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GOOGLE SEARCH DOMINANCE HAS  
BUSINESSES PAYING FOR THEIR NAME

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UK DISMISSES EU OFFER ON BREXIT  
BACKSTOP AS 'DISAPPOINTING'



## NAYA PAK SHOULD SHOW NAYA ACTION ON TERROR: GOVT

Pakistan will be judged not by words but on the basis of the action it takes to dismantle terror infrastructure on its soil, the Centre said on Saturday, asserting that its non-military strike on the Jaish-e-Mohammed terrorist training camp in Balakot achieved its desired objective. External Affairs Ministry Spokesperson Raveesh Kumar said if Pakistan claimed to be a *naya Pakistan* (New Pakistan) with a *nayi soch* (new thinking), then it should demonstrate *naya* action (new action) against terror groups operating with impunity from its soil. PTI

## COMPANIES P2 Aadhaar e-KYC charges to raise costs for businesses

The government's decision to begin charging private companies for Aadhaar authentication services has not gone down well with the industry, which argues that the move will make services more expensive for end-customers. **NEHA ALAWADHI & KARAN CHOUDHURY** write

## COMPANIES P2 Domestic TV makers give a fillip to 'Make in India'

Amid a tug-of-war between the Centre and foreign multinationals, local television manufacturers are ramping up production capacity. As major players like Samsung and LG raise concerns over the 'unfavourable' manufacturing ecosystem in the country, Indian original equipment manufacturers are pumping in money to expand capacity. **ARNAB DUTTA** writes

## BSSPECIALS

## IN DEPTH

## An artistic anarchy for politics of peace

A unique protest raises questions about our times through plays, poetry, art and conversations, writes **AMRITA SINGH** ➤

## ECONOMY & PUBLIC AFFAIRS

## Only 9% women MLAs and MPs across nation

ADR and NEW's study of MPs and MLAs reveals how skewed the gender representation is in the states and parties ➤

## ECONOMY P6

## Need more action to revive power sector: Experts

The Union government's approval for new power projects and a plan to address stress in the sector are expected to revive investment, but experts see the measures working only if these are backed by real changes in coal supply and power purchase. The Cabinet on Thursday approved new power projects worth ₹31,000 crore.

## ECONOMY & PUBLIC AFFAIRS P8

## Will natural gas be a game-changer in India?

In 2012-13, the share of natural gas in India's energy mix was around 10.5 per cent. Despite the fact that the Narendra Modi government had set a goal of taking this share to 15 per cent by 2022, the contribution of natural gas in the country's energy basket has declined to almost 6.5 per cent now. **SHINE JACOB** writes

# Goyal to shed stake to 17% in Jet bailout plan

Lenders to hold 30%; Etihad board to take up resolution deal tomorrow

NIVEDITA MOOKERJI & ANEESH PHADNIS  
New Delhi/Mumbai, 9 March

Jet Airways' rescue plan, which will be taken up for approval by the board of Etihad Airways on Monday, will see a major rejig in the promoters' shareholding. According to the finalised resolution plan, Jet Founder and Chairman Naresh Goyal's stake will come down to 17 per cent from the current 51 per cent, sources in the know said. As sought by Jet's joint venture partner Etihad, Goyal will step down from the board.

Etihad will own 24.9 per cent in Jet, marginally up from its 24 per cent stake now. The consortium of lenders, led by State Bank of India (SBI), will hold 30 per cent, while new investors — National Infrastructure Investment Fund — will pick up 20 per cent in the airline. Another 8 per cent shareholding will remain with public, it is learnt. It will possibly be a multi-part deal.

The resolution plan has undergone several changes in the past few months due to the lack of a consensus among the stakeholders. Although the Abu Dhabi-headquartered airline had earlier raised concerns about the structuring of the deal, a source close to the development told *Business Standard* that the Etihad board is likely to approve the latest plan as "they have got virtually everything they wanted". Etihad is keen to take control of an airline in a vibrant market, the source added.

Goyal and Etihad, who have had a public spat recently on the contours of the draft resolution plan, have already signed a memorandum of understanding (MoU) based on the recast deal, people close to the development

## AIR TURBULENCE

PHOTO: REUTERS



### THE BIG FALL

Jet stock price on BSE in ₹



Source: BSE

### Stock crash

(As of March 8)

Period	% change
1 month	7.9
3 month	-12.0
6 month	-12.2
YTD	-12.4
1 year	-65.0

pointed out.

When approached for comment, Etihad said on Saturday it continued to work constructively with Jet management, board and stakeholders. Jet Airways did not respond to the *Business Standard* query on the way forward. Continued investment in Jet is an attraction for Etihad as it gives the airline access to the fastest growing domestic market. The strategic ties between India and the UAE are also said to be a driver. But, the Etihad management has been grappling with its own challenges and restructuring its network and fleet order. "It is for Etihad

board to decide whether it sees Jet as a viable investment which can give returns," said an aviation source. Etihad had turned cold about investing fresh capital in Jet Airways as the stock market regulator Sebi did not approve the open offer waiver exemption it sought. At the same time, Etihad does not want to let go of its investment, another source said.

Etihad, which embarked on an equity investment strategy in 2011 expanding its global presence, put in \$349 million in Jet in 2013.

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## HONOURING THE PAST



Prime Minister Narendra Modi at the inauguration of Pandit Deendayal Upadhyaya Institute of Archaeology at Greater Noida on Saturday

PHOTO: PTI

MODI SLAMS CONG'S HANDLING  
OF TERROR ATTACKS

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# Bad bank, jobs, reforms likely on Oppn's common agenda

ARCHIS MOHAN

New Delhi, 9 March

Several civil society groups, activists and Opposition leaders, including those from the Congress, have brainstormed for the last nine months to give shape to a 'people's progressive agenda' for India. The 28-page document is set to become the foundational text for the Opposition's common minimum agenda, likely to be unveiled later this month, for the upcoming Lok Sabha polls.

Some of the key proposals of the agenda relate to transforming the banking sector, addressing agrarian distress, countering hate crimes and discrimination, and spurring employment generation.

The agenda has suggested that India "should seriously consider the feasibility of a

'bad bank', which can quickly clean up the banking system so it can resume lending". If the latest tweaks in the IBC (Insolvency and Bankruptcy Code), Project Sashakt and the asset resolution approaches fail, a 'bad bank' could be a possible solution for which external financing will be needed," the document states. On the need for reforming and strengthening the Reserve Bank of India (RBI), it says the central bank's role as the public debt manager can create a conflict of interest, as it also oversees the functioning of independent monetary policy. The agenda has proposed that the debt management function should be either in the finance ministry or under an independent public debt management agency.

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## 'PEOPLE'S PROGRESSIVE AGENDA'

- A 'bad bank' to quickly clean up the banking system
- RBI's debt-management function to be under finance ministry/independent commission
- Increasing tax incentives on philanthropic contributions
- Special packages to support five labour-intensive sectors — food processing, leather and footwear, wood manufacturers and furniture, textiles, and apparel and garments
- A law to provide 'right to urban employment guarantee'
- Social accountability Act to empower every citizen to hold govt accountable to its mandate
- A farmers' commission
- Universal secondary education

Source: Opposition's vision document for 2019 Lok Sabha polls

# On tech bubble anniversary, be wary of new corporate giants

Today's tech giants have more substance to keep them aloft than those that dominated during the tech-stock boom, but they still may not be great investments

JUSTIN LAHART

9 March

One difference between the tech giants of the dot-com era and tech giants now? Today's juggernauts really are massive, and not just in the eyes of exuberant investors.

That doesn't mean they don't present risks.

When the dot-com bubble reached its apex on March 10, 2000, the prices put on that era's major tech companies made them simply too big to ignore. Microsoft, Intel and Oracle — a group that earned the moniker "the four horsemen" (with Dell Computer sometimes taking Oracle's place) — accounted for about 13.9 per cent of the S&P 500's market capitalization.

Among those old favorites, only one — Microsoft — is worth more today, having recently reclaimed the No. 1 slot. It is closely followed by

Apple, Amazon and Google parent Alphabet. Together, the stablemates account for about 13.5 per cent of the S&P 500's market value — not far from the old horsemen's historic share.

Today's versions have a lot more economic clout, though. Combined, they have annual sales of about \$750 billion, about 10 times that of their counterparts during the tech bubble, and they make up 6.4 per cent of the total S&P 500 sales today, or more than four times the proportion back in 2000. This larger footprint doesn't reflect any one company.

Apple and Amazon (technically a retailer) each account for about 2 per cent of S&P 500 sales, while Microsoft and Alphabet each account for about 1 per cent. The story is similar for earnings, with today's tech giants accounting for 11 per cent of the S&P's total — more than double their counterparts back in March 2000.

That is a far healthier picture than during



Then Microsoft CEO Bill Gates (left) stands beside a model of the new Windows 95 product days before its launch. People at the Apple Expo (right) in CNIT centre, Paris, on September 15, 1995. Microsoft and Apple were major players in the personal-computing revolution in the 90s

PHOTOS: REUTERS FILE



the tech bubble when steep valuations placed on the horsemen were built on unrealistically rosy projections. As a group, the total return of original horsemen has underperformed the S&P 500's return by more than 100 percentage points over the past 19 years. The greatly increased sales and earnings of the current crop

of tech juggernauts put more bedrock below their share prices.

That still doesn't mean today's tech titans will be good investments over the longer term. While bigness has its advantages, such as the lower costs that come with scale, it has its downsides too.

To begin with, there are only so many dollars

out there to obtain, and with combined sales that come to nearly 1 per cent of global gross domestic product, Microsoft, Apple, Amazon and Alphabet's ability to grow faster than the economy may be brushing up against size constraints.

Giant companies can be less agile than smaller competitors, making it harder for them to adapt when the business environment changes. Indeed, Microsoft, Apple, Amazon and Alphabet in their earlier days embodied the Silicon Valley ideal of disrupters sticking it to the man. Microsoft and Apple were both major players in the personal-computing revolution that supplanted minicomputer and mainframe makers, Amazon upended retailing and Alphabet toppled the advertising business. Now they are the man.

Massive companies also can face greater regulatory constraints. Acquisitions they pursue might be barred on competition grounds, and sometimes regulators decide a company is just too big. American Telephone & Telegraph had the largest US market capitalization at the end of 1981. In January 1982 it settled the Justice Department's antitrust suit against it by agreeing to split itself up. On Friday, Sen.

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# Air India losing ₹3 cr daily as Pak closes airspace

**ANEESH PHADNIS**  
Mumbai, 9 March

Air India is incurring a loss of around ₹3 crore daily on its Europe and US flights due to the closure of Pakistan airspace, a senior airline official has said.

Last Wednesday, Pakistan closed its airspace to all overflying flights, forcing airlines from India and other countries to take a detour. This has led to an increase in flight duration and put a strain on air traffic controllers in Mumbai who are working extra shifts to handle the situation.

Pakistan civil aviation authority on Saturday extended the closure for overflying flights till 3pm on Monday. Flights within and to Pakistan from overseas are operating for the past few days.

Air India operates Boeing 777 aircraft on non-stop flights to New York, Newark, Chicago, Washington, and San Francisco on 14-16 hour flights. It has 36 weekly departures from Delhi and Mumbai to the US, which would transit the Pakistan airspace.

The closure has resulted in change in routes — flights from Delhi now head south and enter the Omani and Iran airspace. This has led to an increase in flight duration by around two hours.

The airline is also forced to make a halt in Sharjah for re-fuelling in both directions.

Air India operates flights to ten cities in Europe with its Boeing 787 planes. Their usual duration is 7.30-9 hours and it has now increased by additional 90 minutes as planes skip Pakistan airspace.

“There is an increase of around ₹20 lakh in operating costs. We are incurring a loss of around ₹3 crore daily because of Pakistan air space closure. The rise in costs is largely due to an increase in fuel burn, ground-handling charges at Sharjah, and maintenance expenses. We have not cancelled a single flight and we will continue to operate the scheduled flights,” said a senior Air India executive.

Air India has begun operating US flights one stop via Vienna instead of Sharjah as Pakistan air space remains closed. This would enable it to optimise its crew utilisation providing them adequate rest period. Its non-stop flights and also the one via Sharjah had a complement of four pilots and 15 crew members.

Duty times of pilots and cabin crew are governed by the Directorate General of Civil Aviation regulations and the airline has secured waiver from the regulator for increase in duty hours due to the detour around Pakistan.

The airline is now flying one stop via Europe and these flights would be manned by two pilots in each sector allowing the airline to better utilise its crew.

# Google taps online market for ad revenue

Joins hands with top brands, helps over 100,000 new sellers to set up online shops; becomes third-biggest player in India

**PATANJALI PAHWIA & KARAN CHOUDHURY**  
Mumbai/New Delhi, 9 March

During the festive season in December last year, when country’s two biggest online marketplaces, Amazon India and Flipkart, scrambled to save their businesses from the onslaught of the new foreign direct investment (FDI) norms in e-commerce, search giant Google quietly went on expanding its merchant base through its platform Google Shopping.

Following a “true” marketplace model of e-commerce, experts believe, helped Google virtually escape unscathed from the changes in FDI in e-commerce norms. While Amazon India and Flipkart were revamping their business models over the past two months, Google utilised that time to bolster its e-commerce business. This will help the search giant make massive advertisement revenue.

From adding and tying up some of the biggest brands in the country to assisting more than 100,000 new sellers to set online shops, the Mountain View-headquartered company is slowly becoming the third biggest e-commerce player in the country.

This, however, might not be the



## FAST FACTS

**10,000-plus**  
Number of employees in India

**10 million**  
Number of SMEs catered to by Google My Business

**90% and above**  
Percentage of android users in India

**100 million-plus**  
Number of downloads of Google Pay

search giant’s ultimate aim. According to experts, for Google, a good e-commerce play is more about ensuring getting the advertisement revenue back in a major way. The search giant did not comment on the story.

## An ideal marketplace, but a tough sale

Though Google unveiled its e-commerce plans with much pomp and

show, unlike its competitors, it did not go out and about promoting the marketplace business after the initial hurrah.

The company is an ideal online marketplace. All it does is list. And that’s where it is important to pay attention to the detail. Technically, it is not Google that fulfils an order. For any purchase, it directs customers to the merchant’s website where the sell-

er completes the transaction.

“I thought they would leverage Google Pay here but that is not happening either,” says a senior executive at one largest e-commerce firms in the country, who is closely monitoring Google’s moves.

According to a former senior executive at Google India, the company does not plan to do fulfilment in near future at least. “They are aware that not doing may result in a broken customer experience, if the seller is not professional,” he said. Google had in 2014 and 2015 tried its hand at e-commerce in India and started Great Online Shopping Festival. But India wasn’t ready for e-commerce then.

With Amazon and Flipkart having raised standards of services, experts believe it would be difficult for Google to match that.

Search and advertisement revenue, the real currency

“Not e-commerce but Google’s bread and butter: search,” says a Mumbai-based venture capital investor whose firm has pumped capital into several e-commerce companies.

Google has been losing out on product searches to Amazon in the US and Amazon and Flipkart in India. “People are slowly turning to search for prod-

ucts on apps rather than on search engines. This is a risk to Google’s inherent business model and alarm bells have been ringing for a while,” says one of the people quoted above.

According to experts, the search traffic does spike during big sale days but through the year it stays flat and that is worrying for Google. To get massive traffic back on the platform, Google is relying on its ‘Next Billion Users’ initiative.

“They firmly believe that the next 400 million internet users coming online would go through the same progression of starting with Google search. Low end phones still have finite memory and using Google in the easiest thanks to its vernacular, voice command based options. They would be the ones to use Google for shopping as well. They might end up buying from an Amazon, but they will still use Google to reach there,” added the ex-Google.

Also over the next few years, Google would get a huge chunk of offline sellers online. Thanks to the rich data bank they would be able to help offline retailers make periodic sales to the same customers as well as help them get new customers. This would help Google make massive advertisement revenue.

# Credit Suisse set to ramp up in-house workforce in India

**ROMITA MAJUMDAR**  
Pune, 9 March

Global financial services provider Credit Suisse is revamping its India operations from ‘service delivery’ centres to ‘technology leadership’ units with the launch of its smart facility in Pune.

The firm announced its expansion to a new, smart working facility in the 44-acre EON free zone campus within the special economic zone in Kharadi, Pune, this week. This is part of its plan to establish India as a centre for technological innovation.

“Our investment in the EON II facility highlights our

continued commitment to India and our vision of establishing the country — and particularly Pune and Maharashtra — as a premier technological hubs. This will support our ability to serve the

corporate and personal needs of our clients across our businesses globally,” said Mihir Doshi, CEO, Credit Suisse India.

The state-of-the-art office (EON II), will co-exist with the present workspace EON I. From EON II, teams will lead the development and roll-out of cutting-edge technology and innovative methodologies

to support Credit Suisse’s global business operations.

“When we established our first office here in Pune back in 2007, like many other companies, we considered it a service delivery centre; but

with the increasing importance of technology for the bank, we recognised that there’s so much more that could be

done from India, given its large pool of skilled technology talent,” said John Burns, head of India IT and senior franchise officer, Credit Suisse, Pune.

Earlier, while the execution

was done from Indian centres, the decision making happened in the global offices. So, Credit Suisse developed a strategy to harness the Indian talent base and this centre is the first step towards that goal, said the company.

The bank’s India IT strategy leverages the large pool of skilled technology talent available locally. It is focused on enhancing local leadership capabilities along with basing global roles in India that have accountability and ownership for end-to-end delivery of IT solutions. Around 10 per cent of the global senior IT roles at Credit Suisse are based in India.

# IT firms compete for larger share of global engg services contracts

**DEBASIS MOHAPATRA**  
Bengaluru, 9 March

Engineering services have emerged as the next growth segment for Indian IT services players with most firms taking aggressive steps to corner a larger share of the outsourcing deals. For instance, companies such as Infosys, with lesser presence in some segments of engineering services, have now reoriented their strategy to clinch more deals from marquee clients.

Many analysts are of the opinion that Infosys’s wining contract from Rolls-Royce is an outcome of such strategic moves.

According to a HFS Research report released last year, HCL Technologies was at the top spot among domestic IT services players, while it was ranked number four globally in this segment. Tata Consultancy Services (TCS) had been placed at sixth spot, followed by Wipro at seventh in the global list. According to the research firm, French company Altran was the global market leader in the engineering services space.

“With maturing technology and good talent base, the engineering segment is showing a lot of momentum in recent years. Sensing the opportunity ahead, all Indian IT firms now want to grab a larger share of this pie,” said Pareekh Jain, founder of Pareekh Consulting, an engineering services consultant.

“From Infosys perspective, it’s a big win as get-



**Boeing, Airbus, Pratt & Whitney, Ericsson, Nokia, Nissan and Ford are some of the major clients in this space**

ting a new account is very difficult in the engineering services space,” he added. With this win, Infosys has been able to enter the aero-engine segment, where the company had less presence earlier. According to IT industry body Nasscom, engineering services exports had grown at 13 per cent in 2017 compared to six per cent rise in IT services exports and eight per cent in business process management (BPM). It had also recorded the highest growth in the last three years.

Apart from growth prospects, even engineering services deals give better operating margins to IT firms despite being smaller in size. Typical

deals in this segment range from \$10 to \$20 million, annually.

At a time when most Indian IT services players are facing pricing pressure from traditional business, which contributes major share of their revenues, it has become a business imperative for them to opt for high growth areas like the engineering services segment. Globally, major clients which outsource engineering services works include Boeing, Airbus, Spirit AeroSystems, Rockwell, Pratt & Whitney in aerospace; Nissan, Ford, Toyota, Volvo, Volkswagen, Harman, Faurecia, Delphi, Continental in automotive space; Ericsson and Nokia in telecom industry and Dell & HP in hardware space, among others.

According to sources, while TCS works with General Electric, Nissan, CISCO, and Rolls-Royce, among others, Infosys’s current engagement include Boeing and Spirit AeroSystems apart from other large players. In the mid-tier IT services space, companies like L&T Technology Services, Cyient, Quest Global, Persistent Systems and Mindtree have sound expertise in engineering services domain with good client base.

“Engineering services is the backbone of most digital work. So, with rising focus on digital revenue, this segment will see greater momentum. Also, increasing application of software services in consumer electronics to automotive sector is another growth driver,” said a Bengaluru-based IT analyst.

# Apollo Hospitals looks to reach break-even in next financial yr

**GIREESH BABU**  
Chennai, 9 March

Apollo Health & Lifestyle (AHLL), a subsidiary of Apollo Hospitals Enterprise (AHEL) and one of the largest players in the retail health care segment in India, is expected to reach break-even on earnings before interest, tax, depreciation and amortisation (Ebitda) next financial year.

The management has said AHLL’s revenue has been growing well — it has clocked a 28 per cent growth and there is also a marginal improvement of roughly around 2-2.5 per cent till the end of last quarter. Ebitda had seen a growth of around 34 per cent compared to the last year during the period. By FY20, AHLL should be Ebitda break-even, said Suneta Reddy, managing director, AHLL in an analyst call. Growth of Apollo Spectra, which provides the day surgery facilities, was muted with elective surgeries not growing during the festival season, but this is assumed to grow now.

The utilisation levels in the operation theatre are over 39 per cent at present and the company expects it to be higher in the near future.

# e-KYC charges to make services costly: Industry

**NEHA ALAWADHI & KARAN CHOUDHURY**  
New Delhi, 9 March

The government’s decision to charge private companies for Aadhaar authentication has not gone down well with the industry, which argues that the move will make services more expensive for end-users.

On Thursday, the Unique Identification Authority of India (UIDAI), the agency that administers Aadhaar, said it will begin charging private firms for electronic know your customer (e-KYC) transactions. Each authentication will cost ₹20 and a yes/no transaction will bear a charge of 50 paise.

The Cabinet had last week enacted the Aadhaar and Other Laws (Amendment) Ordinance, 2019, which will allow use of Aadhaar number as a voluntary KYC mechanism. The Supreme Court last year struck down Section 57 of the Aadhaar Act, disallowing private companies from insisting on the 12-digit identity number.

The industry had welcomed the move, but Thursday’s fresh announcement about charging private companies for authentication did not go down well, given that a ₹20 charge for each authentication would be a significant cost for private firms operating in rural areas.

“The high price of authentication goes against the purpose of having digital platforms that encourage inclusion. Charging a high amount for Aadhaar authentication is not conducive to inclusion and we hope the government will revisit this,” said Sharad Sharma, co-founder of iSpirit, a software products think tank. Digital inclusion and reaching all parts of India are the key thrust of the government’s



Digital India programme. The cost of authentication will most likely be borne by the customer. “People availing a service will have to pay the company the cost of authentication. Or the companies could increase the base fare of the service they are offering, or include it as a hidden charge,” said Srinivas Kodali, an independent researcher working on data and Internet. Telecom companies, banks and financial technology start-ups are the ones that use eKYC extensively for providing services.

While telecom companies have welcomed the amendments to the Aadhaar Act to allow e-KYC, the costs arising out of the latest notification will be more than the Rs 20 specified by the UIDAI.

“Each authentication will involve the customer and point-of-sale representative authenticating the Aadhaar number. This means ₹20 will be paid by each of them. For a yes or no authentication, it will be another ₹0.50 per person. So, the cost of one successful authentication transaction will come to somewhere around Rs 41. In addition, there will be some charges for using the data plan,” said Rajan Mathews, director general, Cellular Operators Association of India.

The cost proposition could be a big disincentive for telcos and the association will try to discuss the new charges with the UIDAI, he added. “Although the cost of ₹20 for every Aadhaar-based transaction seems reasonable, there will be multiple additional charges at the back-end. In the initial stages, it will put a lot of pressure on industry margins,” said Shalendra Naidu, CEO of fintech firm OBOPAY.

“Fintech companies will bear a lot of infrastructure cost as well. We want these charges to be levied after a certain time and in stages,” he said.

# Domestic TV makers give a fillip to ‘Make in India’

SPPL, Dixon and Mirc making fresh investments

**ARNAB DUTTA**  
New Delhi, 9 March

Amid a tug-of-war between the government and foreign multinationals, local television manufacturers are ramping up production capacity.

As major players such as Samsung and LG, among others, raise concerns over the ‘unfavourable’ manufacturing ecosystem in the country, Indian original equipment manufacturers (OEMs) like Super Plastronics (SPPL), Dixon Technologies and Mirc Electronics are pumping in money to expand capacity.

Noida-headquartered SPPL is investing ₹150 crore to double production capacity to 720,000 units a year for LED TVs. The brand licensee for French TV brand Thomson and the US’ Kodak TVs has two more manufacturing units in Jammu and Himachal Pradesh.

“Given the rise in demand that we are observing, it is important that we increase our capacity now,” said Avneet Singh Marwah, chief executive officer, SPPL. According to Marwah, Thomson has already attained double-digit market share in the e-commerce channel and he is now preparing to make Thomson TV available in offline stores through the multi-brand electronics retail outlets.

Dixon Technologies, also from Noida, is investing ₹150 crore to set up a plant near Tirupati, Andhra Pradesh, for its key client Xiaomi. It would manufacture LED smart TVs and security cameras for Xiaomi, which ventured into the local TV market in early-2018 and has so far sold more than one million units.

After expansion, its installed capacity for flat panel TVs would go up to 3.4 million from 2.4 million a year.

Mirc Electronics, the owner of Onida, re-vamped the durables brand



recently and has started manufacturing TV panels at its plant in Maharashtra. The firm is now planning to expand capacity to sell panels to other TV manufacturers. More than 80 per cent of TV panels used locally continue to be imported. The Mumbai-headquartered firm expects a 10th of its revenue to come from sale of panels externally this

year. In the December quarter, Mirc’s revenue rose 25 per cent quarter-on-quarter to Rs 161 crore and its bottom line turned green from a net loss in September.

After imposition of import duty on LCD/LED panels at 7.5 per cent and on open cells at 5 per cent in early 2018, Samsung, the largest player, shut down

## LOCAL BOOST

- Indian OEMs such as Super Plastronics, Dixon and Mirc are expanding manufacturing capacity
- Super Plastronics and Dixon investing ₹150 crore each to add 360,000 and 1 million units a year, respectively
- Mirc has already started producing TV panels and is looking to expand capacity for non-captives
- Samsung, the largest player, imports from Vietnam; LG seeks additional incentives for local production
- GST rate of 28% on TVs that are larger than 32 inch and import duties on components hitting both local and foreign players

its TV plant in Chennai. It is now importing TV sets from Vietnam. LG Electronics continues to manufacture from here but said that the government needs to incentivise local manufacturing and bring down the tax rate on TV sets.

The issues of higher goods and services tax rate or GST on TV sets larger

than 32 inch and lack of a manufacturing ecosystem in India have been raised by Indian OEMs as well.

According to Marwah, the GST rate of 28 per cent on TVs larger than 32 inch is not a pragmatic decision by the government, since the share of 40 inch and 43 inch TVs is now over 40 per cent. Also, demand for TVs as large as 65 inch and 100 inch are growing fast.

SPPL will soon start manufacturing TVs of similar sizes.

“Before imposing import duties on parts like the flat panel and open cell, the authorities should have allowed us some time to build manufacturing capacity here. We have managed to check costs through cost-rationalisation,” he said.

However, further fluctuations in the rupee-dollar exchange rate and crude oil price may force TV makers to hike prices. Like Xiaomi and Onida, SPPL brands – Thomson and Kodak – operate on thin margins and offer highly price-competitive products. The range of these LED brands begin from ₹9,999 for 32 inch smart LEDs.



# Consumers love food delivery. Restaurants and grocers hate it



To help fulfill orders, many restaurants have turned to one of roughly a dozen delivery services, such as Grubhub, the oldest and largest in gross food sales, as well as DoorDash and Uber Eats

HEATHER HADDON & JULIE JARGON  
9 March

Consumers expect to order books, toys, shoes and anything else they want online and have it show up at their doors quickly and inexpensively. Restaurants and grocers are rushing to satisfy the exact same demand. They're having a hard time.

A hungry customer in Denver might order a \$9.99 Cuban sandwich from Panera Bread Co., which can arrive at her door in about 30 minutes.

The problem for Panera is that each delivery costs about \$5 after accounting for labor, gas and packaging. Yet to avoid turning away customers, it continues to charge a flat delivery fee of \$3 per order in most markets, which means they have to sell a lot more per order to absorb those costs.

Food delivery is proving to be a thorny, expensive and crucial puzzle for restaurants, grocers and investors. Billions of dollars have been spent in a quest to build services that reliably move fresh food from one place to another, yet many in the business wonder if they will ever get the economics right. Most delivery orders remain unprofitable.

Companies are willing to put up with losses, for now, because they aren't seeing much growth inside their stores. And while delivery currently represents only a tiny fraction of overall food-buying, restaurant and supermarket companies expect people to increasingly shop that way. Big-city dwellers remain the largest consumers of food delivery, but the phenomenon is spreading to suburbs and smaller urban areas.

"Customers have raised their expectations. The whole framework has changed," said Frans Muller, chief executive of Royal Ahold Delhaize NV, which is trying to boost sales of its Peapod grocery delivery service. Peapod has previously said it is profitable in only a handful of its markets.

Online grocery sales are expected to grow to around \$86 billion in 2022 from \$17 billion in 2017, according to a report from UBS Group AG. Investment firm William Blair & Co. estimated sales of online restaurant delivery will grow to \$62 billion in 2022 from about \$25 billion today.

For now, it's an expensive slog. Kroger Co. reported lower profit on Thursday for its latest quarter, in part due to investments of hundreds of millions of dollars in online operations, and its shares fell 10% that day on the news.

Although grocers and restaurants have their own separate challenges, they face similar problems.

Both are dependent on foot traffic and have fallen behind other retailers in adopting order-taking technology. Both operate on low margins—typically 15% to 19% for restaurants for dine-in customers, and 1% to 3% for grocers—and customers are only willing to pay so much for convenience.

It costs supermarkets an average of \$10 an order to deliver food, but grocers only recoup around \$8 from customers because charging more risks turning off shoppers, according to a survey of supermarket executives by consulting firm Cappgemini . Only 1% of 2,874 consumers surveyed by the research firm were willing to pay

the full cost of grocery delivery. And 85% of consumers aren't willing to pay more than \$5 for restaurant delivery, according to a recent survey of 2,000 fast-food and fast-casual customers conducted by online ordering platform Tillster.

Amazon.com Inc.'s purchase of Whole Foods in 2017 and its rapid rollout of grocery delivery across those stores intensified the pressure for other supermarkets to offer delivery. Separate from Whole Foods, Amazon is now planning to push into the grocery business with dozens of new stores in several major cities, as recently reported by The Wall Street Journal—a sign of how difficult food delivery is when done only online.

Along with Kroger, Target Corp. and Walmart Inc. are spending billions of dollars to develop their own delivery systems through acquisitions and investments. The retailers have seen their margins suffer in recent quarters as a result.

"I'll be honest, it's not easy," John Mulligan, chief operating officer for Target, said in an interview. Target bought online grocery service Shipt Inc. for \$550 million in 2017. "From a pure relevance standpoint, you have to figure it out, because that's how shoppers are going to interact with you," he said.

Walmart now offers grocery delivery through nearly a half-dozen third parties and through Jet.com, an e-commerce site it bought for \$3.3 billion in 2016. Delivery sales are growing, but the company says its e-commerce losses are expected to increase this fiscal year.

Many grocers have had to invest money to reconfigure their stores, installing coolers for delivery orders, creating dedicated checkout lanes for online-order shoppers and redesigning backrooms and parking lots. Online orders draw down inventory in ways that grocers are still working to predict, which risks cannibalizing in-store sales.

Unlike easy-to-ship household items, groceries must be packaged carefully and sent in refrigerated trucks. That makes the "last mile" of the delivery process—from the warehouse to the consumer's door—a costly, often perilous journey. The average online grocery order contains dozens of items, with different temperature and handling requirements.

Restaurant meals must likewise be packed in special containers and delivered within a short window.

Restaurants can't ignore delivery. Nearly a third of restaurant meals in the year ending in September were consumed at home, up 2% from the previous year, according to the NPD Group Inc. The number of meals eaten at restaurants was flat over the same period.

Yet few chains can afford to do delivery themselves, due to the cost of developing order-taking technology and of employing drivers. Restaurants need to generate at least 25% to 30% of their orders from delivery for the labor economics to make sense, according to Dylan Bolden, senior partner at Boston Consulting Group.

Panera employs its own drivers to handle deliveries in most cities. The chain spent six

years and an estimated more than \$100 million to develop the technology to process its own online orders. Its investment cut into profits for three years, until the effort began to pay off in 2016.

The company now derives 10% to 15% of its sales from delivery in markets where it has been offered for a long time. "We are substantially better off doing delivery than not," Chief Executive Blaine Hurst said.

Panera and some other restaurants say that for now, delivery is attracting diners who wouldn't otherwise come to eat in and that the extra sales volume they're generating from delivery offsets the cost. Also, when people order delivery, they tend to order for larger groups, so the average check is higher than it is for dine-in orders.

To help fulfill orders, many restaurants have turned to one of roughly a dozen delivery services, such as Grubhub Inc., the oldest and largest in gross food sales, as well as DoorDash Inc. and Uber Technologies Inc.'s Uber Eats.

Venture-capital firms put \$5 billion into U.S. food and grocery delivery services last year, more than four times the amount they invested in 2017, according to data provider PitchBook Data Inc. Some, including Postmates Inc., are considering public offerings.

Chicago-based Grubhub, founded in 2004 and now valued at \$7 billion, allows diners to order food from more than 105,000 restaurants in more than 2,000 U.S. cities and London. After investing heavily in advertising due to increasing competition and spending money to recruit drivers and bring in diners in new markets, Grubhub swung to a loss in the fourth quarter. Its adjusted profit per order was \$0.98, down from \$1.57 in the third quarter.

A Grubhub spokeswoman said, "We expect our marketing investment will result in more orders throughout 2019 and our new delivery markets will become more efficient throughout the year."

Newer entrants such as DoorDash, founded in 2013, have attracted venture capital that have enabled them to expand rapidly. After another funding round last month, DoorDash is now valued at \$7.1 billion and is available in all 50 states.

Supermarkets have also been turning to outside firms, particularly Instacart Inc. and Target's Shipt. The companies allow shoppers to order groceries from multiple supermarkets signed up in a given area, and sends gig economy workers to pick up and deliver orders.

Instacart, the largest independent third-party grocery service with an estimated \$2 billion in sales in 2017, continues to lose money on orders, according to people familiar with the metrics. Nilam Ganenthiran, Instacart's chief business officer, said the company averages profitable margins on orders when not accounting for administrative expenses.

Third-party services currently handle 52% of online restaurant orders, according to William Blair. They handle delivery for around half of the online grocery market for food,

according to consulting firm Pentallact Inc.

Food sellers pay the services an average fee of 10% to 25% on each order, which means the actual deliveries often lose money. Better placement on the services' websites or apps costs even more.

KFC and Taco Bell work with Grubhub to handle delivery. Scott Catlett, general counsel of Yum Brands Inc., owner of the two chains, said offering delivery is essential to keep convenience-seeking consumers. "Brands that don't provide an easy experience ultimately won't win in the end, so we're very focused on the concept of easy," he said.

Texas Roadhouse Inc., a steakhouse with more than 500 restaurants in the U.S., decided not to offer delivery after tests with two services last year. Consumers complained that the food quality wasn't good and that prices were higher than in the restaurants.

Scott Colosi, president of Texas Roadhouse, said he is skeptical that delivery sales will be great enough to offset the cost. "I mean, people will try it when it's new, but how long will they do it?" he said.

McDonald's Corp. started using San Francisco-based Uber Eats for delivery in January 2017. In a survey that a newly formed association of franchisees conducted of its members in January, 565 respondents said that delivery is not contributing positive net cash flow to the business, while 198 said it is.

A McDonald's spokeswoman deferred to a recent earnings call, in which executives said approximately 70% of delivery orders come from people who don't come into the restaurant to eat, and that the average check for delivery orders is around twice that of in-store orders.

When an order of fries shows up cold or a bunch of lettuce arrives wilted, consumers tend to blame the food seller, not the service. Many restaurants and grocers that work with third parties also lose control over customer data, which food apps can use to drive customers to other outlets.

Some chains are taking a hybrid approach by handling the order-taking through their apps but outsourcing the actual delivery to third-party services, which saves them 10% to 15% in commission fees.

Large chains such as Yum Brands have the scale to negotiate favorable terms, unlike smaller chains or independents.

"We said up front that access to data is table stakes and we wouldn't consider any deal that doesn't include that," said Yum's Mr. Catlett. Yum also arranged to pay Grubhub a per-order commission fee that Mr. Catlett said is "nowhere close to 20% to 30%."

Grubhub Chief Executive Matt Maloney said he understands restaurants' fears about losing customer data and decided the key to their mutual long-term success would be to come up with a way to share data with restaurants.

Theresa Tepper, a 41-year-old Manhattan public relations professional who orders groceries from FreshDirect LLC and take-out from Grubhub's Seamless service, sees little of the down-sides of low-cost delivery.

"Delivery makes my life so much easier," she said.

Source: The Wall Street Journal

## Pre-poll projects drive revival in cement prices

Demand might fall after LS elections, say analysts

T E NARASIMHAN  
Chennai, 9 March

Cement prices in the country are recovering after a year, thanks to the price hikes in southern and western regions. Dealers and companies said prices have gradually picked up from February in few markets. However, they came into effect across the country in March. The prices recovered by ₹15-20 a bag to ₹310-315 a bag.

Till last year, cement companies resorted to giving discounts to push sales, which is changing now. While the average increase in the country was around 6 per cent, it was around 15 per cent, or ₹40-45 a bag, in the southern and western regions.

The increase was mainly due to the infrastructure growth and a bounce back in discipline as firms realised the discount game would not sustain, said the chief executive officer (CEO) of a mid-size cement company.

Sanjay Ladiwala, chairman, Cement Stockists & Dealers Association of Bombay said, all-India prices were down due to the overcapacity in South. However, with the infrastructure projects picking up, the demand has also picked up.

N Srinivasan, vice-chairman and managing director, India Cements, said the utili-



sation in southern markets rose to 70 per cent in February from 67 per cent. This was on the back of the Centre's thrust on infrastructure and housing, apart from tax breaks for the real estate sector.

The Reserve Bank of India (RBI) also cut the repo rate to boost consumption. This is expected further improve the construction activity, and increase the demand for cement, he said.

AV Dharmakrishnan, CEO, Ramco Cements added prices were down by ₹25 in January 2019 compared to January 2018. It increased in February, both year on year and month on month basis. Besides, the demand because of infrastructure infrastructure projects, for example, Amaravati project in Andhra Pradesh, irrigation project at

Telangana, metro projects in main cities and government's low-cost housing schemes reduced the discounts. However, he cautioned about the increase in other costs, mainly fuel, which may put pressure on profitability.

**Way forward**

Analysts and industry stakeholders have different views on sustainability of demand and price. Traders say, the current demand is backed by government-funded projects, which usually come up before the elections. The pace may slow down after the elections, pushing the growth back to the previous levels.

An IIFL report says, there would be a marginal uptick for the FY19 estimates as the price hike in the southern region is higher. But, it continues to be negative for the sector as it may come under pressure again when the demand decelerates after pre-election spending.

## Ambedkar memorial will be ready by 2022: CM

PRESS TRUST OF INDIA  
Mumbai, 9 March

Dalit icon B R Ambedkar's memorial at the Indu Mills compound in Dadar will be completed by 2022, Maharashtra Chief Minister Devendra Fadnavis said here on Saturday.

It can be recalled that Prime minister Narendra Modi had laid the foundation stone of the memorial in October 2015.

Speaking at a function after unveiling 'Akhand Bhim Jyot', Fadnavis said the Constitution teaches citizens equality and bravery.

The "Bhim Jyot" is an initiative of BJP MLA from Colaba Raj Purohit.

"This 'Bhim Jyot' is not only a flame, but a symbol of values of equality, and we can achieve the overall development only when we all practice it," the chief minister said.

Fadnavis said his government started the work to erect a grand memorial of Ambedkar at the Indu Mills Compound, and also purchased his house in London to convert it into a museum to inspire future generations.

The Indu Mills memorial of Babasaheb Ambedkar will be completed by 2022, he added.

"Dr B R Ambedkar, a Bharat Ratna-laureate, gave us the world's best Constitution. We are working hard to uplift every section of the society by strictly adhering to Constitution," the chief minister said.

WSJ  
SPECIAL



AUTO COVER

# Avail discounts to offset rise in car insurance premium

If you do a bit of research, you will be able to find a number of discounts that can pare the cost of your car insurance considerably

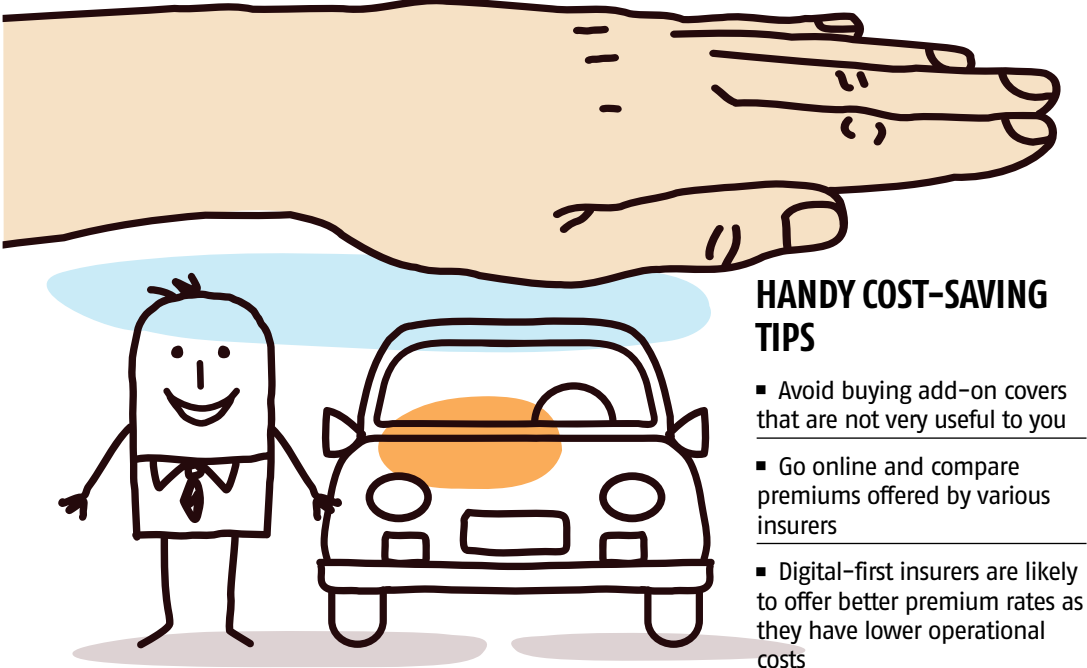
ANIMESH DAS

In recent times, one essential cost that has gone up is the premium paid on car insurance. The coverage offered on personal accident cover has been hiked, and the premium charged for it has also been raised. It is mandatory by law to buy car insurance due to the benefits it provides to the owner as well as to others. If cost has risen, that cannot be made a reason for avoiding the purchase of car insurance altogether. Hence, one needs to find ways to deal with the hike in premium.

Let us begin by understanding the recent change. The minimum personal accident cover for death or disability of the owner/driver has been raised to ₹15 lakh. Earlier the compensation stood at a meagre ₹2 lakh. All car owners have to buy this cover, whether they buy a third-party cover or a comprehensive cover. The minimum premium for buying the cover is ₹750. This change has already been enforced. The next time you go to renew your car insurance policy, you will have to pay a higher price.

**Hunt for discounts:** A range of discounts is available on car insurance. If you are a safe driver and bear the cost of minor repairs or accidents, like a scratch or a small dent, you may not raise a claim. This behaviour will help you earn a No Claim Bonus (NCB). This discount is considered to be the most prominent in the car insurance business. But there are several others in addition.

**Be watchful when expanding coverage:** Both types of car insurance policies – third party and comprehensive – come with a personal accident cover. However, extending the coverage further with the help of add-on covers should be governed by your requirements, as they could increase your cost further. Gauging the risks you might face and then



### HANDY COST-SAVING TIPS

- Avoid buying add-on covers that are not very useful to you
- Go online and compare premiums offered by various insurers
- Digital-first insurers are likely to offer better premium rates as they have lower operational costs
- By installing an anti-theft device, and joining the Automobile Association of India, you can get further discounts on car premium
- Opting for a voluntary deductible will also reduce your premium

purchasing these additional coverages will be beneficial as well as economical.

**Compare premiums:** Go online and compare the premium rates offered by various car companies. Rates can vary, depending on the claims experience of the insurer, and how aggressive it wants to be in attracting customers. Doing online comparison will help you find the best plan at the best rate. Unless you compare, it will be difficult for you to find good deals.

**Online car insurance:** Insuring your car online is the easiest way to get a sizeable discount on your car insurance premium. Due to the rise in digitisation in the Indian insurance industry, it has become convenient for potential policyholders to research, compare, purchase, and renew car insurance online. As digi-

tal-first insurers focus on an internet-driven sales model, they spend less on operational cost as compared to traditional insurers, and are able to offer insurance policies at a discounted price.

**Exclusive online offers:** In addition to the 'online purchase discount' mentioned above, some digital insurance companies also provide exclusive offers on car insurance from time to time. These offers often lead to a discount on the policy premium.

**Anti-theft device:** Installing an anti-theft device in your car has dual benefits. One, it adds a layer of security against car theft. Two, the insurance company views it as a proactive measure to reduce the probability of car theft and hence offers a discount on car insurance

**No Claim Bonus:** You are eligible for a No Claim Bonus (NCB) if you do not raise a claim during the policy period. This discount can be availed while renewing your policy. NCB can go up to 50 per cent if no claim is raised during a five-year period. Raising a claim will reset the NCB to zero. Note that this calculation can change depending on the insurer in case of a long-term car insurance policy.

**Voluntary deductible:** A car insurance policy includes a compulsory deductible component wherein you contribute a certain sum of money in case of a claim. A voluntary deductible is a sum of money over and above the compulsory deductible. By choosing a voluntary deductible, you convey to the insurance company that you are willing to contribute a fixed sum of money in case of a claim. As the burden of insuring the vehicle is reduced slightly for the insurer because you agree to share the risk, it offers a discount on the car insurance premium. This, however, is a tricky way to avail of a discount as in this case the amount you receive in claim settlement may not be enough. Therefore, one must be judicious while choosing this option.

Hikes in car insurance premium are not within our control. You, therefore, need to find ways to deal with such challenges. Apart from the tips mentioned above, consider the following pointers as well while insuring your car. One, renew your policy before its expiry date. Failing to do so might increase your premium. If you do not renew your policy within 90 days of its expiry, you will lose your NCB. Two, research extensively. And finally, compare policies based on the coverage offered as well, and not just on the price at which they are available.

Finally, make sure that you make an informed choice by educating yourself about your car insurance policy's terms and conditions before buying or renewing it.

*The writer is head of product strategy, ACKO General Insurance*

### BS TUTORIAL

Jayant Pai

#### Financial literacy

- 1. Solow's Paradox deals with the relationship between \_\_\_\_\_ and \_\_\_\_\_.**  
**A.** Technology and labour  
**B.** Labour and capital  
**C.** Technology and productivity  
**D.** Capital and productivity
- 2. Which point is incorrect concerning a policy bought under the Married Woman's Property (MWPA)?**  
**A.** It insures the property of a married woman  
**B.** Any life insurance policy can be converted to one by filling an addendum at the time of the application  
**C.** Divorcees can purchase one for the benefit of their children  
**D.** Beneficiaries named once, cannot be changed later
- 3. No legal recourse is available in case a cheque \_\_\_\_\_.**  
**A.** Bounces due to lack of funds  
**B.** Bounces due to the signature difference  
**C.** Bounces due to overwriting  
**D.** Issued towards a donation or gift bounces
- 4. Which auto company had to change the name of their newly launched car as it was similar to the name of an epidemic?**  
**A.** Mahindra & Mahindra  
**B.** Tata Motors  
**C.** Maruti Suzuki  
**D.** Honda Motors
- 5. Bond investors always suffer a capital loss when they purchase bonds at a \_\_\_\_\_ and \_\_\_\_\_.**  
**A.** Discount, hold to maturity  
**B.** Discount, sell before maturity  
**C.** Premium, hold to maturity  
**D.** Discount, sell before maturity

**Solutions**

1. C. Also known as Solow's computer paradox, it is the peculiar observation made in business process analysis that as more investment is made in information technology a worker's productivity may go down instead of up.

2. A. It is a life insurance policy wherein the wife of the policyholder is named as the beneficiary.

3. D.

4. B. The car named Zica (Hybrid for Zippy Car) is due to be renamed as it sounds similar to the Zika virus.

5. C. In such cases, investors purchase bonds above the face value (usually Rs 100) and receive an amount equivalent to the face value on maturity, which leads to a capital loss.

*The quiz master is head-marketing, PPFAS Mutual Fund  
Send your queries and feedback at yourmoney@bsmail.in*

## ECONOMY

### PEOPLE IN THE NEWS

BINAY SINHA



The National Green Tribunal has slapped a ₹500–cr fine on Gurpratap Boparai-led German auto major Volkswagen India for hurting the environment through use of “cheat device” in its diesel cars



Korean auto giant Hyundai, eyeing a slice of the lucrative Indian car-sharing business, could invest as much as \$250 million to pick up a 4% stake in Bhavish Agarwal-led ride-hailing major Ola

► FROM PAGE 1

### Goyal to shed stake to 17% in Jet bailout plan

While then CEO James Hogan was upbeat on strategic investments for market expansion, the current management under chief executive Tony Douglas thinks differently. However, a greater say in operating Jet Airways and reduction of debt are among the factors which could drive Etihad's future investment, executives tracking the development pointed out.

If the plan is okayed by the Etihad board and subsequently by the lenders' boards and regulatory authorities, Jet, with a debt pile of more than ₹8,000 crore, would be saved from being dragged to the Insolvency and Bankruptcy Board of India (IBC). So close to the Lok Sabha election, the government does not want an airline going down. It is believed that the government has played a pro-active role in bailing out Jet Airways at a critical time as this.

Already, Jet has grounded 40 per cent of its fleet and cancelled hundreds of flights across routes. Its lessors have threatened to take away planes if no resolution is reached by end of the month. Jet is running out of cash and options, insiders said. As per the bank-led resolution plan, Jet needs ₹8,500 crore to meet the funding gap. The immediate funding requirement is pegged between ₹500-1,000 crore as the airline needs to pay lessors and staff salaries.

### Nirav Modi tracked down to London



The ED had forwarded the request for his extradition in early August, which was given to the UK side. There was also a separate request from the CBI, which was forwarded to the UK by the end of August, Kumar said.

The UK Home Office on Saturday refused to comment on “individual cases” and indicated that any extradition proceedings can go ahead only after an extradition warrant has been issued for the arrest of the accused, as was the case with liquor baron Vijay Mallya.

The revelation of Modi's whereabouts in London came a day after his 30,000-sq ft seaside mansion at the Kihim beach in Maharashtra was demolished by authorities using explosives.

Despite his bank accounts being frozen by the Indian authorities and an Interpol red notice being issued for his arrest, Modi is now reportedly involved in a new diamond business based in London.

In a video posted by the newspaper, a “plumper” Modi can be seen sporting a handle-bar moustache and wearing an Ostrich Hide jacket, estimated to cost £10,000. On being accosted by reporters and questioned on various issues, including whether he had applied for political asylum in Britain and what he had to say after the charges against him, Modi responded to a volley of queries with a curt: “No comment”.

According to the report, the fugitive businessman has been given a National Insurance number by the UK's Department for Work and Pensions in order to be able to legally work in Britain and has also been able to operate online bank accounts in the country.

Modi is the subject of an Interpol red notice since July last year, which is a request to locate and arrest a wanted individual pending extradition proceedings. However, if Modi has applied for political asylum in the UK, that process may hamper any arrest until his asylum application is considered by the UK Home Office.

The opposition Congress slammed the government following Saturday's revelation, and accused Prime Minister Narendra Modi of running a “fraudster settlement yojana” for such fugitives. The ruling BJP hit back, saying he began his fraud in 2011 when the UPA dispensation was in power, and that the

Modi government detected and exposed it.

### On tech bubble anniversary, be wary of new corporate giants



Elizabeth Warren, the Massachusetts Democrat running for president, called for the breakup of Amazon, Alphabet's Google and Facebook , writing that “Today's big tech companies have too much power—too much power over our economy, our society and our democracy.”

Bigness has often made for poor investment outcomes. An analysis conducted by Rob Arnott and Lillian Wu of Research Affiliates found that, over the period from 1951 to 2011, U.S. companies with the highest market capitalizations in their sector, as well as outright market-cap leaders, tended to underperform in the years that followed.

Of course big companies can defy gravity for long, profitable stretches. Apple first became the U.S. market capitalization leader in August 2011, when it was worth about \$340 billion. Its shares continued to do very well, sending the company's market capitalization to \$1.1 trillion this past September.

With Apple sales expected to slip over the next year, though, the company's bigness may have become a constraint on growth. Apple shares have fallen by nearly a quarter since September. Amazon, which briefly flirted with a trillion-dollar value in September, has also experienced steep share-price decline. Shares of Alphabet and Microsoft shares have registered smaller declines, faring around as well as the overall market.

But while the horse race among the new horsemen is entertaining, investors might be better off looking

elsewhere considering how well the market's past giants have performed. There are 496 other companies in the S&P 500, after all.

### Bad bank, jobs, reforms likely on Oppn's common agenda

“Such a move would also need to be accompanied by eliminating the Statutory Liquidity Ratio (SLR) for banks and by reducing public ownership in the banking sector to manageable levels.” It envisages strengthening the RBI's regulatory role over public sector banks.

Enhanced funding of 1 per cent of the Budget for the judiciary and reform of the judicial system have also been proposed. It has suggested that the term ‘civil society’ be introduced in the Constitution of India and establish an independent department accountable to Parliament, on the lines of the Charity Commission of England and Wales or the Australian not-for-profit and charities commission, to oversee the work of non-governmental organisations. The agenda has proposed that there should be “mandatory social auditing” of all public projects; a social accountability act; grievance redressal act and ensuring delivery of public goods and services. It also talks about a farmers' commission and a debt relief commission to arbitrate between farmers and banks on one hand and farmers and insurance companies on the other.

For employment generation, the agenda envisages special packages for five labour-intensive manufacturing sectors—food processing, garments, textiles and apparels, leather and footwear, wood manufacturers and furniture—which account for 62 per cent of all manufacturing employment.

It says the state should enact a national urban employment guarantee Act to provide employment within town or city limits to all those who demand it and thereby provide service to all residents, build civic infrastructure, and restore the urban commons. Other recommendations include the state allocating 6 per cent GDP on education and 3 per cent on health, enhancing land ownership

by women, comprehensive anti-discrimination law and protecting forest rights of tribals.

While opposition parties are busy formulating their respective state-specific manifestos, only the Congress among them has had the wherewithal to conduct nationwide consultations with different stakeholders, at least 176 until the last count, to prepare its manifesto.

However, opposition leaders, academicians and others had felt the need for the ‘anti-Bharatiya Janata Party (BJP)’ front to come up with a common vision document to present to the electorate at a time when they are being asked if they have any agenda to come together beyond their opposition to Prime Minister Narendra Modi. The Samruddha Bharat Foundation, a multi-party platform, set up in July 2017, has prepared the document in consultation with opposition leaders and taking inputs from the ‘common minimum programme’ of 2004, and similar documents prepared by ‘Reclaiming the Republic’, ‘Wada Na Todo Abhiyan’ (don't break your promise) and others.

Leaders from the Congress, Telugu Desam Party, Dravida Munnetra Kazhagam, Rashtriya Janata Dal, Nationalist Congress Party, Left parties and other smaller parties have been part of the process to prepare the blueprint. Over 350 intellectuals, activists and politicians grouped into 16 sectoral working groups have held more than 60 meetings since May 2018 to prepare the document.

At the meeting of opposition leaders on February 27, some flagged the need for presenting a vision document to the people while building pre-poll alliances.

Congress party's research head Rajeev Gowda, Left leaders Sitaram Yehcary and D Raja, Rashtriya Lok Dal's Jayant Chaudhary, Loktantrik Janata Dal's Sharad Yadav and several other leading politicians have been part of the consultations.

“The consultations with politicians were an effort to get them to talk to each other at an informal level that helped build mutual trust and facilitated exchange of ideas. It also gave academicians a platform to get access to political leadership and share their ideas,” said Gurdeep Sappal, executive trustee of Samruddha Bharat.



# Need more action to revive power sector, say experts

AMRITHA PILLAY  
Mumbai, 9 March

The Union government’s approval for new power projects and a plan to address stress in the sector are expected to revive investment but experts and the industry see the measures working only if backed by real changes in coal supply and power purchase.

The Cabinet Committee on Economic Affairs (CCEA) had on Thursday approved new power projects worth ₹31,000 crore. It also approved a revival package for the stressed sector which addresses some of coal linkage-related issues and payment delays from distribution firms. The government also approved a hydropower policy that gave renewable energy status to hydel plants in the above 25 Megawatt (Mw) category.

Large conglomerates like Larsen & Toubro (L&T), with engineering, procurement and construction presence in the power sector see the move as investor-friendly. “The CCEA approval in reviving stressed assets is laudable, especially for projects which are successfully commissioned but not running for want of fuel. The decision is industry-friendly as significant investments have been made by private players in the power sector,” said Shailendra Roy, chief executive officer (CEO) and managing director (MD) of L&T Power. Companies like L&T have been struggling with a weak order inflow in the power segment as fresh investments in the thermal power space have been largely muted.

But, private producers said there is definitely more to be done. “We as a sector will want more steps, but those taken are also effective,” said a top official with a private power producer on the condition of anonymity.

Roy said: “The government must also lay emphasis on commissioned projects with higher efficiency rather than projects with sub-optimal efficiency for providing relief. As industrial growth picks up, it is important to have investments in new projects with ultra-supercritical technology so that best efficiency and lowest life cycle cost may be achieved.”

Companies in the transmission and distribution (T&D) segment expect the new measures will open up more order opportunities in this segment. “The new investments announced and the hydro policy will help bring more orders for T&D players, which I expect will fructify in a year or so. So far, T&D order inflow was largely based



Capacity (Mw)	
Operational with PPA	14,788
Operational without PPA	9,617
Under construction	15,725

Source: Parliamentary Panel, SBI Securities  
PPA: Power-purchase agreement

on solar and decongestion measures,” said Vimal Kejriwal, MD and CEO for KEC International.

Not everyone is convinced that the revival package would be a smooth process. “While the CCEA has recommended regular auction of coal linkages and an increase in quantity of coal for special forward e-auction, this would require significant ramping up of production and supplies by Coal India (CIL),” said Sabyasachi Majumdar, group head — corporate ratings for Icra.

The rating agency estimated that the required increase in output would have to be at least 8 per cent higher from current levels assuming the 16 Giga Watt (Gw) capacity will operate at 50 per cent plant load factor under the short-term/medium-term power purchase agreements.

The CCEA also approved the recommendation for grant of linkage coal for short-term power purchase agreements (PPAs). SBI Securities expects companies like GMR Chhattisgarh, RKM Power, Jindal Derang, DB Power and Essar Mahan are some other projects which could benefit from this recommendation. Officials concerned at GMR Power and Infrastructure and Essar Power declined to comment on the move.

SBI Securities also expects the measures to bring relief on debt to projects with 7 Gw capacity having loans worth ₹40,000 crore. The move, while will help increase power production, may hit realisation for firms with a spot market presence.

## GENDER GAP IN MOBILE AND INTERNET USAGE IN INDIA AS PER GSMA REPORT

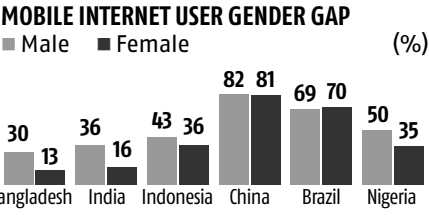
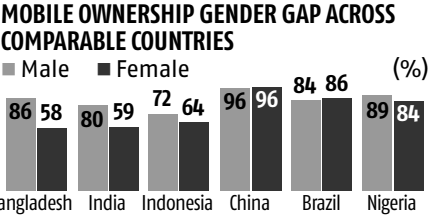
The GSMA Mobile Gender Gap report 2019 noted a mobile internet gender gap of 23 per cent across low to middle income countries, i.e. 23 per cent fewer women have access to the technology.

The gap is 3 per cent lower than the previous year, driven largely by closure in the mobile internet gender gap in India, where changing market dynamics have made mobile internet more affordable. The report studies the gender gap in access to mobile technology globally.

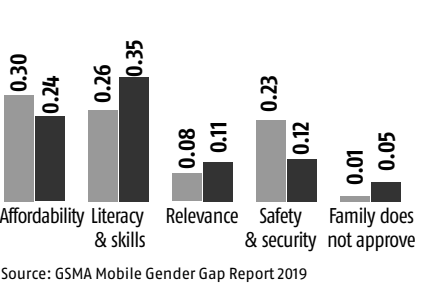
The GSMA’s Mobile Connectivity Index, which tracks countries’ progress on key enablers of mobile internet access and use, shows a 26 percentage point increase in the affordability of mobile internet in India between 2014 and 2017 — the largest increase in any country in this period.

However, there is much to scale as the numbers show

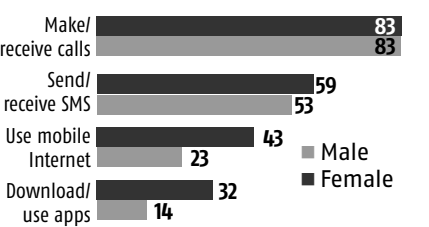
ROMITA MAJUMDAR



### BARRIERS TO MOBILE PHONE OWNERSHIP AMONG NON-USERS IN INDIA



**VOICE BALANCE**  
Among Indians who own mobile phones, usage for voice calls is well balanced, but the gender gap becomes apparent with internet usage. While only 19% of women were aware of mobile internet in 2018, this rose to 42% in 2019



## Prabhu confident of meeting \$100–bn FDI target by 2020

PRESS TRUST OF INDIA  
Mumbai, 9 March

Commerce and Industry Minister Suresh Prabhu said on Saturday the government has set a target of attracting \$100 billion in foreign direct investments (FDI) over the next two years.

Boosted by the \$16-billion Walmart-Flipkart deal last August, 2018 saw the

country for the first time in two decades overtake China with \$38 billion in inbound FDI deals compared to China’s \$32 billion. Other major deals included Unilever buying GSK’s consumer business in the country for over ₹31,700 crore.

“We have achieved a record FDI inflows last year. We have set a target and are already working on bringing in

\$100 billion FDI (by 2020),” Prabhu said at an Indian Chamber of Commerce event. He said the government is conducting a sector analysis for FDI investments, and is preparing suitable policies which will help in bringing foreign funds.

The commerce minister said exports during this financial year will top the past record of \$323 billion in 2014,

and he expects it to be over \$330 billion.

“But, I am not happy about it. We should have much higher exports. This will help in job creation as well,” he said.

Besides ease of doing business, the government is focusing on ease of investments as well, he said, and underlined the need for better and deeper integration of the domestic economy with the global one.

## HEALTH

### FIT & PROPER

Your weekly health guide

## Water workouts



NISHA MILLET  
Olympian and Speedo brand advocate

Water workouts provide a demanding full-body exercise as they provide resistance from all vectors and angles. Swimming is a great aerobics exercise for toning parts of the body that aren’t actively moving, and are now supporting you against the resistance of the water. These workouts are also more unique because they provide firm resistance without impact. Losing balance while lifting weights, or practicing the wrong form during machine workouts can injure the body as opposed to rarely tumbling over in the pool.

Swimming is more demanding and burns more calories than a 30-minute land workout. However, water workouts are not just restricted to swimming laps across the pool, there are several kinds of water workouts one can try:

**KICK SET:** Focus on improving your kick in the water. This is a great cardiovascular activity that enables weight loss from the belly and thigh areas.

■ **HOW TO DO IT:** Kick fast with floppy ankles and relaxed knees

■ **BEGINNER’S LEVEL:** 4 x 25 metres with a kickboard, keeping their face in the water and breathing out.

■ **INTERMEDIATE:** 8 x 25 mts-Freestyle, backstroke or breaststroke. Kick using a kickboard with your head up and arms over the board (free and breast). For backstroke, the board can be held over your stomach.

■ **ADVANCE:** 8 x 50 metres for all four strokes — free, back, breast and butterfly. You can do it with or without a kickboard by holding your

hands in a streamline. Add speedo flippers to your workout to improve strength, speed and flexibility

**FREESTYLE INTERVALS:** This is a great way to achieve a low-impact workout. Instead of swimming continuous laps that can tire you, try taking intervals between them.

■ **HOW TO DO IT:** Start with a smaller distance, then progress to repeats of 100 meters. Always use a sports-watch or timer to keep track and hydrate well.

■ **BEGINNER’S LEVEL:** 8 x 25 metres for two minutes. Focus on side breathing and keeping your arm action smooth, slow and continuous (don’t fight with the water!)

■ **INTERMEDIATE:** 8 x 25 metres for 3-4 minutes. Focus on a fast kick, and regular breathing pattern (once every 4 strokes is recommended)

■ **ADVANCE:** 8 x 100 metres for 3 minutes. Count the number of strokes, so you can keep them constant. Keep increasing the repetitions or decreasing the rest intervals as you get fitter. The same can be done with backstroke or breaststroke.

**LEG LIFTS:** Leg lifts are a great way to make leg movements against the resistance of water, as it works out the leg muscles which helps tone them and strengthens the core

■ **HOW TO DO IT:** Stand in the pool and lift one leg out to the side and back down. Repeat until the leg feels tired, then switch and perform the exercise on the other leg

**WATER WALKING:** Brisk walking in water is not as easy as walking on dry land. It involves a lot more energy and efforts, as water involves a certain resistance to body movement

■ **HOW TO DO IT:** Stand in chest-level water, and face the other end of the pool. Walk with a steady pace to the far end and continue to take laps back and forth while maintaining a brisk speed.

# Diabetes: Not just a sugar problem

SANJEEB MUKHERJEE  
New Delhi, 9 March

Can sugar be the sole reason for making India the diabetes capital of the world?

Well, if experts and sugar industry representatives are to be believed, the sweetener is being solely blamed for the rising cases of diabetes in the country. There are other factors such as sedentary lifestyle and growing urbanisation that are also responsible for the spurt in diabetes.

In a seminar on sugar and health, organised by the Indian Sugar Mills Association (ISMA), industry players said between 2000 and 2016, there was 6.25 per cent annual increase in diabetes cases in the country while the per capita sugar consumption has grown by just 1.23 per cent during the period.

ISMA’s efforts to highlight the health benefits of sugar comes at a time when India is staring at a massive glut in the sugar market with production in 2018-19 sugar season (October to November) projected around 30-31 million tonnes, while consumption is projected at 26 million tonnes.

A high opening stock along with low offtake in the domestic and international markets could leave the country saddled with sugar stocks in excess of 11 million tonnes by the time the 2018-



Industry players believe between 2000 and 2016, there was 6.25 per cent annual increase in diabetes cases in the country

19 season ends.

Many experts blame the slow growth in domestic retail sugar consumption as one of reasons for the surplus stock.

“India’s annual sugar consumption is 18.4 kg (per capita). This is one of the lowest in the world and lower than even Pakistan and Sri Lanka. Yet, we have such high incidents of diabetes. This shows that perhaps the problem lies elsewhere and not in sugar consumption alone,” Abinash Verma, director general of ISMA, said.

He said there are two big myths

associated with sugar consumption; first that it causes diabetes and second it leads to tooth decay or cavities among children and adults.

In case of dental caries, studies and research have shown that it is caused due to acid in food and incidentally pH value (a measurement of acidity and alkalinity) in sugar is 7, which is considered neutral. A pH value below 7 is considered acidic and more than 7 is alkaline.

“Citrus fruits such as lemons, pickles, tomatoes and coffee have low pH level and are therefore more acidic than sugar. Hence, mere consumption of

sugar may not lead to dental caries. But when the food sticks to the teeth, it turns acidic and therefore, regular brushing and flossing are perhaps easier ways to check tooth decay,” Verma said.

Nutritionist Ishi Khosla, who also participated in the discussion, said eating sugar in isolation does not cause diabetes, but eating excessive sugar definitely could lead to the disease.

“Do indulge in your sweet tooth but in a smart way,” Khosla said. She said that in her long years of practice, she has come across numerous persons who are not obese, perfectly active, healthy but have diabetes. This shows that what you eat is equally important as to how you eat, what time you eat and whether you are eating right.

“You can manage Type-2 and Type-3 through food management,” Khosla said.

Dr Luca Piretta, a specialist in gastroenterology and science of human nutrition in Rome, said available research on direct correlation between sugar intake and diabetes or cardiovascular diseases should be taken with a pinch of salt.

“We need to learn what to eat and more importantly how to eat. Instead of just demonising a product, we should learn to eat proportionally and also the time of what we eat to maintain a healthy lifestyle,” Piretta said.

## Mediterranean diet may boost endurance exercise: Study

PRESS TRUST OF INDIA  
Washington, 9 March

A Mediterranean diet — rich in whole fruits and vegetables, and free of processed meats and dairy — may improve athletes’ endurance exercise performance after just four days, a study claims.

The study, published in the *Journal of the American College of Nutrition*, found that participants ran a 5K 6 per cent faster after eating a Mediterranean diet than a Western one.

The 5K-run is a long-distance road running competition over five kilometers.

Researchers from Saint Louis University (SLU) in the US found no difference between the two diets in performance in anaerobic exercise tests.

The Mediterranean diet includes whole fruits and vegetables, nuts, olive oil and whole grains, and avoids red and processed meats, dairy, trans and saturated fats and refined sugars.

## We broke the same bone. My recovery was a breeze, hers an ordeal. Why?

GINA KOLATA  
8 March

A recent essay in the *New England Journal of Medicine* was titled “Heart and Sole — Of Metatarsals, Meaning and Medicine.” I had to read it.

It’s not often you come across a reflection on metatarsal fractures, despite the fact that they are common. I had just recovered from breaking my fifth metatarsal, the slender bone on the outside edge of the foot, so I was curious.

The author, Lisa Rosenbaum, a cardiologist at Brigham and Women’s Hospital, broke a fifth metatarsal while walking in Central Park. “My ankle rolled out of my shoe,” she wrote.

I broke mine running on a debris-strewn path before dawn.

I stepped on something — a rock? a branch? — and violently twisted my foot.

We both felt an intense, stabbing pain. But there Dr. Rosenbaum’s path and mine diverged. She was told she had a Jones fracture, a famously difficult break. She was handed a boot and crutches. She asked if she could swim, explaining “that my mental health depends on exercise.” No, she was told: “You have a notoriously slow-healing fracture.” When I injured my foot, I phoned an orthopedist, Justin Greisberg at Columbia University Medical Center, who suggested an X-ray. He called afterward to tell me what I had broken.

The fifth metatarsal is a very common fracture, he said, and mine was not very serious. I

should use crutches as needed but could do pretty much anything I wanted to do.

Exercise? Yes. The elliptical machine? Yes.

I knew some things, like running, would be too excruciating to contemplate. But within a week, I had gone from using crutches occasionally to not using them at all. I was exercising on an arc trainer at the gym. A week later, I was back on the elliptical. I had another X-ray a month later. Greisberg told me I could start running again, as much as was comfortable. So I did. And soon I forgot about the injury altogether.

How did Rosenbaum fare?

She hobbled around on crutches and used a scooter, propping up her leg on a seat. After a while, she broke the fifth metatarsal in her uninjured foot, too, because she was constantly putting her weight on it. I asked my doctor about the discrepancies in our treatments. There are a variety of metatarsal fractures, he told me.

Most are easy ones, like mine, that don’t require anything except patience. A few rare ones, like the type Rosenbaum had, need what he called “more cautious care.”

And hers, she said in an email, needed that care. “Mine was a real Jones,” she wrote. It

## No bail to sellers jailed on circular trading charges

ABHISHEK WAGHMARE  
New Delhi, 9 March

A local court in Maharashtra has refused bail to some persons accused of evading the goods and services tax (GST) by circular trading and claiming input tax credits, and has ordered their judicial custody. The accused plan to approach the Bombay High Court with a habeas corpus petition.

The state GST authorities have alleged that invoices have been raised in transactions among multiple companies without actual supply of goods. This is done to increase the turnover and avail bigger loans from banks, besides using input tax credit, and is called circular trading.

The companies, however, have asserted that entire tax liability on the output has been paid.

The government has detected evasion of nearly ₹4,000 crore on account of claiming input tax credit against fake invoices. But the evasion detected by under-invoicing is about 10 times bigger than this, the government’s data shows.

There have been numerous cases of attempted evasion across the country, state officials said. In one such case, a 13-truck consignment of tiles from Gujarat to Karnataka was found to be between two bogus companies. They had raised fake invoices for the supply of goods.

In such a case, the supply chain typically ends there, the receiver does not pay tax and sells the products without bills in cash. Lawyers dealing with such cases, however, said that not all cases amount to tax evasion. Abhishek A Rastogi, partner at Khaitan & Co, who is arguing these matters for the accused and plans to file writ of habeas corpus, said this particular case does make the person in custody eligible for bail. “The fundamental principle that bail is a rule and jail is an exception has been ignored in few cases. The pertinent point which will be before the courts will be to examine the illegal detention or order of judicial custody on various different parameters,” he said.

“There are conditions prescribed in law such as monetary limits and these should be followed in all cases before the arrest warrant is issued. Another point that arises is can an arrest be warranted when the accused has cooperated,” Rastogi added.

**Circular trading is a type of fraud where invoices are raised in transactions among multiple firms without actual supply of goods**



# An artistic anarchy for politics of peace

A unique protest raises questions about our times through plays, poetry, art and conversations, writes Amrita Singh

“Agar ab bhi nahi bologe, toh kab bologe (If you don’t speak up now, when will you speak up)?”

These were the first few words I heard as I entered 15 August Park at the Red Fort in New Delhi. Before I could stop and take a moment to reflect on what I had heard, I was in the midst of artistic anarchy, with poetry being recited close to where I stood, hip-hop playing on the other end of the park, a man walking around with a sack covering everything but his legs, and a lot of people from diverse backgrounds hopping from one spot to the other to engage with different kinds of art — from short films to art installations — in every nook and cranny.

I was here to witness “Artists Unite! for Democracy against Hate”, a unique two-day event held last week. Contrary to the way it was organised, replete with food stalls and performances by the likes of singers like Shubha Mudgal, it was not merely a cultural gathering but a protest by artistes who feel the right to life, the right to love and food choices, cultural expression, language and histories are under assault by a politics of hate in India.

Saba Dewan, the documentary filmmaker who spearheaded the “Not In My Name” campaign at Jantar Mantar in Delhi two years ago against lynching of Muslims and Dalits, was one of the core organisers of Artists Unite in Delhi. Just like the idea behind Not In My Name resonated with many in different cities across the country, Artists Unite, too, made its way to cities like Mumbai, Bengaluru and Chandigarh. While Mumbai witnessed a parade from Dadar to the Carter Road sea face with performers who belong to different art disciplines, artists in Chennai organised a film festival at the Panuval bookstore.

The uniqueness of this protest, organised like a cultural gathering, lies in the fact that there is no singular body responsible for organising it. In fact, the reins are in the hands of artists from different cities who wish to use their art as a language to reach out to people and spread the message of peace.

According to Dewan, the idea to organise Artists Unite gained momentum in September last year. It all started with a declaration, which served as “a call for a national convention of artists to weigh in with a collective voice, and with creative energy that makes arts and literature a site of resistance to the hate politics that is sweeping the country”. To date, more than 750 signatories have endorsed this declaration. Among them are actor Naseeruddin Shah,

writer Arundhati Roy, Bharatanatyam exponent Navtej Singh Johar and Carnatic music vocalist T M Krishna.

The declaration mentions how new cultural narratives, driven by the ideology of hate, revenge, aggression and violence, have taken shape in the form of lynchings, murderous attacks on writers and artists, disruption of cultural events and the re-writing of history, all of which have made headlines in the last five years. Whether it was the murder of journalist Gauri Lankesh in 2017 or *Eidgah ke Jinnat*, a play on stone-pelting in Kashmir, being cancelled in Jaipur a few weeks ago as protesters stormed Jawahar Kala Kendra, the protest was aimed at drawing attention to issues and events that have in some way or the other marred India’s cultural, ethnic and religious diversity.

The protest, a peaceful gathering of artistes and non-artists, comprised many stages, or *manch*, which were named Ekta (Unity) Manch, Lok (People) Manch and Zindabad (Long live) Manch. These stages in fact were areas in the park that could be accessed without any barriers. There was also a Tasveer (Films) Ghar, Azad (Free) Manch and Khula Manch, or open mic. These had the artistes either dancing, singing, displaying their creations, playing chess, acting or simply moving around. Khula Manch was for people attending the protest, not necessarily artistes, to voice their opinions.

At Lok Manch, Third Space Collective, a group of theatre practitioners from Delhi, put up a performance with seven actors enacting the role of bystanders at the student protests that broke out at Ramjas College, Delhi University, in February

2017. Devoid of dialogue, the performance relied on descriptive narration and acting to take the audience back to the scene of the clash between students from the Akhil Bharatiya Vidyarthi Parishad (ABVP) and those who were protesting the violent manner in which the Rashtriya Swayamsevak Sangh (RSS)-linked organisation had disrupted a programme at Ramjas College held the previous day. The brutal beating of the students by the police, stone pelting, acid attacks and sexual harassment, among other atrocities, made their way into the narration, making each audience member a bystander to the violence as well.

“We need to speak to people who don’t belong to these arts,” says Neel Sengupta, a member of Third Space Collective. “Our actors for this performance are those who have just finished college and were witness to these student protests,” he adds. By

The uniqueness of this protest, organised like a cultural gathering, lies in the fact that there is no singular body responsible for organising it. The reins are in the hands of artists from different cities who wish to use art as a language to reach out to people and spread the message of peace



1 Inder Salim, a poet from Kashmir, appeals for peace

2 Third Space Collective puts up a performance about the student protests that broke out at Ramjas College, Delhi University, in February 2017

3 A protester performs his poetry at Kula Manch

playing with form in theatre, using Hindi or non-verbal methods of communication and experimenting with socio-political content, the collective plans to reach out to the masses to begin conversations about the challenges of our times. Aishwarya Srivastava, a young poet, recited her poem titled “I Am Not a Kashmiri and I Am Sorry”. Lines like “forced to choose between hunger or grief” dealt with compassionate employment given to next-of-kin of civilians killed in militancy related incidents, while “if free is something your really were” pointed towards the many curfews and disruption of daily lives of those in the Valley of conflict. A *nukkad natak* (street play) organised by students of Kirori Mal College, University of Delhi, drew a

large crowd as it raised questions about the disdain of the powers that be towards critical thinking and dissenting opinions. The dialogue “*Sawaal karne waale yahaan Naxal kehlati*” (One who questions is deemed a Naxal),” received roaring applause from the crowd gathered around the performers. Similarly, a tent called the “Memorial of Mourning” played graphic scenes from movies like *Fandry* (2013), a Marathi film about a young Dalit boy, while the track “Azadi” from *Gully Boy* played in the background. Madhavi Kukreja, a women’s rights activist who has been organising the Sanatkada Lucknow Festival for the past 10 years, was one of the many known figures who attended the



protest. “The idea is to appeal to people through such cultural events so that they can connect with art and the artistes and experience the politics of love and diversity.” With 20,000 people turning up on the second and last day of the protest, and with no entry charges, Artists Unite managed to bring people of different classes, religions, castes and communities together to experience unity and love. Choosing Red Fort as the venue was a conscious decision, explains Dewan. “Why should such protests take place only in South Delhi or Central Delhi? More importantly, Red Fort holds historical significance as the first Independence Day was celebrated here. Performing and displaying their work here is

extremely emotional for all these artistes,” she adds. Aparajita Jain, director at Nature Morte Gallery in Delhi, argues that art has broken beyond attracting merely a niche crowd due to growth in contemporary art forms like street art, community-led art projects and the emergence of public art spaces like The Sculpture Park in Jaipur, which is accessible to all. “Events such as this [Artists Unite!] showcase the diversity and plurality that is at the heart of contemporary art in India, and bring out concerns regarding social justice, equality, and inclusive growth at a public platform, towards which we are all driven but perhaps fail to collectively address. These events allow us to come together, and cross our differences through art.”

IMO

A Rafale fighter jet

**CONTROVERSY OVER RAFALE DOCUMENTS**  
**Nirmala Sitharaman**@nsitharaman  
1.Learned AG KK Venugopal told @PTL\_News the Rafale documents were not creative from the Defence Ministry & what he meant in his submission before the Supreme Court was that petitioners in the application used "photocopies of the original" papers, deemed secret by the government.

**Randeep Singh Surjewala**@rjsurjewala  
Art of serving hundred lies to hide one truth! Yesterday in Supreme Court- Rafale files have been stolen.  
Today -Photocopies of Rafale files have been stolen. Modi ji, What's the 'duplicity' for tomorrow?

**Dr Tamilisai Soundararajan**@DrTamilisaiBJP  
MK Stalin asking how Modi will protect country if he can't protect Rafale docus' is condemnable.Modi has proven as a timely decision making PM by his surgical strikes on terrorists.Responsible leaders should have condemned black sheeps near corridors of power stealing documents

**Barkha Dutta**@BDUTT  
By saying #Rafale documents 'stolen' from defence ministry the Attorney General has just officially validated the reporting of @nramind.

**Jyotiraditya Scindia**@JM\_Scindia  
Going back and forth on their stand is this govt's second nature. One thing's clear: the @BJP4India

is putting up the worst to cover up its misdoings, and the best to prove that it is a "suit boot ki sarkar".

**Manuraj S**@manuraj1983  
Intelligence failure in the lead up to Pathankot and Pulwama+Contradictory statements on casualties after Balakot+Major gaps in explaining procurement process in Rafale+Now, Ministry reports theft of confidential documents; National security fail!

**DONALD TRUMP'S TIM APPLE GAFFE**  
**Sanjay Jha**@JhaSanjay  
Tim Apple. Should we have a name change here too; #NarendraRafale?

**Anderson Cooper**@AC360  
.@andersoncooper on Pres. Trump's 'Tim Apple' gaffe: Give the President a break. He has a lot to deal with and Cook is a tough name to remember. It's a tough tongue twister like all one-syllable names are. #TheRidiculist

**ATTACK ON KASHMIRI VENDORS IN LUCKNOW**  
**Rachit Seth**@rachitseth  
Kashmiri vendors beaten in Lucknow. Nobody from any state should be attacked. 1 person thrashed in Muzaffarnagar because he was critiquing the Modi Govt on Local TV. Both these incidents are telling what kind of society we have become under the Mob & Lynch Raj of BJP!

**Omar Abdullah**@OmarAbdullah  
Nothing will do more damage to the idea of India in J&K than videos like these. Keep thrashing Kashmiris like this on the streets at the hands of RSS/Bajrang Dal goons & then try to sell the idea of "atoot ang", it simply wont fly.

**Shah Faesal**@shahfaesal  
SSP @psnaithani is my batchmate and I am very happy that he has cracked whip on the goons who thrashed Kashmiri street-vendor in Lucknow.Well done cop.

## Kylie Jenner is the future of shopping

The social media phenomenon that she represents is here to stay

ANDREA FELSTED  
9 March

Kylie Jenner’s debut on the Bloomberg Billionaires Index at the ripe old age of 21 should strike fear into the hearts of mainstream consumer companies everywhere.

The young member of the Kardashian-Jenner clan (a brood made famous by reality TV) has joined the tycoon club after signing an exclusive partnership for her cosmetics company with Ulta Beauty Inc, a chain of US beauty stores. The deal embodies the trends —ultra-celebrity branding, Instagram and smartphone shopping — that are reshaping the retail landscape in everything from liquid foundation to food.

The giant corporates that still dominate the consumer industry have little choice but to try to keep up, not just with the Kardashians but the millions of “Konsumers” they have spawned.

Women have always looked to well-known personalities for inspiration. But Jenner takes the cult of celebrity endorsement to a new level. Not content to merely stick her name on something from LVMH SE or Kering SA and take a percentage, she kept more of the branding value for herself by setting up her own company. And why not? Jenner belongs to arguably the best-known family in the world (after the Windsors). The Kardashians are an industry in their own right, a powerful machine that pumps out influence over much of what we buy, whether that’s leggings or lipstick.

Like her half-sister, Kim Kardashian West, Jenner is a hugely powerful presence on social media. But by founding Kylie Cosmetics back in 2015, she has managed to take that in an even more lucrative direction. With 128 million



With 128 million Instagram followers, Jenner (pictured) can communicate directly with her fans, who then become customers

Instagram followers, she can communicate directly with her fans, who then become customers.

The assumptions used to calculate Jenner’s wealth are still open to interpretation, as Kylie Cosmetics out-sources its manufacturing, packaging and sales to other companies according to Bloomberg News. The terms on those deals aren’t public. But she has shown that with the right name and face you can cut out the L’Oreal’s and Procter & Gamble’s and just sell straight to the market.

While Ulta’s bricks-and-mortar stores open up a new channel, before now she has sold to her millions of followers over the internet, most likely via their phones. *Forbes* magazine, which first reported Jenner’s billionaire status, said Kylie Cosmetics had sales of \$360 million last year. So how can mainstream brand-owners make sure they don’t lose mar-

ket share to future “super-influencers.” First off, they can try the traditional route of just signing them up to front their brands. But even this can be fraught with peril. L’Oreal, a competent operator on social media, parted company with transgender model Munroe Bergdorf in 2017 after claims she posted racist comments online. Bergdorf has 119,000 Instagram followers, so that was a lot of potentially upset customers once the relationship didn’t work out.

Other consumer groups have gone further. LVMH has teamed up with pop star Rihanna (68.4 million Instagram followers) to create Fenty Beauty, another makeup line. Fenty generated €500 million (\$561 million) of sales in 2018, according to the French luxury giant. Rihanna’s cut of the profit is undisclosed, but this looks like a smart way for the industry to keep pace with the social media revolution in shopping.

Still, not all tie-ups are successful. Estee Lauder ended its collaboration with Kendall Jenner (Kylie’s sister, 105 million Instagram followers) after just 18 months because the Estee Edit, as it was known, fell short of expectations. Executives described it as “not authentic.” But perhaps the mistake was not plastering Kendall’s name all over the range, as Kylie has with her products.

Another option is buying celebrity brands outright. At some point “celebprenuers” like Jenner will want to cash in via an exit. The purchasing company can then combine the draw of a famous name with its powerful distribution network, thereby turbo-charging sales. It’s an expensive choice, though. Diageo paid as much as \$1 billion in 2017 for George Clooney’s tequila brand.

Any buyer of a celebrity-backed company is also betting on their popularity lasting. In a world where fortunes can turn on a tweet, that’s a big risk.

There’s always the safer option of buying non-celebrity brands that serve similar consumer categories. For example, L’Oreal, Estee Lauder and Unilever have been snapping up niche cosmetics, skincare and fragrance businesses for the past few years. Companies could also do better at product innovation, though that’s never easy when they’re as big as they are.

The public’s fickleness means Jenner’s star will fade eventually, but the social media phenomenon that she represents is surely here to stay — especially given that the big consumer brands are deeply unimpressed with the returns they get from advertising through Google and Facebook. What can compete with a superstar sharing their intimate thoughts about products with millions of shoppers?



# Natural gas may play a game changer for energy

Recent city gas rounds to bring in ₹1.2 trillion investments in next 10 years

SHINE JACOB  
New Delhi, 9 March

In 2012-13, the share of natural gas in India's energy mix was around 10.5 per cent. Surprisingly, despite the fact that the Narendra Modi-led government had set a goal of taking this share to 15 per cent by 2022, the contribution of natural gas in the country's energy basket has declined to almost 6.5 per cent now.

The global average is 24 per cent and even within the country, in Gujarat, it is 25 per cent. With these dismal numbers, the target of becoming a gas-based economy appears a distant dream. A major reason for this is an almost static domestic natural gas production, which has risen only 0.7 per cent in the past 10 years, from 32,416.97 million metric standard cubic metre (mmscm) in 2007-08 to 32,649.31 mmscm in 2017-18.

As part of its effort to improve this, the ministry of petroleum and natural gas has taken several steps in the past few years to improve domestic production, increase consumption and give a push to infrastructure development. The recent thrust on city gas distribution networks through the ninth and tenth round of auctions of new geographical areas (GA) can be seen as a step towards this. The two rounds are expected to fetch investments worth about ₹1.2 trillion in the next ten years.

Hence, the move can be seen as a significant initiative to leapfrog to higher gas usage and address India's urban pollution. With the completion of the tenth round, CGD would be available in 228 GAs consisting of 402 districts spread over 27 States and Union territories, covering approximately 70 per cent of India's population and 53 per cent of the country's geographical area. The success of the last two rounds can be calculated looking into the fact that the first eight rounds covered only 11 per cent of India's geographical area and barely 19 per cent of its population. Around 30 companies, including Adani Gas, Indian Oil Corporation



## INDIA'S GAS NEEDS

- **Total gas consumption during January 2019 was 4,653 mmscm**, of which the share of liquefied natural gas (LNG) was about 52 per cent
- **Major consumers of gas in India include fertiliser (29%), power (22%), city gas distribution (18%), refinery (11%), and petrochemicals (6%)**
- **According to a recent study by EY**, India's energy consumption is expected to grow by 4.2% a year and gas consumption by 5% till

- 2040, to account for 11 per cent of global energy consumption
- **As of now, coal constitutes 58% of the country's energy basket**, followed by oil (29%), natural gas (6%), renewables and hydro-electricity (6%) and nuclear energy (1%)
- **The number of LPG consumers in the country has also risen 77% from 148 million** on March 31, 2015, to 261.6 million now, reaching out to 90% of households

(IOC), Hindustan Petroleum Corporation (HPCL), Gujarat Gas, Atlantic Gulf & Pacific Company (AG&P) and Gail Gas turned winners in the two rounds so far.

According to P P G Sharma, Managing Director of AG&P, the current CGD rounds are going to be a game-changer in India's move towards increasing its share of gas in energy basket. "This will bring in more investments to the sector. Availability of gas is not going to be an issue. For domestic consumers, the gas is being allocated on a priority basis, while for industrial players more LNG will be available in the pool in the near future," Sharma told Business Standard. Total gas consumption during the month of January 2019 was 4,653 mmscm, of which the share of liquefied natural gas (LNG) was about 52 per cent. Major consumers of gas in India

include fertiliser (29 per cent), power (22 per cent), CGD (18 per cent), refinery (11 per cent), and petrochemicals (six per cent).

According to a recent study by Ernst & Young, India's energy consumption is expected to grow by 4.2 per cent a year and gas consumption by 5 per cent till 2040, to account for 11 per cent of global energy consumption. As of now, coal constitutes 58 per cent of the country's energy basket, followed by oil (29 per cent), natural gas (six per cent), renewables and hydro-electricity (six per cent) and nuclear energy (one per cent).

Interestingly, the push for clean energy by the petroleum ministry has also got a boost since the launch of Pradhan Mantri Ujjwala Yojana in May 2016. Owing to the success of this, the number of LPG consumers in the country also risen 77 per cent

from 148 million on March 31, 2015 to 261.6 million now, reaching out to 90 per cent of Indian households. As of today, 69.5 million new consumers were added only under PMUY.

Despite the skepticism, the petroleum ministry expects natural gas production to double to 71.92 billion cubic metre by 2021-22, from a mere 35.07 bcm now. India is pushing for gas to meet the country's COP21 commitments on carbon emissions. It is also cheaper than liquid fuels such as petrol and diesel.

Despite the focus on CGD and steps to increase production, industry experts such as R S Sharma, former chairman and managing director of Oil and Natural Gas Corporation (ONGC) believe that in the most optimistic scenario, by 2040, the share of natural gas in India's energy basket will reach about 12 per cent only.

# REALITY CHECK ON INDIA'S POLITICS: ONLY 9% WOMEN MLAs AND MPs ACROSS NATION

ADR and NEW's empirical study of MPs and MLAs reveals how skewed the gender representation is in the states and parties

While politicians across India are keen to talk about women empowerment and the political legacies of India's female politicians like Indira Gandhi, Sushma Swaraj or Nirmala Sitharaman, these women remain largely anomalies in the political landscape. The fact remains – women are underrepresented in state and national decision-making bodies. According to a report by the Association of Democratic Reforms (ADR) and National Election Watch (NEW), the state of representation of women in the country's decision-making process continues to be dismal, with only 9% women MLAs and MPs across the country in 2019.

## STATE-WISE REPRESENTATION OF WOMEN IN INDIA

ADR and NEW's empirical study of MPs and MLAs reveals how skewed gender representation is in the states.

None of the country's state Assemblies had more than 10 % women candidates, barring exceptions like Jharkhand (10%), West Bengal (10.30%), Sikkim (10.30%) and Chhattisgarh (10%), which had the highest percentage of women candidates. Delhi had 9.8% women candidates in the fray. The lowest number of women candidates is in Nagaland and Arunachal Pradesh (3% each) and Jammu & Kashmir and Manipur (4% each).

## 16TH LOK SABHA STATUS

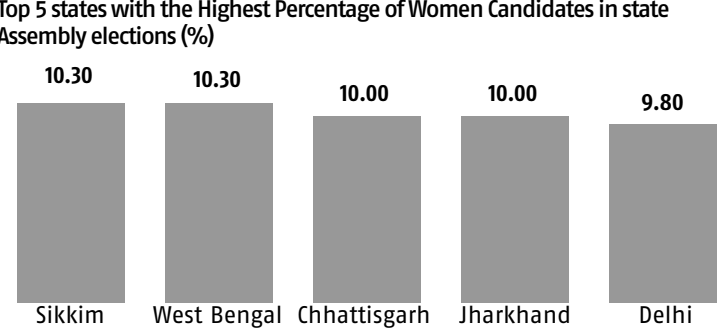
As of 2014, women make up only 11.8 per cent of the Lok Sabha and 11.4 per cent of the Rajya Sabha, according to the Inter-Parliamentary Union.

In the 16th Lok Sabha elections, the BJP gave only 38 of 428 tickets to women candidates, while the Congress gave 60 tickets. Other national parties like the BSP fielded 21 women, the CPI fielded six, the CPI(M) fielded 11 and the NCP four.

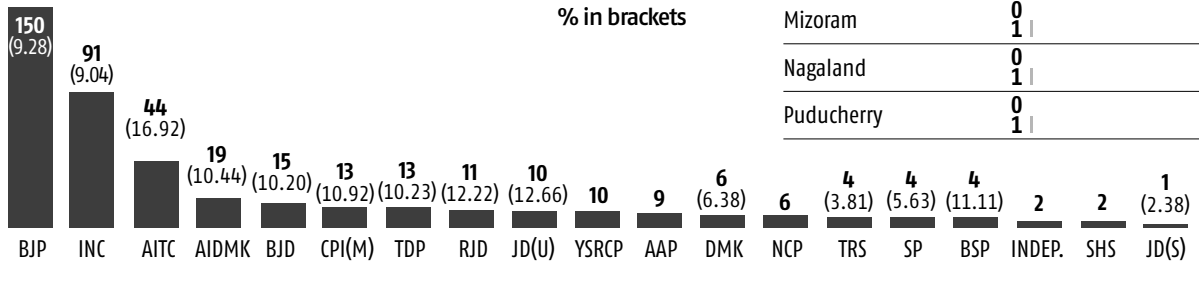
Politically, women have been making their presence felt in voter turnouts. According to the Election Commission, the female voter turnout was higher than male turnout in 16 states and union territories out of 35 in the 2014 general elections.

SURBHI GLORIA SINGH

## LEADING THE PACK



## PARTY-WISE NUMBER OF WOMEN MPs/MLAs



# Rahul vows minimum income plan if elected

PRESS TRUST OF INDIA  
Hyderabad, 9 March

Congress chief Rahul Gandhi on Saturday said the party would implement the minimum income guarantee scheme and deposit money in bank accounts of all the poor in the country if voted to power in the Lok Sabha polls.

"We have taken a decision that Congress party will give guaranteed minimum income to every poor person in India. After the 2019 polls, the Government of India will fix minimum income. It will not be below any of the income levels (below poverty line) of people," he said.

People will get money under the scheme if their income is less than the minimum income (fixed), irrespective of whoever they are, whichever state they lived in or religion they followed and whatever language they spoke, he said.

"We will not leave even a single person. We will search for people whose income is less than the Minimum Income, we will deposit money in their accounts, the congress chief said. Gandhi was addressing a meeting of Congress functionaries where he kick started the party's campaign for the coming Lok Sabha polls.

Continuing his tirade against Prime Minister Narendra Modi, he alleged that Modi was creating two Indias - one in which only the rich benefited and the other in which farmers seeking loan waiver are let down. "The congress party will not let this happen," he said Referring to the Doklam.

## WEDDING SEASON IS HERE



Former British prime minister Tony Blair and wife Cherie being escorted by Anil Ambani as they arrive for the wedding ceremony of industrialist Mukesh Ambani's son Akash with Shloka Mehta at Jio World Centre, in Mumbai, on Saturday

PHOTO: PTI

# Modi slams Cong's handling of terror attacks

PRESS TRUST OF INDIA  
Noida, 9 March

Prime Minister Narendra Modi on Saturday again hit out at those seeking proof of India's air strike at Balakot in Pakistan and slammed the previous Congress government for its handling of terror attacks like the one in Mumbai in 2008.

Addressing a public meeting in Greater Noida, Modi said the "corrupt" are opposing and abusing him in order to get votes.

Modi said today India works on 'nayi reeti, nayi neeti' (new methods, new policies), asserting that after the terror attack in Uri (Jammu and Kashmir) in 2016, the country for the first time taught terrorists a lesson "in a language they understand" with surgical



PM Narendra Modi with Uttar Pradesh Chief Minister Yogi Adityanath at the inauguration of Pandit Deendayal Upadhyaya Institute of Archaeology in Greater Noida on Saturday

PHOTO: PTI

strikes.

"Is it okay for you to have a government that does nothing? A chowkidar (referring to himself) who sleeps?" he asked the gathering of thousands, after inaugurating several development projects.

He said the country can never forget the 26/11 terror attack in Mumbai. India should have responded then and the whole world would have supported the country, he said.

"But that required

courage. All evidence was against terrorist handlers in Pakistan which proved them guilty. But how did India respond? There are reports that our forces were ready to avenge the terror attack even then, but Delhi remained cold. The forces were not allowed to take any action," he said.

Stating that there were repeated terror attacks in India after 2008 whose links were found across the border, Modi questioned the previous government's response. They did not change their policy, they only changed their home ministers, he said.

"Had the previous government shown some courage and taught terrorists a lesson in their own language, terrorism would not have emerged as the menace it is now," he said.

# Power generation remains the only pain point for Adani Group

SAI MANISH  
New Delhi, 9 March

In a single stroke during the last week of February, Gautam Adani-led Adani Enterprises started on the journey to become the largest airport operator in India when it bagged contracts to operate five airports in the country. The company will operate more airports than any other private player in India. In perspective, the Adani Group will be the largest private airport operator in one of the world's fastest growing aviation markets. It is already one of India's largest coal traders, the largest private port operator, largest edible oil company, largest solar cell manufacturer and largest private player in piped gas distribution across Indian cities. In 2014, Adani Group consisted of 80 subsidiaries. Now it has 99 subsidiaries and associate companies.

In 2013-2014, Adani Enterprises, the flagship of the group earned consolidated revenues of ₹56,226 crore. This included all its business, including its much profitable ports enterprise. In 2017-18, the last full financial year for which figures are available, the group's

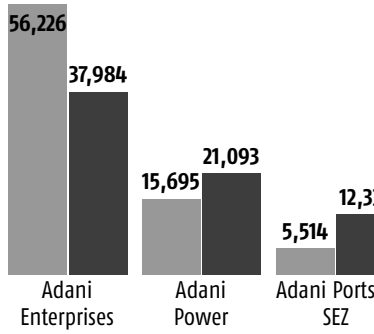
revenues (including its ports, power and transmission businesses which were spun off into separate entities in 2015) stood at ₹74,332 crore — a growth of over 33 per cent over four years. According to BSE 200 index data analysis provided by AceEquity, the revenue of companies that comprise the BSE200 index grew 16 per cent during the same period.

While Adani Enterprises which drives most of its revenues from coal mining and trading is the group's biggest revenue generator, the ports business is its most profitable venture. After being restructured in 2015-16, Adani Enterprises' total profits have declined from a little over ₹1,000 crore to ₹757 crore in 2017-18. The entire group's profits have increased from a little above ₹2,200 crore in 2013-14 to ₹3,438 crore in 2017-18. This growth is bigger than the BSE200 index companies whose profits grew just about 13 per cent.

Since 2014, Adani Enterprises has more than doubled its domestic coal production. In 2017-18 it produced over eight million metric tonnes of coal. The cancellation of licences by the Supreme Court in 2014 seems to have had little impact on Adani Enterprises' operations. The Coal Mines (Special Provisions)

## GROUP FINANCIALS

Revenues ■ 2013-14 ■ 2017-18 (₹ crore)



Act, 2015 introduced by the government ensured that private players weren't hurt badly. Adani Enterprises regained Mine Developer cum Operator (MDO) contracts for Parsa and Kente Extension blocks in Chhattisgarh. According to the company's annual reports, it got MDO contracts for three more blocks in Chhattisgarh (one at Gare Palma and two at Talabira) in 2017. Adani Enterprises also includes the group's defence businesses

which, among other things, opened an unmanned aerial vehicle (UAV) manufacturing facility in Hyderabad in December 2018.

Adani Group has also come to dominate India's growing ports sector. In 2014, Adani operated three ports in Gujarat, including Mundra, which was India's largest private port. By 2015-16, according to the company, it operated eight ports in five states and was developing two more. With the central government



Gautam Adani-led Adani Enterprises is the largest airport operator in India

revising the model concession agreements for port development as part of its Sagarmala scheme, Adani Ports could get a shot in the arm in times to come. Under new rules, port developers can exit a project by selling their entire stake within two years of commercial operation. Adani Ports and Special Economic Zone Ltd recorded profits of ₹3,683 crore in 2017-18 — a rise of 59 per cent since 2014-15. With the central government approving another ₹14,000 crore power sector SEZ by the group in Jharkhand to export all power generated there to Bangladesh, the coming few years could further add to Adani Power and SEZ's financial muscle.

Adani's power businesses haven't been as successful as the other ventures. Adani Power Ltd ran losses since 2014 except in 2015-16. Its losses widened to more than ₹6,000 crore in 2016-17. In 2017-18, its losses were more than ₹2,000 crore. While Adani's power generation businesses may be hit badly, its electricity transmission business is also turning into a money spinner. Adani Transmission's net profits more than tripled to over ₹1,100 crore in 2017-18 ever since it was spun off as a separate entity in 2015-16.



# UK dismisses EU offer on Brexit backstop as ‘disappointing’

REUTERS  
9 March

UK Cabinet minister Andrea Leadsom rejected the European Union’s latest plan to break the Brexit deadlock, but said Parliament will be given more chances to vote on the deal if the bloc improves its “disappointing” offer before it’s too late.

Leadsom, leader of the House of Commons, said Saturday she was “absolutely astonished” that EU chief negotiator Michel Barnier was simply rehashing old ideas that Theresa May has already thrown out, dismissing his new proposal for the Irish border backstop as a joke.

“He seems to be on Twitter offering to go back to negotiations that were ruled out several months ago suggesting somehow that the United Kingdom should be split up and we should have a border down the Irish Sea,” Leadsom said in a *Bloomberg* interview. “That is disappointing. We are within a few days of the next meaningful vote.”

If the EU comes back with a plan to address British concerns — even after Parliament votes on the withdrawal agreement next week — the Commons will be given a say, Leadsom said.

“Certainly, in the event that we can get the changes that Parliament wants, then Parliament will be given opportunities to support the deal,” she said. “But we are focused on trying to win this vote on Tuesday.”

It’s now “vital” for the EU to “take very seriously” the clear proposals the UK has put forward for resolving the dispute over the so called backstop plan for the Irish border, she added.

The UK is on course to leave the EU on March 29 but there’s no deal in place to cushion the blow. The Commons will vote for a second time on whether to accept the divorce agreement



Andrea Leadsom, leader of the House of Commons, said she was “absolutely astonished” that the EU chief negotiator was simply rehashing old ideas that Theresa May has thrown out

REUTERS

on Tuesday, after rejecting it by an historic margin in January.

Since that defeat, May has been trying to get changes to the Irish border backstop but there’s no sign of a breakthrough in the increasingly acrimonious negotiations in Brussels. Barnier told ambassadors on Friday the

blame game had started, according to a person familiar with the situation.

Barnier announced on Twitter a new package of concessions intended to resolve the contentious issue of the Irish border backstop, a policy intended to ensure there’s never a need for a

“hard” land border between the UK and Ireland.

Barnier’s most striking idea was to allow the backstop to apply just to Northern Ireland, rather than the whole of the UK. But May has long said this would be unacceptable, and negotiators had already rejected it on

Tuesday, according to another person familiar with the talks.

The EU also offered to strengthen other provisions in the deal — on arbitration and good-faith clauses — but the UK side said it wasn’t enough. British politicians worry that the UK could be trapped against its will in the backstop and bound by EU trade rules potentially forever.

“If the EU doesn’t enable us to resolve this issue about the permanent nature of the backstop, then in effect what the EU is pushing us towards is leaving the EU without a withdrawal agreement at all,” Leadsom said. A no-deal Brexit will be “a big problem” for Ireland, France, Poland and Germany, she added. “For particular nations amongst our EU friends and neighbours there would be very real issues.”

May has promised that if Parliament rejects her withdrawal treaty, it will then get a vote on whether to take the country out of the EU into legal limbo -- an option previous ballots have shown it will reject. Then there will be a vote on postponing the March 29 exit day.

# US job growth nearly stalled in February

REUTERS  
Washington, 9 March

US employment growth almost stalled in February, with the economy creating only 20,000 jobs, adding to signs of a sharp slowdown in economic activity in the first quarter.

The meager payroll gains reported by the Labor Department on Friday were the weakest since September 2017, with a big drop in the weather-sensitive construction industry.

They also reflected a decline in hiring by retailers and utility companies as well as the transportation and warehousing sector, which is experiencing a shortage of drivers.

The sharp step-down in payrolls was another blow to President Donald Trump who has suffered a series of setbacks in recent weeks, including failed nuclear talks with North Korea, a record goods trade deficit despite his administration’s “America First” policies and the economy missing the White House’s three per cent annual growth target in 2018.

But the stumble in job growth, which followed two straight months of hefty gains, likely understates the health of the labour market as other details of the closely watched employment report were strong.

The unemployment rate fell back to below four per cent and a wider measure of underemployment fell by the most ever. In addition, annual wage growth was the best since 2009, and the economy created 12,000 more jobs in December and January than previously reported, bringing the total for the two months to 538,000.

“We had warned that recent employment gains had overstated the underlying strength of the US labour market,” said Harm Bandholz, chief US economist at UniCredit Research in



REUTERS

The stumble in job growth, which followed two months of hefty gains, likely understates the health of the labour market

New York. “And the correction now came in February with a bang, rather than spread out over various months.”

Federal Reserve Chairman Jerome Powell made no mention of the latest numbers in remarks delivered more than 12 hours later, noting simply that most measures of the labour market “look as favourable as they have in many decades” and adding that there is “nothing in the outlook demanding an immediate policy response”.

But the mixed report was another indication the economy, which in July is set to mark a record 10 years of expansion, is slowing as the stimulus from a \$1.5 trillion tax cut and increased government spending ebbs. And it supports what Powell on Friday called the Federal Reserve’s “patient, wait-and-see approach to considering any alteration in the stance of policy”.

The record goods trade deficit is also hurting activity as well as slowing global economies. Growth estimates for the first quarter are around a one per cent annualised rate.

Economists polled by *Reuters* had forecast nonfarm payrolls rose by 180,000 jobs last month. In addition to the weather and rising worker shortages, a stock market selloff

and jump in US.

Treasury yields in late 2018, which tightened financial market conditions, also likely curbed hiring. The length of the average workweek fell to 34.4 hours last month from 34.5 hours in January.

“All this report did was remind people that the economy is decelerating and a moderating economy doesn’t create a massive number of new positions,” said Joel Naroff, chief economist at Naroff Economic Advisors in Holland, Pennsylvania.

US stocks fell as the employment report added to concerns of softening global growth sparked by weak China export data and a prolonged slowdown in eurozone. The dollar dropped against a basket of currencies. US Treasury prices were mixed.

Job gains over the last two months averaged 186,000 per month, well above the roughly 100,000 needed to keep up with the working-age population. The unemployment rate fell two-tenths of a percentage point to 3.8 per cent in February, also as federal government workers who were temporarily unemployed during a 35-day partial shutdown returned to work. The longest shutdown in US ended on January 25.

## IN BRIEF

### Nigerians elect governors



Nigerians began voting on Saturday for state governors and assemblies in an election that the military said may be marred by violence. The balloting in 29 of the 36 states and the Federal Capital Territory in Africa’s biggest oil producer is the second round of general elections that saw President Muhammadu Buhari (pictured) win a new and final four-year term last month in a disputed vote in which at least 39 people lost their lives. “They have started as scheduled, but I know there were one or two challenges of violence,” Oluwole Osaze-Uzzi, the Independent National Election Commission’s director of voter education said. Ebonyi and Rivers states in the south are among places violence was reported and voting might be delayed, he said. **BLOOMBERG**

### North Korea may ready rocket launch

North Korea could be preparing to launch a missile or rocket in the near future, according to satellite images of activity in the country, US radio network NPR reported, while the country’s state media said the world is blaming the US for ending the Hanoi summit without an agreement. The images were taken on February 22 at the Sanumdong facility near Pyonyang, where North Korea has assembled some of its intercontinental ballistic missiles and satellite-launching rockets, NPR reported. **BLOOMBERG**

### China warns US on trade deal

The enforcement mechanism for a prospective deal to end the trade war between China and the US must be “two way, fair and equal”, according to Vice Commerce Minister Wang Shouwen. Wang said in Beijing on Saturday he “feels hopeful” about the prospects for the negotiations, which are nearing completion amid pressure from US President Donald Trump to seal a deal. Wang is China’s deputy international trade representative and also leads the Chinese working team in the trade talks with the US. **BLOOMBERG**

## Hong Kong steps in to defend peg for first time since August

TIAN CHEN & KATHERINE GREIFELD  
9 March

Hong Kong’s de facto central bank bought the local dollar for the first time since August after the city’s exchange rate fell to the weak end of its trading band against the greenback.

The Hong Kong Monetary Authority bought HK\$1.507 billion (\$192 million) of local currency during London and New York trading hours, it said in a statement on Saturday.

The main reason for the currency’s decline was a significant widening in the interest rate gap between the Hong Kong and US dollars, HKMA Deputy Chief Executive Howard Lee said in the statement. He said it wouldn’t be surprising if the Hong Kong dollar again weakened to the bottom of its trading band, and the HKMA “stands ready” to defend the currency.

Abundant liquidity in the currency market, weak demand for loans and a lack of large-scale initial public offerings in Hong Kong have also contributed to the rate gap, Lee said.

Lower interest rates relative to the greenback have made shorting the Hong Kong dollar a lucrative trade. The HKMA, which needs to buy the currency at 7.85 per dollar to defend the trading band, intervened last year for the first time since 2005 at the weak side of the band.

Continued purchases by the authority would tighten liquidity, which may drive up borrowing costs in the city. The actions of HKMA last year saw the aggregate balance, a measure of interbank liquidity, shrink by more than half. The balance stood at HK\$76.3 billion on Friday, and will decline to HK\$74.8 billion after the intervention.

“Reserve levels have been built up significantly over the past decade and the HKMA still has an ample amount of reserves to defend the USD/HKD range for now,” said Bipan Rai, head, North American foreign-exchange strategy, Canadian Imperial Bank of Commerce. “It’ll likely be tested a few times, which may see further intervention. But any talk of the peg giving way is an extreme long shot.”

## STEPPING AHEAD



Women take part in a rally to mark International Women’s Day in Santiago, Chile, on Friday

REUTERS

# Google search dominance has businesses paying for their name

ALISTAIR BARR & GERRIT DEVYNNCK  
9 March

Google controls many of the ways businesses access customers online in the US, making it almost impossible to run a company without buying advertising from the internet giant.

As politicians increase scrutiny of large technology companies, Google’s lock on these digital relationships is becoming a potential liability, not just a lucrative advantage praised each quarter by Wall Street analysts.

Presidential candidate and Senator Elizabeth Warren outlined a proposal Friday for breaking up Alphabet’s Google — and Facebook and Amazon.com — because they have “too much power” and have “bulldozed competition”.

While consumers pay nothing for most Google services, some businesses say they often can’t avoid giving more money to the company because the internet giant is the main source of answers when Americans go online to get information. Google has more than 81 per cent of the mobile search market, according to research firm NetMarketShare.

While Facebook matches advertisers with people interested in certain topics,

Google can tell what a person really wants, right as that person types their query into the search bar. Showing up at the top of search results is imperative for most companies and in recent years Google has changed its software, especially on smartphones, to make buying ads the best way to achieve that goal.

It’s not possible to run a business without advertising on Google, according to Joey Levin, chief executive officer of IAC/InterActive, which owns internet services like Tinder, HomeAdvisor and Vimeo. He spends about \$350 million on advertising every quarter, much of that on Google.

Lyft, the ride-hailing company, spent \$92.4 million on Google advertising last year, more than double the amount of two years earlier. That was about 10 per cent of its \$991 million loss in 2018.

“Google has dominance in search, it’s utterly, completely, dominant,” said Brian Wieser, president of business intelligence for GroupM, the media investment management arm of advertising giant WPP.

The Federal Trade Commission closed an antitrust investigation into Google in 2013 but there’s been a rising chorus of voices on the political left and right demanding Google be cut down to size,



Google has more than 81 per cent of the mobile search market, according to research firm NetMarketShare

REUTERS

somehow. Nowhere is Google’s power more pervasive — and potentially damaging to businesses — than in the esoteric market for “branded keywords”. This is where businesses buy ads based on their brand names. So Lyft bids on the word “Lyft” and when people search for that,

Google runs an ad at the top of results usually linking to the ride-sharing company’s website.

Some businesses say that they have to buy these ads — whatever the cost — because rivals can bid on the keywords too. If Lyft doesn’t pay up, Uber Technolo-

gies is ready to pay Google instead and grab customers. A search for “Lyft” on Friday on a Google Pixel smartphone showed an ad at the top from the company. Right underneath, there was an ad from Uber saying “Your Ride is A Tap Away”.

“Google gets a piece of every single MyPillow sold and it’s wrong. Why should someone be able to bid on your own brand words and why do you have to buy your own just so people can see you online? That’s wrong,” said Mike Lindell, CEO of MyPillow, which sells bedroom items online.

In recent years, this pressure has increased because on mobile devices Google search ads show up at the top of the results, rather than on the side of the page with desktop results. This means people are more likely to click on the ads, rather than the free, “organic” links to companies’ websites.

MyPillow’s marketing team has tested not buying Google search ads for “MyPillow”, and the slot is immediately purchased by other businesses, sometimes selling knock-offs on e-commerce marketplaces like Amazon, Lindell said. “We’ve had to bid more to get back on there after we stopped,” he added.

“Limiting the ability to advertise

around brand names would restrict competition and make it harder for people searching for one brand of product to make informed decisions by comparing features and prices,” a Google spokesman wrote in an email.

The company has said in the past that it doesn’t break antitrust laws and that competition online is just a click away. Google also regularly stresses that it never accepts payments to be included in or to be ranked higher in organic search results, and doesn’t manipulate search rankings to benefit advertisers.

American Airlines Group and Rosetta Stone sued Google years ago over selling their brand names in search ads, arguing the internet giant shouldn’t be allowed to use protected trademarks in this way. Rosetta, a language learning technology provider, lost its case in state court, but it was revived on appeal and Google settled in 2010 for an undisclosed sum, according to Ars Technica.

More recently, companies have tried to work with — or around — Google’s system. Online travel agent TravelPass Group sued a group of leading hotel chains late last year alleging they conspired not to bid on each others’ branded keywords, according to the complaint. **BLOOMBERG**



CHATTERBOX

Gone with the wind

Remember the ₹2,000 from the Kisan Samman Nidhi meant to reach farmers with two hectares or less land? Well, reports coming from Una, Himachal Pradesh suggest the money landed in the bank accounts of farmers but vanished from the accounts in two days. Local newspapers report that farmers from Bangana in Una were thrilled that ₹2,000 had come into the account of many farmers who had banked with Central Bank and had provided evidence to revenue department officials to lay claim to the money. The money came into the account, accordingly but within two days, was returned — presumably to the government. Bank officials say they have no role in this: The money came in from the government and has been taken back by government. State revenue officials say they used PNB to transfer the money. The question is: Where has it gone? And will it return? So far no complaints have been lodged.

Victim of crossover politics

When sitting MP from Firozpur, Sher Singh Ghubaya quit his seat and the party Shiromani Akali Dal (SAD) and joined the Congress, everyone was thrilled. It isn't every day that an MP who has represented the constituency for two consecutive terms crosses over. But not all Congressmen are happy. Ghubaya has the first claim on the seat which was being eyed not just by the local Congress leader, Rana Gurmeet Singh Sodhi but also by the chief of the Congress unit in Punjab, Sunil Jakhar who contested from Gurdaspur last time. No one is voicing resentment openly. But chatter has already started that Ghubaya could become a victim of sabotage by the Congress.



OPINION  
ROBERT PALLADINO

We are focused on bringing better results

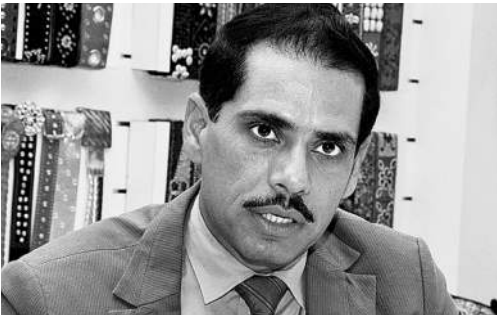
I wanted to raise something yesterday that the Secretary said in his address to students, in which he spoke about the Taliban as terrorists in Afghanistan, at a time when a team from the US is in negotiations with these — with the Taliban. I've looked on the terrorist list; I don't see them as a terrorist, listed as a terrorist organisation. So has something changed here in which the Secretary believes that they are terrorists? And then what does it say about the US negotiating with terrorists, something that it's said before that it would never do? Palladino: We — right now, as you point out, we are in the process — meeting with the empowered Taliban negotiation led by Mullah Baradar, and that's taking place in Doha, and that's being led by Special Representative Khalilzad. And that's going on right now, and he — we have several agencies that are part of that from the United States Government. These discussions are ongoing, and what they're focusing on are the four interconnected issues that are going to compose any future agreement, and those four are counterterrorism, troop withdrawal, intra-Afghan dialogue, and a ceasefire. Q: So — no, well, I'm — I mean, are they terrorists? Or did he misspeak?

Palladino: I — the Secretary's words speak for themselves, and I'm not going to go beyond that. I would say we are very focused on bringing better results to what's going on in that part of the world, and that's where our focus currently is. And we'll stay focused on that. Q: So I assume then that he's — that, well, he didn't misspeak, because you're not saying that he misspoke. And also he says in the transcript that he can travel there in a couple of weeks and help move it along a little bit. Is he planning on meeting with the Taliban? Palladino: I have no travel to announce today. Talks are ongoing. More work needs to be done. We're focused on this. We have private diplomatic conversations that are occurring, and we want to give all the parties time to work out these issues. And so, we'll see, and if we have anything more to announce I'll be sure to let you know. Q: On Afghanistan again. As you said, these new talks have been going on for a week now. How would you characterize them? Are there important progress being made? And how long do you think you can continue doing these talks without the Afghan Government being included? Did you set a deadline when you think the intra-Afghan dialogue should start? Palladino: No deadlines to announce now. And these are — and I don't really want to go into much more detail. These talks are ongoing. Special Representative Khalilzad is engaging on this on a daily basis right now, and progress is being made. So I'll leave it at that. More work to be done, obviously, but we'll stay focused on that. Q: When his trip was announced, it said that we was going to be out there through the end of February. It's now — we're now in March. So is it — it's open-ended — his trip? Palladino: You're — I don't have the media note in front of me, but it sounds like his trip's been extended. I don't want to read into that, but some — listen, when we travel, we have a notion quite often of what's going to take place when we travel. Many of you have been on trips. You know that what we think we're going to do sometimes changes and sometimes changes right at the last minute. And so I wouldn't go so far as to say open-ended, but this is the nature of diplomacy. Opportunities present themselves; we change course, we correct, etc. Q: Sorry, thank you. I have two questions on South Asia, India and Pakistan. What is U.S. assessment of the situation between the two countries now? And also, can you give us a sense or describe in detail what efforts the Secretary himself made in calming the situation? He spoke to the two leaders in the India, Pakistan earlier this week.

Palladino: Right, right. Our position — the position of the US is we continue to urge both sides to continue to take steps to de-escalate the situation, and that includes through direct communication. And we believe strongly that further military activity will exacerbate the situation. So we reiterate our call for Pakistan to abide by its United Nations Security Council commitments to deny terrorists sanctuary and to block their access to funds. Regarding your second question — this happened in Hanoi last week, actually — Secretary Pompeo led diplomatic engagement directly, and that played an essential role in de-escalating the tensions between the two sides. He spoke with leaders in both countries, and that included the Indian Minister of External Affairs Swaraj, National Security Advisor Doval, and Pakistani Foreign Minister Qureshi. Q: So has he made any further calls since coming here after that? Palladino: He hasn't. But what I can say is we've been in continuous — high-level contact has continued. That's with both governments via our embassies in New Delhi and Islamabad, as well as with the Indian and Pakistani embassies here in Washington. That has been sustained, that's been ongoing, and — sometimes we do public diplomacy and sometimes there's a time for private diplomacy, and there's a lot of private diplomacy that's going on right now. Q: One quick thing. India has found use of F-16 by Pakistan. State Department and the U.S. embassy in Islamabad said it is looking for more information on that. Is there potential misuse of F-16 by Pakistan, and what information you are seeking from? Palladino: So we've seen those reports and we're following that issue very closely. I can't confirm anything, but as a matter of policy, we don't publicly comment on the contents of bilateral agreements that we have in this regard involving US defense technologies nor the communications that we have with other countries about that. So we're taking a look and we're going to continue to take a look, and I'm going to leave it at that.

Edited excerpts from the transcript of a briefing by US State Department Deputy Spokesperson, Robert Palladino in Washington DC, March 5

DID THEY REALLY SAY THAT?



"I am in this country, there are people who have looted the country and run away, what about them? I am always going to be in this country, I will not leave or be in active politics till I clear my name, that is my promise."

Robert Vadra, businessman and husband of Priyanka Gandhi Vadra, Congress general secretary, on March 6 in New Delhi



ILLUSTRATION BY BINAY SINHA

Janata Dal (Secular) national general secretary Kunwar Danish Ali tells Archis Mohan that his Party Chief H D Deve Gowda and Congress President Rahul Gandhi share a good rapport, which would help them overcome any obstacle local Congress leaders in Karnataka might put up in the way of a pre-poll alliance of the two parties for the Lok Sabha polls. Edited excerpts:

'Need to protect democracy first'

You are part of the five-member coordination committee between Congress and JD (S). How has it managed to overcome the bad blood of the Karnataka Assembly poll campaign where the Congress leadership had accused your party of being the 'B' team of the BJP?

I agree there was bitterness between the two parties during the election campaign. However, as the general secretary of my party I had during that time also tried to defuse that sort of name-calling. On Wednesday when Congress President Rahul Gandhi and my leader H D Deve Gowda met in New Delhi, to discuss the alliance for the Lok Sabha polls, the reference came up during the discussions. It was pointed out that the Congress campaign during the Assembly polls hurt the JD (S), particularly in the old Mysuru region, which is a stronghold of my party and Deve Gowda's Hassan seat.

I had said immediately, after Gandhi's statement in Hassan during the election campaign (of JD (S) being BJP's 'B' team) that these were not the words of the Congress president, but that a local Congress leader

had forced him to say this, and he should have avoided this. As for my role as the convener of the five member coordination committee, I have not found any difficulty. H D Kumaraswamy, the chief minister of the state, is my party leader. On the other side, the only person to contend with is former chief minister Siddaramaiah, who was earlier with the JD(S). My personal equation and rapport with him is good, as I have known him well.

What would be the alliance formula between the Congress and JD (S) for the Lok Sabha polls?

When we formed the coalition government in May last year, we decided that the chief minister would be from the JD (S) and deputy chief minister from the Congress. Apart from that, all other appointments, whether to the state cabinet and ministerial portfolios, or to government run boards and corporations, a "one third two third" formula would be followed — one-third for the JD (S) and two-thirds for the Congress. We will follow the same formula for the 28 Lok Sabha seats of Karnataka, with the JD(S) getting 9-

CHECKLIST  
THE TOP LEADERSHIP OF THE JAISH E MOHAMMAD

■Azam Cheema: a key commander in the operations of the Lashkar e Taiba (LET), held responsible for the November 2008 terrorist attacks in Mumbai, and which has links to Usama bin Ladin and the al Qaida network. Cheema has been involved in LET's training activities, specifically training LET members in bomb making and skills needed to infiltrate India. The cell that carried out the November 2008 terrorist attacks in Mumbai, India received some of their training from Cheema. He is also reported to have been involved in the July 2006 Mumbai train bombings perpetrated by LET. ■Hafiz Abdul Rahman Makki: As of late 2008, Makki was reported to be head of LET's political affairs department and

served as head of LET's foreign relations department. Makki has also played a role in raising funds for LET. In early 2007, he gave approximately USD 248,000 to an LET training camp and approximately USD 165,000 to an LET-affiliated madrasa. ■Mohammed Masood Azhar Alvi: founded JEM in 2000 and is the head of al Rehmat Trust. He is also a former leader of the terrorist group Harakat al Mujahadin, aka Harakat ul-Ansar; most of these groups' members subsequently joined JEM under Azhar's leadership. In 2008, JEM recruitment posters in Pakistan contained a call from Azhar for volunteers to join the fight in Afghanistan against Western forces.

Source: US Department of Treasury

10 seats. Our primary objective is to ensure how best we can reduce the strength of the Bharatiya Janata Party (BJP) in the new Lok Sabha from Karnataka.

There are those in the Karnataka unit of the Congress who believe their party should not surrender as many as 9-10 seats to the JD(S).

I do not know which leader is saying this. There is a very good understanding between the national leadership of both the parties. Whatever any JD(S) leader says on this, or whatever any Congress leader says... I do not wish to comment.

Isn't your party worried that rebel candidates of the Congress could impair the chances of JD(S) candidates in some of the seats?

You need to appreciate that when such pre-poll alliances take place, such situations crop up in some constituencies with leaders trying to exploit the circumstance for their benefit. We are ready to tackle this and we will. We are fully aware of this. The national leadership of the two parties has discussed this. The alliance will run smoothly.

Much has been said about the coalition government failing to deliver on its promises, particularly on farm loan waiver. What bearing would that have on the Lok Sabha polls?

This is nothing but misinformation and propaganda. It is unfortunate that the prime minister of this country indulges in spreading such misinformation that farm loan waiver did not happen in Karnataka. I respect my PM and compliment him for uttering lies with complete confidence. However, the situation is different on the ground. Farm loan waiver has taken place despite the financial crunch. Our Chief Minister (Kumaraswamy) is a simple man, not so articulate that he can repackage, as Narendra Modi has done at the Centre, old schemes into new ones. The Karnataka government has performed well, given the constraints.

For example, look at the Ayushman Bharat scheme of the Modi government. In Karnataka, we have implemented a much better scheme. The Centre, meanwhile, has allocated a measly sum of ₹200 crore under Ayushman Bharat for the entire state of Karnataka. Take any other of the Modi government's schemes, whether "Make in India", "Start Up India", or others. They have failed. The Modi government is busy fooling people and indulging in diversionary politics because it does not want people to start asking for its report card of the last five years.

What about the contradictions in the overall Congress strategy as regards to pre-poll alliances, particularly the example of Delhi?

The formula for opposition unity is that we all will contest as far as possible as part of pre-poll alliances, but state-specific alliances. The party that is strong in a particular state will lead the alliance in that state, while the other significant party would be the junior partner in the alliance. We will sit together after the elections to decide the shape of the government and its leadership.

As for the Congress, it is the only prominent national party among the opposition parties, while most of the others, like the JD (S), are regional parties. As a regional party, we can take a decision quickly but the Congress as a big party has its own processes in place. However, at least now the Congress has realised that without alliance politics you cannot move forward. The same Congress

had a resolution in its CWC (Congress Working Committee) some years back that it would go alone. I hope the Congress would have a more flexible strategy in other states as well. I am confident that in Karnataka we will announce a pre-poll alliance in a day or two.

As for Delhi, I am not part of that mediation, but if the need arises, I might reach out because we want alliances throughout the country to defeat the BJP. My wish is that the Congress and Aam Aadmi Party should have an alliance in Delhi.

You attended the meeting of the opposition parties in New Delhi on February 27. The Opposition has until now baulked at challenging the discourse of the BJP after the Pulwama terror attack and surgical strike. Is it nervous in countering the BJP on these issues?

The Opposition is working on a careful strategy. We do not want to rush into something to allow Modi to play the victim card. He is very good at that. It is like a street fight where a local toughie beats up a law-abiding citizen of the locality, but when others intervene, the toughie accuses the other man of having hurled abuses at him. Let things settle down a bit. We are going to change this narrative and bring it to issues that affect the people, of no jobs and farm distress. The government should give its report card to the people of the country. We will not allow the BJP and Modi government to usurp the credit due to our armed forces. This government has been instrumental in destroying all the institutions and now they are trying to do the same with the institution of the armed forces.

You have spent well over 20 years in the JD (S). Why is it that the party is unfair to you when it comes to sending people to the Rajya Sabha?

Not at all. What I am today is because of my party and leader Deve Gowda. The space provided to me is because of the confidence my party leader Deve Gowda has in me. Entering Parliament is not at all my concern. The country is today faced with a challenge to its democracy.

Long road ahead

A workshop on the LGBTQ+ community throws light on challenges to them despite the apex court verdict decriminalising Section 377, writes Meghna Chadha

The LGBTQ+ community — the term used for someone who identifies as lesbian, gay, bisexual, transgender or queer — has been recognised more than ever before, since the Supreme Court decriminalised homosexuality or Section 377 in September 2018. However, despite the apex court verdict, society is yet to accept them as "normal".

"There isn't a flag big enough to cover everyone," says Deepak Kashyap, psychotherapist and wellness counsellor as he shows a picture from a pride parade, during an interactive workshop on the emotional and mental wellbeing of the LGBTQ+ community, organised by the Keshav Suri Foundation in Delhi. "People will try and stretch it but that's okay. We don't need a flag that's straight from all the corners, we need a flag flexible and inclusive enough to not get torn," he adds.

The workshop consisted of two sections. First one being on community building and living in post Section 377 India to help the community members to define their identities as queer individuals. This included the philosophy and practices within the LGBTQ+ community to understand how they can move ahead to build an inclusive and respectful queer landscape in the country. "I don't want 100 per cent agreement from you. But don't take opportunities away from me," he says.

The second session was on emotional first aid — developing emotional resilience for the queer community. The agenda, however, was to understand the stigma and struggles around mental health and the importance of having a community to help them survive.

"Mental help is expensive, non-accessible, not sex-positive and not queer positive," says Kashyap adding, "You're never too far from a hospital, in India, but you're always too far from a mental health resource." He shared examples of people he knew who went to psychiatrists, who tried changing their "sexuality". Kashyap further noted the regular advertisements printed in Hindi and regional newspapers asking people to "get rid of homosexuality".

During the question and answer session, a queer female reflected on her life in the mid-20s. How she often felt "out of place" and "tried therapy". But her then psychologists tried talking advertisements printed in Hindi and regional newspapers asking people to "get rid of homosexuality".

Kashyap remarked, "most psychologists and psychotherapists are not queer-friendly". But efforts are being made to change that.



Health Professionals for Queer Indians (HPQI), formed by Dr Prasad Raj Dandekar that helps mental health professionals to understand the needs of the LGBTQ+ community, educates and sensitises professionals through conferences, to focus on conversation and not conversion of the community members.

"The mental health issues are the result of ostracisation and discrimination against the LGBTQ+ community. Majority of them have to hide their sexuality and pretend to be some-

one they are not, leading to a lot of pressure, and depression among other issues. If they visit doctors and are unable to reveal their sexuality to the professional then it's futile because they will be medicated for something different because the professional is unaware of the actual problem (anxiety, discrimination etc.). The doctor needs to be aware about the challenges faced by the community," Dandekar said.

When asked if there is a change post reading down of Section 377, Kashyap said that "We are confusing the change of the law with the change in the culture. These fights are not only won in Courts but are won in the hearts and minds of the people you live with". While the law has changed, the education, corporate, religious and social system needs to catch up. Here Dandekar feels corporates like Godrej, TCS, and Reliance are taking initiatives. By training HR and changing company policies, the companies are slowly becoming more inclusive. However, he feels they can add more to it by sending emails against discrimination and help form a community — where members of the LGBTQ+ community feel safe. This is important for corporates, according to him, as it increases employee productivity, brings down the attrition rate, helps in networking and gives a good first impression.

Despite all these "inclusive" initiatives, until the society decides to accept the LGBTQ+ community as they are, the road ahead will be a long and arduous one for them.



# Women as borrowers

Finance needs to find female-targeted products

March 8, Friday, was the International Women's Day. This is an appropriate occasion to consider the barriers to creating greater equality between the genders in India, which is, by many standards, among the most patriarchal societies and countries in the world. In particular, India has an abysmally low female participation rate in the workforce — and one that, according to many studies, may be dipping lower. Nor is the female labour participation rate satisfactory, or growing, even in the sub-sectors of the “formal” economy where many might have believed the most restrictive social norms might not apply. It is far from clear how policy-

makers could address this continuing issue. Mere education is not enough — other forms of positive discrimination within the economy in order to ensure that there is a level playing field for both genders are needed. It is in the context of this apparently intractable problem that a recent report on credit to women from Transunion Cibil, a credit information company, needs to be seen. It appears that lending to women is growing faster than lending to men. Cibil has reported that 8.6 million new female borrowers are opening loan accounts every year — though mostly from Maharashtra and the south. They are a large source of growth in the personal

loan market as well, with double-digit growth for female borrowers in every relevant segment. Business loans are another source of female empowerment within the economy. States that have a high proportion of medium, small and micro enterprises (MSMEs) owned by women also turn out to have a large number of business loans being given to women. Further, 38 per cent of women borrowers, according to Cibil, monitor their credit score regularly — a number that increases the older they get. This may not be enough in an ideal world, but is still an improvement. There are many proposals that have been floated to increase the number of women in the workforce. A World Bank study last year determined that social conditions make it particularly difficult to increase this proportion. It is obviously necessary to improve law and order so that getting to work is easier for women, and many larger corporations will have to put into

place policies and schemes that are targeted towards making it easier for women to work. There are several proposals, for example, paying for maternity leave or child care, including burden-sharing between the employer and the government. That is an important and necessary discussion. However, in the course of that discussion, the possibilities from female self-employment and entrepreneurship should not be forgotten. For that to work, it will be necessary to customise products and services, looking at the credit requirements for women. It is clearly an important direction for the financial business in general. If conventional commercial banks miss out on this important and growing segment of the market, there is little doubt that new financial technology firms will step in. So it is in the best interests of legacy finance itself to step up and consider how best to target this under-served category. In the past, credit for women has largely been tokenism under another

guise — pink credit cards, for example, or wedding-related credit services. This approach needs to be re-jigged, taking into account women's increasingly important role as entrepreneurs and the fact that the data reveals that they are by and large good credit risks. This was also the lesson from microfinance attempts over the past decades. Legacy finance needs to pay closer attention to the lessons of microfinance, including self-help groups — what are the methods by which repayment risk can be reduced for women, in particular, allowing for cheaper credit to be targeted at them? Internationally, there are funds that are specialised only for women-led ventures. India needs such an ecosystem. Overall, it is clear that government attention needs to be focused on this growing phenomenon. Anything that increases female economic independence is important, particularly in that it will enable the slow social transition away from patriarchy.

# Expand credit to boost growth

The low penetration of private credit as a percentage of India's gross domestic product suggests that all channels of credit have tremendous potential to grow

RAJIV KUMAR & AJIT PAI

A significant portion of the Indian economy could grow a lot faster if its credit needs were better met. Estimates of unmet credit needs of creditworthy Indian companies and small entrepreneurs range from \$500bn to \$1tn compared to India's current GDP of about \$2.8tn and total outstanding credit of about \$1.8tn from scheduled commercial banks (SCBs), corporate bonds, and HFCs/NBFCs. Closing this gap would clearly boost economic growth materially. Private sector leverage in India (as measured by total private credit to GDP) is a fraction of that in other large economies, providing a long runway for growth in credit to support above-average economic growth. However, close attention has to be paid to managing the quality of credit growth and of the delivery channel. The period FY14-18 has been one of significant deleveraging for SCBs, owing to the RBI's much-needed tightening of norms for bad-loan recognition as well as imposition of PCA on about half the public sector banks. If SCBs were growing their advances in FY14-18 at the same pace as in FY09-14, all else being equal, it would have boosted GDP growth rates by about 400 bps in FY14-18.

The vast majority of NPAs from the rapid FY09-14 credit growth was from very large projects with lengthy durations for return of capital. Too much of banks' balance sheets were utilised for large long-term projects — a need generally best fulfilled by bond markets. During the FY14-18 banking deleverage, initially bond markets and HFCs/NBFCs filled some of the gap created and witnessed strong growth. In 2018, bond issuance slowed down, driven by rising yields, reducing issuer appetite. Subsequently, accelerating growth in credit from NBFCs/HFCs encountered its own headwinds with September's IL&FS debacle. The commercial paper market dried up and several HFCs and NBFCs had to sharply curtail disbursements.

The low penetration of private credit in India as a percentage of GDP suggests that all channels of credit in India have tremendous potential to grow. What is the optimal mix for the growth between banks, bonds, HFCs, and NBFCs? As a proportion of GDP, bank credit is roughly the same in India and the US — the world's broadest and deepest capital market. However, total private credit is three times the proportion of GDP in the US relative to India. This suggests that the big gap between outstanding credit in the two countries is primarily in bonds and NBFCs, and while credit from banks should continue to grow modestly faster than nominal GDP in India, it is bonds and NBFCs that could grow significantly faster.

A glance at the credit rating methodology of the credit rating agencies suggests that the vast majority of Indian companies would not be eligible for borrowing at investment grade rates, largely due to being of sub-critical mass in terms of size. As more Indian companies pass the threshold for accessing bond markets at friendly rates, they will serve to further develop the bond markets and gradually shift a significant portion of the credit markets, especially for larger and longer-term projects, to bonds.

However, the need is to enable credit growth to MSMEs (micro, small and medium enterprises), which provide employment to 40 per cent of the workforce and contribute about 37 per cent of GDP. It is in this underserved market that the gap between demand for and supply of credit is the greatest. It is also in this market that key enablers (credit scores, formalisation of the



economy, and the emergence of HFCs and NBFCs as low-cost origination channels) have emerged to broaden credit access while reducing risk and bringing down credit costs.

On HFCs and NBFCs, the government and regulator need to take note of the changing landscape and while improving the collection and monitoring of data should enable more efficient growth in credit with fewer restrictions. Monthly data reporting on sources of capital and on end-market credit exposure by size of loan, industry and geography (state/UT) would help in mitigating potential build-up of unnecessary risk. Higher visibility into markets being lent to by industry and geography of NBFCs overall will help NBFCs themselves avoid overcapitalising industries and geographies, while vastly improving the management of their risk exposure.

Currently, HFC and NBFC data is available from the RBI with a very significant lag and is not granular enough to detect many inflection points and trends. The relative scale of NBFC and HFC segments and their contribution to overall credit has become sufficient to warrant more frequent data availability on at least a quarterly basis, if not monthly.

The dilemma for India currently appears to be on how to shift large project loans away from banks to corporate bonds and thereby reduce asset-liability mismatch at banks while getting banks to provide many more mid-size and smaller loans. Perhaps we have been overly conservative and not innovative enough to expand credit without the corresponding increase in risk of incremental credit, and have not kept up with changing times.

A significant boost to the depth and breadth of bond markets could come from broadening the choice of bonds available to banks and insurance companies with ratings of up to a couple of notches below what is currently permissible. India's corporate bond market appears on the cusp of attaining critical mass, with a whole class of corporates almost attaining investment grade status for even material issue sizes, a status that was originally limited to only the

**The real need is to increase lending to MSMEs, which employ 40 per cent of India's workforce and contribute 37 per cent of its GDP. It is here that the gap between the demand for and supply of credit is the greatest**

largest Indian corporations. Broadening the pool of potential buyers of bonds would likely advance the attaining of critical mass of the Indian corporate bond market by a couple of years, and accelerate GDP growth.

What is also required is a more pragmatic approach from the government and regulator on NBFCs as an origination channel for credit. While both government and regulators have been overly focused on the risks posed by unsupervised growth of a sector that is not as regulated as banking, they have not optimised the use of a very low-cost channel for expanding credit in the market while also diversifying the risk across a greater equity base. In reality, the banking sector, even in its current structure of being dominated by the public sector, would be a lot safer if there was an additional cushion of equity providing riskier credit to the burgeoning demand for growth capital.

The RBI's threshold for classifying a company as an NBFC — financial assets comprising more than 50 per cent of total assets, income from financial assets constituting more than 50 per cent of gross income, and a minimum of ₹2 crore of net own funds — appears low considering the well over 10,000 entities that qualify. However, the threshold is significantly higher for using MUDRA refinancing, with only those with an investment grade rating and over ₹15 crore as net own funds qualifying.

Perhaps the authorities should revise the criteria for MUDRA to enable a broader selection of NBFCs to qualify for refinancing MUDRA loans, particularly those that can better understand the needs of smaller borrowers and also disburse loans with significantly lower execution cost. If banks lend to NBFCs that do not have investment grade ratings and have substantially lower net own funds than currently required thresholds, MUDRA refinancing could also be feasible and permitted to those NBFCs.

*The writers are Vice Chairperson and Officer on Special Duty at NITI Aayog. The views are those of the writers and don't necessarily represent those of NITI Aayog*

LAVEESH BHANDARI

Increasingly, new technologies are making it easier and cheaper to monitor the environment, in India and globally. What is missing in India however, is the ability to pinpoint the specific sources of pollution and in real-time. Consequently, it becomes extremely difficult to enforce laws on polluters, or to bring to task those in the government not enforcing the laws.

A comprehensive monitoring mechanism suggested here is technologically possible, financially feasible, and possible to scale quickly. North India's air pollution is a case in point. India has been monitoring air pollution for many years now, with little effect on pollution levels across India. Notably, the key monitoring gap is not about pollution in the aggregate. This ambient pollution now is being captured by a multitude of monitoring instruments put up both by civil society and the government across the country.

But such monitoring cannot identify the specific sources pollution. For instance, some coal plants may have cleaned up their act, but it is difficult to differentiate them from those who have not, until each coal plant is monitored. The same holds true of brick kilns, or polluting industries, or for that matter construction sites.

There are three components of monitoring that need to be achieved — universality, identifiability and timeliness.

Consider universality first. We need to monitor all point sources, which would enable us to clearly differentiate between units that conform and those that do not. In a country such as India there are scores of units that are unregistered, and many that are registered may not be as polluting units, and yet others may be mis-categorised. In other words, we cannot depend upon government records to decide which units to monitor, which not to. The solution will need to be a technological one that can monitor a large expanse.

Next consider identifiability. Any identification exercise can suffer from errors of omission and commission. While we cannot afford errors of omission, errors of commission can be acceptable if there is a built-in method of confirming the initial identification of the polluter.

And finally, the time element. Simply installing pollutant-ameliorating equipment does not mean it is being used. Floor managers may be using the wrong practices, be lax, or the unit management may find it too expensive to operate, or the input materials may be contaminated — the list behind possible causes can be long. Constant monitoring therefore is an essential element of good monitoring.

However, there are hundreds of coal power plants, tens of thousands of brick kilns, and hundreds of thousands of construction

sites. How can we possibly measure pollution levels at each of these point sources, do it in real time, capture divergence from the expected norm, and investigate further for corrective action?

Remote sensing technologies including those by satellites are a good solution to the problem. Satellites can monitor large expanses on a 24x7 basis. Whether it is industrial chimneys or coal power plants, all units that emit fumes can be imaged at different wavelengths. Algorithms can constantly analyse the data and red-flag potentially polluting entities for further investigation.

Not only can this method achieve universal coverage, it can also capture points such as unregistered units that are otherwise invisible to the government. It can red-flag potential polluters if they diverge any time of the day and night. Though these red flags may not constitute proof, it can constantly identify units for further investigation.

Consider such a watchdog mechanism that is constantly monitoring and putting the data in the public domain. When connected to off-the-shelf mapping software, it can make polluting points accessible not just to the government and regulator but also to the public. With public accessibility, independent researchers can build their own algorithms for evaluation of potential polluters. In other words, the risk of monitoring being “compromised” is also eliminated with public availability of pollution information.

The beauty of artificial intelligence is the low-cost scalability of such technologies. Economies of scale and scope are both very high. Depending on the bandwidths being captured, the same image can be used both to monitor different kinds of pollutants from varying sources. Take garbage dumps, for example. Many illegal garbage dumps exist, and these are not just repositories of the much-maligned plastics, but also emit significant levels of methane. Garbage dumps tend to be warmer than surrounding areas, and sometimes the temperature difference can be as much as 10 degrees centigrade or even higher, a temperature difference easily captured by remote cameras.

Riverbed sand mining leaves a large signature that can be captured by satellites. This is also true of stone mining. Illegal fishing is rampant, with limited ability to police “no entry” zones or fishing closures. Opening the data for individual experimenters in universities, research institutes or even amateurs can spread and accelerate the process of a cleaner environment, while accelerating skill formation in an emerging technology.

*The writer is an environmental economist and heads Indicus Foundation*

## ▶ OTHER VIEWS

### Agricultural research must be treated as a strategic sector

It yields returns far higher than those from subsidies on farm inputs

The Indian Agricultural Research Institute (IARI) in New Delhi — which is synonymous with the Green Revolution and has given the country blockbuster varieties such as Kalyansona and HD-2967 wheat, Pusa-1121 basmati paddy, Pusa Bold mustard and Pusa Sawani okra — has been without a full-time head for over three years now. The ICAR institutions, unlike most government departments, can be credited with work that has had tangible impact on the ground. Ninety per cent or more of India's basmati rice exports worth \$4.5 billion annually comprise improved varieties bred by IARI. Agricultural research is one area - just as rural roads, education, community health and sanitation - where the returns from public investment are far higher than subsidies on fertiliser, electricity, water or farm credit. India will have to sustain and produce more food in the coming years, with less crop area, water and farm labour availability and rising threats from climate change, erratic rainfall and salinity. Meeting these complex challenges and also the goal of doubling farm incomes is not possible without investing more in research, including via public-private partnerships.



down or merging some institutes, giving more money and operational autonomy to the better-performing ones like IARI, and freeing both the apex organisation and its affiliates from the clutches of Krishna Bhawan. Agricultural research should be viewed as a strategic sector, and too important to be left to the whims of visionless ministers and generalist bureaucrats.

The Indian Express, March 8

### Truth on Balakot still fuzzy

No certainties in such situations

There may be two seemingly conflicting points of view on the effects of the Indian Air Force's strike on the Jaish-e-Mohammed's Balakot facility, but both may be right. Piecing these versions together through a maze of fake news and plausible deniability on both sides of the border suggests the IAF did hit targets with reasonable accuracy, but from within our side of the Line of Control. The characteristic of the smart Israeli Spice 2000 bombs is such that it doesn't rip targeted buildings apart, but enters through the roof and creates mayhem with an implosion inside. News reports claiming some of the target buildings being intact from satellite images could be as true as the IAF's high-

resolution pictures given to the government to establish its efficacy in bombing targets with strategic precision, rather than the shock and awe of conventional explosive payloads.

While the clamour for proof in the form of dead bodies is unlikely to be satisfied as the Pakistan Army probably sanitised the bombed area in hours, it's best to believe the IAF carried out its given tasks with precision based on intelligence inputs available with NTRO, revealing the presence of 300 active cell-phones around the target area. There may, however, be more room for doubt in the absence of certainties in a war-like situation.

The Asian Age, March 8

### Don't shoot the messenger

Using OSA to fight Rafale battle is wrong

The Attorney General of India's submission to the Supreme Court, later retracted, that the government was considering action against *The Hindu* under the undemocratic and draconian Official Secrets Act (OSA) was unwarranted and awkward. Casting the legalese aside, the government was seeking to shoot the messenger for publishing secret documents that questioned the Rafale deal. The AG could have sounded more credible if he had argued that the secret documents revealed by the media house were incorrect or irrelevant to the case. Instead of arguing on the validity of the information put out in the public domain, the government has given the impression of threaten-

ing journalists for raising uncomfortable or inconvenient questions. The Editors' Guild has rightly noted that any attempt to wield the Official Secrets Act against journalists is as “reprehensible” as asking journalists to disclose their sources. Unless the government proves that these documents have been planted on the newspaper for partisan reasons, the consequences of the documents being declared genuine are indeed far-reaching. For they seem to hint at an attempt to compromise the defence ministry's negotiating position due to the interference of the Prime Minister's Office as well as suppression of facts from the Supreme Court.

The Tribune, March 8