

THE ECONOMIC TIMES

Happy New Year! 2019

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RESERVE BANK OF INDIA'S FINANCIAL STABILITY REPORT

New Year Cheer for Banks, NPAs See 1st Fall Since '15

Points To Ponder



Shaktikanta Das
RBI Governor

Under baseline scenario, gross NPA ratio may decline to 10.3% of total loans in March 2019 from 10.8% in Sept 2018

IL&FS episode exposed issues in role of fin intermediary played by MFIs to NBFCs; MFIs have passed on risk of default to investors

Existing valuation framework for corporate bonds falling short in terms of both benchmarking issues and valuation methods

Report projects first full-year fall in bad loans, says asset quality of banks has improved but profitability a worry

Our Bureau

Mumbai: The Reserve Bank of India, which has been relentlessly pushing banks to recognise bad loans, believes that they may be over the worst with the industry likely reporting a decline in non-performing assets (NPAs) in the current fiscal year for the first time since 2015, when the regulator began tightening norms.

The central bank forecast gross bad loans will decline to 10.3% of total loans by March 2019 from 10.8% at the end of September 2018 and 11.5% in March 2018. The net NPA ratio also registered a decline during the period.

"In a sign of possible recovery from the impaired asset load, the GNPA (gross non-performing assets) ratio of both public and private sector banks showed a half-yearly decline, for the first time since

March 2015, the financial year-end prior to the launch of asset quality review," RBI said in its 18th Financial Stability Report, the first since Shaktikanta Das became governor in December following Urjit Patel's departure. "The banking stability indicator (BSI) shows that asset quality of the banks has improved, although profitability continues to erode."

The Indian banking industry was plunged into gloom after RBI's asset quality review in 2015 forced lenders to reclassify many standard loans as bad assets. These had been shown to be standard by either evergreening or restructuring on terms that were impossible to achieve. Many corporate borrowers with revamped loans continued to struggle and default on payments.

The turnaround will be good news for the government, which has been looking to shore up credit growth to spur economic activity and generate jobs. Financial services secretary Rajiv Kumar had told ET last week that bad loans of state-run banks were declining and that they had recognised most of their stressed assets.

While the overall situation is improving, the jump in bad loans under a stress test scenario will leave many banks vulnerable and push them below minimum capital requirements, said the report.

PCA, Non-PCA Gulf Widens >> 10

MORE REPORTS
>> P 7, 10

There has been further widening between PCA (Prompt Corrective Action) and non-PCA public-sector banks

Banking stability indicator shows asset quality of banks has improved, although profitability continues to erode

Jump in bad loans under a stress test scenario will leave many banks vulnerable and push them below minimum capital requirements

Illustration: ARINDAM

PURE POLITICS

Triple Talaq Bill Stalled in RS

The triple talaq bill, which makes instant talaq a punishable offence and was passed in the Lok Sabha last week, was stalled by a united Opposition in the Rajya Sabha on Monday. The House was adjourned for the day in the afternoon. Earlier, the opposition parties decided at a joint meeting to support the resolution brought by Trinamool Congress to send the bill to a select committee. >> 2

JPC Approves Citizenship Bill

A Joint Parliamentary Committee on Monday cleared the bill to amend the Citizenship Act, 1955. The bill seeks to grant citizenship to people from minority communities – Hindus, Sikhs, Buddhists, Jains, Parsis and Christians – from Afghanistan, Bangladesh and Pakistan after six years of residence in India instead of 12, even if they don't possess proper documents. >> 3

ET INSTA POLL

Do you think the new restriction on e-tail discounts is unfair to the consumer?

61% YES 34% NO 5% CAN'T SAY

TODAY'S QUESTION
Is Shaktikanta Das more likely to opt for policy continuity rather than drastic changes at RBI?
www.economictimes.com

REGULATORY FILING TO QUASH SPECULATION

RCom, Jio Keep Asset Sale Deal Alive, Extend Deadline to June 28

DoT's rejection of spectrum deal between telcos sparked speculation about fate of wireless asset sale

Our Bureau

Mumbai: Reliance Communications (RCom) and Reliance Jio Infocomm (Jio) have extended till June 28 the term of the pact under which the Anil Ambani-owned company will sell some wireless assets to the telco owned by elder brother Mukesh, aiming to quash talk that the agreement was dead.

"Reliance Jio Infocomm Ltd, a subsidiary of Reliance Industries Ltd, extended the term of the definitive agreement for the acquisition of specified assets of Reliance Communications Ltd and its affiliates to 28th June 2019," Jio said in a regulatory filing on Monday.

In a separate but similar filing, RCom said that the two operators have extended the "validity of the agreements signed on 28th December 2017 for sale of towers, fiber, MCNs (media convergence nodes) and spectrum of RCom and its affiliates to 28th June 2019." That's a six-month extension from the original deadline of December 28.

Deal Dynamics

RCom & Jio ANNOUNCED THEIR DEAL ON DECEMBER 28, 2017

Telcos had expected transaction "to close in a phased manner between Jan and Mar 2018", subject to lenders' & other approvals

RCom has completed the sale of fibre, switching nodes to Jio for ₹5,000cr

It's spectrum and tower assets sale to Jio is pending

DoT refuses to clear spectrum deal citing non-compliance with trading rules

DoT rejects Jio's demand that telco not be made liable for RCom's past dues



Both companies didn't reply to ET's emailed queries.

While the ₹17,000-crore pact covered four wireless assets, the spectrum was at the heart of the deal. It will allow Jio to strengthen its 4G airwave holdings and help RCom pare its ₹46,000-crore debt by paying off financial lenders besides operational creditors such as Ericsson.

Jio Stance on RCom's Liabilities >> 10

Govt Doesn't Need RBI Reserves: Jaitley

The government does not need the Reserve Bank of India's reserves to meet its fiscal deficit target, finance minister Arun Jaitley reiterated, replying to a parliamentary debate on the supplementary demand for grants. >> 11

CORE SECTOR GROWTH SLOWS TO 16-MONTH LOW IN NOVEMBER >> 11

Govt Mulling Policy Sops for Apple, Others

Bid to encourage cos to make & export from India

Surabhi Agarwal
@timesgroup.com

New Delhi: The Centre is exploring specific policy incentives to woo Apple Inc along with other electronics manufacturers to make and export from India, said a top government official.

The Cupertino-based technology giant is in talks with the Ministry of Commerce and the Department of Revenue to seek certain sops for its component manufacturers. The company is seeking a commitment of tax breaks for five years under the Merchandise Exports from India Scheme (MEIS), besides income tax benefits for the proportion of exports made. Officials from the two ministries have sought inputs from the Ministry of Electronics and

Help at Hand

Apple looking to make India an export hub

Co seeking policy-specific changes which can be extended to whole industry

Wants commitment of 5 years for MEIS scheme and I-T sops on proportion of exports

Govt studying demands since they may fall foul of WTO, may have to frame new policy

ANGEL TAX CONTINUES TO HAUNT STARTUPS

>> PAGE 13

IT (MeltY) for the proposed policy tweaks, the person told ET. "Apple doesn't see India as a large domestic market, so its plan is more export-driven," said the official.

Govt Wants All Cos to Gain >> 10

Light Vehicles Keep India on Fast Track

Country fastest growing among top 5 markets

Ketan Thakkar
@timesgroup.com

Mumbai: India has kept its position as the fastest growing among the top five markets for light vehicles in

In Top Gear			
Country	● CY 2017	● CY 2018*	% Chg
China	27.94	27.17	1.4%
USA	17.24	17.23	-1.8%
Japan	5.13	5.16	0.6%
India	3.69	4.01	8.2%
Germany	3.72	3.75	0.8%

*Estimated forecast for light vehicles, which includes cars, UVs, vans and mini trucks up to 6 tonnes. Source: IHS Markit

2018, a year when a weak China is predicted to have pulled the global automotive industry into its first recession in a decade.

The Indian market is estimated to have grown 8.6% to about 4 million units in the year that just went by, automotive forecasting firm IHS Markit said. Among the other top markets, it expects China and Germany to report a fall in output, and the US and China to post flat numbers.

India has held on to the pole position for at least two years now, despite the local market facing an adverse macroeconomic environment of rising finance and insurance cost, and uncertain fuel prices. In 2017, the market had expanded at a marginally slower pace of 8.2%.

'Inherent Structural Demand' >> 10

Paytm payments bank

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*FD opened with our Partner Bank as sweep out arrangement for amounts in excess of ₹1 lakh at the end of day may earn up to 8% interest. T&C Apply.

NO PROGRESS Ghulam Nabi Azad says AIADMK not allowing discussion in RS while Union minister Goel blames Cong for delays

Triple Talaq Bill Stuck in RS Amid Blame Game

United Opposition demands the bill be referred to select committee

Our Political Bureau

New Delhi: The revised triple talaq bill, which makes instant talaq a punishable offence and was passed in Lok Sabha last week, was stalled by the Opposition in the Rajya Sabha on Monday. Amid heated arguments between the government and Opposition members, the House was adjourned for the day in the afternoon.

As soon as the proceedings of the House began in the morning, AIADMK members started protesting over Cauvery water issue. Deputy chairman Hariyansh Narayan Singh appealed to the MPs to stay out of the well of the House but to no avail. He then adjourned the proceedings till 2 pm.

Later, the leader of Opposition in the



Members protest in the well of the Rajya Sabha on Monday - PTI

Rajya Sabha, Ghulam Nabi Azad, dubbed the protests as a fixed match between the government and the AIADMK. "We want discussion in the House on triple talaq but the AIADMK members are not letting it happen. The entire Opposition can't be blamed for the disruption. There is something going on between AIADMK and the government," he said.

Azad also demanded that the bill be sent to the select committee before initiating any discussion on it.

When the House reconvened, Trinamool Congress MP Derek O'Brien spoke on his resolution to send the bill to the select committee for review. The resolution was supported by all opposition parties. As mem-

bers from both the sides raised their points, the deputy chairman adjourned the House for the day.

Union minister Vijay Goel put the blame on Congress, saying that the Opposition doesn't want discussion and the Congress is against justice to Muslim women. The Rajya Sabha will reconvene on January 2.

Earlier in the day, the opposition parties in joint meeting decided to support the resolution brought by TMC to send the bill to select committee. The meeting was attended by leaders of Congress, TMC, Samajwadi Party, DMK and others. Though BSP didn't attend the meeting, party MP Satish Chandra Mishra supported the Opposition on the bill.

'GOVERNMENT SPREADING LIES'

Gandhis Never Interfered in Defence Deals, says Antony

Our Political Bureau

New Delhi: Senior Congress leader and former defence minister AK Antony has accused the government and investigating agencies of "manufacturing lies" about the AgustaWestland deal and insisted that the then Congress president Sonia Gandhi and vice president Rahul Gandhi "never interfered with any defence deals" including the 2013 VVIP chopper deal during the tenure of the United Progressive Alliance government.

Speaking at a presser in Delhi on Monday, Antony alleged that the ruling side was raking up the VVIP chopper deal issue only to divert attention from allegations of corruption in the Rafale fighter aircraft deal.

"The government and the BJP are misusing agencies to manufacture lies. They are spreading lies and trying to manufacture something out of nothing. I would like to state categorically that Sonia Gandhi and Rahul Gandhi never interfered with the AgustaWestland deal. During my entire tenure as defence minister, Sonia Gandhi or Rahul Gandhi never interfered in any defence deals," Antony said.

The comments came in the wake of the BJP and the government targeting the Congress leadership after media reports said that



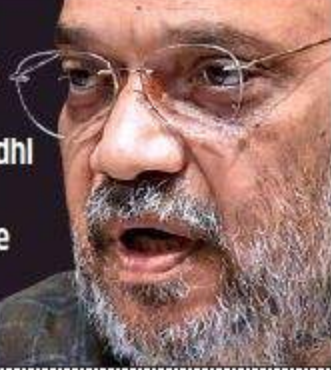
AK Antony
Former Defence Minister
The ruling side is raking up the VVIP chopper deal issue to divert attention from allegations of corruption in Rafale deal

accused middleman in the AgustaWestland case, Christian Michel, had mentioned "a Mrs Gandhi" during his interrogation by the Enforcement Directorate.

Antony also said the BJP and the Narendra Modi government would not be able to counter the UPA regime's handling of the AgustaWestland issue by putting out lies as part of vendetta politics.

In national interest, Michel's lawyer must tell us about the existence of documents of 2008, which make a reference to Mrs. Gandhi. Evidently, the friendship between Michel and one family in India is time tested and deep.

Amit Shah @AmitShah



JOINING THE ATTACK

It's Time Gandhis Came Clean on Agusta: Fadnavis

Our Political Bureau

Mumbai: Maharashtra chief minister Devendra Fadnavis on Monday questioned the Congress 'silence' on the alleged revelations made by AgustaWestland scam accused Christian Michel. Fadnavis claimed that in documents and in the recovered diaries, the Congress president was referred to as 'R' and the 'son of the Italian woman who could be PM'.

In a press conference, Fadnavis said the Congress and 'the family that runs the party' should answer the questions raised in the AgustaWestland scam.

The CM said the scam was uncovered after the Italian investigative agencies conducted raids on Finmeccanica and came to know that there was big corruption in the deal. "Some Indian Air Force officers, other officials and political leaders were given bribes. The Italian court has already sentenced two people. In the Italian court judgement, Sonia Gandhi's name has come four times," said the CM.

Fadnavis said that raids conducted on Guido Ralph Haschke and interrogation of Michel has led



Devendra Fadnavis
Maharashtra chief minister

In the Italian courts judgement, Sonia's name has come four times

to important dots being connected by the investigating agencies.

"There are different names that have cropped up in court documents, mails and diaries. Sonia has been mentioned, there is reference to the Italian woman and her son who could be the PM, there is an R mentioned, there is also an AP. The Congress needs to answer as to why are the names being referred to and what is their connection to this?"

Fadnavis levelling charges against the Congress leadership is akin to 'a thief complaining about robbery'. Half the ministers in the state cabinet face scam allegations. Ashok Chavan Maha Cong president



The Oracle at Del(p)hi!



India never had a national oracle, unlike what the Greeks had in Delphi. Therefore, we create one here. We look at the horoscopes of a few prominent political leaders who share their birthdates with each sign of the zodiac. The zodiac signs followed here are those according to the western style. They are assigned corresponding to the dates of birth of the leaders mentioned here. We hasten to add, the predictions have no scientific or astrological significance, and are meant to be a work of imagination and humour only.

Have fun. Happy New Year!!!

Aries
March 21 - April 19

Smriti Irani
23 March

The year is going to be full of ups and downs. As Rahu(I), positioned in the second column from your sign, is on the ascendant, you may feel disturbed, uneasy and a bit edgy. Maintain your political poise, but more aggression may be called for when you travel around the regions of Amethi. Remember to be earnest in whatever you do, and things will work out.

Colour: Saffron.

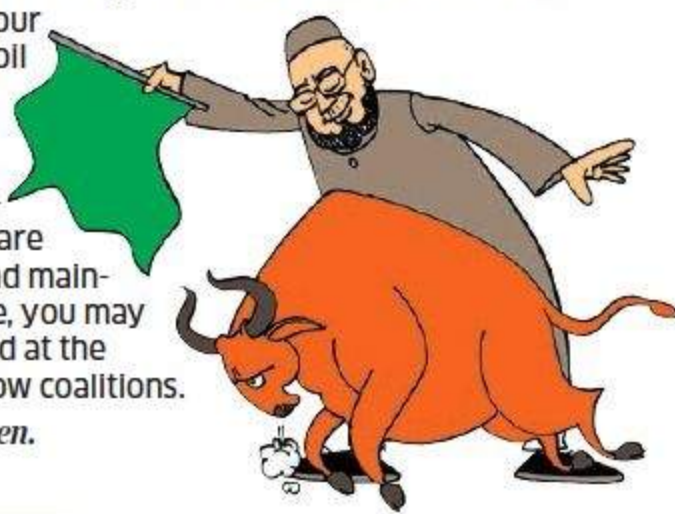


Taurus
April 20 - May 20

Asaduddin Owaisi
13 May

With a little effort from your side, you can make 2019 the best year for you. You might face difficulties in the middle of the year, when your hard talk may spoil your relationships, which in turn may eclipse your political fortunes. But if you are polite, humble and maintain a civil tongue, you may find pieces of gold at the end of any rainbow coalitions.

Colour: Deep Green.



Cancer
June 21 - July 22

Ram Vilas Paswan
5 July

A very good year for political opportunism. February to April will prove to be very fruitful. If you could work on electoral ganitshastra and arrive at optimal equations. Grab every opportunity that you get in these months. May to August can turn out to be challenging, but if you can keep your tarot cards close to your chest and play, lady Luck could continue smiling at you.

Colour: Choose colour from backdrop.



Virgo
Aug 23 - Sep 22

Narendra Modi
17 September

The period from second week of March till the Monsoon will be very challenging. Avoid performing pujas at huge muris of political deities; focus more on discharging your rajdharma, as a poorvaj who departed recently had once advised. Practise restrained speech, especially when litheasic invocations are to be made. Keep a watch on your flock, for some may harbour ambitions which may work against you.

Colour: Mild Saffron.



Scorpio
Oct 23 - Nov 21

L K Advani
8 November

The coming year may reveal the more spiritual side of your personality, transitioning from an extended vanaprastha to sanyas. You may still be called upon to bless the throne which was once snatched from you, and you may keep yourself busy poring through manuscripts of books which you may be asked to release. Old karmas committed more than a quarter century ago may haunt you in the form of litigation.

Colour: Faded Deep Saffron.



Leo
June 23 - Aug 22

Arvind Kejriwal
16 August

Overall 2019 will be progressive and promising. Take extra care of your throat during this winter, because you will have to strain your vocal chords in the ensuing summer. Stay calm and don't skip meals. Protein-rich breakfasts advised before undertaking satyagrahas. An estranged aunt whom you had ousted from capital politics may come seeking your friendship. Think twice, and act wisely.

Colour: Any muffler colour.

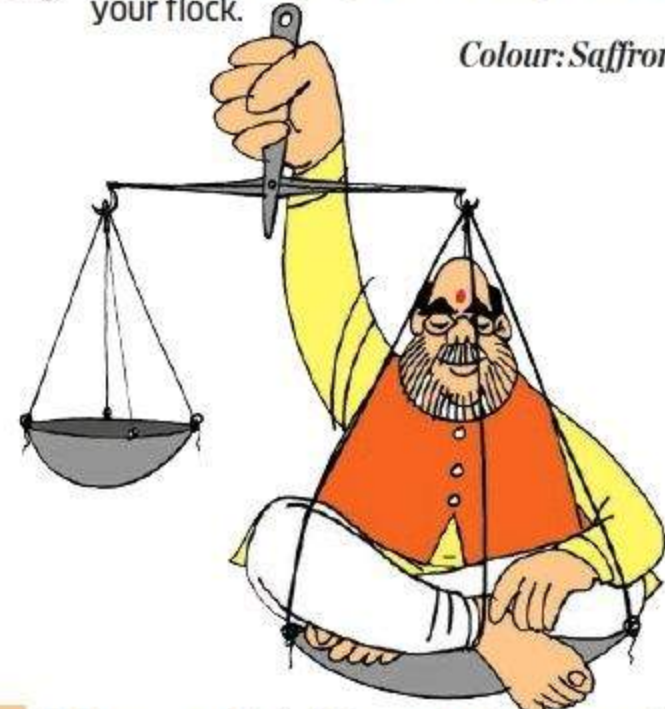


Libra
Sep 23 - Oct 22

Amit Shah
22 October

Though Shukra is in your favour, combinations of Rahu(I) with other zodiacs in the political firmament may seek to eclipse you. Read Chanakya-niti again, and seek out strategies that can counter the machiavellism of the Mlechcha(outsider) forces from whom you had promised mukti for your matrubhumi. Your combination with Virgos continue to be formidable. Watch out against any sign of rumblings within your flock.

Colour: Saffron



Sagittarius
Nov 22 - Dec 21

Sonia Gandhi
9 December

2019 may find you inclined towards philosophy or spiritual activities. You might even consider ending the regency. But, it is advised that you read and reread the horoscopes of your children, and seek out the remedial measures to counter the evil eye that may pop up time and again against them. They will continue to need your advice, especially when it comes to choosing their friends and partners.

Colour: VIBGYOR



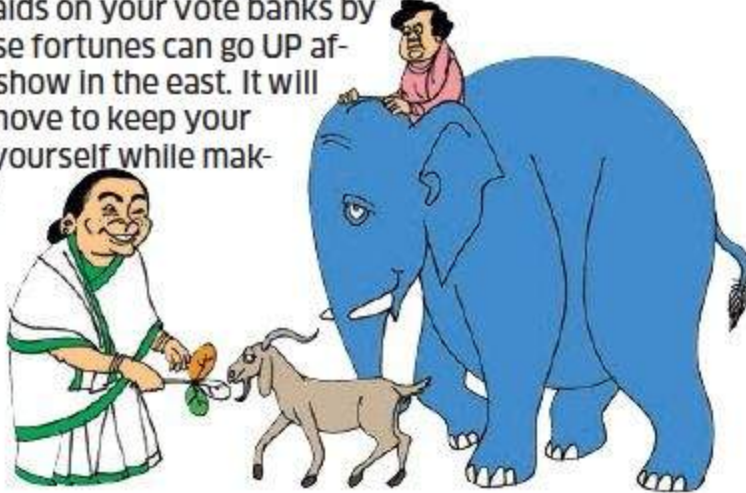
Capricorn
Dec 22 - Jan 19

Mayawati
15 January

Mamata Bannerji
5 January

A great year ahead provided you can stave off raids on your vote banks by those whose fortunes can go UP after a good show in the east. It will be a wise move to keep your kundlis to yourself while making friends across zodiacal signs.

Colour: Bewary of saffron



Aquarius
Jan 20 - Feb 18

KC Rao
17 February

A great year ahead for you, as have been the last four. But you need to take the vastu-plotters and star-gazers less seriously lest you would follow their advice to the last letter. Hold on to your rajdhan with all your will and might; there are political enemies who want to give it a new name, and steal its nagar-lakshmi from you.

Colour: As your in-house astrologer advises.



Pisces
Feb 19 - Mar 20

Nitish Kumar
1 March

You have been the great fisherman of Ganga for a while now, and your fishing skills will be tested this year. The grass will look greener on the other side always, but it may also turn out to be a mirage. Choose your friends shrewdly; and resist temptations to trade your soul each time. Remember, your enemies had been your friends, and they may turn out to be friends in future too.

Colour: Any colour that suits the season.



THIRD EYE

Switching It Off by Example



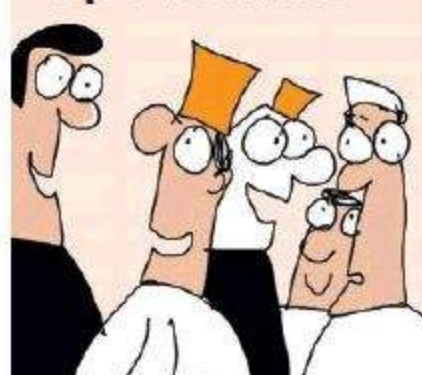
At the year-end press conference, minister of state for housing and urban affairs Hardeep Puri had a unique way of telling journalists to switch off their phones during the interaction. He said smart phones were an addiction, which he as an "addict" himself could tell people about. He said he got a feedback every week about the time he spent on his phone. When prodded a little more, Puri admitted he spends 12 hours on phone. "But it is coming down gradually," he said.

FM's Day Out with Orphans



Few know that Finance Minister Arun Jaitley makes a visit every year on his birthday to an orphanage in South Delhi. The BJP leader is one of the patrons of the Institution and has contributed to its upkeep. He kept up the appointment this year too on December 28 and took time out from Parliament to visit the place.

In a Rush to Fill Up Vacancies



The buzz is that the centre is going to announce names anytime now to fill vacant prestigious posts before count-down for 2019 elections starts. The Modi government has to come up with names for a slot each in Election Commission and National Human Rights Commission. Besides, the government may appoint a person to take over as Chhattisgarh governor. As of now Madhya Pradesh governor Anandiben Patel is holding the dual charge to look after Chhattisgarh too.

NOTABLE OMISSION Muslims not in the list as that they are a majority in Afghanistan, Bangladesh and Pakistan; Bill seeks to grant citizenship to Hindus, Sikhs, Buddhists, Jains, Parsis and Christians after 6 years of residence in India

JPC Nod to Citizenship Act Changes

Our Political Bureau

New Delhi: A Joint Parliamentary Committee (JPC) on Monday cleared the Bill to amend the Citizenship Act 1955. The Bill seeks to grant citizenship to people from minority communities — Hindus, Sikhs, Buddhists, Jains, Parsis and Christians — from Afghanistan, Bangladesh and Pakistan after six years of residence in India instead of 12 even if they don't possess any proper document.

Muslims are a notable omission from the list on the ground that they constitute the majority communities in the three neighbouring nations. The BJP-dominated JPC headed by Rajendra Agarwal cleared the Bill after most opposition amendments were rejected by 6-13 votes, it is learnt.

With this the stage is set for the government to bring the Bill in the ongoing session of Parliament with the intention of pushing for its passage before the session ends.

The JPC pushing the Bill through and the government readying to give it legislative framework also meant the BJP is resolved to face ally AGP's threat of walking out of the NDA if the Bill is passed.

The legislation is expected to have political implications in many

Minority Inclusion Push

THE BILL SEEKS TO GRANT citizenship to people from minority communities — Hindus, Sikhs, Buddhists, Jains, Parsis and Christians — from Afghanistan, Bangladesh and Pakistan after six years of residence in India instead of 12 even if they don't possess any proper document

MUSLIMS ARE A NOTABLE omission from the list on the ground that they constitute the majority communities in the three neighbouring nations

THE BJP-DOMINATED JPC headed by Rajendra Agarwal cleared the Bill after voting out many amendments moved by the Opposition members



THE OPPOSITION

"We appeal all the indigenous people of Assam to come out jointly against the Bill for the interest of greater Assam"

DEBABRATA SAIKIA

Leader of opposition in Assam assembly

North East states, especially Assam, and also in West Bengal, something on which the BJP seems to be betting on before the elections.

Many Opposition parties including the Congress, TMC, BJD and Left had expressed their reservations about many provisions in the proposed amendments to the Bill.

With less than a week left for the adjournment of the winter session, it remains to be seen whether the government will be able to glide through the Bill in both the Houses or whether it will face political deadlock.

NATIONAL REGISTER OF CITIZENS

30L People Push for Inclusion in Assam

Bikash.Singh@timesgroup.com

Guwahati: An estimated 30 lakh people have filed their claims until December 30 to be included in the National Register of Citizens (NRC), the final draft of which had left out over 40 lakh applicants due to lack of credible documents. Authorities have also received around 600 objections to the inclusion of names on the list, published on July 30. The deadline to file claims and objection for those who have been left out of the final draft ended on Monday, but NRC officials said they would get the final tally on Tuesday. "On December 31, between 1 lakh and 3 lakh people are expected to file claims," one of them said. "We are also expecting a quantum jump in the number of objections filed on the last day."

Several organisations have mobilised people to file objections.

A person associated with one such organisation, told ET: "We have mobilised cadres and identified 'doubtful' names who have got into the draft NRC. Accordingly, on December 30 and 31, we have filed objections."

The final draft of the SC-monitored NRC had about 2.9 cr names

The final draft of the Supreme Court-monitored NRC had about 2.9 crore names. Assam finance minister Himanta Biswa Sarma, also the chairman of a cabinet sub-panel on NRC, said not much enthusiasm was shown by organisations. "These organisations are otherwise vocal on other issues. These organisations, when such a crucial thing is going on, are busy with other issues... when it came to filing of objections, especially in the border districts, not much enthusiasm was shown."

Happy Two Thousand And Nineteen!



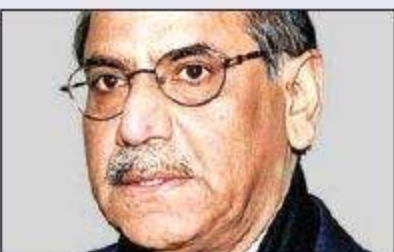
7 Acquitted in Fake Stamp Cases



Mumbai: A Nashik Court has acquitted seven people in one of the fake stamp paper cases involving Abdul Karim Telgi. The case against Telgi had abated after his death in October last year after multiple organ failure. Till his arrest in 2001, Telgi ran multiple rackets in many states involving fake stamp papers. The racket was estimated to be worth ₹33,000 crore. Nashik Court judge P R Deshmukh acquitted the seven that included Railway Protection Force (RPF) officials in the case for lack of evidence. The CBI which was investigating the case had claimed that Telgi in connivance with the RPF officials had stolen government stamps and stamp papers. -Our Bureau

FOREIGN POLICY SCORECARD

Positives for India in its Backyard but China's Leverage Unmatched



SHYAM SARAN

2018 has not been an easy year to manage. India has struggled to adjust to an increasingly polarized world with US-China relations entering a phase of open and probably irreversible confrontation. Russia's growing closeness to China is a further complication. India's immediate neighbourhood has become a zone of contestation with China's profile expanding. The continuing and undiminished turmoil in the Gulf and West Asia put at risk India's energy security and the welfare of its more than six million citizens living and working in the region. Given these trends, how did India fare in the year gone by?

Taking into account the growing power asymmetry with China, the dangerous confrontation at Doklam at the India-Bhutan-China border, in 2017 gave way to a more nuanced policy in 2018. There was a return to the earlier more cautious stance on the Tibet issue. The public association of government figures with functionaries of the Tibet government in exile (which India does not recognise) came to an end. The sharply critical rhetoric on China's Belt and Road Initiative became muted as did the loud complaints over Chinese opposition to India's membership of the Nuclear Suppliers Group. China, for its part, welcomed India into the Shanghai Cooperation Organisation, offered a few trade concessions and projected a more benign and congruent relationship even though in substance, the relationship remains adversarial. China's security and economic relation-

ship with Pakistan stands undiminished. It continues to seek enhanced influence in Nepal and is maintaining pressure on Bhutan to settle the boundary on terms it has already offered, exchange embassies and open border trade. Recent political changes in Sri Lanka and the Maldives appear favourable to India, but China's economic leverage remains unmatched. The return of Sheikh Hasina as Prime Minister of Bangladesh in just concluded elections must have been received with a sense of relief but concerns over China's growing economic and military profile in a strategically

landscape is heading towards greater polarisation, India's interests at this time are best served by avoiding overt alignment with either of the emerging poles. India did well to retain its equities in its relationship with Iran, going ahead with the strategically important Chabahar port. It has kept Russia in a relatively benign mood through the purchase of the S-400 missile system while fending off US sanctions by leveraging its growing defence hardware relationship with the US and in expanding maritime cooperation in the Indo-Pacific, the most important theatre for the US.

sented by the "Quad" and including the US, Japan and Australia at the core.

The Gulf and West Asia has now acquired a salience in our foreign policy which was long overdue given the significance of the region to our interests. There has been a perceptible and deliberate enhancement of our relations with the oil rich kingdoms as well as Iran and Israel, countries at opposite ends of the spectrum. This will stand us in good stead if a crisis does erupt in what remains a volatile region.

Indian foreign policy did not display the same tactical flexibility in its dealings with Pakistan. Despite some risks involved, India should have explored opportunities for engaging its new leadership. Pakistan is grappling with a fundamental change in its strategic environment. Since the 1960s, Pakistan has enjoyed two strong pillars of support in China and the US. Even in periods of intense confrontation between them, China has never objected to US military and economic support for Pakistan. Similarly, the US has welcomed Chinese support to Pakistan. This enabled Pakistan to maintain a balanced relationship with its two patrons even while pursuing hostile policies towards India. With Trump, the American pillar has become shaky and Pakistan's resultant over-dependence on China must cause discomfort even among the Pakistani military. This could be an opening for India. Instead Pakistan has put India on the defensive with its opening of the Kartarpur corridor. This is a minus on the scorecard.

The intense preoccupation with the forthcoming general elections will inevitably deflect attention from foreign policy in the year ahead. For the major parties in contention there should be a more than just rhetorical focus on India's external relations in their manifestos. For the first time since India adopted economic reforms and liberalisation in the early 1990s, and which enabled a more outward looking and expansive foreign policy, there are signs that this virtuous parallelism has run its course. A more insular economy, whose signs are unmistakable, cannot support an enhanced engagement with our region and the world. This disconnect will haunt us more and more as we head into the next decade of this millennium.

Shyam Saran is a former Foreign Secretary and is currently Senior Fellow, CPR.



Important neighbour will remain. India is yet to articulate an effective neighbourhood policy which draws on substantive and long-term leverage and economic interdependency. This remains a structural constraint.

In the Indian Ocean, Chinese naval presence, its establishment of base facilities or logistical hubs across the littoral, mean that there are now many more potential points of contention with India. So where does the Wuhan spirit fit into all this? The answer is to be found in China's need to keep its western flank neutralised while it copes with a more aggressive and openly adversarial United States. This has given India a tactical opening and it is to the credit of our foreign policy managers that they have taken advantage of it. As long as its tactical nature and hence, ephemerality is recognised, having greater room for manoeuvre is welcome. The more enduring challenges remain and only a sustained effort to reduce the asymmetry of power with China will enable their resolution. Even though the geopolitical

ON THE BACK FOOT

Pakistan has put India on the defensive with its opening of the Kartarpur corridor. This is a minus on the board

Given Trump's unpredictability this may unravel in the New Year but so far so good. Prime Minister Modi did a trilateral with Trump and the Japanese PM Abe on the sidelines of the G-20 summit in November and followed it up with a trilateral with Russia's Putin and China's Xi Jinping. This is a visible manifestation of Non-Alignment 2.0 but in a different place and time. By projecting India as a swing state courted by the great powers the country has expanded its diplomatic space. But going forward, if the asymmetry of power with China remains unaddressed, India will move closer to the countervailing coalition repre-

PM MODI FIRST FOREIGN LEADER TO CONGRATULATE BANGLADESH PM-ELECT

Govt's Neighbourhood First Policy Gets Boost From Hasina's 3rd Straight Term

An emerging middle-income nation, Bangladesh opens up a huge market for India

Dipanjan Roy Chaudhury @timesgroup.com

New Delhi: Sheikh Hasina-led Awami League's landslide victory in Sunday's election would make her the prime minister for an unprecedented third straight term, a shot in the arm for India and its Neighbourhood First Policy.

Delhi wasted no time in welcoming the verdict, and within hours of declaration of formal results, PM Narendra Modi on Monday morning was the first foreign leader to extend his congratulations. "We welcome the successful completion of the Parliamentary elections in Bangladesh. India warmly congratulates the people of Bangladesh for reaffirming their faith in democracy, development and the vision of Bangabandhu Sheikh Mujibur Rahman," MEA noted in a statement.

Modi telephoned Hasina to convey his heartfelt congratulations on the decisive results of the election. He expressed confidence that the partnership between India and Bangladesh will continue to flourish under her far-sighted leadership. The PM also reiterated the priority India attaches to Bangladesh as a neighbour, a close partner for regional development, security and cooperation, and a central pillar in India's "Neighbourhood First" policy.

Hasina is understood to have thanked Modi for being the first leader to call her to convey congratulations. She also thanked India for its consistent and generous support which benefited Bangladesh's development, and appreciated PM's reiteration of this commitment. "The conversation was very cordial, fully reflecting the close and traditionally friendly relations between India and Bangladesh," a government statement noted.

Hasina is poised to play a major role in Delhi's initiatives in Bay of Bengal and Northeast amid China's massive inroads into South Asia. Stability in Bangladesh, like Bhutan, is imperative for India amid political uncertainties in certain other parts of neighbourhood like Sri Lanka and Afghanistan, said experts familiar with Delhi's South Asia strategy.

A staunch ally in Dhaka further assists Delhi against Pakistan Army & ISI's designs to foment cross-border extremism in the region, according to persons familiar with South Asian politics. ISI allegedly tried to influence outcome of the just concluded polls in collaboration with Opposition BNP, Tarique Rehman, London-based exiled son of former PM Khaleda Zia and certain Dhaka-based business houses.

Further, Bangladesh, poised to emerge a middle-income country, opens up a huge market for Indian investors. Few are aware that the country has already emerged as major source for remittances for Indians after the Gulf region. Bangladesh is the highest recipient of India's concessional Line of Credit of \$8 billion.

Connectivity between Bangladesh and neighbouring countries including India have received great boost during the last ten years from Hasina's pro-active stance on enhancing connectivity in South and Southeast Asia. Bangladesh is playing a leading role in the Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC), which groups together Bangladesh, India, Maldives, Sri Lanka, Thailand, Nepal and Bhutan in a forum for multilateral cooperation.

"Bangladesh is uniquely positioned to take advantage of its location in the eastern region of South Asia. It will be a centre point of different initiatives that seek to connect Bangladesh, Bhutan, India and Nepal with the ASEAN and other East Asian countries. With deeper trade, investment and connectivity linkages within the sub-region, Bangladesh can benefit from new markets, new import sources of high quality and better priced products, increasing opportunities for transport and logistics services," an official told ET.

Further, regional connectivity between Bangladesh and its neighbours is expected in implementation of the planned concept of 'Blue Economy' now that Bangladesh is in receipt of new marine territories as a result of the maritime verdict wins through arbitration against India and Myanmar.



@Narendramodi
Reiterated India's continued commitment to work together for the development of Bangladesh and further strengthening of our bilateral relations



As Focus Shifts to Mandir, Ayodhya Gets Media Centre

Project envisages a new building with computers, LED televisions and rooms for journalists' accommodation

Aman.Sharma@timesgroup.com

New Delhi: The Yogi Adityanath government in Uttar Pradesh has sanctioned nearly ₹1 crore for setting up of an international media centre in Ayodhya, according to a longstanding demand in a city which is among its key areas of focus.

ET has seen a copy of the order issued by the UP government on December 14, sanctioning ₹99.81 lakh for the project which envisages a new building with computers, LED televisions and rooms for accommodation for journalists. "Ram Mandir" issue is now much

in news. Journalists from abroad and from across the country come to Ayodhya for coverage of the issue and they are expected in bigger number this year," Mahendra Tripathi, president of the Ayodhya Press Club, told ET. "We had given a proposal to CM Yogi Adityanath for setting up a media centre and it has been sanctioned as an 'International Media Centre' with a budget of Rs 1 crore."

He said the demand had been made since 1994 but successive chief ministers — Mulayam Singh Yadav, Mayawati and Akhilesh Yadav — ignored it. He said land for the project had been identified and construction is ex-



The Ayodhya district magistrate will oversee the project while the Ayodhya Press Club will run the international media centre once it is ready

pected to begin on January 14. The Supreme Court will be hearing from January 4 the title suit for the land on which the temple of

Lord Ram is proposed to be built. "The air-conditioned building will have rooms for accommodating journalists who come for coverage of

news, clean toilets, food, plus paraphilia such as computers, printers, internet and LEDs," said Tripathi. "Journalists who come from abroad or Delhi faced trouble in getting accommodation due to lack of quality hotels in Ayodhya."

The Ayodhya district magistrate will oversee the project while the Ayodhya Press Club will run the international media centre once it is ready, he said. Ayodhya has been a prime area of focus for the Adityanath government, which has renamed Faizabad district as Ayodhya and held the grand 'Deepotsav' in the city on the occasion of Diwali, attracting media attention.

47 Bureaucrats Draw Yogi's Ire Over Unfiled Reports

Aman.Sharma@timesgroup.com

New Delhi: Forty seven top bureaucrats of the UP government, out of the 75 assigned for doing field checks of government schemes, did not provide their tour reports to the state government in October, prompting an angry missive to them on the behalf of Chief Minister Yogi Adityanath.

ET has a copy of the letter written by UP Chief Secretary Anoop Chandra Pandey last month, in which he said that 16 officers in August, 31 in September and 47 officers in October did not provide their tour reports to

government. All these officers are of Secretary or Principal/ Special secretary level and were made nodal officers in charge of each of the 75 districts in the state and asked to tour these districts for two days every month. "This is an extremely serious matter and this makes it clear that the nodal officers are neither sensitive nor serious towards their responsibility of touring the districts. CM has directed that if in the future such negligence is shown in tours of the districts, an adverse outlook will be adopted," the UP Chief Secretary wrote to all 75 officers. The Chief Secretary has been asked to personally monitor this in future.

STAGE SET FOR GENERAL ELECTIONS

The Political Box Office

Election victories in three states and a coalition government in Karnataka have made the Congress aggressive, fancying its chances of leading an alliance at the Centre in 2019. But it's not going to be an easy battle with the BJP, still the main formidable political force, and the NDA going strong despite some defeats. ET looks at some of the issues set to dominate the political box office in the run-up to the general elections



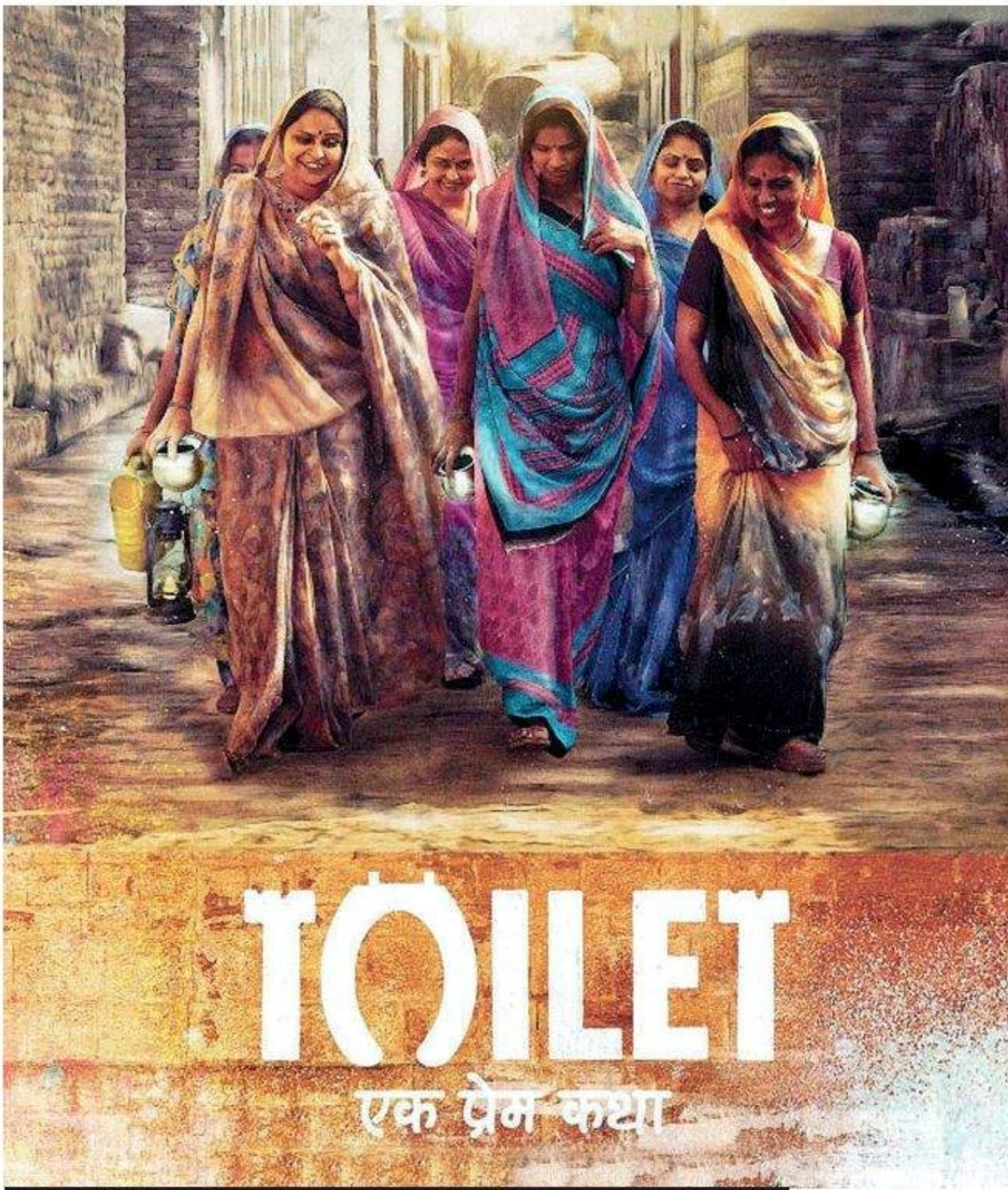
Farm, Farmers & Loan Waiver

THE ISSUE: There is a growing perception, fanned effectively by the Opposition, that the Centre has not done enough for farmers, especially on complaints about not getting the right price for their crop, lack of irrigation and affordable power.

SIGNIFICANCE: The recent Assembly elections have revealed that farm distress is an important electoral issue, and in many cases, a deal breaker for the electorate. Congress has countered populist measures such as one-time loan waivers.

PARTY LINE: Congress has banked on farm loan waivers in successive elections. In the wake of suicides in Maharashtra's parched Vidarbha region, Congress had announced complete farm loan waiver ahead of 2009 parliamentary elections.

BJP, however, has always termed it as a quick-fix (the PM called it a lollipop) and has advocated long term reforms. Its promise of MSP for kharif crop at one and a half times the cost of production has not been implemented effectively.



The 'Welfare' Hook

THE ISSUE: BJP believes key schemes of the Narendra Modi government have reached nearly 22 crore beneficiaries across the country and this will bolster its chances in the general elections. The party had got 17 crore votes in 2014.

SIGNIFICANCE: The focus is to complete all key schemes by March 2019-10 lakh toilets, one crore houses under the PM Awas Yojana, electrifying 2.5 crore households under Saubhagya and cover 10 lakh people under Ayushman Bharat insurance scheme. Six crore gas cylinders have already been distributed under Ujjwala.

PARTY LINE: Har Garib Ko Ghar, Usme Bijli, Cylinder aur Toilet - this seems to be BJP's campaign line. But Congress has alleged that government makes tall claims on delivery of the schemes and is only chasing numbers.



Notebandi, Tax & Naukri

THE ISSUE: While the Modi government has been lauded by some for taking risks and bringing in the Goods and Services Tax, it has drawn flak for demonetisation that adversely affected the GDP. The various slabs under GST and the way it was implemented have also faced flak. The government is also under attack on its promise of two crore jobs a year.

SIGNIFICANCE: The Opposition has targeted the NDA government on these three issues and its impact did gain some traction in the recent Assembly elections in Rajasthan, Madhya Pradesh and Chhattisgarh. These three issues will be raked up again in the general elections.

PARTY LINE: BJP still maintains that demonetisation served its purpose of moving India into a digital

economy, curbing black money and crippling Naxalism.

But now, some that were part of the government till recently, too have openly questioned the rationale behind demonetisation.

On the GST, PM and Finance Minister Arun Jaitley have lately indicated that GST rates of over 95 per cent items may be brought in the 18 per cent slab. Congress has announced it will launch a modified and revamped GST if it is voted to power.

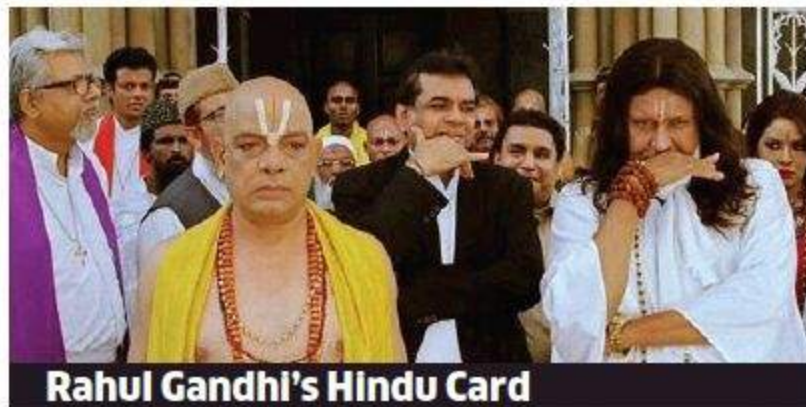
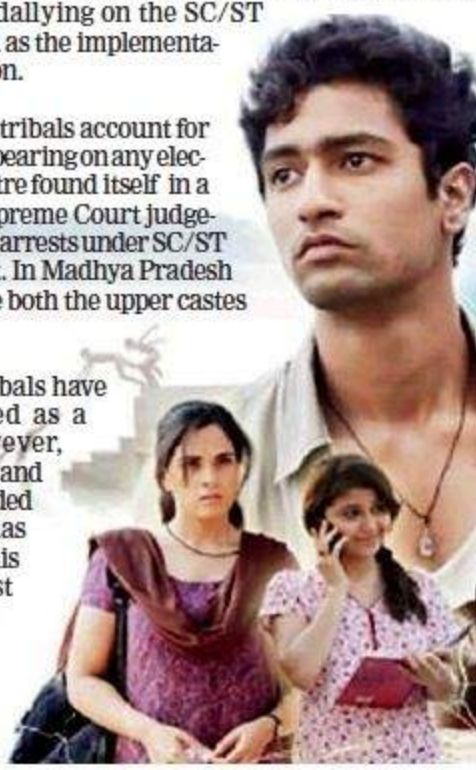
On unemployment, BJP claims the government has been able to generate new opportunities both in the organised and unorganised sectors, besides creating several self-employment opportunities. The Opposition has, however, challenged the government over employment data and job growth under.

Tug Of War for Dalit Votes

THE ISSUE: BJP's effort to woo Dalits in the last four years has faced challenges due to increasing cases of Dalit atrocities, cow slaughter controversy and the government's dilly-dallying on the SC/ST Atrocities Act changes as well as the implementation of reservation in promotion.

SIGNIFICANCE: Dalits and tribals account for big numbers and have a direct bearing on any election outcome. In 2018, the Centre found itself in a tight spot with a March 20 Supreme Court judgement which banned automatic arrests under SC/ST (Prevention of Atrocities) Act. In Madhya Pradesh elections, BJP tried to balance both the upper castes and the Dalits.

PARTY LINE: Dalits and tribals have traditionally been counted as a Congress vote-bank. However, through concerted educational and social interventions spearheaded by a vast RSS network, BJP has made successful inroads into this block of voters. Over the last three years, both BJP and Congress have been entangled in a vicious political slugfest to appropriate the legacy of Dalit icon Dr B R Ambedkar.



Rahul Gandhi's Hindu Card

THE ISSUE: Rahul Gandhi's "temple run" that began with Gujarat elections, intensified during the Karnataka polls. This trend is expected to gain more vigour in the run-up to Lok Sabha polls.

SIGNIFICANCE: Though Gandhi also visited some mosques, churches and gurudwaras, it was his 'temple run' that

worked as the TRP booster, inviting the charge of playing the 'soft Hindutva' card.

THE PARTY LINE: Gandhi's temple run evoked mixed reactions; BJP became more belligerent, but the Congress strategists are happy and even moved further to make Rahul a *janeu dhaari* (one who wears the sacred thread). He has now declared his *gotra* too.



Of EVMs & Paper Trail

THE ISSUE: The loser raising issues about credibility of EVMs and VVPATs.

It is unlikely that attacks against the EVM and VVPAT will abate.

SIGNIFICANCE: In an era when machine and data manipulation are seen as the biggest possible threat to conduct of free and fair elections, the credibility of India's upcoming elections depends heavily on the sanctity of the EVMs and VVPATs.

The EC has so far fought back political attacks with awareness drives and dialogues with political parties. Recent election results where incumbent governments have been voted out have also helped it find a breather.

However, in a Lok Sabha election that is expected to be a hot contest,

THE PARTY LINE: The Opposition parties - largely across party lines - have openly challenged the neutrality of the machines, gone public airing their deep suspicions about machine manipulation, gone to court and issued memorandums on the subject. They have even gone on to demand a return to the ballot paper.

To ensure that voter confidence remains intact despite political rhetoric, the EC cannot afford any let up on the EVM or the VVPAT front. That the BJP lost in the recent state polls will be cited as an example EVM efficacy.

The Gender Agenda



THE ISSUE: Women have been at the centre of most welfare schemes launched by the Modi government. These include the Swachh Bharat scheme, Ujjwala, Pradhan Mantri Matru Vandana Yojana, Poshan Abhiyan and Indradhanush for the health of women and children and Jana Dhan Yojana for financial security.

On women's rights, from the #MeToo movement that saw Union minister MJ Akbar losing his position in government to the uproar over the Kathua rape case and the rape and violence against a Dalit girl by a BJP MLA in Uttar Pradesh, the Modi government has found itself cornered on the issue of women safety.

SIGNIFICANCE: With women being almost half the voter base in the country today, BJP has been consistently working on building a voter base among women. Increasingly women are outnumbering men at casting votes in the elections.

THE PARTY LINE: BJP has been consistently projecting itself as trying to improve the quality of life among women and has asked women's wings of all state units to propagate its schemes at booth level. Congress and the opposition have flagged atrocities against women and failure to bring the Women's Reservation Bill as government's lack of sincerity on the issue.

BJP introduced the death penalty for crimes of sexual abuse against minors, brought laws to help married women abandoned by NRIs and even made possession and transaction of pornography punishable offences.



Talaq To Triple Talaq

THE ISSUE: After Supreme Court banned the practice of Triple Talaq as violative of fundamental rights, the contentious bill criminalising instant divorce by Muslim men was passed in the Lok Sabha amid a heated debate on December 27.

SIGNIFICANCE: The Opposition has been opposing the bill saying it was aimed at penalising Muslim

men rather than protecting the rights of Muslim women and have sought that it be sent to a select committee for further scrutiny.

THE PARTY LINE: BJP claims that the effort is simply to put an end to the misery of Muslim women. Congress has alleged that the bill intends to target the Muslim community



Scam Vs Scam

THE ISSUE: The government, until the clean chit by the SC, was under serious Opposition fire on the Rafale fighter jet deal. Congress president Rahul Gandhi led the charge with direct allegations of crony capitalism against the prime minister. But the SC order quashing the demand for a probe has come as a shot in the arm for the BJP, which has countered Rafale onslaught by revival of the VVIP chopper scam against the Congress first family through a successful extradition of middleman Christian Michel from Dubai.

Besides this, the flight of businessmen Vijay Mallya and Nirav Modi and the NPA crisis of the financial sector have also gained traction.

SIGNIFICANCE: The spate of allegations are targeted denting PM Modi's image as a spotless administrator who cracks down on corruption, while the BJP ri-poste aims at the issue closer home to the leadership of 'dynastic' parties. The theme of 'suit boot ki sarkar' and 'chowkidar chor hai' is aimed at spreading a narrative that the government works for the rich, an important factor in the battle for the mass votes.

PARTY LINE: The government has fought back through the VVIP chopper probe in which Michel has been allegedly throwing up big names from the UPA. The extradition order from the UK for Mallya has also helped.



National Security Ki Jung

THE ISSUE: It's been a mixed bag for the government on the security front. While efforts to improve relations with Pakistan have not worked, despite an initial personal approach by the PM, the narrative of a strong government was boosted by the publicly announced surgical strikes into Pakistan-Occupied Kashmir. A strong approach in tackling terrorism in Kashmir was adopted after the Pathankot attack.

SIGNIFICANCE: The government comes across as one having a no-nonsense approach on national

security. That there has been no major terror attack on an Indian city in the past four years has been a big feather in the cap for the government.

PARTY LINE: The surgical strikes, as well as the terror-free record will be the big planks the party is likely to go in for when it comes to elections. The surgical strikes are being showcased as a unique military achievement. Congress has sought details of the kills during the operation to puncture the government claims.



The Minority Report

THE ISSUE: Muslims are evidently among the most restless social segments. As a community, they feel they have been divided due to vote bank politics and now somewhat marginalised on the larger political scene.

SIGNIFICANCE: The community would gain the most in a grand alliance-like situation against the BJP, preventing a split of the minority vote. However, the

BJP's rise has ensured that the community finds it difficult to obtain tickets.

THE PARTY LINE: The BJP line is 'sabka saath sabka vikaas', where it claims that no individual is discriminated on basis of religion. It terms UPA's policies as one of minority appeasement. But increased incidents of mob lynching and cow protection have polarised the heartland.



Mandir, Cow & Polarisation

THE ISSUE: Ratcheting up the Ram Temple issue has led to voices of Hindutva and polarisation gaining ground in the BJP. RSS affiliates hope it will consolidate the Hindu votes overriding the caste support of some regional parties.

SIGNIFICANCE: The frenzy around the Ram temple at Ayodhya has helped BJP electorally in the past. Cow protection issue has also helped whip up passions though Hindus have also lost

lives during riots. The Bulandshahr incident is a case in point.

THE PARTY LINE: BJP has officially maintained it will wait for the Supreme Court verdict on the Ram temple issue. Though the party has condemned cow slaughter-related violence, mob lynching and riots, many of its own lawmakers have made controversial remarks in support of the acts or perpetrators.

ON THE WHEEL

Samsung
Tops in
Self-driving
Car Patents

SEOUL: Samsung Electronics filed the largest number of patents related to self-driving cars in Europe, data showed on Monday, far above traditional automobile manufacturers. According to the data compiled by the European Patent Office, the number of applications related to self-driving cars filed in Europe came to 3,998 in 2017, growing more than threefold from 922 tallied in 2011. Over the 2011-2017 period, Samsung held the most patents at 624, trailed by US IT giant Intel with 590. Qualcomm held 361, followed by LG Electronics at 348 and Bosch with 343.—IANS

Tweet OF THE DAY



TESLA
@TESLA

In 2018 we added over 3,100 Superchargers globally. Our network now covers 99% of the US population and 97% of Europe and will continue to grow in 2019

Pitch Report

Amazon to
Expand its
Whole Foods
Portfolio

Amazon.com is planning to expand its Whole Foods Market portfolio by adding more stores to put more customers within its two-hour delivery service range, the Wall Street Journal reported on Sunday, citing sources. Whole Foods employees have visited regions of Western North America for potential retail spaces in parts of Idaho, southern Utah and Wyoming where it currently has no stores. The retailer plans to expand its two-hour delivery service, Prime Now, to nearly all of its roughly 475 Whole Foods stores in the United States.—REUTERS

'Include Local
Players in
Ecomm FDI
Norms Too'

NEW DELHI: The FDI norms related to e-commerce companies should be implemented on domestic online players also to restrict them from adopting any unethical business practices, traders' body CAIT said on Monday. In a communication to Commerce and Industry Minister Suresh Prabhu, the Confederation of All India Traders (CAIT) also urged him to release the proposed policy for the sector. The ministry is working on the policy and would come out with a draft for public views.—PTI

SET UP IN 1956 with the aim to create jobs, promote local textiles and crafts, Khadi & Village Industries Commission has come a long way. Over the past 5 years, it has managed to put itself on the global map through a focus on entrepreneurs and robust marketing efforts

Khadi: Swadeshi Icon Turns Showstopper

ETPrime.com

Soumya Gupta

Khadi — Gandhi's beloved, the mother of swadeshi icons, the flagship of sleepy, musty Khadi Gramodyog Bhavans. Add to that one more distinction—the biggest-selling FMCG product group in India. In FY17 (its latest annual report isn't out yet), KVIC's village industries business made sales worth ₹49,991.6 crore — a growth rate of 24.26% year on year. That's a scale and pace of growth India's biggest private consumer-goods makers would kill for.

The village industries segment sells everything from honey to tea to soaps and shampoos — and even some leather goods — under the 'Khadi' and 'Khadi India' brands. The price of Khadi-branded packaged consumer goods starts at ₹50-odd — a bargain compared with rival brands that play in the luxury space, but premium compared with the cheaper daily-use brands in the mass market.

THE ROAD TO ₹50K

KVIC (Khadi and Village Industries Commission) was set up in 1956 to help create jobs, especially in rural India, and promote local textiles and crafts. In 1987-88, the KVIC Act was amended to adopt a definition for village industries. Now, KVIC gives financial assistance to entrepreneurs and units interested in production in these traditional industries with bank credit or "margin money", aka. subsidy, to pay off business loans.

Behind Khadi's rapid ascent towards the ₹50,000-crore mark are three big-ticket strategic shifts. ET Prime managed to have extensive conversations with senior KVIC of-

ficials to draw a picture of how the organisation is refashioning itself.

STEP 1: GIVE FINANCIAL ASSISTANCE

In the last five years, KVIC has fundamentally changed how it chooses who to work with. It has begun offering credit and other financial assistance to 'projects' rather than just institutions, which are often registered NGOs or Gramodyogs. These produce and sell the village industries goods mentioned in the list above.

That means entrepreneurs can propose a project to be financed as part of the Prime Minister's Employment Generation Programme and pick up funding from KVIC for a single product and a set time frame.

For manufacturing, the upper limit of a project is ₹25 lakh, financed by a bank and subsidised partially by KVIC's margin money. Entrepreneurs are expected to co-invest up to 10% of total capital required and create some 20 jobs per project.

The number of units running on KVIC funds rose dramatically after this shift. From 2,500 institutions, KVIC began targeting funding around 100,000 projects a year, according to a senior officer at KVIC. For FY19, this has risen to 190,000 projects, according to him and another senior executive. It has had a clear knock-on effect on KVIC's sales growth.

In the process, KVIC has helped establish large manufacturers of Khadi-branded products, such as Delhi-based Khadi Natural Healthcare, Kanpur-based Swati Herbs, and Indore-based Mauri Khadi, owned by Bansilal Agrawal & Sons. These sellers have their own brand pages and search tags on e-commerce por-

In a League of Its Own

How much consumer packaged goods does KVIC sell?

'Village Industries' annual sales (₹ cr)

Sales (LHS) Growth (%)



Source: KVIC annual reports

Khadi sells more consumer packaged goods than private brands do

Annual sales comparisons (₹ cr)

Village Inds HUL



Source: KVIC annual reports, HUL annual reports

What does KVIC sell?

A selection from the Village Industries product catalogue

Khadi Mix Fruit Soap ₹55

Khadi bifold black leather wallet for men (NA)

Khadi Shikakai and Honey Shampoo/Hair Cleanser ₹210

Khadi India Ambrosia Cinnamon Honey (NA)

Khadi Hair Serum ₹225

Source: KVIC Catalogue, Amazon.in

—Ankita Mehrotra



Khadi India Store at Connaught Place, New Delhi. (PHOTO/ MUHABIT UL HAQ)

TARGETS 9 COUNTRIES FOR MORE FLIGHT QUOTA

India May Hold
Talks to Expand
Bilateral Rights

Meeting may take place on Jan 14; move comes amid IndiGo, SpiceJet's overseas expansion

Mihir Mishra@timesgroup.com

New Delhi: India is likely to hold informal talks on increasing bilateral foreign flying rights with nearly nine countries including the United Arab Emirates, China and Saudi Arabia on the sidelines of the Global Aviation Summit to be held in Mumbai this month.

The meeting is set to take place on January 14, a day before the beginning of the two-day summit, which will be attended by representatives of

to the possible negative impact on domestic airlines.

"There are about nine countries with which the government will hold informal talks on bilateral flying rights. Some countries like Qatar have requested to be part of those talks, as the current flying rights quota is almost getting exhausted," said one of the officials, who spoke on condition of anonymity. ET had reported on October 4, 2018 that the Enforcement Directorate was investigating bilateral air services agreements signed with West Asian countries between 2001 and 2012. The probe will also examine the impact that the bilateral agreements had on the operations of debt-laden Air India.

In October, the government had decided not to allow an increase in flights



operated by carriers from countries such as Qatar, UAE, Singapore and China to India after domestic carriers objected saying their international plans would be hit.

These countries had sought an increase on the grounds that the existing rights on the routes were utilised by Indian carriers as well. Indian carriers have used up rights to the UAE fully and those to Qatar up to about 90%. With new Singapore flights having been started, utilisation on that route has breached the 80% mark.

Under the new civil aviation policy, any move to increase rights can only take place if Indian carriers utilise at least 80% of the entitlement on those routes.

about 30 countries, said people aware of the matter.

Foreign flying rights between two countries allow carriers from each side to operate a certain number of seats or services as agreed in the bilateral air services agreement.

The development comes amid expansion of operations of Indian carriers such as IndiGo and SpiceJet to overseas destinations, although the Narendra Modi government has so far refrained from allowing additional flying rights to countries in Asia owing

ABD in Talks with Carlyle,
Kedaara to Raise ₹600 Cr

Allied Blenders & Distillers looks to fund premium portfolio expansion

Sagar Malviya & Sneha Shah

Mumbai: Kishore Chhabria-promoted Allied Blenders & Distillers (ABD) is in talks with private equity firms Carlyle Group and Kedaara Capital to raise about ₹600 crore to fund its working capital and premium portfolio expansion. The fund-raising is also seen as part of a broader strategy to go public in a year.

"ABD has already signed a term sheet with both the companies. It is looking to sell 5-6% for about ₹600 crore," said two people privy to the plan. The company has mandated Rothschild and Ambit as its investment managers.

India's third-largest distiller would use capital to build a premium portfolio as it attempts to reduce dependence on the mass-market brand Officer's Choice, the world's largest-selling whisky brand, raising instead the sales of pricier variants and new brands such as Sterling Reserve. "We will raise ₹1,000 crore through an IPO and dilute 10% to fund

Pour Some More

ABD market share in whisky 11% (value)

Gross sales: ₹3,200 cr

EBIDTA: 11%

To raise ₹1,000 cr through IPO

Pre-IPO: ₹600 cr

Officer's Choice: 35 m cases in past 3 years

Sterling Reserve: Crossed 1 m case in nine months

Overall alcoholic beverages market: ₹30 B- 2% of the global market

working capital and invest behind premium brands," said Deepak Roy, executive vice-chairman, ABD, declining to comment specifically on the stake sale.

This is not ABD's first attempt to list. It had an IPO plan in 2016. "The market is stable now, with benign inflation, realisations have improved. Our EBIDTA is about 11% and this is the right time for margin expansion," added Roy.

Experts believe multiple drivers, including introduction of premium products, should support improvement in margins that bottomed out around 4% in FY14, but maintained a steady upward move to touch 14% in FY18. "Considering volume and product mix outlook, we believe the margins have substantial ground to improve and expect 400bps improvement for the sector in FY18-FY21E, implying operating earnings growth of nearly 23%," Vijay Chugh, an analyst at Nirmal Bang, wrote in a report.

DoT Set to Discuss
In-flight, Maritime
Mobile Services

New Delhi: The telecom department (DoT) will hold a meeting on January 4 with telecom operators, airlines and shipping companies to discuss a road map for in-flight and maritime mobile services. The government has so far received applications from only two companies Hughes India and Tata Teletel for in-flight and maritime connectivity (IFMC) and is expecting a rise in the number of applicants in days to come. "DoT will hold a meeting with IFMC applicants, telecom operators, airlines and shipping companies on January 4 to discuss road map of the service. We expect more companies to apply for the licences," an official source said.—PTI

WhatsApp to Log
Out of Some More
Dated Devices

San Francisco: Facebook-owned WhatsApp has been dropping support for dated devices and operating systems (OS) from time to time and now it is ending support for iOS 7 and older versions, Android 2.3.7 and Nokia Series 40 (S40). What this means is that users of Nokia Series 40 device will not be able to create new WhatsApp accounts and some features of the app could stop functioning on the device at any time. "When we started WhatsApp in 2009, people's use of mobile devices looked very different from today. The Apple App Store was only a few months old. About 70% of smartphones sold at the time had operating systems offered by BlackBerry and Nokia. iOS

EESL Plan to
Finish First Lot
of E-cars
DelayedNishtha Saluja
@timesgroup.com

New Delhi: India's plan to complete the distribution of the first lot of 10,000 electric cars ordered for government use has been delayed for a second time to September 2019, as only 10% of the order has so far been delivered.

Energy Efficiency Services Ltd (EESL) floated a global tender in August 2017 for the procurement of electric sedans, to be used by government departments. The order, bagged by Tata Motors and Mahindra & Mahindra, was expected to be delivered by June 2018, but was first delayed to March 2019 in the absence of sufficient charging infrastructure for the cars.

Since only 1,000 cars are delivered so far and as some states are still in the process of finalising their policies for electric vehicles, EESL plans to complete the distribution of the vehicles by September 2019.

"We've had to delay the complete rollout to September 2019. Some states are still in the process of finalising their EV policies, because of which the registration of vehicles has not begun," Saurabh Kumar, managing director at EESL, told ET.

EESL had aggregated demand for 20,000 e-cars from Andhra Pradesh and Gujarat. "Andhra Pradesh recently announced its EV policy and the registration of vehicles could not begin until the policy was finalised. Gujarat also is working out a plan for rolling out electric vehicles to government departments, and once that is done, roll out will begin," Kumar added.

The Gujarat government's plan is likely to be along the lines of a recent order issued by the finance ministry, which mandated central government offices to lease only electric vehicles going forward.

Jeff Bezos Gets Richer, Mark Zuckerberg's Wealth Wanes

BILLIONAIRES ROLL CALL While some saw their fortunes rise, trade tensions & market turmoil saw half-a-trillion dollars of wealth on ranking wiped out

Bloomberg

The markets may be tanking, but that hasn't stopped plenty of mega-fortunes from being unearthed in 2018. The popularity of Fortnite, the phenomenon that forced some into video-game rehab, gave gamemaker Tim Sweeney a \$7.2 billion fortune this year. Astry Stephens has \$11.4 billion after his closely held Endeavour Energy Resources attracted bids that valued the oil company at as much as \$15 billion.

It was a good year for wealth creation, said Michael Zeuner, managing partner of WE Family Offices. It was a tough year in financial markets, but for people who are creating wealth through companies, the economy itself is very strong.

Sweeney and Stephens were just two of the 31 individuals who vaulted

onto the Bloomberg Billionaires Index in 2018, even as increasing global trade tensions and a down draft in the markets saw half-a-trillion dollars of wealth on the ranking wiped out. Denise Coates, the British founder of online bookmaker Bet365 Group, is another addition. Coates is nearly 10-times richer than Queen Elizabeth II, according to the ranking.

While Coates had a good year, market turmoil pushed many wealthy people into the red. The world's 500 richest people lost \$451 billion this year. That's a sharp reversal from 2017.

Here are the billionaires who gained and lost in 2018.

WINNERS
Singaporean billionaires fared the

best in dollar terms, gaining \$2.5 billion. That pushed the wealth of the country's richest to a collective net worth of \$38 billion.

Jeff Bezos, Amazon.com founder and the richest man in the world, was 2018's biggest gainer for the second year running. His net worth grew about \$24 billion to \$123 billion. But even he was a loser in the second half of the year

as stock markets were routed. From a September peak, Bezos has since seen his fortune drop \$45 billion. Despite Chinese billionaires' loss of nearly \$76 billion this year, some of the country's richest still came out ahead, including Lei Jun, founder of Chinese smartphone maker Xiaomi. Jun trailed only Bezos among the biggest gainers of 2018, adding \$8.6 billion.

LOSERS
American billionaires saw the biggest loss this year, collectively dropping \$76 billion, largely because of December's market rout. Mark Zuckerberg saw the sharpest drop in 2018 as Facebook veered from crisis to crisis.

His net worth fell nearly \$20 billion, leaving the 34-year-old with a \$53 billion fortune. China's Wang Jianlin, Jack Ma and Ma Huateng made up three of the 10 biggest losers this year. Fifty people dropped off the index, including 11 from China or Hong Kong, nine from the US and four from Russia.

Among those who fell off the list were Andrej Babis, the PM of the Czech Republic whose fortune is derived from his chemical and agricultural company Agrofert, and Russian tycoon Oleg Deripaska, whose net worth plunged to a low as stock of Rusal fell.

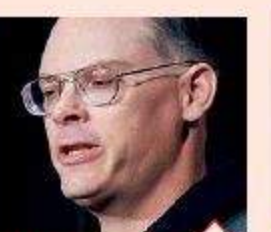
It was a good year for Tim Sweeney who made \$7.2 billion this year while Facebook's Mark Zuckerberg saw the sharpest fall



JEFF BEZOS, CEO, Amazon
+ \$24 billion



LEI JUN, Founder, Xiaomi
+ \$8.6 billion



TIM SWEENEY, Founder, Epic Games
+ \$7.2 billion



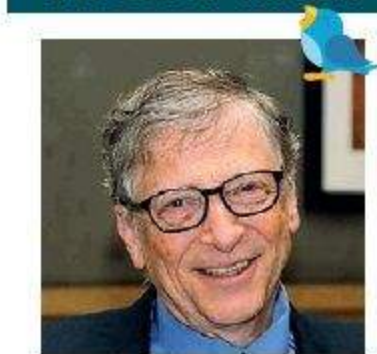
MARK ZUCKERBERG, CEO, Facebook
- \$20 billion



ASTRY C. STEPHENS, CEO, Endeavour Energy
+ \$11.4 billion

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Tweet OF THE DAY



BILL GATES
@BILLGATES

Although I've never been one for New Year's resolutions, I'm making one for 2019: I'm committing to learn and think more about the balance between privacy and security, as well as the use of technology in education

Tech Buzz

More Apps Sending Info to Facebook



California A new study has revealed that the relaying of sensitive information to Facebook is not coming from the dating apps alone. A Privacy International study has found that at least 20 out of 34 popular Android apps are transmitting sensitive information to Facebook without the users' permission. These apps include Kayak, MyFitnessPal, Skyscanner, and TripAdvisor, Engadget reported. — ANI

Quick Byte ANIRBAN BORA



25.4m

Number of active Fitbit users as of Dec 2018

A Bot to Help Regain Hand Movement



New Delhi Scientists have developed a system that can read brain signals to help users control an artificial hand just by thinking — an advance that could help stroke patients. — PTI

RED CARD The RBI had asked the bank to stop adding new customers about six months ago when a regulatory audit found lapses on the part of the entity to stick to the central bank's requirements

RBI Allows Paytm Bank to Restart Account Opening

Pratik Bhakta & Madhav Chanchani

Bengaluru: Paytm Payments Bank has received the green light from the Reserve Bank of India to restart opening accounts for its customers. The bank intends to start KYC (Know Your Customer) formalities for its wallets as well as its bank accounts from December 31, confirmed a company spokesperson. The RBI had asked the bank to stop adding new customers about six months back in June, when a regulatory audit found lapses on the part of the entity to stick to RBI's requirements.

Post the audit, Paytm Payments Bank had removed Renu Satti from the chief executive's role and roped in veteran banker and ex-NPCI senior executive Satish Gupta for the corner office at the Noida-based bank.

"Paytm Payments Bank is on a mission to facilitate the last-mile delivery of banking services to every Indian. It also envisions catalysing the digital adoption and acquainting more people with the touch-of-a-button experience. We

believe it is going to help in the formalisation of our economy and bring about the much-needed real financial inclusion," said Gupta in a written statement to ET.

When asked by ET, a Paytm Payments Bank spokesperson said that there was no fine levied by the RBI. Further, he added that the bank currently has around 42 million accounts and has set a target of getting 100 million by the end of 2019. Though the RBI had not released a statement clearing out the reason for their action, Times of India had reported that the regulator was not satisfied with the close rela-

tions that One97 Communications had with Paytm Payments Bank, and had also failed to maintain the net worth limit of ₹100 crore.

A top industry observer, speaking to ET on the condition of anonymi-

ty, pointed out that payment banks have still not had a major impact on the overall financial ecosystem in the country.

"Paytm has got a large chunk of its customers to use the bank account and the wallet interchangeably and has also played a critical role in driving financial inclusion," he said. "Now under the new leadership they will try again to expand their reach and get more customers." Besides Paytm Payments Bank, Fino Payments Bank was also barred from opening fresh accounts by the RBI mainly because of its failure to impose a deposit limit of ₹1 lakh on the accounts customers held with the bank. Fino got the go-ahead earlier in October. However, the bank was also fined ₹1 crore by the regulator.

Paytm Payments Bank also reported a net loss of ₹20 crore against revenue of ₹720 crore in FY2018. Out of the total income, the bank reported ₹654 crore as income from brokerages, commissions and exchanges which include its income from the wallet operations. As per its last year filings the bank had gathered a deposit of ₹144 crore including wallet balances.



Red Tape Grounds P2P Startups as Investors Stay Clear of Space

Pratik Bhakta@timesgroup.com

GATHERING STORM

- **10 crore/month** Estimated disbursement across 11 registered companies
- **P2P industry is at its nascent stage**
- **There's demand for credit** and a huge population of underserved consumers
- **RBI's rule to limit borrower's exposure to ₹10 lakh** has been a dampener



AUGUST STENBERG/The Image Bank

Bengaluru: The latest entrants into the digital lending sector, peer-to-peer lending platforms, are facing an uphill task attracting investors with regulatory restrictions limiting their growth potential.

While multiple P2P lending startups which have recently got licensed by the central bank have shown promising growth, industry insiders say that they are not being able to expand business quickly because of capital constraints.

"Venture capital (VC) interest in this sector has been somewhat subdued as potential investors are waiting for the lending limits to be removed," said Surendra Jana, chief executive officer, OMLP2P. "Without investor support growth will be a bit slow for the overall sector, though demand is very high."

OMLP2P is a Mumbai-based lending platform and disburses around ₹20 lakh per month.

Another Mumbai-based P2P lending startup Paisadukaan's founder Rajiv Ranjan also said that VCs have been shying away from this sector because of the limitation imposed by the RBI.

"Unavailability of VC funds tied up with huge operational costs, continuous maintenance of ₹2 crore net-owned fund have started affecting the growth in terms of the volume that the industry had promised," he said.

The overall P2P industry is still at its nascent stage with industry insiders projecting the total disbursement across 11 registered players to be to the tune of ₹10 crore per month. Given the demand for credit and such a huge population of underserved consumers, the industry is just waiting to spread its wings.

"We are already disbursing around ₹2 crore per

month and by March 2019 we intend to reach ₹5 crore, we have even received interest from banks who intend to partner us as well," said Amit More, CEO of Mumbai-based Finzy. The startup has raised ₹18 crore over a seed and a series-A round from multiple investors.

Like Finzy, multiple platforms have had discussions with banks so that they could also lend through the platforms, but the RBI's rule to limit borrower's exposure to ₹10 lakh has been a dampener, say P2P founders.

"Banks and even family offices have gone slow on their partnership plans with us because ₹10 lakh is too low a limit for them to consider this as a retail investment category, ₹1 crore could be a starting point for them," said a senior P2P lending industry executive.

The P2P lending players have come together to form an industry association so that they can take care of common interests and reach out to the regulator in one voice. ET has learnt that the body has already had interactions with the central bank and is hoping to get the limits uplifted 'soon'. The regulator, however, has not committed to any timeline or given any guarantees in this respect.

With China throwing up so many cases of failed P2P lending startups, the Indian banking regulator has been extremely careful about the space and has always said that it wants it to grow slowly. "Scaling up at a rapid pace has been a challenge and I guess even the RBI understands that the industry could be in a turmoil if the limits are not raised," said Dhiren Makhija, cofounder, Cashkumar, a Bengaluru-based P2P lending platform.

RBI has been extremely careful about the space and has always expressed that they want it to grow slowly

Smart Lighting is Wipro's Bright Idea for the Future

Priyanka Sangani
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Pune: Wipro Lighting is betting big on the connected lighting space to grow its commercial lighting business over the next few years

It has tied up with Cisco for Power over Ethernet (PoE) and pure-LiFi for Internet of Lighting solutions, areas it believes that commercial lighting is moving to. The lighting business contributes 26% of revenue to the \$1-billion Wipro Consumer Care and Lighting business. Anuj Dhir, business head, Commercial Lighting Business, Wipro said that it was seeing a lot of interest in smart lighting solutions for both offices, as well as Smart City projects. It has created a portfolio of products specifically for these, which include sensor and IoT-based solutions. The market size of commercial indoor and outdoor lighting is pegged at between ₹7,000-8,000

AREA OF INTEREST
The lighting business contributes 26% of revenue to the \$1-billion Wipro Consumer Care and Lighting business

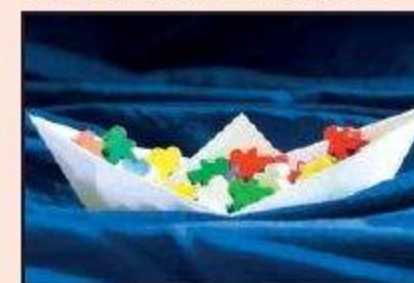


crore, which is what the company is focusing on.

Wipro recently announced a partnership with Schreder for IoT-based solutions for Smart Cities and smart campuses like a 'shuffle smart pole' which could be used as a hub to collect and transport data for multiple services through the city. "Power over Ethernet (PoE) solutions are gaining traction in Europe and the US. We've done a few pilots in

India and are seeing an increase in interest," said Dhir. The company is collaborating with Cisco on this and betting big on this trend as it is a safer and more secure way of connecting lights, and also makes it possible to introduce sensor-based solutions. This then allows the facilities manager to remotely manage the lights and temperature in the room depending on occupancy levels.

People Buying Boat on FB to Reach Britain



LONDON Smugglers and migrants are using Facebook to buy boats for crossing the Channel from the French port city of Calais to come to Britain, The Telegraph reported.

The Facebook "Marketplace" has been favoured by groups of Iranians and Iraqis intent on organising their own Channel crossings, because they can club together and buy a boat at a much lower price than if they had to pay a smuggling gang, the paper reported.

The Telegraph spotted online advertisements for 25 boats for sale within a 40 mile radius of Calais that cost under 15,000 euros on a single day. — IANS

As Action Moves to Cloud, Server Sales Take a Hit

IDC says absence of big-dollar deals from IT and ITes service providers the main cause

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Bengaluru: Server sales in India declined for the first time due to weak demand from IT services firms, whose clients are increasingly renting space on the cloud to host applications instead of setting up their infrastructure.

The overall server market in India shrank 8.1% to \$276.6 million (₹1,925 crore) in the quarter through September over the previous year, technology researcher IDC said last week. The x86 server market, which is used by IT services firms to host applications on their campuses, has contracted, it said. The decline is due to the absence of multimillion-dollar deals from IT and ITes service providers and spill over of telecom deals into the subsequent quarters, IDC said. Professional services accounted for 57.5% of the x86 server market revenue in the quarter, followed by telecom with 10.4%. Manufacturing and banking were slow during the period due to limited new deals and small upgrades.

Traditionally, IT firms have been the main buyers of servers in the country, to be used for hosting applications they build and test for global clients. Many of them also maintain these applications for their clients. However, a shift towards renting software on the cloud by clients has led these firms to reduce investment in servers.

Analysts said there were examples of organisations not renewing server deals since they had adequate empty storage space with movement of applications to the cloud. "There is still a large market, but it is seeing slow growth," said Sanchit Vir Gogia, CEO of Greyhound Research. "A lot of these hardware setups were installed five years ago or so, but as more deals are coming up for renewal, they are not renewing those contracts since a large portion of applications moved to cloud."

As more businesses see "adequate" empty server infrastructure after migration to the cloud, they have enough existing facility to accommodate new operations. This is reducing the number of renewals for server solu-

Moving to Cloud

According to IDC
Fall in overall server market in India in Sept 2018

\$276.6 million
Overall server market in India in Sept 2018

Reasons for decline

- **Absence of multi-million dollar deals** from IT and ITes service providers
- **Spill over of telco deals** in the coming quarters
- **A shift towards** renting software on the cloud by clients has led firms to decrease investments in servers



'ONE-OFF INCIDENT'

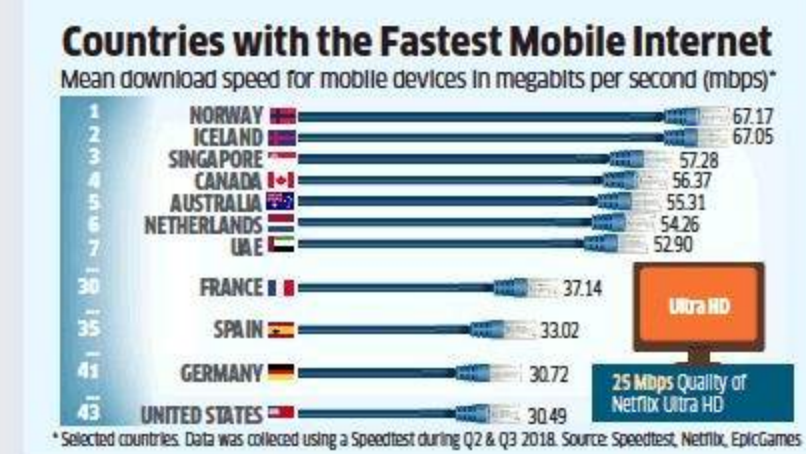
Hardware firms say that the slowdown is a one-off phenomenon and the overall market is on an upward swing

tion providers, he said.

Hardware firms that make and sell servers, however, said the slowdown in demand from IT services firms in the third quarter of 2018 was a one-off phenomenon and that the overall market was witnessing an upward swing.

"We believe that the Q3 market decline is not indicative of the larger trend which has demonstrated increased spending on server infrastructure through the last few quarters," said Manish Gupta, general manager of Infrastructure Solutions Group at Dell EMC, India.

TECH TROTTER Meanwhile in tech...



Urban Ladder Narrows Losses, Revenue Doubles

Our Bureau

IMPROVING RESULTS

The company suffered a loss of ₹118.66 cr, a drop of more than 74% compared to financial year 2016-17

New Delhi: Urban Ladder Home Decor Solutions, which owns and operates online furniture retail platform Urban Ladder, posted much-improved results for financial year 2017-18, after the SAIF Partners and Sequoia Capital-backed company cut down on expenses. On a standalone basis, for fiscal 2018, the company suffered a loss of ₹118.66 crore, a drop of more than 74% compared to financial year 2016-17, when it posted loss of ₹457.96 crore, according to documents filed by the company with the Registrar of Companies, and accessed by business intelligence platform Tofler.

Expenses for the year also halved to ₹232.73 crore, as the company slashed costs across the board. Under other expenses, it reported

₹133.05 crore, a drop of 70%.

Revenue for the year came in at ₹151.21 crore, more than doubling from ₹50.61 crore in fiscal 2017.

The improved financials come at a time when Urban Ladder, which also counts Steadview Capital as an investor, continues to face stiff competition from other risk capital-backed entities, such as Goldman Sachs-backed Pepperfry.

Why Self-driving Car is Still Some Distance Away

The boundless optimism that surrounded driverless cars only a few years ago has been tempered by a slew of challenges

Bloomberg

In December, Waymo, the leading driverless-car company, brought out the world's first commercial robo-taxi service. But for now, the service is only available to about 400 test families in suburban Phoenix, and each of its converted Chrysler minivans still has a person at the wheel in case anything goes awry.

"It's a pretty glaring indication that we're not there yet," says Matthew Johnson-Roberson, co-director of the University of Michigan's Ford Center for Autonomous Vehicles, who's working with automakers to develop robot rides.

Waymo, owned by Google parent Alphabet and recently valued at \$250 billion by Jefferies Research, declined to comment. In a blog post, chief executive officer John Krafcik said the human safety drivers were at work in Arizona to make riders feel more comfortable.

Waymo's timid rollout is the latest speed bump for a technology touted as certain to save the world from road deaths.

As auto and tech giants converge on Las Vegas for the consumer electronics show known as CES, which formally kicks off on Jan 8 and includes a keynote from Krafcik, the seemingly boundless optimism that surrounded driverless



cars only a few years ago has been tempered by a slew of persistent technological challenges and big

questions about near-term business models, especially as a recession looms. "Most of the automak-

ers are chasing a business model that has yet to be proven — that elusive robo-taxi," says Craig Giffi, head of consulting firm Deloitte's US automotive and industrial products practice.

At CES, driverless and auto technology will cover 3,00,000 square feet of floor space, more than the total size of many standalone car shows, and the auto industry is continuing to pour billions into self-driving cars.

Ford Motor CEO Jim Hackett said in November that the market for autonomous vehicles and other mobility services could reach \$10 trillion — half the size of US gross domestic product.

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Market Trends

STOCK INDICES	% CHANGE
Nifty 50	10862.55 0.02
Sensex	36068.33 0.02

MSCI India	834.59 0.37
MSCI EM	2165.03 0.43
MSCI BRIC	555.47 0.63
MSCI World	7728.86 0.16
SX 40	21273.63 0.01
Hang Seng	25845.7 1.34
Strait Times	3068.76 0.50

Values In US \$ Gross At 7 pm IST

OIL (\$)	BOND
DUBAI CRUDE	10-YR YIELD
52.35	7.37
0.5	0.02
Absolute Change	Figures In %

GOLD RATE

Prices per Troy Ounce (\$)

	US	India
OPEN	1283.0	1407.33
LAST*	1285.7	1402.29

*At 10.30pm, After adjusting for import duty, Indian spot gold lower by \$ 11.98 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*
	69.79	69.77

Market on Twitter@ETMarkets

FINANCIAL STABILITY REPORT Valuation and maturity restrictions for these debt instruments are currently under Sebi review

RBI Favours Liquidity Limit on Income, Liquid Funds

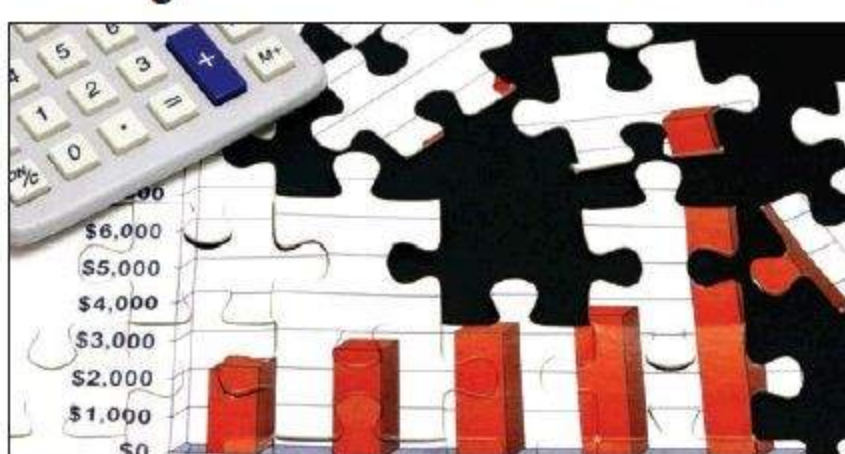
Our Bureau

Mumbai: The Reserve Bank of India (RBI) has suggested the regulators concerned impose a minimum liquidity limit on fixed-income and liquid fund schemes of mutual funds. The suggestion comes after the IL&FS debt crisis exposed gaps in the mutual fund industry's approach to valuing fixed-income securities.

In its Financial Stability Report, RBI said that the valuation and maturity restrictions for these instruments are under review by Sebi. A mandatory liquidity limit may also be considered by the capital markets regulator, it said. In this regard, RBI is working on strengthening the asset-liability management guidelines for the non-banking financial (NBFC) sector.

NBFCs borrow around 25%-30% of their funds from mutual funds. A report by Credit Suisse had said that mutual fund exposure to NBFC debt, at 30% of assets under management, is rather oversized and unlikely to sustain. Of this debt, 55% is of short tenor.

"The recent episode in the wake of the IL&FS default underlined certain issues...the narrative on which can be broadly divided into nature of credit intermediation of MFs...the price impact of MF dislocation with specific focus on money market rates; fair value of corporate issuances in banks and MFs; and credit concentration in MF portfolios and possible behavioural implications," RBI said in the report.



Mutual funds have about ₹6,500 crore of IL&FS group exposure out of a total debt of around ₹90,000 crore. Mutual funds passed the default risk on to investors.

IL&FS defaulted on debt obligations in August and September, leading to tight liquidity conditions and increase in funding costs for NBFCs. Asset liability mismatches at other NBFCs got recognised after the IL&FS default came to light. This resulted in redemption pressures.

"People have come to realise that it carries risk. IL&FS was a grim reminder that mutual funds are subject to riskier markets," said Dhirendra Kumar of Value Research, which is a research publication on Indian mutual funds.

The central bank noted that the extant valuation frameworks for corporate bond book appear to be falling short in terms of both benchmarking issues and valuation methods.

"A portfolio of corporate bonds that does not reflect the fair and exchangeable value of the underlying assets fails to serve as a barometer for the health of the underlying obligors and can potentially impose externalities on the rest of the market when investors prefer flight to safety as discrepancies in valuations get discovered," said RBI in its report.

RBI SAYS risk taking by entrepreneurs and managers in financial services may have to be tempered for better financial stability to ensure long-term growth

Tighter Scrutiny on the Cards for Financial Conglomerates

Our Bureau

Mumbai: The Reserve Bank of India has signalled that it might come up with tighter scrutiny of financial conglomerates which run multiple businesses from banks to mutual funds to insurers as it looks to reduce risk in the system after the recent non-banking finance companies' crisis that threatened to derail economic growth.

It said that risk-taking by entrepreneurs and managers in financial services may have to be tempered for better financial stability that is essential for long-term sustained growth.

"The recent developments in non-banking financial companies have underscored the need for greater prudence in risk-taking," the RBI said in its Financial Stability Report.

"There is, in particular, a need for some rebalancing as excessive credit growth, especially if funded with short-term financing, either sectorally or overall, is not stability-enhancing. The framework for oversight of financial conglomerates also requires closer attention."

The default by Infrastructure Leasing & Financial Services Ltd. last year rolled the financial markets with lending for NBFCs getting squeezed. Short-term rates jumped and lenders had to sell assets to pay their maturing Commercial Papers since mutual funds declined to roll them over.

The aggregate balance sheet size of the NBFC sector increased to ₹26 lakh crore in September 2018 from ₹22.2 lakh crore a year earlier as the plentiful availability of funds permitted them to expand.



HARD LESSONS
Default by IL&FS roiled the financial markets with lending for NBFCs getting squeezed

There are 276 systemically important non-deposit accepting NBFCs. All such firms are subjected to prudential regulations such as capital adequacy requirements and provisioning norms along with reporting requirements.

There was 5.8% increase in share capital of NBFCs in September 2018 whereas borrowings grew by 17.2%. Loans and advances of the NBFC sector increased by 16.3% and investments increased by 14.1%, it said.

INTEREST RATE UP TO 9.7%

Current NCD Offers Attractive: Experts

Lucrative Schemes

Mahindra Finance			Shriram Transport Finance		
Tenure	Annual Interest (%)	Issue opens Jan 4, 2019	Tenure	Monthly Interest (%)	Cumulative (%)
39	9.05		3 years	NA	9.4
60	9.15		5 years	9.12	9.5
96	9.3		10 years	9.3	9.7
120*	9.5				

Prashant Mahesh@timesgroup.com

Mumbai: Debt investors have a good opportunity to lock into the offers of non-convertible debentures (NCDs) of Mahindra & Mahindra (M&M) Financial Services and Shriram Transport Finance Company, say financial planners.

Shriram Transport Finance NCDs will pay as much as 9.7% interest while the M&M Financial Services NCDs will pay 9.5%. The issues are due to open on January 4 and January 7 respectively, and investors can put in applications for up to ₹10 lakh each in the retail category.

With crude oil prices under control and inflation below the 4% mark, the economy may be poised for lower interest rates in the coming days. Therefore, it makes sense for retail investors to lock into products which can pay a higher interest for a longer tenure.

"Given that the 10-year benchmark is trading at 7.3%, investors get 200 basis points (2 percentage points) on an AAA-rated paper of Mahindra Financial, and about 240 basis points higher in Shriram Transport, which is a good opportunity for investors," said Vikram Dalal, managing director, Synergee Capital.

He said he would prefer M&M Financial Services to Shriram Transport Finance given its AAA rating and the marginal difference in interest rates. M&M Financial Services plans to raise ₹500 crore with a greenshoe option of ₹3,000 crore, totalling ₹3,500 crore, while Shriram Transport Finance can raise ₹200 crore with a greenshoe option to retain an additional ₹500 crore, totalling ₹700 crore. M&M Financial Services offers tenures of 39 months, five years, eight years and unsecured NCDs in the 10-year option, Shriram Transport Finance offers secured NCDs with tenures of three, five and 10 years with a maximum coupon of 9.7%.

Many investors have been looking for safe investments that can pay a little more than bank deposits. With a bank fixed deposit from the State Bank of India paying a maximum of 6.85% and that from HDFC Bank paying a maximum of 7.4%, these NCDs offer 200-250 basis points extra interest to investors. Debt mutual funds have been volatile in the past one year and investors have made not earned more than 7% in this category.

Progress in US-China Trade Lifts Wall Street

Reuters

US stock indexes jumped on Monday in a broad-based rally driven by growth sectors, as signs of progress in the US-China trade dispute set up Wall Street to end its worst year in a decade on an upbeat note.

US President Donald Trump said he had a "very good call" with China's President Xi Jinping on Saturday to discuss trade and that "big progress" was being made.

"The progress cited by Trump on trade talks and a continuation of last week's rally are lifting investor spirits," Peter Cardillo, chief market economist at Spartan Capital Securities, said in a client note.

The technology sector, housing companies that have major exposure to China, rose 0.72%, while gains in Amazon.com Inc and Netflix Inc helped send the consumer discretionary sector 1% higher. But the biggest gain was among health stocks, the best performing sector this year, which rose 1.29%. The defensive utilities and real estate sectors fell.

Energy stocks, the worst performing sector this year, rose 0.70% as the update on the trade front also helped boost crude oil prices. At 10:00 a.m. ET, the Dow Jones Industrial Average was up 217.52 points, or 0.94%, at 23,279.92, the S&P 500 was up 17.15 points, or 0.69%, at 2,502.89 and the Nasdaq Composite was up 50.16 points, or 0.76%, at 6,634.68.

2018: A Year of Many Firsts Home & Away



Apple
Apple becomes first \$1 trillion company in US



Volatility
CBOE Vix more than doubles in 2018, first ever in history



Bitcoin
Posts biggest yearly correction ever

TEXT: JAYESH KHLANI

Richest Asian

MUKESH AMBANI becomes richest Asian

Overtakes **JACK MA** of Alibaba Group

Current Net Worth at **\$44bn**

Wealth added in 2018 **\$3.7bn**



India On The Global Map

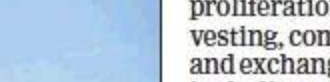
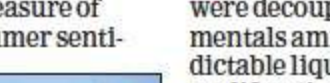
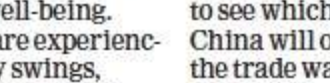
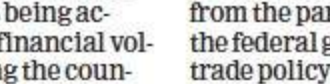
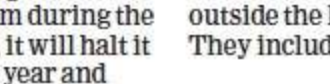
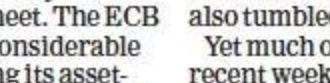
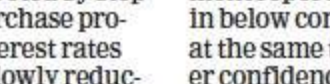
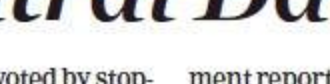
Berkshire picks up stake in Paytm

One97 Communications market cap above **₹1 lakh cr**

India's Rich Club

TCS becomes first Indian technology company to hit **\$100bn** market cap

Market cap added in 2018 at **₹2 lakh cr**



THE FED AND THE ECB are retreating from the business of ensuring market calm

With Increasing Spotlight, Life is Much Harder for Central Banks

Expert Take



MOHAMED A EL-ERIAN

Risk shunners won and thumbed their noses at equity investors in 2018. The Public Provident Fund (PPF), the one true friend of many middle-class Indians, regained its pole position this year with an annual post-tax return of 7.7%. For reasons largely outside its control, the Federal Reserve is now being widely blamed for fuelling financial market instability and risking derailment of the U.S. economy. This is quite a contrast from just a few months ago, when it was still being feted by many for its role as an active and effective repressor of financial market volatility. It is probably only a matter of time until the European Central Bank finds itself in a similar, perhaps tougher position. The reality is both central banks have entered a new, more uncertain phase that is likely to

last for some time, requiring more skillful policy navigation and communication, and some operational changes.

Coming out of the 2008 global financial crisis, central banks went out of their way to boost asset prices as a means of supporting the economy. They suppressed volatility by driving down interest rates; buying huge amounts of debt securities and housing them securely on their balance sheets; and, when a bout of volatility occurred, being quick to reassure markets of their broad and consistent support.

This unprecedented phase of central banking had its natural limits. As detailed in my 2016 book, 1 the benefits of buying time for the economy to heal came with costs and unintended consequences. Accordingly, when the conditions to normalize policy

arose, the Fed pivoted by stopping its asset-purchase program, hiking interest rates nine times and slowly reducing its balance sheet. The ECB followed with a considerable lag. After tapering its asset-purchase program during the past few months, it will halt it at the end of this year and may start raising rates during the summer.

But what started out as a relatively smooth and orderly process has become more problematic — especially for the Fed, which is being accused of fuelling financial volatility and risking the country's economic well-being.

Stock markets are experiencing wild intraday swings, while falling prices have delivered one of the worst Decembers ever for equities. With that, the measure of household consumer senti-

ment reported last week came in below consensus forecasts, at the same time that consumer confidence expectations also tumbled.

Yet much of the volatility of recent weeks is due to factors outside the Fed's control. They include:

■ A slower global expansion as both Europe and China struggle to implement pro-growth policies;

■ Other economic concerns, from the partial shutdown of the federal government to trade policy as markets wait to see which concessions China will offer the US to end the trade war between the two countries;

■ Asset prices that, for years, were decoupled from fundamentals amid ample and predictable liquidity; and The proliferation of passive investing, computer trading and exchange-traded funds, including some that promised liquidity in inherently less liquid asset classes, potentially amplifying the risk of contagion both on the way up and on the way down.



Continued on ►► MONEY MATTERS

Stocks That Could be the Top Scorers of 2019



The prospects for the stock market remain uncertain in 2019 as national elections are due and global uncertainties such as US-China trade war continue to loom. ET takes a look at the top stock picks for 2019 by leading brokerages which are likely to outperform the broader market in the new year. Marico, ICICI Bank and Reliance Industries were commonly cited by brokerages as their top picks.

►► ON MONEY MATTERS

Public Issue of Secured NCDs

Tranche I Issue Opened December 13, 2018 | Tranche I Issue Closed December 31, 2018*

Tranche I Issue Oversubscribed®

Thank you investors!



Edelweiss | ECL
Ideas create, values protect

Finance Ltd.

® Based on subscription figures available on the electronic platform of BSE & NSE as on December 31, 2018. For detailed terms & conditions please refer Shelf Prospectus and Tranche I Prospectus both dated December 4, 2018. Allotment in the public issue of debt securities should be made on the basis of date of upload of each application into the electronic book of the stock exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis. *Pursuant to Tranche I Prospectus dated December 4, 2018, the Tranche I issue opened on December 13, 2018 and was scheduled to close on January 11, 2019, with an option for early closure or extension by such period, as may be decided by the Board of Directors or duly constituted committee ("Debt Investors Committee"). Our Company has exercised the option of early closure and the Debt Investors Committee has, vide its resolution dated December 28, 2018 decided to close the Tranche I issue on December 31, 2018. For detailed terms and conditions refer both to the Shelf Prospectus and Tranche I Prospectus dated December 4, 2018.

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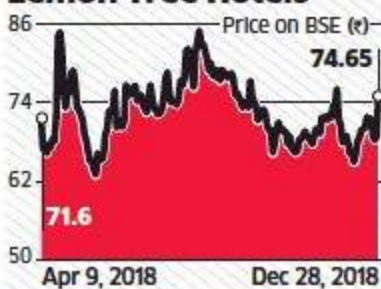
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DISCLAIMER: ECL Finance Limited, subject to market conditions and other considerations is proposing a public issue of secured, redeemable non-convertible debentures ("NCDs") and has filed the Shelf Prospectus dated December 4, 2018 and Tranche I Prospectus dated December 4, 2018 with the Registrar of Companies, Maharashtra at Mumbai, National Stock Exchange of India Limited, BSE Limited and SEBI. The Shelf Prospectus dated December 4, 2018 and Tranche I Prospectus dated December 4, 2018 are available on our website <https://ecf.finance.edelweissfin.com>, on the website of the stock exchanges www.nseindia.com, www.bseindia.com and the respective web sites of the lead managers at www.icfap.com, www.edelweissfin.com, www.axisbank.com and www.truistgroup.in. Investors proposing to participate in the issue, should invest only on the basis of the information contained in the Shelf Prospectus dated December 4, 2018 and Tranche I Prospectus dated December 4, 2018. Investors should note that investment in NCDs involves a high degree of risks and for details relating to the same, please refer to Shelf Prospectus dated December 4, 2018, including the section on "Risk Factors" beginning on Page 18 of the Shelf Prospectus dated December 4, 2018.

What to Buy, Sell and Hold

Lemon Tree Hotels



Kotak Institutional Equities has maintained an add rating on **Lemon Tree Hotels** after the company announced its intent to set up a joint venture with Warburg Pincus to explore opportunities in the co-living segment in India. The brokerage sees fair value at ₹80 compared to ₹76 earlier. The brokerage sees co-living as an upcoming and promising opportunity. The stock ended down 1.8% at ₹73.30 on Monday.

Antique Stock Broking has maintained buy rating on **Mahindra CIE Automotive** with a target price of ₹350 as it continues to see earnings, cash flow and balance sheet improvement. Mahindra CIE has delivered a strong operating performance for the past 8 quarters, ahead of the broader end industry growth in both its key markets of India and Europe, said Antique. The stock ended up 2.77% at ₹255.75 on Monday.

Reliance Securities has a buy rating on **Escorts** with a target price of ₹1,015. The brokerage said normal monsoons in Escorts' key markets of North and Central zone would support its strong outperformance in tractor industry in second half of FY19. Further, favourable geographical mix, strong marketing and distribution strategy would aid double-digit volume growth, going forward, said Reliance Securities. The brokerage expects Escorts' construction equipment business to sustain positive traction on the back of increasing construction activities. The stock ended up 0.69% at ₹706.20 on Monday.

Kotak Securities has maintained buy rating on **Time Technoplast** and revised target price to ₹128 from ₹145. Time Technoplast reported weak set of numbers in second quarter of FY19 as firm raw material prices (HDPE) eroded margins, said Kotak Securities. However, HDPE prices have corrected in recent weeks, thereby, we believe there is a case for margins to bounce back to normal levels, it said. Valuations are attractive at current price, the brokerage said. The stock ended up 0.65% at ₹100.85 on Monday.

Steward & Mackerlich has initiated coverage on **Ashok Leyland** with a target price of ₹113. Gain in market share is expected to be limited for Ashok Leyland considering 'Y' Tata Motor's aggressive pricing strategy but Ashok Leyland's dominance in the higher tonnage segment is likely to continue, the brokerage said. Operating leverage, increasing global footprint, investment in electric vehicles, favourable product mix and LCV business consolidation are expected to augur well for the company going forward, it said. The stock ended down 0.24% at ₹102.55 on Monday.

FUND REVIEW Invesco India Tax Fund (G)

It is that time of the year when one submits proofs of investments for tax exemption under Section 80C of the Income Tax Act, which makes it necessary to look at some Equity Linked Savings Schemes (ELSS). There are several advantages of investing in ELSS. Among tax-exempt investments, it has the shortest lock-in period of three years. The Public Provident Fund (PPF) and National Savings Certificate (NSC) have lock-in periods of 15 years and six years, respectively. Tax-free fixed deposits in banks are locked-in for five years.

ELSS is an equity product, which helps the investor gain better returns in the long term as compared to the other alternatives. Given these factors, it makes sense to opt for ELSS for conservative investors. Among various schemes, investors can consider Invesco India Tax Plan. The scheme is it follows multi-cap strategy. Fund managers Amit Ganatra and Dhimant Kothari have maintained a ratio of 60:40 exposure large-caps and other stocks. This multi-cap approach has been a key factor in the scheme's consistent performance in almost all market cycles.

In the past three-year and five-year periods, the scheme has given 11% and 17% returns while its benchmark BSE 200 Index has given 12% and 15% returns in the same period, respectively. In general, ELSS schemes on an average have given 10% and 15% returns in the past three-year and five-year periods respectively.

In the past six months, the fund managers have enhanced exposure to well-established companies which have been attractive due to two reasons: strong business model (demand) in the sector, high cashflows and fall in markets. These companies are Bajaj Finance, and Zee Entertainment Enterprises.

— Rajesh Naidu/
ET Intelligence Group



PORTFOLIO CHANGE (PAST 6 MONTHS)

New Entrants	Complete Exits	Increase in Allocation
Axis Bank	Chola Investment & Fin Co	Gujarat State Petronet
Bajaj Finance	HPCL	United Breweries
BPCL	Wonderia Holidays	APL Apollo Tubes
Hexaware Technologies	Hero MotoCorp	

RETURNS (In %)

PERIOD	CAGR RETURN	SIP CAGR RETURN	ELSS FUND - AVERAGE CAGR RETURN (%)
1 Year	-0.81	-2.62	-9.19
3 Year	11.56	10.86	10.64
5 Year	17.76	12.67	15.68

RETURNS PEER COMPARISON (In %)

	1-YEAR	3-YEAR	5-YEAR
DSP Tax Saver Fund	-7.72	11.81	17.33
IDFC Tax Advantage (ELSS) Fund - Regular	-9.22	11.85	16.17
JM Tax Gain Fund	-4.53	12.70	17.00

Source: Accord Fintech, Compiled by ETIG Database

Expert Take HARSHVARDHAN ROONGTA, CFP, Roongta Securities

This scheme is suitable for investors looking at a conservative equity portfolio with predominantly large-cap companies available at reasonable valuations. In volatile markets such investment approach is expected to provide some cushion to investor anxiety. Being an ELSS fund, there is a lock in of three years, however, investors should select equity investments with a time horizon of at least 5-7 years.

INDIAN EQUITY MARKETS SECOND MOST PROFITABLE GLOBALLY

Double Whammy Turns Into Twin Boosters in 2018

Indian stocks managed to stay afloat even as various global equities sank in 2018 amid concerns over the impact of the US-China trade dispute and the prospect of interest rate tightening in the US. The Nifty was up by 5.91% in 2018 as against a drop in various other developed and emerging markets. While India was reeling under the twin impact of falling rupee and rising crude mid-way through 2018, a reversal in oil prices and the rupee helped revive sentiment. Mid-cap and small-cap indices were down 16% and 30%, respectively as earnings failed to catch up over the past few years due to higher input costs. — Rajesh Mascarenhas

Top Gainers of 2018

Company	CMP (₹)	%Chg
Large-cap		
Bajaj Finance	2,641.15	53.00
L&T Infotech	1,725.35	50.46
Tech Mahindra	721.10	43.47
TCS	1,893.55	42.66
Nestle India	11,107.25	41.47
Mid-cap		
L&T Tech Serv	1,711.30	60.26
HEG	3,719.55	52.59
Bata India	1,133.40	50.43
Indiabulls Ventures	385.80	45.40
Mindtree	863.35	42.48
Small-cap		
Dolat Investments	65.25	757.42
Capital India Fin	136.10	433.52
Excel Industries	1,490.90	141.28
Merck	3,084.20	133.26
Responsive Indus.	90.35	124.75



Global Market Performance

Country	2018 Rtn (%)
MSCI World	-11.04
MSCI EM	-16.94
Brazil (IBOV)	15.03
India (Sensex)	5.91
US (DOW)	-6.70
Singapore (STI)	-9.82
France (CAC)	-11.06
Japan (Nikkei)	-12.08
UK (FTSE)	-12.45
Hong Kong (HSI)	-13.61
Korea (KOSPI)	-17.28
Germany (DAX)	-18.26
China (SSECOMP)	-24.59

FPI Outflow from EM

Country	Sum Withdrawn (\$ bn)
Taiwan	-12.23
Thailand	-8.91
India	-4.38
Indonesia	-3.66
Philippines	-1.08

Best & Worst Sectors of 2018

ET Index	2018 Return (%)
Gainers	
Infotech	20.99
Retail	15.00
FMCG	14.52
NBFC	8.94
Banks	5.16
Losers	
Teleservices	-46.79
Sugar	-39.39
Realty	-31.87
Textiles	-25.20
Automobiles	-24.27



Top Losers of 2018

Company	CMP (₹)	%Chg
Large-cap		
Vodafone Idea	37.70	-64.04
Tata Motors	172.60	-59.43
PNB	78.09	-54.00
Yes Bank	181.75	-41.97
Bharti Airtel	312.89	-40.76
Mid-cap		
KIOCL	164.20	-57.60
NBCC (India)	57.70	-53.31
Bharat Electronics	87.95	-51.58
Central Bank	36.70	-50.61
Aditya Birla Capital	100.00	-46.35
Small-cap		
Vakrange	33.35	-92.06
PK Jeweller	86.15	-81.65
Manpasand Bev	89.00	-79.80
Reliance Naval	13.93	-78.62
Arvind	98.05	-78.03

Compiled by: ETIG Database

MSP Hike for Copra Not to Hurt Marico, say Analysts

Market price higher than MSP, even after the hike

Rajesh Mascarenhas@timesgroup.com

Mumbai: The increase in minimum support price (MSP) for copra by the Cabinet Committee on Economic Affairs (CCEA) for 2019 will not have any major impact on Marico's margins as the current market price of copra is still above the MSP, said analysts.

The CCEA hiked the MSP of copra by ₹2,010 per quintal to ₹9,521 per quintal for 2019 season, an increase of 27%. However, the domestic copra prices are currently trading at about ₹10,500 per quintal, which is much higher than the MSP of copra.

"The increase in MSP will not have any material impact on the earnings of Marico in the near term," said Kaustubh Pawaskar, research analyst, Sharekhan. "Having said that the increase in the MSP will keep the prices hovering above ₹10,000 per quintal in the near-to-medium term."

Historically, it is observed that the market prices of copra do not have correlation with the MSP as government procurement is minimal compared to domestic consumption. The copra cycle peaked out during the beginning of 2018 and now the prices are continuously declining, analysts said. Currently, copra prices are down 35% from its peak levels.

Copra contributes 40% to Marico's domestic raw material costs. Increase in copra prices in 2017 led to 36bps decline in operating margin before tax (EBITDA) from 19.7% in Q4FY17 to 16.0% in Q2FY19.

"We do not see negative impact of increase in copra MSP on Marico's profitability as the actual procurement price and MSP do not have correlation," Nikhat Koor, associate consumer, Dolk Capital.

Marico's stock has rallied over 18% post September quarter results. The stock declined 1% to ₹375 on Monday. Marico remains one of analysts' top pick in the FMCG basket.

"Three factors reinforce our confidence in Marico's earnings prospects; likely benign raw material environment over the next 18-24 months, strong performance of Parachute volumes in recent quarters and healthy growth prospects in the VAHO segment," said Krishnan Sambamurthy, FMCG analyst, Motilal Oswal Financial Services.

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

MARKET SNAPSHOT											
Open	SENSEX	10913.20	NIFTY	36239.19	High	36285.46	Low	36033.93	Close	36068.33	
Change (%)	-0.39	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	
52 Wk High	36285.46	52 Wk Low	36033.93	3 Yr High	36285.46	3 Yr Low	36033.93	3 Yr High	36285.46	3 Yr Low	36033.93
Five Consecutive Days Up											
Company	Days	Prev	Close	5 Days Ago	5 Days Ago	Company	Days	Prev	Close	5 Days Ago	5 Days Ago
Axis Bank	226.10	223.30	218.05	3.10	3.10	Axis Bank	226.10	223.30	218.05	3.10	3.10
Infosys	80.05	79.90	78.34	4.86	4.86	Infosys	80.05	79.90	78.34	4.86	4.86
Electronics	21.65	21.45	21.00	3.10	3.10	Electronics	21.65	21.45	21.00	3.10	3.10
Merck	107.25	107.25	102.20	5.38	5.38	Merck	107.25	107.25	102.20	5.38	5.38
Coal India	41.90	38.95	34.54	21.31	21.31	Coal India	41.90	38.95	34.54	21.31	21.31
Ruchi Soya	90.03	86.61	6.79	32.99	32.99	Ruchi Soya	90.03	86.61	6.79	32.99	32.99
Axis Bank	92.35	90.90	81.50	13.39	13.39	Axis Bank	92.35	90.90	81.50	13.39	13.39
Windsor Mach	71.20	64.55	63.75	11.69	11.69	Windsor Mach	71.20	64.55	63.75	11.69	11.69
Min Roadr	66.80	63.45	72.15	20.30	20.30	Min Roadr	66.80	63.45	72.15	20.30	20.30
Garware	151.60	150.15	144.20	4.31	4.31	Garware	151.60	150.15	144.20	4.31	4.31
Alko Nibel	174.65	167.95	167.40	8.35	8.35	Alko Nibel	174.65	167.95	167.40	8.35	8.35
Shriram Tr	1239.90	1225.45	1202.59	3.10	3.10	Shriram Tr	1239.90	1225.45	1202.59	3.10	3.10
Dewan H&F	284.40	240.20	234.40	6.40	6.40	Dewan H&F	284.40	240.20	234.40	6.40	6.40
Cholam	1262.20	1248.40	1222.40	3.01	3.01	Cholam	1262.20	1248.40	1222.40	3.01	3.01
Garware Eco	294.70	293.95	271.45	6.57	6.57	Garware Eco	294.70	293.95	271.45	6.57	6.57
Hind Zinc	582.04	561.60	549.75	5.89	5.89	Hind Zinc	582.04	561.60	549.75	5.89	5.89
Shree Pet	297.35	289.90	278.39	2.55	2.55	Shree Pet	297.35	289.90	278.39	2.55	2.55
CEI	1.30	85.50	82.75	6.47	6.47	CEI	1.30	85.50	82.75	6.47	6.47
SRL Infra	36.20	35.75	34.25	5.61	5.61	SRL Infra	36.20	35.75	34.25	5.61	5.61
52 WEEK AT NSE											
HIGH	PVR	1611.70	1611.70	1611.70	1611.70	HIGH	PVR	1611.70	1611.70	1611.70	1611.70
Adani	51.00	50.00	49.00	60.00	60.00	Adani	51.00	50.00	49.00	60.00	60.00
Reliance	1124.90	1124.90	1124.90	1124.90	1124.90	Reliance	1124.90	1124.90	1124.90	1124.90	1124.90
Coal India	41.90	41.90	41.90	41.90	41.90	Coal India	41.90	41.90	41.90	41.90	41.90
Infosys	80.05	80.05	80.05	80.05	80.05	Infosys	80.05	80.05	80.05	80.05	80.05
Axis Bank	92.35	92.35	92.35	92.35	92.35	Axis Bank	92.35	92.35	92.35	92.35	92.35
Windsor Mach	71.20	71.20	71.20	71.20	71.20	Windsor Mach	71.20	71.20	71.20	71.20	71.20
Min Roadr	66.80	66.80	66.80	66.80	66.80	Min Roadr	66.80	66.80	66.80	66.80	66.80
Garware	151.60	151.60	151.60	151.60	151.60	Garware	151.60	151.60	151.60	151.60	151.60
Alko Nibel	174.65	174.65	174.65	174.65	174.65	Alko Nibel	174.65	174.65	174.65	174.65	174.65
Shriram Tr	1239.90	1239.90	1239.90	1239.90	1239.90	Shriram Tr	1239.90	1239.90	1239.90	1239.90	1239.90
Dewan H&F	284.40	284.40	284.40	284.40	284.40	Dewan H&F	284.40	284.40	284.40	284.40	284.40
Cholam	1262.20	1262.20	1262.20	1262.20	1262.20	Cholam	1262.20	1262.20	1262.20	1262.20	1262.20
Garware Eco	294.70	294.70	294.70	294.70	294.70	Garware Eco	294.70	294.70	294.70	294.70	294.70
Hind Zinc	582.04	582.04	582.04	582.04	582.04	Hind Zinc	582.04	582.04	582.04	582.04	582.04
Shree Pet	297.35	297.35	297.35	297.35	297.35	Shree Pet	297.35	297.35	297.35	297.35	297.35
CEI	1.30	1.30	1.30	1.30	1.30	CEI	1.30	1.30	1.30	1.30	1.30
SRL Infra	36.20	36.20	36.20	36.20	36.20	SRL Infra	36.20	36.20	36.20	36.20	36.20
52 WEEK AT BSE											
HIGH	PVR	1611.70	1611.70	1611.70	1611.70	HIGH	PVR	1611.70	1611.70	1611.70	1611.70
Adani	51.00	51.00	51.00	51.00	51.00	Adani	51.00	51.00	51.00	51.00	51.00
Reliance	1124.90	1124.90	1124.90	1124.90	1124.90	Reliance	1124.90	1124.90	1124.90	1124.90	1124.90
Coal India	41.90	41.90	41.90	41.90	41.90	Coal India	41.90	41.90	41.90	41.90	41.90
Infosys	80.05	80.05	80.05	80.05	80.05	Infosys	80.05	80.05	80.05	80.05	80.05
Axis Bank	92.35	92.35	92.35	92.35	92.35	Axis Bank	92.35	92.35	92.35	92.35	92.35
Windsor Mach	71.20	71.20	71.20	71.20	71.20	Windsor Mach	71.20	71.20	71.20	71.20	71.20
Min Roadr	66.80	66.80	66.80	66.80	66.80	Min Roadr	66.80	66.80	66.80	66.80	66.80
Garware	151.60	151.60	151.60	151.60	151.60	Garware	151.60	151.60	151.60	151.60	151.60
Alko Nibel	174.65	174.65	174.65	174.65	174.65	Alko Nibel	174.65	174.65	174.65	174.65	174.65
Shriram Tr	1239.90	1239.90	1239.90	1239.90	1239.90	Shriram Tr	1239.90	1239.90	1239.90	1239.90	1239.90
Dewan H&F	284.40	284.40	284.40	284.40	284.40	Dewan H&F	284.40	284.40	284.40	284.40	284.40
Cholam	1262.20	1262.20	1262.20	1262.20	1262.20	Cholam	1262.20	1262.20	1262.20	1262.20	1262.20
Garware Eco	294.70	294.70	294.70	294.70	294.70	Garware Eco	294.70	294.70	294.70	294.70	294.70
Hind Zinc	582.04	582.04	582.04	582.04	582.04	Hind Zinc	582.04	582.04	582.04	582.04	582.04
Shree Pet	297.35	297.35	297.35	297.35	297.35	Shree Pet	297.35	297.35	297.35	297.35	297.35
CEI	1.30	1.30	1.30	1.30	1.30	CEI	1.30	1.30	1.30	1.30	1.30
SRL Infra	36.20	36.20	36.20	36.20	36.20	SRL Infra	36.20	36.20	36.20	36.20	36.20

TURNOVER											
Turnover by Core Sectors					Turnover by Core Sectors						
NIFTY					SENSEX						
Open	SENSEX	10913.20	NIFTY	36239.19	High	36285.46	Low	36033.93	Close	36068.33	
Change (%)	-0.39	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	Aug 28/17:62.50	
52 Wk High	36285.46	52 Wk Low	36033.93	3 Yr High	36285.46	3 Yr Low	36033.93	3 Yr High	36285.46	3 Yr Low	36033.93
Five Consecutive Days Up											
Company	Days	Prev	Close	5 Days Ago	5 Days Ago	Company	Days	Prev	Close	5 Days Ago	5 Days Ago
Axis Bank	226.10	223.30	218.05	3.10	3.10	Axis Bank	226.10	223.30	218.05	3.10	3.10
Infosys	80.05	79.90	78.34	4.86	4.86	Infosys	80.05	79.90	78.34	4.86	4.86
Electronics	21.65	21.45	21.00	3.10	3.10	Electronics	21.65	21.45	21.00	3.10	3.10
Merck	107.25	107.25	102.20	5.38	5.38	Merck	107.25	107.25	102.20	5.38	5.38
Coal India	41.90	38.95	34.54	21.31	21.31	Coal India	41.90	38.95	34.54	21.31	21.31
Ruchi Soya	90.03	86.61	6.79	32.99	32.99	Ruchi Soya	90.03	86.61	6.79	32.99	32.99
Axis Bank	92.35	90.90	81.50	13.39	13.39	Axis Bank	92.35	90.90	81.50	13.39	13.39
Windsor Mach	71.20	64.55	63.75	11.69	11.69	Windsor Mach	71.20	64.55	63.75	11.69	11.69
Min Roadr	66.80	63.45	72.15	20.30	20.30	Min Roadr	66.80	63.45	72.15	20.30	20.30
Garware	151.60	150.15	144.20	4.31	4.31	Garware	151.60	150.15	144.20	4.31	4.31
Alko Nibel	174.65	167.95	167.40	8.35	8.35	Alko Nibel	174.65	167.95	167.40	8.35	8.35
Shriram Tr	1239.90	1225.45	1202.59	3.10	3.10	Shriram Tr	1239.90	1225.45	1202.59	3.10	3.10
Dewan H&F	284.40	240.20	234.40	6.40	6.40	Dewan H&F	284.40	240.20	234.40	6.40	6.40
Cholam	1262.20	1248.40	1222.40	3.01	3.01	Cholam	1262.20	1248.40	1222.40	3.01	3.01
Garware Eco	294.70	293.95	271.45	6.57	6.57	Garware Eco	294.70	293.95	271.45	6.57	6.57
Hind Zinc	582.04	561.60	549.75	5.89	5.89	Hind Zinc	582.04	561.60	549.75	5.89	5.89
Shree Pet	297.35	289.90	278.39	2.55	2.55	Shree Pet	297.35	289.90	278.39	2.55	2.55
CEI	1.30	85.50	82.75	6.47	6.47	CEI	1.30	85.50	82.75	6.47	6.47
SRL Infra	36.20	35.75	34.25	5.61	5.61	SRL Infra	36.20	35.75	34.25	5.61	5.61
52 WEEK AT NSE											
HIGH	PVR	1611.70	1611.70	1611.70	1611.70	HIGH	PVR	1611.70	1611.70	1611.70	1611.70
Adani	51.00	50.00	49.00	60.00	60.00	Adani	51.00	50.00	49.00	60.00	60.00
Reliance	1124.90	1124.90	1124.90	1124.90	1124.90	Reliance	1124.90	1124.90	1124.90	1124.90	1124.90
Coal India	41.90	41.90	41.90	41.90	41.90	Coal India	41.90	41.90	41.90	41.90	41.90
Infosys	80.05	80.05	80.05	80.05	80.05	Infosys	80.05	80.05	80.05	80.05	80.05
Axis Bank	92.35	92.35	92.35	92.35	92.35	Axis Bank	92.35	92.35	92.35	92.35	92.35
Windsor Mach	71.20	71.20	71.20	71.20	71.20	Windsor Mach	71.20	71.20	71.20	71.20	71.20
Min Roadr	66.80	66.80	66.80	66.80	66.80	Min Roadr	66.80	66.80	66.80	66.80	66.80
Garware	151.60	151.60	151.60	151.60	151.60	Garware	151.60	151.60	151.60	151.60	151.60
Alko Nibel	174.65	174.65	174.65	174.65	174.65	Alko Nibel	174.65	174.65	174.65	174.65	174.65
Shriram Tr	1239.90	1239.90	1239.90	1239.90	1239.90	Shriram Tr	1239.90	1239.90	1239.90	1239.90	1239.90
Dewan H&F	284.40	284.40	284.40	284.40	284.40	Dewan H&F	284.40	284.40	284.40	284.40	284.40
Cholam	1262.20	1262.20	1262.20	1262.20	1262.20	Cholam	1262.20	1262.20	1262.20	1262.20	1262.20
Garware Eco	294.70	294.70	294.70	294.70	294.70	Garware Eco	294.70	294.70	294.70	294.70	294.70
Hind Zinc	582.04	582.04	582.04	582.04	582.04	Hind Zinc	582.04	582.04	582.04	582.04	582.04
Shree Pet	297.35	297.35	297.35	297.35	297.35	Shree Pet	297.35	297.35	297.35	297.35	297.35
CEI	1.30	1.30	1.30								

Straight Drive

A roundup of top events and moves on the Street

Asian Granito Slips on Chief's Arrest by DRI

Shares of Asian Granito India declined over 4% after the company's promoter and managing director Mukeshbhai Patel was arrested by the Directorate of Revenue Intelligence (DRI) on December 28. The scrip closed 4.24% down at ₹178.50. Patel was released on bail on Saturday, as per a BSE filing.

Fresh Default by IL&FS Trans, Stock Slides 4%

Shares of IL&FS Transportation slipped over 4% after the company said it had defaulted in interest payment on non-convertible debentures (NCDs) totalling ₹3.98 crore. The interest due was not paid due to insufficient funds, the company said in a filing to BSE. The scrip settled 4.81% down at ₹13.85.

Chennai Petro, Exide Witness Spurt in OI

Chennai Petrochemicals witnessed the biggest spurt in open interest at 25.74% on NSE, followed by, Exide Industries (23.53%), MGL (22.81%), Concor (19.11%) and CESC (15.05%).

Oil & Gas, Auto Stocks a Drag On Sensex

Selling in HDFC, Reliance Industries, Axis Bank, ICICI Bank and Maruti Suzuki pulled the benchmark index to settle the last day of year on a flat note with a negative bias. Kotak Mahindra Bank, Infosys, Indusind Bank, Sun Pharma and Tata Steel were the top contributors to the gains in the 30-share pack.

63 Stocks Show Bullish Crossovers

As many as 63 stocks, including HCL Technologies, PVR, Trident and Phillips Carbon, showed bullish crossovers on the momentum indicator moving average convergence divergence, or MACD, charts on BSE. On the other hand, 30 stocks including Tata Steel, BSL, Asian Paints, CESC and Mercator witnessed bearish crossovers.

Rahul Oberoi/ETMarkets.com

Life Harder for Central Banks

► From ET Markets Page 1

It is only a matter of time until the spotlight also shines on the ECB. Because its normalisation process is now focused on balance-sheet policy rather than the more visible interest-rate moves, it hasn't yet attracted the same attention as the Fed. Yet this process faces many more questions on account of the slow growth in the euro zone, some weaknesses in the region's banking system, pockets of excessive indebtedness and political gridlock that limits needed structural and fiscal reforms.

Against that backdrop, the risk has risen that volatility could undermine the global economy, and that some investors may lose confidence in the orderly functioning of financial markets. Naturally, this is obscuring the benefits of a long-due transition to a less distorted financial regime that, otherwise, would have threatened much larger economic damage down the road.

There is no easy way out of this situation. Indeed, the spotlight will shine even more brightly on the Fed next year. This will become most apparent at the news conferences, now to be held after each Federal Open Market Committee meeting, where

EARNINGS DOWNGRADE likely unless the government penalises imports, say analysts, as their projections were made when the metal was quoting higher on the LME

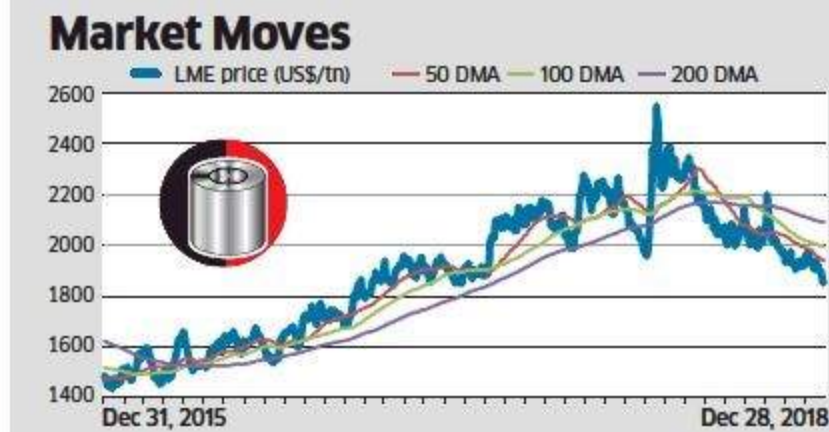
As Aluminium Prices Fall, Fate of Local Cos Hinges on Tariff Buffer

Jwalit.Vyas@timesgroup.com

ET Intelligence Group: The earnings outlook for local aluminium producers, including Hindalco, Vedanta and Nalco, now hinges on the increase in the import duty on the metal as global prices are at a 20-month low.

Current LME aluminium prices are at \$1,850 per tonne, much lower than what analysts had estimated. Earnings estimates were largely made with \$1,940 a tonne as the price benchmark. The recent fall in metal prices could lead to a sharp earnings downgrade unless there is an increase in import duty.

Union minister Suresh Prabhu recently said that there is a proposal from the industry to raise the duty on imports and the commerce ministry is in favour of it. Around 1.4 million tonnes (MT) of aluminium, or 40% of total domestic demand, was



imported in 2017.

The local aluminium industry, which has been seeking protection against rising imports, has proposed an increase in levies on scrap and primary aluminium from 2.5% and 7.5%, respectively, to 10%.

A likely increase in import duties may offer some support, but the out-

look will continue to remain weak, given the falling aluminium prices globally. The steep fall in aluminium prices shows the weakness in demand, especially from the slowing global automotive sales. From the peak in April, aluminium prices have fallen 28%.

Average global cost of aluminium

production is estimated around \$1,750 to \$1,800 per tonne, given the elevated alumina and coal costs. Indian players such as Hindalco and Nalco are fully backward integrated and hence may not get into losses if aluminium has to fall further.

Vedanta, not being fully integrated, will be more affected. For Vedanta, in the latest quarter, aluminium contributed 17% to total earnings, and zinc 50%, while oil largely made up the rest. The decline in oil prices would also affect the total earnings.

At average LME aluminium price of \$2,087 a tonne in the September quarter, Vedanta's operating margin was 10%, Hindalco's 19% and Nalco's 27%. Nalco, a net alumina long player, benefitted from higher alumina prices. Despite the sharp correction in the commodity prices, shares of these companies have largely remained firm.

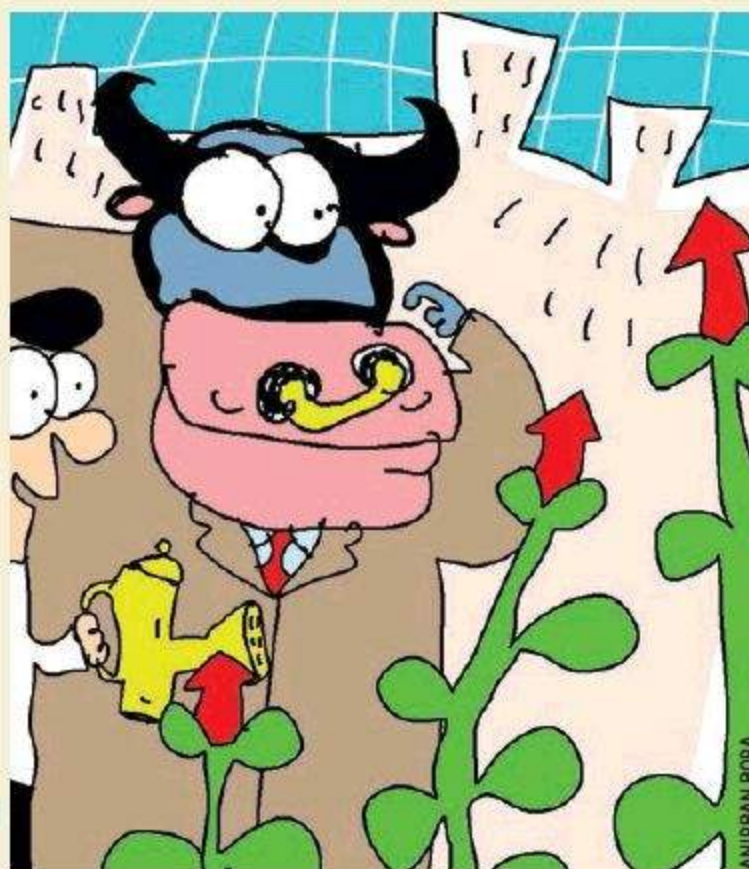
ET GRAPHICS

BROKERAGES' BIG BETS

Stocks That Could be Top Scorers of 2019

The prospects for the stock market remain uncertain in 2019 as national elections are due and global uncertainties such as US-China trade war continue to loom. ET takes a look at the top stock picks for 2019 by leading brokerages which are likely to outperform the broader market in the new year. Marico, ICICI Bank and Reliance Industries were commonly cited by brokerages as their top picks.

— Sanam Mirchandani



Sharekhan by BNP Paribas

ICICI BANK

Target Price (₹): 430

With uncertainty regarding leadership being over and with capital position being comfortable, the bank appears well placed to make the most of the growth opportunities. NPA cycle has peaked out and the brokerage expects the improvement in asset quality performance to continue.

INDUSIND BANK

Target Price (₹): 1,984

Indusind Bank's performance, when seen considering strong business growth and healthy asset quality maintained, appears positive. Sharekhan expects loan growth momentum to remain healthy, while margins are expected to normalise.

BRITANNIA INDUSTRIES

Target Price (₹): 3,630

Innovation, distribution enhancement and operating efficiencies will drive double-digit earnings growth for Britannia over FY18-FY20. Increase in scale of adjacent categories and international business will add flavour to the earnings in long run.

Axis Securities

VOLTAS

Target Price (₹): 672

The brokerage said Voltas is the best bet in the consumer durables space from 3-5 years given its strong franchise, focus on plugging the gaps in the product suite and improving order book visibility.

STERILITE TECHNO

Target Price (₹): 410

The brokerage expects Sterilite Tech to be a big beneficiary of growing domestic demand for optical fiber, which is expected to grow at a CAGR of over 13% during 2017-21. The company has an order book of upwards of ₹6,000 crore giving a visibility of around one-and-a-half years.

AARTI INDUSTRIES

Target Price (₹): 1,740

Aarti Industries manufactures chemical and pharmaceutical intermediates. With the demand for the specialty chemicals set to increase, the brokerage expects the utilization to reach 95% in a year or two. The company is poised to grow both in terms of revenues and profits.

IIFL

APOLLO TYRES

Target Price (₹): 300

Apollo Tyres is best placed among peers given its lower exposure to the highly competitive two-wheeler tyre space and ramping up of operations at its low-cost Hungary plant. Cooling off in crude prices and stable natural rubber prices will steer 160 basis points operating margin expansion to 12.7% in FY20.

ICICI LOMBARD

Target Price (₹): 1,075

ICICI Lombard is well positioned to capture the growth potential in the sector driven by significant lower penetration and market share gains from PSUs and its EPS could double over the next three years leading to the strong upside in the stock.

LARSEN & TOUBRO

Target Price (₹): 1,650

IIFL said L&T is well placed to leverage the uptick in capex cycle. The government's push on infra projects and widening base of mid-size orders will further aid faster execution. Working capital improvement to 20% or sales coupled with divestment of non-core assets will improve return ratios.

ICICIdirect

APOLLO HOSPITALS

Target Price (₹): 1,440

The brokerage said it expects more focus by the company on improvement of important parameters like average length of stay, average revenue per operating bed and ultimately on improving return ratios. The company's pharmacy business is likely to see a compounded growth of 18% in FY18-FY20 period to ₹4,525 crore.

SOMANY CERAMICS

Target Price (₹): 410

The worst is behind for the company as several operational disruptions like truckers' strike, Kerala floods etc, which affected performance in first half of FY19, are now settled. The brokerage expects the company to post double digit volume growth in FY20.

CITY UNION BANK

Target Price (₹): 225

The bank's lending philosophy of giving small ticket secured loans helps control asset quality, said ICICIdirect. City Union Bank is well placed among regional players and on the capital front with tier-1 ratio at 14.7%, the brokerage said.

Motilal Oswal

INDIAN HOTEL

Target Price (₹): 163

The company is well-placed to capitalize on growth opportunities given its presence in high demand, high occupancy micro markets. Indian Hotel also has an edge in terms of operating leverage, given its high fixed-cost proportion and efforts to rationalise expenses.

MARICO

Target Price (₹): 465

There has been an evident step-up in the pace of new launches over the past 18 months with couple of notable successes. The recent pipeline and successes so far could enable a new era of growth for Marico. If all goes according to plan, the brokerage expects revenue to grow at 15% over FY18-FY20.

OBEROI REALTY

Target Price (₹): 574

Oberoi Realty has one of the strongest balance sheet among real estate companies, with negligible net debt, said Motilal Oswal. With strong monetization visibility from its ongoing and upcoming projects, Oberoi is expected generate healthy free cash flow over FY18-FY20.

'Mahindra CIE Expects to Grow by 20% At Least This Year'

Q&A Hemant Luthra, chairman of Mahindra CIE told ET Now that the automotive components maker will continue to outgrow the industry as it has a strong balance sheet, which sends a strong signal to automobile companies. Edited excerpts:

Mahindra CIE has been delivering double digit growth despite slowing demand in EU and muted demand in the domestic market. What are the growth drivers?

It is coming from the fact that customers have figured out there is a strong company. It has got a strong balance sheet. It is not going to go the way of those companies that have taken on too much debt. Therefore, we see customers migrating to us and we see demand from all over the world and it is in Europe, India, everywhere the demand is still going up. Whether we

would be able to grow 20% year on year, as we look forward for the next three-four years, I don't know but having delivered that kind of growth last year, we hope to continue at least in 2019.

What levers are you identifying for the outperformance over the industry to continue?

We are growing in foundry, we are trying to double our capacity. We are growing in gears, we are trying to double our capacity. In stamping, we are putting in two new plants. We are spending about ₹300-400 crore in capex and these are operating efficiencies. There are new customer orders and we continue to see a number of banks and OEMs coming to us asking can you take (weaker companies) over because we want to grow in India 10-12% year-on-year for the next 15 years. They need to see well capitalised vendors.

How are you addressing the overall demand environment both globally and in India given the multiple headwinds?

We are not worried about 2019. We are not worried at all because we have gone and met the Marutis of the world which are sitting on \$5 billion of cash. They need suppliers to spend not \$5 billion but \$10 billion. Now, most of the suppliers who over-borrowed are in NCLT. They have all kinds of problems and Maruti needs a reliable supplier, as do other OEMs and the same thing is happening in different parts of Europe. That is why we can confidently say that we will continue to outgrow the industry. The fact that we are not dependent on a single market helps. The fact that no single customer is more than 15% of our turnover helps as well. We have got technology across forgings composites. We are now looking at aluminium and plastics.

Tax Queries

DILIP LAKSHANI
Senior Chartered Accountant

Long-term Capital Loss Can Only be Set Off Against LTCG

I have recently inherited a small house in the name of my mother after her death, constructed from her own earnings about 36 years ago. I wish to gift the same to my wife now. Please advise what will be the capital gains implications for my wife/myself. In case she decides to sell the same. If she decides to rent it out will the rental income from this property be subject to income tax for her?

—T K BAJAJ

There will be no tax liability at the time when you will inherit the flat from your mother. There will be no tax liability when you will gift the said flat to your wife. You will have to ensure that in the records of registrar/society your name is included as the owner of the flat. You will have to execute a registered gift deed to gift the flat, being the immovable property to your wife. If your wife earns rental income on the said property then the said income will be included in your total income. When she will sell the flat in future she is entitled to claim the cost of the said asset in the hands of your mother or the value as on April 1, 2001, whichever is higher as cost of acquisition for computing the long term capital gains tax liability.



country to country depending on the treaty between India and that country my query is what percentage of tax do I need to deduct from the rent payable on monthly basis?

—RAHUL AGRAWAL

Under the Income Tax Act 1961, tax shall be deductible on all payments to NRIs which are taxable in India as per the rate in force. You will be liable to deducted tax at source under Section 195 of the Act on the rent payment to your land lord who is NRI. He can make an application to the income tax department and obtain a certificate deciding the rate of tax at which you should deduct tax from the payment of rent. If he does not obtain the certificate then you will be liable to deduct tax at 31.2% (30% plus 4% cess).

For the assessment year 2018-19, can I set off short term capital gain from sale of shares against long term capital loss from sale of shares?

—AP SATAPATHY
Loss from transfer of a short-term capital asset can be set off against gain from transfer of long-term or short-term capital asset. However, losses from transfer of a long term capital asset can be set off only against long-term capital gain. In view of this you will not be able to set off long-term capital loss against the short-term capital gains for AY2018-19.

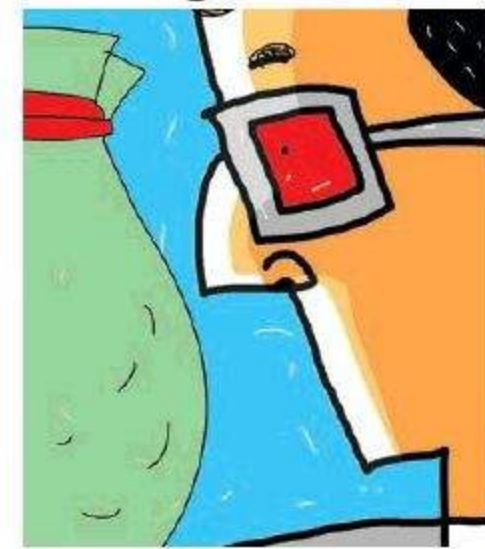
Please send your queries on Stocks to et.stocks@timesgroup.com; Mutual Funds to et.mf@timesgroup.com; Tax to et.tax@timesgroup.com; Insurance to et.insurance@timesgroup.com; Realty to et.realty@timesgroup.com

Every week, an expert selected by ET answers queries from our readers on income tax and other levies

ET in the Classroom

Taking Positions on Currency Movements Through Futures

A previous classroom touched on the basics of equity futures and options. In this edition, ET provides the lowdown on exchange traded currency futures



1. What are currency futures?

Like equity futures and options, regulator SEBI, in consultation with RBI, has allowed registered and recognised exchanges like BSE and NSE to offer currency F&O. For simplicity's sake we will focus on currency futures. In this edition, A currency futures contract allows you to buy or sell a currency pair at a set price for delivery on a future date. The settlement happens in Indian rupees only.

2. What are the products open to retail investors?

Futures contracts are available on the Dollar, British Pound, Euro and Japanese Yen, each against the rupee. There are other cross currency futures as well.

3. How can one trade?

An equity trading account with a brokerage firm is sufficient to access this segment.

4. How does it work?

Say, you are bullish rupee and bearish dollar, you sell a dollar-rupee futures contract or buy a dollar put option or sell a dollar call option. Assume you expect the dollar to weaken to 69.9 from 70.16, Friday's last traded price. You sell the dollar-rupee futures expiring on January 29. The lot or contract size is \$1,000. Say the dollar dips by 26 paise today to 69.9 at closing. You make 0.26 x 1,000 or ₹260 per lot. If however, the dollar strengthens to say 70.4, you lose 0.24 x 1,000 or ₹240 per lot. The same works for the other currency pairs, but dollar-rupee is the most active accounting for almost 90% share of the four pairs versus rupee.

5. How much exposure can a retail investor or trader take?

In dollar-rupee, gross position shall not exceed 6% of total open positions across all contracts, or \$10 million, whichever is higher. In pairs like Euro and Pound, the exposure limit is 5 million euros or pounds and in Yen it is 200 million.

6. How many contracts are liquid?

The contract cycle is 12 months, but the most liquid is the front month contract. In the current case clients, can trade as far off as December 27, 2019 contract, but the most liquid is January 29, 2019 contract.

7. How much margin does one have to pay?

For one lot it is around 5% but it changes if volatility increases. On the basis of January USD-INR futures contract at 70.16, you put up a margin to trade of ₹3,508.

8. Who are the other participants in the currency futures segment?

Banks, foreign portfolio investors and stock brokers who run proprietary books apart from HNIs and ultra HNIs.

TEXT: Ram Sahgal

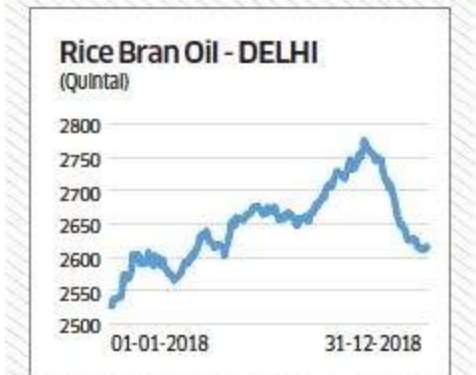


wishes you
a very Happy
and Prosperous
New Year

Tweet of the Day

Holger Zschaepitz
@Schuldensuehner
Global stock mkt pin hopes on Sino-US talk as year end deep in red. Asia, Europe, US Futures gain amid optimism around trade talks between 2 of world's largest econs. Almost all Asian indices in red in 2018 w/ India a rare gainer. Bonds finishing strongly as mkts bet Fed is done.

Quarts & Ounces



ET Index				
COMMODITIES (2003=1000)				
Bullion	CHANGE			0.00
DAYS INDEX	PREV DAYS	LAST WEEK		
4723.7	4723.7	4653.4		
Cement	CHANGE			0.00
DAYS INDEX	PREV DAYS	LAST WEEK		
2001.5	2001.5	2001.5		
Edible Oil	CHANGE			0.00
DAYS INDEX	PREV DAYS	LAST WEEK		
1545.9	1545.9	1556.5		
Foodgrains	CHANGE			0.13
DAYS INDEX	PREV DAYS	LAST WEEK		
2303.2	2300.0	2313.3		

Did You Know?
China has the World's Worst Stock Market with \$2.4 trillion Loss
For China's stock investors and forecasters, 2018 has been a gloomy year marked by unwelcoming milestones. The benchmark Shanghai Composite Index is 25% below where it started this year, making it the worst-performing major stock market in the world. The breakout of a trade war between the US and China has wiped out \$2.4 trillion this year. While foreign investors continued to pour money into onshore equities via the stock connects and state funds were said to have bought exchange-traded funds to rescue shares, they did little to arrest declines. Stock declines have shaved \$2.4 trillion off China's market value this year as of Thursday, the biggest on record since 2002. The closest loss was during the global financial crisis 10 years ago, when the Shanghai gauge plunged 65%. — Bloomberg

Govt Keen to Ensure Entire Industry Benefits

►► From Page 1

Under the MEIS scheme, the government provides duty benefits of 2-4% depending on the product and the country to which it is being exported. MeitY is in favour of expanding India as a hub for electronics exports through these incentives. The government is keen to ensure that the entire electronics manufacturing industry benefits from any change in policy instead of sops being doled out only for Apple, the person said on the condition of anonymity. Apple did not reply to emailed queries from ET. According to the government official who briefed ET on the talks, since Apple is looking at India as an export hub for its products, the discussions are centred on tweaking existing policies that are export-focused or even making new ones. "Though MEIS has been extended to make it indefinite, they (Apple) are pushing us to give a commitment that this scheme will continue for five years," the person said. The Ministry of Commerce and the Department of Revenue are concerned whether providing specific export incentives will put the country in conflict with the World Trade Organization's stipulations. MeitY, on the other hand, has said that if the scheme has to continue, the government can give a commitment to Apple. Apple is also seeking income tax exemption on exports, which has again led to concerns if such a move will be WTO-compliant. MeitY has recommended that such an exemption can be given for 10 out of 15 years when the company starts to make profits. "The Department of Revenue is trying to work out a way since the concern is that other

STABLE POLITICS and a positive economy make the country a top pick for the New Year in a troubled global environment

Japan Stocks Can Be Haven in a Bleak World

Ronald W Chan

Global equity investors have reason to be concerned: The economic outlook is worsening, interest rates are rising and tensions in the U.S.-China relationship could further harm growth. But all is not bleak. Japan provides a measure of certainty and promise, with a stable government, expanding economy, improving return on equity and booming tourism. Japanese stocks aren't reflecting these positive factors. The Topix entered a bear market in 2018, dropping more than 22 percent from its January peak to a two-year low. The index closed out its worst December performance in 59 years on Friday: 1 year to date, international investors have sold more than \$48 billion of shares. Yet the country remains on track to record the longest period of economic growth, at 74 consecutive months, in the post-war era, ac-

cording to a report in the Nikkei that cited the government's monthly economic report. Granted, risks to the outlook are increasing. Bank of Japan Governor Haruhiko Kuroda has noted, in particular, dim prospects for overseas economic development and diminishing demand for Japanese exports. Meanwhile, an increase in the sales tax to 10 percent from 8 percent scheduled to take effect in October 2019 will weigh on domestic consumption. Still, Kuroda has promised to keep close watch and respond if needed by cutting interest rates, boosting asset buying and accelerating the pace of money printing. The political environment is supportive. Prime Minister Shinzo Abe won the ruling party leadership election in September, empowering him to implement pro-growth structural reforms with little opposition. The so-called "Third Arrow" of his Abenomics program is designed to pro-



mote expansion of Japan's economic output by improving workforce diversity, adjusting corporate taxation, and reforming heavily protected industries such as agriculture and healthcare. Many Japanese companies have reported record profits in recent quarters. Return on equity for the MSCI Japan Index has doubled to 9.8 percent from 4.4 percent in 2012, according to a report by Morgan Stanley. Improvements came from better operating margins and a reduction in taxes, interest,

and non-operating expenses. ROE could reach 12 percent by 2025, the New York-based investment bank predicts. Though Japan's long-term prospects seem relatively clear-cut, declining fertility rates remain problematic. The current population of more than 127 million is expected to shrink by a third in less than 50 years. This doesn't deter Jesper Koll, chief executive officer of fund manager WisdomTree Japan Inc., who told me recently: "Look on the bright side. The older generation will pass its wealth to the next, and along with it, substantial newfound purchasing power." Notwithstanding declining fertility, other areas of Japan's economy continue to show improvement, such as tourism. Fifteen years ago, the total number of foreign visitors to Japan was roughly 5 million. This year, the country welcomed 30 million tourists, and with an anticipated 40 million

planning to visit in 2020 ahead of the Olympics, the government is upgrading the country's infrastructure to help businesses deliver products and services. Those who choose to invest in Japan in the New Year should focus on companies exposed to domestic consumption such as Matsu-moto Kiyoshi Holdings Co., one of the country's largest drugstore chains, and Bic Camera Inc., a one-stop shop for all things electronic. Local companies with international appeal may also be worthwhile investments, such as athletic shoemaker Asics Corp. and confectionery producer Morinaga & Co. Those averse to individual stock-picking can consider acquiring broad exposure to the Topix. The forward price-earnings ratio for the index is at 11.8 times, its lowest level in the past five years. In fact, fewer than 60 days in the past decade saw the Topix trading lower than the current multiple. — Bloomberg

RBI FINANCIAL STABILITY REPORT

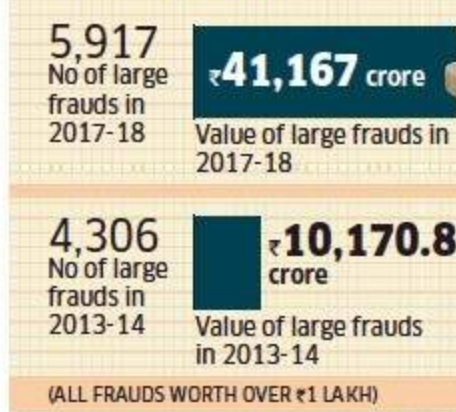
PSBs Lack Adequate Risk Mitigation Measures

Between 2015 and 2018, PSBs accounted for 90% of all frauds that happened in banking sector

Our Bureau

Mumbai: Public sector banks are lacking adequate risk mitigation measures to counter increasing fraudulent activities as these banks continue to remain the major victims of frauds in the banking system over the past four years, said the RBI in its Financial Stability Report. Between fiscal years 2015 and 2018, PSBs accounted for 90% of all frauds that happened in the banking sector, according to data from the central bank. "Operational risks in the banking sector have assumed significance of late, calling for reforms in governance and board oversight structures and overhaul of the extant risk culture in banks," RBI said in the report. "...the predominance of frauds among PSBs point to possible inadequacy of risk mitigation processes. The assessment and inculcation of appropriate risk culture in an organisational milieu assumes importance in this

Risky Affair



regard," it said. The report also pointed that the 11 public sector banks, which are under the central bank's prompt corrective action (PCA) umbrella, accounted for 36% of the fraudulent cases despite having just 18.9% share of risk weighted assets for operational risk. "Given the relatively high susceptibility of PSBs to operational risk, the relative

capitalisation of such banks with regards to operational risk becomes relevant... A more judicious alignment of realised operational risk with allocated capital, specifically with regards to PCA-PSBs, is desirable," RBI said. The report also showed that in recent years there has been a marked rise in the number of

MAXIMUM CASES

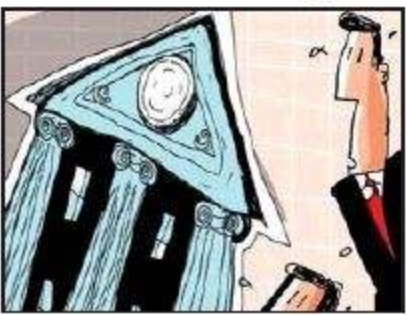
11 PSBs, which are under the central bank's prompt corrective action umbrella, accounted for 36% of the fraudulent cases

large frauds (worth over ₹1 lakh). The number of large frauds in 2017-18 rose to 5,917 amounting to ₹41,167 crore from 4,306 such cases worth ₹10,170.8 crore in 2013-14. For the first half of financial year 2018-19, a total of 3,416 large frauds worth ₹30,420.2 crore have been reported. The biggest fraud in the Indian banking history came to light in February 2018 with now-absconding jeweller duo Nirav Modi and Mehul Choksi found having duped Punjab National Bank of around ₹13,000 crore.

'Five PSBs not Meeting Capital Criterion can Trigger Contagion sans Govt Support'

Our Bureau

Mumbai: The Reserve Bank of India (RBI) warned that the absence of perceived sovereign guarantees to banks under the Prompt Corrective Action would amplify the contagion risk of default in the banking industry as five state-owned lenders would fall below the minimum capital requirements. For stress test purposes if it is assumed that state-owned banks don't have the backing of the government, "then (it) implies that the five PSBs which don't meet the criterion of Tier-1 capital of 7% would default and start a contagion process on their own," said RBI's Financial Stability Report.



For the FSR, the RBI conducts various kinds of stress tests — liquidity, credit and macro-economic developments. It mostly assesses the impact on the assumption that the state would back government banks. But for theoretical purposes, it conducted such tests without state backing this time. "So now, when we consider the

FALL IN SOLVENCY LOSS

The RBI says the capital erosion of the 11 banks under the PCA showed that solvency losses have reduced

hypothetical failure of a trigger bank, the losses that would accrue to the system would not only be because of the trigger bank in consideration, but also because of the five PSBs that were automatically triggered," said the report. The RBI defended its Prompt Corrective Action framework for the state-run banks, a framework

that became a major point of contention between the regulator and the government. The RBI said the capital erosion of the 11 banks under the PCA showed that solvency losses have reduced. "Solvency losses due to a simultaneous failure of 11 PCA banks have declined from ₹73,500 crore to ₹34,200 crore (3.1% of total Tier-1 Capital) in the past four quarters, and to this extent the PCA framework has been successful in reducing the systemic footprint of the PCA banks," said the report. Under the PCA, banks that have high bad loans and low capital are barred from setting up new branches, hiring staff and giving big-ticket loans and in some cases, even advance funds to small businesses.

Jio Stance on RCom's Liabilities

►► From Page 1

RCom has already sold fibre and nodes to Jio for Rs 5,000 crore. "This announcement will stop all speculation that it was off the table," said an executive, who didn't want to be named. Speculation about the fate of the deal had been sparked by the department of telecommunications (DoT) rejecting RCom's deal to sell spectrum to Jio about two weeks ago, saying it didn't conform to airwave trading rules. **JIO'S CONDITION** DoT's decision followed Jio's letter to the government seeking an assurance that it won't be held liable for RCom's past dues related to airwaves. In its letter, Jio further said that DoT should only clear the deal once the Mukesh Ambani-owned telco confirmed that RCom had fulfilled certain conditions agreed to between the two companies. DoT said Jio's conditions were not in accordance with the government's spectrum-trading norms, which stipulate that the buyer is liable for dues that haven't been recovered from the seller. While the two telcos on Monday sought to convey that the deal was still alive, Jio added a condition in its statement: "The acquisition is subject to receipt of requisite approvals from governmental and regulatory authorities, consents from all lenders, release of all encumbrances on the said assets and

other conditions precedent." Industry insiders said this comment underlined that Jio hadn't budged from its stance that it shouldn't be held responsible for RCom's previous dues. **ROW OVER DUES** RCom and DoT have battled over the government's claim of spectrum-related dues worth Rs 2,947 crore. The dispute went up to the Supreme Court, which directed DoT to approve the RCom-Jio trading pact and accept a Rs1,400 crore corporate guarantee. Instead of a bank guarantee, as well as a parcel of land from an RCom subsidiary to cover the dues. But DoT was of the view that if anything went wrong with the corporate guarantee and the land parcel, it would hold the buyer of the airwaves — Jio in this case — liable for previous dues, a view which was unacceptable to the company. RCom has urged DoT to abide by the Supreme Court order and clear the deal, which the DoT has said it's unable to do due to Jio's conditions, leading to the continuing stalemate. The Anil Ambani-owned company in its statement, added that the "transactions are to be consummated subject to various approvals that are presently in progress." Shares of Reliance Industries (RIL), Jio's parent, closed at Rs 1121.05, down 0.42% while those of RCom closed at Rs 14.39, down 2.04%, on the BSE on Monday.

PCA, Non-PCA Gulf Widens

►► From Page 1

"Sensitivity analysis indicates that 18 SCBs (scheduled commercial banks), including all public sector banks (PSBs) under Prompt Corrective Action (PCA) may fail to maintain the required CRAR (capital to risk weighted assets ratio) under a two standard deviation shock to the GNPFA ratio, unless capital infusion takes place and banks improve their performance," said the report. Although the industry shows signs of stabilising, the gulf has widened between banks under PCA due to their weak finances and those with sufficient capital.

Govt Infuses ₹10,882Cr Capital in 4 PSBs

New Delhi: The government on Monday infused ₹10,882 crore in four public sector banks, including UCO Bank and Syndicate Bank, as part of ₹28,615 crore capital infusion to be done in about half a dozen public sector lenders. The bank has received ₹3,074 crore in the equity by way of preferential allotment on Monday, UCO Bank said in a regulatory filing.

Besides, Bank of Maharashtra got ₹4,498 crore, Syndicate Bank ₹1,632 crore and Central Bank of India ₹1,678 crore. The government has already announced infusion of ₹10,086 crore in Bank of India, ₹5,500 crore in Oriental Bank of Commerce and ₹2,159 in United Bank of India. The government pumped in ₹28,615 crore into seven public sector banks through recapitalisation bonds. —PTI

Raw Sugar Falls, Cocoa at 5-1/2 month Peak

Raw sugar futures on ICE fell on Monday as speculators tested chart support in thin trade while London cocoa touched a 5-1/2 month peak and supply expectations pressured robusta coffee.



Raw Sugar Future Contracts

12.29 cents/lb On Monday	12.18 cents/lb Intraday trade
0.8% Fall in raw sugar futures on ICE on Monday	3.5 million tonnes India's sugar exports in the current season estimated by Mares Spectron
0.9% Fall in March white sugar on Monday	5 million tonnes Government's target to export sugar this year
REASON Dealers said fund activity continued to drive the market Output is expected to decline next season after poor rains in some cane-producing regions	Source: Agencies

FM: RBI Reserves Not Needed to Meet Fiscal Deficit Target

Says government will take all necessary steps to resolve difficulties faced by farmers

Our Bureau

New Delhi: The government does not need the Reserve Bank of India's reserves to meet its fiscal deficit target, finance minister Arun Jaitley reiterated, replying to a parliamentary debate on the supplementary demand for grants.

He also said that the government will take all necessary measures to resolve the difficulties faced by farmers.

Replying to accusations that the government was eyeing RBI's reserves to meet fiscal deficit, Jaitley said the government had managed its math better than its predecessor. "I don't need RBI's reserves for (meeting) fiscal deficit," Jaitley said.

He said three expert committees had been set up in the past — 1997, 2004 and 2013 — to decide on the RBI's reserves.

"Today, the question is how much economic framework capital the RBI needs," he said pointing out that many central banks have pegged it at 8% of assets, while more conservative ones have it set at 14%, lower than that in India.

"Should it be at 27-28% in India," he asked, adding that the expert committee set up under the leadership of former RBI governor Bimal Jalan will decide on the appropriate level.



Eyes not on RBI coffers

FM clears the air

Best track record in fiscal deficit management

Govt not eyeing RBI reserves to meet fiscal deficit

Issue on reserves relates to deciding how much should it be

Funds can be used for poverty alleviation or bank recapitalisation

Committee constitution decided when Urjit Patel was the governor

In case the current level is considered excessive, the surplus can be deployed elsewhere.

"That money can be used for bank recapitalisation... for poverty alleviation," he said.

He said the decision to set up the committee on the RBI's economic capital framework as well as its composition had been made when Urjit Patel was still the governor. Patel resigned in December amid a row between the government and the RBI over various issues.

The second batch of supplementary demands for grants for FY19 for gross additional expenditure of Rs 85,948.86 crore, which includes Rs 41,000 crore for capitalising public sector banks (PSBs), was later passed by voice vote in the Lok

Sabha on Monday.

With regard to concerns expressed by some members over agrarian distress, Jaitley said the government will take all necessary steps to support farmers.

It had already raised the minimum support price (MSP), he pointed out.

"Farmers' difficulties be removed—whatever steps are needed, till the last step this government will do. This I would like to say clearly before this House," Jaitley said.

The finance minister said the government had lowered the fiscal deficit and kept inflation and the current account deficit

(CAD) under check, while retaining the fastest-growing economy tag for five years. Jaitley said it was only during the current government's tenure that India had become the fastest-growing major economy in the world, ahead of China.

He said demonetisation and the goods and services tax (GST) had helped widen the tax base and allocate more funds for poverty alleviation and social sector programmes. The number of income tax return filers has gone up from 38 million during the previous government to 68.6 million currently, he said. It could double by the end of the five-year term of the current government ending in May 2019.

He said the government had enabled road and power connections to villages and 97% of houses now have toilets.

In the first 100 days of Ayushman Bharat universal health scheme, 700,000 people had availed of free treatment in hospitals, he said. By the second and third year, about 10 million poor will get treatment under the scheme. There is no bigger government-funded health scheme in the world, he said. He blamed indiscriminate lending by banks between 2008 and 2014 for the rise in the bad loans.

The FM also dismissed the criticism over back-series of GDP

Ecotrack - The Month That Was

Economic data released in December shows a strong start to the third quarter of FY19 and a comfortable inflation situation

FACTORIES AND INFRASTRUCTURE

CORE SECTOR	Trend reversal to growth
% annual growth	
May	4.1
Jun	7.8
Jul	7.3
Aug	4.7
Sep	4.3
Oct	4.8
Nov	3.5

COMPOSITE PMI	Near 2-year high
Combined services & manufacturing PMI	
May	50.4
Jun	53.3
Jul	54.1
Aug	51.9
Sep	51.6
Oct	53
Nov	54.5

INDUSTRIAL PRODUCTION	Rebounds to 11-mth high
% annual growth	
Apr	4.5
May	3.8
Jun	7
Jul	6.5
Aug	4.7
Sep	4.5
Oct	8.1

FUEL CONSUMPTION: Mixed signal

	Petrol	Diesel
% annual increase		
Sep	4.2	-0.8
Oct	4.7	6.8
Nov	8.7	-4.8



FISCAL DEFICIT: Out of zone

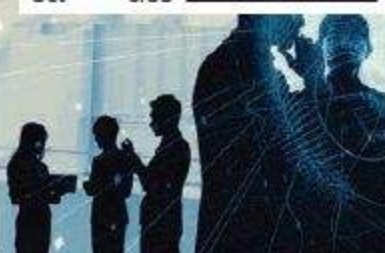
% of FY19 budget estimate	
May	55.3
Jun	68.7
Jul	86.5
Aug	94.7
Sep	95.3
Oct	103.9
Nov	114.8

VEHICLE SALES: Cars in a slow lane

% annual increase	Cars	Commercial vehicles	Two-wheelers
Sep	-5.6	24.1	4.1
Oct	1.6	24.8	17.3
Nov	-3.4	5.7	7.2

EPFO JOBS NUMBERS: Steady rise

Net additions, in millions	
Aug	0.7
Sep	0.88
Oct	0.83



Core Growth Slows to 16-mth Low

Infrastructure industries clock 3.5% growth in Nov

Our Bureau

New Delhi: The growth of India's infrastructure industries slowed to a 16-month low of 3.5% in November, brought down by cement, electricity and coal production, data released by the commerce and industry ministry showed on Monday.

The last time the growth was slower was in July 2017, when the output expanded 2.9%.

The core sector had grown 4.8% in October 2018 and 6.9% in November 2017.

The eight infrastructure sec-

tors of coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity constitute 40.27% of total industrial production. The latest data suggest a moderation in industrial growth going ahead. Cumulative growth in the April to November period was 5.1%, compared with 3.9% a year earlier.

Coal output growth dropped sharply to 3.7% in November from 11.3% in October, despite having a favourable base effect. Electricity generation rose 5.4%, compared with 10.9% in October.

The waning of favourable base effect halted the sustained trend of double-digit expansion recorded in cement output in the previous 12 months to 8.8% in November, com-

Infra Growth Slumps

Sector	Coal	Crude oil	Natural Gas	Refinery Products	Fertilisers	Steel	Cement	Electricity	Overall Index
Nov-17	0.7	0.2	2.4	8.2	0.3	14.5	16.9	3.9	6.9
Oct-18	11.3	-5	-0.9	1.3	-11.5	2.6	18.4	10.9	4.8
Nov-18	3.7	-3.5	0.5	2.3	-8.1	6	8.8	5.4	3.5

Unfavourable base slows core growth

Factory output may fall to 3% from 8.1% in Oct

Govt's capex cuts to hit infra spending

pared with 18.4% a month earlier.

"The year-on-year growth performance of a variety of early indicators, including the core industries, non-oil merchandise exports and auto production, displayed a broad-based deterioration in November 2018, driven to an extent by unfavourable base effects, partly related to a shift in the festive

calendar," said Aditi Nayyar, principal economist, ICRA.

Crude oil and fertiliser production declined 3.5% and 8.1%, respectively, though the pace has slowed.

The growth rate in the production of natural gas, refinery products and steel sectors slowed to 0.5%, 2.3% and 6% in November, respectively.

Exporters Raise Concern Over China's Hike in VAT Refund

New Delhi: Exporters of steel, wooden items and machinery products have raised concern over China increasing the refund on value-added tax (VAT) on these products without raising the actual tax. Beijing has increased the export tax rebate on around 400 "electromechanical and cultural" products, including steel bars, nuts, bolts, safety pins, rivets, photo frames and wooden products to "improve the export tax rebate policy" in the last few months.

India competes with China on certain items and domestic exporters will feel

the pinch, people in the know of the development said.

"This is a cash support which China is using to protect itself from any tariff increase by the US," said an official.

Beijing has increased the export tax rebate rate for multi-component integrated circuits, non-electromagnetic interference filters, books, newspapers and other products to 16% from the earlier rate of 13% or 15%. On bamboo carvings and wood fans, the

benefit has been raised to 13% from zero earlier. The export tax rebate rate on safety pins has been raised to 9% compared with 5% earlier.

Ajay Sahai, CEO of Federation of Indian Export Organisations expects Indian exports of these products to be worth \$30 billion across Asia, Africa and Latin America, which could get affected in the next few months.

- Kirtika Suneja

Directives Issued to Implement GST Council Decisions

Tax rates cut on 23 items, relief for IT cos

Our Bureau

New Delhi: There is some New Year cheer for India Inc as well as consumers — the government is implementing decisions, including reducing tax rates on 23 items such as cinema tickets and power banks, taken at the GST Council meeting recently.

The government issued a clutch of directives late Monday evening that include doing away with filing physical documents for refunds, payment of 6% interest on delayed refunds and granted big relief for the IT and software outsourcing sector for contracts executed jointly with an overseas entity. Consumers will now pay less for digital cameras, power banks, TV sets of up to screen size of 32 inches and movie tickets with the new rates coming into effect.

The GST Council had on December 22 taken a number of decisions, including cut in tax rates.

BOOST FOR IT AND ITES

The IT and ITES companies would now be able to avail refunds on taxes paid on inputs used in servicing global contracts jointly with their foreign outfits.

Suppliers of services located in the country would be liable to pay integrated GST on reverse charge basis on the import of services and would be eligible for input tax credit on it. Even if the full consideration for services is not received in foreign exchange in India as the recipient has paid directly supplier of services located overseas, that portion will also be treated as receipt of consideration for export.

Usually when an Indian IT company takes on a contract with a global client, some part of the service delivery may happen from another jurisdiction.

"This circular provides clear guidance as to the treatment where part of the work is outsourced by Indian entities to another entity outside India, which is a common practice in IT industry," said Pratik Jain, national indirect taxes leader, PwC.

EXPEDITIOUS REFUNDS

To aid quicker refunds, the government has said there will be no need to submit a physical copy of application and other documents by exporters. All documents can be uploaded electronically.

TIMES interact

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CHANGE OF NAME

CA firm requires Experienced Audit staff, Audit trainee, Article Assistant, Accountant knowledge of Tally/ GST, Salary 7.5K to 25K depends. R P Pandey & Co, Kalkaji, near Nehru Enclave Metro, Ph-85100-47000, 98115-18782, interview on 5 & 7 January.

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I, Anu Gupta W/o Shri. Sanjay Gupta R/O RZ-25/D-2, Street No-31, Indira Park, Palam Colony, New Delhi-110045 have changed my name from Anu Baia to Anu Gupta for all future purposes.

I Anita Sinha W/o Alok Kumar Singh R/O D-29A, Kh No-22, Aman Puri, Nangoli, West Delhi-110041 declare that name of mine and my husband has been wrongly written as Smt. Anita Kumari and Sh. Alok Kumar in my minor daughter Pallavi Kumari aged 12 years in School Record. The Actual name of mine and my husband are Anita Sinha and Alok Kumar Singh.

I, GOPAL R/O 11/406 LALITA PARK, LAXMI NAGAR, DELHI-110092 have changed my name to GOPAL KUMAR for all purposes.

I Kartik Agarwal S/o Bajranglal Agrwal R/O 409, Kohat enclave, Pitampura, Delhi-110041 have changed my name to Nihal Agarwal.

I Anita Sinha W/o Alok Kumar Singh R/O D-29A, Kh No-22, Aman Puri, Nangoli, West Delhi-110041 declare that name of mine and my husband has been wrongly written as Smt. Anita Devi and Sh. Alok Kumar in my minor son Gulshan Kumar aged 15 years in School Record. The Actual name of mine and my husband are Anita Sinha and Alok Kumar Singh.

I Master Sunit S/O, Ram Mohan Rai R/O Flat No-67 Hill Apt Sec-43, Rohini Naja Pur Khas Rohini Sec-7, New Delhi-85 have changed my name to Saurabh Kumar Rai.

I, Vajjanti W/o Fakir Chand R/O 755, Ground Floor, Pkt-I, Paschim Puri, New Delhi-110063 have changed my name to Kusum for all purposes.

I Hardeep Singh S/o Sardul Singh and Narinder Kaur R/O C-26, Vishal Enclave, New Delhi-110027 have changed my son's name from Aryan Osan to Aryan Singh Osan for all purposes.

I Saksham Jasrotia, S/o Sh. Dileep Singh Jasrotia, R/O H-221, GF, Vikas Puri, New Delhi-16, have changed my name to Saksham Singh Jasrotia for all future purposes.

I, Babar Zahoor Shah Farash S/O Zahoor Ahmad Farash R/O B-85, 2nd Floor, Lalpat Nagar-I, ND-24 have changed my name from Babar Zahoor to Babar Zahoor Shah Farash

I Gurwinder Kaur W/o Harpreet Singh R/O wz 934, gali No. 15 Gurgaon Nagar ND-18 have changed my name to Gurwinder Kaur for all purpose

I, Shataqshi D/o Gajendra Mohan Thakur, R/O Flat No. 309, Raju Enclave, Near Vishwakarma Mandir, Sector 15, Dwarka, Delhi 110078, have changed my name to Shataqshi Thakur for all future purposes.

I, Chandra Chowdhury D/o Chatter Singh R/O D-128, Sector-20, Noida-201301 (UP) have changed my name from Chandra Chowdhury (incl EPFO PRO NO. UP/1/453) to Chander Kanta Chowdhury for all future purposes.

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HR RESOLUTIONS FOR 2019

As India Inc steps into the New Year, staying in step with rapid technological changes and skilling of staff are key focus areas for companies, as are driving diversity and dealing more effectively with a millennial workforce. Human resources heads of leading companies across sectors weigh in on the top HR trends for 2019. **Sreeradha D Basu & Rica Bhattacharyya** report

RESKILL, RE-LEARN



KRISHNA MURTHY SHANKAR

Group head of HRD at Infosys

Focus on agility: Large IT services companies have pursued a templated framework to drive learning and career growth. However, technology can bring in customised and personalised learning options for individuals and get people to learn continuously. There will be a greater focus on flexible career development options.

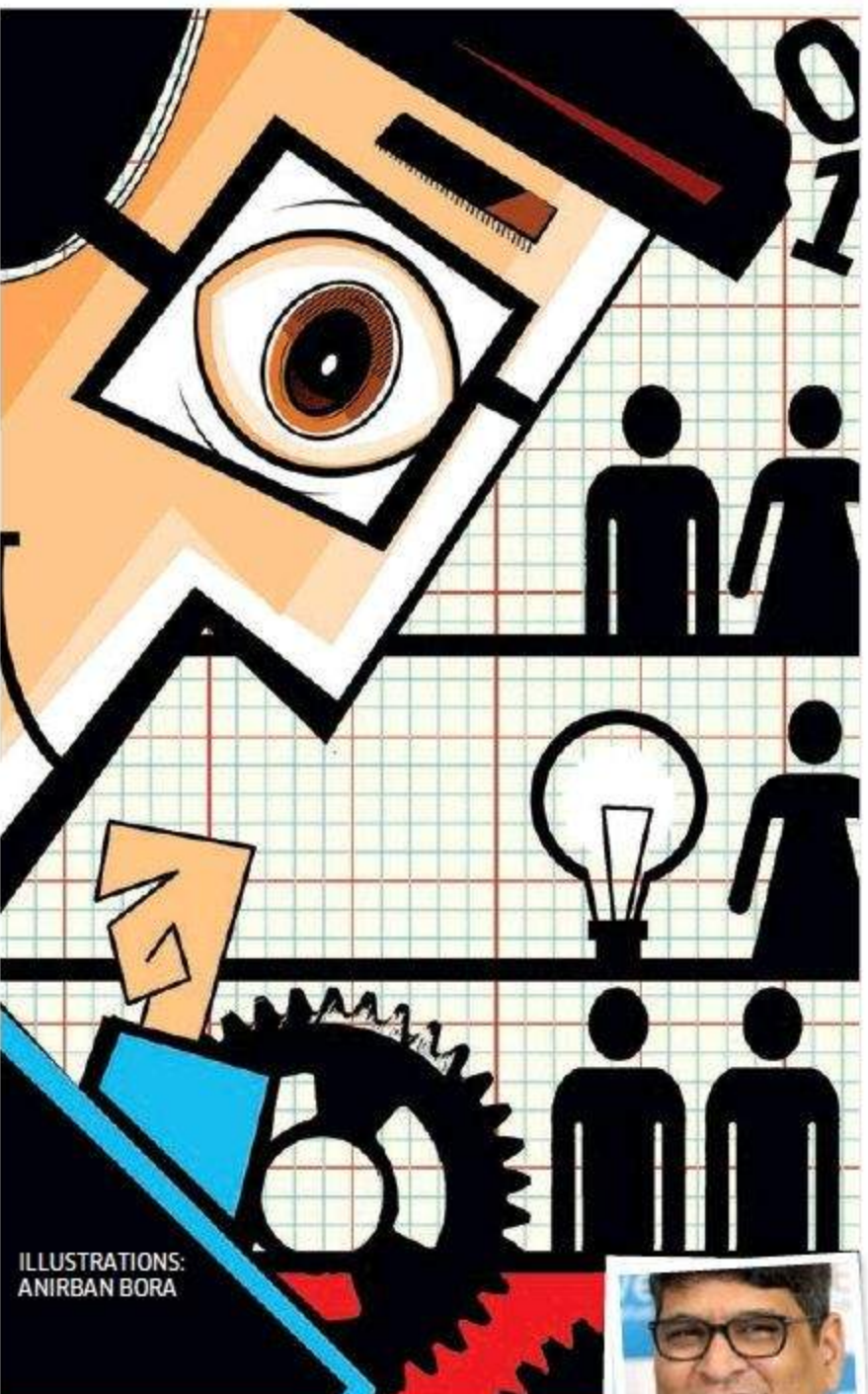
More than 80% of organisations have some form of structured learning and development programme, said Mett's State of Workplace Learning and Development Report 2018

Rebooting rewards: A movement towards greater agile development will also lead to more agile performance management by integrating real-time data and crowd-sourced inputs from the team. In rewards, we will see a greater focus on key skills, specialist and high-performing talent, and on longer-term retention levers such as benefits and stock plans.

MILLENNIAL PERSPECTIVE

PHANINDRANATH KAKARLA, Head-HR, Edelweiss Group

Focus on right leadership: In India, the critical need for organisations to make sure that they have the right leadership will never change. Going forward, this will even more be a high priority for companies and will further increase because of the sheer pace of growth in the country.



ILLUSTRATIONS: ANIRBAN BORA

Relook at things from the millennial perspective: Millennials in the workforce will force all of us to relook at things in traditional human resources such as compensation, development, team formation, etc. We have to find out ways to keep up with the change and be at the forefront of managing the expectations of the millennial workforce.

43% of millennials envision leaving their jobs within two years; only 28% seek to stay beyond five years, according to Deloitte India Millennial Survey 2018

FOCUS ON EMPLOYEE WELL-BEING

UNMESH PAWAR, Head-people, performance & culture at KPMG in India

Humanised organisation: With technology disruptions, expect employees to consistently stay relevant on the skill curve. The technologies to help people collaborate are helping people stay connected but also isolating them from real connection. HR teams will have to figure out how they make employee well-being a priority and ensure their employees are at peak energies physically and mentally, and their hearts are truly engaged.

Enhancing candidate experience: 2019 should see CHROs looking at their talent acquisition strategy more closely to enhance candidate experience. This means actively investing in strengthening their employer brand digitally to ensure the value proposition stands out to their prospective talent pools. Virtual, AR, chatbots and application self-selection tools will all help create a highly personalised candidate experience.

DATA TO DRIVE DECISIONS

SAHIL MATHEUR, Global head of human resources and culture, InMobi

Make data talk: Being engaged and leading intelligently with predictive and prospective analytics, rather than lagging and reacting, will be the key change in HR. Maths, quantitative analysis, statistics, machine learning and artificial intelligence will be used across years of employee data to make strong suggestions. This data will talk only if a company is able to rellg it and extrapolate information to suit the current context.

Movement towards a gig economy: The workforce will move into a gig-engagement structure. Employees will be looking for shorter stints with cross-functional learning on their own time-terms. There will no longer be a restricted 9-5 long-term construct. Factor in changing expectations and therefore innovative well-being mechanisms to make employees know that the company cares and that the employees matter.

Less is more: There are too many things on the long list of things to be done by HR. Prioritise ruthlessly and stay close to the most urgent business, people strategy and issues. Everything else can be managed through automation or through enabling tools.



Employers in India expect workplace automation to increase to 27% from 14% in three years, higher than global and APAC average, as per Willis Towers Watson Global Future of Work Survey



DIVERSITY, INCLUSION BUZZWORDS
TN HARI, Head-HR, BigBasket

Getting HR a seat at the table: Since HR emerged as a separate function, one of the things it has grappled with is how to get a seat at the table. HR has been seen as a function that keeps the kitchen clean and rarely recognised as one that makes a strategic contribution. HR has rarely been the first choice for the best and brightest when it came to either education or career choices. And HR has never been a deep discipline calling for a rigorous study unlike, say, medicine, engineering or law.

A survey of Indian and multinational companies by ProEve showed that the share of women in middle management is 17%, in senior management 14% and further down to 12% at the top level

Driving diversity and inclusion: Companies will also be more thoughtful about enhancing diversity and inclusion as well as creating safe and secure workplaces for women. The #MeToo campaigns in the closing months of 2018 will accelerate this in 2019.

Tweet OF THE DAY



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@RONNIESCREWVALA

It is not the genius at the top giving directions that makes people great. It is great people that make the guy at the top look like a genius.



WAYS TO WORK WITH A DIFFICULT BOSS

Is your performance at work suffering because your boss is a poor communicator? **Sreeradha D Basu** gets you tips from experts on how to deal with such bosses who are difficult to work with and who fail to motivate team members simply because they refuse to communicate effectively.

1 SCHEDULE A MEETING

Employees should not get into a confrontation with a boss who is not willing to communicate. "Rather, such employees should fix up a meeting with the manager to discuss their role and deliverables. This will help break the ice," says Satish Singh, national head-human resources at PNB Housing Finance. Chiranjiv Patel, managing director at construction and engineering group PC Snehil Group concurred, saying, "Weekly meetings with the boss help both to be on the same page. Expression of thoughts can build a valuable trust between the team and the boss."

2 COMMUNICATION STYLE

Observing your boss' interactions with others can work in your favour. Figuring out different communication styles can help you understand where the gap is and how it can be addressed in the most effective way. "Try to discover the approach of your boss' communication and follow it. Sometimes it is important to communicate with others in their style to be understood," says Patel.

3 GENTLE REMINDERS WORK

Reminding and re-reminding your boss about relevant issues in a gentle and polite manner makes your presence felt. This will ease the way to respond back, says Patel.

4 GAIN THE BOSS' CONFIDENCE

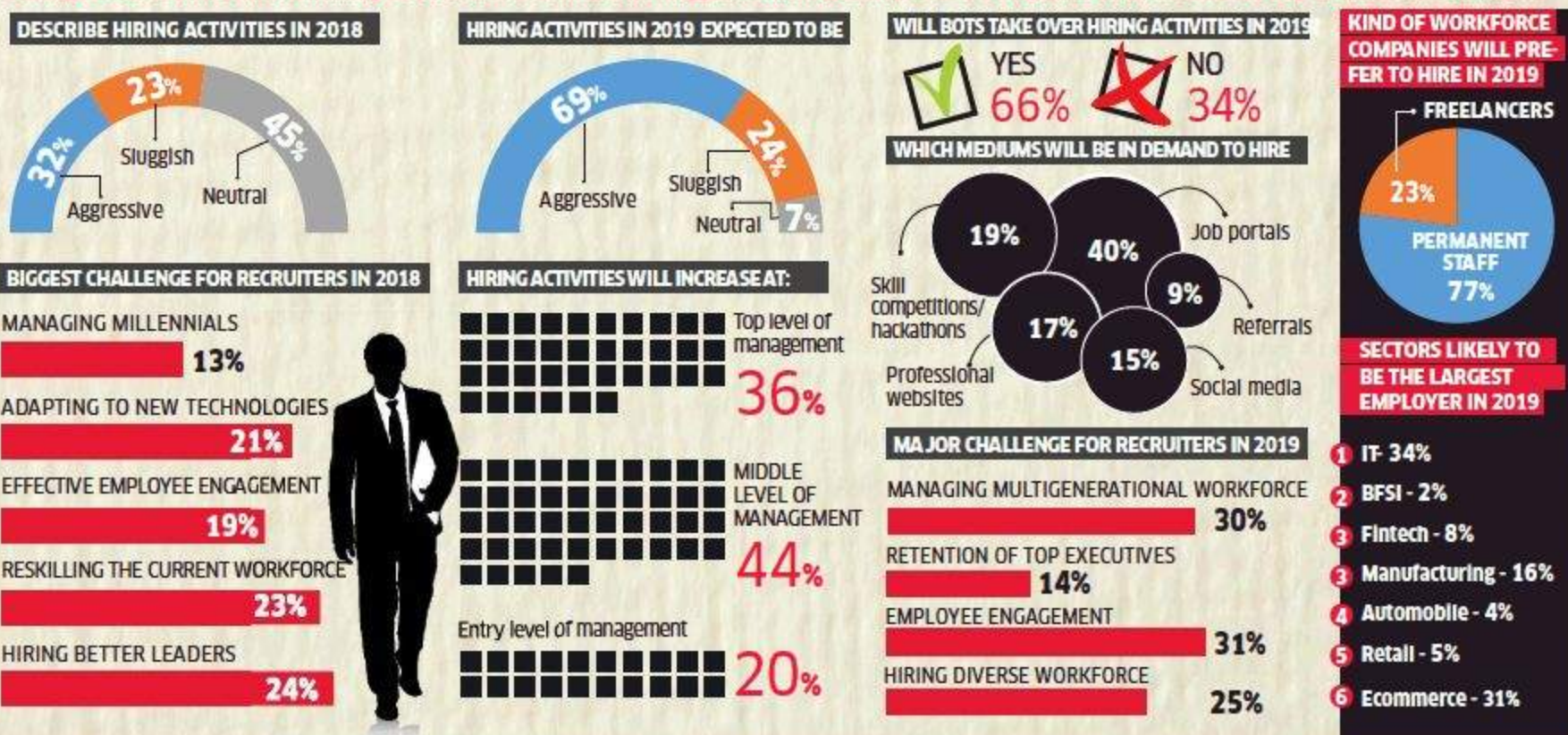
Employees should try to earn the confidence of their manager so that the latter feels that the employees can be relied upon for any assignment. "The employee should take the lead to showcase his interest in knowing what needs to be done for better performance. S/he should have a proactive approach towards any task and should suggest new ideas rather than asking the manager the way forward," says PNB Housing Finance's Singh.

5 GATHER INFO FROM OTHERS

If other efforts come to naught, try to find other colleagues or seniors who can guide you. Gathering information from various people within the organisation can provide some clarity as well as some tips from others who may have figured out the trick to communicate effectively with your boss.

Nearly 70% Recruiters Plan to Hire Big in 2019: Survey

Hiring better leaders and reskilling current workforce are the biggest challenges in the New Year, finds a TimesJobs survey of 1,250 HR managers



UK Univs Keen to Deepen Ties with Indian Univs, Cos

Anjali Venugopalan

New Delhi: Universities in the UK are keen on forging deeper collaborations with Indian universities and companies, for which the UK India Business Council (UKIBC) is pushing for easing of norms in India, said its chief operations officer, Kevin McCole.

The council is also preparing to launch an online platform in March to match skill needs of Indian companies with those that can be provided by UK universities, said McCole. He said that India allows only the top 200 globally ranked universities to collaborate with Indian universities. However, the top 500 universities should be allowed, as some of the individual courses in the top 500 universities could be top-ranking, he said. "UK universities are keen to attract more Indians to come and study in the

UK," said McCole. "(They) also want to work with Indian education institutes, both private and public."

A delegation of UK universities visited India in October and November and held discussions with academics and corporate bodies in this regard, he said. It visited the University of Mumbai and the Indian School of Design of Innovation in Mumbai to discuss collaborative research, he said. It also held round-table discussions with Indian companies from banking, oil and gas, manufacturing, engineering, and food and beverages sectors for collaborative research. McCole said representatives of Indian companies had said that Indian graduates lacked the most in soft skills such as creativity. "This is an area where the UK is very strong," he said. He said he had also met officials of Niti Aayog and the HRD ministry to discuss higher education policy.

Taking a Break? Break Some Things

A co-working space has introduced a 'frustration zone' where its millennial members can break things to give vent to their frustration. What's breaking their heads?

Anjali.Venugopalan@timesgroup.com

New Delhi: On a difficult day at work, 30-year-old Warpreet Hora swings a hammer at a keyboard or two.

He does this at the 'frustration zone' at the Gurgaon centre of GoWork, a co-working company. It is a soundproof room littered with old computers, laptops, punching bags and skeletons of old cars, along with several plastic hammers.

Hora, a startup co-founder, says it helps him leave his frustration at office. Plus, it's fun. Even his company's interns go in there regularly. "They come out looking happy, and we don't ask questions either."

GoWork's chief evangelist Sudeep Singh introduced the 'frustration zone' to help millennials—these 20-35-year-olds make up 90-95% of those sharing the co-working space—ease stress. They're the generation who have grown up with rapid changes in technology, and a high degree of comfort in their lives, he says. "I've heard of companies losing millennial employees because their coffee was bad."

So, will a facility like the 'frustration zone' really help ease stress? Views are mixed. Seema Hingorany, a Mumbai-based clinical psychologist, sees this never-satisfied attitude mirrored among her patients too, and attributes it to a fast-paced lifestyle. "Breaking things could be a temporary release," she says, adding:



"But it won't work for people with serious mental conflicts." It doesn't address the root cause of the frustration either.

"It sounds like fun, but I don't think it will help too much," says Amit Sharma, 28, an engineer at an e-commerce company. "I would prefer playing a game of football or having a go on an X-Box."

Breaking things might be a way for people to indulge their animal spirit in a safe way, says Lohit Bhatia, CEO of staffing at Ikya Human Capital Solutions. "Why do people do kickboxing or martial arts? It's a non-destructive

committed workforce." Online grocery store BigBasket's HR head Hari TN thinks recreation rooms, gyms, libraries, quiet corners and rooms with bean bags are better options for destressing than breaking things. But he adds: "I guess some people find that (breaking things) a destressing activity."

According to the millennial Sharma, needing a "frustration zone" means there's a serious problem with the company. "Why are employees so frustrated that they need to break things?"

Psychologist Hingorany says she rarely sees young people happy any more, and blames odd working hours, lack of social support and a culture of instant gratification for it. Ikya's Bhatia too, says that facilities and timings have improved for the worker, but, because of technology, "You always carry the office in your pocket."

Suman Gopalan, HR head at information technology services startup Freshworks, says her overwhelmingly millennial workforce don't separate work and life. "They don't have a 9-to-5 concept of work... For them, life is work and work is life." That's why the company has a rappelling zone, rope climbing and a bunker bed, among other things for employees to de-stress.

For GoWork's Singh, the zone is a hit among his members. He wants to bring in a car or two into it next, and "Maybe even a sledgehammer."

ET ascent

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4th February 2019.**

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Angel Tax Continues to Haunt Startups

TAXING TIMES Cos get notices with exact amount they need to pay by March 2019 a week after govt had stepped in to allay tax fears

Sachin Dave & Vishal Dutta

Mumbai|Ahmedabad: The ghost of angel tax may continue to haunt startups for some time despite New Delhi's assurances against potential coercive measures.

About a week after the government sought to calm an agitated industry, the tax authorities have started issuing demand notices to startups to pay the angel tax by end-March.

The latest notices specify the exact amount startups are required to pay along with the calculation of the taxes, said people with direct knowledge of the matter. ET spoke to startup promoters, who have received the tax demand orders over the past few days, and their tax advisors.

Last week, the Central Board of Direct Taxes (CBDT) had issued a notice asking tax officers not to use "coercive measures" to recover the outstanding amount from the startups. The Department of Industrial Policy and Promotion (DIPP) is also looking into the angel tax issue and assured that the government would not harass the angel investors and startups.

Tax experts point out that the government intervention means little

Facing The Heat

The latest notices specify the exact amount startups need to pay along with calculation of taxes

CBDT had told field officials last week not to take any coercive steps

DIPP is also looking into issue, had assured cos of no harassment

Delayed notices could have been seen to be diluting the stand of taxmen

EXPERTS SAY SINCE NOTICES HAD ALREADY BEEN SERVED, THERE WAS NO OPTION BUT TO ISSUE FINAL DEMAND NOTICES BY DEC 31

now as tax officers had already served notices, and there was no option but to issue final demand notices by December 31. "The CBDT has only asked the revenue officers to refrain from taking coercive steps to recover the demand. This does not change the fact that demands continue to be raised and the issue itself is being litigated at various forums," said Amit Maheshwari, Partner, Ashok Maheshwari & Associates.

The demand notices had to come in before the deadline of December 31, and delayed notices could have been seen to be diluting the stand of the

tax authorities.

The controversy surrounds the valuations during various rounds of start-up funding. In several cases, the revenues at start-ups kept reducing or remained stagnant, but their valuations increased. The taxman is questioning the premiums paid by the investors and wants to categorise them as income that would be taxable at 30%.

In most cases, the investments made by angel investors, venture capital funds or any other investor have been challenged by the taxman.

Industry trackers say that last year, tax officers had even written to

banks and attached the bank accounts of several start-ups. "Such coercive measures may not be taken this year," said a person with direct knowledge of the matter.

"As per instructions by CBDT..., the AO (assessment officer) cannot enforce the recovery of demand in these particular cases....The start-ups can challenge the demand with the commissioner (appeal) within 30 days of demand," said Amit Singal, Co-Founder, Start-up Buddy Services, a Gurugram-based company that serves early-stage businesses.

The tax department has started questioning the valuation experts. ET had on December 25 first reported that CAs and tax experts have been served notices for the methodology used in computing the valuation premiums for startups that often weren't making any money.

"Notices specifically mention disallowing the valuation done by VCs and their chartered accountants and ask (start-ups) to pay tax. But one has to get money from existing investors or it has to shut down," said Munir Thakor, angel investor at Ahmedabad Angel Network (ANN).

One of Thakor's investee start-ups has recently received a demand noti-

ce from the IT authorities.

Income-tax officers claim that the scrutiny on start-ups is mainly due to concerns over money laundering. "We are investigating if some of these investments were for converting black money (unaccounted money) to white (legal money). Why would someone pay a high amount in investments when the real value is much less?" a tax officer asked.

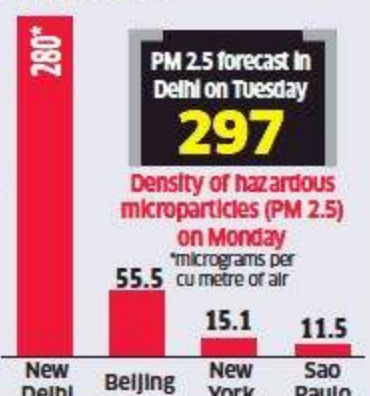
According to insiders, the government may have to either amend the rules, or the notices to start-ups will continue. "A tax officer questioning a start-up's valuation in one year cannot do otherwise the next year. This would mean that he's not convinced of his own assessment," said a person in the know.

Tax experts are now hopeful that the government may seek to resolve the issue in the months to come, but that too may not have a retrospective effect on the angel tax controversy.

"The government is looking into it and formed a committee especially for this issue and it seems that genuine start-ups can expect some relief from this draconian tax. Whether it will be retrospective to quash the existing litigation is a question that remains unanswered," said Maheshwari.

POLLUTION WATCH

Delhi's air quality, currently in the 'Severe' category, may deteriorate further on Tuesday triggered by fireworks, open fires contributing to local emissions. The air quality index (AQI) may deteriorate rapidly to enter into the 'Severe-plus' category. Dense to moderate fog conditions prevailing currently will only adversely impact the city's air quality. An increase in surface wind speeds is unlikely to offer much respite



Overall Air Quality Index across Indian cities



HC Relief for TechM Against ED Order

Scraps agency order attaching FDs worth ₹822 cr belonging to Satyam Computers

Press Trust of India

Hyderabad: The Hyderabad High Court Monday set aside an Enforcement Directorate order provisionally attaching ₹822 crore worth of fixed deposits belonging to Satyam Computer Services Ltd., which was acquired by Tech Mahindra.

In 2012, the Enforcement Directorate (ED) had issued provisional attachment orders freezing fixed deposits of Satyam (now merged into Tech Mahindra) in connection with its probe in the money laundering case.

The ED provisionally attached the amount alleging that it was ill-gotten proceeds of Satyam Computers. A bench of Justices V Ramasubramanian and J Uma Devi Monday set aside the ED's orders.

Vivek Reddy, counsel for Tech Mahindra, said they argued that there was no money when Tech Mahindra took over the fraud-hit Satyam Computer Services Ltd (SCSL) in 2009 and on the other hand, the Mahindra group company had to infuse money to revive the B Ramalinga Raju-founded company. "Our argument was that there was no proceeds of money when TechM took over SCSL. There was no money in the company then and they (TechM) had to infuse money into the company. So where is the question of any ill-gotten money when the company had negative balance?" he said.

Hike Plans to Raise More Funds in 2019

Likely to experiment with monetisation models from 2020

Danish.Khan
@timesinternet.in

New Delhi: Home-bred app Hike, which counts SoftBank, Tencent and Foxconn as investors, would be looking to raise more funds in 2019 and will start experimenting with monetisation models from 2020 while it refocuses on messaging and stickers and strips out other services such as payments.

A person familiar with the matter said that the company has shut down its Total app launched in January 2018 as part of its 'back to the basics' strategy which also envisages launch of a separate app for content that may be on the lines

of a TikTok — a China-based music video app — following a spike in interest in short videos apps in India as well.

"In the last year and half, Hike focused on experimenting with products in new verticals, and added stuff at the cost of something else. In internet

space, products evolve quickly and many a times, they evolve away from the core. A few months ago, Hike decided to focus on its core, which is social," the person said.

India is now at an inflection point with a majority of internet users on 4G, the person said, adding that the market is now offering better opportunity for apps like Hike, which is now focused on daily active users and further growth. Hike declined to offer comment for this story.

96% Households Get Electricity Connections

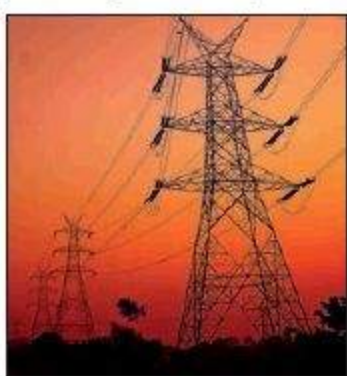
POWERING UP Govt hopes to provide power to the rest by Jan 26

Sarita.Singh
@timesgroup.com

New Delhi: The government has connected about 96% of households across the country with electricity supply, and hopes to take power lines to the rest by January 26, officials said.

The government had initially targeted March 31 as the deadline for taking electricity lines to all households in the country that seeks a connection. It later said the target would be met three months earlier, by December 31.

Work in some regions has been delayed because of reasons such as legal tussle over a tender, recent assembly elections and difficulties in working in areas affected with



Naxal violence, they said.

The official website that monitors progress in providing electricity, the Saubhagya dashboard, showed that government has electrified 95.72% households, while 4.28% or 10,68,160 were left to be electrified in Rajasthan, Karnataka, Assam, Chhattisgarh, Meghalaya and

Arunachal Pradesh. Uttar Pradesh, which hosted close to half of the targeted unelectrified households, has achieved 100% electrification, a statement issued by the power ministry said. Since launch of the Saubhagya scheme, 74.4 lakh willing households have been electrified and the state government has declared saturation of all 75 districts.

Of the 2.49 crore unelectrified households, 2.38 crore have been electrified. On an average, about seven lakh houses are being energised every week. Experts have said the newly connected households will get translated into growth in power demand within a year with the release of pent up and fresh demand from rural areas.

Non-Subsidised LPG Cylinder Price Cut by ₹120

Our Bureau

New Delhi: State-run oil firms will cut the price of non-subsidised LPG by ₹120 per cylinder from January 1 as the landed price of imports of the scarce fuel has fallen because of lower international rates and a stronger rupee, which has also helped retail petrol pri-

ces to fall to the lowest in a year. "Accordingly, the upfront cash payment by the consumer of domestic LPG will also reduce by ₹120.50/cylinder. Domestic LPG consumer will now be required to make upfront cash payment of ₹889.00/cylinder in place of ₹1,009.50/cylinder," Indian Oil Corp said on Monday.

The government bears a subsidy of ₹194 per cylinder, which is transferred to the bank account of consumers after they buy a new cylinder. After the subsidy, the effective price to consumers will fall by ₹5.91/cylinder from ₹500.90 in December to ₹494.99 for January 2019. The reduction is on account of GST impact on decrease in price of non-subsidised LPG.

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GOVERNED BY TARIFF GUIDELINES, 2005

To replace the Tariff Guidelines, 2005 for the BOT Operators in the Major Ports, the Draft Tariff Guidelines, 2019 are placed on the Ministry of Shipping website (<http://shipmin.gov.in>) for inviting comments of all stakeholders. The stakeholders are requested to furnish their comments on the Draft Tariff Guidelines, 2019 by email to ajay.sirohi@nic.in or at the following postal address latest by 14th January 2019.

Shri Ajay Pal Singh Sirohi

Deputy Director, Ministry of Shipping

Room No. 535, Transport Bhawan, Parliament Street, New Delhi-110001

davp 37201/11/0007/1819

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प्रेस विज्ञप्ति

जन साधारण को सूचित किया जाता है कि प्राधिकरण द्वारा प्रकाशित औद्योगिक मूल्यांकन की योजना नोएडा/आई०पी०/2017-18/ओ०ई०एस०/02 (05 एकड़/20000 वर्गमीटर से अधिक क्षेत्रफल) जनवरी 2018 से प्रचलन में थी। सम्बन्धित विचारोपरान्त उपरोक्त योजना दिनांक 31.12.2018 को सायं 05.00 बजे से समाप्त कर दी गई है।

मुख्य कार्यपालक अधिकारी नोएडा

स्वच्छ, हरित, सकुशल, सुरक्षित नोएडा

Government of Kerala

Published Tenders from 24-12-2018 to 30-12-2018

Kerala Police

Tender ID: 2018 KP 258424 1 * Director Forensic Science Laboratory, Typm * VIDEO SPECTRAL COMPARATOR (1 Nos) * Closing Date: 23-Jan-2019 * PAC: Rs7000000

Visit <https://etenders.kerala.gov.in> for more details.

Ro.No:24-30/Dec/2018/PRD/(N)11

KOLKATA METROPOLITAN DEVELOPMENT AUTHORITY

e-NIT No. KMDA/WS/GAP/SE(S)/NIT-13/18-19

The Superintending Engineer, South Circle, GAP wings, W&S Sector, KMDA, Block-D, 1st Floor, Unnayan Bhawan, Saltlake, Kolkata-700091 invites bid from eligible Bidders for operations and maintenance for a period of 15 years under Hybrid Annuity Based PPP model in KMDA area, West Bengal, India for the work; Name of Work : Pollution Abatement (Interception & Diversion with STP) Works for River Ganga at Maheshstala Municipality and Hooghly-Chinsurah Municipality in State of West Bengal including 15 years of Operation and Maintenance under Hybrid Annuity Based PPP Mode; Bid Security : 2 Crore; Construction Period : 24 Months; O & M Period : 15 years; Last Date & Time of receipt of bids 25.02.2019 upto 6:50 pm.; For details please contact the above office or visit our both websites.

KMDA/T-689/SPAN(5)/18-19

Visit Websites : www.kmdaonline.org / www.wbtenders.gov.in

अखिल भारतीय आयुर्विज्ञान संस्थान, रायपुर (छ.ग.)

All India Institute of Medical Sciences, Raipur (C.G.)

Tatibandh, G.E. Road, Raipur - 492 099 (CG), www.aiimsraipur.edu.in

Advt. No. AIIMS-RPR/Rect./CS/Pub/2018/628, Date: 31.12.2018

Director, All India Institute of Medical Sciences (AIIMS) Raipur Chhattisgarh, G.O. invites e-tender for following:

E-TENDER CALL NOTICE

Tender Title	EMD Cost	Published on CPPP Website	Pre-bid Meeting Date	Closing Date
Supply of Mobile CT Scanner for Neurosurgery Department	Rs. 12,00,000/-	27.12.2018	07.01.2019 03:30 PM	26.01.2019 at 06:00 PM

The details terms & conditions are available on the website - www.aiimsraipur.edu.in and CPP Portal www.eprocure.gov.in

Stores Officer

NORTHERN RAILWAY

Global Tender

Tender Notice for RFP (Request for Proposal)

For and on behalf of President of India, Chief Administration Officer/Const-II, Northern Railway, Kashmir Gate, Delhi invites sealed RFP in prescribed RFP documents for the under mentioned work from the bidders who has the requisite technical & financial capacity for under taking the Project. 1. Name of work : Final Location Survey (FLS) work of 475 km long Bilaspur-Manali-Leh new BG rail line in the states of Jammu & Kashmir and Himachal Pradesh, India 2. Indicative Project Cost : Rs. 99.70 Crore, 3. Cost of RFP document : Rs. 25,000.00 (Rupees twenty five thousand only) 4. Earnest Money : Rs. 51,35,000.00 (Rupees fifty one lakhs thirty five thousand only) 5. RFP documents can be obtained from office : RFP documents can be obtained in the office of Chief Administration Officer/Const-II, Northern Railway, Kashmir Gate, Delhi-6. Alternatively, the RFP document can also be downloaded from the Northern Railway's Website (www.nr.indianrailways.gov.in) 6. Date and time for availability of RFP document : 02.01.2019 to 04.02.2019 upto 15:00 Hrs. 7. Last date of receipt of queries : 07.01.2019 8. Pre Bid meeting : 10.01.2019 (11:30 Hrs. at CAO/C's Office, Northern Railway, Kashmir Gate, Delhi) 9. Last date & time of submission of RFP document : 05.02.2019 at 11:00 Hrs. 10. Date & time of opening of RFP document : 05.02.2019 at 11:30 Hrs. The details of RFP with requisite eligibility criteria etc. and the RFP document can be downloaded from the website www.nr.indianrailways.gov.in No. 74-W/13/119-AWA/Survey/TJKJ Dated : 31.12.2018

3198/18

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ADVERTISEMENT DEPARTMENT

Dr. Shyama Prasad Mukherjee Civic Centre (25th Floor), Jawahar Lal Nehru Marg, New Delhi-110002, Ph. No. 011-2322-7212

No: CO/Advt/Tender/2018-19/SDMC/NIT/D-1110

TENDER NOTICE

Bids are invited on behalf of Commissioner, SDMC through following two different Tender Notices from eligible bidders :-

1. Tender Notice No. CO/Tender-10/Advt./SDMC/2018/NIT/D-1108 dated 31.12.2018 for allotment of advertisement rights through Clusters containing Unipoles and Individual Unipoles under the jurisdiction of SDMC on monthly license fee basis in two bid system (i.e. Technical and Financial) for a period of three years and further extendable to another period of two years subject to satisfactory performance of the firm and as decided by the Commissioner SDMC. Last Date of Submission of Tender Documents: 24.01.2019, Till 15.00 Hours.

2. Tender Notice No. CO/Tender-11/Advt./SDMC/2017/NIT/D-1109 dated 31.12.2018 for allotment of advertisement rights through Market Clusters under the jurisdiction of SDMC on monthly license fee basis in two bid system (i.e. Technical and Financial) for a period of Seven years. Last Date of Submission of Tender Documents: 22.01.2019, Till 15.00 Hours.

The detailed tender documents along-with terms & conditions, eligibility criteria are available on SDMC's website i.e. on www.mcdonline.gov.in.

R.O. No. 148/DPI/S/2018-19 Commercial Officer, Advt.

Biotechnology Industry Research Assistance Council

(A Government of India Enterprise)

BIG

Kick Starting Entrepreneurship

BIG 14th Call

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Refer Guidelines & FAQs <http://www.birac.nic.in>

For additional info, please contact: Ms. Taranjeet Kaur • e-mail: biracbig.dbt@nic.in; sped01.birac@nic.in

IBC, Tortoise That Will Beat the Hare

Qualitative change wrought transcends figures

It has been over two years since India adopted the Insolvency and Bankruptcy Code (IBC) to swiftly resolve corporate distress and clean up bad loans on the books of banks. This must be hailed as the most significant reform initiated by the present government. To expect miracles would be naïve, but the overall experience has been positive even as the law is still being tested. Rules would also have to evolve to subserve the public policy goal to maximise the value of the asset being resolved, minimise haircuts that banks have to take, and reduce the burden on taxpayers to recapitalise banks. The code has taken off despite scepticism over the extent of recoveries, and also brought in a behavioural change in debtors who want to settle defaults to avoid losing their companies. This is welcome.

As many as 1,298 cases were admitted till December 1, 2018. Of these, 52 (or 4%) have been resolved and 30% of the pending cases had crossed the 270-day timeline till September 2018. The average recovery for financial creditors works out to around 46%. The resolution cases have led to a recovery of ₹71,000 crore, and cases at a mature stage of resolution stand at ₹51,000 crore, aggregating to ₹1.2 lakh crore. Of course, the spotlight is on the 12 large cases identified by RBI, with an outstanding claim of ₹3.45 lakh crore. Resolution has been completed (July-September quarter) in four accounts—Electrosteel Steels, Bhushan Steel, Monet Ispat and Energy, and Amtek Auto—resulting in a recovery of ₹48,117 crore. The haircuts range between 37% and 74%. These are not perfect outcomes but removing hurdles, such as entry barriers and creating new bidders, will ensure better competition.

Operational creditors accounted for half the number of filings made under the IBC. Only 13% of the filings were made by promoters or debtors. This is flawed. More benches of the adjudicating authority must be set up, and bankers given the freedom to take a haircut without inviting a witch-hunt. Course-corrections in the law, if need be, make sense to make more rapid progress in resolving the bad loan problem.

With neither the left nor the right having taken a position on trade, it would be fascinating to witness who would have the first-mover advantage in India

Bravo Sheikh Hasina! Welcome Continuity

The landslide victory of Sheikh Hasina-led Awami League in Sunday's national elections in Bangladesh is good news for the region. As Bangladesh's prime minister for the third continuous term, Sheikh Hasina needs to continue with the policies that have ensured stability and economic growth, although the strong-arm measures that give the discredited Opposition the chance to cry foul were eminently avoidable. The results of the Bangladesh elections are significant for India as well. New Delhi must continue to partner with Bangladesh, deepening the ties to ensure regional development, security and cooperation.

The Awami League government in Dhaka has flushed out Islamic insurgents. The shrinking political presence of the Bangladesh National Party, which backs Islamists, will ensure that the country becomes far less hospitable to Islamists either in transit or seeking refuge. Hasina's political success, while essaying a closer relationship with India, was underpinned by continued economic growth. Bangladesh has overtaken Pakistan in per-capita income and pressed its total fertility rate below the replacement level of 2.1, a performance superior to that of most north Indian states. Sheikh Hasina's electoral victory is important for New Delhi in the context of countering China's influence in the region. India must continue to partner Bangladesh in its economic growth: encouraging Indian companies to invest, and working together in climate change, terrorism, migration and energy.

One area that the two countries need to address is cross-border migration—there is a need for a legal framework that will allow people to live and work in the two countries. This will address the concern over illegal migration to India that should not mar the strengthening Indo-Bangla ties.

Racist, sexist, communal and misogynist were words heard far too often in 2018

Take a Chill Pill as We Head into 2019

The indignation in Britain over an Indian shopkeeper character in a TV adaptation of comedian David Walliams' children's story *The Midnight Gang* this Christmas points to what should be avoided and fostered in 2019: prickliness and humour, respectively. Caricaturing is part and parcel of humour and memes can be funny (even piercingly so) without intentional offence; nor should any be taken. Walliams' canny Indian corner-store owner is actually as much of a British trope as the desi IT geek in the US. Interestingly, a hit comedy about a stereotypical immigrant Korean family running a corner store in the US has been extended for two more seasons, indicating that laughter remains the best medicine to cure social malaises.

Of course, there is a distinct line between being comic and being vile, and entertainers in particular have to tread carefully, as the recent curmudgeonly article (since withdrawn) on Priyanka Chopra by an American comedienne demonstrated. The Trump family, however, remains exception to this rule, as no roast is deemed overdone in their case. That said, intelligent lampooning of common traits need not be racist, sexist, communal or misogynist—all words heard far too often in 2018. Even as temperatures plunge across the northern hemisphere, a chill pill is nevertheless strongly advised for all.

With neither the left nor the right having taken a position on trade, it would be fascinating to witness who would have the first-mover advantage in India

JAZZ BY THE BAY Congress reorienting its trade policy could help just-revived centrist politics

Some Out-of-the-Box Politics



Milind Deora

In the run-up to the 2019 general elections, Congress' wins in three Hindi heartland states—Madhya Pradesh, Rajasthan and Chhattisgarh—have been important victories. This is particularly significant in the light of a steady migration towards right-wing populism in global politics.

A decade of discontent in global politics has manifested itself in the steady ascent of populism, demagoguery and what Fareed Zakaria in 1997 termed "illiberal democracies". The reign of centre-left and liberal parties has yielded to a global inclination toward a more polarised political milieu and a rising popularity of (particularly right-wing) populist, decidedly autocratic leaders.

What, then, can centre-left parties across the world do to stem this tide and recover political ground? In this context, it's imperative to question why inward-looking, nation-first agendas are surpassing globalisation as political rhetoric. And why voters are rejecting moderate leaders in favour of right and far-right leaders like Donald Trump in the US, Viktor Orbán in Hungary and Jair Bolsonaro in Brazil.

Analysts point to a failure of progressive politics, a dismantled and largely incoherent liberal agenda, and seething discontent over the inability of centre-left and left parties to politically combat and effectively communicate an agenda for globalisation-fuelled inequality in a bid to remain politically correct.

This is nowhere as apparent as in the US. Donald Trump came to power by attacking the very legitimacy of the political system, by exploiting the US voter's crisis of faith; and by tapping into widespread, and well-founded, anxieties and resentments.

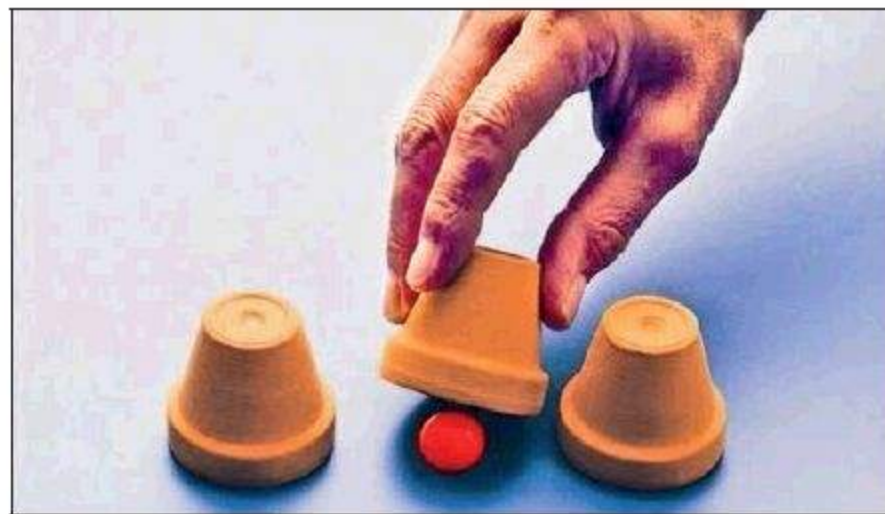
Here in India, the ascent of the right was longer in the making. It is remarkable how BJP, which won two seats in the Lok Sabha in 1984, thereafter abandoning its ideals of 'positive secularism and Gandhian socialism', was able to secure 282 seats in the lower house on the strength of its hardline Hindutva plank.

This calls for deep introspection, and perhaps even course-correction, for centre-left and left parties. Socialist parties like the Workers' Party in Brazil with Lula at the helm, and Nicolás Maduro's United Socialist Party of Venezuela, have been embroiled in corruption scandals and fiscal imprudence. Across countries, parties with similar ideologies may also be perceived to be soft on issues that voters may consider threats to national security.

Hawking Hawkish Issues

This may be immigration in Europe, a terror threat from Pakistan in India, or petty crime in Brazil. Right-wing leaders, while exploiting this shortcoming to catapult their own political agendas to mass popularity, have traditionally been a lot more hawkish on these issues. The latter is true, even though a lot of these policies may not be in a country's long-term interest. Politics, after all, is a game of optics.

However, there has also been a realignment of political rhetoric and agenda, and, to some extent, ideology. Democrat Americans feel, for instance, that Trump has 'stolen' a part of their agenda. The Republican stance has traditionally been pro-globalisation. And they feel that Trump has, in a sense, usurped



Left, right or centre?

their territory by re-introducing protectionist politics (as part of 'Make America Great Again') to propel himself to victory.

In India, too, it was the left that vehemently opposed liberalisation and foreign investment—barring the BJP, which had ideological influences of the RSS, and its cultural and economic affiliate Swadeshi Jagran Manch—when the country first opened up in 1991.

On the flipside, the Democratic Party in the US is accused of having descended into elitist politics of technocratic liberalism, apathetic to its core base of blue-collar workers, and largely uninterested in mitigating the twin grievances of unemployment and inequality facilitated by globalisation. The task before centre-left and liberal parties, then, is to decipher how to navigate this ideological realignment.

How can the left, for instance, strategise to ease the employment crisis in this political environment? Trump may be emphasising investment in education and innovation to boost employment. But his core strategy is write large in the US' trade war with China. The imposition of massive tariffs on Chinese goods, intended to make domestic industries and goods as competitive, is Trump's definitive manoeuvre to protect American jobs.

Although left parties and leaders have traditionally been more sympathetic

towards, say, the erstwhile Soviet Union and China, what if the Opposition were to turn the tables? What if they were to promise tariffs on Chinese goods or similar trade policies to quell the damage to domestic jobs and industries?

In India, national parties are already boxed into definitive stances on a range of crucial issues, such as troublesome neighbours and immigration. These perceptions, cultivated over decades of policymaking and on-ground impact, are largely unyielding to change.

Still a Trade Secret

However, what remains a grey area is trade, with neither the left, whose original outlook was anti-globalisation, nor the right, with its newly-acquired distaste for globalisation, having taken an unequivocal position on it. It would be fascinating to witness who would have the first-mover advantage, if you will, in India's tariff game. If Congress' recent victories signal the rejuvenation of centrist politics, then reorienting trade policy could help facilitate its longevity.

Globally then, perhaps the key to a liberal resurgence is simply reclaiming their own agenda in a political and economic atmosphere where globalisation has become a common enemy.

The writer is a former Congress minister of state, information technology and communications

With neither the left nor the right having taken a position on trade, it would be fascinating to witness who would have the first-mover advantage in India

WIT & WISDOM

"Every man regards his own life as the New Year's Eve of time."

Jean Paul
Writer

Malnutrition Alarm

In India, around 7.5% children under five years of age suffer from severe acute malnutrition, also called severe wasting. This figure, from the National Family Health Survey (NFHS) 2015-16, is only marginally better than the 7.9% reported in NFHS 2005-06. Among major states, the problem is acute in Jharkhand and Karnataka.

Children below 5 years with severe wasting (%)

State/UT	Severe wasting (%)
Daman & Diu	11.9
Dadra & Nagar Haveli	11.4
Jharkhand	11.4
Karnataka	10.5
Goa	9.5
Gujarat	9.5
Maharashtra	9.4
Madhya Pradesh	9.2
Haryana	9.0
Uttarakhand	9.0

Wasting, or low weight-for-height, is a measure of acute undernutrition and represents the failure to receive adequate nutrition in children. Severe wasting is said to occur when children whose weight-for-height Z-score is below minus three standard deviations from the median of the reference population

TAKE FIVE

AAKAR PATEL
Top 5 Matters About
Something That Matters This Week

TOP 5 POLITICALLY INDEPENDENT INSTITUTIONS OF INDIA!

- 1 Supreme Court
- 2 RBI
- 3 CBI
- 4 BCCI
- 5 Er... we could only think of 4 politically independent institutions (Just kidding)



Illustration: ANIRBAN BORJA

INSOLVENCY & BANKRUPTCY CODE

Less Delay, More Reform



Hema Ramakrishnan

Last month, 13 economists, including IMF chief economist Gita Gopinath and former RBI governor Raghuram Rajan, praised India's bankruptcy law while charting an economic strategy for the country heading for general elections later this year. Their policy advice for the financial sector covered reviving projects when bank balance sheets are cleaned up, improving governance in state-owned banks, and strengthening the corporate bond market.

The two-year-old Insolvency and Bankruptcy Code (IBC) is panning out okay. But it needs to work better to realise maximum value from the sale of assets of bankrupt companies. This will reduce both haircuts that banks have to take and the load on taxpayers to recapitalise banks.

The Committee of Creditors (CoC), comprising bankers, plays a pivotal role, as it is vested with the power to decide whether to keep the company as a 'going concern', or to liquidate the failing company. A December 2018 paper by Vidhi Centre for Legal Policy and EY, IBC: The Journey So Far and the Way Ahead (goo.gl/Hdzsh), states that the CoC has matured into the role and demonstrated the wherewithal to select resolution plans.

The paper adds that in some instances, though, there has been criticism of the CoC for not taking decisions in the interest of all stakeholders, and protecting the interest of the CoC members alone. Only financial creditors—whose relationship with the firm is of a pure financial contractual nature such as a loan—are members of the CoC. After all, they have more skin in the game. The exception is real estate companies where homebuyers are induced into the CoC.

The Supreme Court, now hearing peti-

tions challenging many elements in IBC, has suggested giving operational creditors—suppliers of goods and services to a defaulting company—a voice in the resolution proceedings. Also, why do bankrupt companies have equity traded on the stock exchange? Promoters often try to sell their stake in such companies to qualify as bidders for stressed assets. If a company goes bankrupt, its equity (risk capital) should be written off. The entire equity then belongs to creditor banks.

Today there are concerns over delays in the CoC's decision-making. Such delays could lead to a breach of the deadline of 180 days to decide on the fate of the distressed firm, plus a 90-day extension if creditors agree.

So, why the delays? Largely because individual bankers (represented on the CoC) worry about any subsequent charge of wrongdoing in decision-making. The resolution of stressed assets will entail banks taking, in some cases, substantial haircuts to clean up their books. Senior bankers involved in decision-making are required to have the capability to assess viability, and should also be willing to change terms of existing liabilities in negotiations. So, they should have a reassurance that their decisions would not put them in the crosshairs of enforcement agencies such as CBI, En-

forcement Directorate and the Central Vigilance Commission.

All haircuts cannot be construed as handouts to corporates, just as any credit decision involves judgement of risk. Ideally, when the CoC determines the fairness of haircuts, it should take the pressure off individual bankers. That does not seem to be the case. Dither in decision-making will choke credit flow to business and stall investment and growth. That must change.

Complete immunity to bankers is not feasible. But, probing every credit decision would result in the nation wasting its scarce investigative and judicial resources in chasing non-crimes. The business of banking is complex and requires domain expertise. There must be clear guidelines for enforcement agencies not to interfere in the commercial decision of bankers, unless there is a specific complaint of mala fide. Shunning the culture of viewing every decision with suspicion will facilitate credit decisions by banks.

Two more points remain. Bankers' remuneration should change, bringing it in sync with the performance of the assets they originate. Rewarding bankers for sound decisions transparently would lead to their giving up underhand ways to allegedly line their pockets. A large slice of their remuneration should be in the form of long-term variable pay. This should be linked to bank stocks to align individual and bank interests. There should be a clawback provision built into them as well. Banks must also make compensation decisions public.

Corruption can also be minimised through structural reforms. A holding company to hold government equity in banks, with a board whose main job is to appoint the boards of individual banks, should help. It can leverage its capital to inject more capital in banks. It can shield banks from politicians and bureaucrats who seek to influence lending decisions, and also help overhaul the remuneration structure of bankers.

Is there political will for governance reforms?

hema.ramakrishnan@timesgroup.com



Haircuts can be nasty

Citings

Going Back to Nature

HENRY DAVID THOREAU

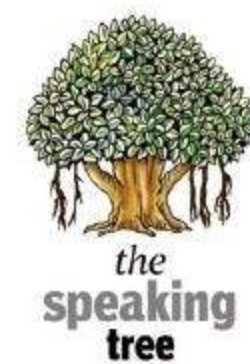
Why should we live with such hurry and waste of life? We are determined to be starved before we are hungry. Men say that a stitch in time saves nine, and so they take a thousand stitches today to save nine tomorrow. As for work, we haven't any of any consequence. We have the Saint Vitus' dance, and cannot possibly keep our heads still....

Hardly a man takes a half-hour's nap after dinner, but when he wakes, he holds up his head and asks, "What's the news?" as if the rest of mankind had stood his sentinels. Some give directions to be waked every half-hour, doubtless for no other purpose; and then, to pay for it, they tell what they have dreamed.

After a night's sleep, the news is as indispensable as the breakfast.... For my part, I could easily do without the post-office. I think that there are very few important communications made through it. Time is but the stream I go a-fishing in. I drink at it; but while I drink, I see the sandy bottom and detect how shallow it is. Its thin current slides away, but eternally remains.

I would drink deeper; fish in the sky, whose bottom is pebbly with stars. I cannot count one. I know not the first letter of the alphabet. I have always been regretting that I was not as wise as the day I was born. The intellect is a cleaver; it discerns and rifts its way into the secret of things. I do not wish to be any more busy with my hands than is necessary. My head is hands and feet. I feel all my best faculties concentrated in it.

From "Walden"



The Right Consultant

RADHANATH SWAMI

With the New Year coming up and the nation getting ready for the elections, business circles are unsure what to expect in the coming months. Although we have little control over the political situation of the country, we do have control over the decisions we make. The Mahabharata helps us arrive at a wise decision.

The blind king Dhritrashtra couldn't rule the kingdom without the help of others. Despite having the best counsel in Vidura, he listened to Shakuni's friend, the wily Kanika. Shakuni employed Kanika to manipulate the king. Dhritrashtra was intelligent enough to identify the good from the bad, the ethical from the unethical, the moral from the immoral, but he lacked the determination to follow the good. Therefore, he rejected those who advised him to follow the righteous path and embraced those who encouraged him to pursue his selfish goals.

Arjuna and the Pandavas, on the other hand, chose to listen to the best counsel. During their exile in the forest, they kept themselves in the company of sages like Dharma, Narada and Vyasa. Arjuna, while facing the ultimate crisis of identifying his duty during Mahabharata, chose to become a student of Krishna and listen to his advice. He realised that his duty, although apparently involving violence, is going to award the ultimate benefit to society.

Beware of corrupt business advisers. Choose a consultant who is driven by ethics and values and respects self and others. So, respect the environment, and be devoid of an exploitative mentality.

Chat Room

GST Ready for the Next Level

Apropos 'Punjab for Fewer GST Exclusions, Higher Exemption Threshold' by Deepshikha Sikarwar (Dec 31), Punjab finance minister Manpreet Singh Badal has made the right pitch. While the threshold limit may be increased, the ever-increasing items in the exemptions list must be pruned. Real estate, petroleum products and electricity must not be left out of GST any more. With the GST revenue steadily on the rise, it is incumbent upon the government to standardise the rates to 5% and 15%, making compliance easier. This would also lift the markets that loathe uncertainty and high taxes.

ASHOK GOSWAMI
Mumbai

Savings are Your Best Friend

This refers to 'RBI Decides Not to Touch Valuation Gain' by Sugata Ghosh (Dec 31). The proposed panel on financial inclusion, once it gives its recommendations, will make a deep impact in the hinterland, just like the other fortified schemes such as Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Mudra Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana and Atal Pension Yojana have done. The message has to go out to rural masses that they need to save for a rainy day.

NK BAKSHI
Vadodara

Better Service for Consumers

Apropos 'Airtel, Jio May Race Past Vodafone in 2019' by Kalpan Parbat (Dec 31), apart from the tough competition with Airtel and Reliance Jio, Vodafone Idea is now facing pre-merger drawbacks. The subscribers of both the telecom service providers faced call drops, slow internet speed even in 3G, network issues, etc. Since the two companies merged only to increase customer base, the drawbacks have not been taken care of. So, there is a need for consistently meeting customer demands and, indeed, expectations, followed by fair market practices.

PRAJWAL S GOVAL
Ujjain

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

QUICK HITS

Elon Musk to Visit China Soon for Tesla Factory Ground Breaking

Singapore: Tesla Inc is getting ready to break ground on its factory and Chief Executive Officer Elon Musk can't wait to visit. "Looking forward to visiting soon for the groundbreaking of Gigafactory Shanghai," Musk wrote in a tweet Monday. He didn't provide a date for the visit. The China plant would be a significant milestone for the battery-car manufacturer as it pushes harder into the world's largest automobile market with its first factory outside U.S. The plant—dubbed Gigafactory 3—will be the biggest foreign-invested manufacturing project in Shanghai. The Palo Alto, California-based company has secured more than 200 acres of land for the China factory, which is expected to cost several billion dollars to build. Bloomberg

China Factory Activity Falls Amid Tariff Fight

Beijing: China's factory activity weakened further in December, an official survey showed on Monday, boosting pressure on Beijing to reverse an economic slowdown as it heads into trade talks with Washington. The purchasing managers' index of the National Bureau of Statistics and an industry group, the China Federation of Logistics & Purchasing, fell to 49.4 from November's 50.0 on a 100-point scale on which numbers below 50 show activity contracting. Chinese economic growth sank to a post-global crisis low of 6.5 percent over a year earlier in the quarter that ended in September despite government efforts to reverse the downturn by ordering banks to lend more and boosting spending on public works construction. AP

Vatican Spokesman, Deputy Quit over Strategy Differences

Vatican City: The Vatican spokesman and his deputy resigned on Monday over disagreements on strategy, ending a year of upheaval in the Holy See's communications structure. A brief Vatican statement gave no reason for the resignations. Spokesman Greg Burke, an American, tweeted that he and his Spanish deputy, Paloma Garcia Ovejero, had quit to let Pope Francis appoint a new team in what was a "time of transition". A Vatican source said both Burke and Ovejero had wanted more autonomy from the Vatican department that oversees all communications, known as the Dicastery for Communications. They quit two weeks after Pope Francis appointed a personal friend, Italian journalist Andrea Tornielli, to become editorial director of all Vatican communications. Reuters

Indian Titanium, McKinsey, Boeing and the Bribery Case

The consultancy's report became key evidence in a battle over the extradition of a Ukrainian oligarch charged in a scheme to help Boeing meet titanium shortfall

Vienna: Boeing was in a tight spot. Just as it was preparing to roll out its innovative 787 Dreamliner—the plane that was supposed to lead the aircraft manufacturer into the future—a shortage of strong but lightweight titanium parts threatened production.

With titanium prices rising and delivery dates looming, Boeing knew it needed help, so in 2006 it did what many companies do when faced with vexing problems: It turned to McKinsey & Co, the consulting firm with the golden pedigree, purveyor of "best practices" advice to businesses and governments around the world.

Boeing asked McKinsey to evaluate a proposal, potentially worth \$500 million annually, to mine titanium in India through a foreign partnership financed by an influential Ukrainian oligarch.

McKinsey says it advised Boeing of the risks of working with the oligarch and recommended "character due diligence". Attached to its evaluation was a single PowerPoint slide, known simply as "Exhibit A to US prosecutors, in which McKinsey described what it said was the potential partner's strategy for winning mining permits. It included bribing Indian officials.

The partner's plan, McKinsey noted, was to "respect traditional bureaucratic process including use of



Ukrainian oligarch Dmytro Firtash

bribes." McKinsey also wrote that the partner had identified eight "key Indian officials"—named in the PowerPoint slide—whose influence was needed for the deal to go through. Nowhere in the slide did McKinsey advise that such a scheme would be illegal or unwise.

When Boeing went looking for titanium in 2006, it tentatively agreed to buy the metal through a company controlled by Firtash, who had made billions of dollars brokering gas sales to Ukraine from Russia and former Soviet republics.

The deal did not end well. The mining venture never materialised, but Firtash was indicted on charges of directing \$18.5 million in bribes to Indian officials for mining permits.

Firtash was a big catch for the Americans, who saw him as close to the Russian president, Vladimir

McKinsey advised Boeing to mine titanium in India through a foreign partnership. It identified eight 'key Indian officials' whose influence was needed for the deal to go through. Its business plan included paying of bribes

Putin, capable of leading a wave-ringing Ukraine away from a Western economic alliance and into the Kremlin's camp. In Vienna, where Firtash was arrested and remains free on a \$174 million cash bond, an extradition judge accused US officials of using the prosecution in service of its geopolitical interests.

The Hunt for Titanium

For Boeing, the early 2000s were a time to roll the dice. As its chief competitor, the European consortium Airbus, moved toward bigger planes, Boeing countered with a design that promised better fuel efficiency and easier maintenance: the 787 Dreamliner, a lighter, more durable aircraft with a higher percentage of titanium and composite materials.

As orders flooded in, Boeing executives knew well what was at stake. In an article about the Dreamliner, The MIT Technology Review quoted a manager saying, "If we get it wrong, it's the end."

Boeing hit a crosswind: an industry-wide shortage of fasteners—the seemingly mundane items like nuts, bolts, rivets and washers that literally hold planes together. Thousands were needed for each aircraft, and for the lighter Dreamliner, they had to contain more titanium.

Desperate for new supplies, Boeing latched onto a promising lead. A group of six international businessmen with plentiful financing had offered to mine and process 5 million to 12 million pounds of the metal annually, much of it for sale to Boeing.

The group, Bothli Trade AG, had signed an MoU for a joint mining venture with Andhra Pradesh. Environmental concerns arose, and when a land survey was conducted on the proposed mining site, residents "reacted violently," according to government records.

This was the business plan that McKinsey was brought in to assess, the plan that its report described as including the paying of bribes. Ultimately, the deal fell apart. Boeing found other sources of titanium and McKinsey continued to advise the company on the supply chain. But McKinsey's report on India would remain buried until it came to light years later in a legal storm. NYT

Tokyo Court Extends Detention of Carlos Ghosn by 10 More Days

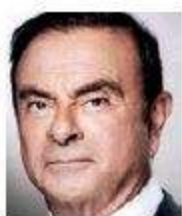
Tokyo: The Tokyo District Court said on Monday it has extended the detention of ousted Nissan Motor Co chairman Carlos Ghosn by 10 days until Jan. 11.

Ghosn, accused of aggravated breach of trust, is facing allegations of making the car maker shoulder 1.85 billion yen (\$16.8 million) in personal investment losses. The latest extension will see Ghosn remain in Tokyo's main detention centre, where he has been confined since his first arrest on Nov. 19 on allegations of financial misconduct.

Since then, he has been re-arrested twice over the latest allegations and on claims that he under-reported his Nissan salary for a prolonged period. He denies the allegations.

Calls to the office of Ghosn's lawyer, Motonari Otsuru, were not answered on Monday, an unofficial holiday in Japan.

A Nissan spokesman said the car maker was not in a position to comment on the latest development in the case. Reuters



Carlos Ghosn

CCTV Footage Shows Men Transporting 'Khashoggi Body Parts'

Ankara: A Turkish television station has broadcast CCTV footage showing men carrying cases and bags which it says contained slain Saudi journalist Jamal Khashoggi's body parts. The images shown on A-Haber television late Sunday feature three men carrying five suitcases and two large black bags into the home of the Saudi consul general in Istanbul.

The residence lies a short distance from the Saudi consulate where Khashoggi was murdered in October in a killing that has tested Riyadh's relations with the West. Citing unnamed Turkish sources, A-Haber said Khashoggi's dismembered body was inside the cases and bags.

Khashoggi, a contributor to the Washington Post, was killed on October 2 shortly after entering the kingdom's consulate in what Riyadh called a "rogue" operation.

The 59-year-old former Saudi insider turned critic was strangled before he was cut up into pieces by a team of 15 Saudis sent to Istanbul for the killing, according to Turkish officials, with media reports suggesting the parts were dissolved



Jamal Khashoggi

in acid. The consulate and the residence were searched by the Turkish authorities in October along with several other locations but Khashoggi's body has still not been found.

There has been speculation that Saudi Crown Prince Mohammed Bin Salman ordered the hit but Riyadh has absolved the de facto leader of any blame. Saudi Arabia has also repeatedly rejected Turkish demands to extradite suspects connected to the murder of the journalist, a critic of the crown prince.

A-Haber said the bags and suitcases were put into a minibus which travelled the short distance from the consulate to a garage at the residence. The men are then seen taking them inside. AFP

Russia Arrests US Citizen on Suspicion of Espionage

Moscow: Russia's Federal Security Service detained a US citizen in Moscow on suspicion of espionage on Dec. 28, according to a statement on website.

The investigation department of the FSB, as the domestic security service is widely known, started a criminal case and

investigations are underway, Interfax said, citing the FSB. The US Embassy in Moscow was alerted about the detention in line with the bilateral consular convention, RIA Novosti reported, citing the Russian Foreign Ministry's press office. The embassy has not yet issued a statement.

The detention comes amid heightened tensions between Russia and the US, including over Maria Butina, a Russian gun enthusiast who pleaded guilty earlier this month in the US to conspiring to act as an unregistered foreign agent. Butina said in court that she'd been operating as a Kremlin agent as she befriended National Rifle Association leaders and influential US conservatives. Bloomberg

Spying charges carry a prison sentence of up to 20 years in Russia

Trump Says Wall Not Abandoned as Fight Over Funding Goes On

Washington: President Donald Trump said he hasn't dropped his demand for a concrete wall on the US-Mexico border, a day after his outgoing chief of staff said the idea had been nixed months ago.

"An all concrete Wall was NEVER ABANDONED, as has been reported by the media," Trump said on Monday on Twitter as a partial government shutdown precipitated by a dispute over border wall funding stretched into its 10th day. "Some areas will be all concrete but the experts at Border Patrol prefer a Wall that is see through (thereby making it possible to see what is happening on both sides). Makes sense to me!"

Trump's comments run counter to those that Chief of Staff John Kelly, who is set to leave his post this week, made in an interview with the Los Angeles Times published on Sunday. Kelly told the paper that the White House had dropped the idea of a concrete wall months ago.

Several White House officials suggested on Sunday that the definition of Trump's border wall could be flexible and might include broader security measures. In an interview on ABC's "This Week", US Customs and Border Patrol Commissioner Kevin McAleenan said the administration wants about 1,000 miles (1,600 kilometres) of a border wall system and "not just a dumb barrier."

"We're talking about sensors, cameras, lighting, access roads for our agents—a system that helps us



secure that area of the border," McAleenan said. "It's a multifaceted approach."

Senior adviser Kellyanne Conway accused Democrats of fixating on Trump's description of the wall, calling the impasse "a silly semantic argument."

While Trump has in recent weeks expanded his definition of a wall to include barriers not made of concrete, he continues to insist on a physical structure on the border with Mexico.

The pledge for a wall was central to Trump's 2016 presidential campaign, and he's refused to sign any spending bill that didn't give him the resources to follow through. That caused government funding for nine federal departments to lapse on December 21. Bloomberg

White House chief of staff John Kelly said in an interview that Trump had abandoned the idea of a solid concrete wall early on in the administration

Elizabeth Warren Takes Major Step Toward a 2020 Presidential Run

Washington: Senator Elizabeth Warren took a major step on Monday toward an all-but-certain 2020 White House run, seeking to become the Democratic nominee to challenge President Donald Trump on a message of economic equality and fighting corruption.

The Massachusetts progressive said in a New Years Eve email and video message to supporters that she's launching an exploratory committee for a presidential run, which would give her a potential early edge in fundraising and organisation. She said American families were "under attack from every direction", due to a government that's "bought and paid for by a bunch of billionaires and giant corporations that think they get to dictate the rules."

Warren previewed her populist message in a recent interview with Bloomberg News.

"I'm in this fight for hard-working families. And that means reducing the student loan debt burden, increasing our Social Security payments for those who depend most on it, and the overarching piece, reducing corruption in government," the senator said. Warren, who handily won a second



Elizabeth Warren

six-year Senate term in November, said she wants to defend the Affordable Care Act from Republican attacks and "find a system of Medicare available to all that will increase the quality of care while it decreases the cost of all of us."

Warren has become a polarising figure due to her aggressive criticisms of Wall Street, her support for raising taxes on rich Americans to mitigate income inequality, and her push to regulate large corporations that she often depicts as preying on ordinary people.

But that same advocacy, which dates back to her time as a Harvard law professor, has endeared her to a progressive base full of voters who are hungry for a sharp left turn by the Democratic Party. Bloomberg

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

Manila Casino Cancels NY Balloon Stunt after Criticism



A luxury Philippine hotel and casino has called off a world record attempt for releasing tens of thousands of balloons to mark the New Year following complaints from environmental groups and a government warning. Okada Manila, a sprawling resort in the country's capital that includes a hotel, casino and restaurants, had planned to ring in 2019 by dropping 130,000 balloons in one of its nightclubs to set a new world record. But in a statement late Sunday, the Okada Manila resort said it had voluntarily cancelled the stunt as a "sign of respect" to environmentalists' warnings, and "in support of the government's campaign to protect and save the environment". AFP

Nasa Spaceship Zooms toward Farthest World Ever Photographed

A Nasa spaceship is zooming toward the farthest, and quite possibly the oldest, cosmic body ever photographed by humankind, a tiny, distant world called Ultima Thule some 6.4 billion kilometres away. The US space agency will ring in the New Year with a live online broadcast to mark historic flyby of the mysterious object in a dark and frigid region of space known as the Kuiper Belt at 12:33 am January 1 (0533 GMT Tuesday). A guitar anthem recorded by legendary Queen guitarist



Brian May (in pic)—who also holds an advanced degree in astrophysics—will be released just after midnight to accompany a video simulation of the flyby, as Nasa commentators describe the close pass on www.nasa.gov/nasalive. Real-time video of the actual flyby is impossible, since it takes more than six hours for a signal sent from Earth to reach the spaceship, named New Horizons, and another six hours for the response to arrive. But if all goes well, the first images should be in hand by the end of New Year's Day. AFP

Iran TV Boss Fired over Jackie Chan Sex Scene



A regional boss of Iran's state broadcaster IRI has been fired after inadvertently letting a Jackie Chan sex scene slip through its tight censorship rules, local media reported on Monday. Viewers on Iran's Kish Island were shocked when their local TV station showed the martial arts star having sex with a prostitute in one of his films. That is far beyond the usual limits in Iran, where men and women are not even allowed to shake hands on screen. There were

angry responses from some Iranians pointing out that no one had been fired over a fatal bus crash that killed 10 students at Tehran's Azad University last week. "Buses turn over, planes crash, ships sink... no one is dismissed... A few seconds of Jackie Chan making love on IRI and immediately all staff in that section are sacked," wrote one Twitter user. IRI TV presenter Reza Rashidpoor joked on his morning talk show that the controversy could have been avoided if IRI had included a caption saying Chan was married to the actress playing the prostitute. He was referring to a programme last week in which IRI added a caption to say a couple holding hands on screen were married in real life. AFP

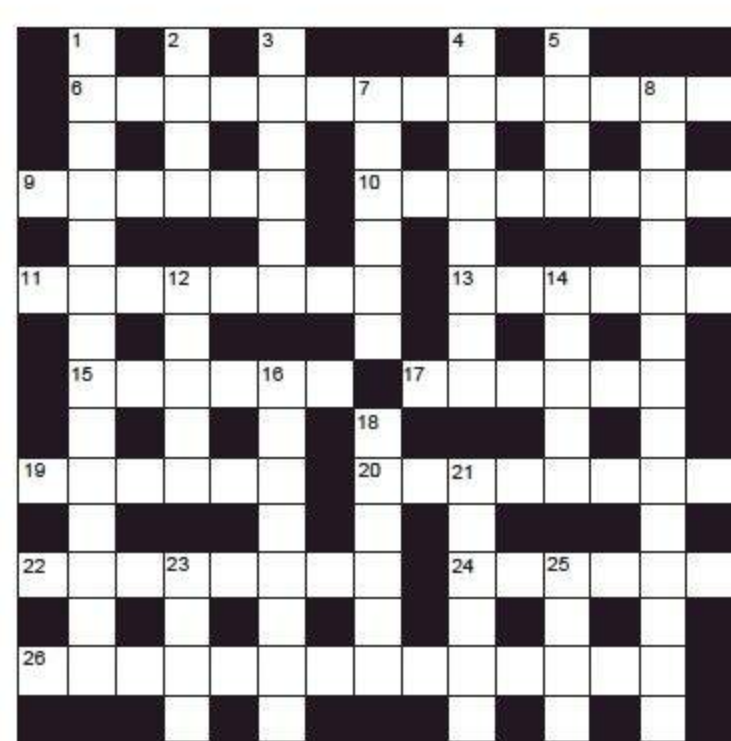
Lion Kills Worker at US Wildlife Park

A lion attacked and killed a young American woman who had just started working at the facility where it was kept, the centre said on Sunday. Alexandra Black, 22, was passionate about wildlife and had worked just 10 days as an intern at the facility in Burlington, North Carolina. "The conservators center is devastated by the loss of a human life today," it said in a statement. "While a husbandry team led by a professionally trained animal keeper was carrying out a routine enclosure cleaning, one of the lions somehow left a locked space and entered the space the humans were in and quickly killed one person." It is unclear at this time how the lion left the locked enclosure. At no time did the lion enter a space that was not enclosed by the park's perimeter fence, the statement added, expressing its condolences to Black's family and announcing it would close temporarily. The lion was killed so Black could be retrieved, the centre said. AFP



Crossword

7292



- DOWN**
- Carrying out tool into a compound (14)
 - Some pretty awful messages primarily (4)
 - British relatives occupy islands in Pacific atoll (6)
 - He checks pupils work on Venetian painter, say (8)
 - It may hamper your view from a snorkel, plunging (4)
 - Extract of feed contains what coats some apples (6)
 - Kid leapt over me hysterically for drink (10,4)
 - For instance, heart stops here (5)
 - Miller produces this plant, so I hear (5)
 - Break in concert could be seventh for musicians (8)
 - Lisbon's aiming to cover stunt in Tokyo (6)
 - Stable stayed after reorganisation (6)
 - Pellet, or what it's meant to get rid of (4)
 - Bottom cut from Hibernian flag (4)

- ACROSS**
- Dickens misrepresents the homeless Pip (14)
 - A student at college saves money for Harvard graduates (6)
 - Fellow broadcast drama, abiding by the rules (4,4)
 - Fossil, round—it's found in north-east (8)
 - Data about Latin women's immigration (6)
 - Unspecified number going off drink (6)
 - It describes goat in African state changing sides (6)
 - Scarity lawn under tree initially—this one? (6)
 - H respects Sunday (8)
 - Force matters involving Republican splits (8)
 - Imagine somehow missing current puzzle (6)
 - Stone-cutter's well-rounded training (9,5)

- SOLUTION TO No 7291:**
- ACROSS:** 1. Ecclesiastical. 8. Electro. 9. Capitol. 11. Nutcracker. 12. Snub. 14. Wire wool. 16. Repair. 17. Pub. 19. Igwana. 21. Germ cell. 24. Toga. 25. Magna Carta. 27. Examine. 28. At least. 29. New Brunswick. **DOWN:** 1. Elector. 2. Intertwine. 3. Chop chop. 4. Pocket. 5. Lope. 6. Antenna. 7. Penny whistle. 10. Liberal Party. 13. Vermicelli. 15. Lug. 18. Beanbags. 20. Upgrade. 22. Earmark. 23. Gateau. 26. Limb.

©The Daily Mail

Dilbert

by S Adams



HIDATO FIND THE PATH - SOLVE THE PUZZLE



7 LITTLE WORDS

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

- CLUES**
- "patronizing" person (5)
 - ploring (7)
 - emotionally stable (8)
 - making a coin's grooved edge (7)
 - halftime, in a football game (8)
 - no longer sick (6)
 - straining one's patience (6)

GU	NG	TO	PO	TH
ED	INT	NG	MI	TR
DPO	TER	MIL	GE	INT
ER	YI	EST	BET	LI

Yesterday's Answers: 1. ELOPES 2. PURL 3. FREQUENTS 4. HESITATION 5. PETRIFY 6. CORNELL 7. STOWING



Mandhana is Women's Cricketer of the Year

India's Smriti Mandhana was crowned ICC women's cricketer of the year on Monday, capping off a prolific run-scoring season for the opener. The left-handed batswoman was also named ODI cricketer of the year for accumulating 669 runs off 12 ODIs. She scored 622 runs in 25 T20 matches this year. Mandhana, 22, is only the second Indian woman to win an ICC award after fast bowler Jhulan Goswami who was named the women's player of the year in 2007. Australia's wicketkeeper-batter Alyssa Healy was voted T20 player of the year after playing an important part in her team's World T20 triumph in the West Indies. England's teenage spinner Sophie Ecclestone was named emerging player of the year.

Mortaza Wins Bangla Elections

Bangladesh ODI captain Mashrafe Mortaza has registered a landslide victory in the 11th general elections, becoming the first active cricketer in the country to be elected as a lawmaker. Mortaza, an Awami League candidate for Narail-2 constituency, got 274,418 votes while his rival Jatiya Oikya Front alliance nominee Fariduzzaman Farhad received 8,006 votes, according to the results announced by the Election Commission.

WATCH OUT! TODAY

PREMIER LEAGUE

6pm Everton v Leicester City
8:30pm Arsenal v Fulham
11pm Cardiff City v Tottenham

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Boria Majumdar

Indian sport has rarely had it as good at the start of a year. Cricket is on a huge high in the aftermath of the MCG Test win and chances are the dream of an overseas series win will be fulfilled in Sydney. In white ball cricket, India is a force to reckon with and will start the 50-over World Cup in England in summer as one of the favourites along with the hosts.

The core is in place and with Hardik Pandya back in full fitness the middle order vacuum will now be filled. Hardik and Kedar Jadhav have emerged as first choice middle-order players and with Ravindra Jadeja making a solid comeback, Virat Kohli has multiple options up his sleeve. Most importantly, the top three continue to deliver for India. While Shikhar Dhawan fancies ICC multi-nation competitions, Rohit Sharma and Kohli are two of the best players of the white ball game. If only the players' workloads can be balanced well and the fast bowlers given some much-needed rest during the gruelling IPL, India will be match-ready come the first warm-up game of the World Cup on May 25, 2019.

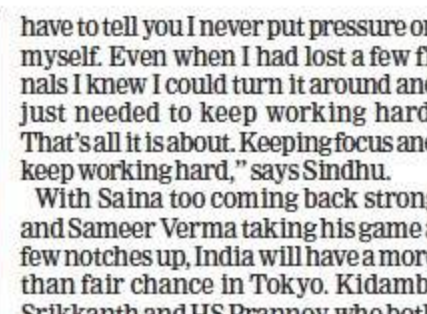
Olympic sports, with the big prize 18 months down the line, are also looking in decent health. The narrow loss to the Dutch in the World Cup notwithstanding, hockey team under Harendra Singh is on an upward curve and likely to qualify for the 2020 Olympics. The women's team is also starting to look



INDIA DOWN UNDER

India Enter 2019 With a Quiver Full of Arrows

At the start of the New Year, Indian sport seems ready to take on the world and make a statement



(clockwise from top left) Neeraj Chopra, PV Sindhu, MC Mary Kom, Manika Batra and Manu Bhaker

While cricket is on an unprecedented high, other sports are also enjoying a spurt of dazzling talent that promises a bright future

good to make it to Tokyo.

The two disciplines where the Indians have started to dream of Olympic medals are shooting and badminton.

Shooting has come a long way since the Rio debacle and if the 2018 Youth Olympics are an indication, the future looks golden. India now has multiple world champions in the age group of 15-18 and if they are well protected by mentors like Jaspal Rana, Suma Shirur and Joydeep Karmakar, they have every reason to deliver in Tokyo.

A strong national championship is al-

ways an indication of the depth of a particular sport and the most recent one has seen seriously high scores from India's leading shooters. In Manu Bhaker, Heena Sidhu, Apurvi Chandela, Mehuli Ghosh, Anjum Moudgil, Saurabh Chaudhary, and not to forget Jitu Rai, Gagan Narang, Deepak Kumar and Ravi Kumar, India has a crop, which can easily be labelled the golden generation of Indian shooting.

In badminton, the year-end championships in China has helped undo what was a mediocre year. PV Sindhu has

broken the finals jinx and has now reached a stage where she can rightfully start thinking of dominating her sport. With Tai Tzu Ying at the top, Sindhu knows the competition is tough. Tai is a once in a generation player and to beat her isn't easy. "Tai is beatable. Everyone is," says Pullela Gopichand, who remains pivotal to the sports' progress in India. "It is important we plan how we play her," he adds.

And from the evidence of the year end championships Sindhu has finally figured out a way of beating Tai. "I

have to tell you I never put pressure on myself. Even when I had lost a few finals I knew I could turn it around and just needed to keep working hard. That's all it is about. Keeping focus and keep working hard," says Sindhu.

With Saina too coming back strong and Sameer Verma taking his game a few notches up, India will have a more than fair chance in Tokyo. Kidambi Srikanth and HS Prannoy, who both had an underwhelming year, are expected to step up again and with Sarwaksairaj Rankireddy and Chirag Shetty shaping up really well in doubles, multiple medals aren't a pipe-dream. The good thing is there is hope in other sports as well. In boxing we continue to have the evergreen Mary Kom and Vikas Krishan and with the brilliant Amit Phangal shaping up well, 2019 should see many Indians qualify for Tokyo. In wrestling Bajrang Punia and Vinesh Phogat are at par with the world's best and if Bajrang can do what he did at the Asian games, he can emulate Sushil Kumar and Yogeshwar Dutt at Olympic stage.

For the first time perhaps track and field is giving us hope at the start of 2019. Neeraj Chopra is already in the world's top ten and Tejinder Pal Toor and Hima Das have both shown serious improvement.

With Manika Batra doing the same in

Table Tennis and Bhavani Devi in Fencing, India's dream of becoming a multi-sporting nation seems closer than ever. And if Saina Mirza can make a dream comeback in 2019 post motherhood, India's mixed doubles tennis pairing will have a reasonable chance in Tokyo.

There will be challenges, of course. Fitness issues and more. Luck, so very important in sport, will always be a factor. But at the start of 2019, India seems capable. Keen and poised to take on the world and make a sporting statement. It has rarely happened before and that is what makes the start of the New Year really vibrant one.

Indian cricket captain Virat Kohli

C for Sensibility

In times of fast-paced cricket, Cheteshwar Pujara's slowness provides stability to the Indian Test team



Anand Vasu Melbourne

Bowlers win Test matches. This is true. You can score a thousand runs but unless you take 20 wickets you cannot defeat the opposition. The Indian team of 2018, which will ring in the New Year happier than most touring parties of the past, boast the best fast bowling combination ever assembled. Kapil Dev was a one-man band, Javagal Srinath was a unique beast and Zaheer Khan was a lone wolf, with no disrespect to the medium pacers who supported them. But there is something irresistibly attractive about a pace attack that can blast the opposition away.

But you cannot lay the dynamite

charges willy nilly to blast the mountain. You must know where to place it, which strength to use at what depth, and how to co-ordinate the fireworks for maximum effect.

And for that, in cricketing terms, you need a Cheteshwar Pujara to make the foundation strong. Pujara made the slowest of his 17 centuries in Melbourne. And Pujara has made a living and a career from being a slow batsman. In the age of fast food, Pujara isn't so much the slow barbe-cue, but the main course that has always been under-rated.

Pujara has conveniently been compared to Rahul Dravid, another one who batted long not only for batting sake but because the runs were needed to give the bowlers something to work with, especially abroad. While Dravid has been hailed as the messiah overseas, Pujara has not even been given enough credit for his incredible dominance at home.

When it was put to Dravid that Pujara was his natural successor, the

response was polite yet firm: "I don't like comparisons, as each one is different."

But Dravid then went on to make an important point about Pujara, before the third Test was in the bag. "If India go on to win the Melbourne Test, Pujara would have played two match-winning knocks in two Test matches that we won," he said. "Not only in this series, if you look through his career as well, a lot of his innings have come at a crucial time. India have rallied around him in Australia. He wasn't picked for the first Test in England and it's been a great comeback since then. It's terrific."

What's equally terrific is that Virat Kohli seems to have realised that he cannot lead his team to Test wins without Pujara's backbone. It's all well to show intent and snarl at the opposition, but you cannot win Tests without runs on the board. And Kohli, who has been flexible enough to bat using the Pujara manual, ex-

plains the method.

"He has been a lot more flexible in altering his game very quickly. From the last time he played in Australia, he has made a few changes to his set-up, and that's working for him. He is embracing the fact that if something has been told to him and he has to work on those things, he has worked on it," said Kohli of Pujara.

"If he can bat time and hold one end, and all the other batsmen can bat positively around him, we get 350, touching 400. In conditions in Australia, which puts us in a great position to get a result. He realises that even more now. Because of the bowling attack that we have, his job is to hold one end and bat for long hours."

Pujara made 50 in 179 balls in Johannesburg, when India won by 63 runs. Pujara made 72 in Nottingham, when India won by 203 runs. Pujara made 123 in India's 31-run win in Adelaide and 106 in Melbourne to take India to a 137-run win.

New Dad Rohit to Miss Sydney Test

India batsman Rohit Sharma will miss the fourth Test against Australia in Sydney to be with his wife, who gave birth to a baby girl in Mumbai on Sunday. Rohit has flown back to India and will rejoin the squad on January 8 ahead of the three-match ODI series beginning January 12 in Sydney. The Indian Cricket Board (BCCI), however, has not named any replacement for Rohit for the final Test beginning on January 3.

When Pujara scores, India has their best chance of winning, home or away. It's not as though his scoring guarantees success, because he is no Viv Richards or Virender Sehwag, who can take the game by the scruff of the neck and change it in a trice. But India does not necessarily need that sort of dynamism at the moment.

What Pujara brings to this Indian team is sense and sensibility, steel and strength. And the big guns can then bring the glory home.



4th INTERNATIONAL EXHIBITION AND EVENT ON STEEL INDUSTRY



Date : 22, 23, 24 January 2019

Venue : Mumbai Exhibition Centre, NSE Complex, Goregaon, Mumbai.

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Shri Binoy Kumar
Secretary, Ministry of Steel, Government of India

Shri Anil Kumar Chaudhary
Chairman, Steel Authority of India Ltd. and Chair, FICCI Steel Committee

Dr. Edwin Basson
Director General, World Steel Association

India Steel 2019 is an exhibition-cum-conference on the Indian Steel Industry focusing upon the value enhancement from mining to steel production and delivery of the steel products to end consumers.

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