164.76	11.78	183.26
ISMT	5.43	6.15	11.71	6.89
Rollatainer	1.77	2.00	11.50	2.15
Niraj Cement	12.00	13.54	11.37	14.93
Gloster	802.00	904.89	11.37	930.29
Jagatjit Ind	33.15	37.35	11.24	38.85
IP Rings	76.00	85.46	11.07	92.58

FII ACTIVITY (₹ Cr.)

Date	Equity Buy	Equity Sell	Equity Net	Debt Buy	Debt Sell	Debt Net
5/7	4246	3646	600	2937	959	1979
4/7	3645	3089	556	1024	720	304
3/7	2386	3667	-1281	772	1506	-733
2/7	4071	5624	-1553	1737	462	1275
1/7	5183	6046	-863	839	315	524
Tot Jul	19531	22073	-2542	7309	3962	3348
Total 2019	741860	665312	76548	202831	189826	13005

MF ACTIVITY (₹ Cr.)

Date	Equity Buy	Equity Sell	Equity Net	Debt Buy	Debt Sell	Debt Net
4/7	2117	1927	191	14359	7075	7285
3/7	1852	1525	327	6767	4945	1822
2/7	1465	1281	183	8748	3545	5202
1/7	1546	2276	-730	13077	9493	3583
28/6	1057	843	215	2677	3525	-848
Tot Jul	6979	7009	-29	42951	25059	17892
Total 2019	317733	304544	13187	1364313	1059889	304424

Spurt in Volumes at BSE

Company	Days Volume	2 Weeks Avg. Vol.	% Chg	Days Close
Phoenix Mill	100758	1021	9772.91	613.85
Elecon Engg.	505665	5265	9503.87	44.15
BF Invest.	157200	2738	5642.05	283.70
Mangal Seeds	42008	884	4649.73	58.50
Cromp.Gre.Cn	2032798	50080	3959.10	231.45
GIC India	718127	22256	3126.61	226.00
Dhanvarsha F	114484	4048	2728.30	60.15
BF Utilities	488709	20883	2240.22	206.55
BLS Intnl.	157659	7259	2071.88	71.20
Shyam C.Ferr	28549	1545	1747.96	3.95
Provogue (I)	202831	13125	1445.38	2.03
RCI Inds & T	57463	3769	1424.70	66.95

Spurt in Volumes at NSE

Company	Days Volume	2 Weeks Avg. Vol.	% Chg	Days Close
BF Invest.	1306278	30640	4163.28	284.30
Varroc Engg.	658395	24558	2580.96	460.50
BF Utilities	3598131	169726	2019.96	207.45
BLS Intnl.	986937	57699	1610.51	71.20
MOSt M100	190787	13689	1293.76	17.75
JK Laksh.Cem	803930	63606	1163.92	332.05
Supreme Petr	48707	4340	1022.20	197.70
Worth Periph	43500	3984	991.98	50.00
Religare Ent	1721332	170321	910.64	34.10
Nahar Spg.	45184	5028	798.74	65.00
Marvel Decor	44000	5000	780.00	23.50
KRBL	2553610	294970	765.72	243.75

Best Returns on BSE

Company	Days Close	Prices	% Chg	Average Volume
Fortnight				
Provogue (I)	2.03	0.90	125.6	28449
Arrow Greent	82.35	49.40	66.7	29074
Camson Bio	11.56	7.21	60.3	25564
Manpasand Bv	42.95	27.90	53.9	104356
Jinaam's Drs	51.00	35.00	45.7	24400
1 Month				
Chandra Prab	36.70	18.45	98.9	11526
Provogue (I)	2.03	1.04	95.2	16903
SVC Indust.	1.77	0.94	88.3	18883
Goenka Busin	1.18	0.63	87.3	7154
Excel Realty	1.77	1.04	70.2	40378
3 Months				
Eins Edutech	0.72	0.25	188.0	88003
Refex Inds	104.90	39.55	165.2	49605
Perfect-Octa	1.96	0.74	164.9	6993
Chandra Prab	36.70	14.30	156.6	5830
OCL Iron & S	6.98	2.84	145.8	50610

Worst Returns on BSE

Company	Days Close	Prices	% Chg	Average Volume
Fortnight				
Cox & Kings	26.95	60.50	-55.5	206628
GSS Infotech	53.05	99.80	-46.8	40950
Rushil Decor	271.65	485.75	-44.1	8655
Vikas Ecotec	6.19	10.42	-40.6	195343
MT Educare	39.30	65.40	-39.9	35010
1 Month				
Eros Intnl.M	15.85	66.35	-76.1	476749
Cox & Kings	26.95	90.70	-70.3	159358
Windsor Mach	20.30	65.50	-69.0	65491
Cox & King.F	3.89	11.38	-65.8	56651
McLeod Russ	12.60	33.40	-62.3	149826
3 Months				
McLeod Russ	12.60	85.25	-85.2	178390
Cox & Kings	26.95	139.80	-80.7	66510
Eros Intnl.M	15.85	78.85	-79.9	217007
Jet Airways	59.70	269.35	-77.8	2230097
Mercator	1.58	6.77	-76.7	424901

F&O Corner-NSE

Positive Trend

Company	Spot Price	Future Price	% Diff	OI Chg(%)
Dish TV	28.30	28.60	1.06	4.35
Ambuja Cemen	205.40	206.80	0.68	2.86
Manap.Fin.	129.55	130.30	0.58	-0.69
Adani Power	62.10	62.45	0.56	0.03
Siemens	1247.35	1254.30	0.56	3.28
SRF	2880.60	2896.65	0.56	6.02
BPCL	360.85	362.85	0.55	-3.33
Bharat Elect	101.20	101.75	0.54	6.09
Godrej Cons.	651.50	655.00	0.54	0.89
Torrent Pow	294.30	295.85	0.53	6.80

Negative Trend

Company	Spot Price	Future Price	% Diff	OI Chg(%)
Rel Capital	61.00	51.35	-15.82	-2.40
Dewan H.Fin.	77.80	72.70	-6.56	-3.81
Relian.Infra	50.00	47.35	-5.30	2.78
Ashok Leylan	84.80	82.15	-3.12	2.52
Cummins (I)	750.20	735.20	-2.00	7.63
Bajaj Auto	2777.80	2726.50	-1.85	1.53
ICICI Prud.L	381.45	374.45	-1.84	-1.60
Just Dial	771.95	759.35	-1.63	1.99

Active Calls

Company	Contract	Traded Qty	Open Interest	Chg in OI (%)
NIFTY	11700.00-Jul	37392750	3286650	1760.02
Pun.Nat.Bank	80.00-Jul	32046000	6090000	128.35
NIFTY	11800.00-Jul	30673950	2196225	230.69
Pun.Nat.Bank	85.00-Jul	22155000	5880000	12.90
Yes Bank	100.00-Jul	21494000	7614200	-0.89
NIFTY	11900.00-Jul	20384025	2327325	28.31
NIFTY	12000.00-Jul	20231025	3734550	4.37
NIFTY	11600.00-Jul	19876875	1295175	9998.83
NIFTY	11750.00-Jul	17673375	1084875	690.01
Yes Bank	90.00-Jul	16196400	2756600	-13.94

Active Puts

Company	Contract	Traded Qty	Open Interest	Chg in OI (%)
NIFTY	11600.00-Jul	30491850	792600	13.06
NIFTY	11500.00-Jul	26070300	1229925	94.53
Pun.Nat.Bank	70.00-Jul	24591000	3521000	173.37
NIFTY	11700.00-Jul	18174600	446925	-64.89
Yes Bank	90.00-Jul	15397800	5244800	-8.31
NIFTY	11550.00-Jul	12563325	665100	306.04
Pun.Nat.Bank	75.00-Jul	12348000	2821000	29.58
SBI	350.00-Jul	12321000	2421000	-14.60
SBI	360.00-Jul	12231000	1605000	-47.70
BANKNIFTY	30500.00-Jul	12008480	363340	15.91

Future OI Gainers

Company	Open Interest	Chg in OI (%)	Future Price	Chg in Price (%)
Bajaj Finser	824375	18.49	7597.00	-10.26
MindTree	1783800	16.86	772.10	-10.16
NIIT Tech.	1360500	13.94	1311.65	-0.46
M&M Financ	12592500	10.62	385.00	-2.10
Birlasoft	2652000	10.17	82.40	-7.57
NMDC	29436000	9.88	107.40	-3.37
PVR	603200	9.43	1621.20	-2.93
Bk of India	28074000	8.94	84.45	-10.40
Cummins (I)	1796900	7.63	735.20	0.66
Torrent Pow	3960000	6.80	295.85	-0.64

Future OI Losers

Company	Open Interest	Chg in OI (%)	Future Price	Chg in Price (%)
GAIL (I)	15825978	34.34	302.15	-1.50
Colgate	1842400	11.05	1172.25	-0.59
Indrapr.Gas	5332250	8.92	297.95	-0.25
Container Co	2006892	8.22	555.25	-3.37
Jubilant FdW	2662500	7.90	1243.20	1.05
Amara Raja B	1115800	7.22	630.60	-1.31
L&T	10893750	6.04	1475.00	-4.42
Bk of Baroda	50197500	5.58	124.55	-4.60
Kotak Mah.Bk	8408400	5.48	1477.50	-2.73
Marico	7758400	4.79	371.60	-2.29

Market-Wide Position Limit

Company	MWPL (Lakh)	OI (Lakh)	MWP (%)	Chg in OI (%)
Rel Capital	260.95	272.88	104.57	-5.09
Dewan H.Fin.	381.55	348.92	91.45	-2.55
Relian.Infra	305.43	263.04	86.12	5.28
IDBI Bank	393.24	336.96	85.69	4.78
Adani Power	1930.65	1617.40	83.77	-0.52
Pun.Nat.Bank	2084.26	1727.60	82.89	16.55
Escorts	146.89	110.95	75.53	4.91
Bk of India	589.36	429.36	72.85	13.71
SAIL	2065.28	1466.52	71.01	7.56
Dish TV	1547.03	1084.72	70.12	5.50

Top Sectoral OI Gainers

Sector	Open Interest	Chg in OI (%)	Trd Qty	Chg in TQ (%)
Medical Services	1622500	4.81	899000	28.06
Tyres	11368680	4.25	10256100	69.97
Entertainment	118436100	3.75	34585100	-8.42
Construction	249750000	3.71	94357500	-28.58
Textiles	10172575	3.48	7639825	0.10
Capital Goods	99322075	3.15	61540075	1.72
Mining & Minerals	115211600	2.74	34533000	-5.39
Consultancy	2412200	2.13	3248000	-1.28
Cement	22303600	1.96	8246650	-27.52
Infotech	141033250	1.80	48916600	3.75

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Straight Drive

A roundup of top events and moves on the Street

MindTree Falls Over 10%

Shares of MindTree plunged over 10% on Monday after the firm's founders Krishnakumar Natarajan, Parthasarathy NS and Rostow Ravanan resigned from the board and executive roles. The scrip closed 10.43% down at ₹773.95 on BSE.

PNB Shares Tank 11%

Shares of Punjab National Bank (PNB) tumbled over 10% after the company detected a fraud of more than ₹3,800 crore by Bhushan Power & Steel. The scrip slid 10.95% to ₹72.80 on the BSE.

Maruti Tanks Below ₹6,000

Shares of Maruti Suzuki India fell by over 5% Monday after the company cut vehicle production for the fifth consecutive month in June. The scrip dropped 5.21% to close at ₹6,033.15 on the BSE. During the day, it tumbled 5.95% to ₹5,985.55, its 52-week low.

Capital Goods Bleed Most

All the sectoral indices on BSE ended the day in red, with the BSE Capital Goods index declining nearly 4%. Other indices including Realty, Auto, Power, Bankex, Oil & Gas and Metal plunged between 2-4%.

181 Stocks Turn Bearish

Momentum indicator moving average convergence divergence, or MACD, showed bearish crossovers on 181 counters on NSE, signalling a potential fall in these stocks in coming sessions.

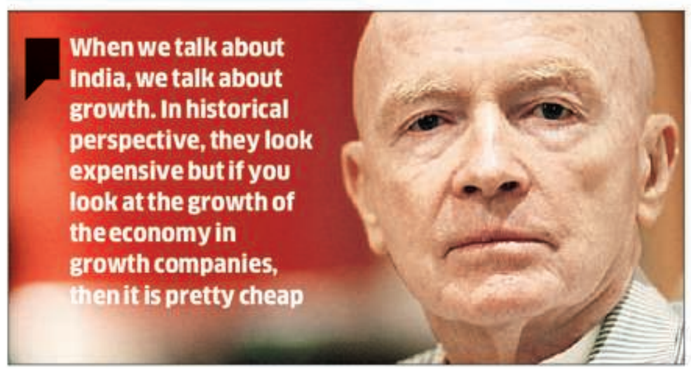
Nishant Kumar/ETMarkets.com

ET Q&A

MARK MOBIUS
Partner, Mobius Capital Partners

Govt Little Bit Too Careful... Fiscal Deficit Level Should be Up at 5%

Infra, small and midcap consumer stocks and select NBFCs are where Mark Mobius, partner, Mobius Capital Partners, is interested despite a dip in the market. Edited excerpts:



What are some of your takeaways from the Budget this time in terms of an indicator of reforms. From a market standpoint, do you feel that it was in line with expectations or would you have liked to see more?

It is a good sign. I believe that the budget emphasised very nicely the importance of the small and medium sized industry and giving them tax breaks and encouraging innovation and entrepreneurship. That is very good. Also, of course, the fact that they are going to be giving more to the farmers and rural areas is good as is the emphasis on infrastructure.

What I would like to see of course is implementation of privatisation. One of the interesting points of the budget is that the finance minister mentioned that they wanted to have more listing of state-owned enterprises and the very interesting part of that was the recognition that ETFs or exchange-traded funds and index funds meant that a lot of flows were coming in, driven by the industries and therefore it was important for India to have a heavier weighting in the various overseas indices.

What about the impact of the government's move in overseas borrowing on the sovereign front. Do you feel that this will lead to lower cost of capital, lower rates and more foreign flows into India? Do you see that happening?

Yes I think that it is a very good point in this budget. They now want to start offering fixed income instruments overseas and I believe that will push up the government expenditures in the budget but also more importantly will put India on the map. And it of course should lead to low interest rates. Investors overseas are hungry for yields with interest rates in America going down and therefore the timing is very good.

There were some talk about the short-term capital gains tax in line with the LTCG. How will that deter foreign investors from getting excited about pumping money into India?

When we talk about India we talk about growth. Currently, in historical perspective, they look expensive but if you look at the growth of the economy in growth companies, then it is pretty cheap. As regards taxes, I do not think we have been through this before regarding capital gains to foreign investors as long as this is efficient. Since it involves lots of bureaucracy, that should not be a big problem. I do not think the government will want to deter foreign investors with a very big tax.

The issuances of sovereign bonds by India has been a long-standing demand from the foreign investors. Do you think the fact that a step was taken in this front can be viewed positively and what sort of signs are you getting for the bond markets?

It is a very good move on the part of the government because India should be recognised in international capital markets and this very issue of sovereign bonds will go a long way towards increasing the credibility of the country in general and increase the credibility of the capital market. So it is a very good move. Also in the budget, the merging of the overseas Indian and the regular foreign investors groups is also a very good move.

There was focus on using monetary measures to ease liquidity and provide stimulus going forward. Do you feel that we will see the effect of this on the ground?

My main concern regarding the budget is that the government was a little bit too careful. I do not think a 2% or 3% debt to GDP level is appropriate for India.

They should be up at 5%. As you know, the US has 5% fiscal deficit as a percentage of GDP and that is where India should be and India should not be afraid of that because it is a fast growing country and infrastructure is needed. You have to really get that government spending in the right place and not be worried about the debt to GDP levels.

POWER PLAY
Mid-& Small-cap Corner

Is Piramal Enterprises a Misfit in Healthcare Indices?

Piramal Enterprises is the odd one out among the S&P BSE Healthcare Index and Nifty Healthcare Index stocks. While the pharmaceuticals sector has been the company's traditional forte, this decade has seen the company diversifying into real estate and financial services. At the end of FY18-19, the company earned more than half its revenues and three-fourths of its profit from financial services.

The share of its pharma business has been on a steady decline. From over 60% two years ago, the pharma and healthcare analytics business is down to less than half of the total revenues. In FY17, the two segments contributed 38% to the total profit – the proportion has reduced to one-fourth of the total segment income.

Improving the profitability of this business is one of its priorities. In a bid to improve the profitability of its pharma business, the company sold its imaging business a year ago. Its domestic consumer business was the only segment among its businesses to post a decline in revenues (of 3%) in FY19.

Incidentally, the company's stock performance has been in contrast to that of other pharma companies. The stock has doubled in the past three years, a period when the other stocks in the index saw 20-50% value erosion.

The current turmoil in the financial services sector is likely to lend volatility to the company's earnings, with its financial services arm, Piramal Capital & Housing Finance, expected to face risks from loans to the real estate sector and likely to face difficulty in raising funds.

While pharma stocks have been under pressure owing to the regulatory and market headwinds, the stock of Piramal Healthcare has fallen 19% in the past one year because of the turmoil in the financial services sector.

Despite the shareholder value creation in the past three years, analysts' interest in the Piramal stock has faded away. With four analysts tracking the stock, as per data from Bloomberg. Thirty-three analysts were tracking it in 2010, when it was predominantly a pharma company.

– Kiran Somvanshi

ROHAN SURYAVANSHI HEAD - STRATEGY & PLANNING

Need for Innovative Ways of Funding: Dilip Buildcon

"We need swift policy making. There definitely are a lot of issues and while the plan is very ambitious, we do not have enough money. Even if now there is a lot of policy making that is done, I do not think there is enough money. The current crop of infrastructure companies don't have the balance sheet wherewithal to do as much as the government intends to do. So, we will need to come up with innovative ways of funding. We will also need to have more and more foreign capital flowing into the sector. On top of that, we will need to have the domestic banks supporting this vision as well.

SANJIV BHASIN EXECUTIVE VICE PRESIDENT

Financials Could be Top Bets, Many Headwinds for IT: IIFL Sec

Financials should be the best of space. Yields are going to get lower given that now you will not have dependence of government on local borrowing. Some of the PSU banks, some of the NBFC, HFCs are very well poised because the next step by the RBI would be to cut rates and see that the transition of rates go through to the end user. We are extremely positive on financials. These are good opportunities to accumulate quality corporate banks and some PSUs and NBFCs. In the IT space, while TCS and Infosys could have some marginal gains but IT is not going to be the best space to be in; a) it has lost its colour on the back of the buybacks; b) the rupee which was a tailwind is now a headwind.

– ET NOW

11,105 LEVELS ON CARDS?

Nifty Could be On Its Way Down to Test 200-DMA

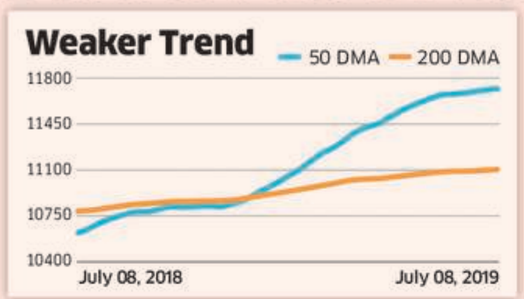


CHART *of the day*

The Nifty tanked 2.14% on Monday breaching its 50-day moving average of 11,714 to close at 11,588. The other key level, according to Rusmik Oza, head of research at Kotak Securities, to watch for the Nifty is 11,105 which is 200-DMA. In last five years there have been three occasions when the Nifty has broken its 50-DMA an invariably has gone to test the 200-DMA. In fact, on these three occasions it has even broken the 200-DMA temporarily but came back above that level gradually, said Rusmik Oza, of Kotak. This happens strongly when the gap between the 50-DMA and 200-DMA is quite wide as it is this time. Post breaking of the 50-DMA, placed at 11,714, there is very high probability that the Nifty it will go to test the 200-DMA placed at 11,105, he added.

China New Loans Seen at Five-month High

Reuters

Beijing: New bank loans in China are expected to have picked up to a five-month high in June, a Reuters survey has showed, as Beijing kept ample liquidity in the financial system to support the slowing economy and offset growing US trade pressure.

The central bank also stepped up cash injections last month to calm nerves after regulators seized a troubled regional bank, which sparked worries of financial contagion and briefly drove some short-term lending rates to record highs.

Chinese banks likely extended 1.7 trillion yuan ($246.92 billion) in net new yuan loans last month, up from 1.18 trillion in May but below 1.84 trillion in June 2018, according to a median estimate in a Reuters survey of 29 economists.

But some analysts are bracing for a weaker reading, after data from the China Banking and Insurance Regulatory Commission (CBIRC) last week suggested lenders doled out more than 990 billion in new loans last month. "We expect a modest rise in new loans due to seasonal factors," said Tang Jianwei, a senior economist at Bank of Communications in Shanghai.

"But CBIRC's H1 data suggested new loans in June might be slightly lower than May. We think this is due to weak loan demand from the real economy, as investment and consumption remain sluggish and exports still faces downward pressure."

Banks might also have been more cautious about lending risks in the wake of the takeover of Baoshang Bank in May, Tang added.

Govt Keen to Continue its Sustainable Growth Agenda, Avoid Populism

Expert Take

India stands at an interesting juncture today. With a stable government in place, a relatively fast-growing economy and a demographic dividend to potentially benefit from over the next several years, the tailwinds aiding the economy are many. Having said this, global growth uncertainty, escalating trade wars, delayed monsoons and growth-related concerns in critical sectors are some of the headwinds that can create challenges for the economy.

In this scenario, the Union budget becomes a very important platform for policymakers to demonstrate their intent to carry forward the growth agenda and address the immediate issues facing the economy. Naturally, the expectations from this event run high.

With her first budget, the hon'ble finance minister has made clear the government's intent to continue with its inclusive and sustainable growth agenda, while adhering to fiscal discipline and eschewing flagrant populism. The budget strives to achieve the right balance in terms of introducing long-term growth propellants while addressing the near-term deterrents at hand.

It clearly focuses on the critical areas, namely core infrastructure — roads, electricity, water supply etc. At the same time, it puts a lot of thrust on the enabling areas namely education, entrepreneurship, online infrastructure and technology, digital payments, ease of business, among others.

This to my mind, is the right approach showcasing foresight and long-term intent that will help India move forward on the trajectory of sustainable development. As I said earlier, we as a nation have several positives going in our favor, both from a global as well as domestic perspective.

It is high time that these catalysts are leveraged for tangible outcomes and to ensure a meaningful change in the lives of our citizens, whether they live in the cities or in the rural areas.

Looking at specific sectors, the budget clearly tries to address the key issues faced by industries such as banking and financial services, real estate etc. It provides a specific answer to the current credit-related issues being faced by the non-banking financial institutions, that risk spreading as a contagion and impacting the overall economy. Further, the move to capitalise public sector banks will help the banking industry to spur growth.

Moving ahead on its intent to make India a global hub for electric vehicles (EV), the incentives offered to those purchasing such vehicles will help drive demand in the coming years. Amid these commendable steps, it is extremely important that the government takes measures to address aspects such as building necessary infrastructure such as charging stations for EVs at reasonable cost, to ensure the success of this initiative. Further, it is important that measures are taken to address the current decline in automobile sales, something that the industry was looking forward to from this budget.

ANIRBAN

For the insurance sector, the move to allow 100% FDI for insurance intermediaries should infuse long-term capital in a vital segment of the industry, thereby aiding distribution and reach of insurance across the country.

This is a positive move that was much needed given that insurance penetration especially non-life insurance remains much below the global average, even as catastrophic events and lifestyle-related diseases are on the rise. Having said this, the absence of any direct incentives through tax benefits in segments such as home and health insurance is a disappointment.

In sum, the finance minister, in her first budget, has done a commendable job by announcing a budget that is comprehensive and long-term driven while providing immediate relief on short-term issues. Further, given that the government has a clear five-year journey to look forward to, setting the tone of focusing on long-term measures is the way to go. It is important that policymakers keep taking concrete steps in this journey, so that India realises its dream of becoming a $5-trillion economy by 2024-25.

(The author is MD & CEO, ICICI Lombard)

A Budget for Bharat, Funded by India and the World

Expert Take

The budget presented by finance minister Nirmala Sitharaman is a statement of purpose of Modi government 2.0. How well it drives India's journey towards a $5-trillion economy lies in execution.

The intent statement is pragmatic and takes into account both domestic and foreign factors. Infrastructure spend is needed to kick-start the economy, and for that the government needs capital.

Domestic savings are not enough to fuel the stalled engine and hence the urgent need to attract foreign capital. The world is awash with liquidity; interest rates in many developed economies are as close to zero as possible. A confident resurgent India wants to tap into this pool of capital to fund its growth plans.

Given our forex reserves and the size of the economy, we expect the government to raise sovereign bonds soon. In the past, the government had resisted such issuances. The government is interacting with various stakeholders and will announce the programme in due course. This will release pressure on domestic bond markets and yields will decline.

Asking Sebi to look at public ownership increase from 25% to 35% is a bid to attract foreign equity capital. The increase in float has been done with an intention to increase India's weight in global market indices, which in turn will drive inflows. The government is willing to bear short-term pain for long-term gains.

We can expect about $60 billion of equity issuances, and some MNCs might chose to delist as well. Sebi will announce guidelines after studying all aspects, and is expected to give a three-year window for compliance. FII limits have been revised up, from 24% to relevant sector limits.

The finance minister has relaxed the government ownership definition, to include ownership by other public sector entities like LIC. We can expect a host of PSU issuances, either through the CPSE ETF route or direct. Strategic divestment of Air India has been announced. Based on how this takes off, we can see some more strategic divestments.

The overwhelming mandate for Modi 2.0 will ensure that employees union pulls and pressures will be withstood. This also ties up with my earlier point of steps taken to attract foreign capital.

The other big picture change is the acknowledgement of the role played by NBFCs and HFCs in serving the credit needs of Bharat. The NBFCs and HFCs have been in the forefront in delivering credit to the poor in rural or urban India through micro finance, or affordable housing loans or MSME loans. Getting the RBI to regulate HFCs boosts credibility. Giving the RBI powers to change directors, force mergers of NBFCs among others increases the regulatory oversight of NBFCs and in the long-term increases credibility of the sector. This also implies that regulatory arbitrage between banks and NBFCs reduce considerably. Given that large NBFCs are bigger than banks, there is a need to articulate the evolutionary path for NBFCs. With this, one can expect a road map for NBFCs to become a bank after reaching a critical size.

The recent incidents have exposed that liability profile for NBFCs is a big and inherent risk and must be addressed.

Housing for all remains a policy objective. Increase in income tax exemption for housing loan interest on self-occupied properties, from ₹2 lakh to ₹3.5 lakh per year, for a house valued up to ₹45 lakh, is a positive. Demand growth in affordable houses has many downstream benefits.

The fiscal math of the government remains quite optimistic. It expects net tax revenues to go up by ~25% YoY, on the back of robust growth in excise, customs duties and personal income tax. Non-tax revenue assumptions on telecom and dividend from the RBI/FIs could be tough to meet. Despite this, the government may continue its track record of optically adhering to the revised fiscal deficit target of 3.3% of GDP, given it needs foreign capital to fund its spending.

(The author is MD and co-Promoter, IIFL)

ET in the Classroom

Options Straddles From Seller Side

In previous editions, ET explained the basics of a straddle from the buyer's perspective. This classroom looks at Nifty options' straddles from a seller's perspective

ANIRBAN BORA

1. What's a straddle?

It's a strategy whereby a trader sells a Nifty call and put of the same strike and receives a premium from the buyer.

2. Why does one sell a straddle?

You sell a straddle on the assumption that an underlier, in this case Nifty, would not rise above or below a certain level, which will enable you to pocket almost all or the entire premium paid by the buyer. The buyer buys a straddle as he expects there will be a sharp movement, either up or down, which will help him earn a profit. However, in most cases the seller beats the buyer as he charges a hefty premium on the straddle. In certain cases when the movement is very strong, though, the seller can end up incurring heavy losses.

3. An illustration...

Assume a seller feels the Nifty will not rise above or below a certain level by expiry on July 25 — there are weekly expiry contracts on Nifty too. He sells an 11,800 straddle (call and put) at Friday's closing rate of ₹139 a share (75 shares make a lot) for a call and ₹128 for a put, or a combined ₹267. His upper break-even point above which he makes losses is 12,067 and the lower break-even point for losses is 11,533. He makes a maximum profit of ₹267 if the Nifty expires at 11,800. Each point above or below 11,800 reduces the profit until the UBEP or LBEP. He thus expects the Nifty to trade within an 11,533-12,067 range.

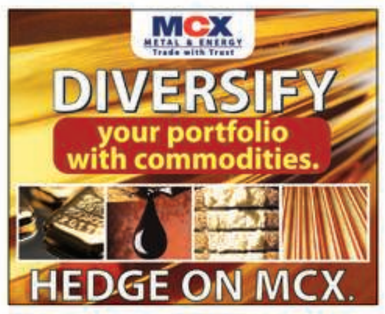
4. What happens if the Nifty expires at 11,900 or 11,700?

The 11,800 call is in the money by ₹100 but the 11,800 put expires worthless. After paying off the buyer of the 11,800 call ₹100, the seller still makes a profit of ₹167. In the latter case the 11,800 put expires ITM by ₹100 but the call ends worthless, resulting in the seller pocketing ₹167.

5. Is straddle selling risky?

Yes, as profit is limited to the premium earned but losses could be huge if the Nifty expired way above or below the break-even points. Option selling is up the street for a maverick trader with deep pockets.

TEXT: Ram Sahgal



Tweet of the Day

Ian Fraser
@Ian_Fraser

The banking sector was given various heroin-style hits through interest-rate cuts, QE and credit easing. The side-effect for banks was their business model began to disappear. But @DeutscheBank has taken years to notice.

Quarts & Ounces

ET Index

COMMODITIES (2003=1000)

	CHANGE	DAYS INDEX	PREV DAYS	LAST WEEK
Bullion	-0.29	4866.9	4881.2	4818.3
Cement	0.00	2397.3	2397.3	2397.3
Edible Oil	-0.50	1529.2	1536.9	1541.1
Foodgrains	0.04	2373.1	2372.1	2381.1

Did You Know?

AI can be $450b Opportunity for Banks

The aggregate potential cost savings for banks from AI applications is estimated at $447 billion by 2023, with the front and middle office accounting for $416 billion of that total, per Autonomous Next research. Most banks (80%) are highly aware of the potential benefits presented by AI, per an OpenText survey of financial services professionals. In fact, many banks are planning to deploy solutions enabled by AI: 75% of respondents at banks with over $100 billion in assets say they're currently implementing AI strategies, compared with 46% at banks with less than $100 billion in assets, per a UBS Evidence Lab report. Certain AI use cases have already gained prominence across banks' operations, with chatbots in the front office and anti-payments fraud in the middle office the most mature — BUSINESS INSIDER

Nayara Energy Raises $750m via Offshore Loan

Deal structure allows Nayara to leverage its regular export flows to optimise its capital structure and liability profile

Saikat.Das1@timesgroup.com

Mumbai: Russian oil producer Rosneft-owned Nayara Energy, formerly Essar Oil, has raised $750 million through an offshore loan aimed at reducing the company's cost of debt and strengthening its balance sheet.

"The deal structure allows Nayara to leverage its regular export flows to optimise its capital structure and liability profile," said a person aware of the fund raising.

Under the arrangement, Nayara has mopped up the $750 million credit against delivery of gasoil to BP Singapore Pte Ltd and Trafigura Pte Ltd over a 48-month period. At the same time, it allows Nayara, BP and Trafigura to lock in sales and supplies over a four-year period, providing certainty of offtake and supply, said another person aware of the deal's structure.

Both BP and Trafigura could not be contacted immediately for comments. The erstwhile Essar Oil was sold in August 2017 to Rosneft and Trafigura. It is now the second largest single-site refinery in India.

In market parlance, the loan is known as Prepayment Finance Facility, which is a kind of structured credit used for funding producers of goods and commodities often not considered creditworthy enough. The transaction has been structured into two tranches of $375 million each, backed by separate commercial contracts and prepayment agreements between Nayara and the two buyers – BP and Trafigura.

Deutsche Bank was mandated as lead arranger of the loan. A bank spokesman declined to comment on the matter. An email query sent to Nayara Energy remained unanswered.

The loan is likely to have been priced after adding about 325 basis points spread over and above the London Interbank Offered Rate (LIBOR), dealers said.

The deal would work as follows: Nayara obtains prepayments before delivering gasoil, while both BP and Trafigura would be getting oil at a fixed and discounted rate over next four years. Simultaneously, the loan will allow Nayara to cut debt levels.

Deal Terms

Nayara has mopped up $750 million credit

- **The company** has to deliver gasoil to BP Singapore and Trafigura
- **The loan** is known as Prepayment Finance Facility

HOW IT WORKS?

- **Nayara obtains** prepayments before delivering gasoil
- **BP and** Trafigura would be getting oil at a fixed and discounted rate
- **The loan** will allow Nayara to cut debt levels

LITTLE HELP The six-month partial credit guarantee offered to public sector banks in budget may not be much of a cushion since delinquencies peak in 24-30 months

Only Big PSBs Equipped to Buy NBFC Pooled Assets

Our Bureau

Mumbai: Only the biggest public-sector lenders such as State Bank of India and Bank of Baroda may be able to buy portfolios from NBFCs since most other peers may not be equipped to evaluate such securities amid a series of rating downgrades. Also, a six-month cover offered in the budget may not be much of a cushion since delinquencies peak in 24-30 months.

The Centre has allowed one-time, six months' partial credit guarantee to public banks for their first loss of up to 10% for purchase of high-rated pooled assets of ₹1 lakh crore. This is likely to provide better-run NBFCs access to liquidity.

Stronger NBFCs and home financiers are, however, not facing major issues in securitisation.

"While more clarity is awaited, the six-month loss guarantee is a tad too short to provide comfort to rating agencies and banks as pooled portfolio delinquencies usually peak in 24-36 months," wrote Nilanjan Karfa and Harshit Toshniwal of Jefferies.

"Purchase of ₹1 lakh crore of pooled assets in six months appears difficult too. Given little trust in credit ratings following recent rating downgrades, only larger public sector banks like SBI or BoB may have the necessary skills to evaluate loan pools." Banks are the largest buyers of pooled assets from NBFCs given the liquidity issues faced by the sector since September 2018.

The partial credit guarantee from the government would help NBFCs raise funds from PSU banks, providing them much-needed funding support.

"With the guarantee being available for only six months, the preference could be for relatively shorter-term retail assets," said Icra in a report.

The government has taken a number of steps to revive the NBFC sector. It has allowed all NBFCs to directly participate on the TReDS platform. It has strengthened the regulation over NBFCs by giving authority to RBI and also moved the regulatory functions in the housing finance sector from NHB to Mint Road.

Whole-hearted Support?

THE PARTIAL CREDIT GUARANTEE WOULD HELP NBFCS RAISE FUNDS FROM PSU BANKS, PROVIDING THEM WITH FUNDS

Banks are the largest buyers of pooled assets from NBFCs given the liquidity issues faced by the sector

STRONGER NBFCS AND HOME FINANCIERS ARE, HOWEVER, NOT FACING MAJOR ISSUES IN SECURITISATION

ETMONEY App will Calculate Your Capital Gains on MFs Instantly

Co has clocked over ₹2,500 crore of mutual fund sales on its platform

Our Bureau

New Delhi: ETMONEY has added a new feature that allows users to calculate capital gains on their mutual fund investments instantly, a process that is usually cumbersome and requires an investor to visit multiple websites to check their investments in various mutual fund schemes.

The app-based provider of financial services is hoping to attract more users to its platform with the new feature as tax payers rush to file income tax returns (ITR) with the July 31 deadline round the corner.

"You would be able to get details of how much capital gains you need to pay for the fiscal year for which you are filing returns with a single tap which will generate a sheet collating gains from each of your mutual fund investments," ETMONEY's chief executive officer Mukesh Kalra said.

Kalra termed the feature an "industry-first" and argued that the app was constantly innovating to add users by providing free services such as automated portfolio tracking and portfolio analysis. The feature will be available to news users as well, according to him.

ETMONEY is a Times Internet-backed company that was launched over two years back and has grown to become the largest mobile-based provider of financial services. Times Internet is a sister company of BCCL, the publisher of The Economic Times.

Within a short span of time, ET Money has struck collaborations with over twenty asset management companies to offer a range of over 1000 mutual fund schemes.

It also has a tie-up with RBL Bank to provide loans to customers and recently introduced a liquid fixed deposit scheme that offers higher interest rates in comparison to traditional savings accounts. ETMONEY's range of financial solutions covers mutual funds, insurance products and personal loans.

Users have made mutual fund investments worth ₹2500 crore on the platform since its inception, according to Kalra who said the app will target doubling the quantum of investments made through its platform before the end of the current financial year.

ETMONEY has over 6 million users. The app can be downloaded on both Android and IoS platforms.

India's Worst Water Crisis

▸▸ From Page 1

"This would be followed by a clearly outlined policy that can make sea water usable in most cost-effective manner as water is the priority area for the government," the official added.

According to a Niti Aayog report on water management index last year, India is currently suffering from the worst water crisis in its history with the country ranked at 120 among 122 countries in the quality of water. By 2020, it said, as many as 21 major cities of India will run out of water and face 'day zero'—a term that got popular after a major water crisis in Cape Town in South Africa, which means literally switching off most of the city's tap for a day.

The report said 600 million people face high-to-extreme water stress, 75% of households do not have drinking water on premises and 84% rural households do not have access to piped water. Moreover, factors such as rapid climate change and ongoing over-extraction of groundwater, mainly for agriculture, are pushing the system to a breaking point, the Aayog had observed. The think tank's desalination plants plan comes in this context. Countries like Israel have been successful in using desalinated water for wide use. Currently, as much as 70% of household water comes from desalinated sea water in Israel.

Details of India Stay

▸▸ From Page 1

"Even if a person is forced to extend his stay in India beyond 182 days on genuine grounds like hospitalisation or marriage, there is no respite. The department has turned aggressive to ensure that foreign income of residents does not escape taxation," said senior chartered accountant Dilip Lakhani.

Many notices were served to NRIs a month before the budget which proposed an amendment (with retrospective effect) in the black money Act to include NRIs in the definition of 'assessee' – a move that would make the laws more stringent.

In the tax return form for financial year 2018-19, NRIs have to give details of stay in India for the past four years to enable the assessing officer to determine their true residential status.

According to Mitil Chokshi, senior partner at Chokshi & Chokshi, it is advisable for NRIs, particularly those who have got that status in the past 6-7 years, to preserve relevant documents and clear evidence of source and application of funds as well as immigration details.

Sometimes, there is a dispute over how one calculates 182 days — whether departure and arrival dates are included or only the arrival date is considered in the period of stay. Under the 365-day rule, the law allows the tax office to let a person (who gives necessary explanation) claim NRI status even if he has overstayed beyond 60 days in the fifth year or the year under question. However, there are cases where the tax department has refused to extend the benefit of 182 days to persons who have stayed in India for more than 60 days in the relevant year.

It is equally important, says Chokshi, to explain the rationale for becoming an NRI — whether it is for employment, business, academic purposes or family matters. The I-T enquiries are driven by the suspicion that a person becomes an NRI to legalise undisclosed offshore assets and earnings emanating from them.

Correction Likely

▸▸ From Page 1

Yes Bank gained 5.6% to ₹93.10, while TCS shares ended up 0.7% ahead of its June quarter earnings announcement on Tuesday.

"Regional markets are down sharply today. Also, a small segment of market participants was expecting some form of stimulus from the budget. But the stimulus was unlikely because the government is facing a tight revenue situation," said Sanjay Mookim, India equity strategist for Bank of America Merrill Lynch.

Akash Singhania, senior vice president, Motilal Oswal Asset Management, said there could be a small correction in the markets in the near term due to a slowdown in earnings, high valuations and the anticipated supply of paper due to the increase in minimum retail shareholding from 25% to 35%.

FPIs sold shares worth nearly ₹402 crore while domestic institutional investors purchased stocks worth ₹321 crore.

Amar Ambani, head of research at Yes Securities, said the increased income-tax surcharge on the super-rich also has a bearing on FPIs coming in through the trust route and taxation of CAT-III Alternative Investment Funds. "This potentially reduces the post-tax attractiveness of India vis-à-vis other markets," he said.

Sensex has fallen 0.2% since May 23, when the Narendra Modi-led government returned to power. Markets had gained 10% before the election results. However, continued liquidity crisis in the NBFC space, instances of corporate misgovernance and high valuations have hurt market sentiment.

Purchase Behaviour Linked to Farm Output

▸▸ From Page 1

Kantar Worldpanel is a global consumer research firm owned by communications and advertising giant WPP. This is the first instance of urban outpacing rural consumption in at least two years.

In the last quarter of FY19, the fast-moving consumer goods market grew 13.6% with rural growth at 15.2% compared with 12.7% in the urban market. The overall market, however, further decelerated to 12.2% in April and 10.2% in May, said officials citing Nielsen data.

"There is a general slowdown in rural demand. While the demand has been slowing down sequentially from the October-December 2018 quarter, it is still higher year-on-year," said Mohit Malhotra, chief executive officer at Dabur, the maker of Vatika shampoo and Real juices, which derives 45% of its overall domestic sales from rural areas. "This slowdown, however, is not structural. For Dabur, rural growth is still 3-4% ahead of urban."

Sales of branded daily needs in the nation of 1.3 billion people have increasingly relied on the rural hinterland, home to more than 800 million, whose purchase behaviour is largely linked to farm output. The agriculture sector grew 2.9% in FY19, compared with 5% in FY18.

"We see smaller regional companies growing well but larger firms with higher salience on the overall market has been dragging down the overall market," said B Krishna Rao, senior category head at Parle Products that gets more than half its sales from rural markets. "Sentiment is not very optimistic and the situation is made worse because of the liquidity crunch, partly due to the election." ICICI Securities met executives of 40 companies — 18 listed and 22 unlisted — across the consumer space to gauge the extent of the rural slowdown.

"The conclusions were rural demand slowdown is likely to lead to growth deceleration in FY2020 and recovery will take time," it said in an investor report. "Consumption deceleration continues across the board — urban consumer staples (are) outperforming rural." The 40 companies ranged from large, listed, urban-focused ones to smaller regional players, it said.

Companies, however, expect government efforts and a normal monsoon will revive the rural economy and should lead to better growth in the second half of the fiscal year. "The pace of rural growth has been slower than historically, when rural was growing more than twice the growth of urban," said Vivek Gambhir, managing director, Godrej Consumer Products Ltd. "To deal with the slowdown, we are focusing on driving volume growth through new product launches and consumer offers as well as fast-tracking growth in alternate channels such as modern trade and ecommerce."

Corporate Tax Proposals to Fuel New India

Expert Take

Budget may stimulate economy by supporting businesses & aiding rural economy

HITESH D GAJARIA

Finance minister Nirmala Sitharaman presented her maiden budget amidst soaring expectations of reviving investment sentiment, accelerating economic growth as well as providing tax incentives and rate cuts. In the backdrop of a slowing economy, weakening consumption, rural distress and high unemployment, she had an arduous task of balancing — revival of public and private investment, driving consumption and yet keep the fiscal deficit under control.

The budget seems to have made a genuine attempt at stimulating the economy by incentivising businesses, promoting rural economy and improving education. The FM has endorsed the roadmap for India to become a $5-trillion economy. Some of notable corporate tax proposals are:

Corporate Tax Rate: The long-standing demand of India Inc has been to reduce the corporate tax rate, including the abolishment of MAT. The budget has proposed to extend the benefit of concessional corporate tax rate of 25% to companies having a turnover up to ₹400 crore (for the year ended 31 March 2018) with a coverage of 99.3% of companies. While this is welcome, it stops short of making this an across-the-board cut, which would have brought real cheer. Large companies have been left out of the tax cut although they contribute the maximum in terms of growth, employment and tax payments.

Startups: The government has committed itself to supporting the startups and taking measures to ensure a conducive growth environment for them. The budget has listed further relaxation of conditions relating to carry forward and setoff of losses and announcements addressing the angel tax issues. The angel tax issue, while acknowledged by the FM in her speech, does not find place in the Finance Bill. One can expect that there will soon be clarity in this regard. Further, startups are not required to justify fair market value of their shares issued to Category-I Alternative Investment Funds (AIF). It has been proposed to extend this benefit to Category-II AIFs also.

NBFCs: NBFCs and banks face similar market challenges. The recent surge in NPAs have left both in a credit crunch. It is a high time that NBFCs are given parity in tax treatment as well. As a step in the right direction, interest income in relation to certain categories of NPAs of NBFCs are also proposed to be taxed in the year of receipt like existing provisions for banks. The budget missed extending the exemption of limitation of interest deduction to NBFCs, which are available to banking companies.

Buyback Tax: Purchase of own shares by unlisted companies are taxed at a rate of 20% plus applicable surcharge and cess in the hands of the unlisted companies. Capital gains if any, earned by the shareholders on such buyback of shares are exempted from tax. This was done in 2013 to remove the arbitrage of lower capital gains vis-a-vis dividend distribution tax. As an 'anti-abuse' measure, this budget now proposes to extend the buyback tax to listed companies as well. Whereas such arbitrage may arguably have existed in closely-held companies, the same doesn't necessarily hold good for publicly listed companies and it may not be correct to call it a tax avoidance measure and therefore introduce this as an anti-abuse provisions. Listed companies are guided by various considerations, and not necessarily only tax savings, in deciding on buyback. In this respect, such a levy was not warranted and in any case, it not as an anti-abuse measure.

Some progressive announcements such as making available pre-filled tax returns and faceless e-assessment of tax returns in a phased manner are good measures to enhance compliance, which would help in taxpayer base expansion. Given the headwinds the economy is facing , the government has not shied away from partially increasing the coverage of the lower tax rate of 25% and also announced the intent to provide targeted incentives to sunrise sectors. The corporate tax proposals thus align with the vision to propel India to $5-trillion economy and provide such vision with a firm grounding.

(The author is Partner and Head of Tax – KPMG India)

Yes Bank Shares Rally as it Refutes 'Rumours'

Our Bureau

Mumbai: Yes Bank shares rallied about 6% on Monday after the private sector lender dismissed 'rumours' of financial ill health while announcing two top hires.

"Over the past few weeks, there has been a lot of unfounded speculation about YES Bank's board and management stability, asset portfolio, future growth prospects.... We strongly refute such speculation, which we suspect is a deliberate and malicious attempt to create instability in the institution by undermining investor and client confidence," the lender said.

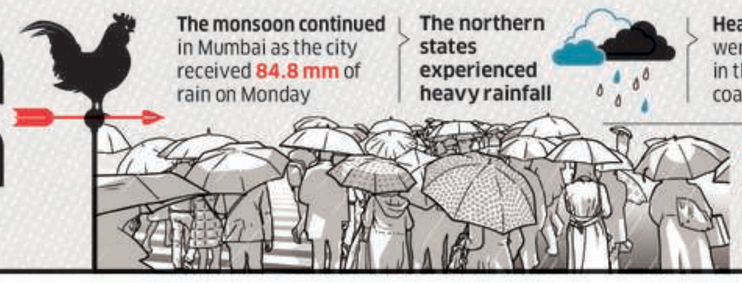
Shares closed at ₹93 against ₹88 on Friday.

"The financial position of YES Bank is sound and stable, and its liquidity and operating performance continue to be robust," the bank said. It announced the appointments of Rajeev Oberoi from IDFC Bank and Anurag Adlakha of Jana Small Finance Bank as senior group president — governance and control, and senior group president — financial management and strategy, respectively.

Sugar Traders Shift to Other Commodities

Pune: Small- and medium-sized sugar traders are focusing on trading other commodities after production of the sweetener exceeded demand over the past several years and speculation was curbed due to uniform rates following a government move to fix minimum support prices last year, reports **Jayashree Bhosale**. Trading in pulses, jowar and other grains, whose prices have fluctuated significantly due to recent droughts, has become more lucrative than trading in sugar. "Flat prices have made a large number of traders — who used to do business only in the domestic market — shift to trading of other commodities. Only those who do exports have survived," said Praful Vithlani, chairman, All India Sugar Traders Association.

Monsoon Watch



The monsoon continued in Mumbai as the city received **84.8 mm** of rain on Monday

The northern states experienced heavy rainfall

Heavy rains were also seen in the western coastal states

Despite heavy rainfall, the east and north-eastern regions have received **33% below normal** rainfall since June 1

With no significant rainfall yet, Delhi's rainfall is at **57% below normal** since June 1

CURRENT WEATHER AND FORECAST

Heavy rainfall is expected to continue in Mumbai

Delhi is likely to see rain in the next 48 hours

Thunderstorms observed in the eastern and north-eastern states

Bikaner and Ganganagar in Rajasthan at **42.2°** Celsius were the hottest cities in India on Monday

Central India expected to experience heavy rainfall

FM Rules Out Clarity on FPI Surcharge

INVESTORS ON THE EDGE Sitharaman says no need to issue clarification over concerns that FPIs may have to shell out higher tax

ANI

Our Bureau

New Delhi: Finance minister Nirmala Sitharaman has ruled out an immediate clarification on the proposed increased super rich surcharge being applicable to foreign portfolio investors.

Fears over applicability of the proposed higher tax on foreign portfolio investors structured as trusts spooked the stock markets on Monday, shaving 793 points, or 2%, off the benchmark index Sensex.

"I don't think clarification at the moment is all that required. Let's see as it goes. You think it is required? Will take it as it comes," she said at a press conference after addressing the customary post-budget board meeting of Reserve Bank of India in the capital.

Asked if the government would clarify on the issue, the minister said she would respond in Parliament. "I don't want to sound like a stickler for rules, but this is an answer that I'd rather give in the Parliament."

The minister's statement came hours after Central Board of Direct Taxes chairman PC Mody said at an Assocham conference that the government will issue a clarification soon. "The matter has been brought to our notice now. We will issue a clarification soon," Mody said earlier in the day.

There are concerns that foreign portfolio investors that have set up trusts to invest in India could be classified as an Association of Persons, a category covered by the proposed increased surcharge.

Following the increase in surcharge, the effective income tax rate for individuals with taxable income of ₹2-5 crore will go up to 39% from 35.88% and for those above ₹5 crore to 42.7%.

According to reports, about 2,000 FPIs operate as trusts. CBDT chief Mody said the board is collecting facts on the matter.

On moving the regulation of housing finance companies to the Reserve Bank of India, the finance minister said the government is of the view that the central bank is better equipped to handle HFCs.

NIRMALA SITHARAMAN
Finance Minister

I don't think clarification at the moment is all that required. Let's see as it goes

CAG, CVC May Not Cover PSUs if Govt Stake Below 51%

Firms unlikely to face scrutiny from central vigilance agencies as they will lose govt tag

Dheeraj.Tiwari
@timesgroup.com

New Delhi: State-run companies where the government brings down its stake below 51% may not come under the scrutiny of government vigilance agencies such as the Central Vigilance Commission and Comptroller and Auditor General.

Under Section 2(45) of the Companies Act, only those firms where the government has at least a 51% stake are considered to be state-owned, a senior government official said.

In her budget on Friday, finance minister Nirmala Sitharaman announced the government's intention to cut its stake below 51% in several companies on a case-to-case basis.

The official said the Department of Public Enterprises (DPE), which is the nodal agency for all central public sector enterprises, would look into the matter, and issue clarifications if any. "As per the current definition they (companies where government ownership is less than 51%) are no longer a government company," he said.

According to Section 2(45) of the Companies Act, a 'Government company' means any company in which not less than 51% of the paid-up share capital is held by the central government, a state government, or partly by the central government and partly by one or more state governments.

Another government official said if the total stake in a company including that of other government agencies remained 51% or more, then they might come under the scrutiny of the CVC and CAG.

The Standing Conference of Public Enterprises (SCOPE), the apex body of central government-owned companies, is of the view that there might be a need to change the definition of public sector undertakings, if the government wants to retain them under various regulations, such as Right to Information and on Corporate Social Responsibility spending.

"Otherwise, this will also raise the issue whether it (such a company) will be out of the ambit of CAG, CVC and other governmental regulations for state-run firms," said SCOPE chairman UD Choubey.

Out of Ambit

Section 2(45) of Companies Act defines govt firm

Only those firms are state-owned where govt has at least a 51% stake

Need to amend the Act if govt wants to retain PSU character

Otherwise, cos may not come under CVC, CAG and RTI

DPE EXPECTED TO LOOK INTO THE ISSUE

RBI Keeping an Eye on NBFC Operations: Das

Our Bureau

New Delhi: The Reserve Bank of India said it is keeping a close watch on non-banking finance companies based on their size and payment behaviour after unveiling a liquidity window complementing the government's budget package for the sector that has been under stress for some time.

"We are monitoring NBFCs based on their size and based on their past repayment behaviour... We are monitoring their operations very closely and at regular intervals," RBI governor Shaktikanta Das said after the customary post-budget board meeting addressed by finance minister Nirmala Sitharaman in the capital.

Asked why the central bank had announced a liquidity window after maintaining that there was surplus liquidity in the system, Das said, "I did not say that NBFCs are surplus with liquidity. I said system is surplus with liquidity."

He said the overall system is surplus in liquidity from June 1 onwards. "It continues to be surplus in liquidity, and system is not just NBFCs, it is much bigger," he said.

In the system there are many banks, and "within that, if there are individual banks, which have a liquidity issue, RBI will provide liquidity support to them," he said.

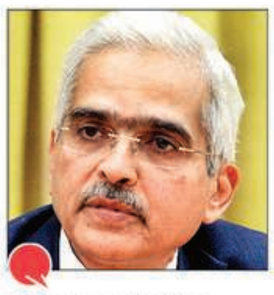
ON TRANSMISSION OF RATE CUTS

The RBI governor said he expects a quicker transmission of interest rate cuts by banks to consumers by way of cheaper home, auto and personal loans.

"In the last MPC (monetary policy committee) meeting (on June 6) I had said that by that time 50 basis points of repo rate cut had been announced, and out of this 21 basis points had been transmitted," Das said.,

Das said the central bank will discuss the issuance of overseas sovereign bonds with the government. "The government has made a budget announcement and we will interact with the government," he said.

RBI governor said it will take time for the rise in taxes to impact retail prices of fuel and that the MPC will assess this in the first week of August. "There could be a marginal increase, but it's not that, next day itself, it will impact inflation. It takes time for transmission," he said.



We are monitoring NBFCs based on their size and based on their past repayment behaviour...

SHAKTIKANTA DAS
RBI Governor

Breather for Exporters as Centre to Pay ITC Refund for State GST

LESS TAXING EXERCISE Move to reduce time taken in seeking claims and transaction costs

Kirtika.Suneja
@timesgroup.com

New Delhi: In a major relief to exporters, the Centre will now pay the input tax credit (ITC) refunds of state taxes, thereby reducing transaction time and costs, and manual interface in claim processing.

As per industry, there is a huge difference in the amount claimed, state goods and services tax (SGST) sanction amount received from central tax authority and the amount actually disbursed.

"The central government has been authorised to pay the amount of refund towards state taxes to the taxpayers," according to the 2019-20 budget.

At present, the taxpayers file refund claims with the central tax officer, who clears half the claims, and the rest are cleared by the state tax authorities, leading to higher time taken in claim processing and refund sanctioning.

Exporters also say that ITC refund is partly electronic and partly manual. The exporter files refund application at the portal, takes a printout along with acknowledgement and carries it to GST authorities in hard copy along with required documents, which too vary from authorities to authorities. The physical interface adds to the transaction time and cost.

"The states and Centre did their own respective approval of ITC refund but now only one will approve both. This is a relief for exporters as it would reduce transaction time and costs," said Ajay Sahai, director general at Federation of Indian Export Organisations.

The breather comes as exporters grapple with tight credit norms amid slowing global trade growth. Total disbursement of export credit was ₹7.38 lakh crore in December 2018, a decline of 20% on year. Share of PSU banks in total disbursement of export credit declined from 65% in FY16 to 45% in FY18.

Exporters have said the number of refund applications filed on the portal are lower than those received in the state tax office.

"The ability for Centre to give the refund for both the CGST and SGST will ease the problems being faced currently specially by the exporters and remove the delay in getting the entire cash post the sanction of refunds," said Bipin Sapra, partner at EY.

Big Respite

- Presently, Centre clears half the claims, & states clear the rest
- Also, filing of ITC refund is partly electronic and partly manual
- Manual interface adds to the transaction time and cost
- Centre will clear ITC claims towards state taxes now
- Relief for exporters as they face credit squeeze
- This will make refunds faster

Plans to Make Electronic Toll Collection Mandatory

Nishtha.Saluja@timesgroup.com

New Delhi: The transport ministry is planning to make electronic toll collection mandatory on national highways to reduce congestion at toll plazas, two officials told **ET**.

At present, about 30% of toll collected across more than 400 toll plazas managed by the National Highways Authority of India (NHAI) is done electronically. The government plans to make this 100% over the next three months, said a transport ministry official who did not wish to be identified. "The minister has said that cash as an instrument should not exist in the tolling system."

The other official said the default mode of tolling should be electronic as per the proposed policy. "The top management is of the view that this should be mandatory so the hassle at toll plazas is reduced," the official said.

OFFICE OF THE EXECUTIVE ENGINEER, GRID CONSTRUCTION DIVISION AMBEDKAR CHOWK, RAILWAY ROAD JAMMU, POWER DEVELOPMENT DEPARTMENT J & K

NOTICE INVITING e-Bids

e-NIT No. GCD/J/03 Of 2019-20 Dt. : 03-07-2019

(SHORT TERM TENDER NOTICE)

The Executive Engineer, Grid Construction Division Jammu, Power Development Department J&K for and on behalf of the Governor, Jammu and Kashmir state invites online e-bids **approved and eligible civil contractors for the following work.**

S. No.	Name of the work	Estimated cost (in lacs)	Cost of tender documents Non-refundable	Earnest Money (In Rs.)
1	Painting of control room building at Grid station Reasi.	Rs. 2.342 Lacs	Rs. 500/-	Rs. 4684/-
Time allowed for completion			30 Days	
Class of contractor			B, C, D	

1. Date of publishing 03-07-2019.
2. The bidding documents can be seen and downloaded from the website http://jktenders.gov.in from 03-07-2019 (1800 Hrs.) to 10-07-2019 (1600 Hrs).

Executive Engineer, Grid Construction Division, Jammu.

DIP/J-1510

MSME TECHNOLOGY DEVELOPMENT CENTRE (PPDC)
MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES
Government of India Organization Foundry Nagar, Agra 282006

LEARN TO SELL ONLINE
E-COMMERCE

CONTENT: Ecommerce Fundamentals, Opportunities, Business Models, Building Ecommerce Website, Selling on Online Marketplace (Amazon), Product Selection, Cataloging & Listing, Managing Orders & Inventory, Pricing Strategy, Social Media Marketing, Boosting the Online Sales.

LEARN FROM AMAZON CERTIFIED EXPERT
VENUE: Progro, NM-26 (basement), Old DLF, Sector-14, Gurgaon
Date: 14th JULY 2019 (SUNDAY) | Time: 10:00 AM to 6:00 PM
Fees: 3,500/- (Included Course Fees, Govt. Certificate, Soft Study Material, Lunch & Tea)
Beneficial for Retailers, Businessmen, Professionals, Housemaker, Students & Retired Persons
E-mail: progro.training@gmail.com, Contact : 8800994741, 8800995019
E-CERTIFICATE WILL BE AWARDED

Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam
11 - Mohini Road, Dalanwala, Dehradun, Uttarakhand-248001

पत्रांक : 505/PIU-Nivida/77 **E-TENDER NOTICE** Date : 04.07.2019

E-tender are invited for the following works

1. Construction of Bandiya Water Supply Scheme, Block Rudrapur. Including review of Design, Supplying, Laying, Jointing & testing of Rising Main, Distribution System, Construction of OHTs, Drilling & development of Tubewells and all appurtenant Civil & E&M works etc including Five year Operation, Maintenance & Management on pre-defined Performance standards.

A (i) Name of Division : World Bank Project Unit, Uttarakhand Peyjal Nigam, Haldwani
(ii) Estimated Cost : Rs 1490.78 Lakhs
(iii) Period of completion/ Trial Testing/O&M : 18+3+60 Months
(iv) **Earnest Money : Rs. 30.00 Lakh**
2. **Last date for receiving of All Bids : 01.08.2019, 17:00 hrs**
3. **Cost of each tender : Rs. 5000 + GST**

Detailed E-Tender notice and tender document will be published in www.uktenders.gov.in on 11-07-2019 at 15:00 hrs **General Manager (PIU)**

PUBLIC NOTICE/TENDER NOTICE

SR. NO.	NAME OF DEPARTMENT/ BOARD/CORP./ AUTH	NAME OF WORK/ NOTICE/TENDER	OPENING DATE CLOSING DATE (TIME)	AMOUNT/EMD (APPROX.) in Lacs	WEBSITE OF THE DEPARTMENT	NODAL OFFICER/CONTACT DETAILS/ EMAIL
1	UHBVN	Construction of 01 No. 33/ 11 kV containerized GIS sub-stations of Jatton Gate Karnal	03.07.2019 (17:00 hrs.) 26.07.2019 (13:00 hrs.)	10.00	www.uhbvn.org.in	CE/PD&C, UHBVN, Panchkula Ph. No. 0172-2570431, 3019109, 3019145, 3019146 Email : cepdc@uhbvn.org.in sepd@uhbvn.org.in xendd3@uhbvn.org.in
TENDER REF NO./ TENDER NO.			NIT-262/P&D/2019 (B-605)			

Issued through DPR,Haryana/Advt.No. 1135/11/3536/1920/77404/08/07/2019

Chief Engineer/ PD&C, UHBVN, Panchkula.

MADHYA PRADESH URBAN DEVELOPMENT COMPANY LIMITED
(URBAN DEVELOPMENT & HOUSING DEPARTMENT, GOVERNMENT OF MADHYA PRADESH)
M.P. RAJYA SAHKARI KRISHI & GRAMIN BANK, 8, ARERA HILLS BHOPAL (M.P)-462011, Phone No. : 91-755-2763060,61
E-mail : mapursep@gmail.com
MADHYA PRADESH URBAN SANITATION AND ENVIRONMENT PROGRAMME KFW FUNDED

INVITATION FOR BIDS UNDER INTERNATIONAL COMPETITIVE BIDDING

NIT No. MPUDC/KIW/2019/4945 **Dated 05.07.2019**

Madhya Pradesh Urban Development Company Limited invites Bids (to be submitted in the e-Procurement Portal) for the following works :

Package 4 : Survey, Review the Designs, Redesign where necessary and Build Sewage Collection and Conveyance System, Sewage Treatment and Disposal System of Narsinghpur Nagar Palika, District Narsinghpur of Madhya Pradesh and Operate and Maintain the Built System for 10 Years (Fourth Call)

Package 5 : Survey, Review the Designs, Redesign where necessary and Build Sewage Collection and Conveyance System, Sewage Treatment and Disposal System of Mandla Nagar Palika, District Mandla of Madhya Pradesh and Operate and Maintain the Built System for 10 Years (Fourth Call)

Detailed Invitation for Bid with all relevant information is available on **https://www.mptenders.gov.in/**(Tender by organization/ Directorate Urban Administraion and Development-Tender No. 2019_UAD_36604 for Pkg-4 and 2019_UAD_36611 for Pkg-5). Bidding Documents are also available online.

The Bid document is available online at **www.mptenders.gov.in** from 09.07.2019, 10:30 hrs (Indian Standards Time). The deadline for online submission of bids is 21.08.2019, 17.30 hrs. The bids will be opened on 22.08.2019 at 16:00 hours. This detailed Invitation for Bids is also available on the website **www.mpudc.co.in/latest tenders.**

Bidders are advised to note the minimum qualification criteria specified in the bidding documents. Interested bidders may participate in the bidding process as per instructions given in the bidding documents.

DEPUTY PROJECT DIRECTOR (TECHNICAL)

M.P. Madhyam/94401/2019

Government of India
Ministry of Home Affairs Office of the Commandant
25 Bn, SSB, GhitorniPO-Arjangarh, New Delhi-110047
No.CRC/PF/No.0266887CT(GD)/P.K/25
Bn/SSB/G/17/15808-13
Subject: SHOW CAUSE NOTICE.

Whereas, No. 0266887 Constable (GD) Pradeep Kumar, S/o late Sushil Kumar, H/No. 174, Gali No. 30, PO: Molad Ban Vistar, Kachhi Colony, PS: Badarpur, Distt: South Delhi (Delhi) Pin- 110044. is absconded from duty place i.e. 25th Bn SSB, Ghitorni wef. 01.03.2019 (FN). And whereas, communications directing you to assume your duties were issued at your home address vide this office memorandum **No. CRC/PF/CT (GD)/Pardeep Kr./25 Bn/SSB/G/12/8637(A) dated 04.04.2019, No. CRC/PF/CT (GD)/Pardeep Kr./25 Bn/SSB/G/12/9586 (A) dated 15.04.2019 and No. CRC/PF/CT (GD)/Pardeep Kr./25 Bn/SSB/G/12/10463 dated 27.04.2019,** but you failed to assume your duties. And whereas, a Court of Inquiry was ordered vide order No. **CRC/PF/CT (GD)/Pardeep Kr./25 Bn/SSB/G/12/10589-90 dated 29.04.2019 after expiry of 30 days** of your absence without sanctioned leave as per provisions contained under **Section 74 (1) of SSB Act, 2007.** And whereas, on receipt of COI report, the undersigned after having satisfied with the opinion of the COI, made a record there under justifying your absence without leave and inventory of Govt. property in your possession. And whereas, Apprehension Roll was issued to concerned Police Authority to apprehend you vide this office letter No. **CRC/PF/CT (GD)/No.0266887 CT(GD)/P.K./25 Bn/SSB/G/17/12855 dated 25.05.2019** & No. 13492 dated 01.06.2019. And whereas, when neither you have surrendered yourself either before the Police Authority or the unit, nor you were apprehended by the concerned Police, you were declared as **"Deserter"** vide order **No. CRC/PF/CT (GD)/Pardeep Kr./25 Bn/SSB/G/12/14426-31 dated 17.06.2019 as per provisions contained under section 74(2) of SSB Act, 2007.** Copy of order declaring you as deserter is enclosed. And whereas, a Show Cause Notice was served upon you vide letter No.. **14585-89 dated 19.06.2019** for assumption of your duties within a period of **15 days after receiving the Show Cause Notice**, but you failed to assume your duties. Now therefore, once again this notice is being served upon you with the direction to assume your duties within a period of **15 days** after receiving this notice, failing which you shall be **"Dismissed form service"**.

sd/05.07.2019
(Anil Kumar Sharma)
Commandant
25th Bn. SSB, Ghitorni

CORRIGENDUM No 1

Corrigendum to Tender Notice No. HWH-VI-03 OF 2019-20 dated 04.07.2019. Due to some unavoidable circumstances the tender closing date & time of the above work should be read as 30.07.2019 15.00 hrs. instead of 25.07.2019 15.00 hrs. and Bidding start date should be read as 16.07.2019 instead of 11.07.2019. All other terms and conditions will remain unchanged.

Siddhartha CON-50/2019-20

EASTERN RAILWAY

Open Tender Notice No. : F/CR/WC/95, dated 01.07.2019. Open tender is invited by Chief Works Manager, Eastern Railway, Jamalpur for the following work : **Name of Work** : Complete overhauling & commissioning of 05 numbers Cummins Main Diesel Engine Model NTA 855R FFC-01 no. & NTA 855L (BC) - 04 nos. of 140T rail crane. **Tender Value :** Rs. 79,31,907/-. **Earnest Money :** Rs. 1,58,600/-. **Date & Time of availability of tender document** : From 16.07.2019. **Last Date of Submission and Opening** : 31.07.2019 upto 14.30 hrs. & 31.07.2019 at 15.00 hrs. Details available at **www.ireps.gov.in**

Siddhartha MISC-102/2019-20

Tender Notices are also available at Website www.er.indianrailways.gov.in/www.ireps.gov.in

JHARKHAND BIJLI VITRAN NIGAM LIMITED
CIN :-U40108JH2013SGC001702
Register office :- Engineering Building, HEC, Dhurwa, Ranchi-4
FAX No. 0651 – 2400799, email – cere_jseb@yahoo.co.in
(Department of Rural Electrification)
(Through e-procurement mode only www.jharkhandtenders.gov.in)

TENDER NOTICE

(Through e-procurement mode only www.jharkhandtenders.gov.in)

Online tender are invited by General Manager (RP), JBVNL for Rural Electrification works on turnkey basis under Jharkhand Sampurna Bijli Achchhandan Yojna (JSBAY) Scheme & Tilka Manji Gramin Krishi Pump Yojana (TMGKPY) for following packages of Jharkhand as detailed below: -

Sl. No	NIT No.	Name of Package	Estimated Cost (In Rs.)	Bid Security (EMD) (In Rs.)	Cost of Tender + Processing Fee	Last date of online submission of tender	Date of opening of technical & commercial Part
1	30/PR/JBV NL/2019-20	Package-1 (Comprising Ranchi, Khunti, Gumla, Simdega & Lohardaga)	720699788	14413996	41854	Upto 15:00 Hrs of 31.07.19	After 15:00 hrs. of 02.08.19
2	31/PR/JBV NL/2019-20	Package-2 (Comprising Garhwa, Latehar & Palamu)	543351686	10867034	41854		
3	32/PR/JBV NL/2019-20	Package-3 (Comprising Hazaribagh, Ramgarh, Dhanbad, Bokaro & Chatra)	432628335	8652567	41854		
4	33/PR/JBV NL/2019-20	Package-4 (Comprising Giridih, Kodenma, Deoghar & Godda)	304730326	6094607	41854		
5	34/PR/JBV NL/2019-20	Package-5 (Comprising Dumka, Jamtara, Sahibganj & Pakur)	301522068	6030441	41854		
6	35/PR/JBV NL/2019-20	Package-6 (Comprising East Singhbhum, West Singhbhum & Saraikela - Kharsawan)	152177460	3043549	41854		
Date and Place of Pre Bid Meeting:- 12:00 Hrs of 15.07.2019 at Conference Hall, JBVNL							

Date of opening of price part: - To be notified after technical bid Evaluation (www.jharkhandtenders.gov.in). The Tender documents are available at website www.jharkhandtenders.gov.in. Tender documents must be accompanied with scanned copy of demand draft towards the cost of tender, Bid Processing fee, EMD in favour of "Jharkhand Bijli Vitran Nigam Limited" payable at Ranchi. Original demand draft for cost of tender (including bid processing fee) and DD/BG towards bid security (EMD) from a public sector Bank located in India or a Scheduled commercial India Private Bank as listed in Volume–I of tender must be submitted to the office of General Manager (RP), JBVNL, Ranchi upto 15:00 Hrs. of 31.07.2019 failing which the tender shall be summarily rejected.

स्वहित एवं राष्ट्रहित में ऊर्जा बचायें। कृपया अपनी शिकयतों को टॉल फ्री नं० 1800 345 6570 पर दर्ज करायें।

Sd/-
General Manager (RP)
JBVNL

PR 211163 Jharkhand Bijlee Vitran Nigam Ltd (19-20)_D

National Foundation to Help Boost Research Focus at IITs

Effectiveness will depend on amount of money pooled from ministries, say IITs

Rica Bhattacharyya & Sreeradha D Basu

Mumbai | Kolkata: Indian Institutes of Technology's expanded research focus is expected to receive further boost from the government's proposed research foundation, which will integrate funds from different sources.

Direct involvement of ministries through the foundation will make research more relevant and directed towards applications, said directors and deans of leading IITs. The outcome will, however, depend on the amount of funds available.

"The creation of the foundation is a good move, so is the involvement of ministries," said V Ramgopal Rao, director, IIT Delhi. "But how much money gets pooled will decide how effective it is."

The budget presented on Friday proposes to set up a National Research Foundation (NRF), which will fund, coordinate and promote research in the country. The objective is to strengthen the overall research ecosystem.

The NRF will assimilate the research grants being given by various ministries independent of each other. Focus will be on identified thrust areas relevant to national priorities and basic science, without duplication of effort and expenditure. The funds from ministries will be integrated in the research foundation and will be supplemented with additional funds.

While industry experts and academicians view this as a move to boost the research environment in the country in general, leading IITs, which have both the wherewithal and infrastructure to carry out research, could potentially be one of the major beneficiaries of the proposal.

"This integrated approach is a logical and efficient move. It will benefit the entire research ecosystem in the country and the IITs, which have reached a certain level of efficiency in utilising research funds, will surely benefit from it," said AK Mishra, dean, academic research, IIT-Madras.

"Currently, the ministry of human resource development (MHRD) allocates some money to the IITs for research but other ministries don't get involved in the activity," said Rao.

The main funding agency for IITs is the Department for Science and Technology (DST). Faculty members come up with ideas, submit proposals and then the DST funds those.

But the findings of the studies don't really get implemented on the ground and the ministries are never the stakeholders in IITs, Rao said. "As a result, there is a disconnect between what the society requires and what the faculty members are actually carrying out as research."

In the 2018-19 academic session, IITs saw an unprecedented increase in the number of research scholars graduating with a doctoral degree. India's top engineering institutes that are focusing on changing their image from undergraduate engineering colleges to research-focused institutes witnessed a 50-100% jump in successful PhD graduates over the last five years.

Among the factors that led to this were multiple sources of on-campus financial assistance, apart from government funding. This includes alumni donation and industry-funded research.

"The number of proposals being submitted has gone up quite significantly because of the number of newer institutions but the funding has not gone up proportionately. That's why the acceptance rate at the DST is only about 15%," said Rao. He said it is also likely now that more money will be available in the system.

"Right now research is fragmented...If NRF works, what will happen is that when it comes to research requirements across ministries and any initiation to do research in any specific area, they will find out institutes focusing on that area and call them, instead of each ministry trying to do something on its own," said Narayanan Ramaswamy, partner and national head for education and skill development, KPMG in India.

"We don't see funding as much of a constraint at the IITs but more can be done in fundamental research," said the dean of one of the top IITs.

The Aim

Proposed National Research Foundation (NRF) to strengthen research ecosystem in India

NRF will assimilate research grants from various ministries independent of each other

Funds available with ministries will be integrated in the foundation; supplemented with additional funds

The creation of the foundation is a good move; so is the involvement of ministries. But how much money gets pooled will decide how effective it is.
— V Ramgopal Rao, Director, IIT Delhi

'India is Considered an Exporter of Talent'

ET Q&A

Confectionery major Perfetti Van Melle India is looking to reposition itself, both in terms of business and talent. In an interview, its global chief human resource officer, **Thomas Stassen**, said the company considers India an exporter of talent across functions. "India is also increasingly becoming a hub for certain specialised domains like packaging, value engineering, data analytics for procurement, etc.," Stassen said. Excerpts:

Perfetti Van Melle global chief human resource officer Thomas Stassen

What are the business targets for India?
We aim to grow at a double-digit rate in the coming years. We would like to grow faster than the category, so that we also gain market share and strengthen our leadership position.

What has triggered the business transformation?
The environment is changing at multiple levels: consumer needs are changing, competitive landscape is changing, macro environment is becoming more challenging. In this context, it is important for us to reinvent ourselves to stay relevant, and this was the trigger. The objective is to lead to sustainable, profitable growth.

How is the company looking at talent transformation?
To embark on our next growth curve, we initiated our transformation journey, 'Sparkle', at the end of 2017. Sparkle aims to rekindle growth ahead of the market and drive a step-jump in profitability for us. The HR team partnered with business to enable this journey and for sustainable outcomes. The actions were planned in three steps: creating a shared need and vision, mobilising commitment, and making change last to enable better employee engagement and improved business results.

What is your view on talent in India?
We have a lot of Indian employees in extremely senior positions across the world and are really valued by the organisation. India is considered an exporter of talent on an ongoing basis across all the functions. Also, increasingly India is becoming a hub for certain specialised domains like packaging, value engineering, data analytics for procurement, etc.

What is your talent strategy for India?
We continue to up the bar on talent in line with the skillset and leadership competencies required as a result of our business transformation. One of the key tenets of our people philosophy is our commitment to grow from within. More than 60% of the roles that got created in 2018-19 were manned from within the organisation. Our huge focus is building talent for future roles and providing them with inputs that will enable them to take up more complex roles. We aim for an average of more than four man days of training per employee/per year. We believe in providing varied experiences to our employees in the form of international short-term assignments, cross-functional projects and also certain specialised global learning interventions for our high potentials.

INS Seeks Withdrawal of 10% Duty on Newsprint

Our Bureau

New Delhi: The Indian Newspaper Society (INS) has requested the government to withdraw the 10% customs duty imposed on newsprint, uncoated paper used for printing of newspapers and light weight coated papers used for magazines.

Publishers of newspapers and magazines are already reeling under severe financial pressure due to many factors like lower advertisement revenues, higher costs and digital onslaught from technological giants, said a statement issued by INS, the industry body that represents the newspaper industry. Small and medium newspapers will go into deeper losses and many of them will be forced to close down, added the statement. The 10% import duty on newsprint was imposed in the budget.

The total consumption of newsprint in India is estimated at 2.50 million tonnes per annum and the capacity of the domestic industry is only 1.0 million tonnes. In the case of uncoated (glazed) and light weight coated (LWC) paper there are no domestic manufacturers.

Publishers of newspapers & magazines are already reeling under severe financial pressure, said a statement issued by INS

"The INS calls for urgent intervention of the government to save the Indian newspaper industry by scrapping the unbearable burden imposed on it," said the statement.

PMO Leads the Way in EV Charging Stations

Aman.Sharma
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New Delhi: The government is leading the way in installing charging stations for electric vehicles, having set up several such units at various offices starting with the Prime Minister's Office.

Daily, after dropping off officers at South Block gates or their homes, electric cars of PMO line up at the 15 charging stations installed at its parking space to get charged for the next day.

"PMO decided to lead by example and have the maximum charging stations," an official in the top office told **ET**. "The prime minister is extremely keen on the idea. We also have a lot of electric cars in our fleet," the official said on condition of anonymity.

PMO has the maximum number of EV charging stations among ministries and departments, followed by official think tank Niti Aayog and the finance ministry with 10 each. Then there are seven in Parliament House, five at power ministry, four at Rashtrapati Bhawan, three at external affairs ministry and two at Gujarat Bhawan in Delhi.

Official energy service company Energy Efficiency Services Ltd (EESL) has installed these charging stations as part of the government's plan to buy 10,000 EVs. Only government EVs can access and be charged at these stations, given they are set up inside access-controlled buildings.

The budget has offered big incentives to people to buy electric cars, including income-tax rebate for loan interest payment and a GST cut that will reduce ownership cost of EVs vis a vis petrol and diesel vehicles.

Supporting infrastructure — mainly high-speed charging stations — is the next big challenge. There are 20 public EV charging stations functioning in Delhi-NCR with more in the pipeline.

PMO has the maximum number of EV charging stations followed by Niti Aayog, finance ministry

So far, the government is the biggest customer.

"The savings on fuel are substantive for the government through electric charging," said a senior official in another ministry using EVs. "The servicing cost is much lower too compared to a diesel vehicle that the government invariably uses otherwise. We are using some EV vehicles now and can assess the difference in cost," the person told ET.

RIL Ties up with Turkey's Kıvanç Tekstil

Mumbai: Reliance Industries has tied up with Turkey's textile manufacturer Kıvanç Tekstil to manufacture and market its sustainable and eco-friendly fabric brand R|Elan's GreenGold fabric in the country, the Mukesh Ambani-led company said in a statement on Monday.

As per the arrangement between the two companies, Kıvanç will be the exclusive distributor of RIL's Recron GreenGold fibres to spinners, yarn manufactures and knitters across Turkey. The arrangement will enable RIL and Kıvanç to offer eco-friendly textile solutions to brands and retailers, sourcing their requirements from Turkey, to meet the ever-growing demand of environment friendly apparels, the statement said. — Our Bureau

Vatika Group Repays ₹500cr Dues

Mumbai: Realty developer Vatika Group has repaid debt worth ₹500 crore to non-banking finance companies Housing Development Finance Corporation (HDFC) and Indiabulls Housing Finance, reports **Kailash Babar**. Of the total repayment, the company has repaid HDFC's debt of over ₹80 crore while Indiabulls Housing Finance has received nearly ₹420 crore for its respective project-level debt exposure. Vatika had raised this debt from HDFC and Indiabulls Housing Finance in a phased manner since 2013.

GMR Infra to Sell Stake in Four Road Projects

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@timesgroup.com

New Delhi: GMR Infrastructure will sell stakes in four operational road projects, monetise some of its industrial land holdings by the end of this fiscal year and use the proceeds to pay off debt, executive director Saurabh Chawla said.

The company, which owns and operates the international airports in Delhi, Hyderabad and Cebu in the Philippines, will shift the focus to expanding its existing airports and securing new projects in the same sector, he told ET.

GMR Infrastructure had consolidated debt of more than ₹21,000 crore at the end of March, and ₹11,000 crore of that was at the corporate level. While the balance debt at project levels gets serviced through cash generated from operations, the company aims to become debt-free at the corporate level by the end of this financial year. With the GMR Airports deal — it recently announced a ₹8,000 crore deal to sell a minority stake to the Tata Group, GIC and SSG Capital Management — the corporate debt will come down to ₹3,000 crore. It plans to pay off this with the proceeds from the sale of the highways and industrial land.

In the airports sector, GMR has evinced interest in all the domestic projects under bidding. Asia, Eastern Europe and Central Asia also offer a lot of opportunities. Sources said the company is in the race for a contract for the expansion of the Pattaya airport and the setting up an aircraft maintenance repair and overhaul hub.

"There is a management decision to grow our airports business. With the (investment from) Tata Group, GIC and SSG Capital Management, we should look at a much more aggressive play both domestically and internationally," Chawla said.

NIIF, NHAI Sign MoU to Fund Road Projects

New Delhi: The National Investment and Infrastructure Fund (NIIF) has entered into an agreement with the national highways building authority to invest equity in road projects, a move that will help the government fill the gap in funding the sector.

On Monday, the NIIF signed a memorandum of understanding with the NHAI to form a special purpose vehicle to execute fund arrangement for large-sized road projects, particularly green field, which will be executed by the NHAI. ET had reported on May 6 that the NHAI was exploring the idea of offering equity to investors in road projects. — Our Bureau

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I ,Gaurav Sharma S/O Pradeep Dutt Sharma C-42B 3rd floor paryavaran complex,south delhi I have changed my name from Gaurav Dutt Sharma to Gaurav Sharma for all future purposes

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I, Meenakshi Verma W/o Satish Kumar R/o Fazilwas, Fazalwas(149),Pachgaon Gur-gaon, Haryana-122413, have changed my name to Meenu

I, Kunal Bharti S/o Subodh Bharti M/o Manju Bharti R/o H.No.C-17, C-Block, Ph-1, Qutub Vihar, Goyla Dairy South West Delhi, ND-71, have changed the name to Kunal Bharti S/o Subodh Kumar Bharti Mother Manju

I, Bhagwati W/o Devender Singh R/o RG-29A, Street-6, Sangam Vihar, Dharmpura Ext. Najafgarh ND-43, have changed my name to Bhagwati Devi Bhandari.

I Deepanshi D/O, Surander Singh R/o A-1/311 Gf Janak Puri New Delhi 110058 have changed my name to Deepanshi Dabas for all purposes.

I Manoj Kumar Singh R/o Old Family Qtr. No. 12, Rashtrapati Bhawan, New Delhi-110004 do hereby declare that in my service record my son Date of birth is wrongly mentioned as 21-03-2011. The correct date of birth is 21-08-2009.

I Mukesh Kumar S/o Munna Lal R/o G-501 Oxy Homez Bhopura Loni Rd Koyal Enclave Bahaita Hajeepur GZB(UP)-201102 have changed my name to Mukesh Aggarwal .

I, Rajni Kumar Jha S/o Subhash Chandra Jha R/o H.No-281, Deoli, South Del-62, have changed my name to Rajnish Kumar Jha for all purposes

I Kulwinder Kaur W/o Inderjit Singh Johal R/o WZ 42/2-D Krishna Park Extn. Gali No. 13 New Delhi 110018 have changed my name to Kulvinder Kaur Johal for all purposes

I, Gautam Arya R/o K1/2, LGF Chitranjan Park, ND-19, have changed my minor son's name from Abigyan Arya to Abhigyan Arya for all future purposes.

I Yatinder Gupta S/o Murari Lal Gupta R/o. B-28 Jain Park Uttam Nagar New Delhi-59 Have Changed My Name To Yatinder Kumar Gupta For All Purpose

I, Simranjeet D/o Balbir Singh or Balvir Singh(who is one &the same person)R/o B-49/A Sher Singh Enclave nr karala pathshala Delhi-81 have changed my name to Simranjeet Kaur for all purpose vide affidavit dtd. 06/07/2019 at Delhi.

I Inderjeet Singh Johal S/o Piara Singh Johal R/o WZ 42/2-D, Krishna Park Extn. Gali No. 13, New Delhi 110018 have changed my name to Inderjit Singh Johal for all purposes

I, Kumari Anjali Shukla W/o, Shri Prakash Dixit R/o Dreamz Home Society, Flat0-07, U.G Floor, Block-c, Ghitorni, ND-30 have changed my name to Anjali Shukla for all purposes.

I, Shanky S/o Mahesh Kumar Gupta R/o H.No. 6, Ward No. 34, Radha Nagar, Teh. Ballabgarh, Faridabad have changed my name to Shanky Gupta for all purposes.

I, Ranjeeta W/o Ajay Verma R/o H.No. 557, Sector-22, NIT, Faridabad have changed my name to Mani Verma for all future purposes.

I, Lokendra Prash Bijalwan / Lokendra Prakash / Lokendra Prasad Bijlavan / Lokendra Prakash Bijlwan S/O, Dashrath Prasad Bijlwan R/o Permanent - Vill & Post - barethi, Dharasu Distt-uttarkashi, Uk, 249196 / Local-71d, Bhel Township, Sector-17, Noida, Up, 201301 have changed my name to Lokendra Prakash Bijlwan for all purposes.

I, Komal Chadha, wife of Shamit Ganguly, resident of AG-1/116-D, Vikaspuri, New Delhi - 110018, have changed my name to Komal Ganguly, vide affidavit dated 6th July 2019.

I Archie Gupta D/o Vipin Kumar Gupta w/o Vidur Garg R/o H.No.C-9 Gandhi Nagar Muradabad-244001 have changed my name to Archie Garg for all future purposes.

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I, Rakesh Kaher s/o. Late Satpal Kaher r/o.33D, U &V Shalimer Bagh, Delhi have lost my property documents i.e. DDA possession letter, DDA NOC for water and electricity

I, Savitary Devi W/o Gopi Ram R/o H.No-96, Kh.No-126/21 Nangloi, New Delhi-41 have changed my name to Savitri Devi for all purposes

I, Devender Singh S/o Mohan Singh R/o RG-29A, Street-6, Sangam Vhr,Dharmpura Ext. Najafgarh ND-43, have changed my name to Devender Singh Bhandari

I Tiamongla D/o Imna AO R/o H.No. 303, 4th Mile, Diphupar Dimapur Nagaland, have changed my name from Tiamongla to Tiamongla Longkumer for all future purpose.

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NCLT Orders Liquidation of Adhunik Metaliks, Zion Steel

Maharashtra Seamless can put in offer; lenders won't be allowed to consider proposal

Vatsala.Gaur@timesgroup.com

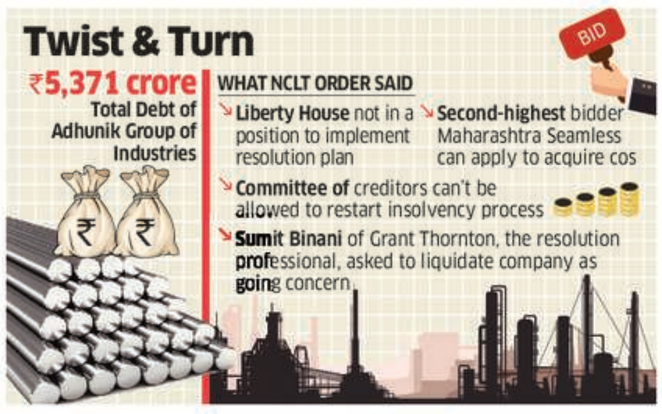
Mumbai: Close to two years after getting admitted for insolvency, Kolkata-based Adhunik Metaliks and Zion Steel were ordered to be liquidated by the Cuttack bench of the National Company Law Tribunal (NCLT) on Monday after Liberty House failed to implement its resolution plan.

However, Maharashtra Seamless — which had submitted a revised offer — can still apply to acquire the companies under Sections 230-232 of the Companies Act that deals with mergers and amalgamations, the bench ruled. The NCLT though rejected a plea by the committee of creditors to be allowed to consider the offer.

Maharashtra Seamless was the second-highest bidder for the assets of Adhunik Group of Industries, which has collective debt of more than ₹5,000 crore and employs over 1,500 workers.

Liberty House's plan was approved in July 2018 but its implementation got delayed.

The delay occurred due to MSTC's claims which were later rejected by both the National Company Law Appellate Tribunal (NCLAT) and the Supreme Court.



However, even after the claims were dismissed, the Liberty House failed to pay the upfront amount of ₹410 crore, saying the lenders did not issue it an offer letter for equity shares, which made it difficult for the UK-based company to invest funds as per plan.

The NCLT bench said this concern was deliberately raised at a belated stage by Liberty House.

"In this case, the situation that has arisen is that successful resolution applicant Liberty House Group is not in (a) position to implement the resolution plan," said the order. **ET** has seen the order.

"Corporate Insolvency Resolution Process period of 270 days has already been over along back. In such a situation, this authority has no option but to pass order of liquidation of the Corporate Debtor as per Section 33 of Insolvency and Bankruptcy Code, 2016," the NCLT bench said.

Rejecting the lenders' appeal to be allowed to consider the Maharashtra Seamless offer, the bench said that in its earlier form the offer was rejected because the capital being infused into the stressed companies was below the liquidation value. "In such a situation, the authority cannot reset the clock back to Day One. I cannot allow the Committee of Creditors to restart the Corporate Insolvency Resolution Period afresh over and again."

Liberty House did not offer any comment.

A source aware of the developments said the banks are reviewing the matter and may contest the NCLT order.

Sumit Binani of Grant Thornton, who was the resolution professional, has been asked to liquidate the company as a going concern. However, the source mentioned above said the company is not a going concern as it has not been operational for the past 14 months. The integrated steel plant has a capacity of 0.45 million tonnes in Odisha which can be increased to 1 million tonnes. Zion Steel, which is also located in the premises of Adhunik, has a rolling mill of 0.12 million tonnes.

This is the second company that Liberty House was keen to acquire that has receive a liquidation order. In April, ABG Shipyard was ordered for liquidation after the Sanjeev Gupta-led company — the sole bidder — failed to get its bid approved by the lenders.

Carlyle Set to Invest $45m in DailyHunt

Biswarup Gooptu & Reghu Balakrishnan

New Delhi & Mumbai: Bulge-bracket private equity firm Carlyle Group is in advanced discussions to invest an estimated $45 million (about ₹308 crore) in news and content application DailyHunt, as the Bengaluru-based company looks to delve deeper in the vernacular content space, while continuing to stave off stiff competition from its deep-pocketed Chinese rivals.

If successful the transaction could value the 12-year-old company at about $650 million, pre-money, according to multiple sources aware of the development. Separately, Japan's SoftBank, which operates the world's largest pool of private capital, has also had discussions with DailyHunt, to potentially invest $120-$150 million in the company.

When contacted by ET, DailyHunt spokespersons said the company did not comment on "speculative" stories, while Carlyle Group spokespersons declined to comment.

Additionally, a SoftBank spokesperson also said that the Japanese investor "did not comment on speculation."

The development comes at a time when DailyHunt, which has emerged as one of the largest Indic news and content apps in the country, is looking to further venture into vernacular segment that makes up the majority of consumers using the services.

The company also competes with Times Internet, the digital arm of Bennett Coleman & Co, the publisher of The Economic Times

Umang Bedi, president of DailyHunt, in an interview last year, claimed that the app had 100 million monthly active users. The company competes with a host of other startups operating in the space, including, InShorts, which counts New York-based investment firm Tiger Global Management as a backer.

Latest Click

$120-150 million
SoftBank's potential investment in DailyHunt

100 million
Number of monthly active users, according to the co

ET Column

GOPICHAND P HINDUJA
Co-Chairman, Hinduja Group

Heart in Right Place But Expectation Raised on Execution

DECODING THE BUDGET

The FY20 budget aims at setting the blueprint for government's vision of doubling the GDP to $5 trillion in five years. While there were adequate directional inputs, what was missing was immediate impetus for the slowing down economy.

The infrastructure sector clearly remains in focus. Road sector impetus continues with added focus now on waterways. Aviation sector was touched upon with selective higher FDI, domestic aviation financing facilitation, focus on MRO together with divestment of Air India. Investment in Railways along with Public/Private participation are bold initiatives but the success lies in getting consensus and execution.

Increasing liquidity is clearly an area of immediate focus. Larger entitlement of loans to MSME, portfolio purchase from NBFC by banks backed by first loss guarantee of 10% by government will help provide relief to the MSME sector that has been impacted by ILFS default. ₹70,000 cr of PSU Bank Recapitalization is timely, given that the NPA cycle has bottomed out. Given the Investment cycle is showing green shoots and investments are increasing per Economic Survey, this recapitalization is timely. Further, RBI will enhance governance both in the NBFC and PSU Banks will be a positive to develop healthy credit culture for the country.

Deepening the domestic bond market has been a long-awaited requirement of the financial sector. This budget focuses on number of initiatives in this area that should be beneficial for capital raising in an efficient manner.

The budget continues focus on quality of living for all. The target of affordable housing of 2 crore units by 2022 and electricity, drinking water and Gas connection for all will significantly impact quality of life. This will also act as a stimulant for employment, and the attendant sectors of cement, steel, consumer durables, etc. The model rental contract will facilitate entry of corporates in the housing rental market that will further boost the housing sector.

India is a young nation and demographic dividends can only be achieved when we invest in youth. The budget did talk about a new education policy, massive open online education initiative and regulatory reforms for higher education.

However, investments in primary and secondary education does not feature. Also, while there is a mention of Standup India initiative continuing, Skill India initiative does not get any mention in the budget. Our biggest challenge of a million job seekers entering the job market every month require skilling to compete in the current economic environment but are woefully short of life skills. This is an area that could have done with more attention.

In the last financial year, there was a massive scheme to insure the under privileged part of the society for hospitalization benefits up to ₹5 lakh per family targeting 10 crore families. It was expected that this budget would supplement this initiative with increased investment in the health sector. Sadly, the health sector was completely missing in the budget announcement.

PREFERRED PARTNERS

By treating NRI as preferential investors to other foreign investors India can benefit in a big way

The initiative of floating global tenders for mega manufacturing companies in selected sectors with substantial tax benefits is an interesting development. Most emerging market countries are rolling out red carpet for such investors and our offering has to be really competitive if we expect to achieve significant results.

Similarly, the incentives on electric vehicles including lower GST plus ₹10,000cr for next three years earmarked for faster adoption of electric vehicle is a step in the right direction. Continuing on the investment theme, the Economic Survey quotes the Chinese model for development. Large part of Chinese development was financed by overseas Chinese investors. By treating NRI as preferential investors to other foreign investors, India can benefit in a similar way that China has benefited.

In closing, the FM started with the vision of India entering the virtuous cycle of saving, investments and exports and said that the budget was a step in that direction. While a beginning has been made with the intent, clearly effectiveness will lie in the execution.

Trai Rejects DoT Demand to Lower Spectrum Base Prices

Our Bureau

New Delhi: The telecom regulator rejected the Department of Telecommunication's demand to lower reserve prices of spectrum to be auctioned this year, saying it had considered all developments while making its recommendations. The decision prompted telcos to call upon the government to reduce the prices.

The Telecom Regulatory Authority of India said there could be no guarantee that all spectrum on offer would be sold and placed the onus on DoT, saying the success of the auction would also depend on the government's marketing efforts.

"The authority reiterates the spectrum valuation and reserve prices as contained in its recommendations dated 1st August 2018," the regulator said on Monday, responding to DoT's reference to reconsider the reserve prices and make available all airwaves for sale to maximise government revenue.

ET first reported that Trai will stick to its pricing recommendations in its edition dated June 29.

On the DoT's view that all spectrum should be sold, the regulator said, "The Government's own marketing efforts will also have an impact on participation in auction. Therefore, no guarantee can be given about sale of all the spectrum put to auction, as it depends on various factors."

Trai said a pan-India auction of a spectrum block isn't possible and refused to reconsider the architecture of auctioning airwaves, saying that it will need a separate reference from DoT for the exercise. It said issues such as type of auction, eligibility conditions, payment terms, consultation with the finance ministry or Reserve Bank of India and validity of spectrum were "already settled."

NOT ON SAME PAGE

Trai said a pan-India auction of a spectrum block isn't possible and refused to reconsider the architecture of auctioning airwaves

India's mobile phone companies responded by saying the regulator should have accounted for the industry's financial stress and the results of global auctions.

"The DCC (Digital Communications Commission) and the inter-ministerial cabinet group have the option of reviewing and reducing the reserve prices like they did before," Rajan Mathews, director general of the Cellular Operators Association of India, told ET. The association represents private telcos Vodafone Idea, Bharti Airtel and Reliance Jio Infocomm.

A total of 8,293.95 MHz of airwaves at an estimated total base price of ₹5.77 lakh crore are expected to be offered this year – over three times the 2,354 MHz put up for sale in the 2016 auction, which raised almost ₹66,000 crore.

The telecom industry has said the prices suggested by Trai are unsustainable and too high. They pointed out that India's pricing of 5G airwaves on a per MHz basis is seven times higher than those set in countries such as South Korea.

The regulator, however, agreed with DoT on two counts – reducing the lock-in period for trading spectrum in the 5G band to two years from five to encourage wider participation of prospective bidders and facilitate early deployment of 5G in India and allowing existing telcos to bid for a minimum of 0.2 MHz instead of 0.6 MHz, in the 900 MHz and 1800 MHz bands.

Trai rejected DoT's views that the spectrum cap in 5G bands should be lower than 100 MHz.

Complete Pilot Soon on HCNG Use: SC to IOC

Samanwaya.Rautray
@timesgroup.com

New Delhi: The Supreme Court on Monday directed state-owned Indian Oil Corporation to complete a pilot on use of hydrogen-enriched CNG (HCNG) in vehicles soon to facilitate a quicker switch to the cleaner fuel. Use of HCNG for public transport can help reduce emissions by at least 70%, according to a study.

The top court pushed for a shorter window for an intermediate switch to HCNG till hydrogen becomes a cost-effective option. In this context, a bench comprising Justice Arun Mishra and Justice Deepak Gupta pointed out that Tokyo is introducing hydrogen cells in buses during the Olympics.

Last year, the environment bench had taken note of reports by the Environment Protection and Conservation Authority (EPCA) that it would be possible to make the switch in Delhi at least by February 2020. Trial runs would begin from August 2019, the EPCA's 86th report had said.

The court had then directed an intermediate switch to HCNG while more R&D was carried out on hydrogen as fuel to make it cheaper. That would immediately also cut the country's dependence on fossil fuels, widely blamed for much of the air pollution.

The pilot project should be completed in two months, the bench suggested, so that a switch could be made possibly as quickly as in six months.

Use of HCNG for public transport can help reduce emissions by at least 70%, according to a study

EPCA counsel Aparajita Singh said the pilot project was underway, as per the court's earlier order, and would be completed soon.

It may take four months to complete the pilot project and it can be introduced in the existing CNG depots in six months, if the court has its way. Other than IOC, the Tatas are also carrying out R&D on cleaner fuels.

HCNG and hydrogen mark a complete break from polluting fossil fuels. They are also cleaner and more cost-effective than CNG. HCNG would cost ₹0.75 per km, EPCA had suggested in its report.

Greater Pacific Cap Buys $100 m Stake in Enzen

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New Delhi: Greater Pacific Capital (GPC) has bought a $100 million stake in Enzen, a consulting and engineering company set up by former Wipro executives a decade ago that boasts of top-tier clients such as London's main water supplier and electricity distribution company.

This is the first investment from the UK-headquartered PE firm's second fund of $700 million that it raised in August last year. Though the exact quantum of stake bought by GPC could not be ascertained, a well-placed source said it was in the range of 15-20%.

"The investment in Enzen is in line with our strategy focused on partnering with scaled and fast growing Indian businesses that operate in or are looking to expand into international markets," said Ketan Patel, GPC's chief executive officer.

Patel, a former Goldman Sachs executive, started GPC along with his colleague Joe Sealy almost 11 years ago. The investment firm has raised $1 billion worth of funds since inception. "We are delighted to partner with GPC as we embark on the next phase of our growth journey," Enzen's chairman Satheesh Kumar said.

Kumar, a former Wipro technologies executive, founded Enzen with a group of colleagues, including Dileep Viswanath, Harsha Anand and Kutty Prabakaran.

On An Expansion Spree

ENZEN'S GLOBAL CLIENTS
1. UK Power Networks
2. Wales and West Utilities
3. Australia Gas Networks
4. Endeavour Energy

Operations in 26 countries
Employs 3600 staff

GREATER PACIFIC CAPITAL
Founded by former Goldman execs Ketan Patel & Joe Sealy
Has raised more than $1b for India-focused investments

The Bengaluru-headquartered company derives a bulk of its revenues from international markets and has operations in 26 countries. Its largest customers are based in the UK and Australia though it also provides services to electricity, water and gas distribution companies in the US, Latin America and parts of Europe and Asia.

The company posted sales of over $200 million in the previous financial year and employs around 3,600 people worldwide.

Enzen has hardly any debt and has used its profits to expand its business over time, a person close to the company said. Most of its contracts are long-term deals with work being carried out over a period of several years.

The type of contracts it carries out includes operational turnarounds of electricity and water utilities by preventing losses arising out of leakages or implementing technological enhancements to make the operations more eco-friendly.

Imperial Auto in Talks with Kedaara to Sell Stake

Haryana-based auto parts maker is expected to garner as much as ₹1,200 cr from business

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Mumbai: Imperial Auto Industries, one of the oldest auto parts makers in India, is engaged in discussions with private equity fund Kedaara Capital Advisors to sell a controlling stake in the company, said two people aware of the development. The Haryana-based Imperial is expected to garner ₹1,000-1,200 crore from the business.

Global consultancy firm EY is advising Imperial with the stake sale at the 50-year-old company, which logged a revenue of ₹1,530 crore in FY18, with an EBITDA of ₹154 crore.

"Discussions with Kedaara are at initial stages," said one of the persons cited above. Forthcoming changes in the auto industry, including decisions on the preferred power train and imposition of strict emission norms, would have an impact on the pace of talks.

Imperial Auto and Kedaara Capital did not comment.

Among the largest integrated manufacturers of Fluid Transmission Products (FTPs), Imperial Auto was established in 1969 and covers all spectrums, including flexible high-pressure assemblies, metal tubular assemblies, and low-pressure hose assemblies. It has 20 facilities across India managed by the parent company and another seven units in India and worldwide as part of group joint ventures and global operations.

The auto parts industry drew large private equity investments over the past few years. But a drastic fall in sales recently has changed the trend, dimming the industry's allure. Footfalls have dried up and only OEMs launching new models recently are getting some response from customers, brokerage Nirmal Bang said.

In April 2018, Kedaara had acquired Sunbeam Auto Ltd for ₹650 crore from the Munjal family. Blackstone had acquired Chennai-based auto parts maker Comstar Automotive Technologies in April last year for ₹1,000 crore. This year, Blackstone took a 32% stake in Sona BLW Precision Forgings from JM Financial.

EESL to Start Selling Seven-Star Rated ACs

Our Bureau

New Delhi: State-run Energy Efficiency Services Ltd (EESL) will soon start selling seven-star rated air-conditioners online that are up to 30% cheaper than the five star-labelled ones.

The 1.5-ton split inverter air-conditioners, manufactured by Voltas, will cost ₹41,300 inclusive of GST in Delhi, where a pilot scheme has been launched in partnership with power distribution companies.

The scheme will be available pan-India later.

EESL managing director Saurabh Kumar said these ACs, which will are 20-30% more efficient than the five star-rated units, will be sold through EESLmart.in, the company's e-commerce website. BEE 3-star labelled ACs are available at this price, he said.

EESL will offer customer support, buyback options and instalment schemes, said the company's director of projects, Venkatesh Dwivedi.

It is expected that deploying 50,000 such ACs will save 145.5 million kWh, or about ₹120 crore in electricity bills per year, cutting annual CO2 production by about 1,20,000 tonnes.

The investment for this project would be about ₹190 crore and will be partially supported by a grant from the Global Environment Facility.

Global Suppliers to Railways have to Make in India

Railway ministry planning to standardise tender norms for rolling stock to create a level-playing field for local and global players

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New Delhi: Private companies supplying rolling stock to the Indian Railways must look at manufacturing locally and the government will provide a long-term road map for multinationals to plan investment in the country, people with direct knowledge of the development told **ET**.

The railway ministry is planning to standardise tender norms for rolling stock to create a level-playing field for local and global players, but multinationals must contribute to the Make in India plan to be able to participate in tenders, they said.

The ministry made this clear at a meeting railway minister Piyush Goyal had with train set manufacturers last week to discuss a roadmap for larger participation of the private sector in building the railways' infrastructure, the sources said.

"Some global players present in the meeting said that they should be allowed to import in India. The minister, however, has advised strictly against it," said an executive of a private rolling stock manufacturer who attended the meeting. "Companies will be able to import in the initial phase of the order, but will have to manufacture in India eventually."

The meeting was attended by representatives from leading industry players including Alstom, Siemens, Bombardier, Toshiba, Medha Servo, Titagarh Group, and BHEL.

"Railway ministry has stressed that global companies can either set manufacturing units in India or tie up with local players," said an official aware of developments.

"It has been noticed that a lot of good companies are not coming forward because of restrictions in the tender guidelines," the official said. "The minister has assured private players that the government will work to relax tender guidelines so that both local and global players are given a level-playing field."

The ministry has also agreed to give a long-term plan for the industry to plan their investments. "The government will ensure that there is no flip-flop on policy," another official said. "Predictability on orders will ensure that global players can come and set shop in India."

ARINDAM

The railways indicated that it would require 2,150 train rakes over the next three years.

The industry has requested the ministry to standardise eligibility criteria, extension in the time between the award of contract and the first delivery, and the bid period.

The government is betting big on private sector participation in development of railway infrastructure. In her budget speech on Friday, finance minister Nirmala Sitharaman said the government will encourage public-private partnerships to "unleash" the development in railways.

Welcome Initiative on Rental Housing

Urbanising India needs it over ownership

The Budget announcement to unveil reforms to promote rental housing is welcome. Rental housing is of paramount importance in rapidly urbanising India. Millions of migrants will keep moving to towns from the hinterland to seek better opportunities. So, India needs to build new towns to house these migrant hordes — else, our cities will be swamped into slums — and the new towns stocked with rental housing. Buying and owning a home in the town is not a viable option for poor migrants, especially if they already own a home back in the village. The need is to boost housing stock to a level where people do not have to spend a large slice of their income on rent. And to have sensible rent laws that foster a market for rented accommodation, rather than hoarding of empty houses by owners fearful of losing possession of their investment to permanent tenants.

One way is public housing. As the construction sector is hugely employment intensive, it should have multiplier effects economy-wide, and boost cement, steel, construction and construction equipment manufacture. Public housing shelters 80% of Singapore's population. Singapore has also been able to keep a tight lid on prices. But that is not the case in Hong Kong where public housing accounts for about 21% of the total home ownership. Building vertically will bring down the costs in India and accommodate more people. Also, governments in cities such as Delhi that are capable of housing denser populations must lift restrictive floor-area ratios and encourage vertical urbanisation. The rules to alter land-use norms should be eased to make it simpler to convert rural land into urban land and do away with the artificial rationing of land.

Modernising the rental market is a must. Rightly, the government has acknowledged that the current rental laws are archaic as they do not address the relationship between the lessor and the lessee realistically and fairly. Irrational provisions in the rental laws that have led to a wide gap between urban housing demand and supply must be scrapped.

Congress Should End Leadership Vacuum

It is not uncommon for parties to be routed in elections. But it is rather uncommon for the party to be at a total loss after such a thrashing. Yet, the Congress party is managing that feat quite well. It has lost its party president, who has resigned and refuses to take the resignation back, despite some lukewarm urging by partymen to that effect. Now, a clutch of junior leaders of the party have resigned their positions, too — not in resignation, but in ambition, it would appear. Some, at least, hope to elevate themselves, through their seeming gesture of sympathy with Rahul Gandhi's resignation, to a claim on the alternative leadership structure that has to emerge. Congress should get on with its act; the people are already tired of this resignation drama.

In the past, resignation of formal office by a powerful leader has been a tool to affirm her authority within the party. The last memorable instance when such renunciation resulted in reinforcement of her vital relevance was that of Sonia Gandhi in 1998, when, following a Sharad Pawar-led challenge to a party president of foreign origin, she announced her stepping down from the post and Congress went into a frenzy of sorrow, lament, pleading and abject appeals to Gandhi to take back her resignation. She obliged. Six years later, she led the United Progressive Alliance to victory in the national elections and two terms in office.

Such fervour is markedly absent in the pleas by some leaders to Rahul Gandhi to stay on as party president. Nor is Rahul Gandhi quite announcing his departure from the scene to let a new leader take over as party president. He wants to continue as an ordinary worker who would travel the country. That is not on. Ordinary workers work at one location. Leaders peregrinate.

Never mind the '$5 trillion economy by 2024' challenge. Try this for kicks

Top Market Trend: Bottle Cap Challenge

With climbing to the top of Mount Everest as blasé as a trip to Manali these days, challenges testing human physical prowess have moved on. If it was the ice-bucket challenge — with celebrities and nobodies alike dunking themselves with a bucket of ice — that went viral in 2014, then this summer, it's the bottle cap challenge (BCC). Not to be confused with the 2016 trend of bottle-flipping — throwing a plastic bottle partially filled with water to see if it can land on its base — BCC has its origin with Kazakh taekwondo instructor Farabi Davletchin knocking off the cap of a bottle with one smooth kick without kicking the bottle on an Instagram video. His challenge was taken up by mixed martial arts (MMA) fighters and enthusiasts like designer Errolson Hugh, actor Jason Statham and musician John Mayer.

This week we had Govinda — yes, Hero No. 1 — join the fray. We also had rather unorthodox versions of the BCC being carried out, such as warbler-of-impossibly-high notes Mariah Carey apparently singing in a crazy octave and popping the cap open poltergeist champagne-style. Akshay Kumar, Sushmita Sen and others with enthusiasm, flexibility and an Instagram account have also done their bit for cap and country. But the most radical take came from comedian Sunil Grover — who took off the cap *with his bare hands*. Amazing.

GoI's plans for transforming school and higher education need more clarity and practical measures

Get the Right Learning Tools

Sukanta Chaudhuri

The draft National Education Policy (NEP) is an impressive document: substantial, well-structured, well-written. It ticks all the high-minded boxes: primacy of the government sector, especially the Union government; 'autonomy and empowerment' for both institutions and individual teachers; a budget of 6% of GDP, over twice the current level. Skim-read, the report may please the jholawalas more than the babus and marketmen who control India's education. But the latter's discourse features no less.

Here lies the problem. The document contains something of everything: it could support diametrically opposite policies. It is also short on practical measures. It admits many problems, suggests bold solutions, but is remarkably sanguine about the long, hard road to their implementation. Even 6% of GDP will hardly suffice for funds, and most private players may disavow the principle of non-profit philanthropy. Operationally, a countrywide crash programme would be needed to recruit and train teachers and provide infrastructure. The scale and urgency of the task are grossly underplayed.

Moreover, the NEP must be read in the light of two other exercises. One is the EQUIP (Education Quality Upgradation and Inclusion Programme) programme to implement the recommendations for higher education. The other is the Union Budget. Both offer sobering clues to the likely actualisation of the NEP. Tellingly, both focus on higher education.

No scheme like EQUIP has been reported for school education, nor is any school-level programme mentioned in the Budget speech. Yet, as the NEP recognises, school education is the bedrock of any educational order. Given India-sized disparities, there is need for a drastic upgrading of the public-funded school system. Anything less would mean gross waste of our demographic dividend.

The NEP admits this — or does it? It suggests, in an unobtrusive corner, that where full-fledged schools are financially unviable, 'alternative models' might be followed with 'substantially less restrictive' Right To Education (RTE) requirements, thereby denying children their full right to education. Again, there are visionary plans to transform primary education by linking it to the Integrated Child Development Services (ICDS) or anganwadi programme for 3-to-5-year-olds. But the implementation is broached perfunctorily. Hard-nosed administrators can readily stonewall the idea, as they once did with the midday meal scheme.

Can't Count on Maths

The prescriptions for higher education spring a major surprise: an unprecedented stress on the liberal arts — notionally including basic science, but markedly stressing language and culture, especially ancient Indian culture — as the bedrock of all tertiary education. There is deafening silence on science and mathematics. Maths finds mention only with respect to basic numeracy; the natural sciences are entirely ignored. Computer education in schools merits a single paragraph.

The higher education agenda also lays out specifics that utterly undermine the NEP's abstract defence of academic freedom, as well as its call for a single regulatory body in place of the current plethora. There will be a National Higher Education Regulatory Authority alongside a Rashtriya Shiksha Aayog, plus separate bodies for accreditation, funding and monitoring of standards.

FILE PHOTO

Taking notes

Finally, virtually all research will be approved and funded as per national needs by a National Research Foundation (NRF) — to be chaired, we learn, by the prime minister. There can be no better prescription to throw out the baby of fundamental research — not to mention her siblings of critical thinking and robust cultural inquiry — along with the bathwater of waste and irrelevance.

It is commonplace academic rationale that you cannot separate basic and applied research, or quantitative and intuitive cognition; that logic and imagination are equally vital to any intellectual exercise, in the sciences, humanities or whatever. One may add that intellectual and political imperatives seldom coincide.

We do not know what surprises EQUIP has in store. It is being finalised without any public disclosure whatsoever. Finance minister Nirmala Sitharaman's Budget speech had something about higher education, but not a word about schools. The education budget has increased by 13%, which can hardly kickstart the NEP, especially given the skewed allocations indicated below. Anganwadis get 18% more, which will not begin to address the gigantic upgradation envisaged.

Of the higher education budget, 16.7% goes to the Indian Institutes of Technology (IITs), another 2.3% to the Indian Institutes of Science Education and Research (IISERs). The other 'institutes of excellence' get 1% collectively, the Indian Institutes of Management (IIMs) a little more. That leaves under 80% (actually much less, allowing for other heads) for 500-plus other public universities and some 40,000 colleges.

At ₹60 crore per university, this will not make for balanced development, even adding the (invariably paltry) state budgets and corporate contributions. We are obsessed with global rankings. In countries that dominate them, the leading institutions crown a solid pyramid of other high-to-outstanding centres. A condominium cannot rest on a raft of shanties.

Education planning is like landscape gardening: the designer does not live to answer for the outcome. Given the likely implementation of the NEP, where will Indian education be in 2030? A few institutions may improve their ranking through selective nurture. A sprinkling of others might remain globally respectable.

Stepping Stones

Private institutions will further expand, from a few outstanding ones to vastly more that are mediocre or worse. Research standards will plummet from our already indifferent level. Regardless of the funds on offer, brilliant students will prefer, even more than now, the congenial research climate elsewhere to the ministrations of the NRF. Education for the masses, at both school and college level, will at best remain at par.

If the anganwadis change hands from Women and Child Development to Human Resources, health and nutrition levels might decline among our poorest children. (India harbours over a third of the world's underweight children, and over half the anaemic ones.) The luckier ones will benefit by the Skill India programme to earn a humble living.

This is not a promising roadmap for overall development. The NEP offers better paths to the same destination. Let us explore them before we determine our course.

The writer is professor emeritus, Jadavpur University, Kolkata

The prescriptions for higher education spring a major surprise: an unprecedented stress on the liberal arts, and deafening silence on science and mathematics

WIT & WISDOM

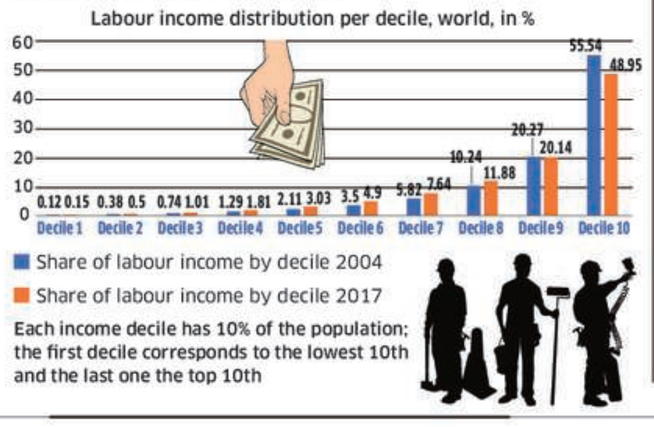
"The best way to teach your kids about taxes is by eating 30% of their ice cream."

Bill Murray
Actor

Pay Packet Inequality

10% of workers receive 48.9% of total global pay, while the lowest-paid 50% of workers receive just 6.4%, according to a new report by ILO. What's more, the lowest 20% of income earners – around 650 million workers – earn less than 1% of global labour income, a figure that has hardly changed in 13 years...

Labour income distribution per decile, world, in %



Each income decile has 10% of the population; the first decile corresponds to the lowest 10th and the last one the top 10th

Bell Curves ■ R Prasad

BUDGET 2019

Recognising Citizenship

Kala Seetharam Sridhar

Finance minister Nirmala Sitharaman, in her maiden Budget speech, rightly said that "rapid urbanisation is an opportunity rather than a challenge". Her Budget also provides a roadmap for water, housing and infrastructure.

Bengaluru and Chennai are currently reeling under a water crisis, even as Mumbai is inundated with rainwater. As economist Jeffrey Williamson argued three decades ago, a city uses its least expensive sources of water first. Then, as the city grows, it becomes increasingly more expensive for the city to take water from distant sources. Hence, in such circumstances, using the average cost of water for pricing underestimates the cost of water production in the future for any city. So, marginal cost pricing of water is much recommended.

In the 1850s, the river Vrishabhavathi, lakes and ponds were enough to satisfy Bengaluru's water requirements. In the 1880s, water from tanks such as Dharmambudhi, Sankey, Ulsoor and Sampangi were tapped. A decade later, since citizens started to complain of water shortage, water from the Heseraghatta reservoir on the Arkavathy river several kilometres away was used.

In 1914, another reservoir, Thippagondanahalli, was built on the Arkavathy river to supply water to the continuously growing city. By the 1960s, the Cauvery was identified as the new water source for the city. Since then, various stages of commissioning projects have been supplying water, to the extent of 1,450 million litres daily, as of 2019. But this is inadequate. To tackle this crisis, the Karnataka government recently decided to draw water from the Sharavathi river about 250 km away.

In a recent study, we found several cities such as Jaipur underpricing their water, compared with the marginal cost of its supply. Only Bengaluru was charging more than the marginal cost.

Cities such as Chennai and Bengaluru can conserve their water, reuse wastewater for non-potable purposes, use rainwater harvesting more effectively, and check the spread of the water mafia, making water accessible to the common man at an affordable price, without excessive subsidisation. Only efficient marginal cost pricing of water can ensure its equitable distribution, whereby the marginal cost price paid by better-off consumers cross-subsidises those who can't afford to pay.

Water for every household by 2024, as promised by the FM in her Budget, is attainable only if water is conserved, reused and priced appropriately. According to Sitharaman's Budget speech, about 95% of all the country's cities have declared themselves — note, not 'certified' — 'open-defecation free', with more than 45,000 public toilets (whether functional or not) having been uploaded on Google maps, and about one crore citizens having downloaded the Swachhata app. But the success of all sanitation-related goals relates crucially to the availability of water.

FILE PHOTO

A real water bucket challenge

On the housing front, the Budget has recognised that current rental laws are archaic and need to be updated. These laws, which govern rents charged to tenants by landlords, may seem to protect the tenants. But, in reality, they stifle renovation, rehabilitation and release of housing by landlords, which, in turn, restricts the supply of rental housing to tenants who are typically young migrants.

Schemes such as Bharatmala, Sagarmala and UDAN (Ude Desh ka Aam Nagrik) are bridging the gap between rural and urban India by improving transport infrastructure. If true, then urban primacy — defined as the ratio of the largest city's population to that of the second-largest city — should ideally decline.

Urban primacy in most states has actually increased from an average of 2.5 in 1991 to nearly 3.0 in 2011, implying that the typical Indian city became three times as large as the second-biggest city in its respective state in 2011, from being only 2.5 times larger 20 years earlier. During 1991-2011, however, Bengaluru's urban primacy increased steeply from 4 to 8.9. Hence, states like Karnataka need greater highway and infrastructure networks to help reduce Bengaluru's urban primacy.

One hopes, during her tenure, Sitharaman becomes the first finance minister to truly recognise the importance of cities, the vulnerability of its residents who are short of water and affordable housing, and makes the right policy push and implementation to improve their livelihoods.

The writer is professor, Institute for Social and Economic Change, Bengaluru

Citings

On Designing AI Systems

JULIEN BLANCHEZ

Artificial intelligence (AI) is so much more complex than just getting lots of data and good data scientists. For instance, there is the issue of the quality of the data.... The hurdles are in three broad categories. The first is operational hurdles. Where do you start? With people? With data? With technology? And how does that work?

The second hurdle is around compliance and security. Data has always been a sensitive issue, but it is getting increasingly more so because we now have a better understanding of how big an impact AI can have.... Finally, there is the ethical/societal question. [In our current context], it is about trying to frame the kind of dilemma that a machine will have to face, a dilemma that people have not yet been able to resolve in a rational way.

Imagine that a driverless car is driving on a certain road and has to decide whether it should swerve left and crush a mother and her three children, or swerve right and crush an old priest, or swerve into a wall and crush its passenger.

What should the machine do? How do we tell the machine to behave in this kind of scenario? These questions have not yet been solved by philosophy, so putting this on to technology is really a long shot. At the same time, though, we also have to realise that thousands of lives are lost because of careless driving by human beings.

From "Three Hurdles Companies Face in Implementing AI Initiatives"

THE SPEAKING TREE

Transform Your Life

ZHI GANG SHA

Service that benefits humanity and the universe is categorised as good karma and those that harm, as bad karma. A person with good karma will receive divine blessings. Bad karma, however, is the root of blockages and disasters.

You may or may not believe in karma. As human beings in the physical world, we are subject to the laws of our country, state, and city. When we break these laws, we may become involved with lawyers and judges. You may not realise that every soul is subject to the spiritual laws of the universe. And, just as there are lawyers and judges in the physical world, there are lawyers and judges (so to speak) in the spiritual world, too. The effects of karma could appear instantly, or in years, or even lifetimes. If you are disciplined and committed to serving humanity, you will be freed of bad karma. Its effects will be obliterated or softened/postponed.

Potential disasters in an individual's life can be deferred or even averted. The more you serve, the more blessings you will receive. Think about yourself. Evaluate every aspect of your life. Some parts of your life are clearly blessed, others may not be. Correct your mistakes. Offer pure service to transform your life. It should be obvious that I believe deeply in reincarnation from my personal experience and my open spiritual channels. You may not believe in reincarnation and that is fine. I am convinced that when we die, our soul goes to the universe, and later it will return. Up down, up down — every soul goes up and comes back to begin another life.

Chat Room

Black Holes of the Budget?

Apropos 'Is the Budget Worthwhile?' by Ashok V Desai and 'Change the Rules of the Game' by Sugata Ghosh (Jul 8), if it is the voters who 'elect' a government, it is the taxpayers who 'run' the elected government. Take a look: the ₹70,000 crore PSB recapitalisation announced in the Budget knocks off 1/8th of income-tax collections. Evidently, persistent recapitalisation, sans reforms, hasn't yielded much. Similarly, the 'partial credit guarantee' proposal via PSBs to support NBFCs may not be a one-off measure. It is incomprehensible why PSBs are treated as the National Disaster Response Force at the hint of a financial crisis.

M R DAS
Pune

Free Lunch Has Cost Attached

This refers to 'Is the Budget Worthwhile?' The biggest problem in the drafting of a Union Budget is the mentality of citizens, both poor and rich, to expect a free lunch from the government in the form of subsidies, grants and loans.

Every ruling party panders to these 'foibles', adding to the mountain of government expenditure and forcing Revenue to raise tax collections at the risk of public anger.

C V GUPTE
Pune

NBFCs to Small Finance Banks

Apropos 'Change the Rules of the Game', NBFCs operate in areas where banks do not, and also carry higher risks. Unlike banks, they do not have access to cash flows and often their funds are used to take care of bank repayments. There is no clear demarcation of area of operations and NBFCs, small finance banks and newly born P2P NBFCs operate almost in an overlapping space. It will be a good idea if large NBFCs are asked to gradually build up CRR and SLR like banks if their size exceeds a certain limit.

M RAGHURAMAN
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WORLD OF CRICKET

India vs New Zealand — Head to head

Matches	India	New Zealand	Tied	No Result
106	55	45	1	5

@ICCWorldCups

Matches	India	New Zealand
7	3	4

Don't Underestimate Kiwis

India may be overwhelming favourites to win the semi-final but New Zealand aren't a low hanging fruit

Anand Vasu Manchester

BAT ON REGARDLESS

The most hyped up team of the tournament will take on the least spoken of one in the first semi-final of the 2019 World Cup when India play New Zealand at Old Trafford on Tuesday. When the first ball is bowled, it will be prime time viewing in a country of nearly 1.5 billion while it will be 9.30pm, almost bedtime in a country that goes to bed early.

What's fortunate, for New Zealanders, is that the business end of the game could actually happen upfront. With scattered showers and extended cloud cover predicted for the day, New Zealand's best chance of inflicting heavy damage on India is to bowl first. Trent Boult swings the ball with the skill and control of a concert pianist, and if there is a time when India's batting is vulnerable, it is upfront.

Taking nothing away from Rohit Sharma, who has shattered records and played a major role in powering India to the position they are in, he has offered early chances in almost every game he has played. Against South Africa, Rohit was on 1 when he edged to second slip and was dropped; against Australia, he speared Mitchell Starc towards midwicket and was reprieved; against England, in the second over he nicked to second slip to be let off.

Irrespective of class and form, any batsman needs a few balls out in the middle before his feet get moving, and the commonality in all of Rohit's let-offs has been the full ball, moving, early in the innings. If Boult can keep the ball right up there, slanting it away from the right-hand bat, there could be chances to be had early on.

While the Twitter universe, especially back in India, is treating the semifinal as a foregone conclusion, and Virat Kohli himself occasionally refers to their being only "two games" left in the tournament — a sign of confidence rather than any disrespect to the opposition, New Zealand are unlikely to be low hanging fruit to be picked off.

If there is one similarity between the two teams, it has been the domination of the run scoring by one batsman. Kane Williamson has scored 30% of New Zealand's runs and Rohit comes in at a shade under, not even one percentage point less of India's tally. The difference in the overall numbers, however, has been that New Zealand played a majority of their matches on tired surfaces where 230-240 was a good score, while India encountered better surfaces, allowing others to chip in.

One of those who has done well, albeit without scoring a century yet, is Kohli. "It's been a different kind of role that I've had to play in this World Cup and, as the captain of the team, I have been open to playing any kind of role that the team wants me to," said Kohli. "It's great that Rohit is scoring so consistently which means that coming in the later half of the innings you have to play a different role which is controlling the middle overs and letting guys like Hardik (Pandya), Kedar (Jadhav), MS (Dhoni) in the past few games, and now Rishabh (Pant), come out and express themselves. I think playing a team sport you need to adapt and I'm very happy doing that role and I hope he gets two more so we can win two more games. It's an outstanding achievement."

For New Zealand, one of the cornerstones of their success has been the manner in which their bowlers have tweaked their methods to succeed in a wide range of conditions. "Our attack's performed really well on a real variety of surfaces where taking pace off has been really important. We will need to do that again coming into this next match and assess conditions as quickly as possible," said Williamson, who had yet to look at the pitch before fronting the media on match eve, but his expectations were in line with the majority view that the pitch would be a batting friendly one. "Without a doubt, it will change, so it is important we do look to adapt quickly like we have done on other surfaces with bat and ball."

When asked what plans Williamson had to stop Rohit, he went back to the basics. "There's a lot of parts to that and as a bowling unit, first and foremost, it's assessing conditions. Rohit has been clearly the stand-out batter in this tournament so far," said Williamson. "But, as we know, we come into a semi-final. It is another day where both sides will be looking for early wickets regardless of what their name may be."

In cricket, it is often said that the first hour is important. In this game, it could even be the first 10 minutes that separates the two teams.

> We definitely deserve to be here, that was reflected in the standings. Whether we're underdogs or not, it doesn't really matter. No side has gone through the competition unbeaten. Although we've qualified fourth we've got as equal an opportunity as anybody else. Going into the tournament with every team having nine round robin matches we knew that on any day that anybody could beat anybody
>
> KANE WILLIAMSON, NEW ZEALAND CAPTAIN

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Path to Semi-final

INDIA

- Beat South Africa by 6 wickets
- Beat Australia by 36 runs
- Match abandoned vs New Zealand
- Beat Pakistan by 89 runs (D/L method)
- Beat Afghanistan by 11 runs
- Beat West Indies by 125 runs
- Lost to England by 31 runs
- Beat Bangladesh by 28 runs
- Beat Sri Lanka by 7 wickets

NEW ZEALAND

- Beat Sri Lanka by 10 wickets
- Beat Bangladesh by 2 wickets
- Beat Afghanistan by 7 wickets
- Match abandoned vs India
- Beat South Africa by 4 wickets
- Beat West Indies by 5 runs
- Lost to Pakistan by 6 wickets
- Lost to Australia by 86 runs
- Lost to England by 119 runs

'It'll be a Miracle if India don't Reach the Final'

Former India captain **Sourav Ganguly**, who turned 46 on Monday, talks to **BORIA MAJUMDAR** on the eve of the India-New Zealand semi-final. Excerpts

ET Q&A
SOURAV GANGULY
FORMER INDIA CAPTAIN

What do you think of India's World Cup campaign so far?

I have been mighty impressed. Look at the way India played against Sri Lanka. They literally toyed with the Sri Lankan bowling and turned it into a no contest in the first 15 overs of the Indian innings. They are peaking at the right time and playing excellent cricket.

Rohit Sharma has been outstanding. Five centuries in a single World Cup sounds a little unreal.

He is batting like a man possessed. Look at how much time he has to play his shots. See how he is getting his placements right and most importantly see how he is pacing every innings of his. This is the best I have seen him play. It will take some doing to break this record.

What has helped Rohit and India is that KL Rahul has also stepped up. He batted well against Bangladesh and Sri Lanka.

I have been screaming for over a year now for Rahul. Yes, Shikhar Dhawan's injury was a major blow and it will be to any team to lose a quality player like Shikhar but it allowed Rahul the opportunity he was looking for. He is a special player and this World Cup we are seeing that. If he can do it for two more games he would have made himself indispensable to this Indian team going forward.

Against New Zealand in the semi-final, India and more so Rahul and Rohit will have to guard against the incoming delivery from Trent Boult. They have a very good attack and India will have to be at their best against them.

It is the World Cup semi-final and there is no debate you have to be at your best. The top four teams of the world have made the semi-finals and it can never be easy. Having said that all you need to do is bat the way you have. There is no need to complicate things. Rohit and Rahul have taken their time at the start and then looked to accelerate. If they do that, India will be absolutely fine.

India have played two games in Manchester, beating both Pakistan and the West Indies. Do these things play on your mind when you approach a big game like the semi-final?

Absolutely they do. What will also play in players' minds is that New Zealand are coming into the semi-final having lost their last few (three) games. They have lost form and don't seem to be the same side that started the tournament with a bang. While no team can be taken lightly and that's what cricket teaches us all the time, I have to say India start favourites and it will be a miracle if they don't make it to the final.

And one of the reasons for India being favourites is Jasprit Bumrah.

He is a special talent. Look at the consistency with which he is bowling his Yorkers. Whenever Virat needs a wicket, Bumrah provides that. He is extremely difficult to score off as well and that's what makes him so lethal. He almost makes up for the bowler at the other end. If India win the trophy, Bumrah would have played a big part in it.

Your thoughts on Virat's captaincy?

He's been brilliant. You must see the way he has marshalled his bowling unit. The way he went for the kill against the West Indies, the way he finished off with Bumrah against Bangladesh, the way he rotated his bowlers to stop Sri Lanka from getting 300, his field placements, everything has been good this World Cup. This is the best he has captained and now he has two more games to close it out with a bang. I want to wish him all the very best for the semi-final and possibly the final as well.

> It's been a different kind of role that I've had to play in this World Cup and as the captain of the team, I have been open to playing any kind of role that the team wants me to. It's great that Rohit is scoring so consistently. It means that coming in the latter half of the innings, you have to play a different role, which is controlling the middle overs and letting guys like Hardik, Kedar, MS in the past few games, and now Rishabh, come out and express themselves
>
> VIRAT KOHLI, INDIA CAPTAIN

INDIA VS NEW ZEALAND AT WORLD CUPS

1975	1979	1987		1992	1999	2003
Score: **INDIA 230** lost to **NEW ZEALAND 233/6** by 4 wickets	Score: **INDIA 182** lost to **NEW ZEALAND 183/2** by 8 wickets	Score: **INDIA 252/7** beat **NEW ZEALAND 236/8** by 16 runs	Score: **NEW ZEALAND 221/9** lost to **INDIA 224/1** by 9 wickets	Score: **INDIA 230/6** lost to **NEW ZEALAND 231/6** by 4 wickets	Score: **INDIA 251/6** lost to **NEW ZEALAND 253/5** by 5 wickets	Score: **NEW ZEALAND 146** lost to **INDIA 150/3** by 7 wickets
MoM: GLENN TURNER (NZ), 114 not out	MoM: BRUCE EDGAR (NZ), 84 not out	MoM: KAPIL DEV (IND), 72 not out	MoM: SUNIL GAVASKAR (IND), 103 not out & CHETAN SHARMA (IND), 3 for 51 (first-ever hat-trick in the World Cup)	MoM: MARK GREATBATCH (NZ), 73 runs	MoM: ROGER TWOSE (NZ), 60 not out	MoM: ZAHEER KHAN (IND), 4 for 42

VITALS

I-League Clubs Write to PM, Request Enquiry Against AIFF

The crisis facing Indian football on Monday reached the doorsteps of Prime Minister Narendra Modi, with six I-League clubs requesting him to set up an enquiry commission and "probe the All India Football Federation's functioning". In a letter signed by Swapan Sadhan Bose, managing director of Mohun Bagan, the I-League clubs have urged the prime minister to "intervene and save the sport". Besides Mohun Bagan, East Bengal, Churchill Brothers, FC Goa, Gokulam Kerala FC, Minerva Punjab FC and Aizawl FC were the other clubs who have requested for the PM's intervention.

Hima Wins 2nd International Gold Inside a Week

Star Indian sprinter Hima Das claimed her second international gold in women's 200m with a top finish at the Kutno Athletics Meet in Poland. Hima clocked 23.97 seconds to clinch the gold while VK Vismaya bagged the silver in 24.06 on Sunday. National record holder Muhammed Anas also won the gold in men's 200m race with a time of 21.18 seconds. This was Hima's second competitive 200m race of the year. She has a personal best of 23.10s, which she clocked last year. In her first competitive 200m race of the year, the Assam runner had clocked 23.65s on her way to gold in the Poznan Athletics Grand Prix, also in Poland, on Tuesday. Vismaya had finished third in that meet with a personal best time of 23.75. M P Jabir won the gold in men's 400m hurdles in 50.21 seconds while Jithin Paul was third in 52.26 secs. Indians swept the women's 400m race through P Saritaben (52.77 secs), Sonia Baishya (53.73 secs) and R Vithya (53.73 secs).

Dalima Signs Up as Brand Ambassador of Vector X

Dalima Chhibber, one of Indian women football stars, has signed up as the brand ambassador of sportswear brand Vector X. The contract with the star left-back will continue till April 2020. Dalima burst into the Indian national women's team at 19. She has grown from a young and promising football talent to someone who has been a mainstay in the team since 2016.

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Halep Ends Gauff's Fairytale Run

The Romanian had too much talent for the teenager, winning 6-3, 6-3 in one hour and 14 minutes

Samuel Lovett

Cori Gauff

And so, following the most remarkable of runs, Cori Gauff's Wimbledon fairytale comes to an end. After felling her idol Venus Williams, before beating Magdalena Rybarikova and later battling from the brink against Polona Hercog, the challenge posed by Simona Halep, a former world No 1, proved too great to overcome. But make no doubt, on account of what we have seen here at the All England Club, the precocious youngster will be back.

In a spirited display that once again showcased the very best of her flourishing talents — from her thunderous baseline sweeps to deft drop shots — the American ultimately came up short against the 2018 French Open champion, who claimed a 6-3 6-3 victory in one hour and 14 minutes.

Gauff brought out the very best of the Romanian, whose consistency and defensive steel settled this tie in her favour. Her ability to cover every blade of grass here on Court One ensured that the American's attempts to spring a surprise came up short. Scurrying back and forth across her baseline, while venturing deep into her forecourt when necessary, Halep's athleticism provided an appropriate antidote to the teenager's power and precision.

Two of Halep's last three losses have been to teenagers – the 19-year-old Marketa Vondrousova and 17-year-old Amanda Anisimova – but there was to be no upset this time around as she secured her place in the quarter-finals of these Wimbledon Championships, where she'll now face China's Shuai Zhang.

The scale of the task facing Gauff, the first 15-year-old to reach Wimbledon's last-16 since Martina Hingis in 1996, was made evident in the first game of the opening set, with the 28-year-old Romanian immediately breaking.

Despite saving one break point, Gauff was unable to stave off her opponent. After committing to the net following a lengthy rally, the American chose to leave a floated return from Halep that, much to the disappointment of the crowd, whose allegiances were clear from the start, landed plum on the sideline. Halep was ahead.

Undeterred, Gauff provided the perfect response, breaking back immediately, before going on to hold her serve. But Halep struck two games later with another break to reclaim the advantage.

By this stage, the Romanian was quickly taking her game through its many gears. An effervescent bundle of mass, constantly on the move, her two piston legs pumping away, shots from her forehand and backhand flooding Gauff's court, this was Halep at her best.

At 3-2, the American threatened another break, taking the game momentarily to deuce. But Halep's class saw her through. With advantage, the Romanian held onto her serve with one of the shots of the match: a reaching forehand slice that drifted cruelly beyond the face of Gauff, landing beyond her right shoulder, well out of reach.

It was a moment that summed up the match. For all the power of Gauff, who had pushed her opponent out wide with an explosive forehand shot that seemed to accelerate upon impact with the turf, she remained unable to break Hales's defensive guard, which remained resolute from start to finish.

Gauff's fairytale may be over but this won't be the last we see of the teenager. The question, now, is how far will she go in the years ahead? How high will she climb? If her performances here at the All England Club are anything to go by, the youngster looks set to rise all the way to the top.

The Independent

RESULTS (MONDAY)

Men 4th Rd

David Goffin bt Fernando Verdasco 7-6 (11/9), 2-6, 6-3, 6-4; Roberto Bautista Agut bt Benoit Paire 6-3, 7-5, 6-2; Sam Querrey bt Tennys Sandgren 6-4, 6-7 (7/9), 7-6 (7/3), 7-6 (7/5); Rafael Nadal bt Joao Sousa 6-2, 6-2, 6-2; Novak Djokovic bt Ugo Humbert 6-3, 6-2, 6-3

Women 4th rd

Alison Riske bt Ashleigh Barty 3-6, 6-2, 6-3; Serena Williams bt Carla Suarez Navarro 6-2, 6-2; Barbora Strycova bt Elise Mertens 4-6, 7-5, 6-2; Johanna Konta bt Petra Kvitova 4-6, 6-2, 6-4; Elina Svitolina bt Petra Martic 6-4, 6-2; Karolina Muchova bt Karolina Pliskova 4-6, 7-5, 13-11; Simona Halep bt Cori Gauff 6-3, 6-3; Zhang Shuai bt Dayana Yastremska 6-4, 1-6, 6-2

Barty, Pliskova Exit as Serena Coasts Through

World number one Ashleigh Barty's hopes of becoming the first Australian women's champion in nearly four decades were dashed on Monday, opening the way for Serena Williams to potentially equal the all-time Grand Slam haul.

Having looked assured last week, while Williams was not altogether convincing, it was 23-year-old Australian Barty who cracked and went down in three sets to unseeded American Alison Riske 3-6, 6-2, 6-2.

There was one consolation for Barty as Karolina Pliskova could have taken her number one spot but the Czech third seed went out as well in a marathon duel beaten by compatriot Karolina Muchova 4-6, 7-5, 13-11 Williams, bidding for a 24th Grand Slam title to tie with Australian Margaret Court, will play Riske next after trouncing Carla Suzarez Navarro 6-2, 6-2.

"It is a tough one to swallow but I lost to a better player," said Barty, who had been hoping to become the first Australian champion since Evonne Goolagong Cawley won her second title in 1980.

For Riske it was perhaps an unexpected early wedding present — she gets married after Wimbledon to Stephen Amritraj, the son of former Indian Davis Cup player Anand — but extremely well-earned.

It will be the 29-year-old's first appearance in a Grand Slam quarter-final.

Williams, whose clay court season was affected by a knee injury, said the hunger for the game and for victory is as strong as ever.

"It definitely is good, I know that I can play and now that I'm feeling better physically, I almost feel a relief more than anything.

"Finally I can play tennis."

Williams, who won her first match with Murray on Saturday, said she will not be taking Riske for granted.

Zhang Shuai became the first Chinese woman since Li Na in 2013 to reach the Wimbledon quarter-finals.

World number 50 Zhang defeated Ukraine teenager Dayana Yastremska 6-4, 1-6, 6-2 — a result far from her mind when she was talked out of retiring at her lowest point in 2015.

AFP

Alison Riske

Nadal Bursts Sousa's Bubble to Reach Quarters

Rafael Nadal had plenty to grumble about during the first week of Wimbledon.

He was irritated at being seeded third at the grasscourt major despite his status as world number two and he was left exasperated when the draw put him on a second-round collision course with Australian hot-head Nick Kyrgios — a player who thrives on rubbing Nadal up the wrong way.

Those setbacks have well and truly fired up the Spaniard and it was poor Joao Sousa who felt the full force of Nadal's fury on Monday during a 6-2 6-2 6-2 demolition job in the fourth round.

Tougher tests will surely come for the two-time champion, who may have to beat Roger Federer and Novak Djokovic if he wants to complete a Roland Garros-Wimbledon double for the third time in his career, but for now he was happy to show off the kind of ruthless streak that Boris Becker hailed as "vintage Nadal on grass".

"It was a good solid match. A lot of positive things in there," the 18-times Grand Slam champion, whose surgically-repaired body often struggles to cope with the demands of playing on the slick grass surface, said with a smile.

"Good forehands, good backhands and creating some good volleys, so I am happy to be in the quarter-finals again. The body is holding up well and I am playing some good tennis and winning matches in straight sets also helps."

TENNIS BEHEMOTH

Until this year, the only Portuguese to create a racket, literally, in the singles at Wimbledon was Michelle Larcher de Brito. But whereas she made her name thanks to the cacophony of ear-splitting shrieks and squeals that could be heard all around, and beyond, the 42 acres that make up the All England Club, Sousa had let his racket do the talking as he became the first Portuguese to reach the last 16 of a major. The run included a memorable second-round win over former US Open champion Marin Cilic but the world number 69 simply ran out of ideas when he came up against a tennis behemoth who had his eyes set on a 39th quarter-final appearance at the majors.

DJOKOVIC INTO 11TH QUARTER

Defending champion Novak Djokovic reached his 11th Wimbledon quarter-final and 45th at the majors with a 6-3, 6-2, 6-3 win over France's Ugo Humbert. Four-time champion and top seed Djokovic will face Belgium's David Goffin for a place in the semi-finals. Djokovic, 32, has a 5-1 career record over 21st seed Goffin who will be playing in his first Wimbledon quarter-final.

Humbert, the world number 66, had never played a match on grass before this season.

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