

### 5G DEPLOYMENT

RS Sharma, Trai chairman

In the 5G space, we can leapfrog inadequacies which we have in the physical world, all of which can be overcome with use of information and communication technologies... There is a serious concern that while people are talking of 5G as a slogan, it won't happen unless we put a lot of investment in fibre. Without fibre, 5G will not happen

# Quick View

### 'GDP growth likely to be at 7.5% in FY20'

INDIA'S ECONOMY is likely to grow a tad higher at 7.5% in 2019-20 on account of steady improvement in major sectors, said India Ratings and Research (Ind-Ra) Thursday. According to the advance estimates of the Central Statistics Office, the economy may clock a growth rate of 7.2% in the current financial year, up from 6.7% in the previous year.

#### Five MoUs inked with Netherlands

ON THE eve of the inauguration of the Vibrant Gujarat Global Summit-2019, the Netherlands signed five MoUs on Thursday. Of these, two MoUs were signed in the Smart Cities sector with the Vadodara Municipal Corporation.

### **CCI** reduces papers required for plaints

THE COMPETITION Commission of India (CCI) has reduced the number of documents required to be filed in case of complaints related to unfair business practices.

### EMPLOYMENT SCHEME

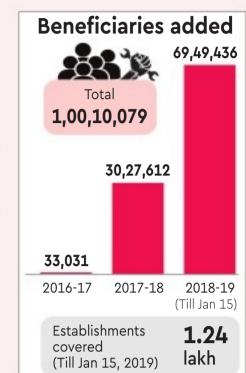
# Over 1 cr have benefited under PMRPY, says govt

Budget 2018-19 has an outlay of ₹1,652 crore for the scheme

**FE BUREAU** New Delhi, January 17

AFTER A LACKLUSTRE start, the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY), the Modi government's flagship scheme to catalyse formal-sector job creation launched in August 2016, has slowly picked up momentum and the pace has accelerated in the current fiscal. While only 33,000 people could be brought under the scheme by the end of 2016-17, the number of beneficiaries has now crossed the 1crore threshold. According to an official

release, during 2016-17, 2017-18 and 2018-19 (up to January 15, 2019) 33,031, 30,27,612 and 69,49,436 people have been enrolled under PMRPY. The number of establishments covered under the scheme, as on January 15,



stood at 1.24 lakh. PMRPY is being imple-

mented by the labour ministry through the Employees' Provident Fund Organisation (EPFO). Under the scheme, the government bears employers' entire contribution (12% of basic pay) towards employees' provident fund (EPF) for a period of three years for employees who have been registered with the EPFO on or after April 1, 2016 and earning up to ₹15,000 per month. The 2018-19 Budget has an outlay

of ₹1,652 crore for the scheme. Clearly, the scheme gained

considerable traction since the 2018-19 Budget, which increased the government's EPF contribution to 12% from 8.33% earlier and extended the scheme to all sectors. The textile sector had availed the 12% scheme (Pradhan Mantri Paridhan Rojgar Protsahan Yojana) even earlier but for other sectors, the government contribution was capped at 8.33%.

Of course, it may not be accurate to count the schemes' beneficiaries as those who have got new jobs. Sections of these people may have been employed by the firms already and have started getting the EPF benefits thanks to the incentive schemes. Experts say the success of

the PMRPY scheme lies in its ability to move out of informal work to formal work by providing people with the much-needed social security safety net. The terminal date for registration of beneficiaries through an establishment under the PMRPY is March 31,2019.

## Income support: Odisha to release Kalia funds to farmers from January 25

PRABHUDATTA MISHRA New Delhi, January 17

THE ODISHA GOVERNMENT

start disbursing ₹5,000/family to the bank accounts of small and marginal farmers starting January 25 for the 2018-19 rabi (winter) crop season under its newly-launched Kalia scheme. The sowing of the rabi crop is almost complete in the state.

Odisha is the second state

in the country to implement such a scheme, after pioneer Telangana that has been implementing an income support scheme for farmers called Rythu Bandhu since May 2018. The Centre is reportedly considering an income support scheme (which may be announced in the interim Budget to be presented on February 1), while two other states — Jharkhand and West Bengal have already announced their intent to launch similar schemes to address the distress in the farm sector.

According to sources, Odisha's decision to start release of Kalia funds at the fag end of the rabi sowing period, instead of waiting for the next kharif season, is in view of the possible Election Commission



curbs on such largesse once the polls are announced. The state's assembly election is slated for May along with the Lok Sabha election.

"We will transfer the amount (₹5,000) to bank accounts of 10-13 lakh families on January 25 at the statelevel farmers' convention in Puri," said Krishan Kumar, secretary-cooperation with the Odisha government. The Krushak Assistance for Livelihood and Income Augmentation (Kalia) scheme comprises three components: a) ₹5,000/family per crop season to over 30 lakh small and marginal farmers having less than acres of land, b) ₹12,500/family per year to 10

lakh landless agriculture

labourers and c) ₹10,000/fam-

ers every year. The guidelines for the first

ily to 5 lakh 'vulnerable' farm-

component — support to cultivation — has been finalised while the other two components meant for landless and vulnerable farmers may be rolled out next fiscal, Kumar said. Though the state government has targeted to cover 30.18 lakh small and marginal farmers, as many as 60 lakh farmers have applied for enrollment under the Kalia scheme. The cost for the whole scheme has been estimated at ₹10,180 crore in five seasons starting rabi 2018-19. Of this, the support to cultivators alone will entail an expenditure of ₹7,540 crore during the five seasons.

"We had first displayed a out any publicity.

draft list of beneficiaries based on data available with multiple agencies at each panchayat and distributed the 'green' and 'red' forms to the people. The green form was to be filled by those whose names did not figure in the list while the red form was an objection/complaint against inclusion of any name," Kumar said. Since Odisha does not have a foolproof database of land records like Telangana, the state government is collating data from various schemes like the Prime Minister Fasal Bima Yojana, revenue department and paddy procurement. While Telangana is giving

₹4,000/acre each season to all land-owing farmers, Odisha has restricted it to ₹5,000/family as it has also announced scheme for landless farmers.

Telangana had paid ₹5,256 crore to about 51 lakh farmers during kharif 2018 under the Rythu Bandhu for purchase of inputs like seeds, fertilisers, pesticides and labour costs. During the rabi 2018 season, the Election Commission had asked the state government to directly transfer the amount to farmers' bank accounts with-

### Govt mulls creating national business register, may spend ₹300 cr on economic census

PRESS TRUST OF INDIA New Delhi, January 17

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 busi-

can be regularly updated and utilised by all stakeholdersstate and central government," Pravin Srivastava, secretary, ministry of statistics and programme implementation (MoSPI), said at a joint workshop with CSC e-Governance Services India. MoSPI has roped in CSC egovernance, also known as CSC

SPV, for conducting the seventh

ness enterprise register which

economic census.

"The strength that CSC SPV brings in is unique. The strength of ministry of statistics and programme implementation is the quality of data. Through this association, we are confident that as a country we should be able to collect timely data and create a national asset which can be used for various policy-level interventions," Srivastava said.

Started in 1977, till date only six economic censuses have been done due to massive work involving in-depth survey and data compilation

CSC e-governance manages around 3 lakh common service centres across country which programme. Each CSC will create five enumerators who will be trained and certified by CSC SPV for the economic survey.

will be roped in for the survey

"The enumerators once certified can be used for all kind of survey, even Census of India. This is the first time paper less survey will be conducted using technology. It will be completed within six months while earlier it use to take two years," Dinesh Tyagi, CEO, CSC SPV said. Started in 1977, till date only

six economic censuses have been done due to massive work involving in-depth survey and data compilation. Tyagi said that as per estimate there are 20 crore households across the country and an enumerator is expected to be paid between ₹15 and ₹20 per household

which implies that even at conservative estimate government expenditure on the economic census will be upward of ₹300 crore. "With the use of technology any survey can be done in least possible time. I am confident that if CSCs are involved in Census of India than it can be done at frequency of every two years instead of 10 years frequency at present," Tyagi said.

### Goyal offers to pump ₹700 crore into Jet

SBI is the lead lender of a consortium of Indian banks that has provided loans to the airline. On December 31, 2018, Jet defaulted on a loan repayment to the consortium.

On Wednesday, Jet had said that discussions are "progressing well" with stakeholders on a comprehensive resolution plan that also contemplates equity infusion and consequent changes in its board of directors.

"I am informed that under Indian law, amounts payable by the company to promoter group entities, should be treated at par with the other overdue creditors of the company and the same, upon conversion into equity is considered as cash," Goyal said in the letter. He has also sought a fair and equitable resolution in the best interests of the airline and all its shareholders.

"I respectfully submit that unless my shareholding goes below 10% and/or my group is not represented on the board, I would continue to be held out as a promoter, and be faced with the attendant exposures/ risks of being a promoter,"Goyal said

holding be at least 25%,"he said. Jet has been working on various cost cutting measures, debt reduction and funding options. For instance, it has deferred deliveries of Boeing 737 MAX planes. The airline was to induct 11 Boeing 737 MAX planes by March this year and so far it has taken delivery of only 5 such air-

in the letter. Hence, it is only fair

and equitable that "our share-

The civil aviation ministry had on Wednesday, expressed hope that the airline, its strategic partner Etihad and lenders reach a "common plan" to deal with the situation.

Jet's shares rose over 5% to close at ₹284.80 on the BSE on Thursday.

#### HUL Q3 net rises by 9% on stable demand

Prudent management of volatility in costs along with the improved mix and operating leverage has driven margin improvement, the company

said.

The FMCG major's earnings before interest tax depreciation and amortisation (Ebitda) increased by 22% y-o-y to ₹2,046 crore. The company had reported an Ebitda of ₹1,680 crore in Q3FY18. Referring to volatility in

external markets, Phatak said, "the agility across the value chain continues to be critical, however, HUL is well-positioned, better than anyone else". "Innovations land today significantly faster than historically, he added. "We have delivered another

strong performance in the quarter, with double volume growth and improvement in margins," Sanjiv Mehta, chairman and managing director, HUL, said. The company's focus is on strengthening the core and leading market development by tapping emerging trends, he added.

Taking about the demand scenario, Mehta said, "In near term, demand is likely to be stable, we'll keep a close watch on macro-economic environment and respond with agility."

The beauty and personal care segment revenue grew by 11% y-o-y during the quarter. Personal wash growth continued to be driven by premiumisation of the portfolio, skincare growth was backed by steller execution of winter portfolio, the company said.

The food and refreshments (F&R) business of HUL ember announcement of merger with GlaxoSmithKline Consumer Healthcare (GSK); however, Q3FY19 financials do not reflect the transaction which is expected to be completed in twelve months.

The F&R business revenue was up 10% y-o-y at ₹1,728 crore for the three months ended on December 31, 2018. Beverages delivered a good growth by leveraging the opportunity in mass segment and driving premiumisation through green tea, the company said.

enue grew the most at 15%, with a margin growth of 13%, as it continued impressive performance with both fabric wash and household care, the company said.

The home care segment rev-

In December 2018, National Anti-profiteering Authority

(NAA) had fined HUL to the tune of ₹462 crore. However, the Delhi High Court on Wednesday stayed the demand. The high court also directed NAA to not take any corrective action or to continue any penalty proceedings against HUL until the final determination of matter in the court. Court has asked HUL to deposit ₹90 crore in consumer welfare fund by May 15, the

statement. The HUL stock closed down 1.1% at ₹1,750.10 on Thursday on the BSE.

company said in an emailed

### Steps to bolster IBC process soon

Speaking on the sidelines of the event, corporate affairs secretary Injeti Srinivas said 'deemed admission' of an insolvency petition could be a possibility in cases where there can be little dispute that the debtor has defaulted on repayments to the

financial creditor. Srinivas said such facility should be an appropriate framework for pleas moved by financial creditors as this class of creditors does not resort to the insolvency process as a kneejerk reaction. Unlike operational creditors, who may be influenced by vested interests, financial creditors invoke the IBC only as last resort, he added. A lot of cases have had to wait for admission by NCLT, thus delaying the

insolvency process. Kumar said: "Section 29A has become the most contentious issue... Just as an example, if two brothers have parted 20 years or 25 years ago and if one business family is in trouble, barring the other brother from bidding is alright. But to say that the other brother running a business successfully cannot bid for any asset, I think that is carrying the interpretation too far."

Many analysts have long argued on the same lines. A Mukesh Ambani, they had said, shouldn't be barred from bidding for, say, Alok Industries, even if Anil Ambani is declared a defaulter or vice-versa. Earlier this year, Numetal, a contender for Essar Steel, had claimed that its rival bidder Arcelor Mittal was ineligible, as firms belonging to brothers of the latter's promoter LN Mittal allegedly defaulted on

loan repayments despite Mittal

not having business ties with these brothers. Numetal's bid for Essar Steel, too, was held to be ineligible on the grounds that Rewant Ruia who is associated with the company is the son of Ravi Ruia, a promoter of Essar

Sources told FE earlier that through changes in Section 29A of the IBC people related to defaulters by blood or other familial relationships could be declared only "deemed to be related" and given a chance to rebut that assumption on grounds like "we have not worked together in any business in the last 3-5 years and so on" with supportive evidence.

According to Srinivas, the ministry of corporate affairs is also working on evolving frameworks for cross-border insolvency and individual insolvency. He also said the high incidence of liquidation among assets referred under the IBC was due to the lingering effects of the legacy of the Board for Industrial and Financial Reconstruction or because many of them were dud assets. Of the 260 assets which have gone into liquidation since the enactment of IBC, 70% either entered the system from BIFR or were not going concerns at all, he

observed. Kumar also made a case for other tweaks to enhance the efficiency of IBC, including penalties against non-serious bidders and overseers for the liquidation process. He referred to instances where after the completion of the bid process, a new bidder has come in and offered a higher value than the highest bid discovered through the bidding process. "If we allow this to continue, then the shortterm view could be that it is maximising recovery for the lenders, but otherwise I think it is counterproductive. Anyone who is a serious bidder should participate in the process," he noted.

Recently, Liberty House missed the deadline to meet its commitment and take over debt-laden Amtek Auto. Thereafter, banks have moved the **National Company Appellate** Law Tribunal (NCLAT) seeking action against Liberty House. SC clears way for

### From the Front Page

bars in Maharash-

The apex court upheld the condition of allowing dance bars to operate between 6 pm to 11.30 pm and not allowing installation of CCTV cameras inside dance bars, as it violates privacy. Giving tips to dancers was also allowed with restriction placed on showering of

money on the performers. On the government fixing salaries of performers at bars, the bench said, "A dance bar can have a written contract with a dancer, but the government cannot fix monthly salary for a dancer. This is a matter entirely between employee and employers."

Doing away with a condition by which dance bars could not be within the radius of 1 km from an educational institution or a religious place, it said "this amounts to fulfilling an impossible condition and the effect thereof is that, at no place, in Mumbai, licence would be granted. Therefore, this condition is also held to be arbitrary and unreasonable and is quashed, with liberty to the Maharashtra government to prescribe the distance from educational and religious institutions, which is reasonable and workable."

According to the judgment, dance and liquor can coexist and there is no need to segregate the area where liquor is served to patrons from the dancing area, it said.

The 2016 law was passed by the state Assembly to circumvent a Supreme Court judgment of 2015 that lifted the ban on dance bars and classified dance as a profession. The 2015 SC order had come as a relief for women who had lost their jobs and slipped into prostitution and penury due to the clampdown after the state Assembly, in July 2014, circumvented a 2013 SC decision that had also upheld that "dancing is a fundamental right".

batch of petitions by restaurant and hotel owners, including the Indian Hotel and Restaurant Association (IHRA) and women working in Maharashtra's bars, challenging the state government's law prohibiting dances reopening of dance in hotels, restaurants and bars and imposing fresh restrictions on licensing and functioning of dance bars. IHRA had claimed that the

lawwas constitutionally flawed as it violated fundamental rights of the bars to conduct their business. It further alleged that the 2016 law circumvented several orders of the Supreme Court, which ruled that bars could host dances, as long as they weren't obscene. The Bharatiya Bargirls' Union had argued that the 2016 law stigmatises their profession and unreasonably interfered with their free choice of expression through dramatic performances.

However, the Maharashtra government told the apex court that the new law was to regulate licensing and functioning of dance bars and prevent obscenity in public places which is a part of public policy in India. It also added that "such dances were derogatory to the dignity of women and were likely to deprave, corrupt or injure public morality".

### Prudence rewarding, but some steps can't wait: FM

A few reports had suggested he might not present the interim budget as scheduled on February 1 due to heath

"The efforts are to move on the (fiscal) glide path unless an unusual situation arises," he said, but hinted that exercise may not be devoid of some bigticket announcements that "can't wait," he said.

"The larger interest of the nation dictates what will be a part of the interim Budget,"he "Farm sector has been fac-

ing challenges. Prices have fallen. Food product prices have gone down,"he said. Markets, he said, would understand the government's approach is rational, not populist.

The finance minister Thursday's ruling came on a acknowledged the inadequacy of 7-7.5% annual GDP growth to meet people's aspirations and sought to lift it above 8% through more reforms in areas like agriculture and infrastructure, in an indication of the government's likely focus in

the interim Budget, and beyond should it get reelected.

The minister refrained from seeking a rate cut by the **Monetary Policy Committee** (slated to meet in early February) but added that the country's real interest rates must not remain among the highest in the world. "Fiscal prudence (and) con-

solidation is always rewarded and we have stuck to fiscal prudence. In exceptional situations like last year when we received GST collections for (only) 11 months, we had deviated a bit to 3.5% from target of 3.2%," the minister said. The government last year proposed to meet the 3% fiscal deficit target--which was supposed to be achieved in FY19 — in only FY21.

Speaking on the threat of Opposition unity and the ruling coalition's prospects at the hustings, Jaitley said, "As we go to the general elections, India needs to have a continuity of policies, stability and decisiveness." According to him, the government has succeeded in restoring credibility of the economy and its decision making process over last few years.

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The government is reportedly considering an income support scheme for farmers at the national level, in what could largely be modelled on a few state-level initiatives in this regard, like Telangana's Ryhthu Bandu and Odisha's Kalia.

### Jio rings in ₹831-cr profit in Q3

According to analysts, Jio has been able to report higher revenue — ₹10,383 crore, up 12.4% sequentially – because it is still adding huge number of subscribers month-onmonth which makes up for its low cost tariffs.

Analysts also maintain that though Jio has been posting impressive numbers, its accounting practises differ from that of the incumbent

operators. For instance, Jio does not fully capitalise its assets and spectrum is amortized on a usage basis rather than the straight line method by other telecom operators. Under Jio's method, depreciation and amortisation depends on the pattern of consumption of expected future economic benefit which is akin to the unit of production depreciation method. This means Jio has determined the total data capacity of its network over the life of the spectrum allocation and the consumption of GBs per quarter will determine the quantum of depreciation and amortisation charge. The D&A cost under this would be lower,

method. During the quarter, Jio's Ebitda stood at ₹4,053 crore. up 13.4% from the preceding quarter while margin increased 30 bps at 39%.

especially in the initial years

compared to the straight line

On other operating metrics, Jio continues to perform on expected lines.

Its data traffic at 86,40,000 million Mbs is sure to be highest in the industry. Compared to the preceding quarter it saw an increase of 12.1%. Data usage per customer was flattish at 10,800 MB against 11,000 MB per subscriber in the preceding quarter.

Jio's voice volume at 634,060 million minutes registered an increase of 18.95% compared with the preceding quarter. Usage per customer at 794 minutes registered a growth of 4.3% sequentially.

Jio's monthly churn remains the lowest in the industry at 0.61% per month. Jio continued its strong subscriber growth trend with

net addition of 27.9 million subscribers during the quarter. Its gross adds stood at 32.7 million and total subscriber base at 280.1 million. The company has already announced to transfer its fibre

and tower undertakings to separate companies, following on the lines of other incumbent telecom operators. "The journey of Jio has been

truly remarkable and has surpassed all expectations, Reliance chairman and managing director Mukesh Ambani said in a statement.