

"In today's government, Anil Ambani or Nirav Modi has a lot of voice. They can whisper and the message goes whereas farmers, fishermen and small businessmen... have to shout before the government listens to them"

RAHUL GANDHI, Congress president

"Don't you think it is high time and the right time, before the government changes, that a new, better leadership takes over. And you should come out with all your black, white and grey sides"

SHATRUGHAN SINHA, BJP MP said in a tweet

"Whatever had to be done after 26/11 Mumbai attacks was not done by the previous government. Had it been more proactive, there would have been more deterrence"

NIRMALA SITHARAMAN, defence minister

IN BRIEF

Centre may receive ₹2,600 crore more from Coal India

After receiving more than ₹11,500 crore from Coal India, the Centre is further expected to receive around ₹2,600 crore more from Maharatna company after the mining mammoth has decided to offer its second round of interim dividend at ₹5.85 per share. Company estimates suggest that the total outgo on account of this second round of dividend is to the tune of ₹3,605 crore which it will start to pay March 29 onwards. After three rounds of stake sales, the Centre currently holds 72.92 per cent in Coal India while the rest is held by public shareholders.

RBI categorises IDBI Bank as pvt sector lender

IDBI Bank has been categorised as a private sector lender following acquisition of majority stake by Life Insurance Corporation, the Reserve Bank of India (RBI) said. In January, LIC completed the process of picking up a controlling 51 per cent stake in the nearly crippled IDBI Bank. "IDBI Bank has been categorised as a 'private sector bank' for regulatory purposes by the RBI with effect from January 21, 2019 consequent upon LIC acquiring 51 per cent of the total paid-up equity share capital of the bank," the RBI said in a statement.

Fintech industry can't deliver if data kept personal, says Garg

If the financial data is kept personal, it is not possible for digital and fintech industry to deliver their services, said Subhash Chandra Garg, Economic Affairs Secretary and Finance Secretary of India. He added that the Supreme Court's Aadhaar judgement was a setback for the fintech and digital space. The government recognises the importance of fintech and had constituted a working group to closely look at all aspects of the fintech industry," said Garg.

Air cleared on tax credit for sweet shop versus restaurant

An owner of restaurant and sweet shop, running two establishments from the same premises, will be eligible for input tax credit for his sweet shop under the GST regime so long as accounts of the two set-ups are maintained separately, at least in Uttarakhand. The appellate authority for advance ruling of the state set aside AAR ruling in this matter. Harpreet Singh, Partner, indirect tax, KPMG, said AAR had ruled that the sweet shop will be treated as extension of restaurant. The GST at the rate of five per cent would be imposed on the condition that input tax charged on goods and services used has not been taken.

Will RBI dollar swap auction be a success? Experts divided

ANUP ROY & ABHIJIT LELE
Mumbai, 14 March

After a week-long deliberation with select bankers, the Reserve Bank of India (RBI) on Wednesday introduced a \$5-billion swap facility for the banks to facilitate permanent liquidity support.

The three-year swap will take place through an auction on March 26. The purpose is to introduce one more liquidity management tool apart from the tried and tested open market operations (OMO), under which the central bank buys and sells bonds from the secondary market.

In the auction, the RBI will accept the spot dollars for a small fee (forwards premium), and will commit to provide the dollars three years down the line. In doing so, the RBI is taking the risk that even if dollar-rupee rates weaken significantly, it will have to provide the dollars.

So it makes sense for the RBI to receive as higher premium as possible, and for banks to offer as low premium as acceptable by the central bank. A cut-off premium will be decided by the central bank, based on the bids.

Market dealers are not sure why it has been done, apart from the fact that banks may not have enough bonds to sell, or mortgage. There is also a theory floating in the market that there could be some big inflow coming by March-end, but not in public knowledge yet, as bankers say the



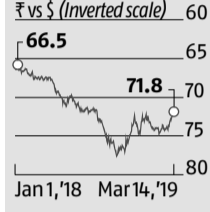
ILLUSTRATION: AJAY MOHANTY

central bank was in discussion with banks about this facility for at least a week.

The system liquidity will fall short by about \$2.5 trillion due to advanced tax outflow and goods and services tax (GST) collection. But that is manageable, considering that the government money will come back in the system starting April. Still, March being the quarter and financial year end, any spurt in bond yields over shortage of liquidity will force banks to book mark-to-market losses.

The short-term liquidity shortage has already pushed up bulk deposit rates (₹2 crore and above) by about 60-70 basis points, said the head of treasury of a large public sector bank.

HIGHS AND LOWS



"Interest rates on deposits have been moving up for some time now. The liquidity is in short supply in March," confirmed Dinabandhu Mohapatra, managing director and CEO of Bank of India.

However, market participants are divided on the success of the swap auction, considering that banks may not have that much of ready money available.

"The move has addressed the need for a new liquidity management tool and is a welcome step. It is also short-sighted to worry about lack of OMO support at the end of March when the RBI clearly has done so much of OMOs already," said A Prasanna, head, research, ICICI Securities Primary

Dealership Ltd.

Prasanna said it didn't matter if March 26 auction succeeds fully or not, as it is intended to meet multiple objectives.

Bankers say the major beneficiaries of this auction could be foreign banks, but public sector banks that need liquidity support the most, may not be in a comfortable position to take benefit of the scheme as they generally raise dollars to immediately deploy it, said a currency dealer.

However, there is another issue. "It all depends upon how the auction cut-off comes. Say if the auction cut-off comes at 7 per cent (forward premium), against the market rate of 9 per cent (for three-year forwards), then banks are getting rupee liquidity at 7 per cent interest rate, which then can be deployed for 8.5 per cent coupons in corporate bonds," said Ananth Narayan G, associate professor, SP Jain Institute of Management and Research and a market expert.

But if the cut-off comes very near to the prevailing market rate, then the auction is unlikely to succeed for the full amount. However, the news of the auction has been positive for importers and Indian companies borrowing dollars abroad. On Thursday, one-year forward rates crashed by about 50 basis points on the news of the swap auction. The rupee closed stronger at 69.35 a dollar, from its previous close of 69.54.

More on business-standard.com

WPI inflation rises to 2.93% in February

INDIVJAL DHASMANA
New Delhi, 14 March

Like its retail price counterpart, the wholesale price index- (WPI-) based inflation rate rose to 2.93 per cent in February, from 2.76 per cent in the previous month, on surge in prices of food, among other items.

Data released earlier this week showed that the consumer price index- (CPI-) based inflation rate moved up to a four-month high of 2.57 per cent, from 1.97 per cent in January.

"Inflation in the economy has started moving up from the trough reached last month both at the retail and wholesale levels," said Madan Sabnavis, chief economist at CARE Ratings.

However, food items continued to witness deflation in CPI, while the inflation rate in them rose to 4.28 per cent in February, from 2.34 per cent in the previous month.

Pulses, which had been witnessing falling prices till a few months ago, saw double-digit inflation rate at 10.88 per cent. Inflation rate in wheat too stood at 12.29 per cent against 9.94 per cent in January. Economists are not sure whether it is an effect of rise in the minimum support price or drop in rabi sowing acreage.

RUN-UP TO 2019 ELECTIONS

India scores poor on women's representation as lawmakers

SACHIN P MAMPATTA & ABHISHEK WAGHMARE
Mumbai/New Delhi, 14 March

Nearly a century has passed since the first time an Indian woman voted to elect her representative in British India: it was in Madras in 1920. With universal adult suffrage in 1952 and granting 33 per cent reservation to women in rural local bodies in 1993, has come a long way over the last century.

However today, India lags its neighbours and peers when it comes to women's representation in national legislatures, an analysis of global data shows.

Proportion of elected women representatives in the Indian Lok Sabha touched its peak at nearly 12 per cent in 2014. At 24.9%, China has more than twice the representation. While Nepal elected thrice as much women to the national legislature than India, Pakistan's situation is nearly as that of China, with twice as much female representatives (See chart 1).

Evidence shows that quotas are a surely proven way of ensuring political gender balance. Countries without quotas had lower representation than those that mandated at least 30 per cent women's representation.

Those that sought parity — half of the seats for women — had the best representation, a report 'Women in parliament in 2018,' from the Inter-Parliamentary Union (IPU), a global organisation of national parliaments, said.

In countries without reservations to women, the proportion of women representatives was 18.6 per cent in the

NUMBERS INDIA NEEDS TO WORK ON

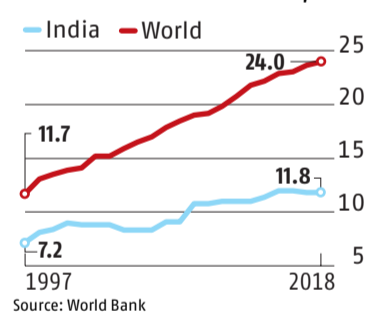
INDIA LAGS BEHIND NEIGHBOURS

Share of women in Parliament (2018)

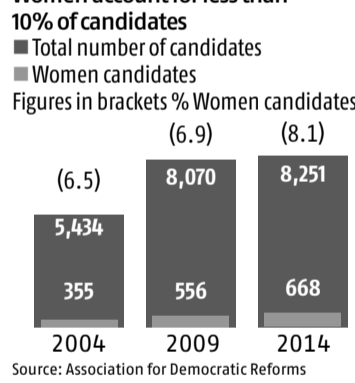
Nepal	32.7
Germany	30.7
China	24.9
Pakistan	20.6
Russia	15.8
India	11.8
Brazil	10.7
Bhutan	8.5
Sri Lanka	5.8

Source: World Bank

ON POLITICAL REPRESENTATION OF WOMEN, WORLD HAS IMPROVED FASTER THAN INDIA



LOK SABHA ELECTION



lower house (or in the case the country doesn't have two legislative chambers) and 16.2 per cent in the upper house.

In countries with reservation, it rises to 27.7 per cent and 36.1 per cent, respectively. Where parity is mandated, it improves to 29.3 per cent and 47.1 per cent, respectively. "There are marked differences in the average share of women elected in legislatures without quotas, compared to those that require at least 30 per cent women. These differences are greater when measures stipulate gender parity," IPU noted.

Praveen Rai, a political scientist at the Centre for the Study of Developing Societies told *Business Standard*, "The main reasons for women's exclusion is systemic failure and patriarchal fault lines in existing party system. Parties file on stereotype belief that politics is

the domain of men," he said. He added that the opening of party gates to men with criminal records further deterred women from politics.

Regional political parties such as Trinamool Congress and Biju Janata Dal have committed to fielding women in a third of seats they contest in 2019 elections. The Congress has promised to bring back the women's reservation bill, which was scuttled in 2010.

Global comparison shows though women's share in Parliament improved from 8 per cent in the 12th Lok Sabha (1996-1998) to 11.2 per cent in 2014-2019, the gap with RoW is at its widest in at least 20 years (See chart 2).

Global agencies have pointed out underlying socio-economic conditions, which then translate into imbalance in political representation on the surface.

In 29 of 150 countries analysed by the World Economic Forum in its Gender Gap Report (2018), women spend twice as much time on unpaid work, housework, household care, than men. But in Japan, Korea and India, the time spent on house work is five times that of men. India is among the only four countries, where sex ratio at birth is below 910, the WEF paper shows. For 75 per cent of the countries, 944 females are born per 1,000 males.

Though women candidates nearly doubled over the last two general elections, male candidates have grown by nearly 50 per cent in 2004-2014.

As a result, the proportion of women candidates remained 6-9 per cent in the last three general elections, data of Association for Democratic Reforms, a public advocacy, shows (see chart 3).

Congress leader and former Sonia aide Tom Vadakkan joins BJP

In a huge embarrassment to the Congress ahead of the Lok Sabha polls, its spokesperson Tom Vadakkan (pictured), once a key aide of UPA chairperson Sonia Gandhi, joined the BJP Thursday and attacked his former party for its stand on Balakot air strikes. Vadakkan, who joined the saffron party in the presence of Union minister Ravi Shankar Prasad and later met its president Amit Shah, said, "I am deeply hurt and that is why I am here." Asserting that the Congress questioned the integrity of armed forces, he said, "The attack by Pakistan on our land and the reaction from my party was sad indeed."



PTI

Nehru 'original sinner', favoured China for UNSC seat, says Jaitley

Hitting back at the Congress, Finance Minister Arun Jaitley on Thursday said first Prime Minister Jawaharlal Nehru was the 'original sinner' who favoured China over India for permanent membership into the United Nations Security Council. This comes within hours of Congress President Rahul Gandhi terming Prime Minister Narendra Modi as "weak" and "scared" of Chinese President Xi Jinping after Beijing blocked a UN resolution to designate JeM chief Masood Azhar a global terrorist.

21 Opposition parties move SC against EVM machines

Twenty-one Opposition parties, including INC and Andhra Pradesh Chief Minister Chandrababu Naidu have moved the top court seeking better safety norms to prevent the tampering of electronic voting machines. The parties have also sought that at least 50 per cent of the Voter Verified Paper Audit Trail machines be tallied with the voting machines to avoid any discrepancy. The parties have approached the top court following a meeting of 15 non-BJP parties held at Sharad Pawar's residence in New Delhi in February.

Weak Modi scared of Xi, says Rahul; BJP hits back

PRESS TRUST OF INDIA
New Delhi, 14 March

As China again blocked a UN resolution to designate JeM chief a global terrorist, Congress President Rahul Gandhi on Thursday hit out at Prime Minister Narendra Modi, saying he was weak and was scared of Chinese President Xi Jinping. The Congress chief attacked the Prime Minister and said he had not spoken on China blocking the resolution in the UN Security Council.

The party accused the BJP of letting Masood off the hook again and also questioned Modi what was the use of "swinging" with Xi.

"Weak Modi is scared of Xi. Not a word comes out of his mouth when China acts against India. NoMo's China diplomacy: 1. Swing with Xi in Gujarat. 2. Hug Xi in Delhi. 3. Bow to Xi in China," Gandhi said on Twitter.

Later in the day, the BJP hit back at Rahul, asking why he was in a celebratory mood whenever India is in pain, hours after he attacked the government over China blocking a UN resolution to designate JeM chief Masood Azhar a global terrorist.



In Old Kashi, power reforms a work in progress

Cost of project: ₹431.96 crore
Government grant: ₹259.2 crore
PUVNLL contribution (10%) + loan: ₹172.8 crore
Executed cost: ₹362.5 crore

SCOPE OF WORK
Consumer connection: **60,000**
Conversion of overhead line to underground cable: **1,510 km**
Heritage roads: **20**
Sub-stations: **New 2, capacity addition 9**

SHREYA JAI
Varanasi, 14 March

On the congested road leading towards Dashashwamedh ghat in Varanasi, people, rickshaws, bikes, and cows, all move at the same pace. But the view overhead is a stark contrast to this chaos.

There are no dreary electricity wires hanging loose, no rusty pillars, or dilapidated transformers, thanks to the reform of electricity supply in an 8 km area near the ghats. This is a first for any constituency in Uttar Pradesh.

Typically, the integrated power development scheme (IPDS) is implemented by the state's power distribution company. But for Varanasi's transformation, the credit rests with government-owned Power Grid Corporation of India. The scope of work under IPDS includes renovating power distribution, 100 per cent metering, underground cabling and smart metering.

Executives on conditions of anonymity said they assisted the Purvanchal

Vidyut Vitran Nigam Ltd (PUVNLL) because the city is the Prime Minister's constituency. Monitored by ministries, Varanasi was slated to be made the model town of power reforms.

In 2017, PUVNLL awarded the consultancy contract for Old Kashi to Power Grid. KEI Industries was selected contractor through competitive bidding and EESL installed heritage street lights.

Under the first phase, the ₹432-crore project covered 14 localities. Sixty per cent of the cost was funded by the Centre. For the rest, PUVNLL took a loan from Power Finance Corporation. Power Grid was to get a consultancy fee of ₹50 crore, but it did not claim the amount and included it in its CSR commitments.

For Power Grid, this was the second such project, first being Goa. "Power Grid doesn't deal in projects below 33 kv (last mile connection to households). That was a challenge, but so was the structure of the area we were to operate in," V N Singh, senior general manager, Power Grid, said.

The congested Old Kashi area comprises Dashashwamedh, Manikarnika ghats, Kashi Vishwanath temple, and the popular Godauliya, Lanka market areas, among others.

Take Manikarnika ghat. The lane is very narrow and, unlike other cremation ghats, the site operates round the clock. "We got a 20-minute window after midnight to do construction activities. So, we dug a metre every day in those 20 minutes and put in the cables," said an employee.

The deadline was two years and every day was a new challenge. "At times there was VVIP movement or the administration stopped our work as some festival would draw immense crowd. We also had to keep religious sensibilities in mind while digging," a KEI employee said.

Power Grid installed two new sub-stations including one GIS system — the most advanced tech in power transmission and only the second such in the country. The GIS system was installed at the crowded chowk area as it takes less

space and doubles power supply. Around 1,510 km of underground cable was laid and capacity augmentation of nine transformers was done.

The project has shown results. The transmission losses of the area went down to 9.9 per cent last year compared to 17.4 per cent when the project started in November 2016. Energy theft is now nil and power supply is uninterrupted.

"The work done by Power Grid is a benchmark shown by a central PSU to a discom. We have commissioned the project in the most difficult place of the country. Others have to just replicate it," said Singh.

PUVNLL chairman and managing director did not respond to queries. For Power Grid, KEI, and PFC the work is done. They have packed their bags and have even pulled out of the second phase, which is to cover the railway station, tourist footfall areas and VIP zones. For PUVNLL, however, the task has begun. It has to replicate a similar success story across the city.