

THE MARKETS ON FRIDAY			Chg.#
Sensex	36,386.6		▲ 12.5
Nifty	10,907.0		▲ 1.8
Nifty futures*	10,927.2		▲ 20.2
Dollar	₹71.2		₹71.0**
Euro	₹81.2		₹81.0**
Brent crude (\$/bbl)**	62.1		60.5**
Gold (10 gm)***	₹32,275.0		₹125.0

\*[Jan.] Premium on Nifty Spot; \*\*Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBSA

FINMIN TO TALK NPAs IN REVIEW MEET WITH PSBs

The finance ministry's review meeting with the chief executives of public sector banks (PSBs), ahead of the Interim Budget 2019-20, will focus on ways to reduce non-performing assets (NPAs) and boost their recovery, especially by auctioning borrowers' properties. "The meeting will be focused on NPAs. We will discuss the steps being taken by banks to reduce and recover bad loans," a finance ministry official said. Financial Services Secretary Rajiv Kumar is set to chair the meeting, slated to be held on January 28. **SOMESH JHA** reports

ECONOMY & PUBLIC AFFAIRS P7

SBI in talks with hedge funds to sell Essar loan

State Bank of India (SBI) is in talks with a clutch of hedge funds and private equity players to sell its ₹15,431-crore loan to Essar Steel. Sources close to the development said ahead of the auction, informal talks were being held between SBI and overseas funds, including Hong Kong-based loan and bond trading firm SC Lowy. **NAMRATA ACHARYA & ISHITA AYAN DUTT** write

MARKETS P6

'We have the highest tally of exits in India'

**PRASHANT PURKER**, MD and CEO, ICIQ Venture, who took over the reins of the firm more than three years ago, unravels his game plan for the first time in an interview to **SURAJEET DAS GUPTA**

BS SPECIALS ON SATURDAY

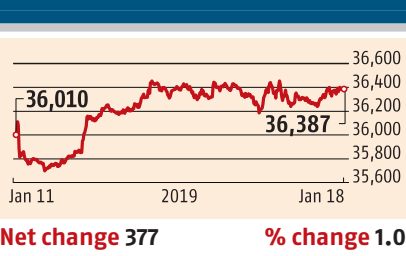
WEEKEND RUMINATIONS: East-South divergence

Globally, we are living through the Great Convergence, when many of the poorer nations have been growing their incomes faster than the wealthier ones, thereby closing some of the gap between the two groups. **TN NINAN** writes

NATIONAL INTEREST: A Shivji ki baraat without a groom

India is mushrooming with Deve Gowda wannabes because being a former prime minister is better than being a former chief minister, writes **SHEKHAR GUPTA**

SENSEX THIS WEEK



TO OUR READERS

The one-page commercial feature on Vibrant Gujarat 2019, being carried as a part of the edition, is equivalent to a paid-for advertisement. No *Business Standard* journalist was involved in producing it. Readers are advised to treat it as an advertisement.

SoftBank's new retail bet makes a unicorn, almost

**PATANJALI PAHWIA**  
Mumbai, 18 January

Japanese conglomerate SoftBank's \$400-million investment in exchange for equity in FirstCry has pushed up the valuation of omni channel baby products company to \$800 million, bringing it quite close to the unicorn mark from just about \$350 million earlier. As the unicorn tag (valuation of \$1 billion or above) is a top aspiration of any niche internet company, the latest funding round has got the industry excited.

There are two stories at play here: SoftBank and FirstCry. SoftBank has been in the market for a new retail bet. Sources close to Flipkart indicate that SoftBank's exit from Flipkart, even though profitable for the Japanese company, was considered premature. SoftBank has been talking to several online retailers in the country with a view to invest in them for a while. But not many discussions have borne fruit. There were reports

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WEEKEND SEPARATE SECTION

HOW JAIPUR TRANSFORMED INTO INDIA'S 'IT' CITY

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BACK PAGE P16

DELHI POLLUTION REMINDS ME OF BEIJING: TOYOTA INDIA MD

Sun Pharma moves Sebi as stock dips

Pharma major wants probe into source of fresh whistle-blower allegations

**SOHINI DAS & JASH KRIPLANI**  
Mumbai, 18 January

The shares of Sun Pharmaceutical Industries plunged 8.52 per cent to a six-year low on Friday, wiping out ₹8,735 crore from its market valuation amid reports of a new whistle-blower complaint against the country's largest drugmaker.

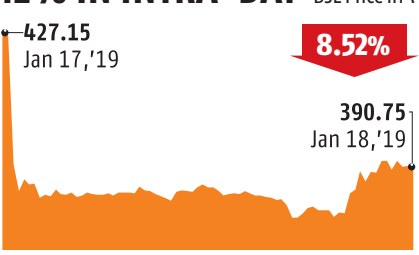
The stock, which dived more than 12 per cent in intra-day trade under massive selling pressure, ended the day at ₹390.75 on the BSE, with the firm's market capitalisation settling at ₹93,751.44 crore. The stock has corrected 25 per cent since the news of a whistle-blower complaint to the Securities and Exchange Board of India (Sebi) surfaced in November. In the last one year, it has fallen 32 per cent.

Sun Pharma on Friday urged the markets regulator to examine the role of some media houses with regard to the allegations raised by the whistle-blower. The 172-page whistle-blower complaint alleges that between 2014 and 2017, Aditya Medisales (AML) had had over ₹5,800 crore transactions with Suraksha Realty, which is controlled by Sudhir Valia, a senior executive and close relative of Sun Pharma promoter Dilip Shanghvi, according to a *Moneylife* report.

Curiously, the stock didn't react immediately after the article was published on the *Moneylife* website on Tuesday. The scrip was marginally up on Wednesday with gains of 0.3 per cent. On Thursday, it ended with a 5.8 per cent fall. However, on Friday, the fall was much severe, after the publication granted access to institutional investors to view the whistle-blower complaint. According to market sources, quite a few institutional investors saw the copy of the complaint.

Foreign institutional investors (FIIs) have been selling the stock in recent months. The FII stake was down to 14.88 per cent in the December 2018 quarter from 16.78 per cent in the previous quarter. The data from Value Research showed that mutual funds' average exposure to the company, too, had slipped from nearly 2 per cent to 1.6 per cent in the past two months. Turn to Page 6 ▶

SHARES SLUMP OVER 12% IN INTRA-DAY



FALLING OUT OF FAVOUR MFs trim exposures to Sun Pharma despite firm's clarifications

Average exposures (% of net assets)
March
June
August
September
October
November
December

1.99
2.00
1.94
1.61
1.60

**Dilip Shanghvi, promoter, Sun Pharma**



FIIs HAVE ALSO CUT THEIR STAKE IN RECENT QUARTERS

FII stake (%)
March
June
September
December

16.32
16.40
16.78
14.88

Excludes passively-managed index and ETF funds  
Source: Bloomberg  
Chartmaker: Value Research; BSE shareholding pattern

Global bad debt buyers rethink India plans over resolution delays

**ANUP ROY & NIKHAT HETAVKAR**  
Mumbai, 18 January

A number of marquee global stressed asset firms are making a dash for India, but dragging their feet at the finish line.

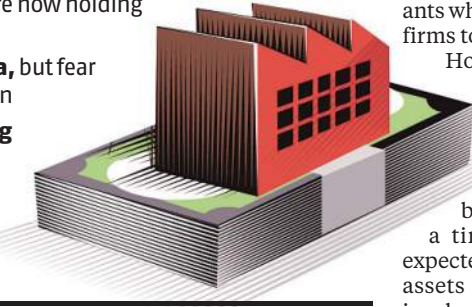
Initially enthusiastic about India's ₹10-trillion stressed assets market, many of these firms have changed their strategy and are looking to put their money into assets that have not yet been declared bad loans, but are at various levels of stress nevertheless.

The reason for their enthusiasm for India was understandable. With the initiation of the Insolvency and Bankruptcy Code (IBC), creditors don't have to wait long to recover their dues. This works in favour of these global firms, who typically seek recovery in a year.

But there are chinks in the armour of the present resolution process, which are making it longer than initially anticipated.

IN DILEMMA

- Foreign stressed assets funds are hesitating to take part in the IBC process
- Initially enthusiastic, they are now holding back their plans
- Many are excited about India, but fear inordinate delays in resolution
- Value maximisation allowing promoters and others to stall the process
- These funds now want to invest in stressed firms not yet declared bad debt



The Supreme Court judgment that says value maximisation should be the central consideration means that banks are not able to dispose of an asset even after getting the right buyers.

Some frivolous buyers are also stalling the entire process by bidding aggressively, only to not walking down to their com-

mitment.

Also, the culture of these firms is alien to the Indian financial system. Distressed assets funds are often called 'vulture funds' and they are known for their ruthless recovery ethics.

Slicing and dicing a company and selling it on a piecemeal basis is their usual practice. This is

something that Indian banks, who could still be holding parts of the assets after resolution, are finding a little uncomfortable, said a few bankers and consultants who are trying to bring these firms to India.

However, Indian banks are seriously capital-starved and the introduction of global stressed assets funds can only increase the buyers' base, so crucially needed at a time when the system is expected to bring more and more assets in the market after the insolvency code.

Foreign banks are, meanwhile, filling into this space and they are introducing certain best practices, which are making the whole process move towards the global standard. So after the legislative part done by the government, the whole ecosystem is building up around the insolvency code.

Turn to Page 6 ▶

PM EYEING TOP 50 RANK IN EASE OF DOING BIZ BY 2020

PAGE 4

Mukesh Ambani to take on Amazon

Reliance Industries chairman bats for data localisation



Prime Minister Narendra Modi walks past Reliance Industries Chairman Mukesh Ambani and Gujarat Deputy Chief Minister Nitin Patel at the Vibrant Gujarat Global Summit 2019 in Gandhinagar on Friday

PHOTO: PTI

**VINAY UMARJI & ROMITA MAJUMDAR**  
Ahmedabad/Mumbai, 18 January

Reliance Industries (RIL) is ready to unleash its e-commerce dark horse to take on the likes of Amazon India and Walmart-owned Flipkart. Chairman and Managing Director Mukesh Ambani on Friday said Reliance Retail and Reliance Jio Infocomm were set to jointly launch their new e-commerce platform in the country.

At the inauguration of the three-day Vibrant Gujarat summit, Ambani said Gujarat was where the company would start operations while apprising Prime Minister Narendra Modi of the global conglomerate's online marketplace plans.

"Jio and Reliance Retail will launch a unique new commerce platform to empower and enrich our 1.2 million small retailers and shopkeepers in Gujarat,

which are part of the over 30-million (retail) community in India," he said.

Ambani added the e-commerce business would empower 1.2 million shopkeepers in Gujarat. It was during RIL's 41st annual general meeting last year that Ambani had given a gist of his e-commerce plans.

According to sources, with as many as 50 brand new warehouses specifically for e-commerce operations, 3 million small merchants hooked to cloud-based services, a new set of small format fashion stores called Trend Express and an inventory-based online marketplace model, Reliance is set to be the biggest player after Amazon India and Flipkart. The firm has 7,500 stores, 350 million customers, 215 million Reliance Jio users, a well-oiled

backend machinery of a telecom network, digital money wallet JioMoney, and a taxation and inventory management solution JioGST. Turn to Page 6 ▶



**RBI CHIEF FOR MORE FLEXIBLE POLICY OBJECTIVES**  
PAGE 16

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backend machinery of a telecom network, digital money wallet JioMoney, and a taxation and inventory management solution JioGST. Turn to Page 6 ▶

Divestment target for FY20 likely to remain at ₹80,000 crore

**ARUP ROYCHOUDHURY**  
New Delhi, 18 January

The disinvestment target for 2019-20 (FY20) is likely to be around ₹80,000 crore, the same as that of 2018-19 (FY19), said sources in the government.

The Department of Investment and Public Asset Management (Dipam) hopes for a successful go at privatising Air India. It also hopes to divest more India Tourism Development Corporation (ITDC) hotel properties, including leasing out of Hotel Ashok in New Delhi.

Officials, however, are confident of meeting this year's disinvestment target.

That apart, the government is counting on a number of initial public offerings (IPOs), and further tranches of its two exchange-traded funds (ETFs). The finance ministry has started work on the merger of three state-owned unlisted insurers — National Insurance, Oriental Insurance, and United India Insurance — and then list the merged entity. This process is expected to be completed in the next fiscal year.

Also, when the interim Budget FY20 is presented, Finance Minister Arun Jaitley could also present a detailed road map on the strategic sale or privatisation of other public sector undertakings (PSUs), an initiative which has faltered.

"The target for next year is unlikely to be more than that of this year. The more you divest in any cycle, the less your potential pipeline for the next," said an official. "The first two issues we want to tackle and complete in FY20 are Air India and Hotel Ashok," the person added.

The much-anticipated sale of Air India, and its subsidiaries, in this fiscal did not attract a single bid. Dipam and the civil aviation ministry want to have another go at it in the next fiscal year.

The government is also looking to find a prospective operator for its marquee hospitality property, Hotel Ashok, by December 2019. Dipam and the Ministry of Tourism are working on a deal that can be placed in front of the Cabinet Committee on Economic Affairs in the next fiscal year.



WHAT'S ON THE CARDS

- Govt to give Air India privatisation another try
- It also plans to lease out Hotel Ashok
- A number of IPOs, OFSs lined up
- Officials promise greater privatisation activity

Turn to Page 6 ▶



IN BRIEF

## CCI clears Amazon-Witzig bid to acquire Aditya Birla Retail

Fair trade regulator CCI on Friday said it has approved a deal wherein Samara Capital-backed Witzig Advisory Services and Amazon will acquire Aditya Birla Retail Ltd, which operates supermarket store chain 'More'. According to the Competition Commission of India (CCI), the deal involves acquisition of 99.99 per cent of the equity share capital of Aditya Birla Retail by Witzig and 49 per cent stake buy in Witzig by Amazon's subsidiary Amazon NV Investment Holdings LLC. This also marks the US-based e-commerce major Amazon's second investment in the Indian brick and mortar format after it had picked up stake in the K Raheja group's retail arm Shopper Stop. Witzig is a wholly owned subsidiary of Samara Alternative Investment Fund which is registered with the Securities and Exchange Board of India (Sebi) as category II Alternative fund. The CCI "approves acquisition of 99.99 per cent of the equity share capital of Aditya Birla Retail limited (ABRL) by Witzig Advisory Services Private Limited", the regulator said in a tweet.

### BHEL, Libcoin to build lithium-ion battery plant in India: Govt

State-run BHEL and Libcoin are in talks to form a consortium to initially build a 1GWh lithium-ion battery plant in India, the government said on Friday. The plant's capacity will be scaled up to 30GWh in due course. "BHEL will be sending a team of senior officers for study of the facilities, R&D infrastructure and other techno-commercial issues soon. Based upon the evaluation and recommendations of the team, further process towards formation of joint venture will be carried forward," the heavy industries and public enterprises ministry said.

### BMW Motorrad launches two bike models in India

BMW Motorrad, the premium motorcycle arm of German luxury car maker BMW Group, on Friday said India-made G 310 R and G 310 GS models are among the top-five best-selling bike models by the company last year. The firm, which introduced two new models BMW R1250 GS and BMW R1250 GS Adventure in India, said it sold 24,363 units of India-made G 310 R and G 310 GS models across the globe by the end of 2018 since starting their production in the country in 2017.

### TN clears investment proposals worth ₹65,000 crore

The Tamil Nadu Cabinet has cleared investment proposals worth ₹65,000 crore, which are expected to be signed at the upcoming Global Investors Meeting (GIM) in Chennai next week. The proposals include Hyundai's ₹7,000-crore investment plan and Indian Oil Corporation's (IOC's) subsidiary Chennai Petroleum Corporation (CPLC)'s ₹27,450-crore project. In the three-hour-long meeting on Friday, 10-11 investment proposals were cleared for ₹15,000 crore MoUs.

### GoAir to start Kannur-Muscat flights from Feb 28

Budget carrier GoAir will begin operations to Muscat, its third international destination, from the recently commissioned Kannur international airport in northern Kerala, from February 28. The Wadia group-run airline, which commenced international operations last October, will fly non-stop to the Omani capital thrice a week from Kannur, the airline said in a statement on Friday. The airline is the second domestic carrier after Air India Express to have international flights from the newly-launched airport.

# Global chains push mid-market hotels

Accor, Marriott and Hyatt are the contenders

PAVAN LALL  
Mumbai, 18 January

Negotiations for signing a partner near the airport at Port Blair took almost four years for Anshu Sarin, chief executive officer of the Keys Hotels, a mid-market hotel brand owned by Berggruen Hotels. "The folks who owned the real estate took a lot of convincing about how the destination would shape up and why a mid-market brand made sense," she says but she was convinced that with rates that fluctuated between ₹4,000 and ₹6,000 a night, the Keys AquaGreen offered unique value, given its proximity to the clear ocean, glistening beaches, and exotic marine life.

The owners finally got on board in September last year, and occupancies as well as rates performed to expectations. Berggruen is one of several international players pushing into the mid-market space outside of metro locations. In fact, of the top 20 hotel brands by inventory in India as of late last year, at least 25 per cent are playing exclusively mid-market only with another 20 per cent fea-

turing mid-market comprising a significant part of their offering. Heavyweight Indian players such as the ITC Hotels, Oberoi Hotels & Resorts and Taj Hotels lean more towards luxury and deluxe offerings with few or no brands that are mid-market. Oberoi Hotels, for example, only does luxury.

"Demand in India has been outstripping supply," says Jean-Michel Casse, chief operating officer of AccorHotels India and South Asia. "That is one reason why prices are climbing. At our stabilised portfolio, 85 per cent of our RevPAR (revenue per available room) growth has come from average rate increases because when you can't increase occupancy, rates have to go up."

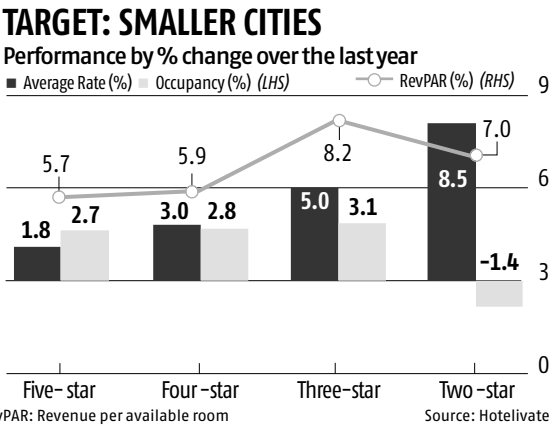
RevPAR is the industry metric that calculates revenue by dividing average daily rates by occupancy rates.

Last year, AccorHotels opened properties in the mid-market and economy segments to include the Novotel Kochi Infopark, the Novotel Goa Dona Sylvia, Mercure Chennai Sriperumbudur and the Novotel Vijaywada Varun. Accor isn't alone. Neeraj Govil, area vice-president of



South Asia-Marriott International, says they launched 17 select service hotels in India in the last financial year with locations that included Surat, Indore, Kochi, Madurai, and Coimbatore.

Govil says 20 per cent of their revenue comes from that segment and "the year ahead will see us open at least 10 more locations which will include Siliguri, Nasik, and Ahmedabad". So what is driving the growth of mid-market hotels? Casse says the midscale segment demand will continue to burgeon with multiple initiatives implemented by the



government. "Increased connectivity to smaller towns and cities with the UDAN (Ude Desh Ka Aam Nagrik) scheme as well as the addition of international and domestic flight routes to various cities, friendly e-visa schemes and the continued growth of business and religious travel."

Dhruva Rathore, vice-president - Development, India, Hyatt Hotels & Resorts, says the focus on Tier II cities in the country will continue in 2019 with their Hyatt Regency Dharamshala Resort, Hyatt Regency Kochi Malayattoor, and Hyatt Regency Jaipur Mansarovar. "While we

expanded our existing brands in these markets, we also launched our seventh brand to enter India, in Bengaluru — the Hyatt Centric MG Road Bangalore opened in May." Has the change in the number of lower-starred hotels changed offers for customers? Apparently there's a renewed focus on F&B and additional facilities. "It used to be transactional in the past with your tariff getting you a good night's sleep, hot shower and a decent breakfast in exchange but that's evolving," says Sarin.

More on business-standard.com

## EARNINGS DELIGHT

# Wipro Q3 net rises 32%, okays 1:3 bonus shares

DEBASIS MOHAPATRA  
Bengaluru, 18 January

A string of actions taken by Wipro in the last few quarters, including divestment of the data centre business and hiving off the India unit, seem to be paying rich dividends.

This has led to the company recording healthy growth in revenues and profitability in the third quarter of the ongoing fiscal year. The Bengaluru-headquartered company, however, sounds guarded with regard to its growth outlook as reflected in a seemingly conservative revenue guidance for the March quarter.

Also, the Wipro board approved an issue of bonus shares wherein shareholders will get one bonus share for every three shares held by them.

For the quarter ended December 31, 2018, Wipro reported a better-than-expected consolidated net profit of ₹2,544 crore, an increase of 31.8 per cent over the same period of the previous fiscal year while sequentially it saw a jump of 36 per cent.

The flagship IT services business, which accounted for almost 97 per cent of its overall revenues, saw a net profit of ₹2,510 crore, a year on year (YoY) growth of 29.6 per cent.

On a consolidated basis, the company's gross revenues of ₹15,060 crore grew 10.2 per cent on YoY basis and 3.6 per cent sequentially.

A Bloomberg estimate based on consensus analysts' poll had projected Wipro's net income and revenues at ₹2,313 crore and ₹15,167 crore, respectively.

Revenues from the IT services business stood at ₹14,666 crore, an increase of 13 per cent over the same period of the previous fiscal year, while it grew 3.5 per cent sequentially.

In dollar terms, IT services rev-

## REPORT CARD

	Infosys	TCS	Wipro
Revenue (₹ crore)	21,400	37,338.00	15,060
YoY change (%)	20.3	20.8	10.2
QoQ change (%)	3.8	2.43	3.6
Net profit (₹ crore)	3,610	8,105	2,544
YoY change (%)	-29.6	24.1	31.8
QoQ change (%)	-12.2	2.58	36.0
Operating margin (%)	22.6	25.6	19.8
QoQ change (basis points)	-110	-90	480

Source: Companies

enue stood at \$2.046 billion, an increase of 7 per cent YoY and 2.4 per cent sequentially in constant currency basis.

Meanwhile, industry leader Tata Consultancy Services (TCS) last week reported a revenue growth of 1.8 per cent in sequential terms (on a constant currency basis). For Infosys, it was at 2.7 per cent.

"We saw a strong performance in the third quarter where our revenues and operating margins have shown robust growth backed by our solid execution capabilities," said Abidali Z. Neemuchwala, chief executive officer and executive director at Wipro.

Growth of the company in Q3 was well supported by accruals from the Alight HR Solutions contract as a part of which it had acquired the US-based company's India unit that shut in August last year.

In Q3, the company saw a 480 basis points improvement in its operating margins to 19.8 per cent on a quarter on quarter (QoQ) basis. Carving out Indian business as a separate unit in the last quarter also helped the company improve profitability in the October-December period.

"While factors like separation of Indian business improved off-shore mix and operational efficiency contributed around half of the increased margin, the rest came from cross-currency gains," said Jatin Dalal, chief financial officer at Wipro. "We are going to invest part of the benefit accrued from this margin for expansion into newer technology areas and in our people," he added.

However, despite posting better-than-expected numbers, the company gave a subdued revenue guidance for the fourth quarter, largely owing to macroeconomic factors. The company said it was expecting its Q4FY19 revenues to be in the range of \$2.047 billion-\$2.088 billion, a rise of 0-2 per cent on sequential basis.

"While margin performance surprised positively, the growth in net profit was largely led by lower tax and higher margins," said Sanjeev Hota, AVP Research at Sharekhan. He said the guidance for Q4 was softer than expectations owing to weak HPS revenues (the company they had acquired in 2016) and macro concerns.

In the December quarter, while banking, financial services and insurance vertical grew 5.3 per cent in sequential terms, energy, natural resources & utilities saw a 3.6 per cent growth. Manufacturing and technology segments, however, saw a decline in growth because of seasonality.



## QUARTERLY RESULTS

**The flagship IT services biz, which accounted for almost 97% of its overall revenues, saw a net profit of ₹2,510 crore, a YoY growth of 29.6%. On a consolidated basis, the company's gross revenues of ₹15,060 crore grew 10.2 per cent on YoY basis and 3.6 per cent sequentially**

## EARNINGS CORNER

### L&T Info beats Street, Q3 profit surges 33% YoY

Mumbai-based Larsen & Toubro (L&T) Infotech beat Street estimates in Q3, reporting a revenue of ₹72,473 crore, which is a sequential growth of 31.3 per cent. Even profit after taxes, which was expected to be impacted by almost 10-12 per cent due to translation losses, was above Street estimates. L&T Infotech reported a net income at ₹375.5 crore, up 32.8 per cent over Q3 last fiscal. "We are pleased to deliver another strong quarter with 5.6 per cent QoQ growth in US dollar revenues.

### ICICI Lombard sees 26% rise in gross domestic premium

Leading private non-life insurer ICICI Lombard General Insurance has registered 25.9 per cent growth in gross domestic premium in the third quarter of FY19 from ₹2,937 crore to ₹3,699 crore. During the first nine months of FY19, the company registered a growth of 16.7 per cent in gross premium from ₹9,431 crore to ₹11,003 crore.

### SBI Life posts profit of ₹870 cr in 9 months of FY19, up 13%

Private life insurer SBI Life Insurance has reported a profit after tax of ₹870 crore in the first nine months of FY19, up 13 per cent in the same period of FY18. The new business saw a 32 per cent rise from ₹7,200 crore to ₹9,470 crore in nine months of this financial year. The gross written premium of the firm was ₹21,660 crore, up 34.5 per cent from ₹16,060 crore.

### NIIT Tech Q3 net profit up 32.6 per cent

NIIT Technologies on Friday posted a 32.6 per cent year-on-year rise in consolidated net profit to ₹100.2 crore for the December 2018 quarter and said the demand continues to be robust in large markets like the US and Europe. The net profit stood at ₹75.6 crore in the corresponding period of previous year.

# Truck rentals decline amid overcapacity and drop in factory output

SHALLY SETH MOHILE  
Mumbai, 18 January

Transporters are bracing for a long winter amid a drop in cargo and weak demand.

Despite recent increases in diesel prices, transporters have not been able to pass on the hike, and truck rentals on key trunk routes are down 1.5-2 per cent owing to drop in cargo from the factory gates and oversupply of trucks.

Cumulatively for November, December and the 15 days of January, rentals are down by 25-30 per cent, according to S P Singh, senior fellow at the Indian Foundation of Transport Research and Training (IFTRT). "The drop in truck rentals outpaced diesel price cuts during November and December 2018 by 10-12 per cent (5-6 per cent in each month), leading to a steep fall in fleet utilisation," said Singh.



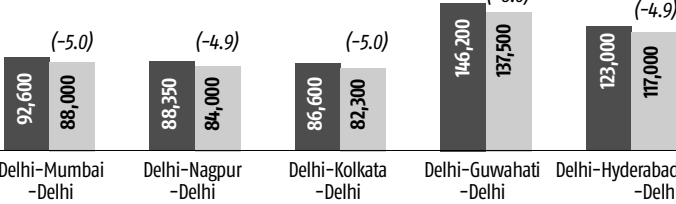
After a dip in the last week of December, fuel prices have been rising since January 7, the latest being the 12 paise increase by the state-run fuel retailers on Wednesday. Sales of medium and heavy commercial vehicles (MHCVs) dropped 21 per cent to 31,299 units over the same period a year ago, according to the Society of Indian Automobile Manufacturers.

"We don't see this trend breaking till September. Things are worsening every week. People are unable to meet their cash flows," said Singh. Others agreed. "Till six months ago, our trucks wouldn't wait for the return load, but that has changed now. The average business done by our trucks has gone down 15 per cent. This has effectively wiped out our margin,"

## RENTAL MOVEMENT

Full truck load (28.2 ton g.v.w.)

■ Dec 02, 2018 ■ Jan 01, 2019 (₹ per round trip); (% change in bracket)



Source: IFTRT

said Sanjeev Gupta, director at Caravan Roadways, which has a fleet of 300 trucks. Besides a contraction in factory output, Gupta also blames the reduced cargo offering to the changes in the axle load norms.

On July 16, the government increased the official maximum load-carrying capacity of heavy vehicles, including trucks, by 20-25 per cent. This has

proportionately reduced the number of vehicles required, said Gupta. The changes have created a spare capacity in the market, he added, pointing out that it will take at least a year to absorb the excess capacity.

But truck makers remain optimistic. "We are still expecting this quarter to be a good one though not as strong as the March quarter of last year,"

said Vinod Aggarwal, managing director and chief executive, Volvo Eicher Commercial Vehicle. The company will go ahead with its expansion plans, he added.

A contraction in manufacturing output, especially capital and consumer goods, pulled down industrial growth to a 17-month low of 0.5 per cent in November. This comes just a month after growth had scaled an 11-month high of 8.4 per cent in October. Economists attributed the subdued numbers to post-festive dullness in activities and a high base effect. The index of industrial production (IIP) had grown 8.5 per cent in November 2017. The manufacturing segment, which constitutes the bulk of the index of industrial production (IIP) at 77.6 per cent, contracted by 0.4 per cent in November against 8.24 per cent

rise in October.

Hetal Gandhi, director at CRISIL, attributes the slowing truck sales to multiple factors. Diesel accounts for 50-55 per cent of the operating costs of a transporter operating a medium commercial vehicle (9-tonne payload truck). There is a drop of 12 per cent in the diesel prices from September 2018 to December 2018. The ideal drop in the freight rates should have been 6.5 per cent, but it has been 80 to 100 basis points higher, said Gandhi.

The reason is the axle norms, which allow a truck to carry a higher load. This has resulted in a lower capacity utilisation for operators. "On the other hand, if we look at MHCV sales, the first half grew by 54 per cent on a base of 2 per cent growth. The base is strong and hence we expect Q3 to close with a decline of 8 per cent and Q4 to show muted growth," said Gandhi.



# DLF sees buoyancy in ready-made homes

Country's largest real estate player sold ₹2,400 crore worth of houses in 2018

KARAN CHOUDHURY  
New Delhi, 18 January

On the back of a reworked business strategy and demand uptick for ready-to-move-in properties, the country's largest real estate firm, DLF Limited, registered sales of over ₹2,400 crore for residential inventory properties in 2018, according to sources in the industry. Sources said the firm has seen a rise in demand of residential properties over the past one year after it decided to sell only ready-to-move-in properties. Last year, DLF said that it would sell apartments only when it gets occupancy certificate after completing the project as part of its new business model to remove any uncertainty regarding costs and delivery timelines.

The company has ₹15,000 crore worth of residential inventory, which it plans to sell off over the next few years. Some of the reasons behind the recent rise in demand for DLF properties are the fact that the company is giving the flats at a discounted price and offering upgrades to those who had earlier bought smaller units. "When a developer is selling under construction property, giving discounts is difficult as the prices are based on a construction-linked plan. But when a company sells ready-to-move-in properties, those costs have already been taken care of and a discount can be given on the final price," said an industry observer. Rajeev Talwar, CEO of DLF, said that the requests from customers for upgrading their units are up. "Customers who had



## GETTING TALLER

- Present in 24 cities across 15 states across in India
- Home business caters to three segments of the residential market – super luxury, luxury and premium
- Retail portfolio – DLF Emporio, Premium malls, DLF Promenade (Vasant Kunj, Delhi), DLF Place (Saket, Delhi), DLF City Centre (Chandigarh) and DLF Cyber Hub (Gurugram)

purchased smaller units during the launch of Camellias are now opting for larger areas within the project. Today, we are in a posi-

tion where a customer can visit any of our sites and select an apartment. We will be able to hand over the keys to the home within six to eight weeks," he said. The company witnessed a nearly 30-fold jump in net profit to ₹373.21 crore at the September quarter from a year earlier. Its profits came on a 31.60 per cent rise in revenue to ₹2,304.90 crore during the period. DLF, in an investor presentation after the September quarter, said it sees good opportunity for itself from the current liquidity crisis in the NBFC sector, which it expects would lead to lower supply. "DLF is well positioned to grab this opportunity as it has completed units for offer in the market," the company said in its investor presentation.

According to recent research reports by Anarock, there is a growing trend for completed inventory or close-to-completion properties. The report cited that despite the NBFC hiccup in 2018, housing sales were up by 18 per cent and new launches up 33 per cent across seven cities. NCR added approximately 26,010 units in 2018, an increase of 17 per cent over the previous year. Of this, 47 per cent of the new supply catered to the affordable segment. The issues of stalled projects and liquidity crisis were key deterrents. NCR-based developers are facing consumers' ire over undelivered projects of 3C, Parsavnath, Jaypee, Unitech and Amrapali. Customers of these companies have also initiated insolvency proceedings in the NCLT with the hope of recovering their investment.

# The Park Hotels aims at 4,000 rooms by 2024

Apeejay Surrendra Park Hotels, part of the Kolkata-based Apeejay Surendra group, is aiming to double the number of rooms to 4,000 by 2024, a top official said on Friday. The group currently manages 1,750 rooms across properties under two brands -- 'The Park' and 'Zone by The Park'. "We will have 2,000 rooms by this fiscal (FY19) after opening hotels in Mumbai, Jaipur and Jammu. We already inaugurated the first 'Zone by The Park' at the Biswa Bangla Convention Centre in New Town. We will add 500 rooms every year for the next 4 years," Apeejay Surrendra Park Hotels Managing

Director Vijay Dewan told *PTI*. The Park continues to remain its primary brand targeted at the luxury segment and managing around 1,200 rooms. There are over 500 rooms across 8 properties under the 'Zone by The Park' brand as of now. Apeejay Surrendra Park Hotels presently operates 'Zone by The Park' in Coimbatore, Chennai ORR, Jaipur, Raipur, Jodhpur, Bengaluru (2 properties) and Kolkata. Dewan said the group will expand across tier-II and tier-III towns for 'Zone by The Park' but only under the asset light model. **PTI**

## Pandemics may cause \$570-bn loss to global economy: Report

Global businesses face huge risks from a new era of epidemics and pandemics that may cause an average annual economic loss of \$570 billion to the global GDP, posing a threat similar to that from climate change, says a report. In the report on 'Outbreak Readiness and Business Impact', Geneva-based World Economic Forum (WEF) Friday said the number and kind of infectious disease outbreaks have increased significantly over the past 30 years. Since 2011, the world has seen nearly 200 epidemic events per year, it noted. **PTI**

## Softbank, The Carlyle Group seek CCI nod to invest in Delhivery

SoftBank Vision Fund and existing investor The Carlyle Group have sought the approval of the Competition Commission of India (CCI) to invest in logistics firm Delhivery. According to company filings sourced from Paper. VC, a private firm signals provider, SoftBank is seeking to acquire 37.87 per cent in Gurugram-based Delhivery. The transaction is proposed in parts and will be carried out through SVF DoorBell, a Cayman island registered investment vehicle of the Softbank Vision Fund. The proposed investment by SoftBank Vision Fund has doing rounds for some time. According to one report, the Japanese investment major may put as much as \$450 million, in a deal that may value the eight-year old firm over \$1 billion. **YUVRAJ MALIK**

# Phased manufacturing plan for indigenous batteries soon

SHREYA JAI  
New Delhi, 18 January

The Centre is looking to extend its phased manufacturing programme (PMP) for promoting indigenous battery manufacturing in the country for supporting electric mobility. PMP was initiated by the Ministry of Electronics and Information Technology for electronics and provided financial incentives, several duty exemptions, and countervailing duty on imports to boost domestic production. At a recent meeting of the committee of secretaries on electric mobility, it was also proposed to provide financial assistance to the domestic battery sector. The committee recommended to the Department of Revenue that the goods and services tax (GST)/basic Customs duty on the raw materials imported for manufacturing components of electric vehicles (EVs) in India be



reduced. It has also been asked to calibrate GST rates on EVs and their components at global rates. It is also proposed to provide accelerated depreciation to the EV sector. The PMP and setting up gigafactories for battery production would be finalised by the NITI Aayog in consultation with the ministries of power; new and renewable energy; heavy industries; and electronics and IT. PMP will aim at 1.8 GWh of battery production in the first phase. *Business Standard* has

reviewed the minutes of the meeting held in December last year. In the PMP for lithium-ion (Li-ion) batteries, it is proposed by the committee to promote indigenous battery production. Close to 79 per cent of the raw material required for manufacturing Li-on batteries is available in India. The Aayog proposed that "recycling of batteries can recover up to 80 per cent of its elements and hence, it should be promoted through a holistic policy on recycling."

# Jindals seek to capture long steel demand in domestic markets

Firm focusing on railways, defence, and petroleum to boost volumes

ADITI DIVEKAR  
Mumbai, 18 January

As suitable product mix at its Angul facility in Odisha continues to ramp up, Naveen Jindal-led Jindal Steel & Power (JSPL) could be looking to capture the growing demand from the domestic infrastructure segment.

According to a recent Icara report, the country's domestic steel consumption is expected to grow 7 per cent in the current financial year, and the trend is likely to continue in 2019-20, largely driven by the government's renewed focus on the infrastructure sector. "For JSPL, the upside potential is the highest, not just because we are upping production, but also because of our product mix. This mix is suitable for a nation that is on the verge of building its infrastructure," Joint Managing Director Naushad Akhter Ansari told *Business Standard*. Long steel products find wide application in the infrastructure sector. Rails, plates, and rounds are the three products the company aims to focus on. These products would find demand in the railways,



## IN NUMBERS

	(Million tonnes)		(₹ Cr)	
	Steel production	Steel sales	PBIT	PBIT /Tonne
FY17	4.8	4.7	1,039.5	2,230.6
FY18	5.7	5.4	3,133.2	5,759.5
H1FY19	3.3	3.4	2,564.3	7,631.8

Source: Investors presentation/Capitaline

Compiled by BS Research Bureau

defence, petroleum, and water pipes segments. With large integrated producers such as Tata Steel and JSW Steel focusing on high-margin flat products (used in auto sector), JSPL stands a strong chance to cash in on the upcoming demand from the infrastructure segment. Flat steel products are used mainly in the automobile sector. State-owned Steel Authority of India is another large player in the long steel product business. "We should finish ramping up 75-80 per cent of the 6-million tonne (mt) facility this year and the remaining next year," said Ansari. Meanwhile, analysts have warned about shrinking steel

spreads affecting the domestic sector's profitability. In the past three months, the spread has shrunk 40-45 per cent. "Steel prices have come down in the past few months, but its raw material prices haven't dropped proportionately. This is one area firms need to continuously watch, especially those with high debt," said Giriraj Daga, portfolio manager at Visaria Securities. JSPL's recent capital expenditure at the Angul facility has led to the burdening of the balance sheet, with debt at around ₹42,000 crore as on March 31, 2018. This is one of the reasons the company has refrained from participating in bidding for any of the assets

that were on offer under the insolvency process. While the company's steel earnings before interest, tax, depreciation and amortisation (Ebitda) has been growing over three years, maintaining it at the current levels is the key, said brokerages (*See chart*). "The company would need an Ebitda of about ₹4,600 crore annually to service the interest on debt alone. The important bit is to keep the Ebitda sustainable," said Daga. JSPL's total steel capacity is 10.6 mt, which includes 2.4 mt of Oman capacity. The company also has a power business of combined capacity of 5,034 megawatt.





# PM eyeing top 50 rank in ease of doing biz by 2020

PRESS TRUST OF INDIA  
Gandhinagar, 18 January

Prime Minister Narendra Modi on Friday said India is aiming at being in the list of top 50 countries next year in the “ease of doing business” category.

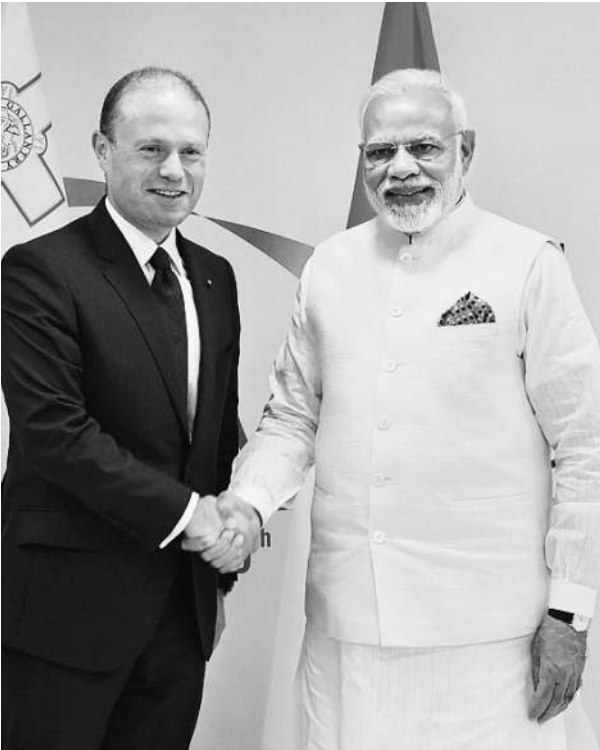
The country’s ranking has jumped 75 places in the World Bank’s ease of doing business rankings, Modi said. India is now ranked 77th in the list.

“I have asked my team to work harder so that India is in the ‘Top 50’ list in ease of doing business next year. I want our regulations and processes to compare with the best in the world. We have also made doing business cheaper,” Modi said in his inaugural address at the 9th edition of the Vibrant Gujarat Global Summit here.

Modi said his government is focused on removing the barriers, which were preventing the country from achieving its potential, and will continue with the pace of reforms and deregulation.

Implementation of Goods and Services Tax and measures of simplification and consolidation of taxes have reduced transaction costs and made processes efficient, he said.

Digital processes, online transactions and single-point interfaces have also helped in



Prime Minister Narendra Modi with his Maltese counterpart Joseph Muscat, on the sidelines of Vibrant Gujarat in Gandhinagar on Friday

PHOTO: PTI

doing business faster, he said.

Modi said doing business smarter has also been the focus of his government. IT-based transactions in procurement and purchases by the government and digital payments have been steps in this direction, he added.

Addressing the gathering

in the presence of political and business leaders from different countries, Modi said Indian administration has worked with a focus to reduce government and enhance governance, with the mantra of ‘reform, perform, transform and further perform’.

He said the change in

terms of direction and intensity has been quite visible since the last four years after his government came to power.

Modi said his government has taken several drastic steps and deeper structural reforms adding to the strength of India and its economy.

Among these reforms, was removing the barriers that prevented India from achieving full potential, he said.

This has led major global financial institutions like the World Bank and the IMF as well as agencies like Moody’s to express confidence in India’s economic journey, he said. We will continue the pace and process of reforms and deregulation, he said.

Modi said his government’s policies have helped bring in foreign direct investment worth \$263 billion in the last four years, which he said is 45 per cent of the FDI received in the last 18 years.

“Most sectors of our economy are now open for FDI. More than 90 per cent approvals have been put on automatic route. Such measures have propelled our economy to a high growth path, he said.

With an average growth rate at 7.3 per cent per year in the last four years, GDP expansion has been the highest since 1991, Modi said.

# Derailed by Russia’s Crimea invasion, IAF’s AN-32 upgrade resumes



An air force AN-32 transport lands for the first time at Pakyong airfield in Sikkim on Wednesday

AJAI SHUKLA  
New Delhi, 18 January

Demonstrating the versatility of its most rugged and reliable workhorse, an Indian Air Force (IAF) Antonov-32 (AN-32) transport aircraft made a first-ever landing at the challenging 1,650-metre-long Pakyong airfield near Gangtok, in Sikkim, on Wednesday.

With Pakyong now usable by AN-32s, the Army can quickly move soldiers, weapons and supplies to this highly sensitive sector, which includes flashpoints like Doklam, Nathu La and the Siliguri Corridor that connects the eight north-eastern states with the rest of India.

*Business Standard* has learnt there is even better news for the IAF’s ageing fleet of 105 AN-32 transporters, which were bought from the Soviet Union in the 1980s. Their \$400 million upgrade, which was contracted in 2009 with Ukrainian aircraft maker Antonov, is about to resume.

The burden of cash management would first shift to borrowers on the implementation of the new RBI guidelines on the loan system for the delivery of bank credit, the agency said in the report. This will necessitate borrowers to install systems and processes to manage surplus cash and tie-up their working capital loan components (especially rollovers) with banks.

critical equipment needed for the AN-32 upgrade — including navigation and communications equipment, avionics and on-board oxygen generating equipment.

Consequently, the upgrade of the remaining 60 aircraft, which is to be carried out in the IAF’s base repair depot in Kanpur, has remained in limbo. Ukraine, which has a sophisticated defence industry, undertook to develop domestic substitutes for all Russian subsystems in the AN-32. Kiev committed to complete the work at the originally contracted price.

That process has now been completed. The IAF has already received the first batch of upgrade kits from Ukraine and more are on the way. Work in Kanpur will soon begin.

Asked how long it will take to complete the fleet upgrade, Ukrainian sources said it would depend upon how quickly the IAF maintenance personnel pick up the job. IAF sources estimated it would take another three to four years.

The upgrade, which costs about \$4 million per AN-32, involves overhauling its engines, airframe, navigation and communications equipment and avionics. This will increase the aircraft’s service life by at least ten years.

Ironically, the AN-32 grew out of Russia’s friendship with India. After former Soviet leader Leonid Brezhnev requested then Prime Minister Indira Gandhi to buy a new, uprated version of the AN-26, India became the launch customer for the AN-32.

The aircraft, which carries a payload of over 6 tonnes, or up to 50 passengers, is recognisable by its hulking, oversized

Ivchenko turbo-prop engines. It is ideally suited for delivering supplies to the Army by operating from small border airfields like Kargil, Mechuka and Pakyong. After delivering supplies, it ferries out local people from several remote locations.

Ukraine is now pitching to sell India a brand new evolution of the

AN-32, called the AN-132. Antonov, financed by Saudi Arabia, has already flown a prototype of the AN-132. The aircraft is due to fly in the Aero India 2019 show in Bengaluru next month.

Ukrainian officials hope to convince Indian defence ministry officials to choose the AN-132 as a replacement for the IAF’s 56-aircraft fleet of HS 748 Avro aircraft. This ₹15,000 crore “strategic partner” programme involves building the aircraft in India by an Indian private firm with technology provided by a foreign vendor.

# NCLT allows IL&FS former brass to withdraw ₹2l a month

PRESS TRUST OF INDIA  
Mumbai, 18 January

The National Company Law Tribunal (NCLT) has allowed the former directors of the crippled IL&FS Group to withdraw ₹200,000 each per month from one of their bank accounts after intimating the tribunal.

The former IL&FS Group directors, except S Rengarajan, who was the managing director and chief executive of IL&FS Securities Services, had on January 16 approached

NCLT seeking clarification on the Bench’s December 3, 2018 order restraining them from disposing of or creating any third-party rights on their properties till January 16.

In an order dated January 16, the two-member bench of judges V P Singh and Ravikumar Duraisamy said the order of the tribunal was challenged in NCLAT by Rengarajan and the appellate tribunal has allowed the petition to withdraw ₹200,000 a month from any one of the bank accounts after intimating the tribunal, they said. But the NCLAT prohibited Rengarajan from withdrawing any further amount from any bank account until further orders.

“This is to be clarified that when the matter is sub-judice before NCLAT, it is beyond our jurisdiction to modify or clarify our order of December 3, 2018,” they added.

# Consolidation in line with global practice, says Trai chief

MEGHA MANCHANDA  
New Delhi, 18 January

Telecom Regulatory Authority of India chief R S Sharma has reiterated that consolidation in the domestic sector is in line with the international practice.

“My sense is that the sector is going to acquire stability, and looking at the examples around the world, 3+1 is a good number. I don’t see this number going down,” he said on the sidelines of an event here. By 3+1 he meant, Bharti Airtel, Vodafone-Idea, Reliance Jio and state-owned Bharat Sanchar Nigam.

**This time next generation 5G spectrum services would be on offer and Sharma said that it would be the “digital tomorrow of the nation” and unlike the previous spectrums, this one will not focus on high speed or connectivity only**

Sharma’s comments come at a time when the Union government is preparing for the next round of airwave auctions, expected in the latter half of 2019.

This time next generation 5G spectrum services would be on offer and Sharma said that it would be the “digital tomorrow of the nation” and unlike the previous spectrums, this one will not focus on high speed or connectivity only.

“It will be an important and horizontal platform where multiple applications will ride fine, especially the real-time,” he said.

He said he was hopeful about the government’s regulations and policies, and believes that the required investments and infrastructure can be possible by the government’s favourable initiatives.





# PM: REFORM, PERFORM, TRANSFORM FOR NEW INDIA

The mantra of my government has been reform, transform and further perform. In the 4.5 years, the mantra of our government hasn't been government but governance," said the Hon'ble Prime Minister Narendra Modi at the inauguration of the 9th edition of Vibrant Gujarat Summit at Mahatma Mandir in Gandhinagar.

"India is now ready for business as never before. In the last four years, we have jumped 65 places in the Global Ranking of World Bank's Doing Business report. But we are still not satisfied. I have asked my team to work harder so that India is in the top 50 next year," said the Hon'ble Prime Minister. Diplomats and delegates from more than 100 countries were in attendance at the summit that has hogged lime-light.

"I am happy to see the great response to 9th Vibrant Gujarat Global Summit today. The huge gathering reflects the trust you all have in the State and people of Gujarat. I take pride in welcoming the pioneer and architect of Vibrant Gujarat Summit Prime Minister Shri Narendra Modi. It was his vision to place Gujarat on the map of India as the 'preferred destination for doing business'," said Hon'ble Chief Minister of Gujarat Vijay Rupani in his speech, welcoming the guests.

Crediting the Hon'ble Prime Minister Narendra Modi of envisioning great initiatives like 'Make in India', 'Skill India' and 'Stand up India', Rupani said: "You (the Prime Minister) have made India one of the fastest growing economies in the world. Gujarat is totally committed to your vision of building a strong India. You have given us the vision of 'New India', which is also the theme of the Vibrant Gujarat Summit. On behalf of people of Gujarat, I welcome you home."

The chief minister extended a warm welcome to the President of Republic of Uzbekistan. "India and Uzbekistan have a relation dating back to centuries and share a common history of the Silk route. The focus of this Vibrant Gujarat Summit is to build and enhance trade relationships. Partnership of Gujarat and Uzbekistan is critical in this regard. Uzbekistan is India's gateway to Central Asia," he said.

Welcoming the Prime Minister of Denmark, Rupani said: "You are an example of how an extended

**INDIA IS NOW READY FOR BUSINESS AS NEVER BEFORE AND I HAVE ASKED MY TEAM TO WORK HARDER SO THAT INDIA IS IN THE TOP 50 NEXT YEAR: HON'BLE PRIME MINISTER NARENDRA MODI**



Prime Minister Narendra Modi, Gujarat Chief Minister Vijay Rupani, Gujarat Governor O P Kohli and galaxy of world leaders & business barons gracing the inauguration of the 9th edition of Vibrant Gujarat Summit with their presence.

welfare State can be combined with a well-functioning economy. I am looking forward to more partnerships to strengthen our relations."

"I also welcome Prime Minister of Czech Republic on his first visit to Gujarat and look forward to our collaborations in the areas of engineering, science and many other fields.... Please join me in welcoming the Prime Minister, Republic of Malta. Both of us share a common colonial past. I look forward to joining hands in the area of Tourism," the chief minister said, greeting the world leaders.

Chutima Bunyapraphasara, deputy minister of commerce with the Government of Thailand, termed VGGGS a successful model of socioeconomic development that has been followed by other Indian states. Thailand has diaspora of about 50,000 Indians. It also shares common history of Buddhism, Hindu culture and Ramayana.

“At 7.3%, average GDP growth over the entire term of our government, has been the highest for any Indian government since 1991, also the average rate of inflation at 4.6% is lowest for any Indian government since 1991. Horizontally, we have to spread benefits of development to regions and communities that have lagged behind and vertically, we have to meet the enhanced expectations of quality of life and quality of infrastructure.”

— HON'BLE PRIME MINISTER OF INDIA SHRI NARENDRA MODI

“We don't just believe in Ease of Doing Business but also give importance to Feel of Doing Business in Gujarat. We are not a government, we are your catalysts for growth and boardroom of strategic decision. Gujarat is totally committed to PM Narendra Modi's vision of building a strong India. PM Narendra Modi has given us a vision of new India, which is also the theme of VGGGS 2019.”

— HON'BLE GUJARAT CM SHRI VIJAY RUPANI

# The biggies speak

India has jumped as much as 65 places in the World Bank's Ease of Doing Business rankings. What business barons and world leaders believe...

*Gujarat is Reliance's janmabhoomi and karmabhoomi. We believe in India first- and within India, Gujarat first. We have so far invested nearly Rs 3 lakh crores in the state of Gujarat. And created and catalyzed over one million livelihood opportunities in Gujarat. In comparison to the past decades, Reliance will double this investment and employment numbers over ten years*

MUKESH AMBANI, CMD, RELIANCE INDUSTRIES LTD

*Gujarat is the most vibrant picture of a fast changing India. Nothing captures this better than the Statue of Unity, Ultratech Cement, part of the Aditya Birla group, was part of this mammoth nation building effort. Under the leadership of Hon'ble PM Shri Narendra Modi, India will be a manufacturing superpower in the not so distant future.*

KUMAR MANGALAM BIRLA, CHAIRMAN, ADITYA BIRLA GROUP

*India is a key market for our global business, as a fast growing centre of demand for their sophisticated products. Looking at India to support global operations.*

SOREN SKOU, CEO, AP MOLLER MAESRCK

*The Adani Group expansion plan in Gujarat includes largest integrated solar power plant in Kutch at the cost of Rs 30,000 crore.*

GAUTAM ADANI, CHAIRMAN, ADANI GROUP

*It is not a business summit but a platform of brainstorming on global economic and social issues.*

SUDHIR MEHTA, CMD, TORRENT

*In addition to one plant in Gujarat, another will be operational shortly whereas an assembly plant would be set up in 2020, taking the total production capacity in Gujarat to 750,000 units.*

TOSHIHIRO SUZUKI, SUZUKI MOTOR CORP CEO

*The bank has committed US dollars 2 billion in last three years and would continue to support India in various projects.*

JIN LIQUN, PRESIDENT, ASIAN INFRASTRUCTURE INVESTMENT BANK

*We are the 4th largest investor in India, host to more than 200 Indian companies. This week, we signed an LOI with the Central Board of Indirect Taxes & Customs to promote business and investments.*

MENNO SNEL, MINISTER OF FINANCE FORTAXATION & CUSTOMS, THE NETHERLANDS

*Half of the 1.2 mn jobs created per month will be from startups, and India's startup economy will lead the world. There has been a 100% growth in VC investments in growth stage and 250% in late stages.*

JOHN CHAMBERS, USISPF

*India is rising fast. It is now the 10th largest trading partner of USA. Both India and America must hustle, be bold and be visionaries.*

MATTHEW GRISWOLD BEVIN- GOVERNOR OF KENTUCKY, USA & LEADER OF USIBC DELEGATION

*India is a key strategic partner and the 2nd largest shareholder of our institution. About \$2 bn has been committed to infra projects in the last 3 years.*

JIN LIQUN, PRESIDENT- ASIAN INFRASTRUCTURE INVESTMENT BANK

*Gujarat is the land of Mahatma Gandhi and Sardar Patel an also land of his good friend Narendra Modi.*

SHAVKAT MIRZIYOEYEV, PRESIDENT OF UZBEKISTAN

*Malta, like Gujarat, also punches above its weight in economic contributions compared to its geographic size.*

JOSEPH MUSCAT, MALTA PM

*Together we can move mountains and Vibrant Gujarat 2019 is one such example. Danish companies have made Gujarat their base.*

LARS LØKKE RASMUSSEN, PRIME MINISTER OF DENMARK

*Being a highly industrialized country, we understand initiative like Vibrant Gujarat Global Summit 2019. We have interest in increasing presence in India*

ANDREJ BABIŠ, PRIME MINISTER OF CZECH REPUBLIC

*I still remember my visit to Gujarat. India and Israel Innovation Bride is using technology to address world issues.*

BENJAMIN NETANYAHU, PRIME MINISTER OF ISRAEL

*India is and continues to be an important partner of Australia.*

DAVID HURLEY, GOVERNOR GENERAL ELECT, AUSTRALIA

*The US and India have great future ahead. Need of the hour is to seize the opportunity and cut Red Tape.*

MATT BEVIN, GOVERNOR OF KENTUCKY

*Vibrant Gujarat has graduated from an investment promotion event to a forum to forge strong relationships. Through our Investment in Vadinar & growing retail network, we're contributing to Hon. PM's vision for India. Looking to invest \$850Mn in India.*

DIDIER CASIMIRO, ROSNEFT

*With CM Vijay Rupani & PM Modi, I feel commonwealth has a vibrant future like Gujarat.*

LORD JONATHAN MARLAND, CHAIRMAN OF COMMONWEALTH ENTERPRISE & INVESTMENT COUNCIL

# Eyeing 'Make in India', Gujarat offers ground for Defence & Aerospace innovation

With its focused policies for large projects and strong infrastructure, Gujarat is poised to become country's defence manufacturing hub. At a special seminar on the 'Opportunities for Industry in Defence & Aerospace' at the 9th edition of ongoing Vibrant Gujarat Global Summit (VGGGS) 2019, defence experts deliberated on the new avenues for State to attract investment in the defence sector.

According to experts, Gujarat is providing immense opportunities for Start-ups and entrepreneurs to contribute for making India self-sufficient in defence equipment and parts.

Air Marshal R K Dhir, PSVM ASVM VM (Rtd), advisor to Government of Gujarat for Aerospace and Defence Sector chaired a panel discussion on Make in India in Defence & Aerospace sector at Mahatma Mandir on Friday. Key speakers included AVM VK Garg VSM, ACAS (MP), Indian Air Force, AVM B R Krishna AVSM SC, ACAS (Plans) Indian Airforce, Lt Gen SS Hasabnis VSM ADC DCOAS (P&S) Indian Army and Baba Kalyani, Chairman and Managing Director, Kalyani Group and Chairman of National Committee on Defence at CII. Ajay Kumar, Secretary, Department of Defence Production represented the Ministry of Defence, Government of India. The session



**The Defence Innovation Fund is likely to facilitate rapid development of new, indigenous, and innovative technologies and help create a culture of engagement with innovative start-ups**

was aimed at bringing together senior policy makers from Government of India, defence personnel, industry leaders and academic experts to deliberate on the emerging opportunities in the Indian aerospace & Defence sector. Gujarat is pitching its green-field city, Dholera for defence manufacturing activity with large players and ancillary industries given encouragement to set up their operations.

While experts from Air Force and In-

dian Army deliberated on the need for defence equipment and technology. Ajay Kumar underlined the need for startup engagement to make the ecosystem robust for defence and aerospace.

Kumar stated that an ambitious programme was launched in April 2018 named iDEX - Innovation for Defence Excellence programme seeking to create an ecosystem of 200 startups in the Defence and aerospace technology in the first year of its operation.

To foster innovation and technology development, a dedicated fund - Defence Innovation Fund (DIF) is being worked out. An initiative of Ministry of Defence, under the aegis of Atal Innovation Mission (AIM) - iDEX has already given out 11 distinct challenges for the Startups to come out with solutions for.

"At least in a year's time we are able to come out with five pilot solutions which are acceptable to the forces that is a good start for the first year," said Ajay Kumar, Secretary, Department of Defence Production, Ministry of Defence, Government of India here on Tuesday. Supplementing the vision of Government of India for promoting indigenization, Gujarat is working towards strengthening its foothold in the aerospace and defence manufacturing sector to create an ecosystem that will help in catalyzing innovative and indigenize manufacturing.

# GIFT-IFSC giving a red carpet for global financial institutions

Gujarat's first smart city, Gujarat International Finance - Tec City (GIFT City) is providing a roadmap for the growth of India's financial sector. Country's first International Financial Services Center (IFSC) is attracting global banking, insurance and financial markets participants to trade sitting offshore.

Gathered on the inaugural day of the 9th edition of Vibrant Gujarat Global Summit (VGGGS) 2019, the captains of banking, finance and insurance industry discussed the prospects GIFT offers as a financial gateway of India. At a seminar on GIFT IFSC "GIFT International Financial Services Centre: A New Financial Gateway of India". The plenary session saw participation from Ajay Pandey, Managing Director & Group CEO, GIFT City, Dr Subhash Chandra Khuntia, Chairman, Insurance Regulatory & Development Authority of India (IRDAI), Subhash Chandra Garg, Secretary, Department of Economic Affairs,

Government of India and Uday Kotak, vice chairman and managing director of Kotak Mahindra Bank.

The captains of financial sector discussed opportunities and new avenues emerging in the changed global financial scenario and how India can play a decisive role at the world level.

A report named 'Financial Centres that will become Most significant' and published by Z/yen Partners, London was released during the plenary session at Mahatma Mandir on Friday. The report highlighted GIFT City and the IFSC, which is located within GIFT amongst the fastest growing International Financial Services Centres globally. The GIFT-IFSC is giving direct competition to other global financial centers in Dubai, Hong Kong, London and Singapore. In the latest edition of Global Financial Centres Index (GFCI), GIFT IFSC is ranked third, in list of 15 centers which are likely to become more significant in the next few years. The highlight of the report revealed that GIFT IFSC

made debut in the main index of the GFCI, ranks 77 in list of 100 global financial centres. Notably, GFCI report covers 100 centers and 10 associate centers globally.

The rank takes into consideration five major factors namely Business Environment, Human Capital, Reputation, Infrastructure & Financial Sector Development. This is a significant achievement for a centre entering first time in the main index. GIFT is currently attracting top talent in the country by providing the finest quality of life.

As per estimates, GIFT would provide 5,00,000 direct and an equal number of indirect jobs which would require 62 million square feet of office and residential space. Like other leading global financial centres, GIFT will target a 6-8% share of the financial services potential in India. Approximately 200 institutions/units are currently operational at GIFT City employing around 8000 people and is expected to exceed 10,000 by end of the year.



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# FinMin to talk NPAs in review meet with PSBs

Setting up a common portal for e-auction of properties will also be discussed

SOMESH JHA  
New Delhi, 18 January

The finance ministry’s review meeting with the chief executives of public sector banks (PSBs), ahead of the Interim Budget 2019-20, will focus on ways to reduce non-performing assets (NPAs) and boost their recovery, especially by auctioning borrowers’ properties.

Financial Services Secretary Rajiv Kumar is set to chair the meeting slated to be held on January 28, instead of January 22 as was planned earlier.



“The meeting will be focussed on NPAs. We will discuss the steps being taken by banks to reduce and recover bad loans,” a senior finance ministry official said, requesting anonymity. “The position of NPAs and recovery made in NPA and written-off accounts” are the topmost agenda items of the meeting.



## THE TOP 5 BANKS WITH FALLING NPAs

Gross NPAs (in ₹cr) as of	Mar 31,'18	Sep 31,'18	% decrease
Bank of Maharashtra	18,433	16,873	8.5
United Bank of India	16,552	15,163	8.4
Punjab and Sind Bank	7,802	7,202	7.7
State Bank of India	216,228	202,179	6.5
Canara Bank	44,432	41,907	5.7

Source: Lok Sabha

The ministry is set to take up the issue of “transparent auction of property” of borrowers whose loans have become NPA. A ministry official said banks are going slow in auctioning the properties under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI) Act.

“Banks were supposed to auction around 50 properties under the SARFAESI Act but they have put up only 10 for auction. We will ask banks why there has been a delay and suggest ways to expedite it as this will help in recovery of bad loans,” the ministry official said. Setting up a common portal for e-auction of properties with all the details is one of

the proposals that the ministry will discuss with the PSBs.

The ministry will push banks to send more applications to debts recovery tribunals (DRTs) to ease recovery of loans. Last year, the government decided to double the pecuniary limit to ₹20 lakh for banks to file applications with a DRT. Six new DRTs have also been established in a bid to expedite recovery.

The government will also discuss institutional improvements, including robust board governance, as one of the issues with the PSB chiefs.

In January last year, the government asked PSBs to follow a reforms agenda, known as EASE (Enhanced Access and Service Excellence), and one of the tasks included improving governance in banks. In its review meeting, the ministry may discuss the progress made by PSBs on board-led strategic vision for banks and evaluation of performance of board directors. PSBs reported recovery of bad loans worth ₹60,713 crore in the first half of the current financial year — double the amount received during the same period last year.

# SBI in talks with hedge funds, PEs to sell ₹15k-cr Essar loan

NAMRATA ACHARYA & ISHITA AYAN DUTT  
Kolkata, 18 January

State Bank of India (SBI) is in talks with a clutch of hedge funds and private equity (PE) players to sell its ₹15,431-crore loan to Essar Steel.

The bank, also the lead lender for Essar Steel, announced on Wednesday that it was putting its exposure for sale on January 30.

Sources close to the development said ahead of the auction, informal talks were being held between SBI and overseas funds, including Hong Kong-based loan and bond trading firm SC Lowy, which already has an exposure in Essar Steel.

According to the list of financial creditors as of October 2018, SC Lowy Primary Investments has an exposure of about ₹900 crore in Essar Steel on account of loans assigned by HDFC Bank and Axis Bank.

However, sources indicated, a bunch of investors were more



## ON BLOCK

₹15,431.44 cr  
Total dues

₹9,587.64 cr  
Reserve price

Terms of sale  
100% cash basis

likely to buy the loans. While many other institutions could be weighing options and were expected to participate as it was an e-auction, at least one indicated that the value would be in picking up the entire loan.

SBI has invited bids from banks, asset reconstruction companies/non-banking financial companies and financial institutions, and has said the exposure could be assigned in whole or in part to buyers.

Bids had been invited at a reserve price of ₹9,588 crore, a haircut of 15 per cent on ₹11,308 crore, which SBI would have recovered if the proposal of

ArcelorMittal, the preferred bidder, was approved by the National Company Law Tribunal (NCLT).

The SBI move to auction the loan, which came unexpectedly, was aimed at cleaning up the balance sheet. Sources said if the account remained unresolved by the end of the financial year, SBI would have to make an additional provisioning of ₹6,000 crore.

The Essar Steel case has dragged for more than 530 days since its admission to the NCLT, primarily on account of litigations.

While the SBI auction is slated for January 30, the tribunal is expected to come out with an order by January 31 on maintainability of a settlement proposal from the Ruias, the promoter group of Essar Steel.

Sources pointed out that the order, however, was not going to be the last word on the case as the losing party was expected to challenge it in a higher court. Additionally, some 30 operational creditors had also filed applications in the NCLT in the Essar Steel case for their claims to be admitted. Once, the case of bids was resolved, the operational creditors' cases were likely to be taken up.

Lenders had waited long for some of the big-ticket cases like Essar Steel to be resolved. Earlier this month, lenders had moved the National Company Law Appellate Tribunal to expedite the resolution process as they were incurring an interest loss of ₹17 crore a day. The admitted total claims of financial creditors of Essar Steel is around ₹49,000 crore.

# ‘Confident that farmers’ income will double by FY24’

After coming to power in 2014, one of the big promises of the Narendra Modi government to farmers was to double their income by 2022-23. A sharp fall in farm-gate prices in the past few years has prompted critics to raise several questions on the promise. Chairman of the high-powered panel on doubling farmers’ income **ASHOK DALVI** tells Sanjeeb Mukherjee that the target is achievable as there is huge potential to reduce wastage and create efficient markets. The panel has submitted its 14-volume report to the government. Edited excerpts

**A lot of critics have questioned the target set by the committee on doubling farmers income of achieving a compound annual growth rate (CAGR) of 10.4 per cent in farm incomes from 2016-17 to 2022-23 to double them in real terms. Three of the six years have already passed. How realistic do you think is the target of achieving 10.4 per cent CAGR by 2022-23?**

When some people consider the estimated CAGR of 10.4 per cent for the nation as achievable, they are mostly coming from the perspective of historical growth rates of agricultural GDP. A rise in income is being forecast based on higher gross returns, better real prices on output in the market and reduced cost of production. The committee is confident of achieving the targeted CAGR because there is huge potential to reduce the current food loss estimated at more than 10 per cent, and improve substantively market prices through an efficient market structure.

**How has the committee arrived at the figure of 10.4 per cent growth in incomes?**

The committee has mathematically computed the CAGR at the national level, as also for all the states and UTs. The computation works out the income growth rates needed to double the farmers’ income by 2022 by adopting state-specific strategies. The committee has extrapolated farmers’ income for the year 2015-16 based on the estimates of National Sample Survey Organisation (NSSO) for the agriculture year July 2012-June 2013. Since the time frame for translating the government’s vision of doubling farmers’ income is 2016-17 to 2022, the DFI committee has



held 2015-16 as the base year and all data points for this year will form the benchmark for measuring growth and change by 2022.

**How realistic is the target of 2022-23 given the existing circumstances?**

The committee began its work in April 2016 and was advised to submit recommendations parallel to its working on the final report. The Budgets 2016-17 and 2017-18 clearly reflect this alignment. One can, therefore, be confident that when the incomes are measured in 2023-24, the target would have been achieved.

**Farm-gate prices of most agriculture commodities have plummeted in the last few years and growth of agriculture and allied activities have averaged less than 3 per cent. Farmer groups are questioning the committee’s assessments and targets. What do you have to say?**

It is true that the farm-gate prices in the last few years have subdued. The market prices are determined by the demand-supply of the commodities. The situation has been exacerbated unfortunately, by a weak global commodity market. The committee’s estimates of income growth rates are supported by appropriate strategies along the entire agricultural value system, comprising pre-production, production and post-production segments. Transferring remunerative prices to farmers will always require an efficient market structure and farmer-friendly procurement system, considering that agriculture markets can never be perfect or near-perfect, and are subject to fluctuations.

**A recent NABARD report said that the average farming household earns ₹8,931 per month as on 2015-16. This also implies that between 2002-03 and 2015-16, real incomes have grown by just 3.7 per cent. In such a situation, how realistic is expecting a growth rate which is three times the average in just the next three years?**

Since farmers’ income was not the core concern so far, the committee had to extrapolate the NSSO sample survey-based estimates for the agriculture year 2012-13. This was only to suggest the context in which farmers’ income grew at a slower pace, and much below its actual potential. As we have not had a system of estimating farmers’ income at regular intervals, this measure is in fact one of the committee’s recommendations. Now that the government is committed to doubling the farmers’ income vis-à-vis 2015-16 status, it cannot be business as usual.

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# Two parties and many



TICKER  
MIHIR SHARMA

One of the irritating things about democracy is that, every now and then, voters make stupid choices. This is not surprising: Nobody says that the majority is always right, merely that majority approval is required for legitimacy. Yet even in the annals of stupid majority decisions, Brexit shines. Brexit would never have happened, or caused the sort of extraordinary chaos it has, if the standard and time-tested institutions of parliamentary democracy had not been bypassed by then British Prime Minister David Cameron in order to have a referendum that he thought he would easily win. But he chose to have a vote with “Leave” and “Remain” on the ballot, and 52 per cent of British voters chose to leave. Actually facilitating this task was then delegated to their representatives. This is a reminder of why we don’t have plebiscites, and instead choose representatives. Give the voters half a chance and they will demand the impossible; what’s needed is for them to select representatives who can figure out what is in fact possible.

But there’s one other thing that has emerged from the post-Brexit mess that British politics has descended into, particularly evident to any Indian observer: A fragmented politics, with multiple shifting coalitions, is far better, more efficient, and more democratic, than the “normal” two-party system.

What happened in Brexit? Why was it such a surprise to, say, David Cameron? It turns out that, while pro-European Union Conservatives had long understood that their party harboured a large number of committed Eurosceptics, they overlooked the fact that many voters who would never vote Conservative had similar views about Europe (or, more accurately, about foreigners generally). Late on Brexit referendum night, it was when the north-eastern town of Sunderland voted to Leave that people began to realise what was happening — Sunderland has had a Labour local government since the local council was first set up in the 1970s and is the closest thing to a one-party town you can imagine.

This is why post-Brexit politics has destroyed cohesion in not just the Conservative but also the Labour Party. If Theresa May constantly has to fight off her extremist wing, Jeremy Corbyn of Labour leads a restive set of immigration-hating Brexiteers, socialists who think the EU is a neoliberal plot, and metropolitan Europhiles. The moment he takes a real stand on Brexit, the uneasy concord within the Labour Party might fall apart — and he might lose ground in either the north-east, in places not so different from Sunderland, or in London and other cities where Remain won a comfortable majority.

It is often argued that the Brexit referendum was an expression of frustration — whenever a majority does something stupid, we are under orders to never say that it is stupid, we have to say instead that it is born of legitimate frustration. It’s as if someone runs deliberately into the path of oncoming traffic and pundits say sadly “this is naturally an expression of frustration at the abysmal implementation of traffic laws and the preferences given to SUVs in a neoliberal set-up”. But in fact, to the extent that any frustration was revealed, it was frustration at disenfranchisement. The Labour party, too, had its own xenophobes, but mainstream Labour had never gone far enough to appease them. Yet under a strict two-party system, they could not imagine defecting to the other tribe. Such a mass defection happens only rarely, and under specific circumstances — as when whites in the Southern United States turned en masse from the Democratic to the Republican Party in the three decades after the civil rights movements of the 1960s. Thus they could not express themselves in “normal” times — but, when given a chance in a referendum freed of party identification, they did so quite emphatically.

And this is why multi-party states, that require coalitions, are better. You always have an option; most people will find a way to express themselves, even through a minority party that might well wind up holding the scales of power at some point. Coalition politics is far more democratic, in that it provides voice to more factions; it is far more efficient, in that more information is conveyed from the electorate (the opposite of how north-eastern Labour voters’ views were not conveyed accurately); and it is thus “better”. There is no reason to suppose that two-party states are the normal sort of democratic set-up. In fact, as Europe’s vast variety of coalitions show us, Britain and the United States are the exception rather than the norm.

Thus, as India prepares to vote in 2019, it is worth remembering several things. First, coalitions are not the enemy: They provide better representation. As the current government’s awful record reminds us, one-party governments need not be better than coalition governments, and are often worse. And second, the argument “there is no alternative to Modi” is fatally flawed — in India, we are particularly fortunate, since there are dozens of alternatives.

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# New found freedom



PEOPLE LIKE THEM  
GEETANJALI KRISHNA

I met Pintu Devi last August but the shadows on her young, beautiful face made it hard for me to get her face out of my mind. She was barely 18, dressed in a simple *salwar kameez*. It looked like the weight of the world was on her shoulders. Her little brother had recently died and they were still in mourning. Her father Sohanlal was with her, and broke down often as she impassively told me her story. This is what she said.

In rural Rajasthan, the practice of *mauser* is apparently quite commonly followed when an elder dies. Within 13 days of the death, the unmarried members of the family are married in a com-

munal wedding. The auspiciousness of marriage is supposed to offset the ritual pollution that the death has brought. It was in accordance with this arcane custom that a six-year-old Pintu was married off to a 15-year-old bridegroom. “I didn’t even know the boy’s family,” Sohanlal said, adding “I just went along with whatever the elders in the family decreed”. Ten marriages took place that day, of which, four were of children. The youngest participant was barely two. “Even I was so young, I didn’t know what was happening during the ceremony,” she told me.

Life went back to normal after the marriage. Pintu continued to live with her parents till the summer of 2018. She was 18 then, and the boy’s family began demanding that she be sent to her marital home. “By then we had learnt that my father-in-law was a criminal,” she recounted. “I didn’t want to go to their house,” she said. Luckily, her father, who was a tractor operator, didn’t have enough savings to pay for the wedding jewellery and feast. “When he tried to stall, the boy’s family got so aggressive that we decided to annul the marriage,” Pintu said.

Pintu and her family endured threats, aggression and barbs from the boy’s family as well as the larger com-

munity after that. Even more traumatic were the many trips she had to take to the family court. She realised that although performing a child marriage is illegal in India, getting it annulled in court is not that easy. “If it hadn’t been for Saarthi Trust, I would never have been able to do it...” she said. Dr Kriti Bharti, founder of the Trust, gave her legal advice as well as psychological counseling to help her tide through this phase.

Finally, in December 2018, over 12 years after she had been so unfairly married off, Pintu won her freedom in court. “I wish I could make sure that no other girl had to go through what I did,” she told me.

But sadly, child marriage continues to enjoy social sanction in Rajasthan. “The authorities publicise the child marriages prevented on *akha teej*, but conveniently fail to prevent marriages taking place the year round under *mauser*,” says Bharti. Which is why a nameless chill ran down my spine when I saw a picture of Pintu, smiling victoriously outside court after her marriage had been finally annulled. I couldn’t help wondering if the shadows I’d seen earlier on her face had not disappeared, but simply found another little girl to prey upon.

# What Ganga-jal oath means for India

Rewriting history will be the most important nationalised industry aimed at inventing an ancient post-modern miracle



WHERE MONEY TALKS  
SUNANDA K DATTA-RAY

One phrase in a message Tulsi Gabbard sent me four years ago I shall never forget. “Our world is in dire need of servant leaders,” she wrote. I was reminded of it again when a few days after Tulsi announced her campaign to seek the Democratic nomination for US president in 2020, the papers carried a picture of police personnel detailed for duty at the Ardh Kumbh *mela* in Allahabad (sorry, Prayagraj) with their left arms extended in smart salutation but their right hands cupped in a curiously unmilitary gesture. Being in Adityanath’s Uttar Pradesh, they were

taking the oath in Ganga-jal.

The connection is that Tulsi is the first Hindu member of the US Congress. It’s a theoretical connection for no matter how piously UP’s chief minister drapes himself in saffron, it will be a long time before his state will live down Justice AN Mulla’s comment that “the police force in Uttar Pradesh is an organised gang of criminals”. Someone or other — the National Human Rights Commission one day, Markandey Katju another — always recalls that indictment. No one expects a Ganga-jal oath to be any more binding than the oaths that are commonly sworn every day in thousands of law courts up and down the country.

My concern is what Ganga-jal portends for the national psyche. I am all for Narendra Modi’s commitment to Hindus in Muslim countries. They were Indians once and have become foreigners only because of high-level statecraft in which they played no part. Moreover, they are at the mercy of unsympathetic populations and regimes. If India doesn’t care for them, who will? But Hindutva through the backdoor is a different matter. Ganga-jal oath-taking might be dismissed as another Indian ritual like blowing a welcoming conch shell or lighting a lamp to inaugurate an exhi-

bition but if it continues, all the ceremonial of the state will become exclusively Hindu.

It wouldn’t have been permitted in Tulsi’s country where any attempt to impose Christianity is struck down as transgressing the First Amendment to the constitution which forbids Congress to “make” any “law respecting an establishment of religion, or prohibiting the free exercise thereof...”. This was demonstrated in 1988 when the American Civil Liberties Union and the Jewish War Veterans objected to a 65-ft cross at Camp Smith near Pearl Harbour in Tulsi’s Hawaii. The cross was dismantled after a federal court ruled it violated the constitutional separation of church and state, and replaced with an 80-ft flagpole which still flies a huge American flag. History was repeated in 1997 when the Hawaii Citizens for the Separation of State and Church complained that the 37-ft white steel cross at Schofield Barracks, built with public funds was a “blatant and obvious violation” of the First Amendment. When the attorney for Hawaii Citizens heard that the federal court had ordered the cross to be dismantled, he declared, “If this is true, the action sends a strong message that the wall between state and church stands tall and forbids govern-

LUNCH WITH BS ► MANISH MEHROTRA | CHEF | INDIAN ACCENT

# A master class on food

Mehrotra tells Rahul Jacob why he is excited about the rise of regional cuisines in India and explains how he manages restaurants in three different countries

My first meeting with Manish Mehrotra at his acclaimed restaurant Indian Accent a few years ago was inauspicious. The managing director for Asia of my former employer, the *Financial Times*, visiting from Hong Kong, had asked me to book a table. After repeated calls, I finally secured a table for the second dinner sitting. We duly arrived — to find the restaurant a third empty because of a number of no-show customers. Dinner, however, was delicious, featuring Western-style plating and their style of distilling sauces melded with Indian regional cuisines. When Mehrotra came by for his customary post-dinner chat, the rest of the table complimented the food, but I grumbled that the restaurant should adopt the policy of high-end restaurants overseas and simply take credit card details when people booked and charge for no-shows.

Mehrotra laughed and disarmingly replied that in Delhi, people would soon be shouting down the phone: “Do you know who my father is?”

Since then, Mehrotra’s Indian Accent has opened outposts in London and New York and made a move last year to a more accessible location at The Lodi in New Delhi. He remains a celebrated chef — without the trappings of celebrity. He mostly replied to emails himself to schedule our interview, even while juggling cooking at the Ambani wedding. We meet at Indian Accent at 5 pm, a time when the restaurant seems like an empty theatre before a performance. Mehrotra, 44, comes out of a meeting wearing his chef’s coat and plunges straight into the subject of whether Indian regional cuisines have at long last arrived after decades of being overshadowed by

the tyranny of the tikka. He points to a recently opened Andhra restaurant in New Delhi and the popularity of The Potbelly, which features the cuisine of his native Bihar, as signs of progress. The dominance of what he describes as “very Delhi-centric restaurant food — certain kinds of tikkas and certain gravies revolving around what was called ‘rogan josh’ that was not even Kashmiri rogan josh but (merely) a mutton curry” may be ending. But, he also makes the point that Chinese cuisine was stuck in a similar rut overseas “whereas Beijing food is very different from Cantonese food.”

I happily discover that one of my pet peeves — the monotony of so much restaurant food that contrasts with the diversity of food one eats in homes in India — is also Mehrotra’s. “I’m so happy that not only in India, but internationally, regional cuisines are coming up. Places in London are doing typically Rajasthani food or Bengali food,” Mehrotra says with feeling. “People outside India and in India are getting more aware not only of regional food but that in Maharashtra, you would have Konkani food or Malvani food, in Kerala you have Syrian Christian food or Moplah food. More and more young chefs, instead of inventing new things, are exploring more deeply inside India.”

This proves a natural preamble to discussing Mehrotra’s latest venture, Comorin, which opened in December, a casual restaurant in Gurugram that combines comfort food (*cheeni malai* toast) with street food from different parts of the

country. A big seller is a lime-flavoured idli with chutney *podli*. Another is a *seekh kebab* drenched in melted butter courtesy a recipe from a small store in old Delhi, which I involuntarily let slip sounds “disgusting”. “It’s super yum,” he insists. Another recipe from his college days combines a smoked chicken with a cashew paste and yogurt-based gravy, but chicken modernised for the 21st century. The name Comorin is inspired by Cape Comorin, an acknowledgement also of Mehrotra’s love for south Indian food. He goes into raptures about “the acidity and pungency of Andhra *gongura*” and the potency of pepper — “one of India’s best treasures”.

Mehrotra fell in love with south Indian food because his wife is a Chettiar, a community known to be rabidly carnivorous food obsessives. The couple met years ago when he was working at the Thai Pavilion and she was at the Konkani Café, both at the Taj President Hotel in Mumbai. Angling for an anecdote of pickles exchanged and elaborate meals prepared as part of their courtship, I press him for more, but he laughs off the question. Instead, he speaks with fondness of learning from his mother-in-law to crush rather than cut tomatoes while making rasam, a detail that surprises me.

I never watch MasterChef TV shows, but Mehrotra’s enthusiasm is so infectious, I feel as if I am in his kitchen getting a masterclass in cooking. We move on to the challenge of managing restaurants in three different countries. In addition to the original restaurant in New Delhi, Indian Accent in London completed its first year in December while his outpost in New York will turn three in February. His management secret is delegate, delegate, delegate — and retain star employees. “You have to train as

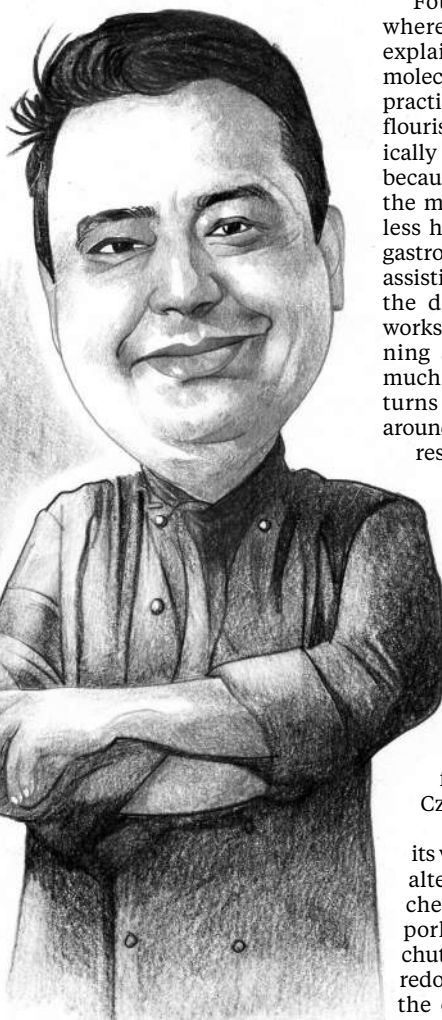


ILLUSTRATION BY BINAY SINHA

many people as you can otherwise you are never going to grow,” he says. “My restaurants are headed by chefs who have been working with me for 10 to 18 years.”

We are 45 minutes into the interview and no food has arrived. When I raise the subject, worrying I will seem greedy, Mehrotra’s embarrassment matches my own: I have inadvertently picked a time when his chefs are off-shift. I am secretly relieved because I had come to the interview from a *mehndi* lunch at a friend’s home and unwisely raided her mother’s kitchen as I left for *nolen gurer sandesh* that had just arrived from Kolkata. I ask Mehrotra if I can take

him to The Potbelly a couple of days later, but that is a busy day for a chef as it is Christmas Eve so he suggests meeting at Indian Accent at noon instead.

Four days later, we pick up where we left off. Mehrotra explains why he steered clear of molecular gastronomy, making the practical point that its trademark flourishes such as foams don’t typically work well with Indian food because “we eat our food hot.” But, the more he speaks about it, the less he sounds a fan: “Molecular gastronomy is fine as long as it is assisting the dish, not the hero of the dish. The surprise element works only once.” I ask him if running a restaurant in London is much easier than in New York. It turns out it is the other way around; the UK has so many Indian restaurants that there is a local industry making *ghee*, *papad* and other essentials but not as well as in India. In the US, he says, it is much easier to import these things directly from India.

Brexit, meanwhile, has inevitably cast a shadow even over Mehrotra’s sunny view of the world; his waiting staff in London include people from Italy, Latvia and the Czech Republic.

This time around, food is on its way: Delicious mini-parathas alternately stuffed with blue cheese and Canadian bacon, pork ribs with Gujarati sweet chutney and a *daulat ki chaat* so redolent of saffron that it makes the original from the alleys in Chandni Chowk seem a very poor cousin. But, the head chef has called in sick at the recently opened Comorin so Mehrotra must leave before it is served. While he waits for an Ola cab to take him to Gurugram, I take the opportunity to introduce my nephew, who I am riding with to the airport that afternoon. Mehrotra and my nephew animatedly discuss *Deadliest Catch*, a gripping show on Discovery about the dangers of working on fishing fleets. As Mehrotra leaves, I say we must meet at The Potbelly next time. As his car pulls away, I can’t help thinking that getting a busy chef to sit still long enough to have a leisurely lunch away from his restaurant might again prove an impossible challenge.

# No more party hopping



PEOPLE LIKE US  
KISHORE SINGH

On Wednesday, when I’d come home and changed into my party clothes, my wife gave me a bowl of soup and said, “We’re not going out anywhere tonight, so this is dinner.” It felt strange to be home for a change, though it should have felt good to put one’s feet up and relax. The whole of the previous week, we had been on a party carousel. Not just your calling-some-friends-over kind of get-togethers but wedding soirees that seemed to have all of Delhi society af flutter. This winter, everyone we know — or don’t, since many invitations arrive from acquaintances we can barely recall — seem to have children whose nuptials have overlapped, necessitating our having to cherry-pick between a cocktail

here, a brunch there, and, again, dinner with all the accoutrements of a Delhi-style wedding.

With it came the problems “of the developed world kind”, as a friend mocked us. Could one wear the same jacket to a wedding lunch as to a sun-downer a fortnight later? Would guests or friends remember what you wore to one *sangeet* and repeated at another reception? “Yes,” said my wife, when I posed what I thought was a rhetorical question hardly deserving of a response. Turns out, my wife maintains a roster of the clothes she has worn to various functions so all she needs to do is check through her phone album to ensure she isn’t making a sartorial faux-pas. Apparently, repeating a dress or piece of jewellery is an offence worthy of scurrilous gossip at the least, or social media shaming at worst.

Meanwhile, I’d got used to my evening tittle and ‘food on circulation’. From experience, I can tell you that thin crust pizzas seem to be the flavour of the season, and since I am partial to them, I began to look forward to my evening victuals. But my wife was more picky. “Let’s have the *Purani Dilli* selection today,” she instructed me. The previous evening, we’d been glued to the

oriental section because it was the caterer’s specialty, and on the day before that my wife had forbidden me from having the pasta because everyone knew the caterer had the worst Mediterranean in town but his *haleem* was divine. “Tomorrow,” she said — because spouses seem to know who’s doing the food (as well as the hair) — “you must have the Japanese.”

It got so that even the waiters began to recognise us, and would ply us with kebabs and alcohol in the hope of a little *baksheesh* — which some among our friends tend to find at all surprising. “So much nicer to sit in one place and be served,” pointed out one, when I resisted being colonised in a corner with a limitless supply of spirits and nourishment. It ended up in a lot of wastage, but our friend seemed not to mind since it was the host, not he, who was paying.

Nor does there seem to be a break from *shaadi* fever any time soon. Till the foreseeable future, our evenings are chock-a-block with nuptial festivities and merrymaking — one of which, of course, will be hosted by us. Seeing how I’m a little bit tired of all the wedding hopping, can someone please invite us over for a home-cooked meal and regular conversation?



## WEEKEND RUMINATIONS

T N NINAN

## East-South divergence

Globally, we are living through the Great Convergence, when many of the poorer nations have been growing their incomes faster than the wealthier ones, thereby closing some of the gap between the two groups. What about convergence within the country, between the poorer and richer states? The hard truth is that there is none. Instead, there is only divergence.

Consider tax revenue. Madhya Pradesh has half the tax resources of Karnataka (not counting transfers from the Centre), with a population that is 20 per cent bigger. UP has two-and-a-half times the population of Tamil Nadu, but broadly similar tax resources. The bottom rung is occupied by (you guessed it) Bihar, which, with a substantially greater population than Andhra Pradesh and Telangana combined, has only 12 (yes, twelve) per cent of the Telugu-speaking states' tax resources. Odisha has half the tax resources of Kerala, but a 30 per cent greater population.

Central transfers can make up some, not all, of the inequality. MP gets two-thirds more Central money than Karnataka, and Bihar 50 per cent more than the Telugu-speaking states. But per capita social sector spending by the poorer states remains lower than in the better-off ones. This is the opposite of what it should be, if the backward states are to catch up with the others. Bihar spends ₹76 per head in a year on the social sector, while Kerala spends ₹139. UP spends ₹69 while Maharashtra spends ₹120. West Bengal spends ₹95 while Karnataka spends ₹124. Some relatively backward states do better, like Chhattisgarh (₹150) and Odisha (₹115), but in general the pattern is skewed towards the south and west — ie the states that already have higher levels of attainment. These inequalities reflect even greater inequalities in private sector investment across states, the relative shares of airline flights, the availability of quality jobs, and so on. Migration provides only a partial corrective.

Inevitably, the skew in Central transfers to the poorer states of the east and north is financed from the tax resources contributed by the southern and western states. So far this has passed unnoticed. But voices of protest were heard last year when it became known that the Finance Commission (which decides on Central transfers to states) may have been asked to increase transfers to the poorer states, at the cost of the states from where the bulk of the revenues come. Indeed, the introduction of the goods and services tax (GST) in 2017 had been expected to shift state GST money to the “consuming” states from the “producing” ones. This was one of the reasons why Narendra Modi as Gujarat chief minister had blocked the introduction of the GST, because he feared loss of state revenue. To everyone's surprise, it does not seem to have worked out that way, but may well do so over time.

Meanwhile, the tinderbox issue is state-wise Lok Sabha seat allocation. This has remained frozen for nearly half a century, even as the population in the Bimaru states of the east and north has grown, relative to the south. The result today is that the average Lok Sabha constituency in Bihar has 2.6 million citizens, but only 1.65 million in Kerala; and 2.5 million in Madhya Pradesh compared to 1.84 million in Tamil Nadu. The next review of the state-wise seat allocation is due in 2026. Should a decision be taken then, that the citizen-per-seat ratio be equalised, you can expect strong protests from the south. And yet, keeping the present seat allocation frozen indefinitely would mean steadily more unequal representation across states, given that the southern states are no longer producing enough babies to sustain their population over time.

What should be clear is that the two issues — equalisation of state finances and of Lok Sabha representation — cannot be addressed simultaneously, lest a spark be lit and start a fire. Yet persisting with the inequalities, indeed seeing them get worse, is no one's prescription for national unity. Will fudging the issues be a solution? Only for a while, but it will buy time.

## What the disastrous Brexit caper tells us



## VIEWPOINT

DEVANGSHU DATTA

Ever since the surprise result of the referendum on June 23, 2016, Brexit has been like a train wreck in slow motion. Stretching the metaphor further, the crash is now due on March 29, 2019. Nobody has a clue what will happen and there is no way to even start totting up costs.

The costs will be considerable, whatever occurs. Consider the two most extreme options. One is that the United Kingdom decides to remain within the EU — perhaps, after holding another referendum. This would be the least disruptive outcome and hence, the best in economic terms.

It looks to be very unlikely but even in this relatively benign scenario, there would be large opportunity costs. There have been 18 months of uncertainty. Think of how the UK economy has slowed. Think of the business that just went elsewhere. Think of the investments not made. Think of the UK-based organisations, which have created alternate headquarters elsewhere.

At the other extreme, a “hard Brexit” and a disorderly exit would likely lead to a crash in the UK's growth as skilled labour and investment disappears, coupled with a spike in inflation as European Union goods became more expensive. It would also leave millions stranded on the wrong side of the English Channel. Some 3 million-odd EU citizens in the UK would see their right of residence, right to work, health care benefits, etc., being suspended. Similarly, millions of British citizens would be left in limbo on the continent.

A hard Brexit appears a higher probability outcome than “Remain”. But it's more likely that some sort of compromise solution, somewhere between a soft to mid-dling-hard Brexit, will be worked out. In that case, Britain will still lose out in terms of skilled labour and investment. It will still see businesses relocating. It will lose some

importance as a financial centre. And, of course, there will be huge bureaucratic and legislative costs associated with unravelling 40-odd years of treaties and agreements.

In sum, the whole Brexit caper is a guaranteed disaster; only the dimensions might vary — from being substantial to absolutely monstrous. So it's worth asking how and why Britain landed itself in this particular mess?

One answer is the stupidity of crowds. There was a large voter turnout of 72 per cent of the eligible electorate. About 52 per cent of them voted for Brexit. The voters were indeed fed a string of lies and misinformation. But most of those lies were preposterous and easily verifiable as lies. A large proportion of “Leavers” wilfully chose to believe the lies.

A second reason is venality. The Leave campaign was created, run and energised, by venal people who wanted Britain to leave the EU for their own selfish reasons. They were also stupid. Many Leavers believed that they would receive a larger slice of the economic pie if Britain quit the EU. This group included quite a few members of Britain's Asian community who thought their employment prospects

would dim if there was an influx of European labour. They failed to realise that the pie itself would shrink, and perhaps, shrink quite drastically.

A third reason is genuine, knee-jerk racism. John Donne may have believed that no man is an island but it is true that islanders tend to be more isolationist in their world view. Some Leavers would like the UK to become a place populated only by English-speaking whites. They don't really care, at this stage at least, if it also becomes a substantially less prosperous country.

It's hard to judge what the outcome of either a general election or another referendum would be. Opinion polls indicate that many erstwhile Leavers would now vote to Remain. But then, the opinion polls did not indicate the June 2016 result accurately. Also, if you believe the opinion polls, anti-immigrant sentiment remains high and that equates to the empowerment of enduring racism.

Brexit is an interesting case study. It shows how easy it is to influence large numbers of people to act against their own best interests. It highlights the flaws in democratic processes even in a rich, well-educated nation with a long democratic tradition.

To six or seven years. India, with over 1,300 million people, cannot be governed by the same arbitrary rules as England was in the 17th century. Even with 65 million people it is finding the going hard.

Longer terms will give the PMs/CMs enough time to achieve whatever they think is needed without having to constantly worry about re-election, which can be left to the party. In fact, a single seven-year term will free them from party pressures entirely.

Both Manmohan Singh and Narendra Modi can vouch for this because both have had to face intense pressure from their parties, which has forced them to make mistakes.

By the way, few people know it, but between 1947 and 1955 it was party pressure that led Jawaharlal Nehru to make some very bad mistakes, the worst being his economic policies that followed the Avadi Congress of 1955.

The current five-year rule for the legislatures also means that the fifth year is devoted to populist policies and inaction. In effect, therefore, the term is of four years only. One other benefit of limiting the terms for the PM and CMs will be that governments cannot be brought down by the legislators midway. The benefits of this cannot be overstated.



ILLUSTRATION: BINAY SINHA

## A Shiv ji ki baraat without a groom

India is mushrooming with Deve Gowda wannabes because being a former prime minister is better than being a former chief minister

Here is a famous story from the rich folklore of *The Indian Express* — where I worked for 25 years in two spells. One eminent friend asked the late Ramnath Goenka why he wasn't giving his editor an extension of contract. “He is such a saint, I can't believe you don't want him for longer,” complained the eminent friend.

“*Bhat*, he is Saint George Verghese, I agree. But my *Indian Express* is Shiv ji ki baraat. It is too much for a saint to handle,” said the patriarch.

Now, Shiv ji ki baraat is a millennial-old metaphor for a riotously merry mob of diverse living species, ghosts, spirits, apparitions and witches, high on the brew or concoction of their choice. Tell me if this isn't how today's anti-BJP opposition parties look across the country.

The only reason Shiv ji ki baraat was still kept in reasonable order was the stature and the unchallenged leadership of the groom-to-be, Lord Shiva. In this modern version, every baraat is a groom-to-be. This is why Narendra Modi and his strategists are smiling, tossing away the blues after the state poll losses.

Let's start counting. There is the Congress, led by India's most prominent new Shiv-bhakt, with four allies of reasonable reliability: Sharad Pawar's NCP, M K Stalin's DMK, Lalu Prasad's RJD and H D Deve Gowda's JD(S). Let's call it the second front (NDA being the first). Then, the SP and the BSP are going their own way together in an Uttar Pradesh “gathbandhan”. As things stand, in the election campaign, these two will attack the BJP, but also the Congress, and vice-versa. Let's call them the third front, if only for convenience.

Yet another alliance of sorts is now on

display with Mamata Banerjee's show of strength. This includes the Congress, the SP, the BSP, and many of the reigning regional satraps, including the DMK, Chandrababu Naidu's TDP and Arvind Kejriwal's AAP. This is some kind of a fourth front.

Then there are Naveen Patnaik's BJD, the TRS of K Chandrashekar Rao (KCR) and Jagan Mohan Reddy's YSR-CP, who are out of all these groupings, and waiting for a break some place. These are our fifth, sixth, seventh fronts and so on.

And finally, we have the Left, whom nobody wants. This is the state of the anti-BJP parties today, a Shiv ji ki baraat without a groom.



## NATIONAL INTEREST

SHEKHAR GUPTA

little ideological glue between any of them. Barring the Congress, none of these parties can reach the number of 50.

Their best hope: Keep the BJP below 170, the Congress at 100, and then build an alliance of the rest that forces the Congress to support it from outside. The last time we saw this movie, it was called Deve Gowda's United Front. In such an election, each one of these stalwarts would see a chance for tenancy at Lok Kalyan Marg, however short. Being a former prime minister for the rest of

your life is better than being a former chief minister. In 1996, the late comrade Harkishan Singh Surjeet had to conjure up a Deve Gowda from some place. Today, the opposition has a gaggle of “main-bhi-Gowda” wannabes.

India isn't about to repeat in 2019 what it did in 1996 and felt stupid. That is why you find the confidence and the smiles back on the BJP faces. Mr Modi and his strategists believe the contest this summer will bear no resemblance to the recent state elections or the many recent byelections they lost.

The opposition's disunity, conflicting ambitions, personal antagonisms and the one-point agenda of “Modi Hatao” have convinced them that India is headed for a 1971, Indira-versus-the-rest kind of elections. Where all pundits added the voter arithmetic and pronounced that she was going to lose, she won a landslide on the slogan of “Garibi Hatao” versus “Indira Hatao”.

In a state election, as in Madhya

Pradesh, Rajasthan or Chhattisgarh, you can go against the incumbent without a chief ministerial candidate. Your voters know the two or three contenders within your party and are not particularly polarised in terms of personal loyalties. In a national election, it is dangerous to say we will fight Mr Modi state by state, and also each other at the same time. He will turn it into a “so which among these will be your new Gowda” campaign. He can, and would, then cut you down piecemeal.

While the BJP compares 2019 to 1971, the fact is that it could be even better for them for two reasons. One, unlike in 1971, today a very large number of seats will go to regional parties. Several of them, from the Dravidian parties to Mayawati and even Mamata, have zero or negotiable ideological hang-ups, having partnered or opposed both the BJP and the Congress. So, they need to keep their options open. The optimum BJP plus Congress number in a general election is 350 out of 543. Anything below 300 starts opening up possibilities. And in case it is below 275, these parties will hunt in a fully bivalent manner. They continue to be likely allies for the BJP too.

Second, in 1971, it was still possible for major opposition parties, especially in the heartland, to be united only by sheer anti-Congressism. Today, there is strong anti-BJPism but the competing anti-Congress impulse endures. The prospect of a broken mandate is encouraging many of these below-50-seat stalwarts to fantasise about a non-BJP, non-Congress government. The most vocal proponent of this is Telangana's KCR.

Now, arithmetic tells you the following:

Even if the BJP and the Congress together count for less than 250, there is no way the rest could reach 272 without one of these big two supporting them from outside. That means a prime minister on daily wages, like V P Singh, Chandra Shekhar, H D Deve Gowda or I K Gujral.

Next, because no leader other than Mr Modi or Rahul Gandhi is even theoretically capable of crossing 50, a non-BJP/non-Congress leader who others would tolerate for more than a year, forget respecting him/her for five years, is an impossibility. Such a government, a riotous Shiv ji ki baraat without a leader or a groom, would fall apart soon. Remember, how even a saint like Jayaprakash Narayan failed to keep one such flock together in 1979?

Finally: If the Opposition insists on going leaderless, Mr Modi will only need to read out this script and the voters would most likely listen to him. Even if they don't, if a split election produces a 10-month-wonder again, it will subsequently give Amit Shah the opportunity to make his boast of 50 years of BJP rule.

*Byspecial arrangement with ThePrint*

## Give myth a chance

## EYE CULTURE

KUMAR ABISHEK

There have been constant efforts over the years to glorify the so-called scientific achievements preserved in the *Vedas*, Hindu mythology, and other ancient texts. Such attempts in the past few years have split over to the Indian Science Congress — most recently in its latest, 106th edition. Andhra University Vice-chancellor G Nageshwar Rao claimed ancient Indians had knowledge of stem cell research, test-tube fertilisation, aviation and guided missiles, citing tales from the *Mahabharata* and the *Ramayana*. More such seemingly bizarre statements were made during the science congress, evoking sharp criticism, and even protest from mainstream scientists.

A campaign to legitimise and establish these perceived hokums as technological achievements gathered steam since the Bharatiya Janata Party came to power at the Centre — from Prime Minister Narendra Modi to some of his ministers have supported such efforts, at least in words.

Taken at face value, such claims are outlandish and outright childish. But is it prudent to dismiss them as nothing but fertile thoughts of our ancestors, without conducting further research? After all, these claims have not been sourced from one single ancient text, but multiple — written over several centuries.

For example, *vimanas* — claimed to be aircraft and described in the *Vedas*, *Puranic* texts, the *Mahabharata* and the *Ramayana* (as the most popular of them all, *Pushpak*). There are references to flying devices in Kautilya's (Chanakya's) *Arthashastra*, and Bhoja's *Samarangana Sutradhara* and *Yuktikalpataru*.

There are several mentions of flying machines across the Vedic literature, including the following verse from the *Yajurveda*: “O royal skilled engineer, construct sea-boats, propelled on water by our experts, and aeroplanes, moving and flying upward, after the clouds that reside in the mid-region, that fly as the boats move on the sea, that fly high over and below the watery clouds. Be thou, thereby, prosperous in this world created by the Omnipresent God, and flier in both air and lightning (*Yajurveda*, 10.19).”

A tunnel testing of a 3D-printed vimana model, created on the basis of descriptions in these texts at the University of California, Irvine, showed it to be aerodynamic. But no evidence of a working prototype has been found thus far.

Now, test-tube babies are a bio-tech-

nological achievement of the 20th century. But, there is a hymn in the *Rigveda* (VII.33.13) that tells us about a process similar to that of in-vitro fertilisation. Also, in the *Mahabharata*, the *Kauravas* are said to have originated from pots containing balls of flesh, nourished by water and butter. Bizzare!

Based on Hindu scriptures, there are several other claims of technological advancements in ancient India, including targeted weaponry, plastic surgery, and even computer (albeit in a godly incarnation of Chitragupta).

At best, these claims are questionable. Yet, there is enough proof of science-driven research in the India of early centuries. The *Susruta Samhita*, with its description of 1,120 illnesses, 700 medicinal plants and discussions on surgical techniques, is not only one of the foundational texts of ayurveda, but also surgery. Also, Panini's theory of morphological analysis was considered more advanced than any Western theory in linguistics before the 20th century (Frits Staal, *Universals: Studies in Indian logic and linguistics*). Or the works of Aryabhata and Brahmagupta.

Even the town planning and drainage system during the Indus Valley Civilisation would have been the envy of several major European cities of the 17th and the 18th centuries.

Also, discoveries across the globe suggest that people in the ancient world were not simple-minded. Göbekli Tepe in Turkey, considered the world's first temple and fine work of stone carvings, was first erected possibly by hunter-gatherers in the 10th BCE and not by people living in agricultural society; Antikythera Mechanism, a bronze gear used at least 2,000 years ago to predict astronomical positions and eclipses for calendar and astrological purposes decades in advance, is considered a Greek analogue computer; and the 2000-year-old Baghdad Battery or Parthian Battery, a set of three artefacts — a ceramic pot, a tube of copper, and a rod of iron — was possibly an old galvanic cell.

Most likely, the statements made by some Indian researchers and political leaders about scientific advancements in ancient India are nothing but rephrased excerpts from mythology. However, there is enough content in these claims for serious, well-funded and unbiased research into India's “lost” history, and not to be brushed aside by scientific minds in the country and abroad.

*Every week, Eye Culture features writers with an entertaining critical take on art, music, dance, film and sport*

## Right line, wrong length



## LINE AND LENGTH

TCA SRINIVASA RAGHAVAN

In the past 30 years which election has been the most difficult to predict? My attempts to solve this question have led me to formulate a proposition with two parts.

Part 1 is this: The closer you are to one general election, the easier it is to predict the outcome of the next. In 2014, for example, it was easy to predict at least 275 Lok Sabha seats for the BJP in 2019.

Part 2 is that the closer you get to the next general election the harder it is to predict its outcome. Would anyone like to wager some money on the number of seats the BJP will win/lose in May this year?

In other words, peoples' political preferences are highly unstable. True, there is a

core of stable voters. But as the number of voters grows, so does the number of unstable voters, who make a huge difference at the margin.

What is astonishing is that this degree of instability would not be — and is not — tolerated in any other area. But in politics it is.

If we take unstable political preferences as a given — like air turbulence — what should be done to mitigate its effects? I have two suggestions below that arise from the two givens of the Constitution.

One, it does not limit the term of a prime minister to just one term. Two, however, it does limit the term of the Lok Sabha to five years except when an Emergency has been declared.

However, the five-year rule has no logic to it. It is entirely arbitrary. Many countries have less or more.

Also, many countries also limit the term of their heads of government. The USA used to have unlimited terms for the President till they changed it in the mid-1940s.

## Two problems

When taken together, the two constitutional provisions — no limit on the PM's terms and the limited term for the Lok Sabha — constitute a problem for both politics and governance.



IN BRIEF  
iPhone assembler Foxconn cuts 50,000 contract jobs in China



Apple's biggest iPhone assembler Foxconn has let go around 50,000 contract workers in China since October, months earlier than normal, *Nikkei* reported on Friday. The scale of the cuts is not necessarily deeper than previous years, it is simply significantly earlier, the report said, citing an industry source familiar with the situation. "It's quite different this year to ask assembly line workers to leave before the year-end," the source told *Nikkei*. Foxconn, was not immediately available for a comment. Earlier this month, *Nikkei* reported that Apple cut current quarter production plan for new iPhones by 10 per cent in the face of slowing demand in China, the world's largest smartphone market.

REUTERS

Murdoch seeks nod to merge UK's Times and Sunday Times

Rupert Murdoch's London-based newspapers *The Times* and *Sunday Times* have asked the British government for permission to share resources across both titles, a move that is barred under rules imposed when the media mogul bought both newspapers in 1981. John Witherow, editor of *The Times*, said the cost pressures facing the newspaper industry meant the titles needed to manage their newsrooms as carefully as possible. "We need to stay competitive in an increasingly difficult market so that we can continue to build a sustainable future for *Times* journalism," he said.

Trump cancels Pelosi's foreign trip citing shutdown

US President Donald Trump has denied House Speaker Nancy Pelosi a military plane for an "excursion" to Brussels and war-torn Afghanistan, a tit-for-tat retaliation that deepened the divide between the two leaders amidst the longest-ever federal government shutdown. The shutdown is a result of the bitter political divide over border security issue as the Democrats who now enjoy majority in the House of Representatives have refused to pass a legislation approving USD 5.7 billion in federal funding to construct a wall across the US-Mexico border, a poll promise by the Republican president.

UK builds up the great Brexit stockpile

BLOOMBERG  
London, 18 January

Brexit is unlikely to feature in the annals of military history, but Britain is getting a taste of wartime stockpiling again.

Away from the political conflict in Parliament, companies are busy turning the country into a warehouse as executives prepare for the economic chaos that the government and Opposition parties have yet to demonstrate they can avoid. The UK is due to leave the European Union in 10 weeks and, as of now, there's no deal in place to ensure trade routes aren't strangled.

Factory floors and storage facilities are filling up as manufacturers accumulate everything from printing ink and packaging to aircraft parts and tinned food. Business Minister Richard Harrington declared that "nearly every square meter" of warehouse space in the country is now full.

Businesses from engine-maker Rolls Royce Holdings to brewer Heineken have outlined plans to hoard in case a



Brexit supporters demonstrate outside Parliament in London

PHOTO: REUTERS

deal doesn't make sense, because there isn't any evidence that there will be one," said Brian Palmer, chief executive officer of Tharsus, a maker of robotics and hi-tech machines based in northeast England. "It's not an optimal way to run a manufacturing organisation."

Tharsus is stocking up on the motors and pumps it needs to keep producing for its clients around the world. It's also increasing output to ensure it can deliver April's demand in March, the month the UK is due to leave the EU.

The events of this week will have compounded the concerns of corporate Britain. Prime Minister Theresa May's Brexit agreement was resoundingly rejected in the House of Commons on Tuesday. She won a no-confidence vote in her government 24 hours later before starting cross-party talks on how to navigate the country out of its political paralysis.

So far, opposition Labour Party Leader Jeremy Corbyn is refusing to engage. May has until Monday to come back to Parliament with a Plan B.

Tesla to cut thousands of jobs in effort to trim cost

Announcement made as the company ramps up production of Model 3

BLOOMBERG  
London, 18 January

Tesla will cut its full-time employee headcount by 7 per cent, with Chief Executive Officer Elon Musk saying the "road ahead is very difficult" to make electric cars affordable for the mass market.

The shares fell 7.6 per cent in pre-market trading after the Palo Alto, California-based company said it managed to eke out a profit in the fourth quarter — though a narrower one than the hard-won third-quarter profit it reported in October, according to a blog post on Friday.

Tesla is under pressure to limit spending as it emerges from what Musk called the "most challenging" year in its history. While it succeeded in scaling up output of its Model 3, the company missed analysts' production targets during the fourth quarter, and it's had to cut prices to make up for the halving of a US federal tax credit that's helped spur sales. The credit is set to drop again in July before going away entirely at the end of the year. The company has cushioned its production challenges by initially selling only the highest-priced versions of the Model 3, its first vehicle billed as a car for the masses. In the next few months, as production increases, the company will need to sell lower-cost configurations, Musk said on the blog post. Up until now, the cheapest Model 3, whose base price is \$35,000, has cost \$44,000, he said.



Tesla had about 45,000 workers in 2018. So, the 7 per cent cut works out to about 3,150 job losses

PHOTO: REUTERS

will need to deliver at least the mid-range Model 3 variant in all markets, as we need to reach more customers who can afford our vehicles," Musk said. "Moreover, we need to continue making progress towards lower priced variants of Model 3."

Tesla had about 45,000 workers in 2018, so the 7 per cent cut works out to about 3,150 jobs lost.

The company will also see

a significant increase in competition for electric cars as traditional manufacturers have started to roll out an array of products that will be measured against its pioneering lineup. Shortly after Daimler AG's EQC electric crossover, Audi last year unveiled the E-Tron. Its parent, Volkswagen AG, plans to introduce more than 50 purely battery-powered vehicles through 2025 across the group.

14,000 Model S cars recalled in China

Electric-vehicle maker Tesla will recall over 14,000 Model S cars in China as part of the global automotive sector's effort to replace potentially dangerous airbags made by Takata, China's market regulator announced on Friday.

The US giant will recall imported Model S cars made between February 2014 and December 2016, the State Administration of Market Regulation said, joining other carmakers in an effort affecting tens of millions of cars worldwide.

Without US, Brazil president in focus

AP/PTI  
London, 18 January

Organisers of next week's annual Davos conference clut on a brave face Friday after US President Donald Trump withdrew his entire delegation, insisting the forum still had plenty of political and corporate firepower in its debating armoury.

Trump himself had already pulled out of attending the World Economic Forum (WEF) for a second year, having shut down the US government over his demands for Congress to fund a wall on the Mexican border.

Treasury Secretary Steven Mnuchin, Secretary of State Mike Pompeo and US trade chiefs had been slated to attend the WEF instead, alongside other heavy hitters such as Chinese Vice President Wang Qishan, as Beijing and Washington try to negotiate a truce to their trade war.

But the White House announced the cancellation of the delegation's trip to the Swiss Alps "out of consideration for the 800,000 great American workers not receiving pay".

In Trump's absence, Brazil's new far-right presi-



PHOTO: REUTERS

An area which will be used as a heliport for the Davos event. The US won't be sending its delegation to the gathering

dent, Jair Bolsonaro, will grab the Davos limelight when he outlines his economic agenda in a keynote address during his first trip abroad since taking office earlier this month.

The week of networking and socialising kicks off Monday and will feature an eclectic lineup of discussions devoted to issues such as mindful parenting in the digital age, chronic loneliness, and harnessing artificial intelligence without destroying jobs.

It is expected to draw some 3,000 political and business figures, including 65 government leaders from Germany, Israel, Zimbabwe and elsewhere.

Malaysia wants Goldman's \$7.5 billion, not an apology

BLOOMBERG  
Kuala Lumpur, 18 January

An apology from Goldman Sachs Group doesn't cut it for Malaysia, which said it may consider a discussion to absolve the bank of blame for its role in the IMDB scandal for \$7.5 billion.

The country filed criminal charges against the lender in December, the first for Goldman, and may discuss dropping those allegations if the bank pays the sum, Finance Minister Lim Guan Eng told reporters on Friday. Units of the bank were accused of making false statements in documents submitted to a local regulator in arranging \$6.5 billion bond offers for troubled state fund IMDB.

"Goldman Sachs should understand the agony and the trauma suffered by the Malaysian people as a result of the IMDB scandal," Lim said in the admin-

istrative capital of Putrajaya. "An apology is just not sufficient. Not enough. There must be the necessary reparations and compensations."

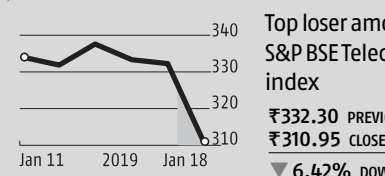
Goldman's Chief Executive Officer David Solomon this week apologised to the Malaysian people for the role that senior banker Tim Leissner played in the IMDB scandal. The country was "defrauded by many individuals," with Leissner being "one of those people," Solomon said on a conference call with analysts after the investment bank reported its earnings Wednesday.

Leissner has pleaded guilty to charges including conspiring to launder money, while another former Goldman banker Roger Ng remains in custody in Malaysia as he faces extradition to the US to face related allegations. Solomon reiterated that the firm conducted considerable due diligence on the deals and was lied to by Leissner.

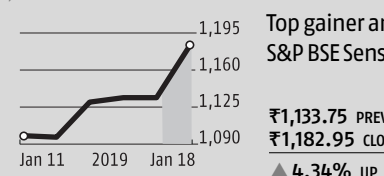
STOCKS

IN THE NEWS

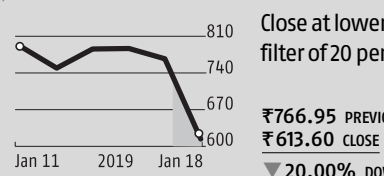
Bharti Airtel



Reliance Industries

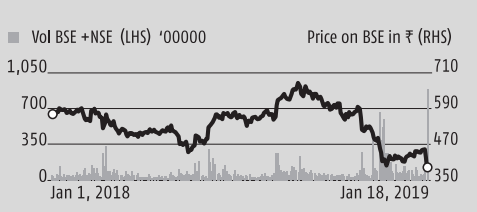


Linde India



STOCK OF THE DAY

Sun Pharmaceutical Industries: Stock hits six years low at ₹375.40, down 39 per cent from three months high



Company	Close (₹)	% Chg	WT	PE	Std
Adani Ports	399.3	1.2	0.7	25.6	36.4
Asian Paints	664.5	0.8	1.4	61.1	65.7
Axis Bank	664.6	-1.8	2.8	374.76014	1
Bajaj Auto	2720.8	-0.9	0.9	17.5	18.3
Bajaj Finserv	2542.9	0.3	1.4	55.0	45.3
Bajaj Finance	6249.9	-1.7	0.9	26.73117	1
Bharti Airtel	311.2	-6.3	0.9	72.8	Maruti Suzuki
Bharti Infratel	278.1	-0.9	0.5	21.2	20.0
BPOC	354.2	-0.3	0.8	7.8	9.2
Cipla	599.4	0.0	0.6	25.8	25.6
Coal India	230.0	-0.9	0.8	12.8	14.5
Dr Reddy's	2596.8	-0.9	0.7	27.5	37.5
Eicher Motor	2012.8	-1.2	0.6	26.0	30.4
GAIL	322.2	-3.1	0.7	15.1	13.2
Grasim Ind	825.0	-0.4	0.7	34.2	179.1
HCL Techno	966.3	1.2	1.2	14.5	16.9
HDFC	2006.9	0.1	7.5	21.2	36.2
HDFC Bank	2130.1	-0.1	9.8	31.3	30.4
Hera Motocorp	2898.8	-0.2	0.8	15.6	15.8
Hindalco	286.8	1.4	0.7	31.7	38.4
HPCIL	239.5	-1.9	0.8	5.1	5.6
HUL	1744.1	-0.4	2.7	72.2	64.5
ICICI Bank	372.0	-0.7	5.2	31.1	69.3
Indiabulls Hous	817.4	-0.4	0.6	8.1	8.9
IndusInd Bank	1516.9	-0.4	1.7	-	23.5
Infosys	731.0	-0.3	6.0	21.3	22.7

Company	Close (₹)	% Chg	WT	PE	Std
IOC	137.9	0.1	1.3	5.9	5.8
JSW Steel	285.6	-1.2	0.9	7.5	8.6
Kotak Mah Bank	1240.2	-1.7	3.6	35.1	34.5
L&T	1317.9	-2.1	4.0	21.2	29.2
Mah & Mah	735.0	0.0	1.6	11.5	17.8
Maruti Suzuki	7358.0	0.3	2.1	28.2	28.1
ONGC	144.3	-0.4	1.1	11.3	11.6
Power Grid	146.8	1.2	1.4	7.2	7.4
ONGC	193.6	-0.2	1.0	12.4	11.8
Reliance Ind	1184.4	4.4	8.7	19.4	21.3
SBI	295.0	-0.8	2.4	-	-
Sun Pharma	390.8	-0.4	0.9	32.4	-
Tata Motors	183.3	-0.9	0.7	10.2	14.0
Tata Steel	470.7	-0.5	0.8	2.5	6.7
TCS	1900.7	0.3	4.3	23.5	24.6
Tech Mahindra	709.2	0.5	1.0	16.9	17.1
Titan Company	951.0	-0.1	1.0	77.4	68.0
UltraTech	3820.0	-0.7	0.9	54.9	55.3
UPPL	766.1	-0.4	0.6	18.6	75.2
Vedanta	198.7	0.5	0.8	6.0	10.7
Wipro	346.2	3.2	0.9	20.3	22.1
YES Bank	198.6	-1.4	0.8	10.9	10.2
Zee Enter	440.3	-0.1	0.5	28.1	21.5

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S&P BSE SENSEX STOCKS									
Asian Paints	1404.3	0.9	1.6	63.2	L&T	1318.1	-2.1	4.7	21.29.2
Axata Bank	646.4	-1.8	3.3	74.590.114	Mah & Mah	734.7	0.1	1.8	115.21.8
Bajaj Auto	2716.9	0.4	1.0	14.7	Maruti Suzuki	7358.0	0.3	2.1	28.228.1
Bajaj Fin	2540.9	0.2	1.7	54.9	ONGC	144.4	-0.7	1.2	11.311.6
Bharti Airtel	311.0	-6.4	1.0	2.8	ONGC	146.3	0.8	1.6	7.27.4
Coal India	2308.1	0.9	1.0	12.8	Power Grid	193.6	-0.5	1.1	12.311.8
Coimbatore	1.0	1.4	1.4	14.5	Reliance Ind	1183.0	4.4	8.7	19.421.2
HDPC	200.8	0.2	8.8	21.3	SBI	295.0	-0.7	2.8	-
HDFC	1713.1	-0.1	11.6	31.2	Sun Pharma	390.8	-0.5	1.1	32.0
Herc MotorCorp	289.3	0.0	1.0	1.0	Tata Motors	183.3	-	0.8	10.213.9
ICI	213.2	0.4	3.2	72.2	Tata Steel	183.1	-0.9	0.8	10.213.9
ICI	371.9	-0.4	6.1	31.1	Tata Steel	1970.4	-0.4	0.9	2.52.7
Industrial Bank	1516.2	0.4	2.0	25.5	TCs	450.5	0.1	5.1	25.624.6
Infosys	90.3	7.1	21.3	21.3	YES Bank	998.2	0.4	0.9	6.4
ITC	291.1	-1.0	9.1	31.0	YES Bank	198.3	-1.6	0.9	10.810.2
Kotak Mah Bank	1237.4	1.4	4.2	35.0	BSE SENSEX	36386.8	0.0	100.0	10.221.6



## WHAT THESE STOCK PAGES CONTAIN AND WHY

**BS 200** stocks account for over 85 per cent of the volume of shares, value and trades on BSE and NSE. Routine information on other stocks is given separately under Other Traded Stocks. Only NSE quotes are given in italics for all other stocks. For the remaining stocks, we carry BSE quotes.

For BS 200 stocks, the company name is followed by its BSE group in brackets and the symbol indicating the paid-up value. Four categories of information are provided: First,

the basic information on the day's trading. Information is also given on the number of shares traded, and the number of trading transactions, as

	BSE	NSE	BSE	NSE	BSE	NSE	BSE
PClose	Adani Ports (A) ★ (394.70)	Adani Power (A) (50.80)	Adani Power (A) (50.85)	Ajanta Phar (A) ★ (1153.40)	Allahabad (44.50)		
Open	395.60	396.50	51.55	51.55	1145.00	1149.40	44.55
High	399.55	399.55	52.00	52.10	1149.60	1151.65	44.60

on the basis of consolidated earnings wherever available.

The industry P/E is the aggregate market capitalisation of the industry divided by the aggregate standalone net profit (trailing 12 months) of the industry, after excluding loss-making companies.

The market capitalisation is shown in ₹ crore and is arrived at by multiplying the closing prices of shares with equity capital. It changes either because more shares have been issued (or extinguished) or the price has moved. Book value is net worth (equity capital plus reserves

have been arrived at by the day's closing price by its earning per share (EPS) for 12 months. EPS is calculated

NSE		BSE		NSE		BSE		NSE	
Bk (A)	Amara Raja (A) ♠		Ambuja Cem (A) ★						
(44.45)	(781.10)	(785.20)	(215.10)	(215.25)					PClose
44.60	785.25	785.20	215.90	215.70					Open
44.60	786.60	787.75	216.15	216.00					High

compares the prevailing price to BV.  $R_{NW}$  is the ratio of net profit to net worth, while  $R_{CE}$  is the ratio of EBIT to capital employed. Capital employed is net worth plus total long-term borrowings. High  $R_{NW}$  and high  $R_{CE}$  imply a business is debt-efficient.

Standard deviation in the returns of a stock measures the volatility of a stock over its trend. Beta indicates how much the scrip moves for a unit change in the index. A negative beta indicates the share moves in a direction opposite to the market and vice versa. The beta of the index is 1. It indicates the stock has a strong trend independent of the market's movement. R Squared is the square of the coefficient of correlation between the market returns and stock returns. It represents the percentage by which the market influences an individual stock's movement. R Squared could range

movement. R Squared could range from 0 to 1, where 1 would indicate perfect correlation between the market index and the stock and 0 indicates no correlation.

	NSE	BSE	NSE	BSE	NSE	BSE
lo Hosp (A) ♣		Apollo Tyres (A) ♠		Arvind (A)		Ashok Leyl
0.20) (1352.95)		(218.30)	(218.40)	(94.40)	(94.45)	(93.15)
.00	1350.00	218.70	219.50	94.90	94.60	93.75
.00	1372.90	220.70	221.00	94.95	95.20	93.75

**Open Interest:** OI is the number of contracts open at end of day in the futures and options segment. OI thus indicates traders' expectations. High OI is typical when traders see a continuing trend.

**Market Lots:** The designated value of a single F&O contract. This differs

option becomes valueless if futures contracts are completely settled on expiry. On NSE, Thursday of every month.

**Put/Call ratio:** The ratio of interest in put options & call options.

**FORMULAS:**

**Mean:** Average of daily returns

Strike Price: The price at which an option is "in-the-money" if the market price exceeds the SP (in case of a call option) and the market price is below

Expiry date: The date on which a derivative expires. An unexercised

NA	BSE	NSE	BSE	NSE		BSE
(A) ♣	Asian Paints (A) ♣		Aurob Pharma (A) ♣			Axis
3.25	(1389.45)	(1389.60)	(774.30)	(775.00)		(676.00)
93.35	1399.75	1391.00	782.00	780.10	PClose	675.80
93.55	1404.25	1404.75	783.50	781.00	Open	
					High	675.80

change occurs in the day's closing value compared with the previous close, the close price is underlined. A significant change means a 3 per cent rise or fall in scrips whose market values are over 10 times paid-up value or 15 per cent for the rest of the shares.


**SYMBOLS FOR FACE VALUE OF SCRIPS**

● ₹100	PClose
○ ₹50	Open
▲ ₹20	High
	Low
	Close

◆ #6	Close
✱ #5	%Chng
✱ #4	Shares
✱ #4	Trades
□ #3	PE
★ #2	3 M H/L
★ #2	52 WK H/L
★ #1	1 M return
★ #1	1 Yr return

Face value of scrips is ₹10 in all cases if not specified.	Mcaps Alpha Beta Std deviation Mean
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	NSE	BSE		NSE	BSE		NSE	BSE		NSE	BSE	
(A) ★			Bajaj Auto (A)			Bajaj Fin (A) ★			Bajaj Finsrv (A)			
(676.65)			(2726.35) (2729.65)			(2535.60) (2535.90)			(6363.85) (6359.00)			
674.90			2740.00 2741.00			2549.00 2545.00			6398.00 6396.00			
676.05			2741.05 2746.50			2554.35 2555.00			6398.00 6378.00			

BSE	NSE	BSE	NSE
ACC (A)		Adani Enter (A) 	
(1455.10)	(1455.15)	(149.10)	(149.00)
1455.25	1468.00	150.10	149.70
1459.85	1468.00	150.70	149.80
1435.55	1435.00	144.65	144.55
1439.95	1439.75	146.75	146.75

1439/95	1439/75	146/75	146/75
-1.04	-1.06	-1.58	-1.51
33542	336K	366K	2307K
917	16299	1772	12648
27.21	27.20	25.71	25.71
1573/1322	1573/1323	180/138	180/135
1845/1255	1836/1256	237/101	237/101
-6.97	-6.75	-8.31	-8.39
-21.00	-21.30	-26.40	-26.51
27.21	27.20	25.71	25.71

27041	27037	16140	16140
0.02	0.03	-0.34	-0.33
1.51	1.63	1.62	1.64
1.69	1.80	2.30	2.29
0.01	0.00	-0.36	-0.35

BSE	NSE	BSE	NSE
<b>Balkrishna I (A) ★</b>	<b>(871.40)</b>	<b>Bank of Baroda (A) ★</b>	<b>(119.15)</b>
875.60	874.45	119.50	119.20
877.30	875.30	119.80	119.90

[illegible]



# Das favours flexible policy objectives

ANUP ROY  
Mumbai, 18 January

In his maiden speech as the Reserve Bank of India (RBI) Governor Shaktikanta Das indicated on Friday that the central bank under him would be flexible enough to assume multiple responsibilities, instead of the one-point agenda of remaining fixated on inflation.

The RBI always had multiple objectives, such as maintaining price stability, taking care of growth, as well as being the regulator of the banking system, and ensuring financial system stability.

However, Raghuram Rajan and Urjit Patel favoured the central bank to focus almost exclusively on price stability. The RBI Act was amended in November 2016 to make the goal as “maintaining price stability keeping in mind the objective of growth.” Before that, growth was a clear objective of the central bank.

The RBI was given the responsibility of maintaining inflation between 2 and 6 per cent, with the central point focused on 4 per cent.

“At the RBI, we are committed to playing our role as the monetary authority for maintaining mandated price



RBI Governor Shaktikanta Das

“AT THE RBI, WE ARE COMMITTED TO PLAYING OUR ROLE AS THE MONETARY AUTHORITY FOR MAINTAINING MANDATED PRICE STABILITY OBJECTIVE WHILE KEEPING IN MIND THE OBJECTIVE OF GROWTH”

stability objective while keeping in mind the objective of growth; and as the regulator and supervisor of the banking sector and payment systems. We will take necessary steps to maintain financial stability, and to facilitate enabling conditions for sustainable and robust growth,” Das said at the Vibrant Gujarat Global Summit on Friday.

Referring to his

tweet, before he had become the RBI governor, he said the global central banks should, “try and read the situation and take decisive steps in pursuit of their multiple responsibilities.”

“As governor of the RBI, it would be my endeavour to act according to these principles,” Das said in his speech.

Das had indeed made it clear on his first day as governor, on December 12,

that he would balance inflation with growth.

“Inflation targeting is an important function, which the RBI Act has mandated.... Maintenance of growth trajectory of Indian economy is also important,” he had said on his first day in the office.

Industry representatives, who met Das recently, suggested the RBI would cut rates by at least 50 basis points to spur growth. Most economists expect the central bank to cut the policy rate in the February 7 policy meet, Das’ first as the governor.

Das’ stance is a little different than his predecessors’. While Rajan passionately used to argue how a sustained low inflation takes care of the growth on a durable basis, Patel on several occasions said price stability was his sole objective.

As a result, Patel did not cut rates even when inflation dipped well below 3 per cent, fearing prices to flare up in the near future. Understandably, industry lobbies were not happy, and blamed the central bank for not aiding in growth recovery.

In his speech, Das said the banking system was gradually becoming resilient as the banks had improved their profitability ratios and capital positions.

“Going forward, the foremost priority is to preserve domestic macroeconomic and financial stability, especially in a global environment that is clouded by high uncertainty,” Das said.

“Not only downward risks to global growth, trade and investment have risen, the spill-over effects on emerging markets due to increase in global interest rates could also be profound,” the RBI governor said.

“We, therefore, need to brace ourselves for any sudden bout of global financial market turbulence that domestic economy and financial markets may face in the period ahead. In such a milieu, domestic macroeconomic policy framework needs to be supported by sound financial supervision and regulation,” he said.

However, the RBI must continue with its vigil on asset quality of banks, as well as resolution of stressed assets, with a focus on implementation of the new resolution framework. Further slip-pages should be contained, he said.

The central bank would also require to take policy actions to improve corporate governance in banks “with a focus on transparency and accountability”.

## ROAD TO VICTORY



Australia's Glenn Maxwell plays a shot with M S Dhoni behind the wickets during their One-Day International (ODI) match in Melbourne on Friday. After Australia was bowled out for 230, Dhoni struck an unbeaten 87 to guide India to victory by seven wickets in the crucial third match of the tournament. With this, India also won the ODI tournament. It has already won the Test series 2-1 and drawn the T20 internationals 1-1

PHOTO: PTI

## Isro: India no less than China in tech space

PRESS TRUST OF INDIA  
New Delhi, 18 January

India is nowhere less than China in the arena of space, and after the success of of human space mission project 'Gaganyaan', it will be equal to its neighbour in all aspects related to the field, Indian Space Research Organisation Chairman K Sivan said on Friday. This month, Chang'e 4, the first Chinese mission to explore the moon's far side facing away from earth, carried tools to analyse the region's geology.

India also has an ambitious mission, Chandrayaan-2, to land on moon's South Pole, a region unexplored by any country so

far, Sivan said. The plan was to initially launch the mission in April last year, but it has now been postponed to the first quarter of this year. “We are nowhere less than China,” Sivan said in response to a question that sought to draw a parallel between the two space-faring Asian countries. He said India was at par in regards to launch vehicles and spacecraft. India has announced that 'Gaganyaan' will take off by 2022, while China launched its first manned space mission in 2003. “They had the human space capability, which we did not have, but once we have a successful Gaganyaan project by 2022, we will be equal to them in all aspects,” Sivan said.

# Delhi pollution reminds me of Beijing: Toyota India MD



Toyota India MD Masakazu Yoshimura at the launch of Camry Hybrid electric vehicle in New Delhi on Friday

PHOTO: PTI

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Masakazu Yoshimura, the new managing director at Toyota's India operations, on Friday said, “The pollution of India, particularly this morning (in Delhi), reminded me of Beijing... exactly the same. We should do something about this, we should be responsible.”

Yoshimura, who took charge of India operations in January, has worked in China for Toyota in the past. “I was playing golf in Beijing once, and I lost the ball in the air because of the fog,” he said. Toyota is offering self-charging hybrid vehicles that could minimise the emission by 48 per cent, and carbondioxide by 28 per cent, he said. The company launched the new Camry Hybrid at an ex-showroom price of ₹36.95 lakh on Friday.

Calling it a hybrid electric vehicle, he said it would not need a charging station. “It is not zero-emission unfortunately. But we have a technology in the fuel cell to bring this to zero in the future. At the moment, we should introduce self-charging hybrid cars for India. It will reduce import of fossil fuel and forex use.” In the long-term, the company aims to bring in a variety of technologies that will be based on the stable regulation and taxation. The company has partnered Suzuki to introduce electric vehicles in the Indian market.

Yoshimura said the taxation system in India was 'very complicated'. Camry Hybrid, which was eligible for certain fiscal incentives before the rollout of GST, is now charged at an additional cess of 15 per cent, besides the 28 per cent GST.

“Personally, I feel it should be linked to emissions. If the emission is lower, the consumer should get the vehicle at a lower tax. The car makers can then easily invest in new technologies. If regulations change frequently, it will impact investment in future technologies,” he said. The high tax on Camry Hybrid has halved its sales to 210 units in the first eight months of FY19, against 437 units in corresponding period of FY18. N Raja, the company's deputy managing director, said he was hopeful that Camry Hybrid's sales would rise to a pre-GST level of hundred units a month.

India, world's fourth-largest market in terms of passenger vehicle production, is a small contributor in Toyota's global sales. Of the 10.55 million units sold globally by the Japanese auto major in 2018, India brought just about 151,400 units, growing over eight per cent. But Yoshimura said India would turn a key market. “In Toyota's global sales volume, India was 11th in 2017, and it has moved up to 10th in 2018. We foresee India easily moving up to the top three position in the future. We need to satisfy the consumers first and numbers will follow,” said Yoshimura.

In India, Toyota heavily banks on a diesel-vehicle portfolio, comprising primarily Innova and Fortuner. These two models bring more than 60 per cent of the company's sales, and continue to see a rise in volume in spite of the declining popularity of diesel-run vehicles amid adverse regulations. “Diesel is not as good as petrol. Technology may be able to improve that. Globally, diesel is decreasing for sure. We should be carefully monitoring the shift,” said Yoshimura.

