



Tit-for-tat tariff against US ready

OUR SPECIAL CORRESPONDENT

New Delhi: India notified retaliatory tariffs on 30 products worth \$240 million imported from the US to counter the unilateral hike in duties on steel and aluminium by Washington.

However, the increase in duties, which does not include motorcycles above 800cc such as Harley Davidson, will come into effect from August 4. This would give the government enough space to draw some concessions during trade talks with US officials next week.

The finance ministry notification said the import duty on chickpeas has been raised to 60 per cent, and on lentils the levy will be 30 per cent.

The ministry, however, did not disclose the current tariff levels. Other items drawing higher tariffs

include artemia, which is a shrimp variety, apples, walnuts, boric acid, diagnostic reagents and some iron and steel products.

With the United States adopting protectionist policies and hiking import duties, a trade war-like situation has emerged. The European Union has decided to levy higher import duties on a variety of US products and a similar action is being contemplated by China.

Analysts said the retaliatory tariffs could have come into effect immediately, but India seems to have given some more time to the US as the upcoming negotiations with Washington could include a trade package.

The US assistant trade representative (USTR) Mark Linscott is slated to visit India in the last week of June to begin the negotiations.

Deloitte India partner M.S. Mani

IMPORT DUTY HIKE FOR 30 PRODUCTS

| Import duty (%) | Old | New | Import duty (%) | Old | New |
|---------------------------|-----|------|----------------------------|-----|------|
| Chickpeas, Gram Masur dal | 30 | 70 | Diagnostic reagents | 10 | 20.0 |
| Lentils | 30 | 40 | Binders for foundry moulds | | 17.5 |
| Almonds | 10 | 20 | Flat rolled iron items | 15 | 27.5 |
| Walnut | 30 | 120 | Flat rolled steel items | 15 | 22.5 |
| Apples | 50 | 75 | | | |
| Artemia | — | 30 | | | |
| Boric acid | — | 17.5 | | | |
| Phosphoric acid | 10 | 20 | | | |
| Mobile SIM socket | 15 | 25 | | | |

said on several products such as pulses the increase is very steep (30 per cent to 70 per cent), while for iron and steel products, the increase is at least 50 per cent of the existing rate

(from 15 per cent to upwards of 22.5 per cent).

"The increase in customs duties on goods originating from the US was expected, but the magnitude of

the hike would have been unexpected. These increases would make the domestic products cheaper compared to imports and lead to a domestic manufacturing/demand pick-up as a corollary," Mani said.

During the talks both sides will first try to "address low hanging fruits", including greater market access for each other's products and see how to resolve the crucial issues without further flaring up the situation, officials said.

The talks are likely to involve negotiations granting an extension to India on the generalised system of preferences (GSP) that the US is currently reviewing. India exports about 3,500 items worth \$5.6 billion to the US at zero or low duties.

The GSP scheme, which is being reviewed by the US, allows many Indian exporters to sell at lower tariffs to the US. The US has, however,

sought to reduce the number of products covered under this programme, including in the areas of dairy, chemical, engineering and medical devices unless India gives a reciprocal market access and removes barriers for products of their interest.

The decision to hike duties is in retaliation to the unilateral increase in tariff by the US on certain steel and aluminium products earlier this year which had a tariff implication of \$241 million on India.

The duty hike by India would have an equivalent tariff implication on the US. India had asked the US government to exempt it from the 25 per cent steel tariff and 10 per cent aluminium tariff. However, the US rejected India's request. India has also dragged the US to the dispute settlement mechanism in the WTO over the matter.

STOCK CHECK

Sensex intra-day movement



Previous 35547.33

CURRENCIES

| | |
|----------|----------|
| US \$ | Rs 68.00 |
| UK Pound | Rs 89.76 |
| Euro | Rs 78.44 |

INDICES

| | | |
|-----------|----------|---------|
| BSE | | |
| Sensex | 35432.39 | -114.94 |
| Midcap | 15767.70 | -84.20 |
| Smallcap | 16528.17 | -130.88 |
| Nifty | 10741.10 | -30.95 |
| Next 50 | 28675.85 | -162.70 |
| Nifty 500 | 9240.25 | -36.15 |

Most active on NSE

| Script | Price | Traded value# |
|------------|---------|---------------|
| Reliance | 1031.60 | 1083.08 |
| ICICI Bank | 297.95 | 899.98 |
| HDFC Bank | 2056.55 | 695.30 |
| HDFC | 1857.90 | 592.07 |
| TCS | 1820 | 530.56 |

*In Rs; #In Rs crore

COMMODITIES

| | | |
|----------------------|--------|--------|
| Gold (10 gram in Rs) | | |
| Pure | 30955 | -185 |
| Hallmark | 29810 | -180 |
| Silver (kg in Rs) | | |
| Bar | 39600 | -300 |
| Portion | 39700 | -300 |
| Crude* | 4419 | -67.00 |
| Copper# | 456.20 | -1.80 |

*per barrel in Rs; # per kg in Rs

MONEY MARKET

| | Yield (%) |
|---------------|-----------|
| Call rate | 5.00 |
| 91-day T-Bill | 6.45 |
| 1-year Gilt | 7.10 |
| 5-year Gilt | 7.81 |
| 10-year Gilt | 7.78 |

IN BRIEF

BITES offer

NEW DELHI: The initial public offer of railways consultancy firm BITES was subscribed 1.50 times so far on the second day of bidding on Thursday. The share sale to raise about Rs 466 crore received bids for 3,78,71,520 shares against the total issue size of 2,52,00,000 shares, data available with the NSE showed. Till yesterday, the IPO was subscribed 60 per cent. The price band for the issue has been fixed at Rs 180-185 per share. PTI

AstraZeneca

NEW DELHI: AstraZeneca Pharma India on Thursday said it had received approval from the Indian drug regulator to market Durvalumab, a cancer treatment medicine, in the country. PTI

BMW launch

NEW DELHI: German luxury car maker BMW today launched the diesel variant of its 6 Series Gran Turismo model in India with price starting at Rs 66.5 lakh. PTI

BOTTOM LINERS



"I'm guilty of malfeasance, but I'd like to delegate the responsibility."

Sebi makes IPO norms simpler

OUR SPECIAL CORRESPONDENT

Mumbai: The Securities and Exchange Board of India (Sebi) has relaxed IPO norms to allow companies to announce the price band two days before an offering.

Firms coming out with a maiden float or a rights issue can now also provide the financial statements for the previous three years instead of the current requirement of five years.

These and other changes in the takeover and buyback norms were taken at a board meeting here on Thursday. The Sebi board approved the proposed Sebi (Issue of Capital And Disclosure Requirements) Regulations, (ICDR Regulations) 2018.

After considering the recommendations made by the Primary Market Advisory Committee (PMAC), the board decided to tone down the requirement of announcing the price band five working days before the opening of an issue

THE TWEAKS

- Firms can announce price band two days before an IPO
- Financial disclosures can be made for 3 years
- Group companies to include firms with which there were related-party transactions during the 3-year period for which information is disclosed

to two working days.

In the case of public and rights issues, financial disclosures can be made for three years against the current norm of five years.

Sebi added that restated and audited financial disclosures in the offer document should be made on a consolidated basis only.

The definition of group companies has been made more specific by clarifying that group companies shall include firms with which

there were related-party transactions during the three-year period for which financial information is disclosed.

"The regulatory changes are progressive and good both for issuers and investors. Issuers will benefit from the rationalised disclosure requirements. There is greater focus on disclosures of related party transactions," Ramesh Srinivasan, managing director & CEO of Kotak Investment Banking, said.

At the meeting, Sebi also approved the changes in takeover regulations wherein entities will get additional time for upward revision of the open offer price during the share tendering period.

According to Sebi, the amendments are aimed at simplifying the language, removing redundant provisions as well as update references to the Companies Act, 2013. The changes will be made to the Sebi (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Action in NSE case

OUR SPECIAL CORRESPONDENT

Mumbai: The Securities and Exchange Board of India (Sebi) on Thursday said it had initiated enforcement actions against various entities in the National Stock Exchange co-location case.

Sebi has been probing the alleged lapses in the high-frequency trading offered through the NSE's co-location facility.

"We have received the NSE investigation report in the co-location case... we have completed the examination of the investigation report... we have initiated enforcement actions," Sebi chairman Ajay Tyagi said. The Sebi chief was speaking to reporters after its board meeting here on Thursday.

Tyagi added that in the coming days, the enforcement actions that have been initiated were likely to be completed against various entities that are involved.

The co-location case relates to some brokers allegedly getting preferential access through the NSE's co-location facility, early login and access to the "dark fibre" — which can allow them faster access to data feed of the exchange. It was first brought to Sebi's notice by a whistle-

blower in 2015.

Sebi had earlier issued show-cause notices to several individuals and the exchange, while the role of some brokers was also being probed.

Last year, the tax authorities had conducted raids on some NSE brokers. The NSE had also submitted a forensic audit report to Sebi on the issue, which was prepared by EY.

EY was entrusted with carrying out the forensic audit into cash markets, currency derivatives and the interest rate futures platform. The bourse had also submitted to Sebi a report of a probe carried out by ISB Hyderabad to determine if certain brokers had made huge profits as a result of getting preferential access to its servers with the co-location facility.

Responding to a question on the CBI registering a case against a Sebi official in the matter, Tyagi said various investigating agencies have their own jurisdiction and domain. "So I really won't be able to comment on that," he said.

Tyagi added that Sebi's investigation has nothing to do with the NSE's proposed initial public offer, which has been delayed because of the probe.

Funds pamper Swiggy palate

OUR SPECIAL CORRESPONDENT

TREATS GALORE

- **Feb. 2018:** \$100m funding by Naspers, Meituan-Dianping among others
- **June 2018:** \$210m funding by Naspers, DST Global, Meituan-Dianping, Coate Management
- **Total funds raised so far:** \$500m
- **Valuation:** Over \$1.2 billion



Mumbai: Online food delivery platform Swiggy on Thursday took on the unicorn's mantle, raising \$210 million in a fresh round of funding, led by Naspers and DST Global. The transaction will also see participation from Meituan-Dianping and another new investor, Coate Management.

The Series G investment round will value the start-up at over \$1.2 billion. A unicorn is a label given to a start-up valued at over \$1 billion.

The latest investment follows a \$100-million Series F funding in February this year, also led by Naspers with participation from Meituan-Dianping.

With the current round, Swiggy will have raised around \$500 million till now.

Aventus was the financial adviser to Swiggy on the transaction.

The fresh funds come at a time compe-

tion is hotting up in the online food delivery space. In February this year, Zomato raised \$200 million from Alibaba's Ant Financial, valuing the firm at \$1.1 billion. In December, ride hailing player Ola acquired Foodpanda India from its German parent Delivery Hero.

A statement from Swiggy said the lat-

est funds will enable the company to ramp up its supply chain network and expand to new markets, while investing in core capabilities that enhance consumer experience and the brand.

The Bangalore-based company was founded in 2014 by Sriharsha Majety, an IIM Calcutta and BITS Pilani alumnus, along with Rahul Jaimini and Nandan Reddy. It connects with over 35,000 restaurants, and has a delivery fleet of more than 40,000 partners.

"With this investment, we will continue to widen Swiggy's offerings, along with bolstering our capabilities and plugging the gaps in the on-demand delivery ecosystem," Majety said.

According to Larry Illg, the CEO of Naspers Ventures, the infusion of capital into Swiggy will ensure that the ambitious plans for broadening its platform and expanding the reach across India is realised.

Banks put on ATM alert

OUR BUREAU

Mumbai: Taking a serious note of the slow progress of banks in addressing security issues, the Reserve Bank on Thursday gave them strict timelines to upgrade their ATMs, or else face action.

According to the timeline, banks have to implement a host of security measures by August and upgrade all ATMs with a supported version of an operating system in a phased manner by June next year.

There were over 2.06 lakh ATMs across the country till February-end.

In April 2017, the RBI through a "confidential circular" to banks had highlighted concerns about ATMs running on Windows XP and/or other unsupported operating systems.

The banks were also asked to put in place, with immediate effect, suitable controls enumerated in an illustrative list of controls.

"The slow progress on the part of the banks in addressing these issues has been

UPGRADE NEEDED

- **RBI worry:** ATMs are running on Windows XP and other unsupported operating systems
- **The directive:** Upgrade all ATMs with supporting operating versions in a phased manner by June 2019; implement a host of security measures



viewed seriously by the RBI," the central bank said in a circular to the heads of banks and white label ATM operators.

The instruction has been issued in the wake of an increasing number of ATM frauds. The RBI said the vulnerability arising from ATMs operating on unsupported versions of operating systems and non-implementation of other security measures could potentially affect the interests of the banks' customers adversely, apart from such occurrences, if any, im-

ping on the image of the bank.

"It may be noted that any deficiency in timely and effective compliance with the instructions contained in this circular may invite appropriate supervisory enforcement action under applicable provisions of the Banking Regulation Act, 1949 and/or Payment and Settlement Systems Act, 2007," it said.

Banks and white-label ATM operators have been asked to implement security measures such as BIOS password, disabling USB ports, disabling auto-run facility, applying the latest patches of operating system and other softwares, terminal security solution, time-based admin access by August.

They have to implement anti-skimming and whitelisting solution by March 2019. Further, all the ATMs have to be upgraded with the supported versions of operating systems.

The RBI has asked them to upgrade not less than 25 per cent of their ATMs with supported operating system by September and 50 per cent by December.

Cleartrip acquires Saudi travel company

OUR BUREAU

Calcutta: Online travel aggregator Cleartrip has acquired Saudi Arabia-based Flyin, engaged in a similar business, for an undisclosed amount to capitalise on the growing shift to online travel in the Middle East and North African (MENA) region.

The combined company will have over 60 per cent market share throughout West Asia and improved profitability because of better economics and larger scale of operations, Cleartrip said in a statement.

The company, however, did not give the financial details of the acquisition. The transaction will enable both companies to leverage technology, talent and business intelligence to strengthen their travel offerings.

Cleartrip founder and CEO Stuart Crighton said, "Having established a strong position in India with our world-class products, we are pushing ahead with our ambitious expansion plans in the MENA market, and together with Flyin, we have reached a major milestone in our journey."

The transaction, the largest in the travel space in the MENA region, will offer Cleartrip a wider outreach and a larger client base in an adjacent market.

"Building on Saudi Arabia's evolving entrepreneurial ecosystem, Flyin has firmly established itself as a leading player in the Kingdom's online travel market. With its strong customer base and rich travel offerings, Flyin is a natural partner for us in the region. We will leverage each other's strengths to enhance product development and customer experience" added Crighton.

Flyin founder Abdullah al Romaih said, "We are embarking on a new journey to reinforce our position in Saudi Arabia's online travel market."

Terms set for easing jute packing rules

A STAFF REPORTER

Calcutta: The standing advisory committee which recommends jute-packing norms to the government has called for a conditional dilution on the use of jute bags to pack foodgrains for jute year 2018-19 (July-June).

The committee, while recommending the commodity wise reservation under Jute Packaging Materials Act, has proposed 100 per cent of the foodgrains produced be reserved for the packaging of jute.

However, if the mills fail to supply the bags on receiving the entire requirement from the procuring agencies within 30 days, the department of food and public distribution may allow the dilution of packaging material of up to 10 per cent at a time and 30 per cent

IFS AND BUTS

- Full jute packaging of bags under certain terms:
- Mills must meet the entire order within a month
- Otherwise, there will be dilution to the tune of 30%
- Mills will get relief if there are bunching of orders by the food department

in the whole year, with the approval of the textile ministry.

Conversely, if the procuring agencies do not place indents according to the supply plan prepared by the department of food and public distribution and if there is a bunching of indents (orders exceeding 2.5 lakh bales a month), the procuring agency is unlikely

to have the benefit of dilution and the mills may get additional time to meet the requirement.

In case the mills fail even after the extension, the dilution provisions would be applicable. The issue of the timely supply of jute bags for the purpose of packaging has remained a key area of concern on both sides — the procuring agencies and the mills.

The department of food and public distribution while presenting its view before the committee has noted that the placement of early indents is difficult for the procuring agencies as the assessment of crop size and the arrangement of funds take time.

The department had sought relaxation in procurement based on the projected requirement and the industry's ability to supply the bags.

Capgemini strategy

Navi Mumbai: French technology major Capgemini on Thursday hinted at slowing down on local hiring in the country as it has hit a peak in terms of transferring jobs from the developed markets.

With some of its over 1,00,000 employees being unhappy on wage hikes, the company said "the base salaries" have grown 6 per cent this year and it will prefer to give higher wages to those with skills for the future rather than have a uniform approach.

"With 1,00,000 people, we've the kind of stature we need in India. We are not looking for more stature here," Hermelin added.

Hermelin said Capgemini is at a "cruising speed" currently, hinting that hiring will not be higher anymore. Amid a lot of employees venting their ire on social media on low wage hikes and terming it as a way of inducing voluntary attrition, Hermelin clarified that the base salary was hiked by 6 per cent for this year.

With 1,00,000 people, we've the kind of stature we need in India. We are not looking for more stature here

PAUL HERMELIN, Capgemini group chairman

However, he clarified that they will be selective in offering salary hikes to employees.

"We've moved from just volume that has created room for everybody to value growth. We intend to be a winner in the value race (as a company) and be at our side. We are ready to invest in you (employees) so that you are a winner personally in the value race," Hermelin said.

"If you want a good career progression, move to new skills," he added.

Termining the acquisition of i-Gate as a success that has helped the French major to grow in the US, Hermelin said the changing industry landscape is posing some challenges.

He said unlike the traditional IT projects that offer the comfort of time, the new digital projects require a quick turnaround that narrow the time to react. PTI