

H'CONOMIC '



InterGlobe Arm May Sell 65% Stake to Capital Int'l COMPANIES: PURSUIT OF PROFIT ►> 11

Trump Wanted to Preview Comey's Senate Testimony AROUND THE WORLD ►► 17

Final, to Meet Juventus SPORTS: THE GREAT GAMES ►► 20

Privatisation Must to Revive AI: Experts



O MORE DELAY IN DEPARTURE >> EDIT PAGE

financially and is unlikely to achieve

its target of making a net profit in

FY19, reports Mihir Mishra. >> 11



GM Mustard Release Gets Govt Panel Nod

In a major move, the Genetic Engineering Appraisal Committee is on Thursday learnt to have given the go-ahead for commercial release of GM mustard with a number of conditions. If approved, GM mustard could be the first genetically modified food crop to be cultivated commercially in India. ▶▶ 15



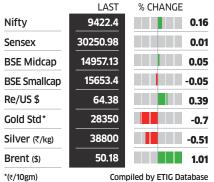
Kotak QIP to Cut Promoter Stake



launched an offer to sell shares worth₹5,662 crore to institutional investors, as its pro-

moters look to dilute their holding to 30% to meet a central bank directive. The floor price has been set at ₹913.24 a share, at which the proceedings will be about ₹5,662 crore. ►► PAGE 7

Market Tracker



INSTA POLL Do you think approaching ICJ will help India save Kulbhushan Jadhav?

TODAY'S QUESTION Do you think the IT industry needs a trade union to protect employees?

Decks Cleared for Snapdeal to Land in Flipkart's Basket

Snapdeal co-investor Nexus also gives consent to deal that will change contours of Indian ecomm any capacity, post the acquisition mercial due diligence of Snapde-

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New Delhi: Founders Kunal Bahl and Rohit Bansal will relinquish control of online marketplace Snapdeal to market leader Flipkart as early investors in the Delhi-based company give their consent to the sale, according to four people aware of the deal.

The transaction, if successful, will redefine India's online retail industry, and sharpen the battle lines between the home-grown contender and global rivals America's Amazon and China's Alibaba.

Wharton graduate Bahl and his schoolmate Bansal, who is an alumnus of IIT-Delhi, will receive a total of \$30 million as cash payout, according to the terms of the sale estimated at about \$750 million-\$1 billion. The talks were finally concluded after early investor Nexus Venture Partners agreed to the deal, the sources said. "Both founders will not be

part of the merged entity in

pected to be signed over the next 48-72 hours, after which Flipkart will begin the financial and com-Nexus to get about \$60 million for Snapdeal

stake, less

that it had

asked for

than the \$100 million

of the company by Flipkart," the

people cited above told ${f ET}$, there-

by acceding to a major demand

made by India's largest ecommer-

ce company, as a condition for the

A non-binding term sheet is ex-

acquisition to be finalised.

Snapdeal founders Kunal Bahl and Rohit Bansal to cumulatively get \$30 million

pected to take two-three months. Emails sent to Snapdeal, Flipkart and Nexus Venture Partners did not elicit any responses at the time of going to press. Japan's telecom and media giant SoftBank — the

al. The complete acquisition is ex-

largest inves-

merged entity **Non-binding** term sheet on the table, but not signed vet

Bahl and Bansal not expect-

ed to play any role in the

Snapdeal board has given approval for necessary diligence

Flipkart's Buyback Guarantee The company hopes to more than double smartphone sales on the back of this programme. ▶ 5 al — has led the discussions for the proposed sale and is also in discussions to make a separate investment in Flipkart, as it emerges as the biggest investor in Indian ecommerce.

Separately, the Tokyo-headquartered conglomerate is poised to lead an investment of an estimated \$1.9 billion in digital wallets provider Paytm. SoftBank, which had invested about \$900 million in

Snapdeal, is in advanced stages of discussions to back. both, Flipkart and Paytm.

Nexus Venture Partners agreement to the sale of Snapdeal comes on the back of board meetings held by the company earlier this month, which proved inconclusive. However, sources indicated that Soft-Bank's representatives -Kabir Misra, managing partner at SoftBank Capital, and Alok Sama, president of SoftBank Group International — had played critical roles in convincing all stakeholders.

Nexus' Approval Critical ➤➤ 19

No Cap Gains Load on Genuine Investments

Final notification of new rule introduced in Budget to exempt all transactions recognised by Sebi closure norms.

Clearing Air on New Rule

CBDT to keep Final notification expected in Transactions examining representations

Relief for investments such as Esops & off-market



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New Delhi: The government will keep all transactions recognised by the Securities and Exchange Board of India (Sebi) outside the ambit of a new rule introduced in this year's Budget that provides for the imposition of capital gains tax if securities transaction tax (STT) has not been paid. The final notification of the rule, which is in the works, will ensure that genuine investments such as employee stock options (Esons) and off-market strategic acquisitions do not face tax.

The draft notification rule had not addressed these issues, leading to representations to the Central Board of Direct Taxes

the points raised, a government official said.

'There have been representations... The idea is not to tax genuine transactions," he said. "All transactions recognised by Sebi will be kept out.

The draft notification issued on April 3 listed 3 types of transactions on which the rule will apply: ■ Investments in listed stocks

that are not traded frequently and the acquisition of equity through preferential issues not falling under Sebi issue of capital and dis-

■ Transactions where the listed stock is not purchased over the

exchange ■ Acquisition of shares in a com-

pany delisted and then re-listed. The Finance Act, 2017, amended the provisions of Section 10 (38) of the Income-Tax Act to curb the practice of declaring unaccounted income as exempt from longterm capital gains by entering into sham transactions

Shielding Exemptions ►► 19

Faster Decisions in Insolvency Cases



Insolvency and Bankruptcy Board of India (IBBI) chairperson MS Sahoo has said the board is looking to shorten the time frame for resolution of cases of smaller companies, including (CBDT), which is now examining startups, report **Raiat Arora and Dheerai Tiwari**, → 15

TAKING CUE FROM TECH MAHINDRA

Infy Defers Hikes till July, Seniors to Wait Longer

No job cuts planned, performance-based exits likely to take place, says COO Rao

Jochelle.Mendonca

Bengaluru: Infosys has delay ed salary increases to at least July and even later for senior employees, India's second-largest software services exporter said. even as it played down fears of job cuts and started taking steps to reduce operating costs. For employees ranked JL5 (job

level 5) and below — typically those with less than eight years of experience — the compensation review will be effective from July, chief operating officer UB Pravin Rao said in an email on Wednesday. He added that the review for

 $other\,employees\,would\,be\,rolled$ out in subsequent quarters and said no job cuts are planned. "I would like to put to rest any

speculation around planned layoffs. As has been the case in the past, we will primarily see some performance-based exits," Rao said. **ET** has seen a copy of the letter sent to employees. Addressing concerns about va-

riable payout, Rao said Infosys would work on delivering higher payout and would try and ensure predictability at junior levels. He said the company had started cost-optimisation measures and some were discontinued following employee feedback that they were causing discomfort. Infosys did not respond to an

email seeking comment. Salary increases at the company are ty pically effective from April.

On Hold

Compensation reviews for employees at JL5 rating and below effective from



Delaying salary hikes is a short-term way to protect margin for a quarter or two, says an analyst

"They have delayed the salary hike. They are also raising the cost of parking in the campus and facilities fees. So even if you get a hike, you will end up giving most of it back to the company," an employee with Infosys told ET. Given how IT companies struc-

ture their workforce, employees with less than eight years of experience would typically account for over 40% of a company's headcount. Infosys had a little over 200,300 staffers at the end of March. The delayed hikes for rank-and-file employees come after Infosys recently faced criticism for how much it pays its top executives. Infosys founder NR Narayana

Murthy has said it is unfair for top executives to give themselves large hikes while curbing pay for the other employees.

Tough Time for IT Cos ►► 10

INCREASED COMPETITION, DROP IN BUSINESS

Crisil to Lay Off 150 in SME Div Ratings agency Crisil has laid off about 150 people from its



SME division "in order to leverage new opportunities arising from the evolving landscape", reports Joel Rebello. >> 13

ALLEGED BID TO STALL RELIANCE JIO'S ENTRY

CCI Orders Probe Against Big 3 of Telecom for 'Cartelisation'

Telcos, industry body COAI refute charges of denial of interconnect points

Mumbai | New Delhi: The Competition Commission of India (CCI) has prima facie found that Bharti Airtel, Idea Cellular and Vodafone India had formed a cartel to deny Reliance Jio Infocomm adequate points of interconnection (PoI), and ordered a detailed probe into the alleged unfair practice that led to major call failures on the network of the latest entrant into wireless phone services.

CCI has also ordered a probe into the functioning of the Cellular Operators Association of India (COAI), saying the GSM industry body was found to be promoting the interests of the incumbents -Bharti Airtel, Vodafone India and Idea Cellular — and allowing itself to be used as a platform for preventing Jio's smooth entry into the sec-

Rap From The Regulator

CCI orders detailed probe **Incumbents created** against Airtel, to give one-way Pols Idea & Vodafone masked congestion egulator finds There was no technical that trio formed difficulty in giving Pols a cartel to deny which was proved when lequate points more Pols were given of interconnect after Trai intervention to Reliance Jio **WHAT TELCOS SAY** Airtel says hasn't Also orders probe COAI savs received any commuof COAI provided adequate Pols

tor, people familiar with the matter told ET. Besides the three companies and Aircel and Telenor, which use the GSM technology, Jio too is a COAI member.

CCI was examining a complaint filed by the Mukesh Ambani-owned Jio last November.

disappointed if

has been passed

Denial of mobile

number portability

done to obstruct Jio's entry

technical development norms

Says it alone can adjudicate

cartelisation regulation, not Trai

| Savs it and telcos

will be vindicated;

Incumbents limited VoLTE

technology, thus violating

Pols A Major Point of Contention ►> 4

demonetisation. New applica-

tions for home loans, however,

ry which saw 21% growth over

January; and March saw 44%

He added that the market

has not just bounced back to

normal, but it is the best time

to buy property due to lower

property prices in some cities

and government incentives.

interest rates, declining

 $started\,growing\,from\,Janua-$

December, February had

reported 16% growth over

growth over February.

India First: The New Mantra for Govt Purchases

Reworked General Financial Rules open up all of \$600-b mkt for local manufacturers

> Anubhuti.Vishnoi @timesgroup.com

New Delhi: It's India First for

the government and it means potentially a \$600 billion-plus 'market' for Indian manufacturing and services companies. The Centre's recast of its General Financial Rules (GFR) which guide public finance in cluding government procurement, have created an enabling provision that gives first preference for "locally manufactured goods or locally produced

The reworked GFR was announced on March 7, 2017.

services"

Government procurement in India is around 30% of GDP, which currently is around \$2.1 trillion. That means \$600 billion-plus worth of goods and services bought by government departments will now be guided by the amended Rule 153 of

Desi Products Get A Fillip Rule 153 of GFR offers sops

for local purchases: Government depts to give preference to indigenous goods and local services All khadi goods to be exclusively

purchased from Khadi and Village Industries Commission All central govt hospitals to

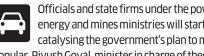
Medical devices may also be procured from Indian companies



and other Purchase/Price Pre ference Policy' - reads: "The Central Government may, by notification, provide for mandatory procurement of any goods or services from any category of bidders, or provide for preference to bidders on the grounds of promotion of locally manufactured goods or locally provided services"

The rule — 'Reserved Items Procurement Guidelines Soon → 10

Goyal Leads Govt E-Car Drive



Officials and state firms under the power, coal, renewable

energy and mines ministries will start using electric cars, catalysing the government's plan to make these vehicles popular, Piyush Goyal, minister in charge of these sectors, said. ▶ 15

PURE POLITICS

Anniversary to Showcase Note Ban Success



government will showcase demonetisation as a step that helped uproot corruption, black money and

terrorism in the run-up to its third anniversary celebrations. It is also planning an offensive in an attempt to tackle the Opposition with statistics on its achievements. ▶> 2

Modi's Lanka Visit to Boost Relations



ombo on a two-day visit aimed at reinforcing the traditional connect between India and Sri Lanka at a time when China seeks to make inroads into the island nation. Modi later visited the oldest Buddhist tem-

Govt Plans Cruise Ships for Haj Travel

ple in Lanka. >> 2



cruise trips for pilgrims from 2018 onwards. The "world-class" ships would ferry worshippers between Mumbai and Jeddah, with about 5,000 pilgrims in every trip, minority affairs minister MA Naqvi said. ▶≥ 2

from top eight cities shows **UNIT SALES OF RESIDENTIAL PROPERTIES** ■City ■Q4 FY17 ■QoQ % Change ■YOY % Change

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Mumhai: Homebuyers may

have felt the pinch of demo-

that did not deter them from

buying their dream home.

anecdotal data may have

suggested buyers holding

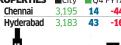
the first quarter, but data

back on home purchases in

Conventional wisdom and

netisation aftereffects in January-March this year but





across the country's top

January-March over the

from Liases Foras Real

estate data agency show.

Kolkata, Hyderabad and

with growth rates of 47%,

43% and 30%, respectively

compared with 50,788 units

in October-December quar-

across these eight cities

About 61.214 units were sold

Ahmedabad led the revival

eight cities increased 21% in

previous quarter, numbers

Estate Rating & Research, a

well-known housing and real













Home Sales Tower as Modi Takes Interest

NO DeMo EFFECT Sales in top 8 cities up 21% in Jan-March on cheaper home loans, push to affordable housing

ter. But year-on-year growth

was still 5% lower, dragged

The Delhi-National Capital

down by weak markets in

Chennai and Bengaluru.

Region (NCR) contributed

units followed by Mumbai

Metropolitan Region with

and Mumbai grew by 24.5%

during the quarter. Bengalu

ru and Chennai bucked the

trend among big cities with

housing unit sales falling

35% and 44, respectively.

14,505 units. Sales in NCR

and 23.6%, respectively,

the most with sales of 14,983







"The impact of demonetisa-

tion was transitory as it did

result in subdued disburse-

ment growth, particularly in

the third quarter and part of

financial year under review.

But by the end of the financi-

the fourth quarter of the

al year, the individual dis-

bursement growth trajec-

tory began normalising,'

HDFC, the largest non-bank

Mistry says in November

slowed immediately after

and December property sales

said Keki Mistry, CEO,

mortgage lender.





New Launches ►► 10