

BUDGET CONTENT TO BE DECIDED BY ECONOMIC REALITIES: JAITLEY

Finance Minister Arun Jaitley said on Thursday that the interim Budget, to be presented on February 1, would be within the existing conventions. Its contents, however, would be dictated by economic compulsions and realities of the day, he added. Amid concerns over his health, Jaitley was speaking live from New York and addressing an event in Mumbai organised by CNBC TV-18. **ARUP ROYCHOUDHURY** writes **8▶**

ECONOMY & PUBLIC AFFAIRS P8
'Unstable govt' likely after LS polls: Sinha
Union minister Jayant Sinha on Thursday said the “most likely” outcome of the ensuing Lok Sabha elections was that India might not get a strong and stable government. “If indeed we end up in a situation where we don’t have a strong, stable government, (which) I think that is in fact the most likely case, it will be something that will not be good for India,” he said, while speaking at an event.

COMPANIES P3
Pay ₹100 cr by 5 pm today or face seizure: NGT to VV
The National Green Tribunal (NGT) on Thursday came down heavily on Volkswagen India for failing to deposit the ₹100-crore fine it had imposed on the carmaker last year and asked the company to deposit the same by 5 pm on Friday. If it fails to deposit the said amount with the PCB by Friday, the NGT said it would order the arrest of the carmaker’s country MD and order seizure of its properties in India.

ECONOMY & PUBLIC AFFAIRS P4
Industry bodies seek 50 bps cut in repo rate
Industry bodies in their meeting with Reserve Bank of India (RBI) Governor Shaktikanta Das on Thursday sought a 50-basis-point cut in the repo rate and cash reserve ratio. This demand, in the backdrop of the consumer price inflation (CPI) rate remaining consistently low, comes ahead of the next policy meet slated for next month.

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

Online content platforms bat for self-regulation

NEHA ALAWADHI
New Delhi, 17 January

Major online content platforms, or over-the-top (OTT) service providers, are pushing for self-regulation in the absence of specific guidelines for such content in the country. On Thursday, at least nine OTT players, including Netflix, Hotstar, Zee5, and ALT Balaji, pledged to adopt a model code, or a set of best practices for content regulation, which has been put together by the industry body Internet and Mobile Association of India (IAMAI). The other signatories are Viacom18, Arre, Eros Now, Sony Pictures Networks, and Jio Digital Life. The move, however, has drawn flak from certain groups for allegedly being unsuitable for an online model and having been developed without consultation with different stakeholders. Titled the “Code of Best Practices for Online Curated Content Providers”, it lays out the prohibitions on content, and also a complaint redressal mechanism. The code prohibits content that “deliberately and maliciously” disrespects the national emblem or the national flag; that shows children involved in real or simulated sexual acts; and that intends to outrage religious sentiments of any class, section or community. It also prohibits content that promotes or encourages terrorism and other forms of violence against the State or its institutions, and content that has been banned for exhibition or distribution by online video service under applicable laws. It also requires OTT players to categorise



BRAND WORLD P16
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WORLD P14
JOHN BOGLE, VANGUARD FOUNDER, DIES AT 89



I-T holds back ₹20,000 crore in tax refunds

Claims of ₹100 crore and more may be paid in April

SHRIMI CHOUDHARY
New Delhi, 17 January

The income-tax (I-T) department has decided not to release many high-value refunds claimed by corporates and public sector units for the financial year 2016-17, citing reasons such as discrepancies in the credit of tax deducted at source (TDS), carry forward losses, and pending tax demand for the previous years, said two sources privy to the development. Refund claims amounting to about ₹20,000 crore would be held back until the respective issues were resolved, the sources said. The amount makes up 1.7 per cent of the Budget estimate of direct tax collection at ₹11.5 trillion for the current financial year. “We have received communication from the I-T department regarding the mismatch in TDS credit. The issue is pending, and until it is settled, the department may not pay the claims,” said a chartered accountant whose client’s refund has been put on hold. Sources in the department say refund claims of ₹100 crore and above might be issued in the first week of April. It is learnt that a large state-run company has claimed a refund of ₹6,000 crore. However, the details of the case could not be ascertained.

The I-T department is also expediting the transfer pricing cases involving international transactions where assessee have approached the dispute resolution panel. Such cases are expected to be resolved by mid-February. About 175 cases where tax demand was in the range of ₹150 crore and ₹300 crore are with the panel. According to I-T rules, once a directive is issued by the panel, an assessing officer confirms the tax demand order, without providing an opportunity to the assessee to be heard. However, the assessee can approach the appellate court later.

TAXING TIMES

- **I-T dept identifies high-value tax refund claims of 2016-17**
- **Shows mismatch in TDS credit;** pending previous years’ demands require verification
- **Expedites transfer pricing cases** involving international transactions
- **About 175 cases with tax demand in range of ₹150-300 crore** pending with resolution panel
- **Expedites survey operation to recover tax** arrears and current year tax demand
- **To file prosecution** against wilful defaulters



The department is also intensifying search and survey operations for recovery of arrears, prosecution of wilful defaulters, verification of TDS, and payment of dividend distribution tax, in an attempt to achieve the fiscal deficit target of 3.3 per cent of GDP. The move comes after Central Board of Direct Taxes (CBDT) Chairman Sushil Chandra raised serious concerns over growth of direct tax collection. Struggling to meet the fiscal deficit target, the government has pinned hopes on direct tax collection to meet the shortfall expected from goods and services tax collection and non-tax revenues.

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RIL’s profit rises 8.8% to ₹10,000 cr

Reliance Industries (RIL) reported a net profit of ₹10,251 crore for the December quarter, a rise of 8.8 per cent. This was helped by record performance in its petrochemicals, retail and telecom businesses. With this, it became the first private sector Indian company to cross ₹10,000 crore in quarterly profit. The company expects a combination of higher earnings, lower capital expenditure and asset monetisation to bring down its liabilities. Consolidated revenue in the quarter

grew 55.9 per cent, to ₹1.71 trillion, exceeding analyst expectations. In a *Bloomberg* poll, eight of them had estimated a figure of ₹1.4 trillion and net profit of ₹9,609 crore. “Capex intensity will go down, that is clear. Earnings momentum is strong and the asset monetisation opportunities mean that the liabilities side of the balance sheet will look stronger,” said V Srikanth, joint chief financial officer of RIL. **AMRITHA PILLAY & ROMITA MAJUMDAR** report **2▶**

SUBSCRIBER SURGE HELPS JIO BEAT ESTIMATES
HUL Q3 PROFIT UP 9%, VOLUME GROWTH AT 10%
PAGE 2

DON'T WANT BITCOINS TO SPREAD LIKE CONTAGION: RBI TO SC

Maintaining that bitcoins and virtual currencies were “harmful”, the RBI’s lawyer on Thursday told the Supreme Court (SC) the central bank had asked banks not to provide any banking services to digital currency systems as it did not want them spreading like “contagion”. A two-judge Bench, led by Rohinton F Nariman, will start hearing final arguments in the case from February 26. SC was hearing a bunch of petitions moved against the RBI’s decision to prohibit entities regulated by it from “providing any service in relation to virtual currencies. **AASHISH ARYAN** reports **20▶**



EXPANDING ECOSYSTEM

- Online streaming platforms are investing heavily in developing new content
- Netflix added 5.9 mn subscribers in overseas markets compared to 1.1 mn subscribers in US (in Sept quarter)
- According to BCG, video content through Internet is expected to be worth ₹35,730 crore by 2023
- Self-censorship has been seen as a way to skirt government regulations

content for general or universal viewing, viewing under parental guidance, and specify the content as age-appropriate flagging those which are inappropriate for minors. All signatories to the code have agreed to internally appoint or institute “a dedicated person/team/department to receive and address any consumer-related concerns and complaints in relation to content of the respective providers”.

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BUSINESS STANDARD AGRICULTURE ROUND TABLE

Centre looking at options to boost farmer income: Singh

Says no previous govt dared to raise MSPs, fearing financial burden

SANJEEB MUKHERJEE
New Delhi, 17 January

Just days before the interim Budget for 2019, Agriculture Minister Radha Mohan Singh on Thursday said the NDA government was looking at newer ways to boost farmers’ income and, in the past more than four years, changed the focus of policies from being production-centric to income-centric. Addressing the *Business Standard* Round Table, Singh said the government was looking at options through which the difference between the minimum support price (MSP) and the market price of a crop could be transferred into the bank accounts of farmers. Coming down heavily on the UPA government, Singh said before 2014, there were many crops whose MSPs were 10-15 per cent lower than the cost of production and no government dared to raise them due to fears of a financial burden. But it is the government under Narendra Modi which has not only increased the MSP manifold but also taken steps to boost procurement. “Before 2014 around 700,000 tonnes of oilseeds and pulses were bought by Nafed (National Agricultural Cooperative Marketing Federation), which itself was on the verge of shutting down. We first revived and made Nafed strong and today it is earning profits, as a result of which in four years the NDA has bought 9.5 million tonnes of oilseeds and pulses from farmers,” Singh said.

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Agriculture Minister Radha Mohan Singh at the *Business Standard* Agriculture Round Table 2019 in New Delhi on Thursday

PHOTO: DALIP KUMAR

EXPERTS FOR LONG-TERM SOLUTION TO FARM WOES

The Centre is working on ways to enable farmers to sell at remunerative prices and go for less costly agriculture. At the *Business Standard* Agriculture Round Table here, P K Swain, joint secretary, marketing and agriculture market intelligence, agriculture ministry, said they had states to integrate the eNAM, the in-the-works online trading platform, with rural ‘haats’.

6▶

Goyal sets terms for ₹700-crore infusion

SURAJEET DAS GUPTA & ANEESH PHADNIS
New Delhi/Mumbai, 17 January

A day after Jet Airways’ foreign partner Etihad Airways told lenders that promoter Naresh Goyal must not keep more than a 22 per cent stake and that he should have no role in running the airline, the man at the centre of the controversy has hit back. Jet founder Goyal, in a letter dated January 16, has told State Bank of India (SBI) chairman Rajnish Kumar that he was willing to infuse ₹700 crore and also pledge all his shares in the company provided he can have at least 25 per cent stake in the airline. Goyal currently controls 51 per cent while Etihad holds 24 per cent in Jet.

In what looks like a no-holds barred corporate battle for control and ownership between the once close partners, Goyal has pointed out in case his stake falls below 25 per cent, he would not be able to infuse fresh funds or pledge shares until the markets watchdog grants him an exemption related to the takeover cide. An exemption from the Securities and Exchange Board of India (Sebi) would permit him to increase his reduced stake (below 25 per cent) without triggering the takeover code.

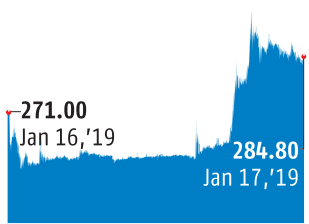
Turn to Page 6 ▶



NARESH GOYAL'S CONDITIONS

- Offers investment of ₹700 crore and pledges all his shares if he secures 25 per cent stake
- Wants Sebi exemption from takeover code if stake falls below 25 per cent
- Wants amounts payable by Jet to Goyal group entities to be treated as equity infusion

INTRA-DAY SHARE MOVEMENT



Source: Bloomberg

JET LENDERS MAY WRITE OFF UP TO 25% OF LOANS **P2**

NEWSMAKER: GROUNDED HIGH-FLIER **P17**

A Monk Who Trades

How did you end up jumping in the pool?

I chose dare while playing Truth or Dare.

With great stupidity comes great overconfidence.

A few hours ago...

Save meeeeeee Save meee

But you cannot even swim!

It happened in the heat of the moment.

He learned swimming through correspondence.

Sir, your bill.

What!!! A bill of one lakh rupees!

Your thoughtless actions could have had bad consequences. Be careful before you jump into things. Literally.

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STOCKS
IN THE NEWS

Federal Bank

95.70

91.40

88.65

88

Q3 gross NPA stood at 3.1 per cent against 2.5% in yr-ago quarter

₹88.65 CLOSE

▼ 3.01% DOWN*

Sun Pharmaceutical Industries

453.35

443.85

427.15

425

Top loser among the S&P BSE Sensex stocks

₹427.15 CLOSE

▼ 5.78% DOWN*

MindTree

867.40

841.85

811.25

805

Q3 net profit up 35 per cent at ₹191 crore, YoY

₹867.40 CLOSE

▲ 3.03% UP*

Sobha

501.90

475.85

461.95

450

Top gainer among Nifty Realty index stocks

₹501.90 CLOSE

▲ 8.65% UP*

Speciality Restaurants

109.95

98.40

81.80

70

Stock up 41% in two days on 13-fold rise in Q3 net profit to ₹8 crore

₹109.95 CLOSE

▲ 11.74% UP*

IN BRIEF

Reid & Taylor bidder get 2 weeks to submit resolution plan



The Mumbai Bench of the National Company Law Tribunal (NCLT) on Thursday directed CFM Asset Reconstruction to come up with a resolution plan within two weeks for the debt-ridden Reid & Taylor after the new investor submitted ₹2 crore as earnest deposit money (EDM) as asked by the tribunal. CFM Asset Reconstruction, the financial partner bidding with the employees' association, was demanding four weeks' time to submit the resolution plan for Reid & Taylor but the tribunal said the bidder had two weeks to come up with a progress report of the resolution plan in two weeks and if the NCLT is satisfied, it would grant a week's extension. CFM wanted SGP Holdings too to participate as a joint bidder, however, the tribunal said it will consider CFM as the sole bidder in the resolution process but could rely on SGP Holdings at an informal level. Moreover, the tribunal has asked the resolution professional to provide relevant data about Reid & Taylor after the investor signs the non-disclosure agreement. Another ₹3 crore has to be provided by the investor at the time of submission of the resolution plan. The matter will be next heard on January 31.

BS REPORTER

Honda to hike prices by up to ₹10,000 from Feb

Honda Cars India on Thursday said it would increase prices of its vehicles by up to ₹10,000 from next month in order to partially offset the impact of increase in commodity prices and foreign exchange rates. The company will hike price of its premium SUV CR-V by ₹10,000 and other models by up to ₹7,000 from February, Honda Cars India said. "There has been a huge pressure on costs owing to commodity prices and foreign exchange rates and we had been trying to hold this increase for as long as possible."

PTI

CCI clears Visa's minority stake buy in Billdesk

The Competition Commission of India (CCI) has cleared the firm Visa's minority stake buy in domestic payments processing company Billdesk. The US-based payment processing firm in last November had said it had picked up a minority stake in Billdesk, which is operated by Mumbai-based Indialdeas.com.

PTI

Icra eyes domestic auto parts industry to grow 15%

The domestic auto components industry is expected to grow at 15 per cent in the current financial year despite a slowdown in demand in the automotive sector, according to rating agency Icra. The growth is expected to come from healthy volume growth in two-wheelers, commercial vehicles and tractor segment until November last year.

PTI

Burger Singh eyeing to double revenue in next one year

Quick service restaurant chain Burger Singh on Thursday said it is looking to double its revenue in next one year and hire over 450 employees. The firm, which has plans to set up 100 new outlets by 2022, would also invest in 10 drive-through outlets within the next three years, it said.

PTI

Ola Money Postpaid to be available to 150 million users

After piloting the initiative for around a year, Ola has now introduced digital credit payment by offering 'Ola Money Postpaid' to its users in India. The initiative which was launched last year on a pilot basis last year with select set of customers has witnessed 30 per cent growth month-on-month, according to the company.

BS REPORTER

Cyient Q3 FY19 profit up 5% to ₹92 crore

IT firm Cyient on Thursday said its net profit for the December 2018 quarter grew 4.9 per cent to ₹92.1 crore from the year-ago period. The firm had posted a net profit of ₹87.8 crore in the October-December 2017 period, Cyient said. Its revenue was up 20.8 per cent to ₹1,187.6 crore in the quarter under review from ₹983.4 crore in the December 2017 quarter, it added.

PTI

Parag Milk launches cow milk in NCR; to airlift milk from Pune

Parag Milk Foods will supply 10,000 litres of premium fresh cow milk per day in the Delhi-NCR market directly to customers by airlifting the product from its dairy farm near Pune, a top company official said on Thursday. Parag Milk, which posted ₹1,950 crore turnover last fiscal year, has three plants in Maharashtra, Andhra Pradesh and Haryana with a total processing capacity of 2.9 million litres per day.

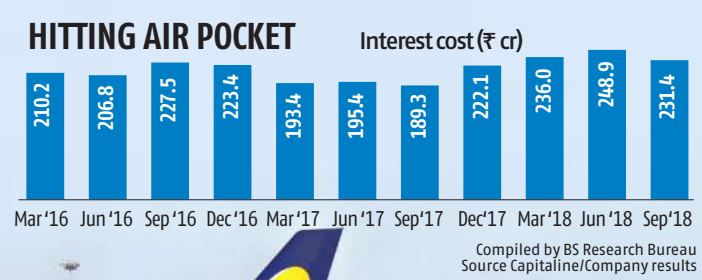
PTI

Aspire Home Finance's Q3 net loss at ₹97 crore

Aspire Home Finance, a unit of Motilal Oswal Securities, has posted a net loss of ₹97 crore in the third quarter ended December 2018 as against profit of ₹7.6 crore in Q3FY18. Its Net Interest Income (NII) declined from ₹57.7 crore in October-December 2017 (Q3FY18) to ₹52.3 crore in Q3FY19.

PTI

Jet lenders may write off up to 25% of loans



DEV CHATTERJEE
Mumbai, 17 January

The lenders to Jet Airways, led by State Bank of India (SBI), might take a haircut (write-off) of up to 25 per cent on the airline's ₹8,500-crore debt. The resolution plan in this regard would be ready by mid-February. By then, Etihad Airlines, which owns 24 per cent in Jet, aims to conclude its own examination ('due diligence') on the airline's issues. A banking source said banks will have to make provisions for 15 per cent of the exposure to Jet Airways, as per the RBI's existing norms. Besides they have a window post-default to find a solution to an account, to avoid coming under the ambit of the Reserve

Bank of India's circular of February 12 last year which bans any debt restructuring. An appeal against the circular is before the Supreme Court. Jet defaulted on the debt payment due in the December quarter; its interest cost was ₹230 crore in the earlier one. Under the resolution plan, the lenders would end up having a sizable portion of shares in the airline, if their boards of directors agree to convert part of their debt into equity. Etihad has already warned that Jet will require equity funding in excess of the amount currently mentioned in the draft resolution plan of the banks. Also, that it would not invest a "single penny" more without first getting the regulatory approvals on matters such as not

making an open offer. The banks would benefit later if the share price of Jet goes up after conversion of part of its debt into equity. An SBI spokesperson said on Thursday: "The lenders are considering a restructuring plan under the RBI framework for resolution of stressed assets that would ensure long-term viability of the company. Any such plan would be subject to approval of boards of the lenders and subject to adherence and clearance, if required, from RBI and/or the Securities and Exchange Board of India (takeover code, ICDR regulations) and/or ministry of civil aviation, and in compliance with all regulatory prescriptions."

EARNINGS CENTRE

RIL's Q3 profit rises 8.8% to ₹10,251 cr

First private sector Indian company to cross ₹10K figure

AMRITHA PILLAY & ROMITA MAJUMDAR
Mumbai, 17 January

Oil to telecom conglomerate Reliance Industries (RIL) reported a net profit of ₹10,251 crore for the December quarter, a rise of 8.8 per cent.

This was helped by record performance in its petrochemicals, retail and telecom businesses. With this, it became the first private sector Indian company to cross ₹10,000 crore in quarterly profit. The firm expects a combination of higher earnings, lower capital expenditure and asset monetisation to bring down its liabilities.

Consolidated revenue in the quarter grew 55.9 per cent, to ₹1.71 trillion, exceeding analyst expectations. In a Bloomberg poll, eight of them had estimated a figure of ₹1.4 trillion and net profit of ₹9,609 crore.

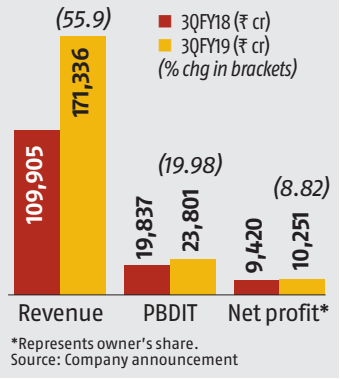
"Capex intensity will go down, that is clear. Earnings momentum is strong and the asset monetisation opportunities means that the liabilities side of the balance sheet will look stronger," said V Srikanth, joint chief financial officer for RIL. Asset monetisation is with reference to merger of the tower and fibre business.

Operating profit, before other income and depreciation, rose 21.3 per cent to ₹21,317 crore from the corresponding period of the previous year.

In the refining business, the gross refining margin (GRM) further fell to \$8.8 a barrel, its lowest since the one ended December 2014, when it was \$7.3/bbl. "Light distillates were weak last fiscal year, has three plants in Maharashtra, Andhra Pradesh and Haryana with a total processing capacity of 2.9 million litres per day."



DECODING RIL Q3



recovery in the second half of 2019. GRM is what a refiner makes for converting a barrel of crude oil into fuel.

Debt as on December 31 was ₹2.74 trillion, compared to ₹2.18 trillion on March 31. RIL's capital expenditure in the quarter was ₹27,274 crore. It has so far spent \$20 billion in its refining and petrochemicals business, another ₹3 trillion on its telecom business and around \$2 billion for its retail business. Going forward, the company expects its pace capital expenditure to get slower.

Jio PAT beats Street estimates on robust user addition

ROMITA MAJUMDAR & SOHINI DAS
Mumbai, 17 January

Reliance Jio Infocomm (Ril), the telecom arm of Mukesh Ambani-controlled Reliance Industries Ltd (RIL), beat Street estimates by reporting a profit of ₹831 crore for the December quarter (Q3), up 22 per cent sequentially and 65 per cent year-on-year (YoY), riding on a sustained pace of subscriber additions. Revenue from operations at ₹10,383 crore was in line with expectations. Net addition during the quarter of 27.9 million was slightly lower than the previous four-quarter average of 28.4 million. "This quarter we also had to change from eKYC to digital KYC and again we had to train the retailers. We lost out on a few days because of this but we are back to our old momentum now," said Anshuman Thakur, head of strategy and planning at RIL.

RIL reiterated plans to hire off the fibre and tower businesses into separate companies to manage spend on these capex heavy business segments. "We're in the process of demerging our tower and fibre business and the end objective will be to have different set of investors who would want to run these firms. This means that these assets go off our balance sheets so the liabilities also go down," said V Srikanth, joint CFO RIL.

L&T Tech raises revenue guidance to 24% for FY19

DEBASIS MOHAPATRA
Bengaluru, 17 January

Mid-tier engineering services firm L&T Technology Services (LTTs) has revised its revenue guidance upwards for the second time in the ongoing fiscal year as the company sees rising demand for its services across various verticals apart from a healthy deal pipeline.

The company, which had revised its revenue growth guidance to 21 per cent in Q3 from 16 per cent, is now hopeful of posting 24 per cent annual revenue growth for this fiscal year. This is the second time in a fiscal year, the engineering services firm has revised its revenue estimates upwards.

"After posting healthy top line and bottom line in Q3, we expect to

do better in the fourth quarter. That's why, we are again upgrading our revenue guidance to 24 per cent for FY19 from 21 per cent given in Q3," said Keshab Panda, chief executive officer and MD at L&T Technology Services. In the third quarter-ended December, LTTs reported a net profit of ₹185.6 crore, growth of 47 per cent over the corresponding period of the previous fiscal year.

PERFORMANCE AT A GLANCE

	Net sales (₹ cr)	% YoY	Net profit (₹ cr)	% YoY
Sep '17	8,199.00	6.52	1,276.00	16.42
Dec '17	8,323.00	10.80	1,326.00	27.75
Mar '18	9,003.00	11.15	1,351.00	14.20
Jun '18	9,356.00	11.37	1,529.00	19.17
Sep '18	9,138.00	11.45	1,525.00	19.51
Dec '18	9,357.00	12.42	1,444.00	8.90

Source: Capitaline

Compiled by BS Research Bureau

Amazon's Make In India innovations going global

Company taking AI-based ideas around customer preferences, catalogue quality to global markets

PEERZADA ABRAR
Bengaluru, 17 January

After its success in the Indian market, global e-commerce giant Amazon is now taking few of its India-specific innovations around artificial intelligence (AI) and data analytics to some of its global markets.

Globally, the Seattle-headquartered company is using AI technologies for numerous applications such as early detection of cancer, driving e-commerce sales through its smart speakers, while it is making efforts to add drones to its armoury of delivery methods.

In India, the company is betting heavily on technologies such as data analytics, AI, and machine learning (ML) to understand and predict consumer behaviour and build a strong e-commerce business.

"There's a lot of interest from global teams in the work that we're doing on regional preferences and catalogue quality like detecting mismatches between titles and images, and so on. Those are now being deployed in other markets," said Rajeev Rastogi, director for ML at Amazon India.

Amazon is using ML to make sense of complex Indian addresses, reduce delivery failures, and cater to diverse regional tastes in the country. For example, a customer searching for a product like 'sari' in Bengaluru wants a different type of the item than somebody else is searching for it in Kolkata or Delhi. The search engine shows the users the saris that are popular in their region.

Besides using ML to improve catalogue quality like detecting mismatches between titles and images, the company is mulling its use to translate



the reviews of the products in local languages. "If customers in France say something about a (particular) product, we would love to show that to customers in the UK or India as well," said Rastogi.

Amazon, which already has over 100 million registered users in India, last September unveiled a Hindi version of its

website and app with an aim of attracting the next 100 million Indians to shop online. It is also looking at creating more such platforms in other Indian languages as well where "ML would play a role there." AI aims to build machines that can simulate human intelligence processes, while Stanford University describes ML as

"the science of getting computers to act without being explicitly programmed." Amazon's smart speakers, with voice-activated AI assistant Alexa, are another big opportunity for the company. In India, Alexa had acquired over 20,000 skills such as telling cricket score, conducting quizzes, and doing utilities to serve Indian customers since October 2017 when it launched the Alexa-powered Amazon Echo line of speakers in the country. Rastogi said that Amazon is now looking at tapping the population based in rural areas. "Many of the people in rural areas...are more used to an interface where they talk to a shopkeeper as opposed to shopping online," he said. So getting voice-based commerce (where) somebody could just talk to Alexa and do shopping could be the Next Big Thing. According to investment bank RBC Capital Markets, Amazon is expected to generate an additional \$10 billion in sales globally from Alexa-related revenue by 2020. While AI is expected to

drive some of the most important services, there is a growing concern that it could replicate the prejudices that humans have about gender and race. Last year, Amazon had to shut down an AI recruiting tool that showed bias against women. When asked about the steps Amazon was taking to tackle such biases, Rastogi, an alumnus of IIT-Bombay and The University of Texas at Austin, said that biases creep in when the training data is not properly collected. He gave the example of taking data from customers in cities to build a model and then giving out recommendations for people in villages. "Those recommendations would obviously be prejudiced." But, he says, there are ways of mitigating the biases. "If I built a tool for recruiting...and there is a bias that it tends to prefer people from ITs and males...just remove those features. So that the model then has to look at other characteristics and make a decision," said Rastogi.

Pay up ₹100 crore today or face seizure: NGT tells VW

AASHISH ARYAN
New Delhi, 17 January

The National Green Tribunal (NGT) on Thursday came down heavily on Volkswagen (VW) India for failing to deposit the ₹100-crore fine it had imposed on the carmaker last year and asked the company to deposit the same by 5 pm on Friday.

If the company fails to deposit the said amount with the Central Pollution Control Board (CPCB) by Friday, the NGT said it would order the arrest of the carmaker's country managing director (MD) and order seizure of its properties in India. The risk of the carmaker's MD being arrested and its properties in the country being seized will not, however, automatically peter out even if Volkswagen India deposited the money, the four-member Bench said in its order.

Hearing a case filed against the carmaker for installation of software that allowed the company's cars to cheat pollution testing devices, the NGT said that the carmaker had to deposit the ₹100 crore with the CPCB and submit an affidavit of compliance. Volkswagen India had, during the hearing, sought seven days to deposit the money, but the time was refused by the NGT. "Why have you not complied with our order when there is no stay? We will not give you any further time," a four-member Bench of NGT led by Chairperson Justice Adarsh Kumar Goel said.

Though the matter is already under challenge before Supreme Court (SC), the company would comply with the NGT order and deposit the money as directed, Volkswagen Group India spokesperson said. Volkswagen India had also sought adjournment of the case till after the SC had heard

the matter on January 21. The request too was, however, denied by the NGT.

The NGT had on November 16 last year asked the carmaker to deposit an interim amount of ₹100 crore with the CPCB after it was found that the firm's cars had used 'defeat device' to cheat emission tests in India. A 'cheat' or 'defeat device' is software which allows car companies to manipulate emission tests by altering performance of their engines. The tribunal had observed that though Volkswagen had recalled its cars to fix the software, following the revelation of presence of the cheat device, the fact that there were such devices present would have led to some inference of environmental and thus, caused damage. "The very fact of deceit devices being installed by the manufacturer calls for an inference of prima-facie violation of environment," the NGT had then said. The green court had then also formed a team of representatives of the CPCB, Ministry of Heavy Industries, Automotive Research Association of India, and National Environmental Engineering Research Institute to determine the fair estimate the damage caused to the environment due to the diesel cars belonging to Volkswagen. The panel, in its report, had said that Volkswagen should pay at least ₹171.34 crore as a "conservative" fine for the damage its cars caused to environment and general health in India.

In December 2015, following the discovery of defeat devices installed in the cars of the company, Volkswagen India had recalled 323,700 vehicles to fix the emission software. Tests conducted in India had found that some models of the car were emitting pollutants as much as 1.1 to 2.6 times higher than applicable Bharat Stage-IV norms.



Why ₹1-cr fine shouldn't be slapped for not adhering to NGT order: CPCB to Reliance

The Central Pollution Control Board has asked RIL why a fine of ₹1 crore should not be slapped on it and prosecution not initiated over non compliance of National Green Tribunal (NGT) order on installation of anti-pollution “vapour recovery” systems at fuel stations. The CPCB had earlier slapped a fine of ₹1 crore each on three public sector oil companies for their failure to install VRS systems at fuel stations. The CPCB said that the National Green Tribunal had on September 28 directed oil companies to ensure installation of VRS in petrol pumps selling more than 300 kilolitres per month but the RIL said there was no such retail outlet.

PTI

Edelweiss ties up \$1.3 bn to buy India debt assets

Edelweiss Financial Services raised as much as ₹9,200 crore (\$1.3 billion) from investors, including insurance companies and pension funds as it seeks to profit from an unprecedented bad-loan clean up in the nation's financial system.

The company will use the funds, which makes it the largest India dedicated alter-

native-investment unit, to buy and turn around stressed assets with "viable business models and potential of generating cash flows," an emailed statement from Edelweiss showed on Thursday. The Mumbai-based company already manages stressed loans of more than ₹54,000 crore, according to the statement.

BLOOMBERG

Khadim's

KHADIM INDIA LIMITED


Registered Office: Kankaria Estate, 5th Floor, 6, Little Russell Street,
Kolkata - 700071, West Bengal, India
Website: www.khadims.com
Tel No: +91 33 4009 0501; Fax No: +91 33 4009 0500
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CIN: L19129WB1981PLHC034337

NOTICE

Pursuant to Regulation 29 read with Regulation 47 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, notice is hereby given, that a meeting of the Board of Directors of Khadim India Limited will be held on Thursday, February 07, 2019, inter alia, to consider and approve the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2018. This information is also available on www.khadims.com, www.bsindia.com and www.seindia.com.


For and on behalf of Khadim India Limited
Abhijit Dan
Company Secretary & Legal-Equal

Place: Kolkata
Date : January 16, 2019




"The world has actually become dramatically healthier in the last 20 years. The story of the past two decades is a story of incredible improvement in the human condition. And it's one of the reasons Bill and I call ourselves optimists"

MELINDA GATES, Philanthropist



"Hard power is necessary. Without it, we could not have done surgical strikes or handled the Doklam crisis. King Ashoka gave up war (after Kalinga). He was a great man. But even greater was Chanakya. Ideology shuts the doors to dialogue, while philosophy opens the same to discussions"

S GURUMURTHY, RSS ideologue & part-time RBI director



"The new reservation will be implemented in 40,000 colleges across 900 universities in the country from this academic year. The number of seats will be increased by 10%"

NARENDRA MODI, prime minister

IN BRIEF

Health ministry bans 80 more fixed-dose combination drugs

The Union health ministry has banned 80 more fixed-dose combination (FDC) drugs which include antibiotics, painkillers, medicines used for treating fungal and bacterial infections, hypertension and anxiety, officials said on Thursday. A notification was issued by the Centre, stating the ban has come into force since January 11. With this, the total number of banned FDCs now stand at 405. Another 325 drugs were banned in September last year. The latter, however, remain available on account of the legal challenge mounted by affected pharma firms. An FDC contains two or more drugs combined in a fixed ratio of doses, available as a single dose.

RBI: May need more currency as size of GDP is increasing

With the country's GDP size increasing in quantitative terms, there could be need for more currency in the economy, a Reserve Bank of India (RBI) official said on Thursday. Following demonetisation in November 2016, when the government junked high value currency notes of denominations 500 and 1,000, there was a shrinkage in currency in the system. Now, with the growth in gross domestic product, "there may be a need for more currency in the system," the RBI official said during an interactive session.

Duronto Express passengers robbed at knife point

Passengers on board the Jammu-Delhi Duronto Express were robbed at knife point on Thursday by armed men, officials said. The matter came to light after a passenger filed a complaint through the railways' complaints portal. In the complaint, Ashwani Kumar claimed that passengers of B3 and B7 coaches of the train 12266 were targeted by the armed men when it neared the Delhi Sarai Rohilla station.

GDP growth may be a tad higher at 7.5% in FY20, says Ind-Ra

The country's economy is likely to grow a tad higher at 7.5 per cent in 2019-20 on account of steady improvement in major sectors — industry and services, said India Ratings and Research on Thursday. According to the advance estimates of the Central Statistics Office, the economy may clock a growth rate of 7.2 per cent in the current financial year, up from 6.7 per cent in the previous year.



Isro satellite to help MHA secure Pakistan, Bangladesh borders

A satellite will be launched by the Indian Space Research Organisation (Isro) exclusively for the Home Ministry to help it further strengthen its frontiers with Pakistan and Bangladesh among others, according to an official statement issued Thursday. The move is part of recommendations made by a task force on the use of space technology in improving border management which have been accepted by Home Minister Rajnath Singh to execute the project in a time-bound manner, a short, medium and long-term plan has been proposed for implementation in five years in close coordination with the ISRO and the Defence Ministry.

Govt may spend ₹300 crore in economic census

The government plans to create a business enterprise register that will have details of all kind of businesses being run in the country as it gears up to conduct a nationwide economic census in 2019-20, a top official said Thursday. "We propose to build a business enterprise register which can be regularly updated and utilised by all stakeholders — state and central government," Pravin Srivastava, Secretary, Ministry of Statistics and Programme Implementation, said at a joint workshop with CSC e-Governance Services India.

IL&FS says unable to meet interest payment obligation

Infrastructure Leasing & Financial Services (IL&FS) on Thursday said it would be unable to service its obligation in respect of interest of non-convertible debenture due on January 19. "The company would be unable to service its obligation in respect of the interest of non-convertible debenture due on January 19," the company said in a BSE filing.

M&As nearly doubled to \$100 billion in 2018

Highest in value, after 2013

T E NARASIMHAN
Chennai, 17 January

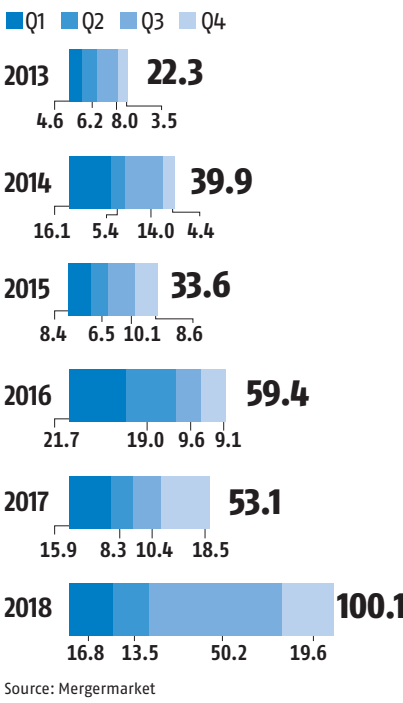
Merger and acquisition (M&A) activities during 2018 in India reached \$100.1 billion (₹7.1 trillion) across 417 deals, almost doubling in value from the previous year, which saw 398 deals valued at \$53.1 billion. After 2013, it was the highest in value. According to Mergermarket Trend Summary, deal-making surpassed all previous annual records since 2001. India accounts for 13 per cent of Asia-Pacific M&A activity (4,515 deals, \$772 billion) by value. Cross-border M&A was particularly strong. Foreign investors put in \$46.9 billion over 212 deals, its highest annual value on Mergermarket's record, and 2.2 times higher than in 2017 (194 deals, \$21.3 billion). Outbound activity increased 3.7 times in value, with Indian investors spending \$11.3 billion across 75 deals. A year before, it was 69 deals, for \$3 billion. Private equity (PE) activity in buyouts and exits hit record levels. Buyouts rose 102 per cent to \$16 billion (112 deals) compared to last year (96 deals, \$7.9 billion). PE exits also saw a dramatic increase, reaching \$35.8 billion (61 deals), more than six times the previous year's value (51 deals, \$5.7 billion).



THE TOP DEALS

ANNOUNCEMENT DATE: May 9, 2018 TARGET: Flipkart Internet Pvt Ltd (77% Stake) BIDDER: Wal-Mart Stores Inc SELLER: eBay Inc; SoftBank Group Corp; Accel; Tiger Global Management; Naspers Limited; DST Global; and Sachin Bansal (Private Investor) VALUE (\$ MN): 16,000	ANNOUNCEMENT DATE: May 9, 2018 TARGET: Flipkart Internet Pvt Ltd (77% Stake) BIDDER: Wal-Mart Stores Inc SELLER: eBay Inc; SoftBank Group Corp; Accel; Tiger Global Management; Naspers Limited; DST Global; and Sachin Bansal (Private Investor) VALUE (\$ MN): 16,000
ANNOUNCEMENT DATE: May 15, 2018 TARGET: Tata Steel BSL (72.65% Stake) BIDDER: Tata Steel Limited VALUE (\$ MN): 7,397	ANNOUNCEMENT DATE: May 15, 2018 TARGET: Tata Steel BSL (72.65% Stake) BIDDER: Tata Steel Limited VALUE (\$ MN): 7,397
ANNOUNCEMENT DATE: April 25, 2018 TARGET: Indus Towers Limited BIDDER: Bharti Infratel Limited SELLER: Vodafone Group Plc; Providence Equity Partners LLC; and Vodafone Idea Limited VALUE (\$ MN): 10,654	ANNOUNCEMENT DATE: January 20, 2018 TARGET: HPCL (51.11% Stake) BIDDER: Oil and Natural Gas Corporation Limited SELLER: Government of India VALUE (\$ MN): 6,632
ANNOUNCEMENT DATE: December 3, 2018 TARGET: GlaxoSmithKline Consumer Healthcare BIDDER: Oil and Natural Gas Corporation Ltd VALUE (\$ MN): 4,050	

INDIA-TARGETED M&A VALUE (in \$ billion)



India Inc for 50 bps rate cut

Industry bodies say RBI should revisit lending restrictions imposed on banks under PCA

SUBRATA PANDA
Mumbai, 17 January



INDUSTRY WISH LIST

- Relook the lending constraints of the PSBs under PCA
- Relook the February 12 circular (on restructuring of stressed loans)
- A separate classification of large NBFCs as "Exceptionally Large NBFCs"
- Backstop facility to HFCs through the National Housing Bank
- Enhanced supervision of systemically important NBFCs

Further, they asked for a separate classification of large non-banking financial companies (NBFCs) with a good track record to be placed under "Exceptionally Large NBFCs (ELNBFCs)" so that they could take the facility of the liquidity window, which is available only for banks. And they should get access to the Aadhaar database because they significantly drive financial inclusion in the retail and SME segments.

Considering the liquidity crisis NBFCs are facing after IL&FS defaulted on its debt payments, industry asked the central bank governor to provide a backstop facility to HFCs through the National Housing Bank (NHB). Moreover, they have suggested this facility be extended to strategically important NBFCs along with providing refinance facility for mutual funds.

The CII suggested enhanced supervision of systemically important NBFCs, which have an asset size of more than ₹500 crore. This can be done by instituting a wide risk management system, the guidelines for which the RBI will give.

Chambers of Commerce and Industry.

Industry wanted the RBI to revisit the lending restrictions imposed on banks under Prompt Corrective Action (PCA) and said they should be allowed to lend to the National Housing Bank, which would prove beneficial for housing finance companies (HFCs). At present, 11 of the 21 public sector banks are under the RBI's prompt corrective action.

Moreover, the industry bodies wanted the RBI to take a relook at

its February 12 circular (on restructuring stressed loans). The circular requires banks to put borrowers in the category of defaulters even if there is a day's delay in repayment.

"The circular was aimed at improving credit discipline and an early identification of probable defaults. However, (it) put pressure on already distressed sectors impacted due to business performance reasons," the Confederation of Indian Industry said in its statement after meeting the governor.

Good news for Indians who want to migrate to UK

An unlimited number of highly-skilled Indian workers will be able to migrate to the UK under new proposals that could come into effect in 2021, with a senior British minister on Wednesday saying that in the new system the country will be open to the "best and brightest" from India. The UK also wants to ink a pact with India similar to the one New Delhi has with France, treating

each other's academic degrees as equivalent for higher studies and jobs, sources said.

The post-Brexit visas and immigration strategy, set out in an immigration White Paper, was tabled in the House of Commons last month by UK Home Secretary Sajid Javid. It proposes removal of cap on highly-skilled migrants from anywhere in the world and improves the post-

study work offering for international students.

The UK officials on Wednesday visited New Delhi for the Migration Dialogue with the Indian government about a month after the British government unveiled its post-Brexit visas and immigration strategy that seeks to remove cap on highly-skilled migrants.



HAL fires missile from Light Combat Helicopter

Firm has begun building the 15 LCHs cleared for production, even though the Army and IAF are still to place orders

AJAI SHUKLA
Bengaluru, 17 January

Last Friday, Hindustan Aeronautics' (HAL) eponymous Light Combat Helicopter (LCH) successfully test-fired an air-to-air missile, engaging and destroying a fast-flying Banshee air target with a direct hit at a test range at Chandipur, Odisha.

This means LCH pilots can fire the heat-seeking Mistral missile, sourced from Anglo-French missile firm MBDA, allowing the heavily armed and armoured helicopter to shoot down enemy aircraft 6 kilometres away.

Last year, the LCH successfully test-fired the two other weapons it carries — a Nexter cannon mounted below the helicopter's nose, which fires a thousand 20-millimetre steel bullets each minute, shredding enemy soldiers and even light armoured vehicles.

Also successfully tested last year was the LCH's 70-millimetre Thales rockets, which are mounted on pods on either side of the helicopter. Now all that remains to make the LCH a full-fledged attack helicopter is the addition of an anti-tank guided missile (ATGM). Towards this the Defence

R&D Organisation (DRDO) is putting finishing touches on its helicopter-mounted Nag missile (HELINA).

"This is the first time in the country that a helicopter has carried out air to air missile engagement... With this, LCH has successfully completed all weapon integration tests and is ready for operational induction," said HAL chief, R Madhavan, in an official release. The LCH will enable the Army to provide fire support to soldiers at altitudes of 15,000-20,000 feet, where the oxygen-depleted air prevents them from carrying weaponry heavier than their personal rifles and light machine guns.

For soldiers charging uphill at extreme altitudes to capture an enemy bunker, an attack helicopter in support, firing bullets and rockets to keep enemy heads down, could be the difference between success and failure, life and death.

Towards this, the LCH was especially designed to operate up to 20,000 feet. French engine-maker Safran (earlier Turbomeca) specially designed its Shakti engine to deliver outstanding high-altitude performance. The Shakti engine, which is now being built in Bengaluru, powers HAL troika of successful helicopters: the



"THIS IS THE FIRST TIME IN THE COUNTRY THAT A HELICOPTER HAS CARRIED OUT AIR TO AIR MISSILE ENGAGEMENT... WITH THIS, LCH HAS SUCCESSFULLY COMPLETED ALL WEAPON INTEGRATION TESTS AND IS READY FOR OPERATIONAL INDUCTION"

R MADHAVAN
HAL chief

Dhruv advanced light helicopter, Rudra weaponised helicopter, and the LCH. "The LCH is the only attack helicopter in the world capable of operating at altitudes as high as Siachen glacier," HAL announced on Thursday.

The LCH will also be essential to Army mechanized offensives in the plains of Punjab and Rajasthan. The Army's Cold Start Doctrine hinges on "integrated battle groups" (IBGs) striking across the border and rapidly overwhelming enemy defences. For that,

heavy, accurate and flexible fire support is essential, using platforms like the LCH.

The LCH obtained "initial operational certification" (IOC) in August 2017. The Army has committed to ordering 114 LCHs and the air force 65 — totally 179 helicopters. But, so far, the Ministry of Defence (MoD) has so far only approved the building of 15 "limited series production" LCHs for about ₹3,500 crore.

On a visit to HAL's helicopter plant

plex in Bengaluru, Business Standard found that HAL had already begun building the 15 LCHs cleared for production, even though the Army and IAF were still to place orders. HAL executives said they are aiming for a production rate of 18-20 helicopters per year.

The LCH, with its ₹231 crore price tag, is the most heavily armed and expensive of HAL's successful helicopter lines. The Rudra, or weaponised Dhruv costs about half of that, while the Dhruv is currently priced at about ₹70 crore each.

At current prices, the cost of building all 179 LCHs would add up to over ₹40,000 crore and necessitate the building of a new assembly line in Bengaluru or Tumkur.

The 5.5 tonne LCH seats two pilots, one behind-the-other, in an armoured cockpit that protects them from bullets and shrapnel. The LCH's features include a hinge-less main rotor, a bearing-less tail rotor, integrated dynamic system, crashworthy landing gear and an intelligent, all-glass cockpit. HAL says the pilots have state-of-the-art helmet-mounted sights, which allow them to fire missiles at a target merely by turning their

Bombay HC defers Kotak Bank vs RBI matter to March 12

SUBRATA PANDA
Mumbai, 17 January

In the matter between Kotak Mahindra Bank and Reserve Bank of India (RBI) on dilution of shareholding held by promoter Uday Kotak, the division Bench of the Bombay High Court (HC) deferred the matter till March 12.

The counsel representing the RBI sought more time from the court to file the affidavit in reply to the writ petition filed by the private lender in the HC. The counsel from the bank's side conceded to the request.

In the previous hearing, the court had not allowed interim relief for Kotak Mahindra Bank and observed that the RBI was a responsible regulator and it would leave it to the central bank to decide

to further deliberate on whether the mandated norms were being met by the lender.

In December 2018, Kotak Mahindra Bank had moved a writ petition in the Bombay HC against the RBI after the central bank did not accept the reduction of promoter shareholding through an issue of preference shares.

In August, the lender had issued perpetual non-convertible preference shares, which it said would trim promoters' shareholding from 30.3 per cent to 19.7 per cent.

The bank's shares ended 1.25 per cent higher at ₹1,220.10 on the BSE in Thursday's trading.

Disclosure: Entities controlled by the Kotak family have a significant shareholding in Kotak Mahindra Bank.

Bigger & better, Vibrant Gujarat Global Summit arrives with a bang

Vibrant Gujarat Global Summit, in its ninth edition in 2019, has evolved as a global gala, bringing every possibility of sustainable growth of India under one roof

A photograph showing Prime Minister Shri Narendra Modi in a white kurta and shawl, cutting a red ribbon. He is surrounded by other officials, including Shri Vijay Rupani in a blue vest. They are standing in front of a large wooden frame containing a black plaque with white text. The plaque reads: "Vibrant Gujarat Global Trade Show 2019", "INAUGURATED BY", "Shri Narendra Modi", "Prime Minister of India", "In the Presence of", "Shri Vijay Rupani", "Chief Minister of Gujarat", "17th January 2019", and "The Exhibition Centre, Gandhinagar, Gujarat". The background shows a decorated pillar with orange and yellow flowers and a clear blue sky.

The idea of the exhibition is to provide a platform for representatives of 'B to B' from across the sectors. It promises to provide base for meetings with merchants, purchase-seller seats, vendor development programs, business networking, technical evaluation and strategic partnership.

VGGTS-2019 would likely to witness footfall of more than 1,500 foreign and local buyers. The Vendor Development Program has been especially organized to develop a stronger partnership between large scale enterprises in-

'Make in India' and replica of 'Statue of Un-Bullet Train Simulator and Farm to Fabric' will be the centre of attraction at the exhibition. The pavilions of flagship schemes of the Government of India like Digital India, Sagarmala, Startup India, Ayushman Bharat and In-Raj have raised wooing quotient of the trade show.

U-VGGTS would be the pavilion of countries such as Canada, France, Japan, Poland, South Korea, Thailand, the Netherlands, UAE, South Africa, Sweden, Uzbekistan, Czech Republic, Norway, Australia and Morocco. More than 25

countries representing African continent in a large African pavilion will also participate.

The Government of Gujarat has laid special emphasis on export, trade and investment prospects by holding trade shows and agro and food processing, automobiles and e-mobility, banking in the pavilion. During his visit to this theme Pavilion, Prime Minister Shri Narendra Modi also visited various stalls and observed 65 different Khadi and rural industries products, including an electric powered potter's wheel, a wide range of khadi costumes made by artisans, from 14 states and many products made from hand-made paper. Seeing a carpenter, the Prime Minister went to him with KYC Chairman Vinay Kumar Saxena and Secretary of MSME Arun Kumar Panda and spoke to him for a while.

On this occasion, KVIC Chairman VK Saxena said that KYC would showcase the activities and products that utilize new technologies with on the line of 'Charak Se Chandrayaan'. 'I am confident that this Vibrant Gujarat Global Summit - 2019 will provide a unique platform to our talented artisans and it would give a new pace to the hon'ble Prime Minister's vision of 'Local to Global', he said. Khadi and Village Industries Commission (KVIC) is the supreme body under the Ministry of Micro, Small and Medium Enterprises, which deals with khadi and rural industries within India. Its aim is to create, promote and facilitate the planning and development of khadi and rural industries in rural areas, coordinating with organizations that are engaged in rural development.

The wait for the one of the most sought-after business events ends as Hon'ble Prime Minister of India Narendra Modi is set to inaugurate the 9th edition of the Vibrant Gujarat Global Summit, the biennial business summit, on January 18 at Mahatma Mandir in Gandhinagar. The three-day event would see the presence of heads of five countries and over 20,000 national and international delegates. India alone offers the opportunities that could rival those of an entire continent. It offers today the possibilities of a full century. And we want to do all this in a cleaner, greener and sustainable way, says Hon'ble PM Narendra Modi.

Uzbekistan President Shavkat Mirziyoyev, Rwanda President Paul Kagame, Prime Minister of Denmark Lars Lokke Rasmussen, Prime Minister of the Czech Republic Andrej Babis and Prime Minister of Malta Joseph Muscat, besides 21 ministers from various countries, would attend the summit in the Gujarat state capital.

The Prime Minister is likely to hold one-to-one meetings with all the heads of countries afterwards.

Indian business czars who are expected to attend the summit are Mukesh Ambani, Uday Kotak, Kumar Mangalam Birla, Gautam Adani, Adi Godrej and Pankaj Patel. Though the US is not there, two of its trade organisations — US-India Strategic Partnership Forum and US-India Business Council — would be



present at the summit. CEOs and top executives of global companies like BASF, DP World, Suzuki, Vanguard and Maersk would also be present. Prime minister Modi will have a round table with heads of global sovereign wealth funds, pension funds and institutional investors on the inaugural day.

It is my belief that in today's world whether it is large companies or MSMEs in the manufacturing or the services sector it is the new generation that will take us forward, says Hon'ble Gujarat CM Vijay Rupani.

In VGGTS-2019, more than 1500 foreign and local buyers are likely to participate. The Vendor Development Program has been organized to develop a stronger partnership between large scale enterprises including MAME and MSMEs. These meetings, which will be held between buyers and sellers, will have possibility of exchange of business worth of 2000 crores.

The exhibition is expected to have 1.5 million visitors and 3000 international delegates from 100 different countries of the world.

Vibrant 2019: A catalyst of growth that shapes new India

2003

A tiny seed to nourish ecosystem for business in Gujarat was sowed that established the western state of India as the most preferred investment destination in the country.



2019
16 years later, the seed has assumed the form of a mammoth 'Vat Vruksha', gifting fruit of opportunities of trade and investment at state, national and international levels and thereby contributing to 'shaping a new India'.

Yes, Vibrant Gujarat Global Summit, in its ninth edition in 2019, has gone on to become a global gala, highlighting world trends, key national issues concerning economic development, states' priorities and global trade show – bringing every possibility of sustainable growth of India under one roof in the land of Mahatma.

Hon'ble Prime Minister of India Narendra Modi, who had envisaged and mentored Vibrant Gujarat Global Summit, would inaugurate the three-day event on January 18 at Mahatma Mandir Convention Hall, and share his vision on 'Make in India' for a prosperous and thriving Indian economy that would influence the world economy.

From establishing Gujarat as ideal business hub to exhibiting the world's best business practices, the Vibrant Gujarat Global Summit, the biennial event in all its glory, has emerged as a platform for discourses on the patterns of global socio-economic development, a knowledge-sharing facilitator and a dais for forging strategic partnerships and networking.

While India has cemented its position as a global business destination over the years, Vibrant Gujarat Global Summit too has gone global by attracting international delegations from across the world, and positioned itself as the biggest international business event in Asia. Inclusive development through



- 34,000 registered delegates
- 186 registered delegations
- 26898 registered companies
- 12 Partner Countries
- 8 State Seminars
- 21 Theme Seminars across 3 days

policy driven governance and effective business promotion have remained the guiding principle in all editions of Vibrant Summit since its emergence in 2003. The Vibrant Gujarat Global Summit-2019, which would showcase India's epoch-making economic realignments and how challenges are turned into op-

portunities, would witness the world business leaders, heads of states and governments, policy-makers, corporate czars, academicians and experts from across the world taking a plunge into the sea of opportunities for investments and economic cooperation.

While, the 8th Vibrant Gujarat Global Summit, held in January 2017, witnessed participation from over 25,000 delegates from more than 100 countries, including four heads of states, Nobel laureates, captains of global industry and thought leaders, the numbers are expected to soar this year with enthusiastic participants flocking to interesting seminars and well-managed events.

1. Inauguration by Hon'ble Prime Minister of India
2. Exclusive pitches on investment opportunities in India for global investors
3. Open Discussion Forums on Global Agendas like as Industry 4.0
4. Seminars on investment, partnership and knowledge-sharing opportunities in Gujarat
5. Showcase of Gujarat's growth through the years
6. Youth Engagement forums with global youth icons
7. Hackathons and pitching forums for start-ups and innovators
8. Vibrant Gujarat Global Exhibition

- Meet the Hon'ble Prime Minister of India and his core team
- Meet the Hon'ble Chief Minister of Gujarat and Hon'ble Deputy Chief Minister of Gujarat and Team Gujarat
- Business-to-Business Meetings
- Business-to-Government Meetings with Central and State Government officials
- Learn about investible projects in India and Gujarat
- Interact with Thought Leaders and Change Makers
- Exhibit your Brand on a Global Platform
- Learn about investment opportunities in Partner Countries and Partner States of the Summit

the ninth link of the Vibrant Gujarat Global Summit 2019, India's top 14 industry executives and CEOs will be present. This will include:

1. Mukesh Ambani, Chairman and Managing Director of Reliance Industries Ltd.
2. N. Chandrasekharan, Chairman, Tata Sons.
3. Kumar Mangalam Birla, Chairman, Aditya Birla Group
4. Gautam Adani, Chairman, Adani Group
5. Adi Godrej, Chairman, Godrej Group
6. Tulsi Tanti, Chairman and Managing Director, Suzlon Energy Ltd
7. Pankaj Patel, Chairman, Cadila Healthcare
8. Sudhir Mehta, Chairman, Torrent Group
9. Baba Kalyani, Chairman, Bharat Forge
10. Uday Kotak, Vice Chairman and CEO, Kotak Mahindra Bank
11. Rajiv Modi, Chairman and Managing Director, Cadila Pharmaceuticals
12. Sanjeev Puri, Managing Director, ITC Ltd
13. Rakesh Bharti Mittal, Bharti Enterprises Vice-Chairman and President of CII
14. Deepak Parekh, Chairman, HDFC

BJP bagged 92% of corporate donations to political parties

ADR DATA FOR FY18: Contribution peaked in the run-up to the Assembly polls in Himachal, Gujarat



ARCHIS MOHAN
New Delhi, 17 January

In 2017-18, corporates contributed as much as 12 times more money to the coffers of the Bharatiya Janata Party (BJP) than to those of the other six national parties combined.

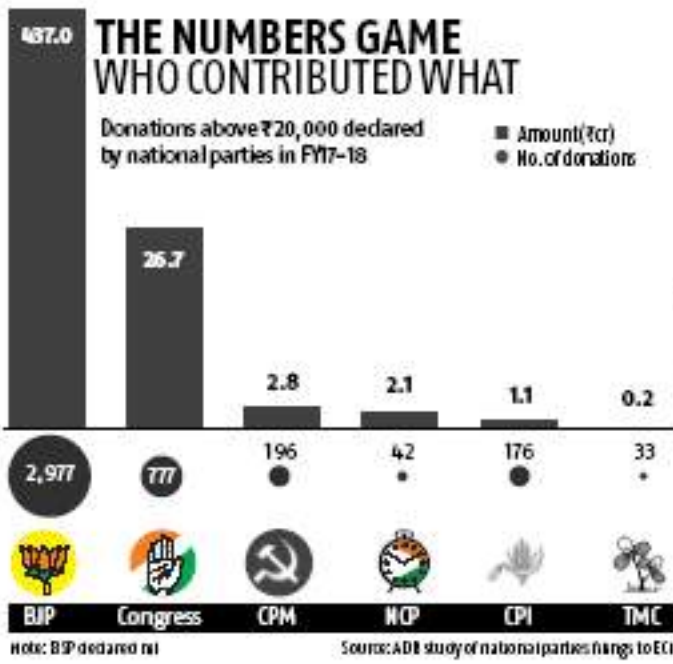
The BJP received 93 per cent of all donations of above ₹20,000 made to the country's six national political parties in 2017-18 by business groups and individuals, according to a report by election watchdog Association for Democratic Reforms (ADR).

Donations from corporates formed 91.58 per cent of total donations declared by the BJP, the rest being from individual donors, the ADR analysis of details submitted to the Election Commission by national parties has revealed.

The seven national parties are the BJP, Congress, Bahujan Samaj Party (BSP), Nationalist Congress Party (NCP), Trinamool Congress, Communist Party of India (CPI) and Communist Party of India (Marxist). The BSP declared that it did not receive any amount in excess of ₹20,000. The current law mandates political parties to declare the identity of all who donate more than ₹20,000.

Total contributions declared by national parties in 2017-18 was ₹469.89 crore from 4,201 donations. The BJP declared receiving ₹437.04 crore from 2,977 donations, while the Congress got ₹26.658 crore from 777 donations, or 5.67 per cent of total donations above ₹20,000.

In this period, the country saw Assembly polls in Gujarat and Himachal Pradesh in November-December of 2017, in northeastern states of Tripura, Nagaland and Meghalaya in February 2018, and



In Karnataka a month after the end of the fiscal year, in May 2018.

The data also shows that donations to the BJP peaked in the months of September, October, November and December of 2017, that is in the run-up to the Assembly polls in Himachal Pradesh and Gujarat.

Delhi led the way in donations, with ₹208.56 crore coming from the national capital to these six parties. Maharashtra followed with donations of ₹71.93 crore and ₹44.02 crore came from Gujarat in 2017-18. A total of ₹42.60 crore, or 9.07 per cent of total donations received by national parties, could not be attributed to any state because of incomplete information provided by the parties.

The total donations of the

national parties in the period decreased by ₹119.49 crore, a decline of 20 per cent from the previous financial year (FY17).

In this period, donations to the BJP decreased from ₹532.27 crore during 2016-17 to ₹437.04 crore in 2017-18 - a decline of 18 per cent. The Congress party's donations decreased from ₹41.90 crore during 2016-17 to ₹26.658 crore during 2017-18 - a 36 per cent decrease.

Corporate and business groups accounted for ₹422.04 crore, or 89.82 per cent of all donations to six national parties, while 2,772 individual donors donated ₹47.12 crore, or 10.03 per cent, to these parties during 2017-18.

For the BJP, 38 per cent of all its donations came from two donors - Prudent Electoral Trust (₹154.30

Top 10 donations above ₹20,000 received by BJP in FY18 (₹ cr)

1	154.3	Prudent Electoral Trust
2	12.5	AB General Electoral Trust
3	10.0	Cadilla Healthcare
4	9.0	Cipla
5	9.0	Usv
6	9.0	Micro Labs
7	8.75	M/s Pragati Groups
8	8.0	Rare Enterprises
9	6.0	Mahaveer Medicare
10	6.0	Alembic Pharma

Top 10 donations above ₹20,000 received by Congress in FY17-18 (₹ cr)

1	10.0	Prudent Electoral Trust
2	2.0	Cadilla Healthcare
3	1.0	AB General Electoral Trust
4	1.0	Bharatiya Socialist Republican Electoral Trust
5	1.0	Nirma
6	1.0	Triumph Electoral Trust
7	0.92	Gayatri Projects
8	0.5	PI Industries
9	0.5	Zydus Healthcare
10	0.25	Pavan Anil Bakeri

crore) and AB General Electoral Trust (₹12.5 crore). For the Congress, 45 per cent of its donations came from two donors - Prudent Electoral Trust (₹10 crore) and Cadilla Healthcare (₹2 crore).

Experts bat for long-term solution to farmers' woes



(Left to right) Joint secretaries in the agriculture ministry, P.K. Swain and Neeraja Adidam, with T. Haque, former chairman of the Commission for Agricultural Costs and Prices, and Siraj Chaudhry, former chairman at Cargill India, at the Business Standard Agriculture Round Table in New Delhi on Thursday

INDIA'S DASHAMANA
New Delhi, 17 January

The government is working on ways to enable farmers to sell at remunerative prices and go for less costlier agriculture.

At the Business Standard Agriculture Round Table here, P.K. Swain, joint secretary, marketing and agriculture market intelligence, agriculture ministry, said they had states to integrate the eNAM, the in-the-works online trading platform with rural 'haats' (traditional marketplaces).

There are 22,000 of the latter, he said, adding that 585 markets have been included in eNAM and there are plans to include 415 more. As many as 140,000 farmers have registered in eNAM.

However, quality is an issue, affecting the prices traders will pay. So, the Union government has asked states to set up laboratories for this. It was also, he said, working with states

to develop rural markets. Provisions under the Mahatma Gandhi National Rural Employment Guarantee Scheme could be used for this.

He noted the Centre's model law for contract farming and asking states to promote such agriculture.

Neeraja Adidam, joint secretary, integrated nutrient management (INM), agriculture ministry, noted the problem of high cost of cultivation. It was essential to combine cultivators into clusters or farmer producer organisations.

Around 200,000 clusters had been set up so far, she said.

Many called for long-lasting measures. T. Haque, former chairman of the Commission for Agricultural Costs and Prices, said if the 'Rythu Bandhu' scheme of Telangana was expanded all-India, the annual cost to the exchequer would be ₹2 trillion. Where was such money to come from? Also, such support schemes should not

work as disincentive for farm work. Rather, infrastructure in agriculture, including cold storages, should be improved. Also, crop insurance schemes were not being implemented well. Though there is a provision to fast-track payment after loss is identified, this is not done. He pointed to other issues in this regard.

Siraj Chaudhry, former chairman at Cargill India, said while Minimum Support Prices could provide short-term solutions, growers need to be integrated with markets for a long-term solution. How long, he asked, could the government store produce in godowns?

China had progressed in agriculture by using technology and creating a food processing industry. India need to do likewise. Also, "We need seed technology. Not much work has been done here. We require drought-resistant seeds."

Youth will have to be brought back to agriculture. In a transition to transformation through technology, short-term measures such as income support schemes would become essential, he said.



Oilfield auction deadline deferred again

SHINE JAOD
New Delhi, 17 January

At least 50 bids were received for the second round of auctions for discovered small field (DSF-II) oil and gas assets in India, for which 25 contract areas are on offer.

The major companies in fray include state-run Oil and Natural Gas Corporation (ONGC), Oil India (OIL), billionaire Dilip Shanghvi's Sun Petrochemicals, Gautam Adani-led Adani Group and Hindustan Oil Exploration Company.

According to industry sources, for the first time two oil majors, ONGC and OIL, are likely to join hands for an asset in India during the present round. The blocks on offer under the small field round include those relinquished by these two state-run oil majors because of viability issues.

On Thursday, the Directorate General of Hydrocarbons (DGH), that is in charge of the auctions, said it has postponed the deadline for submission of bids for the second time. Though the initial deadline was December 18, it was postponed to

January 18. "The legal team wants certain amendments on the existing contract, making it at par with the Open Acreage Licensing rounds. The new date is likely to be January 30," said an official source. He confirmed that ONGC and OIL may be in race for the 25 blocks on offer.

The 25 contract areas on offer include 59 fields with an established hydrocarbon resource base of over 1896 million tonnes of oil or oil equivalent gas, worth around ₹1 trillion.

More on business.standard.com

FROM PAGE 1

'Centre looking at options to boost farmer income'

He said the genesis of suicides by farmers lay in wrong policies framed by previous governments.

"The death of even a signal farmer even after 70 years of independence is shameful for all of us, but the seeds of this started in the 1980s because there wasn't any effort made to



"THE GOVT DESIGNED A POLICY UNDER WHICH STATES WOULD BE ABLE TO BUY DALA DISCOUNT OF ₹15 PER KG, SOLELY TO BE USED FOR DISTRIBUTING THEM UNDER THE PDS. ABOUT 7-8 STATES HAVE COME ON BOARD AND MORE ARE JOINING IN"

SANJAY AGARWAL
Agriculture secretary

mitigate the after-effects of the Green Revolution," Singh said.

He said till 1999 there was no reform in agriculture and after Atal Bihari Vajpayee's government gave the slogan "Jai Jawan, Jai Kisan and Jai Vigyan", science and scientific temper came to the farm sector to deal with the after-effects of the Green Revolution.

He said back in 2003, agriculture ministers from all over the country held a meeting and decided to bring a model Agriculture Produce Market Committee (APMC) Act, which was sent to the states in 2004, but nothing moved on that front in the 10 years that followed.

Similarly, around the same time, to improve soil nutrition and check the pillage of fertiliser, scientists suggested neem-coated urea, but work started after 2014.

"So when today someone asks about steps taken to help farmers, they should also question what the previous governments did with the two major reforms in agriculture — marketing of farm products and neem-coated urea — between 2004 and 2014," Singh said.

On the much-talked about Swaminathan Commission report, Singh said the Commission gave its report, comprising more than 200 suggestions, in 2006.

"But how many of them were implemented between 2004

and 2014," Singh asked, adding that if previous governments had seriously implemented his recommendations, coverage among farmers should have been much more.

"Till 2014, those who didn't do anything about the main problems faced by farmers are now questioning the government... without acknowledging that just four-five years have passed since the government has been formed," Singh said.

Singh said Swaminathan said organic farming was needed for sustainable agriculture while the UN had warned countries on soil health management because soil was dying. But till 2014 no state got any money and all soil-testing labs were lying unused, while there wasn't any separate programme to promote organic farming, he said.

Repeatedly quoting Swaminathan's report, Singh said the report said more than 22,000 gram in haats should be developed and if they did, they should have been visible everywhere. On loan waivers, Singh said to strengthen and empower farmers one needed to take measures and not just indulge in sloganeering about waivers during election time.

He said in 2008 a similar slogan of loan waiver was given. The reality is as against an outstanding loan of ₹5-6 trillion, a target was set to waive around ₹2,000 crore, while in reality just around ₹53,000 crore was waived. "In this too, the maximum benefit was distributed to small processors and balance sheet of cooperative banks improved," Singh said.

He said when the NDAC came to power 99 major irrigation projects were pending completion and people from a particular family who ruled for more than 60 years kept on asking when these would get completed. "We have provided a corpus fund of ₹40,000 crore for the pending projects and I am happy to announce a significant number of them are getting completed by December 2019," Singh said.

Singh said to boost farmers' incomes, just focusing on the crop sector wasn't enough and

"we need to focus on allied activities like horticulture and we are moving towards this".

He said earlier not many people knew of the major schemes of agriculture run by the government. "But I'm happy the prime minister has created awareness about schemes that are run for the welfare of farmers."

Talking about risk-aversion measures for farmers, he said the Modi government not only raised the compensation amount for immediate relief after natural disasters, but also brought out a crop insurance scheme that included post- and pre-harvest losses.

Singh said Swaminathan had acknowledged though the National Commission on Farmers gave its report in 2004, it was the Modi government that seriously started implementing it in 2014.

"Swaminathan's acknowledgement matters a lot, which was put into cold storage by the previous government," he said.

Agriculture Secretary Sanjay Agarwal said in the case of pulses, the government faced an unprecedented situation since it was prepared for a shortfall but not for a surplus owing to a bumper harvest. As a result, a huge stock of pulses has now been generated in the country.

"The government designed a policy under which states would be able to buy this dal from the Centre at a discount of ₹15 per kg, solely to be used for distributing them under the public distribution system (PDS). About seven to eight states have come on board and more are joining in," Agarwal said.

(With inputs from Abhishek Waghmare)

I-T holds back ₹20,000 crore in tax refunds

However, even on the direct tax front, the growth rate of collections was just 13.6 per cent during April-December 2018-19, against the Budget target of

14.7 per cent for the entire year.

On Wednesday, the CBDT chief had a video-conferencing with tax officials to discuss measures to achieve the collection target.

Explaining the rationale behind holding back big refunds, a tax source said there were certain claims that needed proper verification. These issues typically arise due to a mismatch in the credit of TDS as claimed in the tax returns by an entity. In such cases, a demand for payment of the differential amount can be raised by the tax officer. Refunds can be also halted if there are discrepancies in carry forward losses. According to the rule, an entity can carry forward the losses up to eight years, and later these can be adjusted with the income in the books.

Goyal sets terms for ₹700-crore infusion

Another point that Goyal has put out to the lenders is that in case his shareholding does not go below 10 per cent and he and his promoter group are not represented on the board, he would continue to be recognized as a promoter along with the attendant exposure and risks. Therefore, he has suggested that it is only fair and equitable that he holds at least a 25 per cent stake in the airline.

ETIHAD CONDITIONS FOR INVESTMENT

- Naresh Goyal's role as chairman emeritus should be well defined, and no board seat for him
- No ability for Goyal or his family to represent Jet Airways in any manner
- Goyal may be given the right to nominate two directors to the board
- Interim CEO and CFO will be named in resolution plan. Final decision to be taken by reconstituted board
- Selection of professional independent directors important. Etihad wants role in defining selection criteria and representation in the reconstituted nomination and remuneration committee
- Nine-member board, including two positions for Goyal family and banks. Naresh Goyal stake capped at 22 per cent

out of a total of nine. Douglas told SBI he's fine with the condition only if there's agreement on all other key issues. Jet should be a board-run company, the Etihad CEO has stressed.

A Jet Airways spokesperson did not respond to an e-mail query regarding Goyal's communication.

Online content platforms bat for self-regulation

It further says a complaint can be made by an individual or the information and broadcasting ministry or the ministry of electronics and information technology, and must be acknowledged by the platform within three working days and replied within ten working days of receiving the complaint.

However, the provisions of the code have not gone down well with civil society and advocacy groups.

The IMAI code in its current form "is super vague and leading to private censorship", said Sarvejit Singh, executive director, Centre for Communication Governance at National Law University, Delhi. He further pointed out that the IMAI allowing "relevant technological tools and measures to ensure access content and/or enable parental control" was problematic because similar tools deployed by online platforms in the past had been ineffective in flagging the content. The Internet Freedom

Foundation (IFF), a non-profit advocacy group working on issues such as online censorship and information privacy, has written to the IMAI, asking for greater transparency and public engagement.

Some media reports had earlier suggested that the I&B ministry would be supporting the censorship guidelines. The signatories said on Thursday they were in talks with the government to support the code.

"We reasonably apprehend that a model of television censorship is being incorrectly imported to the online video streaming space, which will increase censorship, impact innovation, and fulfil no clear policy goals," the IFF said in the letter. "...To have such a measure discussed privately among a handful of existing video players and then seek endorsement from government ministries is incredibly troubling."

The market of online streaming content is becoming bigger globally. According to a 2018 report titled "Entertainment Goes Online" released by the Boston Consulting Group, video content delivered through the Internet is expected to reach a market size of \$5 billion or ₹35,730 crore by 2023.

According to the data from market intelligence firm Kala Gato, Netflix's market share grew 63 per cent in India until last October from 0.5 per cent in the beginning of 2018, as the US-based streaming platform produces more local content to compete in India. Star-India owned Hotstar was the leader in the OTT space with a 30.4 per cent market share until October.



Budget content would be decided by economic realities, says Jaitley

Finance minister slams Opposition parties, calls them ‘Nawabs of Negativity’ and ‘Compulsive Contrarians’

ARUP ROYCHOUDHURY
New Delhi, 17 January

Finance Minister Arun Jaitley said on Thursday that the interim Budget, to be presented on February 1, will be within the existing conventions. Its contents, however, will be dictated by economic compulsions and realities of the day, he added.

Amid concerns over his health, Jaitley was speaking live from New York and addressing an event in Mumbai organised by CNBC TV-18. Ahead of the next meeting of Reserve Bank of India’s (RBI’s) Monetary Policy Committee (MPC), Jaitley also said that real interest rates in India cannot be higher than most major economies.

“There is a convention for interim Budgets, on what you can and cannot present. Ordinarily, there should be no reason to move away from that convention, but then the larger interests of the economy always dictate what should be in the interim Budget,” Jaitley said, without disclosing details.

“If we look at the bigger picture, there have been successes over the last few years. There have also been challenges. Without getting into specifics, some of those challenges really can’t afford to wait. There is a necessity to address some of them. We intend to work within the parameters of the conventions that exist,” Jaitley said.

He also hinted that these very economic realities could decide whether the government sticks to a fiscal consolidation roadmap or not. He admitted the farm sector has been facing challenges due to rise in production and a fall in food prices.

“Situations like natural calamity, drought or stress in a particular sector are those that cannot be considered ‘populist expenditure’. Markets will never understand if you act just for the sake of populism. If it is in the larger interest due to a compelling situation that develops, then that’s a rational and logical thing that markets tend to understand,” he said.

Since the losses in the three states, and with the 2019 gener-

al elections around the corner, there has been a lot of buzz on a number of populist measures the Centre could take.

As reported earlier, a massive nationwide income support programme for farmers is in the works, and could include free crop insurance.

Any such programme will impact the Centre’s expenditure pattern and future fiscal roadmap. According to the medium-term framework, the Centre is supposed to target a fiscal deficit of 3.1 per cent of gross domestic product in 2019-20. For 2018-19, the target is 3.3 per cent, which also looks quite challenging.

Jaitley was asked his views on what the MPC could do in its upcoming meeting. “You can’t have a real rate of interest in India larger than anywhere else in the world. Now that the RBI is consulting all stakeholders, I am sure they have a better feel of what is the real situation of the economy.”

The Finance Minister once again attacked the opposition parties and called them



‘CRITICS MANUFACTURING FALSEHOOD’

The compulsive contrarians had no qualms about manufacturing falsehood. They could concoct arguments even if they went against the general interest of the country. They could masquerade corruption as crusade”

ARUN JAITLEY, in FB post titled *The Compulsive Contrarian and his Manufactured Logic*

suited them,” said the blog titled *The Compulsive Contrarian and his Manufactured Logic*.

Jaitley touched upon a number of issues including the Rafale deal, the death of Judge Loya and the flashpoint between the government and institutions like the RBI and the Central Bureau of Investigation.

Without naming the Congress or others, Jaitley said, “There are some in the political system who thought that they were born to rule. Some who were part of the ideological left and the ultra-left obviously found the NDA government wholly unacceptable. Hence emerged a new class of compulsive contrarians, who run perpetual propaganda”.

They picked holes in every proposal that empowered people, be it 10 per cent reservation for the poor, Aadhaar, demonetisation, GST, CBI, RBI-gov-ernment relation, Rafale, or non-issues in Supreme Court and the Judge Loya case, the minister said. “These actions reveal the mindset of the compulsive contrarians. Weakening a sovereign elected government and strengthening the unelectable is only a subversion of democracy,” he wrote.

‘Unstable govt’ likely after LS polls: Sinha

PRESS TRUST OF INDIA
Mumbai, 17 January

Union minister Jayant Sinha on Thursday said the “most likely” outcome of the ensuing Lok Sabha elections is that India may not get a strong and stable government. The country has transformed and the priority now is to inform the people about this change, the minister said.

“If indeed we end up in a situation where we don’t have a strong, stable government, (which) I think that is in fact the most likely case, it will be something that will not be good for India,” he said at the CNBC-TV18’s India Business Leadership Awards.

“For us, the goal is to inform, to ensure that people understand all that we have done, and all that is at risk consequently,” Sinha said. Sinha’s remarks come in the backdrop of the setback the ruling BJP suffered in the Assembly elections in three Hindi heartland states.

Speaking at the event, industrialist Sajjan Jindal called the (2019 Lok Sabha) elections as one of the biggest risks (to the economy) the country is staring at.

On his expectations from the next government, he said



Union Minister Jayant Sinha

that the influence of state-run companies should diminish.

Agreeing with him, banker Uday Kotak said that we need to re-imagine the financial sector, and the next government should be “seriously considering” how to handle state ownership in this crucial sector. He was quick to clarify that he is not pitching for the private sector to take over the state ownership, but for the ownership to be broadened in such a way that the general public’s ownership in the companies grows.

Kotak also pitched for a 0.50 per cent cut in the repo rate by the Reserve Bank of India, along with a cut in the cash reserve ratio.

Planting the seed of an idea

These experiments could obviously translate into better crop yields and hardier plants that could thrive in inhospitable parts of the world



QUANTUM LEAP

DEVANGSHU DATTA

Mankind's grandiose ambitions for colonising space and settling on other planets, and to live long-term in closed ecosystems within spaceships, rest on several large assumptions. One is that human beings will be able to grow food, both in space, and on other planets.

The first-ever attempt to grow plants on another celestial body, can be considered promising, if inconclusive.

China's Chang'e-4, which landed on the far side of the moon on January 3, 2019, managed to successfully germinate cotton seeds. But the seeds withered and died with the onset of lunar night.

Researchers at Chongqing University created an enclosed environment within an aluminium canister, for the craft. This mini-biosphere contained water, earth soil, four types of seeds, fruit fly eggs, and yeast.

The cotton seeds germinated on the moon, sprouting leaves. But the potato, rapeseed and Arabidopsis (commonly called thale cress, a plant related to cabbage and mustard) did not germinate. The fruit fly eggs did not hatch either, going by the reports.

The researchers hoped that the fly eggs would hatch, with the plants providing oxygen via photosynthesis, while the flies fed on the yeast to generate carbon dioxide, which could sustain the photosynthesis process.

This builds on experiments at the International Space Station (ISS), and

in Russia's Mir space station and China's Tiangong-2 space lab. Astronauts have successfully cultivated plants including thale cress in these zero-gravity environments. Algae and fungi have survived for long periods on the ISS.

However, the moon represented far more severe challenges. Temperatures on the lunar surface vary between minus 170 C and plus 120 C with the day and night each lasting about the equivalent of an Earth fortnight. There is no air to mitigate the impact of sunlight, and this means a very extreme cycle of heating and cooling.

It was anticipated that the cotton plant would not survive the cold of a lunar night. The canister does not have a heating system. It does have a heat transfer system that makes it possible for it to stay relatively cool during the hot lunar day.

The death of the plants and the end of the experiment was announced once the temperature reached minus 52 C, after lunar nightfall. The plants will

presumably decay. But that will not contaminate the moon since they will remain inside the canister.

Apart from temperature swings, cosmic radiation is also very high on the moon, due to the absence of an equivalent of the Van Allen Belt, which is created by interactions between the Earth's magnetic field and solar radiation. The VA Belt blocks most of the cosmic radiation to Earth. It was also unknown how plants would respond to weak lunar gravity, at about one-sixth that of the Earth. Low gravity makes it harder for air to circulate.

We already knew that lunar soil, or at least some of it, contains enough nutrients for growing plants. However, growing plants directly on the moon will require the creation of biospheres that can control temperature, and mitigate the cosmic radiation. It will also require water and some system to ensure circulation of air and water, in low gravity.

The choice of the plants and flies is interesting. The fruit fly is perhaps, the most studied species in creation so its genome is well understood. Rapeseed yields oil (the leaf is also edible). Cotton can be used to grow clothes, make ropes, etc. Thale cress is also well-understood genetically and it has closely related cousins that are food plants. Potatoes have high calorie yield per

area which makes them a good choice if you are looking for plants spacefarers could carry. Some experiments suggest potatoes could be grown on Mars, which actually has a more hospitable environment in some ways than the moon.

The International Potato Center US Spelling proper name (CIP) in Lima, Peru, has grown potatoes inside a sealed container simulating Mars temperature, air pressure, oxygen and carbon dioxide levels. The results are positive; cameras inside the canister show sprouts growing.

However, Mars has much lower solar radiation than Earth because it's much further from the sun. This makes photosynthesis harder. It also has much lower gravity and higher cosmic radiation. It's unknown how these would affect plants and indeed, affect human beings.

These experiments, and technologies developed via such experiments, could obviously translate into better crop yields and hardier plants that could thrive in inhospitable parts of the world. They will lead to better understanding of how organisms respond to extreme conditions and high radiation. They must work, if Earth is ever to establish extra-terrestrial colonies with human inhabitants.

CHINESE WHISPERS

No more gloomy hospitals



After starting "Happiness curriculum" in schools, the Aam Aadmi Party in Delhi has now decided to extend the happiness quotient to the government hospitals of the city. As a pilot project, and to improve the "overall feel in the hospitals", the government has initiated a happiness therapy in the GTB hospital. As part of the therapy, the plan is to organise "dance and music in wards". Delhi Health Minister Satyendra Jain has taken it upon himself to visit and gauge the response to the initiative. The programme could be extended to other hospitals in the future.

Bungalow politics

After closely contesting assembly elections in Madhya Pradesh, the state's politicians are now contesting for bungalows of their choice. Congress Member of Parliament Jyotiraditya Scindia had demanded a bungalow from the previous Bharatiya Janata Party (BJP) government in May 2018. His demand was not met then. Now when his party is in power, he wants the bungalow that is held by former minister Bhupendra Singh. However, Singh seems to be in no mood to vacate. In another case, the bungalow that has been allotted to Jitu Patwari, cabinet minister for higher education, sports and youth affairs, is yet to be vacated by the BJP's Narottam Mishra. Consequently, Patwari's old bungalow that he had got as an MLA during previous term is being renovated.

Back to business

The failure of the attempted "operation lotus" in Karnataka had the Congress social media cells troll the Bharatiya Janata Party (BJP) on Thursday. The BJP had ensured that its Karnataka legislators were housed in a five-star hotel in Gurugram for the duration. On Thursday, Karnataka Congress State Unit Chief Dinesh Gundu Rao tweeted: "We extend a hearty welcome to all Karnataka BJP MLAs who are returning home after an extended holiday at a luxury resort near Delhi. Now that they are sufficiently rejuvenated let us hope they will attend to the work of their constituencies which they have neglected for long."

A bridge over the Damodar

When one reads old district gazetteers, one marvels at the wealth of material and at the reading habits of the authors



INFRA DIG

BIBEK DEBROY

The journey was fraught with fatigue and peril, and its incidents contrast strangely with the prosaic features of railway travel now universal throughout India. The Hunters journeyed by road in their own Victoria drawn by a pair, their third horse being sent forward at alternate stages... On arriving at the bank of the river Damodar the luckless travelers found it a raging torrent." This quote is from "Life of Sir William Wilson Hunter". Most people will remember William Wilson Hunter for "Imperial Gazetteer of India", Bengalis may remember him for "Annals of Rural Bengal", published in 1868. The journey just mentioned was undertaken from Suri (Siuri in Birbhum) to Midnapore (Medinipur) in 1866. Today, the distance by road is around 245 km and you will have to cross the Damodar. Despite it being NH 39 (the new NH 14), it will still take you around 6 hours. In 1866, Hunter was Assistant Magistrate and Collector of Birbhum and was probably collecting material for "Annals of Rural Bengal". In 1901, Francis Henry Skrine

published a biography of Hunter, which is there that quote is from. A district gazetteer for Bankura was published in 1905. When I read those old district gazetteers, I marvel at the wealth of material and at the reading habits of the authors.

The author(s) of the 1905 Bankura District Gazetteer had read Skrine's biography of Hunter and had aptly plugged in this bit about Hunter's travel or travail into a chapter on means of communication. To quote from the gazetteer now, "Until the year 1902 there was no railway in the district, and the easiest way of reaching it was to travel by rail to Raniganj and thence by road. The journey was not only expensive, but tedious. First, the Damodar had to be crossed... The railway now runs through the district from east to west, but internal communication is rendered difficult by the many unbridged rivers which intersect the district... Except for the deficiency of bridges, however, the road of the district are, on the whole, excellent, and practically every part is well-proved with them except the south-west corner around Raipur." Why were there roads, but no bridges? This isn't something one normally thinks about. One assumes a road would also have bridges over rivers, when required.

Let's turn to the 1908 Imperial Gazetteer for an answer. "The level plains of India, scoured by streams which, for eight months or more in each year, are passable without difficulty by the conveyances generally used in the country, offer so small an obstacle to intercourse between different localities that, up to the end of the eighteenth century, there was no demand for prepared tracks even for



Until recently, we had no clear handle on how many bridges there are on national highways and what state they are in. Thanks to IBMS (Indian Bridge Management System), we have had a "health of the bridges" survey and we know around 6000 bridges are structurally distressed, out of an inventory of more than 172,517 bridges/structures

military purposes, transport being chiefly effected by pack animals travelling along the village pathways, while travellers could ride or be conveyed in palanquins... About the same time the construction of railways began to have a considerable influence on the function and character of new roads. With the extension of the railway system, it has become more and more necessary to build roads in a direction which will enable them to feed rather than compete with the newer means of communication; and greater demand for metalled roads has also been aroused. In 1823, Mr Malony, when advocating an improvement in that portion of the GreatDeccan Road which lies between Nagpur and Jubbulpore, represented

that 'the actual amount of local produce was in excess of the consumption,' and that 'for the prosperity of the country cheap and easy communication for the exportation of the excess of produce was indispensable.' This remark states shortly the chief object with which roads were generally constructed in the first half of the nineteenth century; and as the harvest season coincided with the drying up of the rivers, there was not much need for bridges except on the great trunk roads, while even on these permanent bridges have not to this day been provided over many of the larger rivers, ferries or floating bridges doing duty in their place. The majority of early roads were, therefore, merely embank-

ments across low-lying places, with easily graded approaches to river banks, and cleared and levelled surfaces elsewhere. With the introduction of railways the circumstances altered, and there arose a demand for bridged and metalled communications which would give access to the railway line at all times of the year." There weren't any bridges because there was no perceived need for them. The advent of the railways changed this perception.

There are bridges now, but perception needs to change yet again. Until recently, we had no clear handle on how many bridges there are on national highways and what state they are in. Thanks to IBMS (Indian Bridge Management System), we have had a "health of the bridges" survey and we know around 6000 bridges are structurally distressed, out of an inventory of more than 172,517 bridges/structures. More specifically, there are 134,229 culverts, 32,806 minor bridges, 3,647 major and 1,835 extra-long bridges. Many bridges were constructed decades ago, when commercial vehicles carried smaller loads. Indeed, the survey found 23 bridges on national highways are more than one hundred years old. Those co-exist with the likes of Dhola Sadiya Bridge. While we are on Bankura and the Damodar, I have read reports about several villages in Bankura's Saltora Block connected to Asansol through a bridge over the Damodar. But that bridge happens to be made of bamboo.

The author is chairman, Economic Advisory Council to the Prime Minister. Views are personal

DECODED

Subhayan Chakraborty explains why television manufacturers are threatening to shift production out of India if import duties are not reduced.

Make or import dilemma

Why has the government raised import duties?

The government has aggressively pushed to cut down on India's massive import bill for electronics, which stood at \$21 billion in FY18 and made up the third biggest chunk of the import bill after crude oil and gold. As a result, import duties on a wide range of products have seen six specific tariff hikes over the past one year. The idea was that as importing became an unviable option for manufacturers due to rising costs, they would be forced to produce their merchandise in India. This double-edged focus on value-addition, rather than simple assembling, has yielded results in mobile manufacturing. The number of units have risen from two in 2014 to 123 by the end of 2017, according to data from Hong Kong-based Counterpoint Research.

Why are electronics goods manufacturers unhappy about this move?

Manufacturers now say that while the government is effectively cutting off their access to foreign imports, it hasn't been able to create a suitable supply of components in the domestic sector at the same pace. Major manufacturers such as Samsung and LG had been critical after import duties on open cell TV panels were raised by 10 per cent in the last Budget. While it has subsequently been reduced to 5 per cent, manufacturers want it to be done away with completely because it accounts for an estimated 65-70 per cent of a television

set's production cost. Samsung has quietly wound down its TV factory and the industry is now threatening that if duties are not cut, they would find new markets to import from or would outright shift manufacturing facilities. This may mean major job losses as currently there are some 30 facilities in India providing direct employment to over 50,000 people.

Where are these manufacturers planning to shift to?

Vietnam is the nation of choice. Over the past five years, the nominally socialist nation has become a hub for engineering and electronics manufacturing as scores of Chinese companies flock over the border attracted by a 10-year tax holiday and cheaper labour. This includes many LED display manufacturers. Most importantly, Vietnam is a part of the Asean grouping of nations with which India has a Free Trade Agreement (FTA). Import duties on items imported under FTAs are either very low or are waived off. Imports from Vietnam have zoomed in the current fiscal year as those from China, the largest source, go down. Apart from these two, South East Asian nations such as Thailand and Indonesia remain the major source of LED panels imported into India since there is no local manufacturing. The share of LED sets stands at 75 per cent of the 16 million units a year TV market in India.

Is there any other industry facing a similar dilemma?

While the hikes had initially focused



on components, specifically those for mobile device manufacturing, later policies saw higher duties being placed on finished goods as well. This includes consumer durables such as speakers, air conditioners, household refrigerators, and washing machines. Since companies in the electronics sector have an integrated production — that is the same firm manufacturing multiple products — plant shut-downs for TV may have a ripple effect on the production of other products as well.

What does the government plan to do?

The ongoing tussle has resulted in a sharp rise in the import of TV panels. Estimates suggest some ₹2,700 crore worth of TV sets have been imported between April and October 2018 compared to ₹2,900 crore during the whole of 2017-18. This has riled the Commerce Department which considers reducing dependence on imports a priority after the current account deficit ballooned to 2.9 per cent of the GDP in the second quarter of the fiscal compared to 1.1 per cent

just a year-ago. But having faced success in boosting mobile manufacturing, the ministry of electronics and information technology wants to stick to the duties.

What does all this mean for the government's much-touted Make in India programme?

While the government has clarified that it does not maintain any data with regards to job generation under the Make in India programme, investments may be hit. Component industries tend to cluster around major manufactures, a point repeatedly raised by mobile giant Apple in their negotiations with the government in setting up shop in India.

The loss of big names like Samsung may dampen investment estimates, the Consumer Electronics and Appliances Manufacturers Association has told the government. A close look at the Reserve Bank of India's data shows there is a marked slowdown and contraction in Foreign Direct Investment, the first time this has happened under the current regime.

LETTERS

Play more, talk less

This refers to your editorial 'Late cuts from BCCI' (January 16). Cricket was once a gentleman's game, when cricketers played the game for the sheer pride of representing their countries. When a Sunil Gavaskar or a Bishen Singh Bedi spoke to the press, it was only about the game; never about their personal lives, or gossip about others.

However, times have changed. With the advent of shorter formats, the sport has become a money spinner, with glamour and glitter added in good measure. With money and fame going to the heads of cricketers at an impressionable age, it is but natural for some present day players to get carried away and speak their mind. As a result, they unnecessarily land themselves in trouble, as seems to have happened in the case of KL Rahul and Hardik Pandya, during the talk show *Koffee with Karan*.

The Board of Cricket Control in India (BCCI) has rightly taken exception to the sexist and misogynistic comments made by the said cricketers, suspended them from all forms of the game, besides recalling them from their tour of Australia. However, as rightly pointed out in your editorial, with the unconditional apologies tended by the players, the proper course of action would be to send them for counselling and then reinstate them.

Subjecting them to a prolonged and a pointless enquiry would serve no purpose, other than satisfying the ego of the powers that be at the BCCI. It is also high time the board issued a gag order on the players and strictly told them to let their bat and ball do all the talking.

V Jayaraman USA

Time to introspect

The abrupt revocation by the Supreme Court Collegium of its earlier decision to recommend the appointment of Rajasthan and Delhi High Court Chief Justices Pradeep Nandrajog and Rajendra Menon to the SC has not gone down well in the legal fraternity with one of the sitting SC judges reportedly objecting the decision of the collegium. A former Delhi High Court judge too has come down heavily on the functioning of the collegium. The incident has once again raised the question: Should the judge continue to enjoy the supremacy in appointing judges through such an opaque process? A fresh look is called for.

SK Choudhury Bengaluru

Letters can be mailed, faxed or e-mailed to: The Editor, Business Standard Nehru House, 4 Bahadur Shah Zafar Marg New Delhi 110 002 Fax: (011) 23720201 • E-mail: letters@bsmail.in All letters must have a postal address and telephone number

HAMBONE



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Open up coal mining

Genuine competition needed on the path to self-sufficiency

Two years ago, the government had announced that India does not need any imported coal and instructed states as well as NTPC to stop imports. However, the latest figures given by the government to the Rajya Sabha show that coal imports have grown 15 per cent in the first seven months of the current fiscal year. Reports show that states such as Tamil Nadu, Karnataka, Maharashtra and Gujarat, along with NTPC and some private units in Punjab and Madhya Pradesh, have issued tenders totalling 12.5 million tonnes. This has happened because India's domestic output has not been able to keep up with the country's demand, which grew at 7.6 per cent during April-September — the highest in the past five years. With the Lok Sabha elections just months away, the power demand is set to rise further. But the shortage of coal is just a symptom of a deeper problem.

Almost 95 per cent of India's coal mining output is by the public sector, within which Coal India Ltd (CIL) is the behemoth, accounting for four-fifths of India's production. CIL may be the world's largest coal producer, but its monopoly status has yielded little in terms of improved production techniques, superior quality of output, or, for that matter, a less dirty environmental footprint. Almost a year has passed since the coal sector was opened up for private players, but most are mired in the maze of clearances and permissions. The truth is, even as India ramps up its renewable energy sector, coal-based thermal power will continue to be a major component of its energy portfolio for decades to come. Improved coal mining and processing technologies are therefore critical for both production and the environment. Whether it is more efficient and safer mining technologies, pit-head dust mitigation, coal washing, regeneration of forests, or restoration of open-pit mines, Indian coal mining has been consistently lacking.

Enabling greater investment in coal mining has, therefore, become more critical from all perspectives, be it safety, production or ecology. Globally, mining practices have changed dramatically with significantly greater capital intensity than is the current norm in India. As India's recent experience with private sector coal mining indicates, simply allowing some private companies entry is not good enough. The future of coal mining in India requires a shift towards improved regulation monitoring and enforcement. Coal miners, including those in the public sector, need to be held directly responsible for safer and more humane mining practices, state-of-the-art environmental practices while ensuring improved efficiency in mining this non-renewable resource. It is evident that CIL by itself will not be able to achieve these objectives. The solution, therefore, is a greater role of the private sector, including global players. Since most of the important mines are already locked in the public sector, it is time to break up Coal India into smaller entities and privatise them. This will result in greater competition, investment and improved mining efficiencies as well as better safety. As the government would no longer be an owner but overseer of coal mining, it would be better able to demand improved environmental and safety practices.

Another referendum, now

The world economy cannot afford this Brexit shambles

Barely a day after suffering the greatest parliamentary loss in almost 100 years, the United Kingdom's Conservative government, led by Prime Minister Theresa May, survived a vote of no-confidence in the House of Commons by 325 votes to 306 — a relatively comfortable 19-vote majority. This was generally understood to be likely, as both her Eurosceptic colleagues within the Conservative party and her supporters in the Democratic Unionist Party of Northern Ireland had already ruled out voting against her government. Yet, Ms May was definitely weaker by the result earlier, when her painfully negotiated Brexit deal had been placed before the House and was resoundingly rejected by a margin of 230 votes. Ms May, speaking outside Number 10 Downing Street shortly after the no-confidence vote, indicated the usual — that she was still in charge, that Brexit would happen, and she would deliver it. But the path to an orderly Brexit is looking more and more complicated. There is a real and worrying increase in the chances of a “no-deal” Brexit, in which the UK crashes out of the European Union without a deal in a few weeks, a fear underlined in the response of European Commission President Jean-Claude Juncker.

It is incumbent upon all major figures in British politics to put aside petty considerations and focus on avoiding the worst-case scenario of a no-deal exit. This would be catastrophic not just for Britain and Europe but also for a world economy already pushed to the edge by doubts about oil supply and the US-China trade war. But the problem is that no faction within British politics is interested in any form of compromise. The hardliners within Ms May's Conservatives are willing to see a no-deal exit as long as their long-cherished dream of leaving the EU comes to pass. The Unionists from Northern Ireland, steeped in their province's decades of sectarian rivalry, want to avoid Northern Ireland from being treated differently from the rest of the United Kingdom at all costs. This severely limits the number of deals available to Ms May, as the UK will never countenance a “hard border” between Northern Ireland and the Republic of Ireland, which continues to be a member of the EU. For the Irish border to remain open, either Northern Ireland must stay in harmony with the EU's laws, or all of Britain must. Any deal which accepts this basic fact, however, looks more or less like the one Ms May negotiated — which Parliament has resoundingly rejected.

It is increasingly clear that, if Ms May's deal is off the table and if a no-deal Brexit is to be avoided at all cost, then the UK will have to stay with the European Union. Given the fact that no member of Parliament can afford to ignore, however, the result of the 2016 referendum, there is no alternative but to take the problem back to the people. A crisis caused by a referendum can be solved only by a referendum. It is incumbent on all parties — especially the Labour Party of Jeremy Corbyn, which so far has been impressive only in its short-term and cynical fixation on provoking a general election — to ensure that Ms May sees she has no option but to call a second referendum.

ILLUSTRATION BY BINAY SINHA



Decoding Golwalkar's ideas and their fallacy

The 103rd amendment is supposed to put reservations above caste. But Hindutva wants Indians to worship caste

Constitutional amendment number 103 has been appreciated by our middle class, the core votaries of Hindutva. The opening up of reservations to all demonstrates the view that Hindutva is inclusive. Other parties are divisive because of their propensity towards casteism but, and this is the thinking, the Bharatiya Janata Party is above caste.

But is it? Does it reject caste and if not, then what sort of relationship does it have with the primary faultline in Hindu society? Hindutva like other ideologies based on nationalism and religion does not produce thinkers so much as believers, and so there is a dearth of material. It is intellectually underpinned by the thinking of one great man, M S Golwalkar, who led the Rashtriya Swayamsevak Sangh (RSS) for over 30 years from 1940 and is the individual responsible for its ideology and its success.

The prime minister has written a fawning biographical sketch of Guruji Golwalkar (whom he never met), comparing him to Buddha, Mahavir and B R Ambedkar. If there is a Hindutva view of caste, it comes from Golwalkar and so let us examine it.

Golwalkar's main work is a book called *Bunch of Thoughts*. As the name suggests, it is not particularly unified and is scattered, offering his opinion on several things, mostly about how much he dislikes Muslims, who are enemies of India by birth.

He defines Hindus as being those people with the “urge for realisation of God”. However, this was not God in the form that most people identified with, Golwalkar wrote, but a living god and not an idol or

immaterial form. “*Nirakar* (formless) and *Nirgun* (without attribute) and all that leads us nowhere.” Idol worship “does not satisfy us who are full of activity”. We want a ‘living’ God, which will engross us in activity and invoke powers within us.”

This living God was the Indian nation, but according to Golwalkar, the nation-god did not include all communities but only one. In his words:

“Our People Are Our God, is what our ancients told us. But not all people. Ramkrishna Paramhans and Vivekanand said ‘Serve man’. But Man in the sense of humanity is too wide and cannot be grasped. It should be an Almighty with certain limitations. Man here means Hindu People. Our ancients did not use the word Hindu but they did say in the *Rig Ved* that the sun and moon are His eyes, the stars and

skies created from his navel and that Brahmin is head, King the hands, *Vaishya* the thighs and *Shudra* the feet.”

He continues: “This means that the people who have this fourfold arrangement i.e., the Hindu People, is our God.” Service to this society is the service to God. This caste-based society should be worshipped in place of the self.

To Golwalkar, social order through caste is not discrimination. The feeling of high and low in caste is of recent origin, “scheming Britisher” “divide and rule policy”. The Gita says that individuals who do their assigned caste duty are worshipping God.

Indeed, he saw the caste system as beneficial to India instead of destructive. The Dalit intellectual,



REPLY TO ALL

AAKAR PATEL

Modi Sarkar's final frontier

It is a terrible thing to do but one must start by stating what is painfully obvious: Narendra Modi seems to be finding out that five years is too long a period for him to carry on as prime minister without having much to show for it. For the longest time, the government jumped from one slogan to another and from one policy announcement to another, spinning the news like there is no tomorrow.

Nowhere was this more pronounced than on the issue of employment. Mr Modi started his tenure with the promise of an obscene number of jobs. But when, especially after the demonetisation debacle, that promise was unravelling, his government stressed the importance of self-employment. Mr Modi notably said that jobs were being created but what was lacking was the data for it. Indeed, for a while, the government even claimed that, based on the payroll data, millions of new jobs were being created in the economy. Before long that myth was busted when independent sample surveys showed that actually millions of jobs were lost.

The other big area where Mr Modi's failure was rather pronounced was the status of Indian farmers. His government had come to power berating the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS). He characterised the MGNREGS as the monument of the Congress party's failures. Indeed it was to a great extent because the MGNREGS was to provide a safety net for those who lost out in the economic growth story. The more people this net caught the more it was evident that India's growth story was not inclusive. Mr Modi's government promised a sound and effective food policy to ensure better remuneration for farmers and berated the Congress' politics of dole. Five years down the line, the MGNREGS budget has swelled further, albeit its administration continues to be just as poor.

Lack of jobs in urban India and farm distress in

rural India are the two key things that have hurt Mr Modi more than anything else. The season of electoral reversals started with the Gujarat Assembly polls, where the Bharatiya Janata Party (BJP) barely managed to stay in power. But the results on December 11, where the BJP lost three big states in the cow belt and that too to the Congress, have made it amply clear to anyone who is observing that the days of the so-called “Modi Sarkar” — that is, a government which is essentially an embodiment of Mr Modi's approach — are numbered. And no one knows this better than Mr Modi and his astute lieutenant Amit Shah. That is why Mr Modi is now trying to break through the final frontier — the Indian Constitution — in his bid to locate a *sanjeevani booti* and revive the chances of re-election of his ailing government (no pun intended). Till now this has resulted in two key changes.

One relates to making it easier for Hindus as well as people belonging to five other religious groups to get Indian citizenship if they are trying to escape “religious persecution” in Bangladesh, Pakistan and Afghanistan. But the most curious thing about this Bill, which is still pending in the Rajya Sabha, is that while it appears large-hearted about the

troubles of Hindus in some neighbouring countries, it also targets (that is, rules out) Muslim refugees from these very countries (such as those belonging to the Ahmadiyya sect in Pakistan). Moreover, it also ignores the troubles of Muslim refugees in other nearby countries such as the Rohingyas of Myanmar. For a country which has a Constitution that promises, under Article 14, “equality before law” to all its citizens, such cherry-picking of refugees not only goes against the spirit of the law but is downright condemnable for not being in line with India's secular credentials. It is another matter that this amendment can be used, and perhaps that's the point, as a cynical tool to polarise voters.



CLAY SQUARE

UDIT MISRA

How paradise was lost



BOOK REVIEW

SHYAM SARAN

Radha Kumar has had a long association with Jammu and Kashmir, initially as a scholar and historian, later as political analyst and eventually as one of the three interlocutors for Kashmir appointed by the United Progressive Alliance government in 2010. Her latest book, *Paradise at War*, is a very readable history of Kashmir, highlighting its hold on the Indian imagination as a land steeped in ancient Hindu and Buddhist myths and legends and later its own unique and accommodating brand of Sufi Islam. The book is available at <https://www.dailyreaders.com> in the immediate aftermath of India gaining inde-

pendence and for which the country continues to pay a heavy price. There was no reason to make the accession of Jammu and Kashmir to the Indian Union conditional. No other princely state that acceded to India or to Pakistan was accorded the privilege of ascertaining the Will of its people thereafter to legitimise the accession.

Nehru and other Indian leaders appear to have been easy victims of British connivance and duplicity despite all evidence to the contrary. There may have been risks in continuing military operations against Pakistani forces after the Valley had been secured but surely, there should have been an awareness that the loss of Gilgit and Baltistan would cut India off from its Central Asian neighbourhood quite apart from threatening the Valley itself. Taking the Kashmir issue to the United Nations was another blunder and successive generations of Indian diplomats have expended much time and energy trying to fend off international activism on Kashmir. Ms

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Kumar has shown convincingly how many of the challenges we confront today can be traced back to those early blunders.

Paradise at War brings out the inescapable link between peace in the Valley and peace between India and Pakistan. Hostility between India and Pakistan and armed clashes at the Line of Control (LoC) heighten risk perceptions among security forces operating in the Valley, leading to the imposition of measures that are intrusive and demeaning. This worsens alienation among an already disaffected population. Pakistan then has a more congenial environment to promote cross-border terrorism, spread disaffection in the Valley and an escalating cycle of violence takes hold.

It was in the 2003-2007 period that India and Pakistan were engaged in a serious effort to achieve relative peace and establish normal state-to-state relations. This was also a period of relative calm in Kashmir and a guarded sense of optimism prevailed.

Ms Kumar has written knowledgeably about the back-channel talks that took place during this period and what may have been achieved as a common understanding on the lines advocated by then Prime Minister Manmohan Singh — to establish a soft border allowing a relatively free flow of peoples and goods and allow the celebration of the strong cultural affinities shared by the people on both sides of the border and LoC. In time, the status quo would have become legitimised. This would be possible to sustain only if Pakistan abandoned its reliance on cross-border terrorism as an instrument of state policy. This brief window of opportunity mostly evaporated once Musharraf, the then Pakistani leader, ran into serious domestic political turmoil in 2007.

The author has devoted a longish chapter on her experiences as a government interlocutor interacting with a very broad spectrum of people in Kashmir. Her accounts convey the deep sense of loss of dignity and respect among a people subjected daily to demeaning encounters with security forces. This has to change if any progress to be made.

The concluding chapter considers a “faint hope for a peace process”. After rigorously analysing various possible scenarios, she concludes, as one would have expected, that the contours of the understanding arrived at in the back channel talks still represent the most promising way forward. There should be a resumption of the peace process with Pakistan paralleled by an intensive dialogue process with the dissident and separatist elements in the Valley with the hope of arriving at a solution that all three can live with. The problem is that the conjunction of regional and international developments, which enabled the earlier peace process, no longer exists.

The reviewer, a former Foreign Secretary of India, is currently Senior Fellow, Centre for Policy Research

PARADISE AT WAR

A Political History of Kashmir

Radha Kumar

416 pages; ₹799

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Private lenders top MFs' list

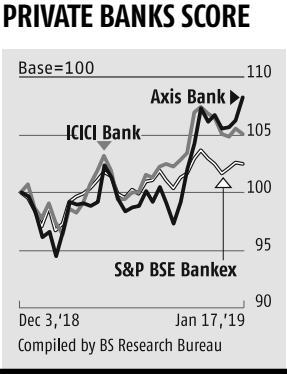
Fund managers wary of raising bets on state-owned banks fearing government intervention

JASH KRIPLANI
Mumbai, 17 January

The private sector corporate lenders are seeing a spurt in flows from mutual funds (MFs), as fund managers expect improvement in asset quality to trigger a positive cycle of lower provisions and higher profits.

In December, fund houses directed ₹2,532 crore of flows into ICICI Bank and Axis Bank, which was 22 per cent higher than the flows these banks saw in the previous month. According to data analysed by Prabhudas Lilladher, MFs' flows into ICICI Bank and Axis Bank accounted for more than two-fifth of the flows that were directed towards the large-caps.

Fund houses also had a high-consensus 'buy' on both stocks. The monthly activity report by the broking house showed as many as 29 MFs raising exposure to ICICI Bank,

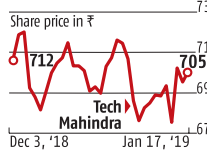


while Axis Bank saw 25 MFs raising their exposure. By the end of the month, 39 MFs had exposure to ICICI Bank, while 38 had exposure to Axis Bank. However, fund managers are wary of raising bets on state-owned banks, even though their asset quality is likely to benefit from the ongoing resolution process under the Insolvency and Bankruptcy Code (IBC). "PSU banks have the low-

est conversion cycle from pre-provisioning operating profit to profit. Any cut in provision will straightaway translate into their pre-provisioning profits," said a fund manager, requesting anonymity. According to him, with the yields coming off, they will make the largest gains on their treasury books. However, government intervention through farm-loan waivers or Mudra loans to

MSMEs could negate the gains these banks make on their financial health. Meanwhile, analysts see a re-rating for ICICI Bank on the cards. "We believe ICICI Bank is well-gearred for the next cycle with improved traction in quality asset growth, a robust CASA franchise, efficiency gains, and improved net interest margins (amid rising pricing power as competition slackens in a tight liquidity environment)," analysts at Edelweiss said in a note. The bank could see some challenges. Analysts expect near-term pressure on margins on account of the change in loan mix to lower yielding retail products, and due to the time lag in re-pricing of loans and deposits. Analysts have also built in positive estimates for Axis Bank. "Although a spike in slip-pages remains a possibility in the short term, we expect asset quality to improve in the long

QUICK TAKE: STRONG OUTLOOK FOR TECH MAHINDRA



The stock is up nearly 4 per cent from its lows this week on expectations of improved revenue performance over the next two quarters, with growth coming from the key telecom vertical. The company is also expected to post margin improvement despite wage hike pressures

TSI P13 STREET SEES STRONG RECOVERY FOR APOLLO HOSPITALS

Higher margin norms may affect derivatives volumes

REVISED REGULATIONS

	Initial margin**	Short option minimum charge	Exposure margin
Index Futures	3 sigma*1.41 or 7.07%	NA	4.24%
Index Options*	3 sigma*1.41 or 7.07%	5%	4.24%
Stock Futures	3.5 sigma*1.41 or 10.61%	NA	7.07% or 1.5 sigma *1.41
Stock Options	3.5 sigma*1.41 or 10.61%	7.5% (no change)	7.07% or 1.5 sigma *1.41

*Excluding long dated options; **of underlying value

Source: Exchanges

ASHLEY COUTINHO
Mumbai, 17 January

In what may impact volumes and reduce leverage in the market, brokers will collect much higher margins from clients trading in the derivatives segment from Monday. Over the past few months, the Securities and Exchange Board of India (Sebi) has raised the margin requirement thrice, effectively increasing it by 40-50 per cent. Options writers, especially those writing out of the money options, and arbitrageurs, who attempt to profit from price inefficiencies, will be hit the most.

Such a large margin increase has come as a shock because of the quantum of the hike, at such a short notice. Recently, exchanges levied Additional Surveillance Margin (ASM), which was less than half the current proposed increase and was spread out over a three-month period. We hope the regulatory authorities will provide more time to adjust to the increased margins, and thus avoid unneces-

sary volatility in the markets due to unwinding," said a large options trader who deals with multiple brokers. From June 1, 2018, clearing or trading members were mandated to include initial margin, exposure margin or extreme loss margin, mark-to-market settlements and calendar spread margin. On September 1, ASM was introduced in addition to SPAN (standard portfolio analysis of risk) and exposure margins.

SPAN margins are charged to cover for the worst possible movement in the contract for a single day. The new requirements, effective January 21, mandate a cover for volatility over two days. Exposure margins are charged over and above the SPAN margins, and will be increased to 4.24 per cent for index futures and options (F&O), and 7.07 per cent or 1.5 sigma (whichever is higher), for stock F&O. Therefore, one lot of Nifty futures that earlier required around ₹50,000 of SPAN in May to hold the position overnight, will now require ₹1

lakh in the form of SPAN and exposure margins. "The problem is the increase (in margins) has been quite steep and in quick succession," said Zerodha CEO Nithin Kamath. "We need to find a way to give more margin benefit on hedged positions, which is currently missing, therefore encouraging people to move towards arbitrage and hedging from trading naked." Experts reckon there is no clarity on the steep increase in margins over the past few months. "Is it aimed at managing risk or curbing excessive speculation?" asked Deven Choksey, managing director of KR Choksey Investment Managers.

He added the derivatives market was currently dominated by those wanting to leverage or trade, and it was difficult for investors to effectively hedge risks: "There are artificially defined contract lots, the margins are on the higher side, and there is no delivery settlement to speak of."

More on business-standard.com

'Expect strong fund-raising after elections'

After beginning its journey in 2007 as an advisory, Equirus has diversified into institutional broking, investment banking and wealth management. According to reports, the financial services firm is looking to acquire IDFC Securities, which is on the block. While refraining from commenting on any specific deal, **AJAY GARG**, founder and managing director of Equirus Capital, tells **Jash Kriplani** about his company's growth plans and how the market activity can play out. Edited excerpts:

What are the other businesses Equirus could diversify into?

We recently forayed into wealth management and portfolio management services because we are looking at equity-related capital market fee-income businesses. We will also increase our debt portfolio by getting into debt capital market. Our approach is to make Equirus a well-diversified capital market platform with strong business units that are known for their client-focus and relationship approach. Our growth aspirations are high and we will figure out ways to grow.

When do you see equity fund-raising activity recovering?

Although equities did not perform well last year and the performance of initial public offerings (IPOs) hasn't been great, inflows have continued into mutual funds and other equity funds. Therefore, even though there is an overhang of the general election, we believe select deals of good companies at the right valuation will get done. Once the election

uncertainty is over, fund-raising activity should be back in full swing.

How robust is the pipeline of IPOs and other fund-raising related issues at this juncture?

In terms of IPOs, there is an unprecedented pipeline of about 80 issues; they potentially amount to ₹60,000 crore of fund-raising. These are at various stages of processing with Sebi. Several companies have continued to file over the past few months as they seek to raise capital.

With the market conditions still weak, are private equity (PE) players seeking exits through PE-PE deals?

PE exits through IPOs started declining, with 2018 seeing 11 PE-backed IPO exits worth around \$800 million, against 21 exits worth around \$1.2 billion in the previous year. Whenever there is a pushback from the capital markets, more companies and PEs evaluate alternative routes, which include PE or strategic investor. Recently, secondary market transactions have



been on the rise. In 2018, there were 58 secondary exits worth \$5.4 billion, against 57 secondary exits worth \$3.3 billion in 2017. One must bear in mind that PEs themselves are flushed with liquidity as they have raised significant funds. Large PE funds are keen on broadening their investment portfolio in India.

Are there opportunities within mid-caps that could give healthy returns with a limited downside?

Mid-caps have had a rough ride in 2018 with benchmark indices falling more than 20 per cent. We believe that the shift to large-caps — to keep liquidity on the higher side — has been overdone. There are a lot of quality mid-caps available at a sharp

discount to large-caps in the similar sector. The risk-reward is attractive for these names. We expect the valuation gap to narrow in 2019. Opportunities exist particularly in consumer-focused plays such as branded apparel and health care.

Is fund-raising in debt markets going to be a challenge, particularly for NBFCs?

While the market faced a liquidity crunch due to the Infrastructure Leasing & Financial Services crisis, mutual funds have maintained their exposure to non-banking financial companies (NBFCs). MFs have cut their exposure to riskier issuers and increased their exposure to healthy issuers with positive asset-liability management and robust liquidity buffers.

Well-rated NBFCs with healthy fundamentals should be able to raise money at ease. Contrary to the general perception, MFs have not cut their exposure to NBFCs. The MF exposure to debt instruments with a maturity of under three months was more or less stable at ₹1.98 trillion.

The exposure of MFs to NBFCs is around 33 per cent, which is significantly less than the maximum 40 per cent limit. The rise in bank credit to NBFCs has allayed concerns over commercial papers that were maturing in the December quarter.

THE COMPASS

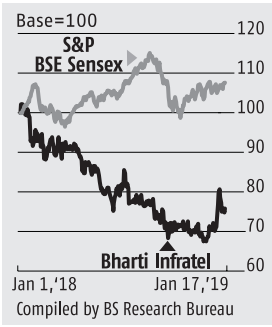
Weak telco financials could dent Bharti Infratel's plans

Improvement after Indus merger has been factored in, but valuations not demanding

RAM PRASAD SAHU

With the telecom sector struggling with pricing pressures and excessive leverage, Bharti Infratel (Infratel), which counts the top telcos as its clients, has been under pressure. Its stock has declined over 18 per cent over the last year on worries of tenancy growth, given the weak balance sheets of its clients and consolidation in the sector.

The firm, in a recent interaction with analysts, allayed fears regarding growth in tenancies and potential growth avenues. Given the higher churn after consolidation in



the sector, there were worries about tenancies. The Infratel management indicated that each of the major telcos would need 300,000 4G sites in the sub-1 GHz spectrum to meet customer demand on

network coverage, capacity and quality. Currently, the companies have 180,000-220,000 sites each.

Analysts at Kotak Institutional Equities, however, believe there is no case, at least for Vodafone Idea and Bharti, to opt for a network of 300,000 sites unless there is a quick upward inflection in wireless industry economics.

Next, the worry is about Jio. The operator has decided to form a separate tower company that will house its tower and fibre assets, and it may use this rather than Bharti to install its towers. Further, with Vodafone Idea rational-

ising its network, the tenancy growth in the medium term may depend a lot more on Bharti Airtel, say analysts at SBICAP Securities.

The other growth driver that Infratel is banking on is opportunities in fibre-sharing and Smart City implementation. Both Bharti and Vodafone Idea have indicated they will monetise their tower/fibre assets, which will lead to fibre-sharing. This should help Infratel's plans to get into the fibre-leasing business, by acquiring assets or laying out its own.

Along with this, small cells and 5G are potential

growth drivers for the company. However, scaling up of these businesses will take time and may not be immediate triggers for the stock. The company expects the new revenue streams to account for a third of its turnover over the next four years.

While the improvement in return ratios after its merger with Indus —expected to be completed by May — is a positive, it has largely been factored in. While valuations are not demanding, the induction of a strategic partner and lowering of the holding company discount could lead to stock rerating.

HUL: Outperformance led by double-digit volume growth

Company is confident of stable performance in the coming quarters on strong rural performance

RAM PRASAD SAHU

On the back of a strong double-digit volume growth, Hindustan Unilever (HUL) posted in-line financial performance for the December quarter. Higher rural demand and a strong show in each of its key segments helped the company post its fifth consecutive quarter of double-digit volume growth.

While the company posted volume growth of 10 per cent, most brokerages had pegged the same in the 8-9 per cent band. The growth in the September quarter had

the benefit of a lower base (GST rate cut for about half the company's products), while the same was not the case this time around.

As in the past few quarters, the rural segment — which accounts for 35-40 per cent of sales — saw better growth than urban markets with the outperformance pegged at 1.3 times.

Within key segments, volume growth was led by the home care segment, which posted volume growth of nearly 15 per cent. This segment accounts for a third of the company's sales. The

led by fabric wash and household care brands, operating profit and margins were lower on a sequential basis as the firm is restructuring its water purifiers portfolio from gravity-led products to the more premium UV and RO models. The company took at a ₹40-crore hit on this account and intends to phase out the gravity based water purifier models.

Personal and beauty care, its largest and the most profitable segment, too, saw good growth of 11 per cent. The company re-launched the Joy brand in the per-



sonal wash segment, while the skin care segment saw the launch of ₹10 variants.

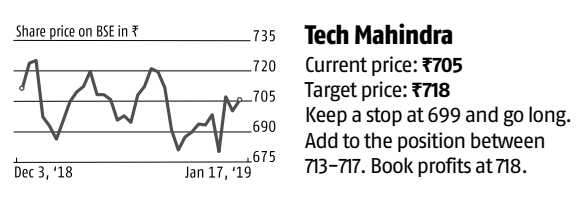
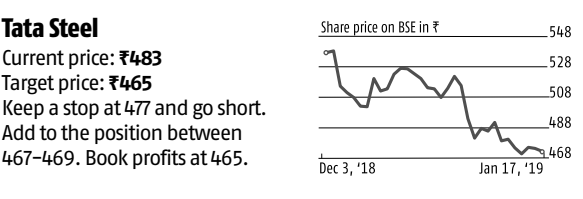
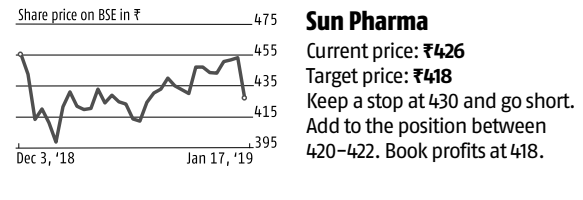
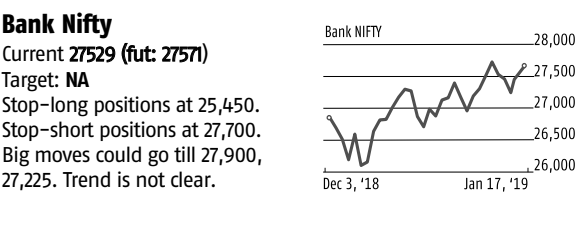
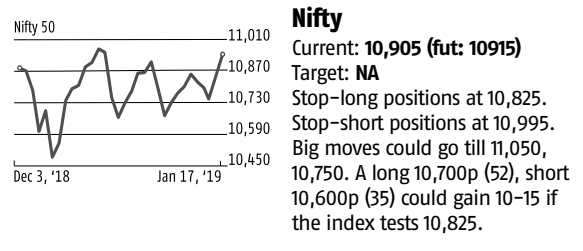
The company hopes to increase penetration in the segment and later upgrade

the customers.

Premiumisation in both the segments, improvement in the product mix, and operating leverage helped the company improve its operating profit margins by 170 basis points to 21.9 per cent.

While being cautious about macro events in the days ahead (such as elections, rural growth), the company is confident about stable growth led by the rural market. While results have been in line with expectations, the stock continues to be expensive and thus upsides from these levels are unlikely.

TODAY'S PICKS



DEVANGSHU DATTA
Target prices, projected movements in terms of next session, unless otherwise stated

Street sees strong recovery for Apollo Hospitals

Steady improvement in operating performance of hospitals business, value unlocking in pharmacy segment keeps market's confidence elevated

UJJVAL JAUHARI
New Delhi, 17 January

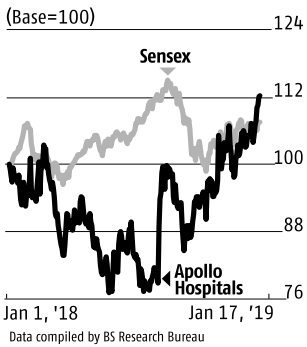
While other listed hospital stocks are struggling on the bourses, Apollo Hospitals has been hitting 52-week highs in recent weeks. The company has been an outlier among peers on expectation of better utilisation and performance in the hospitals business and value unlocking through monetisation of its pharmacy business.

The latter business is India's largest, with over 3,000 stores and a standout segment in recent years. It was a prolonged weak earnings phase emanating from an aggressive expansion plan that had been responsible for earlier underperformance. With earnings recovery taking root from the second half of 2017-18, and improvement in each quarter since, the Street is taking notice of the scale and margin improvement.

This is reflected in the stock gaining 47 per cent since July lows, outperforming peers and the BSE healthcare index that is up about 2.3 per cent during the period.

The healthcare services business' improvement is being led

HEALTHY OUTLOOK



FIRM EARNINGS OUTLOOK

	Net sales	% change y-o-y	Ebitda	% change y-o-y	Net profit	% change y-o-y
FFY18	8,243.5	13.6	793.2	8.9	117.4	-46.9
FY19E	9,291.9	12.7	1,015.1	28	303.8	158.7
FY20E	10,514.6	13.2	1,264.3	24.5	540.1	77.8

E-ESTIMATES, SOURCE: EDELWEISS RESEARCH

by growth in mature hospitals' profit and by the new hospitals cluster. In the September quarter, revenue from health care or the hospital business grew 11 per cent year-on-year, led by a 23 per cent and 9 per cent rise in new and existing hospitals, respectively. The pharmacy business jumped 23 per cent.



Spectra. Operating loss in the first half of 2018-19 for the two units are down by half. The management says it is on track for break-even in 2020.

With the financial year's first half seeing improvement, expectations high for the December quarter. Analysts at Edelweiss expect it to be led by the hospitals segment, as key loss-making ventures break even. They think Ebitda would rise 17 per cent over a year. Elara Capital expects revenue to grow 14 per cent year-on-year, accompanied by Ebitda growth of 17 per cent.

With these adding to the operations at the consolidated level, the company is on track to achieve break-even in its AHLL (Cradle and Spectra). Also, with capital expenditure moderating, analysts expect the return on capital employed to rise from seven per cent to 15 per cent over FY18-21.

Value unlocking in the pharmacy business is also keeping investors enthused. The company is de-merging its pharmacy business into Apollo Pharmacy, to comply with foreign direct investment rules, which prohibit the latter in pharmacies.

There is also a focus on growing the pharmacy business and laying the ground for raising equity or inorganic pharmacy investment, say analysts. The business had been growing well over the past few years and is expected to see annual revenue growth of 18 per cent over FY18-21.

The new hospitals (laggards earlier) clocked 50-plus per cent yearly growth in earnings before interest, taxes, depreciation and amortisation (Ebitda); the Navi Mumbai hospital recorded its first positive quarterly Ebitda, of ₹31 crore.

Apollo also continued to cut losses on segments Cradle and

How to offset multiple long-term capital gains

Even if you sell long-term assets in different financial years and invest in one residence, Section 54F benefit will still apply

TINESH BHASIN

When an individual is taking the benefit under Section 54F of the Income-Tax (I-T) Act, he can sell multiple long-term assets and also claim tax deductions in more than one Assessment Year (AY), depending on when the assets were sold.

The Delhi Bench of I-T Appellate Tribunal (ITAT) recently held that a taxpayer cannot be denied the benefit only because he sold multiple assets in different financial years, while meeting other conditions mentioned in the law.

Section 54F allows taxpayers to sell long-term capital assets, other than a house property, and use the proceeds to buy a new house to save on tax.

Long-term capital assets include equity investments, debt mutual fund investments, gold, jewellery,

bonds, a plot, commercial property, and so on.

"Earlier, there was no restriction on an individual selling one long-term asset and buying multiple house properties anywhere in the world or selling multiple long-term assets and investing in one house. The law was later amended, and it now says that the investment has to be in a single house located in India," says Naveen Wadhwa, a chartered accountant with Taxmann.com. He points out that there's no restriction in the law on selling multiple long-term assets and using the proceeds to buy a new house.

In the case that went to the Delhi Bench, the taxpayer had claimed capital gains deductions under Section 54F in the AY 2011-12 and

2012-13 towards purchasing a single property by selling two different plots in different years.

During assessment proceedings, the tax officer concluded that the taxpayer could not claim double deduction towards investment of

sale proceeds arising out of two different assets in two different AYs, against the purchase of same residential property.

The tax officer contention was that since the purchase could happen only once, which happened in January 2011, the same benefit cannot be extended to the second property in another AY, and so the benefit was denied.

However, the tribunal ruled in favour of the taxpayer. Tax experts say that litigation

under Section 54, which deals with overall capital gains exemption, are common for individual taxpayers.

"The section has beneficial provisions. Most tribunals allow individuals to get the exemptions stated in it when there's a grey area, provided the taxpayers have fulfilled all other conditions mandated by the law," says Arvind Rao, chartered accountant and founder of Arvind Rao & Associates.

Rao points out another case. A doctor sold multiple properties and used the proceeds in a new house. He had claimed depreciation on one of the commercial properties he sold as he was using it as his clinic. The assessing officer disallowed it.

According to the rules, the sale proceeds of any asset on which a taxpayer claims depreciation is treated as short-term capital gains. The tax tribunal, however, allowed the doctor to take the benefit.

LONG-TERM CAPITAL ASSETS

Available for Section 54F benefit

Security	Holding period (months)*
Equity Shares (Listed)	12
Equity Shares (Unlisted)	24
Debentures (Listed)	12
Debentures (Unlisted)	36
Government Securities (Listed)	12
Government Securities (Unlisted)	36
Zero coupon bonds (Listed and unlisted)	12
Bonds (Listed)	12
Bonds (Unlisted)	36
Immovable property (Land and building both)	24
Any other asset	36

*Minimum holding period to qualify for long term capital asset
Source: Taxmann.com

COMMODITIES

MCX BASE METALS FUTURES CONTRACTS
CREATING VALUE FOR HEDGERS
MCX
METAL & ENERGY
Trade with Trust

PRICE CARD				
As on Jan 17	International Price	%Chng*	Domestic Price	%Chng*
METALS (\$/tonne)				
Aluminium	1,839.5	-8.8	2,069.3	-12.0
Copper	5,911.0	-5.4	6,517.5	-1.3
Gold (\$/ounce)	1,293.8*	5.8	1,418.6	5.8
Silver (\$/ounce)	15.6*	6.6	17.2	5.7
ENERGY				
Crude Oil (\$/bbl)	59.7*	-25.8	60.2	-25.2
Natural Gas (\$/mmBtu)	3.5*	6.6	3.6	7.6
AGRI COMMODITIES (\$/tonne)				
Wheat	218.4	-5.3	285.1	2.7
Sugar	352.3*	-6.9	448.5	-1.4
Palm oil	525.0	-4.1	869.8	-4.7
Rubber	1,737.7*	24.1	1,759.6	1.2
Cotton	1,623.0	-5.5	1,729.8	-4.1

* As on Jan 7, 1800 hrs IST, % Change Over 3 Months
Conversion rate 1 USD = 69.7 & 1 Ounce = 31.1032316 grams.
Notes:
1) International metals, Indian basket crude, Malaysia Palm oil, Wheat LUFFE and Coffee Karnataka robusta pertains to previous days price.
2) International metal is LME Spot prices and domestic metal are Mumbai local spot prices except for Steel.
3) International Crude oil is Brent crude and Domestic Crude oil is Indian basket.
4) International Natural gas is Nymex near month future & domestic natural gas is MCK near month futures.
5) International Wheat, White sugar & Coffee Robusta are LUFF E future prices of near month contract.
6) International Maize is MATIF near month future, Rubber is Tokyo-TOCOM near month future and Palm oil is Malaysia FOB spot price.
7) Domestic Wheat & Maize are NCDEX future prices of near month contract, Palm oil & Rubber are NCDEX spot prices.
8) Domestic Coffee is Karnataka robusta and Sugar is M30 Mumbai local spot price.
9) International cotton is ICE near month future and domestic cotton is MUMBAI near month future.
Source: Bloomberg Compiled by BS Research Bureau

Cane arrears hit ₹19,000 crore

Industry calls for immediate increase in minimum selling price as arrears mounting by the day

DILIP KUMAR JHA
Mumbai, 17 January

Despite various government measures to bail out sugar mills from their financial woes, cane payment arrears reached ₹19,000 crore for the season up to December 31.

This was more than double last year's arrears at the same date. Of the total, around ₹5,000 crore was carried over from last year. The rest was for cane supplies for barely six weeks of the current season. Mills began crushing in the second half of November for the 1-season, which officially began October 1.

A food ministry official said the arrears were mounting by the day, due to over-production and lack of export potential. "Given that the peak crushing season has just started, a simple arithmetic calculation shows that the ₹19,000 crore in six weeks might mount to ₹40,000-50,000 crore in the rest of the three-month period of the current crushing season," said an industry source.

The situation is alarming. The government needs to do some-



Sugar mills have already asked for an increase in the minimum sale price of sugar by ₹5 a kg, to ₹34 a kg

estimated sugar production at 30.5 million tonnes in its Second Advance Estimate, a sharp downward revision from its earlier one of 35.5 mt. Another revision is due by end-January, likely to be lower still. Carryover stock from the earlier year is a little over 10 mt; the country's annual consumption is 25 mt.

The arrears figure had reached ₹25,000 crore in the middle of April last year, toward the end of crushing.

"The situation is alarming. The government needs to do some-

thing more to ensure mills fetch better realisation and clear cane arrears to farmers," said Abinash Verma, director-general at Isma.

The mills have already asked for an increase in the minimum sale price of sugar by ₹5 a kg, to ₹34 a kg. Prices in the country are inching up but are still only ₹2,950 a quintal (₹29.5 a kg) in the whole-sale market.

Many mills in Maharashtra, according to reports, have stopped payment to farmers after a first instalment of 50 per cent; less in some cases.

Import of silver surges in 2018

RAJESH BHAYANI
Mumbai, 17 January

Import of silver in 2018 is estimated to have risen sharply, the estimates ranging from 20 to 35 per cent.

According to Debajit Saha, senior analyst at GFMS Thomson Reuters, the rise was 35.2 per cent, to 6,942 tonnes. A leading importer, however, believes the growth was only 20 per cent.

Saha thinks traders bought more as a 'tactical' purchase. A surge in gold price, due to the rupee's fall, also helped divert precious metal buyers to silver. Silver jewellery demand rose in the year's final quarter by 20 per cent, says Saha.

There was also arbitrage demand for silver import, due to a higher price difference between the futures

price on the Multi Commodity Exchange and on the spot market. Traders buy at the latter and sell futures whenever the difference is markedly higher than usual.

Viraj Didwania, director, Foresight Bullion, a large importer, says: "We have seen higher consumer demand in 2018, mostly from rural consumers."

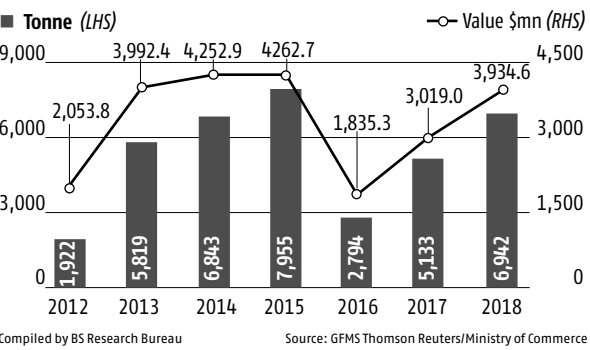
Silver follows gold in terms of price but also has huge industrial use; globally, over half of silver purchase is for industrial purposes.

In India, buyers are also price-sensitive and stock up at lower prices; this also took place, with an eight per cent dip in global prices.

Sugar imports increased by 35.2 per cent in CY18 over the previous year.



RISING NUMBERS



Compiled by BS Research Bureau Source: GFMS Thomson Reuters/Ministry of Commerce

Slide in iron ore, fertiliser traffic hits growth of major ports

JAYAJIT DASH
Bhubaneswar, 17 January

Major ports witnessed subdued growth in cargo during April-December of FY19 as key commodities like iron ore and raw fertilisers slid consistently in volumes.

Total cargo traffic shipped through major ports inched up only 3.77 per cent in this period. Ports of Mormugao, Mumbai and Chidambaranar showed de-growth of 27.52 per cent, 4.5 per cent and 3.2 per cent respectively.

Iron ore cargo- pellets included, dipped 10.9 per cent in the period under review. Raw fertilizer shipments, too, fell 9.51 per cent. Major ports had to con-

tend with tepid growth in cargo throughput despite gains made in coal and container shipments. Thermal or steam coal volumes were up 17 per cent while coking coal saw spike of 15 per cent. Container volumes rose by eight per cent both in tonnage and TEUs (twenty tonne equivalent units).

Major ports had a capacity of 1452 million tonnes (mt) at the end of 2017-18. Of this rated capacity, the ports handled 679.36 mt, marking a compounded annual growth rate (CAGR) of 2.73 per cent between 2007-08 and 2017-18. Solid cargo contributes the largest share of all traffic handled at major ports followed by liquid cargo and container.

A report by the India Brand Equity

Sensex up 53 pts, Nifty reclaims 10,900-mark

PRESS TRUST OF INDIA
Mumbai, 17 January

The benchmark indices closed higher for the third straight session on Thursday, on stock-specific action amid mixed cues from the global markets.

After circling nearly 300 points, the Sensex settled 52.79 points, or 0.15 per cent, higher at 36,374.08. The broader Nifty inched up 14.90 points, or 0.14 per cent, to 10,905.20.

In the Sensex pack, Axis Bank, HCL Tech, M&M, TCS, HDFC, Kotak Bank, PowerGrid, Hero MotoCorp and Vedanta were among the top gainers, rising up to 1.91 per cent. Sun Pharma was the biggest loser, cracking 5.78 per cent. Other laggards were YES Bank, SBI, Bajaj Finance, Tata Steel, Bharti Airtel and ONGC, declining up to 3.31 per cent.

RIL and HUL declined up to 1.12 per cent ahead of their quarterly results.

Indices swung between positive and negative territory as uncertainty prevailed ahead of the interim budget and key corporate results, said Paras Bothra, President, Equity Research, Ashika Group. IT stocks supported the market on account of weaker rupee, while real estate stocks also witnessed positive momentum as there are signs that worst may be over for the sector, Bothra added.

According to Vinod Nair, Head of Research, Geojit Financial Services, global trade tensions and risk of recession will cast cloud over the sentiment while lack of major triggers in the domestic market could steer a range-bound movement in the near term. On a net basis, foreign portfolio investors (FPIs) sold shares worth ₹90.10 crore on Wednesday, while domestic institutional investors (DIIs) were net buyers to the tune of ₹304.27 crore, provisional data available with the BSE showed.

The rupee, meanwhile, was trading 6 paise higher against the dollar at 71.18. The benchmark Brent crude futures slipped 0.95 per cent to \$60.74 per barrel.

Elsewhere in Asia, the Shanghai Composite Index lost 0.42 per cent, Hong Kong's Hang Seng fell 0.54 per cent and Japan's Nikkei shed 0.20 per cent, while Korea's Kospi ended 0.04 per cent higher. In Europe, London's FTSE fell 0.56 per cent, Frankfurt's DAX was down 0.54 per cent and Paris CAC 40 dropped 0.32 per cent in early deals.

Before start of new oil pact, Opec made progress averting glut

REUTERS

London, 17 January

Opec said on Thursday it had cut oil output sharply in December before a new accord to limit supply took effect, suggesting producers have made a strong start to averting a glut in 2019 as a slowing economy curbs demand. The Organization of the Petroleum Exporting Countries said in a monthly report its oil output fell by 751,000 barrels per day (bpd) in December to 31.58 million bpd, the biggest month-on-month drop in almost two years.

Worried by a drop in oil prices and rising supplies, Opec and its allies including Russia agreed in December to return to production cuts in 2019. They pledged to lower output by 1.2 million bpd, of which Opec's share is 800,000 bpd. The reduction in December means that should Opec fully implement the new January 1 cut, it will avoid a surplus that could weaken prices. Oil slid from \$86 a barrel in October to below \$50 in December on concerns of excess supply. Opec expects 2019 global oil demand growth to slow to 1.29 million bpd from 1.5 million in 2018 although it was more upbeat about the economic backdrop than last month and cited better sentiment in the oil market.

IN BRIEF

US introduces bipartisan Bills targeting Huawei and ZTE

A bipartisan group of US lawmakers introduced Bills on Wednesday that would ban the sale of US chips or other components to Huawei Technologies Co, ZTE or other Chinese telecommunications firms that violate US sanctions or export control laws. The proposed law was introduced shortly before the *Wall Street Journal* reported federal prosecutors were investigating allegations that Huawei stole trade secrets from T-Mobile US and other US businesses. The *Journal* said that an indictment could be coming soon on allegations that Huawei stole T-Mobile technology, called Tappu, which mimicked human fingers and was used to test smartphones. Huawei said in a statement the company and T-Mobile settled their disputes in 2017 following a US jury verdict that found “neither damage, unjust enrichment nor willful and malicious conduct by Huawei in T-Mobile’s trade secret claim”.

Facebook removes pages, accounts with Russia links

Facebook said it has removed a number of pages, accounts and groups that were involved in coordinated inauthentic behaviour on Facebook and Instagram. The two operations were found to have originated in Russia, with one active in multiple countries and the other specific to Ukraine. “We didn’t find any links between these operations, but they used similar tactics by creating networks of accounts to mislead others about who they were...,” it said.

France calls for Ghosn ouster as Renault CEO

BLOOMBERG
Paris, 17 January

Carlos Ghosn is looking increasingly isolated in his Tokyo cell, where the fallen car executive has languished for the better part of two months amid dimming prospects of a release any time soon.

On Wednesday evening in France, Finance Minister Bruno Le Maire called for “a new and durable governance for Renault,” suggesting that Ghosn’s last line of defense, the French government, has fallen. On Thursday, Renault said that it, too, was re-evaluating its governance structure.

It’s a reversal for the government, which had shown restraint until now to call for Ghosn’s head, saying he should be presumed innocent until proven otherwise. But as

Ghosn’s chances of a release from detention anytime soon become increasingly unlikely, the realisation has set in at Renault’s biggest and most important shareholder that the company needs to move on from Ghosn, the figurehead of the carmaker and the Renault-Nissan alliance for years.

Renault’s acting chairman and lead independent director, Philippe Lagayette, and Patrick Thomas, who heads governance committee, said in a statement that Renault is actively working to find a solution for its future governance. For now, the company will continue to operate under its existing set-up.

French officials — among them Renault board member Martin Vial — are in Tokyo to discuss the future of Renault’s partnership with Nissan.

Brexit Mayday in Britain: Plan B too nits roadblock

PM survives no-trust vote, reaches out to Opposition but Corbyn digs in his heels

AGENCIES
London, 17 January

Britain’s last-minute scramble to shape its exit from the European Union, its biggest policy upheaval in half a century, hit the rocks on Thursday as Prime Minister Theresa May and opposition Labour leader Jeremy Corbyn dug in their heels for competing visions.

A beleaguered May earlier appealed to the Opposition to “put self-interest aside” and work with her to secure a new Brexit deal after she survived a no-confidence vote on Wednesday, a day after her divorce deal with the EU was rejected by MPs.

She won Parliament’s first no-confidence vote in a British government in 26 years by 325 votes to 306.

After emerging victorious, 62-year-old May said this win now gives “us all the opportunity to focus on finding a way forward on Brexit”.

Britain is set to exit the 28-member EU, which it joined in 1973, on March 29. May promised to return to Parliament on Monday with an alternative Brexit strategy devised through talks with the Opposition.



Brexit supporters outside Parliament in London. PM Theresa May has decided to skip next week's World Economic Forum meeting in Davos to focus on Brexit negotiations

Yet there was little sign on Thursday that either of the two major parties — which together hold 88 per cent of the 650 seats in Parliament — were prepared to compromise on key demands.

Corbyn said May had sent Britain hurtling towards the cliff edge of a sudden exit on March 29 with no transition period, and urged her to ditch her “red lines”. He repeated his condition for talks: A pledge to block a no-deal Brexit. “The government confirmed that she would not take ‘no-deal’ off the table,”

Corbyn said in a speech in Hastings, scene of a battle in 1066 that ushered in the Norman conquest of England.

“So I say to the prime minister again: I am quite happy to talk, but the starting point for any talks about Brexit must be that the threat of a disastrous no-deal outcome is ruled out,” Corbyn said.

But the further May moves towards softening Brexit, the more she alienates dedicated Brexit supporters in her own Conservative party who think the threat of a no-deal exit is a crucial bargaining chip and

2nd referendum only after a year

A second referendum on Britain’s membership of the European Union would take more than a year to organise, according to government guidance shown to lawmakers on Wednesday, a source in PM Theresa May’s office said. Earlier, a spokeswoman for May told reporters that a one-page document had been shown to lawmakers during meetings aimed at finding a way forward on Brexit.

should anyway not be feared.

If May fails to forge consensus, the world’s fifth-largest economy will drop out of the EU on March 29 without a deal or will be forced to delay Brexit, possibly holding a national election or even another referendum.

Parliament on January 29 will hold a whole day of debate on May’s proposed next steps, and the alternatives put forward by other lawmakers. They will not be asked to vote to approve a revised Brexit deal at this stage.

Apple prepares to slash hirings after fewer iPhone sales

BLOOMBERG
San Francisco, 17 January

Apple will cut back on hiring for some divisions after selling fewer iPhones than expected and missing its revenue forecast for the holiday quarter, according to people familiar with the matter.

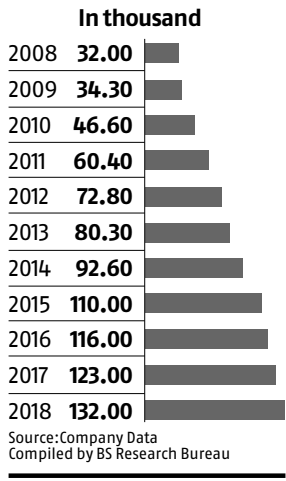
Tim Cook, Apple’s CEO, made the disclosure to employees earlier this month in a meeting the day after he penned a letter to investors about the company’s recent struggles, particularly in China. During the meeting, Cook was asked if the firm would impose a hiring freeze in response. He said he didn’t believe that was the solution. Instead, Cook said some divisions would reduce hiring, according to the people, who asked not to be identified discussing private matters.

Cook said he is yet to fully determine which divisions would cut back on hiring, but said that key groups such as Apple’s artificial intelligence team would continue to add new employees at a strong pace. He also emphasised that a division’s importance to Apple’s future isn’t measured by hiring rates.

An Apple spokesman didn’t respond to a request for comment. Apple has been on

GROWING WORKFORCE

Apple’s hiring surged over the last decade



Source: Company Data Compiled by BS Research Bureau

a hiring spree in the past decade, but the pace of headcount growth has slowed in recent years. The company added about 9,000 workers in its most-recent fiscal year for a total of 132,000. A year earlier, Apple added roughly 7,000 employees.

The hiring pullback won’t affect plans to open new offices in Austin, Texas, nor expand in the Los Angeles area, where Apple is building out its original video content team, the CEO also said.

JOHN C BOGLE (MAY 8, 1929–JANUARY 16, 2019)

A tireless advocate for the small investor

API/PTI
Valley Forge (US), 17 January

When he lost his job running a mutual fund company after stocks tanked in the early 70’s, John C Bogle decided that money managers knew very little about predicting the market — and charged way too much for that lack of knowledge.

He founded a fund company, Vanguard, in 1974.

Two years later, Vanguard introduced the first index fund for individual investors — a vehicle that simply tracks the performance of an index like the S&P 500.

It was no frills and enabled investors to avoid the higher fees assessed by professional fund man-

agers who frequently failed to beat the market.

The fund, called First Index Investment Trust, was derided for years as “Bogle’s folly”. Critics maintained that it aimed only for mediocrity and missed moneymaking opportunities outside the index’s narrow focus.

Bogle, who died Wednesday at the age of 89, and Vanguard eventually won investors over. That initial fund is now the Vanguard 500 Index fund with \$400 billion in assets.

It is no longer Vanguard’s biggest fund, but remains among the company’s lowest-cost offerings. Shareholders are charged annual operating expenses of \$4 for every \$10,000 invested — a fraction of the



\$100 and up that actively managed mutual funds may charge.

And although his name wasn’t as widely known as Warren Buffett’s, Bogle won followers who dubbed

themselves “Bogleheads”. Bogle served as Vanguard’s chairman and CEO from its founding until 1996.

He stepped down as senior chairman in 2000, but remained a critic of the fund industry and Wall Street, writing books, delivering speeches and running the Bogle Financial Markets Research Center.

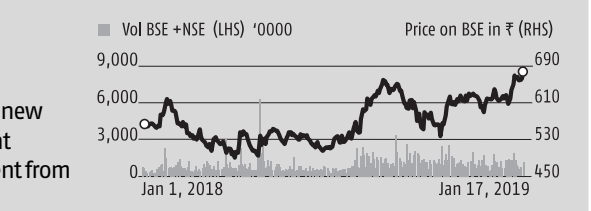
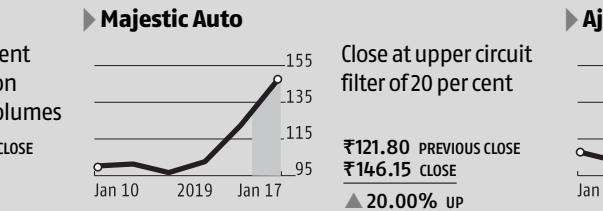
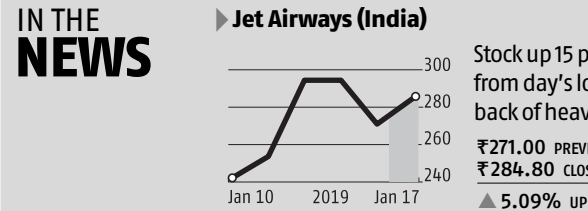
In a statement Wednesday, the investor advocate group Better Markets called Bogle “a tireless advocate for the small investor and the conscience of the financial industry.”

The advent of index funds accelerated a long-term decline in fund fees and fostered greater competition in the industry. Investors paid 40 per cent less in fees for each dollar invested in stock mutual funds during 2017

than they did at the start of the millennium, for example.

But Bogle continued to maintain that many funds were overcharging investors, and once called the industry “the poster-boy for one of the most baneful chapters in the modern history of capitalism.” He believed that the corporate structure of most fund companies poses an inherent conflict of interest, because a public fund company could put the interests of investors in its stock ahead of those owning shares of its mutual funds. Vanguard has a unique corporate structure in which its mutual funds and fund shareholders are the corporation’s “owners”. Profits are plowed back into the company’s operations, and used to reduce fees.

STOCKS



NIFTY 50

Close (₹)						Close (₹)					
Company	17 Jan '19	% Chg	WT	PE	Std	Company	17 Jan '19	% Chg	WT	PE	Std
Adani Ports	394.5	1.3	0.7	25.3	35.9	IOC	137.7	1.4	1.3	5.9	5.8
Asian Paints	1389.6	0.0	1.4	62.7	65.2	ITC	294.0	0.0	7.8	31.3	30.9
Axis Bank	676.7	1.9	3.4	381.561232	JSW Steel	289.0	0.9	0.9	7.7	8.8	8.8
Bajaj Auto	2729.7	0.4	0.9	17.6	18.4	Kotak Mah Bank	1220.0	1.4	3.5	34.6	34.6
Bajaj Finserv	2535.9	1.3	1.4	54.8	45.2	L&T	1346.1	0.3	4.1	21.8	21.8
Bharti Airtel	6359.0	-1.6	0.9	29.2317.1	Mah & Mah	734.7	1.2	1.6	11.5	17.8	17.8
Bluebird	322.1	-0.6	0.9	77.7	Murali Suzuki	7336.3	0.4	2.1	28.1	28.1	28.1
BSPCL	280.5	1.7	0.5	21.4	20.2	NTPC	144.9	1.0	1.1	11.4	11.6
Coal India	355.2	2.3	0.8	7.9	9.3	ONGC	145.0	-0.9	1.4	7.1	7.3
Dr Reddys	509.6	-0.4	0.6	29.8	25.6	Power Grid	193.9	1.0	1.0	12.4	11.8
Eicher Motors	232.1	0.0	0.8	12.9	14.7	Reliance Ind	1134.5	-0.1	8.4	19.0	20.6
GAIL	2037.0	-1.8	0.6	26.4	30.8	SBI	257.4	-1.9	2.4	34.9	-
Grasim Ind	332.4	2.1	0.8	15.6	13.6	Sun Pharma	426.6	-0.0	6.0	10.6	10.6
HDFC Bank	828.1	0.2	0.7	34.3	179.8	Tata Motors	184.9	-0.3	0.7	103.1	54.4
HDFC Tech	954.7	1.8	1.1	14.3	16.7	Tata Steel	473.2	-0.3	0.8	2.6	6.7
HDFC Bank	2004.6	1.5	7.5	21.2	26.2	TCS	1894.3	1.3	1.3	23.5	24.5
Hero MotoCorp	2123.3	0.6	9.9	31.3	30.4	Tech Mahindra	706.5	0.8	1.0	16.8	10.4
Hindalco	2903.6	0.8	0.8	15.6	19.5	Titan Company	961.6	0.0	0.9	77.5	68.1
Hindustan Bank	206.0	-1.2	0.7	7.6	31.3	UltraTech	3846.5	-1.0	0.9	53.5	55.6
ICICI Bank	244.2	1.5	0.8	8.2	5.7	UPL	769.1	0.4	0.6	18.7	75.5
ICICI Indus	2004.3	1.5	8.8	21.2	26.2	Vedanta	197.5	0.6	0.8	6.0	10.6
ICICI Bank	374.6	-0.2	5.2	31.3	69.7	Wipro	335.4	-0.3	0.8	19.7	21.4
Infosys	816.8	-1.5	0.6	8.1	8.9	YES Bank	201.5	-3.3	0.8	11.0	10.4
IndusInd Bank	1523.0	-0.2	1.7	21.3	22.8	Zee Enter	401.5	-2.5	0.3	28.1	21.5
ITC	373.4	-0.5	6.0	21.3	22.8	Nifty 50	10955.2	▲ 0.1	100.0	15.8	21.8

ADVANCES/DECLINE

BSE

Category	Value
Advances	1,083
Decline	1,558

NSE

Category	Value
Advances	593
Decline	1,040

BSE MIDCAP

Category	Value
Advances	39
Decline	63

BSE SMALLCAP

Category	Value
Advances	290
Decline	547

MARKET OVERVIEW

MARKET OVERVIEW										
INDEX	AGGREGATES	PE	Shs	Trds	Adv	Dec	1 yr	Ret		
Nifty 50	19,828.218	27.17	140	15	15	2.1	1.1	-	(C = Consolidated; S = Standalone)	
SENSEX	21,272.5	21.1	140	15	15	2.1	1.1	-		
Turnover	19,828.218	27.17	140	15	15	2.1	1.1	-		
Value (₹ crore)	2,444	2,7583								
Shares (In Mn)	11,954.4	11,775.6								
Traded (In Mn)	1145	10040								
MARKET-CAP (₹ CR)	Traded	Total								
BSE	14,362,420	14,474,358								
NSE	14,238,655	14,304,531								
Derivatives	10,939,374	10,939,374								

FIIS IN DERIVATIVES										
(₹ crore)	Index	Stock	Index	Opt	Stock	Index	Opt	Stock	Index	Opt
On 16 Jan	-453	127	0.5	0.8	1.6	On 16 Jan	-453	127	0.5	0.8
On 15 Jan	1347	804	0.4	0.8	1.5	On 15 Jan	1347	804	0.4	0.8
On 14 Jan	-970	645	0.4	0.8	1.5	On 14 Jan	-970	645	0.4	0.8
On 13 Jan	-321	63	0.4	0.8	1.5	On 13 Jan	-321	63	0.4	0.8
On 10 Jan	-865	-191	833	303	2772	On 10 Jan	-865	-191	833	303
On 9 Jan	-808	-602	604	304	307	On 9 Jan	-808	-602	604	304
On 8 Jan	-2876	-2176	5098	34934		On 8 Jan	-2876	-2176	5098	34934
On 7 Jan	-2876	-2176	5098	34934		On 7 Jan	-2876	-2176	5098	34934

S&P BSE SECTORAL INDICES										
Auto	Banking	Chemicals	Commodities	Consumer Goods	Energy	Healthcare	IT	Infrastructure	Media	Telecom
19,965.9	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4
19,965.9	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4
19,965.9	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4
19,965.9	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4
19,965.9	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4
19,965.9	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4
19,965.9	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4
19,965.9	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4
19,965.9	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4	19,991.4

F&O SNAPSHOT											
Futures					Options						
Index	Strike	Traded	Open	% Chg	Index	Strike	Traded	Open	% Chg		
MOST BULLISH					MOST BEARISH						
Nifty	7.3	7.3	1.4	0.9	Nifty	259.3	285.3	-9.1			
Power	5.3	5.3	0.9	0.9	Apollo Hospitals	1343.7	1353.0	-0.7			
Energy	51.2	50.9	0.7	0.9	Kavay Seel	560.2	572.0	-0.7			
FCI	14.9	14.9	0.7	0.9	Steel	1060.2	1064.8	-0.4			
South Ind Bk	15.8	15.7	0.6	0.6	TVS Motor	545.0	547.2	-0.4			
BSE					NSE						
Index	Strike	Index	Strike	Stock	Index	Strike	Index	Strike	Stock		
FUTURES					PUTS						
Contracts	-	275355	743523	Market	510.4	1048.1	0.5				
Open Int.(00)	-	302658	887946	Topic							
Change Int.(Mn)	-	12.9	1585.2	1st	PC Ratio	Bottom	5th	PC Ratio			
Value (₹ crore)	-	18752	45176	KFPT Tech	1.4	Maha Gas	0.1		0.1		
OPTIONS					PUTS						
Contracts	-	2892632	748526	Infosys	1.2	PTC India	0.1		0.1		
Open Int.(00)	-	120041	1438434	Kajaria Cer	1.2	Berge Paints	0.1		0.1		
Change Int.(Mn)	-	675.2	1306.5	Trentor Phar	1.1	Mx India	0.1		0.1		
Value (₹ crore)	-	1637765	46492	Power Fin	1.8	GSFC	0.1		0.1		
ACTIVE CALLS					ACTIVE PUTS						
Index					Index						
Nifty	17/01/19	27500	80.7	0.1	-82.5	Nifty	17/01/19	27400	61.6	1.4	126.1
Nifty Bank	17/01/19	27600	4.4	2.2	199.7	Nifty Bank	17/01/19	27500	54.4	1.4	75.0
Nifty Bank	17/01/19	27700	70.8	1.8	173.1	Nifty Bank	17/01/19	27300	44.9	1.8	136.5
Nifty Bank	17/01/19	27800	40.7	0.9	100.0	Nifty Bank	17/01/19	27200	22.6	1.0	35.4
Nifty Bank	17/01/19	27900	23.3	1.1	14.4	Nifty Bank	17/01/19	27600	19.0	0.0	-91.2
Stock					Stock						
Federal Bank	31/01/19	95	42.8	8.4	137.4	Federal Bank	31/01/19	90	14.4	2.9	38.2
Federal Bank	31/01/19	100	39.2	4.7	101.9	Federal Bank	31/01/19	85	12.9	2.0	56.5
Federal Bank	31/01/19	90	19.9	4.9	37.1	Federal Bank	31/01/19	88	9.2	1.8	71.9
Federal Bank	31/01/19	93	17.0	4.8	34.7	Yes Bank	31/01/19	200	9.1	2.2	-10.9
DFC Bank	31/01/19	59	13.1	7.8	166.8	Yes Bank	31/01/19	300	8.6	2.2	3.9

Exit Vodafone pug, enter network engineer

The latest ad campaign by Vodafone Idea puts the spotlight firmly on the backroom boys in the telecom business



ROMITA MAJUMDAR & VIVEAT SUSAN PINTO
Mumbai, 17 January

A year ago, telecom operator Vodafone had brought its mascot, the pug, back into its advertising lexicon, while opting to convey the message of *#StrongerTogether*. The merger with Idea had not been completed yet and Vodafone chose to push the message of a data-strong network using a symbol loved by all.

The communication was done without getting down to the brass tacks of networks, signals, towers and missed calls, something that rivals Airtel and Jio were pushing hard. Instead, the Vodafone commercial, done by ad agency Ogilvy & Mather (O&M), showed an army of pugs following a boy through a street, symbolic of the network that follows you (Vodafone's earlier positioning), now laden with an underlying message that one could talk, browse, play and shop without interruption (reflective of its new positioning), the result of adding a tower every hour.

A year on, Vodafone, now part of the merged entity Vodafone Idea Limited (VIL), has taken the thought of a data-strong network to the next level with *#StrongerEveryHour*, its first campaign of the year.



Vodafone's new commercial has done away with the popular pug (left), celebrating the effort put by network engineers (top)

The idea of adding a tower every hour is there, but it is layered with one more message, namely, the service is uninterrupted even in crowded places.

The latest ad, done by O&M again, Vodafone's ad agency, shows two engineers tinkering away in a dimly-lit highway tunnel. One tells the other, "What's the point of working in these conditions if people will only watch cat videos and not really know or remember us after all the hard work we've put?" The older engineer turns around with a twinkle in his eyes and says, "We do this so people don't remember us."

Vodafone's trademark sophistication and cool has made way for the earthy realism of telecom — it is a tough business to crack, requiring an army of people, who work in tough conditions, ensuring consumers get the best experience and service.

K V Sridhar, founder and chief creative officer, Hyper Collective, says that the new communication is a reflection of the new reality — the domestic telecom market is hyper-competitive and that players have to constantly remind consumers that it is the better network providing uninterrupted service in data-dark places including tunnels, elevators and mountainous areas.

As K S Chakravarthy, chief creative officer, Tidal7 Brand & Digital, says, "The cuteness is gone. What we see is proof-of-the-pudding advertising."

Hirol Gandhi, executive vice president and national integrated head, Team Vodafone at O&M, says, "We started this journey last year with *#StrongerTogether*. It showcased Vodafone's always-on effort in delivering a better experience for subscribers.

The campaign, *#StrongerEveryHour*, builds on it, humanising the network improvement effort of Vodafone."

Sashi Shankar, chief marketing officer, Vodafone Idea Limited, says that it was important to put the spotlight on the "backbone" of the telecom industry, namely, network engineers. "For any telecom service operator, network engineers are the backbone for providing uninterrupted connectivity. Through this campaign, we are saluting these heroes for helping us deliver superior customer experience. Driven by digital, the *#StrongerEveryHour* campaign captures the essence of providing a seamless network experience across other media such as television, out-of-home, print and radio."

Telecom experts say that the merged entity has been quietly driving its network roll-out initiative over the last few months and the campaign brings to the fore the faces pushing all of this, pointing also to a clever human resources policy that believes in giving credit where it is due.

The campaign, they say, has also picked up from where most other telecom operators are positioning themselves today: as the leading mobile data service providers.

The commercial, say experts, comes with a hint of the familiar Idea brand of earthy humour packaged in Vodafone colours such that you expect the Idea background score to actually play. Instead, viewers hear the thumping beats in sync with Vodafone's communication.

In October 2017, Vodafone India and O&M, reiterated their brand commitment with a new ad campaign focused on the telecom operator's 4G services. Idea Cellular, meanwhile, parted ways with Mullen Lowe Lintas, the agency that gave them its iconic "What an Idea Sirjee?" and "An Idea can change your life" campaigns. Idea has always catered to a largely rural market with loud jingles, lush fields and quaint villages. Vodafone, of course, has focused on the urban elite.

Brand experts say that VIL would do much better to push through Vodafone's image over Idea's, since the latter's target audience is too close to its primary rival Jio. VIL and O&M are not dropping hints at all. For now, there seems to be no pug in Vodafone's communication.

THE BS CROSSWORD

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ACROSS

8 Moustache component typifying a very silky yarn (6)

9 Not much experience of life? No good going off for the second person (3)

10 Decoy AI away from the glamour (4)

11 Force a tofu to be a publicist (5,5)

12 Speed, wretched love away and leave this place! (4)

13 Claim of an unbalanced girl? (6)

16 Call creature causing irritation? (8)

17 The most ill-favoured guileful guile, by the way (7)

18 Cruise with his namesakes and their drums (3-4)

22 Popular ruler of Holland presiding over a hive of industry (5,3)

25 You are old; return to the rise providing top dwellings (6)

26 It's hell on a Sunday in rural Norfolk! (4)

27 Slum settlement sailors sing of? (6,4)

30 Fairy, ripe for processing (4)

31 Old age, in old times (3)

32 Are in debt, but managed to bring up the children (6)

DOWN

1 Only a churl would express contempt for HM (4)

2 Intervals quietly employed in empty talk (4)

3 Use foot-levers to steer lad in different direction (8)

4 One way to remember how circulation is maintained (2,5)

5 Although heavy, one may press it (6)

6 The south starts to have a drought, but the tide's about to turn (5,5)

7 He's able to describe a legal document with hesitation (6)

14 A fool with drink inside, maybe (3)

15 Perfectly sure it is under top bunk with oil for rough work garb (10)

19 Tax to excess, and engender public fury (8)

20 Doughnut eaten by me, one of the Stooges (3)

21 Wants and so maddens maddeningly? (7)

23 College's former partner would suit either male or female (6)

24 Motor-coach on which he accompanies some learner-driver, the same going with the grain (6)

28 Cool down, what is wrong? (4)

29 Growth debilitated when a boy has gone (4)

SOLUTION TO #3249

T N E E A C H

M O L E C O X I A L U R U S

L T T O O R G C T

M U T T O N T H A N K F U L

L U T M O

E L L I P T I C B L O B B Y

A N A R O

N X T E N

T E A M U P E N H A N C E D

O L S A D

S T O O D O U T T R E P A N

E E T T U R L

B A N E M D E N E L M O

R D R O G R A

BS SUDOKU

2662

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4

HOW TO PLAY

Fill in the grid so that every row, every column and every 3x3 box contains the digits 1 to 9

SOLUTION TO #2661

1 8 2 6 9 7 5 3 4

7 4 9 5 1 3 2 6 8

6 5 3 2 4 8 1 9 7

5 2 7 8 3 4 6 1 9

3 1 6 7 2 9 4 8 5

8 9 4 1 5 6 7 2 3

2 6 8 3 7 5 9 4 1

9 7 1 4 8 2 3 5 6

4 3 5 9 6 1 8 7 2

Easy: ★★

Solution tomorrow

NATIONAL

AhmedabadSunny 29/14

AizawlSunny 22/8

BengaluruSunny 29/13

BhopalSunny 27/11

BhubaneswarSunny 28/13

ChandigarhSunny 21/7

ChennaiMostly sunny 29/21

DelhiFog 22/6

GuwahatiSunny 26/12

HyderabadSunny 31/14

ImphalSunny 23/8

IndoreSunny 28/12

KochiPartly cloudy 34/21

KolkataSunny 26/12

LucknowSunny 22/8

MangaloreSunny 33/21

MumbaiSunny 32/22

PuneSunny 33/16

SrinagarPartly cloudy 5/-4

SuratSunny 32/16

ThiruvananthapuramSunny 32/22

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Dr. UPSC Android App

NEWSMAKER: NARESH GOYAL/ CHAIRMAN/JET AIRWAYS

Grounded high-flier

Once the trend-setter in domestic aviation, the Jet Airways promoter's ambitious strategies and poor execution could cost him control of the airline he founded 25 years ago



ANEESH PHADNIS
Mumbai, 17 January

He began as a cashier in his uncle’s travel agency and went on to become the chairman of India’s second largest airline by market share, but Naresh Goyal’s long and eventful reign at the helm of Jet Airways is set to end soon.

A hands-on promoter and a master in forging partnerships, Goyal, 69, built commercial ties with airlines around the world including Etihad Airways, which acquired a 24 per cent stake in his airline in 2013. As he seeks a bailout from Etihad for the second time, he may have to give up control of the airline he founded 25 years ago.

Jet Airways was not the first private domestic airline to start operations when government eased rules in early 1990s. But it is the only surviving airline of the era. East West Airlines started in 1992 and closed four years later. Others, including Damania Airways, NEPC, ModiLuft, folded up too.

“Creating a world class home-grown airline is Goyal’s achievement,” recalls a former employee of Jet Airways. With its attention to detail and customer focus, the airline captured the imagination of Indian air travellers long used to drab service of Indian Airlines. Goyal was also able to attract best talent in aviation from India and elsewhere and that is one of the reasons why Jet managed to survive when its peers floundered.

In its first year of operations, Jet operated 28 daily

flights to 12 destinations with a fleet of four Boeing 737 aircraft. A decade later, the airline commanded a domestic market share of nearly 46 per cent (today its share is 15.8 per cent). The advent of no-frills brands — first in Air Deccan and later GoAir, IndiGo, SpiceJet and full-service Kingfisher — dented its share.

Two significant decisions — the acquisition of Air Sahara and an aggressive international foray in 2006-07 — continue to impact the airline to date. Goyal, it is said, was advised by his close colleagues against the Air Sahara acquisition. It was not worth the price the airline was paying, they told him. But Goyal persisted and eventually Jet acquired Air Sahara. The airline management tried restructuring and rebranded the airline Jet Lite, but the acquisition has been a drain on its resources. Three years ago, Jet wrote off its entire ₹1,800 crore investment in Jet Lite.

Over the past two decades, Goyal and his wife Anita have been hands-on promoters. At the same time, he has been successful in managing the policy environment. Whether it was on grounds of protectionism in the 1990s and 2000s (which scuttled Tata Singapore Airlines’ aviation plans) or for the need of foreign investment in airlines in 2012, Goyal swayed the policy to suit his airline. Jet Airways was the first beneficiary of the relaxation in foreign direct investment rules when Etihad picked up a 24 per cent stake in the airline in 2013.

Over the years, the airline has also seen frequent changes in its top deck and reshuffling of portfolios, all of which have impacted the airline. Faced with a crisis, Goyal’s strategy has been to throw more

resources to solve it—such as hiring more executives or consultants, often leading to an overlap in roles, recalls a former colleague. For instance, last year it got an executive from Etihad in the finance role despite having senior team members in the department. The airline retains a top-heavy structure though in recent months, it has asked seniors to take a pay cut.

“Goyal changed the status quo in Indian aviation, raised the bar on products and services and forged alliances with many international carriers like Air France-KLM, Delta and others. No other Indian carrier has achieved that,” said a sector expert. “He is an unusual businessman. Impatience coupled with brilliance. Wit on one side and ego on another. Goyal can be faulted for execution but not for foresight or strategy,” the colleague recalled.

But bad decisions and an adverse macro-economic environment, principally the sharp rise in oil prices, magnified those failings. “Jet Airways has been in perpetual restructuring mode for the past five years. But despite the notable improvements in productivity and reduction in non-fuel costs, this has not delivered a financial turnaround. The investment from Etihad in 2013 had provided some breathing space, but the airline once again finds itself confronted with a challenging situation. To secure Jet’s long term-viability, timely recapitalisation and restructuring should be accompanied by fresh thinking, which could include a change of ownership,” aviation consultancy CAPA said in its report last September.

This is not the first time that the airline is facing a serious crisis. Jet faced its first predicament in April 1997 when government disallowed foreign airlines to hold investment in Indian carriers. Gulf Air and Kuwait Airways controlled a 40 per cent stake in Jet Airways at that time and many believed Jet would close down too. It did not. Goyal acquired the stake from the two Gulf airlines. Goyal currently owns 51 per cent in the airline but with banks considering converting existing debt into equity, the promoter stake would be diluted.

Late last year, with the airline headed for default and employee salaries in abeyance after consecutive quarters of losses, talks were held with Tata Sons, too, for a stake sale but the discussions evaporated because Goyal was unwilling to accept the stiff conditions laid down by the group.

In 2013, Etihad Airways invested \$379 million for a 24 per cent stake and bailed out the airline. While relations between Etihad and Goyal turned cold in the last few years over Jet’s growing closeness with Air France-KLM group, the Abu Dhabi airline is in talks once again with Goyal and the airline’s lenders to prepare a resolution plan. This may save the airline. Whether it will save Goyal’s presence on its board is the question that is still to be determined.

Forget the trade war. China is already in crisis

MICHAEL SCHUMAN
17 January

Once again, the world’s investors are turning their worried gaze toward China. And for good reason. Economic growth in the third quarter sank to 6.5 per cent, the slowest pace since the depths of the global financial crisis in 2009. Car purchases fell last year for the first time in more than two decades. Apple’s warning in early January that iPhone sales in China were sagging alerted the world to how a slowing Middle Kingdom would drag down global growth and corporate profits. But the locals figured that out a while ago. Even after a recent uptick, the stock market in Shanghai has still plunged by more than a quarter from its 2018 high. The outlook isn’t any rosier. Tariffs on Chinese exports to the US imposed by President Donald Trump are starting to pinch the country’s factories. A steep and unexpected plunge in imports in December signaled just how sharply the economy is decelerating. That’s led Beijing to turn the volume down on its bravado and negotiate with Washington to defuse the conflict.

A trade pact, if it happens, may soothe investors, and perhaps even juice economic growth—at least temporarily. But it won’t bring an end to China’s woes. While tariffs are a nuisance, the real problems run deeper, embedded in China’s financial structure.

What goes widely unnoticed is that China is already in crisis. No, it’s not the sort of hold-on-for-dear-life collapse the US had in 2008 or the surprising, ferocious meltdowns the Asian Tiger economies experienced in 1997. Nonetheless, it’s a crisis, complete with gutted banks, bankrupt companies, and state bailouts. Since the Chinese distinguish their model of state capitalism as “socialism with Chinese characteristics,” let’s call this a “financial crisis with Chinese attributes.”

This crisis is not merely about the current slowdown in growth. It’s been going on for a while, and by the looks of it, isn’t going away anytime soon. On the surface, the whole idea that China is in a crisis may sound ridiculous. Growth has tapered off, but it remains relatively strong—assuming you believe the government’s figures. Banks aren’t tumbling into insolvency on a massive scale. While anxiety over the state of the economy has mounted—thus the pullback by Chinese shoppers—the mood in China hasn’t degenerated into the gloom that usually accompanies financial upheavals. True, China may never suffer the panicked fiasco that emanated from Wall Street in 2008. This financial crisis isn’t taking the same course as most others. Rather than a sudden explosion that destroys banks and jobs, China’s version is protracted, moving so slowly that it can be hard to notice.



Car sales fell last year in China for the first time in more than two decades

A few years ago, some China watchers predicted the economy could tumble into a 2008-like collapse. All the warning signs for catastrophe were flashing bright red: a housing bubble, excess capacity in industries from steel to solar panels, and most worrisome of all, a debt buildup of gargantuan proportions. Total debt relative to national output surged to 253 percent in mid-2018, from only 140 percent a decade earlier, according to the Bank for International Settlements. No emerging economy since the 1990s has had such an outside debt expansion and escaped some sort of financial calamity. China would have to defy history to dodge a debt disaster.

We’ve been watching and waiting for China’s Lehman Brothers moment—then waiting some more. It never arrived. Some analysts have come to figure it never will—that, indeed, China is too big to fail. The Chinese government, the new argument goes, has so many levers of control—over banks, big corporations, and capital flows—that it can suppress the sort of crisis a more liberal economy can’t prevent. This superpower was on display in 2015 after a stock market bubble burst, fuelled by shifty lending and bureaucratic ineptitude. Money flooded out of the country as the currency staggered. What would likely have laid other emerging markets low was just another day’s work for China’s powerful mandarins. The government organised a stock bailout and clamped down on capital outflows. Crisis averted. That approach is representative of Beijing’s overall strategy toward its debt problem. The government—obsessed with social stability—isn’t allowing the debt bomb to detonate. Lehman moments might be terrifying, but they’re also cleansing, an opportunity for the market to scrub out the bad stuff and clear room for new. Beijing, by stopping that from happening, is allowing the waste to rot and fester, likely enlarging the costs of the unavoidable cleanup.

BLOOMBERG





Commercial Feature

VIBRANT GUJARAT 2019

Mahatma Mandir Exhibition cum Convention Centre, Gandhinagar, Gujarat, India

18 - 20 January, 2019

GUJARAT BECKONS INVESTORS TO VGGGS 2019

In many ways, the Vibrant Gujarat Global Summit, is a precursor to the many investment summits that several states organise. The event was conceptualized in 2003 by Prime Minister of India Narendra Modi when he was leading the state as its Chief Minister, to re-establish Gujarat as a preferred investment destination within India. The investment climate and industry friendly policies of Gujarat government have made the state a vibrant industrial destination. It is among top few Indian states to attract regular investments and create jobs.

Today, the Summit has evolved into a platform for brainstorming on agendas of global socio-economic development, in addition to being a facilitator for knowledge sharing and forging effective partnerships. The 8th Vibrant Gujarat Global Summit, held in January 2017, witnessed participation from 25,000+ delegates from 100+ countries, including 4 Heads of States, Nobel Laureates, Captains of global industry and Thought Leaders.

The 9th Vibrant Gujarat 2019 Summit is now proposed to provide a forum for discussion on Global, National and State-level agendas with a sharp focus on all round economic development for a 'New India'.

In addition to the flagship events organized as part of Vibrant Gujarat, the 9th edition of the Summit will also witness the launch of a completely new set of forums aimed at diversifying the nature of knowledge sharing at the Summit, and intensifying the level of networking between participants

Heads of 5 countries and over 20,000 national and international delegates are expected to attend the 9th edition of the Vibrant Gujarat Global Summit between January 18 and 20. The Summit shall be inaugurated by Prime Minister, Narendra Modi at the Mahatma Mandir, Gandhinagar. Prime Minister Narendra Modi would inaugurate the biennial summit on January 18 at Mahatma Mandir here. Modi would hold one-to-one meetings with all the heads of countries afterwards.

Uzbekistan President Shavkat Mirziyoyev, Rwanda President Paul Kagame, Prime Minister of Denmark Lars Lokke Rasmussen, Prime Minister of the Czech Republic Andrej Babis and Prime Minister of Malta Joseph Muscat shall be attending the summit. Around 15 countries including France, Australia, Canada and Japan are to be 'partner countries' for the event.

"Over 20,000 delegates and 26,380 companies have already registered for the three-day event and the number may increase," Gujarat chief secretary JN Singh said. According to an official statement is-

Gujarat is not only the fastest-growing state in India but the fastest-growing region of the world. Several summits held so far have been a resounding success that immensely contributed to transformation of Gujarat into a "Global Business Hub"



sued here by the Gujarat Government on Tuesday, Tata Sons chairman Nataraj Chandrasekharan, Kotak Mahindra Bank's Uday Kotak, Adi Godrej of Godrej Group, CMD of Suzlon Energy Tulsi Tanti among are among several others coming at the event.

This year, investment intentions of around Rs 40,000 crore have been received by the government in the environment, conventional and pharmaceutical sectors. The notable events of the three day event are a roundtable interaction with heads of global funds, Africa Day and MSME Convention. It must be noted that till the 20th of January, the exhibition is reserved mostly for delegates taking part in Buyer-Seller Meets and Reverse Buyer-Seller Meets along with media and academia. Those interested can visit the exhibition from the second half the 20th of January

The main goal of the exhibition aims to get multi-sector B2B engagements, wherein there will be, inter alia, Buyer – Seller Meets, Reverse Buyer – Seller Meets, Vendor Developments Programmes, Business Networking, Technology Assessment and Strategic Partnerships under one roof. The estimates say that over 1,500 overseas and domestic buyers will be visiting the VG-

GTS 2019. Moreover, the Vendor Development Programme is also being organized to nurture "stronger synergies" between MSME and Large Scale Enterprises including PSUs

The business through Buyer Seller Meet and Reverse Buyer Seller Meet is expected to reach nearly Rs 2,000 crore. Nearly 1.5 million visitors and about 3,000 International Delegates from over 100 countries are expected to visit the Exhibition. Attractions like a replica of Statue of Unity, Bullet Train simulator, Farm-to-Fabric Pavilion and Fashion Show with a focus on 'Make in India' and Khadi await the visitors at the Trade Show.

Gujarat Chambers of Commerce & Industry (GCCCI) is also supporting the fashion show which will be held at picturesque Sabarmati Riverfront on the evening of 19th January.

Other high points for the visitors include a tableau of Innovation and Technology, in particular Robotics and Laser Cutting. Most countries will participate in this and also Service Sectors including Medicare and Health, Audio Visual Services, ITES and Communication, are expected to participate.

So far, VGGTS 2019 will have 15 part-

ner countries and countries such as France, South Korea, Canada, Poland, Japan, Thailand, The Netherlands, Sweden, South Africa, UAE, Uzbekistan, Norway, Czech Republic, Morocco and Australia will have their own pavilions. Moreover, an elaborate Africa Pavilion will have more than 25 African countries which will be representing the continent of Africa including two of the partner countries – South Africa and Morocco.

Visitors can also see pavil-

ions exhibiting flagship initiatives of Government of India that include Ayushman Bharat, Digital India, Start-up India, Make In India, Sagarmala, and Indradhanush at the Trade Show.

The Government of Gujarat will be focussing on Exports, Trade and Investment Potential at Vibrant Gujarat 2019. The VG-GTS will house some of the major pavilions such as Automobiles, Agro and Food Processing, Oil and Gas, E Mobility, Chemicals and Petrochemicals, Banking and Finance, and Pharmaceuticals.

Sectors such as Bio Technology, Ceramics, Ports, Transport and Travel, Tourism and Hospitality, Logistics, Power and Renewable, Start-ups and Innovation, Textiles, Urban Infrastructure, Water Treatment and Environment, Education, Skill Development and Engineering are also included.

Gujarat, one of India's most progressive states, has been at the forefront of economic development and nation building. This spirit is embedded in the Vibrant Gujarat Summits, that truly represent the essence of Gujarat's and India's economic success. I invite the world to partner with the 9th Vibrant Gujarat Summit, and discover the numerous investment opportunities that await in Gujarat, Modi said in his message for the Summit.

What attracts investors to Gujarat?

Success always rests on multiple pillars. The story of Gujarat's success as an industrial role model for the country can be attributed to several factors: strategic location, business friendly policies, robust physical, social and industrial infrastructure, quality manpower, abundant natural resources, high quality of life at a lost cost of living. Gujarat offers a model for

The reason behind this industrial vibrancy in the state can be attributed to the inherited entrepreneurial spirit that makes business a way of life

Economic Progress and Development for the developing nations. Its significant contribution to Indian Economy has made India visible to a competitive market in spite of the downturn in World Economy. Emerging as 'Investor friendly' destinations in the country, Gujarat highlights a luxurious lifestyle of leisure, pleasure, business and Investments.

The reason behind this industrial vibrancy in the state

can be attributed to the inherited entrepreneurial spirit that makes business a way of life. Gujarat has a robust Infrastructure and is pioneer in Public-Private partnership. It takes to its credit as 'Asia's Biggest' Investment Infrastructure Opportunity Centre.' Gujarat state have strategically developed very efficient and cost effective infrastructure which boost states Urban and Industrial growth.

It's relentless quest for a larger image of Gujarat with all round development is foreseen bearing fruits of success. As one of the youngest States of the Indian Federation, Gujarat's track record has shown impressive Development which make it a 'Growth Engine of Gujarat'.

Gujarat is located on the western coast of the Indian Peninsula. It has the longest coastline in the country of about 1,600 kms. Therefore, Gujarat plays host to foreign trade and is a natural 'Gateway' to the fast growing economy. Conducive business environment, abundance of natural resources, skilled and semi-skilled man power, proximity to markets, responsive administration are a few reasons why Gujarat has turned a 'Leader.'

Gujarat has multiple growth gears

Gujarat is one of the leading industrialised states in India. At current prices, Gujarat's Gross State Domestic Product (GSDP) was about Rs 11.62 trillion (US\$ 173.24 billion) during 2016-17. Average annual GSDP growth rate from 2011-12 to 2016-17 was about 13.55 per cent. As of November 2018, Gujarat had a total installed power generation capacity of 31,043.12 megawatt (MW). Power generation in the state as of April-November 2018 reached 61,326.44 GWH.

Gujarat is considered the petroleum capital of India due to presence of large refining capacity set up by private and public sector companies. As of July 2018, Gujarat had four refineries with a combined capacity of 101.9 MMTPA.

The state is the world's largest producer of processed diamonds, accounting for 72 per cent of the world's processed diamond share and 80 per cent of India's diamond exports. With a contribution of 65 to 70 per cent to India's denim production, Gujarat is the largest manufacturer of denim in the country and the third largest in the world. There are 42 ports, 18 domestic airports and one international airport. There are 106 product clusters and 60 notified special economic zones (SEZs). Large scale investment is expected in Gujarat as part of the US\$ 90 billion Delhi-Mumbai Industrial Corridor (DMIC).

Gujarat had 19 operational SEZs, four SEZs with valid in-principle approvals, 28 SEZs with formal approvals and 24 SEZs with notified approvals, as of July 2018.

According to the Department of Industrial Policy & Promotion (DIPP), Foreign Direct Investments (FDI) inflows in the state of Gujarat reached US\$ 19.16 billion during April 2000 – June 2018. Gujarat accounted for about 5 per cent share in the overall FDI inflows in India.

During 2016-17, state held 218 agriculture produce market committees (APMCs) and there were 218 main yards and 182 sub-market yards operational in the state. As of December 2018, 79 Agricultural Produce Market Committees (APMCs) are linked with the National Agriculture Market (eNAM).

The state government has announced plans for the setting up of brown and green field projects to facilitate environment friendly processing standards in the textile units of the state.

Didn't want virtual currencies to spread like 'contagion': RBI

Supreme Court will start hearing final arguments in the case from February 26

AASHISH ARYAN
New Delhi, 17 January

Maintaining that bitcoins and virtual currencies were “harmful”, the Reserve Bank of India’s (RBI’s) lawyer on Thursday told the Supreme Court (SC) that the central bank had asked banks not to provide any banking services to digital currency systems as it did not want it spreading like “contagion”.

A two-judge Bench, led by Justice Rohinton F Nariman, will start hearing final arguments in the case from February 26. The top court was hearing a bunch of petitions moved against the RBI’s decision to prohibit entities regulated by it from “providing any service in



relation to virtual currencies, including those of transfer or receipt of money in accounts relating to the purchase or sale of virtual currencies”.

“Such services include maintaining accounts, registering, trading, settling, clearing, giving loans against virtual tokens, accepting them as

collateral, opening accounts of exchanges dealing with them, and transfer or receipt of money in accounts relating to purchase or sale of virtual currencies,” the RBI had said in its April 6 circular. The top bank’s move was, however challenged - first in the Delhi High Court (HC) and later in the SC.

The Delhi HC had issued a notice to the RBI following an appeal by one of the virtual currency companies against the top bank’s circular. The matters in the court were, however, transferred to the SC after it said it would hear all the appeals together. Hearing the appeals, the SC had refused to stay the matter but issued notices to the finance ministry, law and jus-

tice, and information technology ministries, and the RBI, and sought their reply on the issue.

The RBI has maintained that owing to “significant spurt in the valuation of many virtual currencies and rapid growth in initial coin offerings”, virtual currencies were not safe for use.

It had, in 2013, cautioned “users, holders, and traders of virtual currencies, including bitcoins, about the potential financial, operational, legal, customer protection, and security-related risks that they were exposing themselves to”. After nearly three such warnings, it had decided to ask banks to stop all transactions with such companies.

Asthana, three more officers 'axed' from CBI

The Centre on Thursday curtailed the tenures of Special Director



Rakesh Asthana and three more senior officers in the CBI with

immediate effect, days after the agency’s chief Alok Verma was shunted out by the Prime Minister Narendra Modi-led panel.

Gujarat-cadre IPS officer Asthana, who had an unprecedented feud with his boss Verma, was sent on forced leave by the government in October last year.

The tenures of Asthana, Joint Director Arun Kumar Sharma, Deputy Inspector General Manish Kumar Sinha and Superintendent of Police Jayant J Naiknavare have been curtailed, the Personnel Ministry said in an order.

PTI

H1B holders underpaid: US think tank

A US think tank has claimed that H1B workers are “vulnerable to abuse” and frequently placed in “poor working conditions”, seeking reforms like substantial increase in wages to those holding the visa, popular among Indian IT professionals. In a report, the South Asia Center of the Atlantic Council also sought safeguards like providing fair working conditions, and greater employment rights for those working under the visa programme. The report comes days after US President Donald Trump said he is soon coming out with reforms that will give H1B visa holders certainty to stay in America and an easy pathway to citizenship.

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