



THE MARKETS ON FRIDAY		
		Chg#
Sensex	38,862.2	▲ 177.5
Nifty	11,666.0	▲ 68.0
Nifty futures*	11,760.8	▲ 94.8
Dollar	₹69.2	₹69.2**
Euro	₹77.8	₹77.6**
Brent crude (\$/bbl)**	69.4**	68.9**
Gold (10 gm)***	₹31,609.0	₹13.0

* (Apr.) Premium on Nifty Spot; ** Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBA

SATURDAY, 6 APRIL 2019 • MUMBAI (CITY) ₹10.00
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ECONOMY P6 GOYAL COUNTERS RBI ON LOWER GROWTH FORECAST

WEEKEND SEPARATE SECTION FUTURE OF OPEN-TALENT 'GIG' ECONOMY IN INDIA

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CCI OKAYS L&T'S PLAN TO ACQUIRE 66% STAKE IN MINDTREE

The Competition Commission of India (CCI) on Friday approved engineering and construction major Larsen & Toubro's (L&T's) proposal to acquire up to a 66.15 per cent stake in Mindtree. With this nod, L&T has overcome the first major regulatory hurdle in its bid to take a controlling stake in the IT services firm.

ECONOMY P6 RBI to seek EC nod for new pre-IBC guidelines

The RBI is likely to seek the approval of the Election Commission before releasing its new set of guidelines to banks, which will replace the February 12 circular quashed by the Supreme Court earlier this week.

COMPANIES P3 Lessors to de-register more Jet planes over 10 days

Lessors to Jet Airways are planning to ask the aviation regulator to de-register more planes leased to the airline, sources said, signalling a planned bailout of the debt-laden carrier is failing to assuage concerns.

IOC resumes fuel supply to Jet

COMPANIES P2 HUL to work with trusted network to fight ad fraud

Hindustan Unilever (HUL) is drawing up a list of trusted online publishers it will work with to ensure greater digital transparency, reduction of ad fraud and bring down the menace of toxic advertisements.

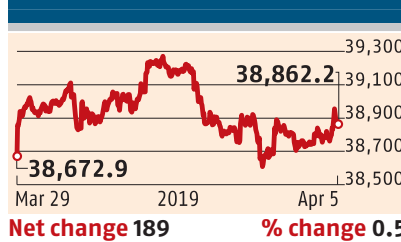
BS ON SATURDAY SPECIALS

WEEKEND RUMINATIONS: A manifesto in two parts
The Congress deserves generous applause for taking the position that it has on the sedition law and various laws that provide for detention without trial, writes T N NINAN

NATIONAL INTEREST: A national election of state leaders

Narendra Modi can't swing majority for the BJP in more than seven states. SHEKHAR GUPTA writes

SENSEX THIS WEEK



TOP 5 SENSEX GAINERS & LOSERS

Price in ₹	Mar 29, '19	Apr 5, '19	% chg
GAINERS			
Tata Motors	174.3	205.8	18.0
Bharti Airtel	332.9	356.6	7.1
Maruti Suzuki India	6,671.7	7,106.7	6.5
Tata Steel	520.9	548.4	5.3
HDFC	1,967.3	2,056.5	4.5
LOSERS			
Sun Pharma	479.3	462.7	-3.5
YES Bank	275.1	267.1	-2.9
Hindustan Unilever	1,707.8	1,659.7	-2.8
ICICI Bank	398.9	390.5	-2.1
Mahindra & Mahindra	671.8	658.1	-2.0

Compiled by BS Research Bureau Source: Bloomberg

Indiabulls Housing to buy Lakshmi Vilas Bank

Share-swap deal gives 36% premium to the bank's shareholders

NIKHAT HETAVKAR & HAMSINI KARTHIK
Mumbai, 5 April

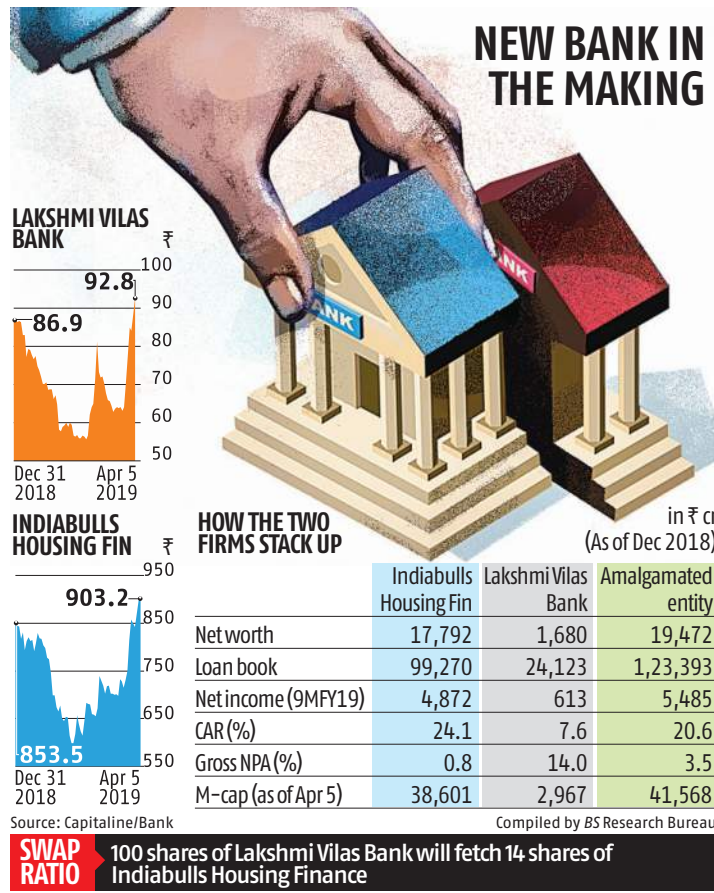
Chennai-based Lakshmi Vilas Bank is set to merge with Indiabulls Housing Finance in a share-swap deal, reflecting the trend of consolidation in the financial services sector. The boards of both entities approved the merger proposal on Friday.

The shareholders of Lakshmi Vilas Bank (LVB) will get 14 shares of Indiabulls Housing Finance (IBHF) for every 100 equity shares held in the bank, said the bank in a filing to the stock exchanges. At Friday's closing price, IBHF will pay a 36 per cent premium to the LVB shareholders. The deal would lead to 8 per cent equity dilution (on the basis of December 2018 figures) for the housing finance major.

This would be the second time that a non-banking financial company (NBFC) has acquired a bank since Capital First acquired IDFC Bank to form IDFC First Bank last year. While IBHF had applied for a banking licence, the Reserve Bank of India granted licences to only two entities in 2014.

The amalgamated entity would have a net worth of ₹19,472 crore and a loan book of ₹1.23 trillion as of December 2018. The merged entity's capital adequacy ratio would be 20.6 per cent.

IBHF's market capitalisation is 13 times that of LVB. The merger will bring access to the bank's low-cost deposit franchise for IBHF, which has largely relied upon wholesale finance to fund lending operations. LVB has been in dire financial circumstances due to mounting non-performing assets (NPAs), and the



SWAP RATIO 100 shares of Lakshmi Vilas Bank will fetch 14 shares of Indiabulls Housing Finance

central bank has put two nominees on its board for close supervision. The bank has also been in the market to raise capital. IBHF's strong capital adequacy will help the bank overcome these problems.

"The important point in the merger is that LVB is in need of capital and we will provide it. Its high NPAs aren't a permanent destruction to post-

merger returns ratios. It is an entity that IBHF can manage and digest, and has the capital to support," said Gagan Banga, vice-chairman, IBHF.

However, it is important that LVB, with its weak financials, does not slip into the RBI's prompt corrective action (PCA) framework, which could be adverse for the merger.

Turn to Page 10

US media report says all of Pak's F-16s intact; IAF rebuts

IAF maintains it shot down an F-16 aircraft during Feb 27 clash

AJAI SHUKLA
New Delhi, 5 April

The Indian Air Force (IAF) on Friday contradicted a report by US publication *Foreign Policy* that implied India had falsely claimed to have shot down a Pakistan Air Force (PAF) F-16 when fighter aircraft from the two sides clashed on February 27 over Jammu and Kashmir. *Foreign Policy* cites senior American defence officials as stating that US personnel had "recently counted Islamabad's F-16s and found none missing".

An IAF statement on Friday repeated what it had said earlier: "During the aerial engagement... one MiG-21 Bison of the IAF shot down, one F-16 in Nowshera sector."



IAF officials show parts of an exploded AMRAAM missile, allegedly fired by a Pakistani F-16, at a joint armed forces press conference in New Delhi on February 28

"The Indian forces have confirmed sighting ejections at two different places on that day. One was an IAF MiG-21 Bison and the other a PAF aircraft. Electronic signatures gathered by us indicate that the PAF aircraft was an F-16," said the IAF.

Senior IAF sources presented a detailed circumstantial case, built around intercepts of Pakistani radio transmissions, radar signatures

detected by IAF airborne warning and control system (AWACS) aircraft that were controlling the battle, visual confirmation of a pilot bailing out from a second stricken aircraft, other than the MiG-21. The sources argue that this could only have been a Pakistani F-16, since the PAF's other fighters — JF-17 Thunder and Mirage III/V — were elsewhere in the battlespace.

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SC warns Singh brothers of jail in contempt case

Apex court will hear the petition on April 11

AASHISH ARYAN
New Delhi, 5 April

The Supreme Court on Friday threatened to send the former promoters of Fortis Healthcare, Malvinder Mohan Singh and Shivinder Mohan Singh, to jail if it was established that they had violated the orders of the court by selling assets of the company.

The apex court, while expressing dissatisfaction over the replies filed by the two brothers on how they planned to pay the more than ₹3,500-crore dues to Daiichi Sankyo, said it would directly hear the contempt petition moved against them on April 11.

"You may be owning half of the world but you cannot satisfy your creditors by simply telling them you own half of the world. There is no concrete plan as to how the arbitral amount would be realised. You said somebody owed you ₹6,000 crore. But this is neither here nor there. Tell us the value of your assets and how the award will be secured," a three-judge Bench, led by Chief Justice of India (CJI) Justice Ranjan Gogoi, said.



The SC has expressed dissatisfaction over Shivinder and Malvinder Singh's replies in connection with Daiichi arbitration award

The Bench had on March 14 asked the Singh brothers to consult their financial and legal advisors and give a concrete plan on how they planned to comply with the decree against them that requires them to pay ₹3,500 crore to the Japanese firm. It had also asked them to be present in person in the courtroom.

During the hearing on Friday, the elder sibling, Malvinder Mohan Singh, detailed a list of land and other assets that the RHC group had.

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CRACKDOWN ON SHELL COMPANIES

Investors in unlisted firms can't file ITR-1, ITR-4 forms

SHRIMI CHOUDHARY
New Delhi, 5 April

Directors and people with investments in unlisted companies and start-ups will now have to make extensive disclosures in the new income-tax return (ITR) forms, according to a Central Board of Direct Taxes notification for assessment year 2019-20. This will help the tax department to clamp down on shell companies and check routing of black money.

FORMS TWEAKED

- ITR-1 has been rationalised; certain exclusions in ITR-4
- Seeks disclosures of directorship
- Additional disclosures for people having agricultural income

The board has widened the reporting requirements in most categories, including ITR-1 or Sahaj, which is

for the salaried class with income up to ₹50 lakh.

It has also sought details of agricultural land in ITR-2. In case net agricultural income exceeds ₹5 lakh, an individual will have to furnish details about measurement of the agricultural land and name of the district where the land is located. Agriculture income is exempt from income tax. Thus, details have been sought in the exempt income schedule.

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India Inc old brigade marches out

Directors aged 75 or more resign from over 200 firms as new Sebi rules kicked in on April 1

SUNDAR SETHURAMAN
Mumbai, 5 April

Septuagenarian and octogenarian directors on the boards of India Inc were seen hitting the exit door before the Securities and Exchange Board of India's (Sebi's) new corporate governance regulations kicked in on April 1.

Directors who have turned 75 or more have resigned from at least 228 companies in the past few months. Among them, 34 stated upfront that they were stepping down to comply with the new Sebi regulations. Others cited personal reasons and ailing health, while many quit without giving any reason. Experts said most of the exits were



AGE VERSUS EXPERIENCE

- Special resolution for appointment of non-executive directors who are 75-year-old or more
- Special resolution requires 75% shareholders' votes
- Many directors of older age have quit citing Sebi rule
- Move sparks debate on whether age can be a ground for stepping down

linked to the new corporate governance code, which restricts the age limit for non-executive directors at 75 years unless backed by a special resolution in favour of the director's continuation. More directors could step down when their tenure ends and they are due for reappointment,

experts added. Starting April 1, a non-executive director of 75 years or more can be appointed or re-appointed only by way of a special resolution, which requires 75 per cent 'for' votes. Moreover, an explanatory statement indicating the justification for

appointing needs has to be given by the company.

The new regulation is based on the recommendations made by the Kotak committee on corporate governance. The rule under the Companies Act that requires a special resolution for the appointment of executive directors above the age of 70 was the reference point for the recommendation.

GVK Power, Indiabulls Ventures, Godrej Properties and J&K Bank are among the companies whose non-executive directors have quit citing regulatory compliance as a reason for their cessation. There is a long list of prominent independent directors who have 'retired' or stepped down from their directorship, citing the Sebi regulation. These include noted economist Y K Alagh, Y H Malegham, R A Mashlekar, Vijay Kelkar, and Anil Dharker.

Turn to Page 10

Zomato's revenues, expenses increase

PEERZADA ABRAR & NEHA ALAWADHI
Bengaluru/New Delhi, 5 April

Zomato has posted a three-fold jump in revenues to \$206 million in the financial year ended March. However, the growth in the top line came by spending more than before on adding customers.

During the period, total cost rose more than sixfold to \$500 million against \$80 million in FY18, it said in its short-form annual report.

This indicated that the cost of customer acquisition may have significantly risen. "Most of the losses (\$294 million) are on account of the food delivery business in India. We have had tremendous growth, aided by promotional marketing spends, to acquire new users and be the first-to-market in many cities," Deepinder Goyal, founder and CEO, said.

The growth, said Zomato, was driven by its core food business. It is expected to earn revenue of \$350 million in FY20 at the current pace of growth, a major improvement given the intense competition in the segment.



It loses ₹25 per delivery, compared to ₹44 last year

Zomato competes with Swiggy, Uber Eats, Foodpanda, and Dunzo. It has raised \$755.6 million in over 13 rounds, noted Crunchbase. Delivery revenue for FY19 grew fourfold to \$155 million, compared to \$38 million in FY18. It now accounts for close to 75 per cent of the total revenue, up from 55 per cent in FY18. Though no comparative data on losses were available that the company said would be part of the audited financials, a major comfort would be the improvement in the unit economics of its food delivery business in India.

"We now lose ₹25 per delivery, compared to ₹44 per delivery in March 2018. Our last mile cost per delivery is now ₹65, compared to ₹86 in March 2018," said the report.

HUL to work with trusted network to fight ad fraud

Publishers could include Google, Facebook, Twitter, Amazon, Flipkart

VIVEAT SUSAN PINTO
Mumbai, 5 April

The country's largest advertiser, Hindustan Unilever (HUL), is drawing up a list of trusted online publishers it will work with to ensure greater digital transparency, reduction of ad fraud and bring down the menace of toxic advertisements.

Last week, HUL's parent London-and-Rotterdam-based Unilever had announced it was setting up a "trusted publishers' network", which would include global, regional and local online platforms.

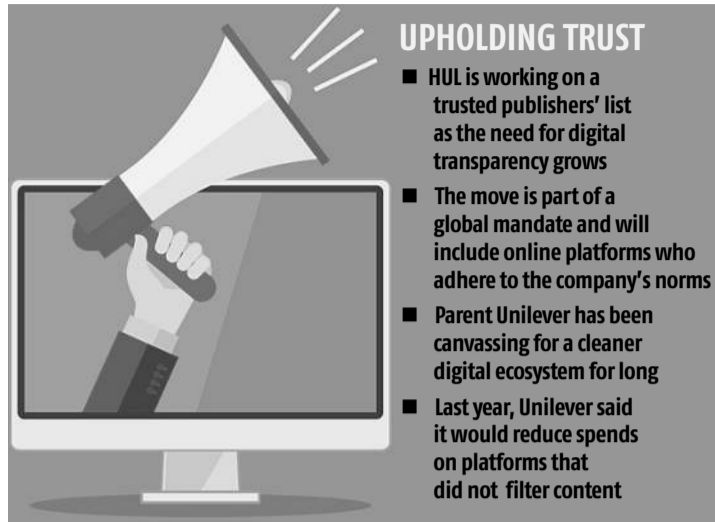
By toxic, the reference is to material that whips up hatred, is discriminatory in nature and has explicit sexual and pornographic content.

Last year, Unilever had said it would reduce spends on online and social media platforms that did not filter out content which was divisive or promoted hatred and gender stereotypes.

In an emailed response, a Unilever spokesperson said the publishers who would be a part of its trusted network would be assessed against key established criteria. "We are not sharing specifics about which publishers are included in the network. But our local media teams (including in India) with their agencies are leading the effort across all geographies," the spokesperson said.

HUL works with ad agencies such as Wunderman Thompson and Ogilvy & Mather in India. Its media agency is GroupM. Executives at GroupM could not be immediately reached for comment on the publishers list for India. But ad and media industry experts say the trusted publishers network in India could include names such as Google, Facebook, Twitter, LinkedIn and Snapchat as well as marketplaces such as Amazon and Flipkart where traffic is heavy.

"Typically, the larger platforms have systems and processes in place to track ad fraud and help reduce toxic content," says Ashish Bhasin, chief



UPHOLDING TRUST

- HUL is working on a trusted publishers' list as the need for digital transparency grows
- The move is part of a global mandate and will include online platforms who adhere to the company's norms
- Parent Unilever has been canvassing for a cleaner digital ecosystem for long
- Last year, Unilever said it would reduce spends on platforms that did not filter content

executive officer, Greater South Asia, Dentsu Aegis Network. "So these platforms could be a part of the whitelist. As far as local names are concerned, advertisers such as HUL will see whether they adhere to the criteria laid out as part of the trusted publishers network," he says.

Shrenik Gandhi, chief executive officer, White Rivers Media, which is a digital agency based in Mumbai, said HUL would look at impact, high growth potential and return on investment when choosing a publisher to work with.

"Of course, the issue of ad fraud will also have to be monitored closely since fake click farms have been growing in recent years," he said.

According to technology consultancy techARC, India's share in global digital ad fraud stood at 8.7 per cent in 2018 and is expected to grow at the rate of 23 per cent in 2019 owing to sophisticated techniques adopted by fraudsters.

"The impact of digital ad-fraud now goes beyond diminishing the returns on marketing spends and can jeopardise the entire digital transfor-

mation journey hampering brand equity, relevance and positioning among other ramifications," said Faisal Kawoosa, founder and chief analyst at techARC.

Some experts said HUL's move to come up with a publishers' whitelist could goad other advertisers to go down that road. "HUL is the largest advertiser in the country and its parent Unilever is amongst the largest advertisers in the world. In many respects what they do sets the agenda for the industry both in the country and the world and their latest move could push other companies to follow suit," said Harish Shriyan, chief executive officer, Omnicom Media Group India.

According to the Pitch Madison Report, released in February, HUL's ad spends for calendar year 2018 was in the region of ₹3,400 crore, which is nearly 10 per cent of its FY18 turnover of ₹35,218 crore. The second- and third-largest advertisers in India such as Reckitt Benckiser and Procter & Gamble respectively spent around ₹700-850 crore last year, which is half of HUL's ad budget.

A techARC study says India's share in global digital ad fraud stood at 8.7 per cent in 2018 and is expected to grow at the rate of 23 per cent in 2019

IN BRIEF

Amazon launches India-first seller funding programme



Amazon India announced the launch of its seller-funding programme - Amazon Wings - in partnership with Ketto, a crowd-funding platform, on Friday. Amazon India sellers can use Ketto's platform at a subsidised fee of 50 per cent for initiating fundraisers. The e-commerce giant has partnered with Ketto to launch a dedicated microsite to feature these fundraisers initiated by sellers. Sellers can now raise small ticket funds starting from ₹50,000 by means of crowd-funding through multiple individuals. "We are trying to understand hurdles faced by sellers on the platform. Ketto will help enable sellers to raise funds and foster innovation and new product development and empower the small business ecosystem on our marketplace," said Gopal Pillai, vice-president, Seller Services at Amazon India. "Crowd-funding can play a key role in helping entrepreneurs, especially businesses that foster both social impact and practical innovation," says Zaheer Adenwala, co-founder and CTO at Ketto.

ROMITA MAJUMDAR

Vikram Kirloskar takes charge as CII president

Vikram Kirloskar on Friday took charge as the president of the Confederation of Indian Industry (CII), the chamber said. Kirloskar is the chairman and managing director of Kirloskar Systems, and vice chairman of Toyota Kirloskar Motor. He takes over from Rakesh Bharti Mittal, vice chairman, Bharti Enterprises. Uday Kotak, the founder and MD & CEO of Kotak Mahindra Bank, is the president-designate and TV Narendran, the CEO & MD of Tata Steel, is the vice president for 2019-20, CII said.

PTI

Will fulfil order for supply of 255 e-buses by July: Tata Motors

Tata Motors on Friday said it would fulfil the order to supply 255 electric buses to various state transport undertakings by July, while admitting delays due to supply constraints of batteries. The company said it had delivered the first batch of electric buses to various STUs as per the FAME I tender wins. The firm denied reports that it has been blacklisted by the government for delays in deliveries.

PTI

Torrent Pharma's Dahej plant gets USFDA observations

Ahmedabad-based Torrent Pharmaceuticals has received five observations from the US Food and Drug Administration (USFDA) for its Dahej plant in Gujarat that led the stock to shed 2.8 per cent to end at ₹1848.9 a piece on the BSE on Friday. The USFDA had inspected the site between March 11 and 19. One of the observations noted in the form 483 issued was a repeat of 2017. Several quality control documents were found to be shredded. An email sent to the company remained unanswered till the time of going to press.

BS REPORTER

JSW Steel raising \$500 million from overseas bond sale

PRESSTRUST OF INDIA
Mumbai, 5 April

Leading alloy maker JSW Steel is entering the dollar bond market with a benchmark issue to raise up to \$500 million in debt, sources said on Thursday. The issue has received Ba2 rating with a positive outlook by global ratings agency Moody's Investors Service.

The fundraising is in line with a May 2017 board resolution to raise up to \$1 billion in one or more tranches by selling bonds in the international markets, the company told the exchanges. Merchant banking sources confirmed that the company is looking to raise up to \$500 million through the bond sale. The firm, with an installed capacity of 18 million tonne per annum, said senior management would hold roadshows in Hong Kong and London next week for the bond issuance.

In a note, Moody's said proceeds from the issue will be utilised for retiring some debt and also for capital expenditure. The company has \$500 million of senior unsecured notes maturing in November and an equal amount in unsecured bonds maturing in April 2022, the agency said.

The rating reflects the company's large-scale and strong position in its key markets, good product and end market diversification, it added.

Meanwhile, Fitch Ratings while assigning a 'BB' rating for the issue said the rating reflects its highly competitive conversion costs and position as one of the largest steel producers in India.



TELCOs OPERATING UNDER STRESS

Even as telecom companies continue to be under stress as the adjusted gross revenue (AGR) for the industry declined by 6.4 per cent YoY at the end of the December quarter, according to data released by the TRAI, on a sequential basis, one can see some improvement in the licence fee and spectrum usage charge (SUC).

Telcos pay SUC and licence fees to the DoT on the basis of their AGR. A sequential rise in these indicates the beginning of a revival in the industry. The past few quarters have witnessed a steady rise in terms of subscriber numbers, even as the urban subscriber base has either slipped or remained stable. Average minutes of usage per subscriber per month from wireless services has risen 6.37 per cent sequentially to 667 in the quarter to December.

COMPILED BY SOHINI DAS

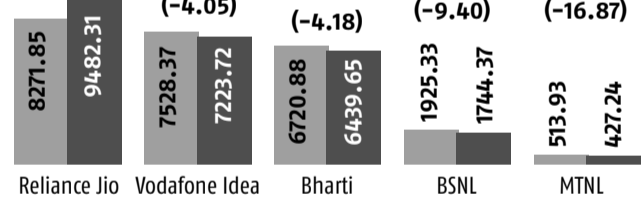
Sector financials

(₹ crore)	QE Dec '17	QE Sep '18	QE Dec '18	Q-o-Q chge (%)	Y-o-Y chge (%)
Gross revenue	61,089	57,827	58,991	2.01	-3.43
Adjusted gross revenue (AGR)	38,536	36,142	36,054	-0.24	-6.44
Licence fee	3,104	2,889	2,890	0.03	-6.90
Spectrum usage charge (SUC)	1,152	1,043	1,064	2.00	-7.62

Access services

Access services contributed 72.31% of the total adjusted gross revenue of telecom services

■ QE Sep 2018 ■ QE Dec 2018 (Figures in brackets % change)



Subscriber base

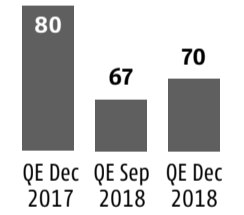
	Subscriber base (million)	Rate of growth (%)	Market share (%)
Vodafone	435.22	-3.72	36.50
Idea	419.03		34.90
Bharti	347.52	-0.93	29.17
Airtel	344.30		28.74
Reliance Jio	252.25	11.05	21.17
Jio	280.12		23.38

Vodafone and Idea have been merged during the quarter ending (QE) September 18

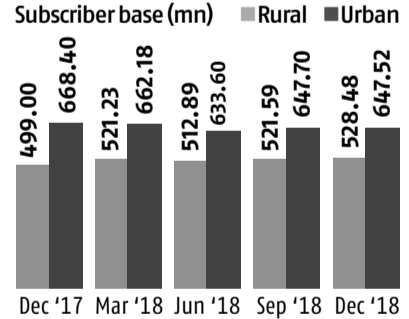
Source: Trai

ARPU (₹/subscriber/month)

Y-o-Y chg (%) -12.33
Q-o-Q chg (%) 4.06



Rural wireless subscriber base is on the rise



After HC order, more trouble ahead for apps similar to TikTok

Ministries say they are keeping a watch, with states having complained and wanting a ban

KARAN CHOUDHURY & NEHA ALAWADHI
Bengaluru/New Delhi, 5 April

Popular Chinese video apps such as TikTok, Kwai, LIKE and a host of others might be on borrowed time in India.

The Madras High Court's direction on Thursday to the central government for a ban on TikTok is the first indication in this regard of what seems likely over the coming months.

Highly popular in tier-III cities and towns, with an estimated 300-plus million users, these apps are now on the radar of the home and information technology (IT) ministries, after a slew of complaints. According to official sources, various states are contemplating bans over the next few months, on the worry that these platforms encourage child pornography, nudity and the spread of fake news.

<https://t.me/SSC4Exam>

from southern states, including Tamil Nadu, as well as West Bengal and Assam in the east. We are monitoring the situation and if the need be, we will ban some of these apps. Also with elections around, we do not want to take any chances," said a senior home ministry official.

The Madras High Court said TikTok was "encouraging pornography". The order also directs the media from telecasting videos made by using the app.

According to IT ministry officials, misuse of these portals has been immense, given their popularity in the smaller cities and towns. With many there only recently acquainted with technology, their susceptibility to organised online porn networks or fake news is thought to be more.

"While they claim they have moderators, a lot which can be described only as porn and bawdy content is

NO CHILD'S PLAY

■ Many states are contemplating bans over complaints that these apps encourage child pornography, nudity, and the spread of fake news

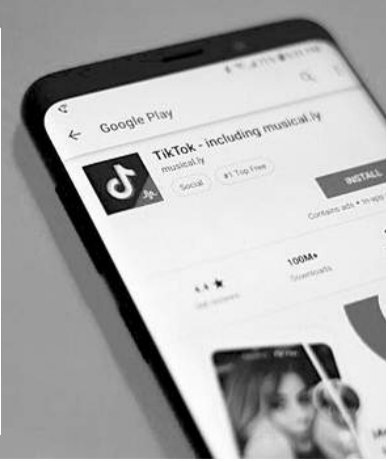
■ Officials say misuse of these portals has been immense, given their popularity in the smaller cities, towns

■ Madras High Court says TikTok is "encouraging pornography"

■ Experts say banning such apps is not a long-term solution

allowed on these portals. Children as young as 10 are posting videos and there is no one to moderate them," said an IT ministry official.

Sector experts say, though, that banning such apps is not a long-term solution. "Banning a particular app might reduce circulation of content to some



extent. (However) Most of these applications are hosted out of servers in China or outside India, although section 75 of the IT Act provides extra-territorial jurisdiction," said Salman Waris, managing partner at TechLegis Advocates & Solicitors.

Some within the industry were of the

view that the ban was appropriate given the content hosted on TikTok.

"It is encouraging to see the Madras High Court taking on these platforms like TikTok that are known hubs for inappropriate content and which use gullible Indian children as test cases for their AI tools. The court has in essence done what the government has failed to do in recent months to ensure safety on the Internet," said an official at a social media platform.

Experts would like more checks and balances at these platforms. "The technology now exists to let individuals securely prove their age online. Using digital identity technology, individuals can share specific details - just their verified age, date of birth or even an 'over 18' attribute. This ensures only those of the appropriate age can access the platform and its content, whilst protecting their privacy and personal information," says Shantanram Jonnalagadda, country head in India for Yoti, a London-based digital identity service entity.

After the high court order, the company which issued TikTok had said: "We fully comply with the Information Technology (Intermediaries Guidelines) Rules, 2011. We are currently awaiting the official order and once received, we will review and take appropriate action. Maintaining a safe and positive in-app environment at TikTok is our priority. We have robust measures to protect users against misuse, to protect their privacy and digital wellbeing." Helena Lersch, global public policy director of the short-video sharing platform, had earlier told Business Standard they had a strong content moderation mechanism.

"We have robust measures in place. We have reporting mechanisms, community guidelines; we only allow content that follows community guidelines. We forbid hate speech, violent content, pornographic content, minors. So, the moment we are made aware of this content, we are taking it down with a team that works on that 24x7. We have a large content moderation team in place," she had said.

<https://t.me/UPSC4Exam>

<https://t.me/Banking4Exam>

TURBULENCE IN THE SKIES

IOC cuts fuel supply to Jet, resumes after assurance

As planes were stranded for over 3 hours, passengers were asked to deboard

ANEESH PHADNIS & AMRITHA PILLAY
Mumbai, 5 April



Indian Oil Corporation (IOC), the country's largest refiner, stopped fuel supplies to cash-strapped Jet Airways on Friday afternoon, grounding its operations for three hours. The supply was resumed after the airline gave an assurance on settling the dues.

Jet has been operating a truncated schedule with over 100 daily flights, and this has resulted in depleting ticket sales. The release of lesser-than-assured interim funding from the banks has increased the financial strain, and the airline has cash to manage operations only for a few days.

"Fuel supply to the airline was stopped briefly in the early part of the afternoon, but was later resumed after an assurance from the airline over payments," said a person who did not wish to be identified. It is not clear for how long will resumed supply continue.

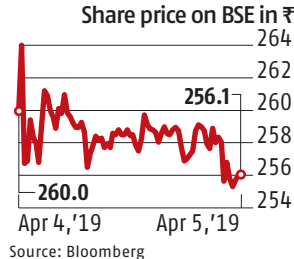
Till late Thursday, the airline enjoyed uninterrupted supply from the oil marketing company because till then the dues were within the bank guaran-

tee limit the airline had offered, said the person quoted earlier. However, Jet did not respond to the queries. On Thursday, too, fuel supply was discontinued for a brief period but the issue was resolved and operations normalised.

On Friday afternoon, Jet planes were stuck at Mumbai, Bengaluru and Delhi as IOC refused to supply aviation turbine fuel.

Passengers who had boarded the planes were asked to deboard, and informed the delay was due to "technical reasons". The stranded flights departed in evening upon resumption of fuel supply.

JET SCRIP FALLS 1.5%



The airline's lenders have decided to call for bids for a stake in Jet, but could not reach a consensus on providing emergency funding. As a part of the resolution plan, lenders had agreed to provide ₹1,500 crore. But, the plan has been reworked

with the lenders advancing the stake sale process.

The airline management was informed the lenders would release additional funds if there was some assurance of an investor coming on board the airline, a source said.

On Thursday, the lenders agreed to release only ₹150 crore to the airline, and large part of that would be used to pay lessors. The airline has been forced to ground 80 per cent of its fleet on non payment of lease, resulting in massive flight cancellations. Forward bookings, too, have slumped, and passenger confidence in the brand is at its lowest.

Lessors to Jet plan to de-register more planes

ADITYA KALRA AND ADITI SHAH
New Delhi, 5 April

Lessors to Jet Airways are planning to ask the Directorate General of Civil Aviation (DGCA) to de-register many more planes leased to the airline, three sources said, signalling a planned bailout of the debt-laden carrier is failing to assuage their concerns.

About six lessors are expected to apply to the DGCA

to de-register up to 15 planes that have already been grounded, over the next 10 days, one of the sources with direct knowledge of the matter told *Reuters*. Once a plane is de-registered, the lessors are free to take them out of the country and lease them to other airlines.

While some lessors have already taken a few planes out of India after a mutual agreement with Jet, sources have told *Reuters*, the latest series of applications to the DGCA would be on a non-consensual basis. Jet did not immediately respond to a request for comment. Jet, India's oldest pri-

About six lessors are expected to apply to the DGCA over the next 10 days to de-register up to 15 planes that have been grounded

vate carrier controlled by its lenders, has had to ground over three-quarters of its fleet of 119 planes, many due to non-payment to lessors, leading to hundreds of flight cancellations. Avolon, one of the world's biggest aircraft lessors, on Thursday applied to the DGCA to take two of its planes placed with Jet outside of India, making it the first to pull planes out on a non-consensual basis. **REUTERS**

'Global CEOs back our stand against protectionism'

Q&A

Nasscom said on Friday **KESHAV MURUGESH**, who is also CEO of WNS Global Services, is taking over as the new chairman. This is the first financial year the IT industry body is discontinuing the practice of giving annual growth guidance. Angel tax has also created concerns in the start-up ecosystem. Murugesh tells **Debasis Mohapatra** Nasscom's focus areas will be skilling and reskilling. Excerpts:

Nasscom has discontinued giving annual growth guidance from this year. Does it indicate the losing relevance of the body?

I am coming at a crucial juncture. But there is no negativity (with issues such as no guidance on growth from this year). There are many opportunities in the market, and I am excited to hold this responsibility. The disruption in client geographies opens up opportunities for Indian firms in the areas of deep technology.

So, you are saying it is more of a business reality now?

With all the disruptive changes, and the available opportunities, it is important to appreciate that the old way of giving guidance is no longer relevant.

What will be your priorities?

Skilling and reskilling is an important area to manage new business. With all the disruption, we need high-quality talent. I believe the ability to go after deep tech areas will not only affect international client markets but also the domestic one. Also, the ability to adopt technology models to drive inclusive growth through creation of jobs in tier-II locations is a key aspect for us. Exploration of new markets will be another priority.

Protectionism is on the rise with increasing difficulties in moving Indian engineers to onshore locations. Do you feel Nasscom will be able to address this pain point under your leadership?

We have to understand the business model has transformed a lot. We should not expect clients to look for solu-



tions only driven from offshore locations. It is exciting that firms in the sector are focussed on creating innovative solutions to expand the market for our services. It is the reason most IT firms are setting up newer centres in onsite geographies in new technology areas. On the other hand, we have seen the protectionist theme across the globe. Therefore, from an organisation point of view, we have to appropriately explain why global companies are able to perform (well). To a large extent, it is because of the availability of strong talent from India. But, we have to take the right steps. There is a lot of support from the CEO community in client geographies to our stand.

The tax department's advance ruling said the back office support services qualify as 'intermediary' services, and not exports. If this interpretation stays, most will be liable to pay tax...

The governments, whether state or Centre, are extremely supportive of the role Nasscom plays, its impact, and its member companies. Therefore, as new policies are formulated, they are continuously engaged with the industry for right policies to be created. So, the confusions would be ironed out.

More on business-standard.com

Negative outlook for residential real estate sector, says Icria

Owing to weak consumer sentiments despite the recent announcement of various sops for the buyers, the country's residential real estate sector outlook remains negative, the report said.

According to the rating agency Icria, factors responsible for negative outlook are demand-supply mismatches in many markets and product segments, leveraged balance sheets and continuing funding challenges for developers, challenging macro-economic

environment, and low affordability levels for buyers.

"Overall we expects a negative outlook on the Indian residential real estate sector. Consumer sentiment remains weak, notwithstanding recent sops for the sector announced in the union budget," Icria group head Shubham Jain said. Icria further noted that the rationale to revise the rates has been to reduce the high headline GST rates, which have resulted in lower sales of under-construction houses. **PTI**

Malpass elected new president of World Bank

BLOOMBERG
Washington, 5 April

Senior US Treasury official David Malpass was appointed president of the World Bank Group, placing a loyalist of President Donald Trump at the helm of the development lender.

Malpass was unanimously selected to serve a five-year term from April 9, the World Bank's executive board said in a statement on Friday.

Trump nominated Malpass in February, choosing a loyal supporter who had been sharply critical of China and called for a shakeup of the global economic order. Critics including Nobel laureate Joseph Stiglitz questioned the selection, pointing to Malpass's doubts about international cooperation. But no other countries pro-



Malpass was unanimously selected to serve a five-year term from April 9 PHOTO: REUTERS

posed any candidates to challenge Malpass, making his selection by the board all but assured.

Before his nomination, Malpass portrayed the World Bank as too big, inefficient and reluctant to cut funding for developing countries that grow into dynamic emerging markets.

Trump urges Fed to lower US interest rates

REUTERS
Washington/New York, 5 April

President Donald Trump said on Friday the US Federal Reserve should lower interest rates and take other unconventional measures to ease pressure on an economy that he said they slowed down.

"I think they should drop rates," Trump told reporters. "I think they really slowed us down. There's no inflation." The US president also suggested that the central bank pursue an unconventional monetary policy called "quantitative easing" that was used to nurse the economy back after the global financial crisis. The technique used from 2008 to 2014 involved buying trillions of government-sponsored bonds.

"It should actually now be quantitative easing," Trump

said. Trump's repeated public attacks on Fed policy and his intention to nominate two political allies to the central bank's board of governors has led some analysts to see the economic policymaker's cherished independence as under attack. The White House has said it does not wish to undermine the central bank's independence.

The renewal of quantitative easing, Trump said, should be in addition to interest rate cuts - a likely worrying thought, at this point, for Fed officials who describe such a combination of tactics as only appropriate in a dire downturn. On Thursday, Trump said he plans to nominate his political ally Herman Cain, the former head of Godfather's Pizza, to one of two vacancies on the Fed's seven-member Board of Governors.

May asks EU for Brexit delay

PM asks for June 30 deadline; the bloc 'willing' to offer even more time - up to a year

REUTERS
London/Brussels, 5 April

British Prime Minister Theresa May wrote to European Council President Donald Tusk on Friday asking for a delay of Brexit until up to June 30, but said she aims to get Britain out of the EU earlier to avoid it participating in European elections.

An EU official signalled that Donald Tusk, the chairman of EU leaders, could be willing to offer even longer: Up to a year for Britain's feuding politicians to agree and ratify a plan.

France, however, indicated it was not yet ready to accept an extension unless the British presented a clear plan which would justify such a delay.

"We're not there today," a source close to French President Emmanuel Macron told *Reuters*.

Britain is now due to leave the EU in a week, but May has been forced to seek more time after Britain's parliament failed to approve a withdrawal agreement.

Her Conservative Party is deeply divided, as is the main opposition Labour Party, leading to an extraordinary series of inconclusive votes in parliament that have stretched Britain's centuries-old unwritten constitution to its limits.

Scenarios that run the gamut from abandoning the EU abruptly with no exit deal to cancelling Brexit altogether



Britain is due to leave the EU in a week, but Theresa May has been forced to seek more time after Britain's Parliament rejected her agreement PHOTO: REUTERS

er have all gone down to defeat.

Obscure parliamentary procedures have been resurrected from the rulebooks providing daily drama from the House of Commons, but the future of Britain's biggest change in generations has become no clearer. After finally recognising that her minority Conservative government could not push through a Brexit deal on its own, May started talks this week with Labour leader Jeremy Corbyn in the hope of coming up with a cross-party solution.

But that means accepting the need for more time,

including the prospect that Britain might have to hold European Parliament elections on May 23, which May has long said she hoped to avoid at all cost.

"The United Kingdom proposes that this period should end on 30 June 2019," May said in the letter.

"The government will want to agree a timetable for ratification that allows the United Kingdom to withdraw from the European Union before 23 May 2019 and therefore cancel the European Parliament elections, but will continue to make responsible prepara-

tions to hold the elections should this not prove possible."

Tusk, who convenes a summit of EU leaders next week, is likely to offer Britain a flexible extension of up to a year, with the possibility of leaving sooner, a senior EU official said. "The only reasonable way out would be a long but flexible extension. I would call it a 'flexextension,'" the official said.

As in May's proposal, the extension could be terminated early if Britain ratifies the withdrawal agreement.

"It seems to be a good scenario for both sides, as it gives the UK all the necessary flexibility, while avoiding the need to meet every few weeks to further discuss Brexit extensions," the official said.

Premature?

Any extension must be agreed by all 27 of the other EU countries. France in particular has signalled that it would not automatically give Britain whatever May sought.

"If we are not able to understand the reason why the UK is asking for an extension, we cannot give a positive answer," Finance Minister Bruno Le Maire told reporters in Bucharest.

The French diplomatic source called the extension idea premature and "clumsy".

However, other European politicians have signalled they would be happy to give Britain time to rethink.

Google disbands AI ethics board

AP/PTI
5 April

Google on Thursday confirmed that it has disbanded a recently assembled artificial intelligence ethics advisory panel in the face of controversy over its membership.

The end of the Advanced Technology External Advisory Council (ATEAC) came just days after a group of Google employees launched a public campaign against having the president of conservative think-tank Heritage Foundation among its members.

Another member of the board had already resigned, and the inclusion of a drone company executive had rekindled concerns about potential military uses of artificial intelligence, according to Vox news website, which first reported on the council being disbanded.

"It's become clear that in the current environment, ATEAC can't function as we wanted," Google told AFP. "So we're ending the council and going back to the drawing board."

Govt urges banks to show results of gold scheme

RAJESH BHAYANI
Mumbai, 5 April



The major issue for banks was that they were finding the scheme unviable even after getting the existing compensation by way of interest rate and cost given by the government

In a meeting held on Friday, finance ministry officials asked banks to show results in the existing gold monetisation scheme (GMS) said a bank official having knowledge of the development.

The scheme has not seen much success since its launch in November 2015, and just about 15 tonnes of gold have been mobilised.

Ministry officials told leading public sector and private sector bank executives that they should ensure that idle gold is deposited under the scheme and that there was "no revamped GMS coming in the next three months". Whatever changes in GMS and any other gold schemes are to happen will take place only after the new government takes charge.

The major issue for banks was that they were finding the scheme unviable even after getting the existing compensation by way of interest rate and cost given by the government.

Under the scheme, a customer has to give gold to a hallmarking centre, which works as a collection and assaying centre. The gold is then forwarded to a refinery, which then sends them to banks in the form of bars.

Based on the hallmarking centre's receipts, the bank opens customer's gold deposit account.

The banks, the Centre and the refinery have to sign a tripartite agreement to

Refineries and hallmarking centres have told the govt in the past that a few tons of gold can easily be mobilised under the GMS once banks sign the tripartite agreement

operationalise the scheme. Hallmarking centres' association said banks are yet to sign the final agreement with gold refineries. The banks in all previous meetings have told the finance ministry that the scheme was not viable for them.

Banks had sought many relaxations, including exempting such gold deposits from cash reserve ratio (CRR) requirements. Other suggestions to the finance ministry include allowing banks to

open gold metal account and return physical gold on maturity, which will attract temple trusts, who are sitting on several thousand tons of idle gold.

In Friday's meeting, a

source said an official told them that there would be no CRR exemption this quarter. However, banks need to show results as "nudging by the ministry official was almost like an order", the source said. Banks will now need to identify branches where they see higher potential to mobilise gold.

Refineries and hallmarking centres have told the government in the past that a few tons of gold can easily be mobilised under the GMS once banks sign the tripartite agreement.

Three months back, the Reserve Bank had allowed charitable institutions, the Centre and state government entities to deposit gold. However, banks are yet to procure gold from them, said the industry observer.

Sources said banks would now "tap such wholesale depositors, rather than retail investors, to mobilise gold under the scheme".

Retail securitisation volumes double in FY19

Liquidity squeeze drives many NBFCs to sell loans

ABHIJIT LELE
Mumbai, 5 April

The retail securitisation volume in the Indian market more than doubled to ₹1.9 trillion in 2018-19, compared to ₹85,000 crore for 2017-18, driven substantially by mortgage lenders, a CRISIL study shows.

Securitisation refers to packaging loans such as auto loans and home loans and the credit card debt of banks and lenders as debt.

This helps lenders to sell part of the loans to generate liquidity for running businesses.

The rating agency says there were three drivers to the

sput in volume. One, a few large mortgage players returned to the market in the first quarter of 2018-19 after clarification that securitised assets were not liable to the goods and services tax (GST).

Two, non-banks (housing finance companies and non-banking finance companies) rushed to securitise receivables because conventional sources of resource mobilisation came under pressure after September 2018.

The system witnessed a liquidity crunch in the third quarter of FY19 after IL&FS group entities defaulted on payments for commercial

papers and bonds.

Three, the Reserve Bank of India's (RBI's) notification relaxing guidelines on minimum holding period requirements in securitisation transactions, backed by long-tenure loans, increased the availability of eligible securitisable assets.

Direct assignments (DAs) continued to be the preferred route, accounting for 64 per cent of the securitisation volume. While DA transactions went up 146 per cent, pass-through certificates (PTCs) soared 95 per cent. The volume of PTCs reached ₹69,000 crore.

Mortgage-backed transactions originated by housing finance companies and invested in primarily by public sector banks accounted for the bulk of the DA volume as 92 per cent of

mortgage transactions are happening through the DA route.

Said Krishnan Sitaraman, senior director, CRISIL Ratings, "Three asset classes — mortgages, vehicle loans and micro-finance loans — constituted 84 per cent of the securitisation volume. Growing investor comfort with these asset classes and steady asset quality metrics supported growth."

Relatively new asset classes such as gold loans, loans to small and medium enterprises, and personal loans are also getting securitised, underscoring a potential broad-basing of the market, it said.

Heading into 2019-20, some tailwinds that aided the market in fiscal 2019 are abating. Among other factors, pent-up supply following GST imple-

mentation has exhausted, regulatory relaxation on the minimum holding period is available only till May 2019, and the funding environment for non-banks is gradually stabilising. But new supportive factors are emerging in their place.

Rohit Inamdar, senior director, CRISIL Ratings, said: "Securitisation will continue to clock decent volumes despite changing market dynamics. The spotlight on asset-liability maturity management by the recent liquidity crunch should result in non-banks reducing their dependence on short-term funding sources. That could spur healthy appetite for securitisation transactions, which have no negative asset-liability maturity mismatches."

Banks' stressed asset sale to ARCs off to a slow start

NAMRATA ACHARYA
Kolkata, 5 April

With Central Vigilance Commission (CVC) raising doubts over the sale of stressed assets by banks to asset reconstruction companies (ARCs), the process has started on a low pitch this financial year.

Recently, CVC suggested that banks have a monitoring mechanism for bad loan sales to ARCs, with the cash flow statement from stressed assets shared with banks, according to top bankers in public sector banks (PSBs). CVC is of the view that in many cases the management fee and other expenses charged by the ARCs to banks are not fair.

"Now, certain additional caveats that have been brought in are acting as a dampener for the ARCs. The regulatory requirement is that the ARCs have to make cash flows statements available to the bank. What is happening to that assets? How is the management fee

CASE IN A NUTSHELL

- CVC has advised banks to keep tabs on cash flows of assets sold to ARCs
- Banks expect formal guidelines on ARC sale
- Returns from security receipts have been negligible for banks
- CVC has raised concerns over use of management fee paid to ARCs
- Banks prefer resolution through NCLT, rather than ARC sale



getting used? These are the questions ARCs need to answer. So, ARCs are quoting their price a bit conservative. The that kind of enthusiasm which was visible earlier, it has gone down," said head of public sector bank.

Banks too are in favour of having a monitoring mechanism for sale of assets to ARCs.

"CVC has asked for more transparency in the deals, with a kind of policy under

which the haircut is determined. This will eliminate distress sale of assets by banks," said another head of a public sector bank.

While formal guidelines on monitoring mechanism of loans sold by banks to ARCs are yet to come, banks are already acting on the CVC's suggestions in seeking details of expenses incurred and cash flows in the stressed assets.

More on business-standard.com

BoI to divest 25% in Star Union Dai-ichi Life for over ₹1K crore

SUBRATA PANDA
Mumbai, 5 April

State-owned lender Bank of India (BoI) is planning to sell 25.05 per cent equity stake in Star Union Dai-ichi Life Insurance for ₹1,106 crore at ₹170.50 floor price of each share.

BoI has 28.96 per cent equity stake in Star Union Dai-ichi Life insurance. Other joint venture partners in the life insurance company are Union Bank of India and Japan-based Dai-ichi Life Holdings. Union Bank of India owns 25.1 per cent stake in the life insurance company, whereas Dai-ichi Life Holdings with 45.94 per cent stake is the majority shareholder.

After the stake sale, BoI will hold 3.91 per cent stake in Star Union Dai-ichi Life Insurance.

In an exchange filing, BoI said it had floated a Request for Proposal (RFP) for sale of equity stake of up to 64.8 million shares of Star Union Dai-ichi Life Insurance,

having a face value of ₹10 each. The proposed stake sale by BoI is a part of the bank's strategy to raise money via monetisation of its stake in strategic investments and sale of non-core assets.

For the proposed stake sale, Bank of India has appointed RBSA Capital Advisors as the financial advisor.

In the last couple of months, the insurance sector has seen many joint venture partners selling their stake in the

respective life insurance companies. Mostly, the listed companies such as ICICI Prudential, SBI Life and HDFC Life have had their joint venture partner selling stake.

In the first nine months of FY19, the life insurance company has earned premiums worth ₹1,211 crore. The profit of the company after tax stood at ₹55 crore in the same period.

Shares of BoI closed at ₹100.90, down 0.10 per cent from its previous close at the BSE.

After the stake sale, BoI will hold 3.91% stake in Star Union Dai-ichi Life Insurance

IN BRIEF

SC stays HC decision asking AJL to vacate Herald House



The Supreme Court on Friday stayed the Delhi High Court order, asking Associated Journals (AJL), publisher of Congress mouthpiece *National Herald*, to vacate the Herald House building. AJL moved the apex court against the high court order, which dismissed its plea to restrain the Centre from taking any "coercive steps" for vacating the premises at Herald House in ITO area in the national capital. The high court had held that the entire transaction of transferring shares of AJL to Young Indian (YI) firm, in which Congress President Rahul Gandhi and his mother Sonia are majority shareholders, was a "clandestine and surreptitious transfer of the lucrative interest in premises" to YI.

PTI

India mulls hosting second WTO meet next month: Prabhu



India is planning to host the second informal meeting of trade ministers from about 20 member nations of the World Trade Organization (WTO) next month amid growing challenges for global trade, Commerce and Industry Minister Suresh Prabhu has said. This meeting assumes significance as several countries are raising questions over the relevance of the global trade body. Many countries are also taking protectionist measures, impacting global trade.

PTI

Focused on reducing non-viable PSUs, says Secretary DPE

The Department of Public Enterprises (DPE) is now focused on reducing non-viable companies, after bringing 19 state-owned enterprises to closure under strategic disinvestment, a top official said on Friday. Secretary in the DPE Seema Bahuguna said the government had revamped the dispute resolution mechanism for central public sector enterprises (CPSEs) to reduce litigation and unblock public money. "We focus on strategic disinvestments, as part of which, 19 CPSEs have been brought to closure by now. We are focused on reducing non-viable companies now," she said.

PTI

PFS, US-India Clean Energy Finance initiative join hands

PTC India Financial services (PFS) on Friday joined hands with the US-India Clean Energy Finance (USICEF) initiative. USICEF, managed by Climate Policy Initiative (CPI), was founded in 2017 in partnership with the Indian Ministry of New and Renewable Energy, OPIC, IREDA, and leading US foundations. USICEF supports early-stage projects to scale up, de-risk and become investment-ready. As part of the partnership, PFS will look at new distributed solar power proposals being implemented by reputed developers under various schemes.

BS REPORTER

Cooperation with Isro remains intact, says NASA chief



The cooperation of NASA with ISRO remains intact, chief of the US space agency James Bridenstine (pictured) has said, days after he criticised India and termed its anti-satellite weapon test a "terrible thing" for creating about 400 pieces of orbital debris. In a letter to ISRO Chairman K Sivan, NASA Administrator Bridenstine said "based on the guidance received from the White House", he looks forward continuing to work with ISRO on a host of issues including human space flights.

PTI

INDIA INC BOARDROOM SCORECARD ON CORPORATE GOVERNANCE



On March 28, 2018 the Sebi board had approved 40-odd proposals of the Uday Kotak-headed Committee on Corporate Governance. A year on, corporate India is yet to comply with some of the key recommendations, especially those related to the board of directors, data by NSEinfobase.com, an offering of PRIME Database, a primary market tracker, shows.

COMPILED BY SUDIPTO DEY

Reserve Bank to seek EC approval on new circular

ARUP ROYCHOUDHURY
New Delhi, 5 April

The Reserve Bank of India (RBI) is likely to seek the approval of the Election Commission (EC) before releasing its new set of guidelines to banks, which will replace its February 12 circular that was quashed by the Supreme Court earlier this week. The new circular is expected to be out in the coming week.

"While the matter of issuing a circular does not relate to publicity or elections in any way, the Election Commission does have a remit over any new announcement. As a matter of formality, the RBI will seek the EC's permission before issuing the new circular," said a top government official.

Officials from the finance ministry and the central bank have started discussions on the new circular. These discussions will also include Finance Minister Arun Jaitley and RBI Governor Shaktikanta Das talking to each other. As reported earlier, the government is planning to authorise the RBI to refer companies to the Insolvency and Bankruptcy Code (IBC) on a case-by-case basis.

The EC's Model Code of Conduct, in force from March 10 till the end of the Lok Sabha elections, restricts announcement of new schemes/projects and also grant of new reliefs after the announcement of elections (see box).

As reported earlier, the Centre's view is that the Supreme Court verdict does not curtail the government's powers to give directions to

WHAT THE RULE SAYS

Given that the new RBI circular may guide banks on dealing with non-performing assets before the option of taking them to IBC, it be broadly come under a 'relief', an official said.

The only specific guideline that the MCC contains for the RBI is that the "Reserve Bank of India may continue to take decisions unhindered on monetary policy issues". Officials expect that the EC will have no issues with the new guideline.



the RBI to initiate recovery proceedings. The government will invoke Section 35AA of Banking Regulation Act to soften the Supreme Court verdict on the February 12 circular.

This will be well within

the rules set under the Banking Regulation Act and would be hard to challenge in court. Section 35AA of the Banking Regulation Act gives power to the central government to authorise the Reserve Bank "for issuing directions to banking companies to initiate insolvency resolution process."

The Supreme Court ruling by Justice Rohinton Fali Nariman and Justice Vineet Saran largely centred on the fact that the RBI should have sought authorisation from the government before sending companies to the bankruptcy code on a case-by-case basis, as laid down under Section 35AA.

However, a circular such as February 12 nets a whole bunch of companies that meet the cut-off set by the central bank, in this case ₹2,000 crore of outstanding debt for each account. The RBI had said if the account servicing has been delayed even by a day, it would be in default and a resolution process has to be drawn by the banks and if need be, referred to the National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code (IBC).

The February 12 circular affected 157 accounts, each with outstanding debt of at least ₹2,000 crore, and totalling ₹12 trillion-plus.

Former NITI Aayog vice-chairman Arvind Panagariya said at an event in New Delhi on Friday that the RBI will bring in another circular which is consistent with law. "The SC ruling does not impact existing cases going into IBC. None of the powers is gone," he said.

MPC RATE CUT: A DAY AFTER

Goyal takes on RBI for lowering growth forecast

INDIVIDUAL DHASMANA
New Delhi, 5 April

Railways and coal minister Piyush Goyal asked the Reserve Bank of India on Friday to introspect its role in pulling down the country's projected economic growth for 2019-20 to 7.2 per cent from the earlier forecast of 7.4 per cent.

The economy rose 7 per cent in 2018-19, the lowest growth in the five-year term of the Narendra Modi-led government.

Goyal, who held the post of finance minister when Arun Jaitley was undergoing treatment, was speaking at the Confederation of Indian Industry's annual session. "All stakeholders, including the RBI, should introspect on their respective roles (on low economic growth)," he said, adding the RBI could have taken certain steps differently over a period of time.

He said every organisation should introspect how much contribution they had to the woes of the country today. "To my mind, double-digit (economic) growth is doable," he said.

Shaktikanta Das had assumed the post of RBI governor in December after Urjit Patel resigned from the post. This was a time when the finance ministry was trying hard to persuade the central bank to cut the policy rate but the Mint Road seldom obliged it. Since Das took charge, the central bank cut rates by 50 basis points — 25 basis points each in two policies.

Goyal said he was glad that now the RBI was recognising growth as much as inflation. "(I am) glad that RBI has lowered rates. Lower inflation will help India become more competitive and infuse more liquidity."

At the same event, Arvind Panagariya, former NITI Aayog vice-chairman, said, "Given our level of inflation, personally, I would have done 50 basis points (cut), because, somehow, these 25 basis points cuts get lost and pass through happens with 50 basis points (reduction)."

He said central banks like to be conservative either way — if they raise, they raise by 25 basis points, and if they cut, they cut by 25 basis points.

On jobs, Goyal said the nature of employment was changing as more people were working on contractual basis. He said one should benchmark more on 'livelihood creation' compared to conventional jobs and warned that any

"GIVEN OUR LEVEL OF INFLATION, PERSONALLY I WOULD HAVE DONE 50 BPS (CUT) BECAUSE SOMEHOW THESE 25 BPS CUT GETS LOST AND PASS THROUGH HAPPENS WITH 50 BPS (REDUCTION)"

ARVIND PANAGARIYA

"(I AM) GLAD THAT RBI HAS LOWERED RATES. LOWER INFLATION WILL HELP INDIA BECOME MORE COMPETITIVE AND INFUSE MORE LIQUIDITY"

PIYUSH GOYAL

Goldman sees Reserve Bank pausing in rest of 2019

While many analysts expect another rate cut in the June policy, Goldman Sachs on Friday said the Reserve Bank is likely to wait to see the impact of the past two consecutive rate actions and assess the macroeconomic factors. The Wall Street brokerage goes one step further saying it expects two rate hikes in calendar 2020 — a 25 bps each in Q1 and in the Q2.

PTI

doles would lead to under-reporting of income. Goyal also said capturing authentic data on jobs would become a challenge and hinder formalisation of economy.

Suggesting that the country should rather look at its own policies than slowing down global trade, Panagariya said India's share was just 1.7 per cent in global merchandise trade. "If global trade was to rise to \$20 trillion from \$7 trillion over the years, but it rises to \$18 trillion or \$16 trillion, India can more than make up by raising its share to 3 per cent in global trade. But that would require conducive domestic policies," he said.

Panagariya said India had stopped opening up of the economy after 2007-08 and it is now even resorting to import substitution measures. "We are shooting on our foot," he said.

Panagariya suggested India should explore the possibility of a free-trade agreement (FTA) with the US. "With the US being such an important strategic partner, one area where we can explore an FTA agreement is services."

Over 100 economists and social scientists criticising the credibility of statistical data in the Modi regime, Panagariya said, "What is the source of the questioning of this credibility? IMF, World Bank and none of the international institutions in UN, whose systems we follow, are asking these questions. Those who are asking have to point out the specific problem."

He said the ministry of statistics and programme implementation (Mospil) released a 40-page document about the methodology along with figures. "If there is a genuine problem with the methodology, the government would itself be happy to (respond to) questions on the quality of data," he said.

For InvITs, firms choose pvt route

AMRITHA PILLAY
Mumbai, 5 April

More than two years since its introduction and with three such trusts in existence, recent corporate actions suggest that the private route is being preferred to a public listing.

Reliance Industries' Digital Fibre Infrastructure Trust and Tower Infrastructure Trust; Brookfield-sponsored India Infrastructure Trust, and Oriental Structural Engineers-sponsored InvIT are four similar instruments at different stages of formalisation. All three are expected to find investors through the private route.

While the private route allows for lower disclosures, industry experts added that there were more significant advantages.

"There is a definite advantage for a privately held InvIT, as the valuation is set after a mature discussion with a selected set of investors, who, besides bringing in long-term capital, offer strategic inputs," said Shubham Jain, group head and vice-president for Ica Ratings.

There are two public listed InvITs — Sterlite Power's India Grid Trust and IRB Infrastructure Developers' IRB InvIT fund. The third InvIT, Larsen & Toubro arm IDPL's IndInfravit, is privately held. "L&T's InvIT's yield has been higher than those listed," said a source with knowledge on the InvIT's performance.

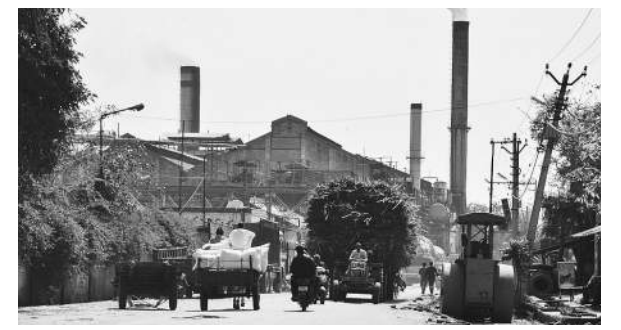
When introduced, industry experts pegged the instruments' fund raising potential at \$5-7 billion. However, both companies and investors have been slow in warming up to the relatively new

instrument. Mutual funds, for instance, are still to invest in a big way in InvITs. Wealth managers expect the trend to change in the future.

"Given the kind of yields that the listed ones are offering, it is surprising that mutual funds have largely stayed away from InvITs so far. For an institutional investor, it does not matter much whether it is privately held or a publicly listed one. What matters is the sponsor reputation," Nipun Mehta, founder and chief executive officer for BlueOcean Capital Advisors, said.

According to Value Research, three mutual funds have less than ₹50 crore combined in India Grid and 10 funds hold ₹444.82 crore in IRB InvIT fund, of which only two funds held more than ₹100 crore each as invested.

"Funds like L&T and the proposed ones like Reliance Industries and Brookfield will offer sponsor reputation. I expect mutual funds will start looking at InvITs with better promoter reputation," Mehta added.



The UP government has reversed the Akhilesh Yadav Cabinet's decision to waive interest payment

UP govt reverses interest waiver for sugar mills

VIRENDRA SINGH RAWAT
Lucknow, 5 April

The UP government has reversed the Akhilesh Yadav Cabinet's decision to waive interest payment by defaulting sugar mills in three successive crushing seasons during 2012-15.

UP Cane Commissioner Sanjay Bhoosreddy on Friday filed an affidavit in the Allahabad High Court, apprising the bench of the state government's decision, which would necessitate interest payment by mills. "The units running in losses are liable to pay interest at 7 per cent annum, those making profits would pay farmers at 12 per cent interest."

During 2012-13, 2013-14 and 2014-15 crushing seasons, the sugar mills in UP had defaulted on payments of about ₹2,000 crore, including interest. In April 2015, the millers had approached then Akhilesh government, proposing to pay farmers without interest component, owing to their purported precarious financial condition.

In October 2016, the Akhilesh Cabinet waived interest owed by mills to farmers. However, Rashtriya Kisan

Mazdoor Sangathan (RKMS) challenged the decision in the HC, seeking relief to farmers.

On March 9, 2017, the HC had, after subsequent hearings, quashed the Akhilesh government's decision to waive interest liability of mills and termed it as arbitrary, as cane growers' interest was not protected.

Meanwhile, RKMS is preparing to file an objection on the next date of hearing in the case on April 26, about two slabs of 7 per cent and 12 per cent for defaulting mills to pay interest and seek direction to mills to pay at a flat 12 per cent interest.

"Interest payment would ensure that mills would pay farmers within the stipulated 14 days of buying sugarcane from farmers, else they would attract further payment liability on account of interest," RKMS convener V M Singh told *Business Standard*, adding that the total liability of mills on this account for the three crushing seasons could touch almost ₹1,800 crore.

He said the instant case would serve as the precedent for successive crushing seasons as well and deter mills from holding up farmers' payment.

Woman independent directors

SEBI DECISION: At least one woman independent director in the top 500 listed entities (by market capitalisation) by April 1, 2019 and in the top 1,000 listed entities by April 1, 2020

IMPACT

March 28, 2018

- 155 firms of top 500 NSE-listed entities (by m-cap) needed to appoint a woman independent director by April 1, 2019
- There were 336 firms, of top 1,000 NSE listed entities, that need to appoint a woman independent director by April 1, 2020

April 2, 2019

- 52 companies in the top 500 still need to appoint an independent woman director
- For top 1,000 NSE-listed companies, the number is down to 212

Age of non-executive directors

SEBI DECISION: Firms having non-executive directors who are 75 years or older have to pass a special resolution for them to continue

IMPACT

March 28, 2018

- There were 1,162 directors in 698 firms who were 75 years or older

April 2, 2019

- 1,026 directors in 614 companies were 75 years or older

Of these 614 firms, 257 have passed special resolutions for 463 directors, all of which were passed. Outcomes of such special resolutions for 15 other firms having 26 directors are still pending

Number of directors

SEBI DECISION: Minimum six directors in the top 1,000 listed entities by April 1, 2019 (and in the top 2,000 listed entities by April 1, 2020)

IMPACT

March 28, 2018

- There were 65 firms in the top 1,000 listed entities that needed to increase the size of their board. At that time, there were 55 firms that had five directors, eight with four and two having three directors on their board. At that time 76 new directors had to be appointed in these firms

April 2, 2019

- There were still 35 firms in the top 1,000 listed entities that needed to increase the size of their board. 29 firms had five directors; five had four and one had two directors on its board. As such, 43 new directors have to be appointed in these firms

Number of directorships

SEBI DECISION: Reduction in the maximum number of listed entity directorships from 10 to eight by April 1, 2019 and to seven by April 1, 2020

IMPACT

March 28, 2018

- According to the Companies Act, 2013, and Sebi regulations that were already in place, there were only 2 directors who had to reduce listed entity directorships to eight by April 1, 2019 and 3 directors who had to reduce listed entity directorships to seven by April 1, 2020

April 2, 2019

- There was no director who still had more than eight directorships while there were four directors with more than seven.

Roles of chairperson & MD/CEO

SEBI DECISION: Separation of CEO/MD and chairperson (initially made applicable to the top 500 listed firms from April 1, 2020)

IMPACT

March 28 2018

- There were 165 firms of top 500 NSE-listed entities that had the same person as chairperson and MD and CEO and needed to segregate the roles by April 1, 2020

April 2, 2019

- This number is down to 154

The pesky priests



MARGINAL UTILITY

TCA SRINIVASA RAGHAVAN

Will no one rid me of this meddlesome priest?" said Henry II of England in 1170 when he got irritated with his friend Thomas Becket who was also the Archbishop of Canterbury. The priest was giving the king impractical and unwanted advice.

In modern India this can be said of NRI economists who swan in and out of the country dispensing advice like agony aunts to NGOs. The latest advice is that taxes must be increased to pay for the socially necessary — but fiscally disastrous — Nyay project of the Congress.

Nothing wrong with that except just the one thing: these guys don't earn Indian salaries and pay Indian taxes. I call these jet-borne economists and the India-based Jesuits amongst them the 21st century Salvation Army. Their approach to public finance is exactly the same.

They are very much like the Victorian priests who invaded India in the 1870s and hugely influenced legislation. As a result of their interference, a different morality was imposed on India's laws.

But before proceeding with these NRI economists, let me dispose of a fallacy, namely, that Indians are undertaxed. That statement is true if — and only if — around half the population is earning enough to be taxed, which it is not.

Second, even those who don't earn enough to pay income tax, do pay a lot by way of indirect taxes. So, please let us stop this nonsense about being undertaxed once and for all. It's boring.

The real problem, which the NRI economists don't seem to know, lies in the way governments use tax revenues. Take pensions, for example. No one wants to talk about them.

So let me ask: Why should an employee of the central or state government get a fully inflation-indexed pension? Why should they all get 50 per cent of the last pay drawn? Why not fix the pension at 50 per cent of first pay drawn for Class One employees and then gradually go down to the Class Four level where the pension can be 50 per cent of the last pay drawn? What sense does it make to spend so much on those who have often saved enough to have two, if not more, houses?

If some grand Rawlesian notions are driving these NRIs, why not look at unrequited transfers to the underserving? I look forward, keenly, with bated breath, in prolepsis, for just one of these guys to endorse my proposal.

If they won't, they should shut up because being a contextually clueless bunch they should understand the contexts first.

Contextually clueless

Basically, the issue is this: If compassion has to underpin politics — which it must but doesn't — what is the best way to transfer some of this sentiment into fiscal policy?

The easy way is to tax the rich and hand over some money to the poor. I call this the Robbing Hood obligation. It converts a political need into an economic obligation, dripping with moral gulab jamun juice.

But the fact is that this obligation is better met by leaving more money in the hands of the well-off than less. In economics, lest the compassionate NRIs have forgotten it, this serves two ends.

One, it increases aggregate demand for non-wage goods and two, it increases the savings rate. Both are necessary for investment, which is necessary to create work for the poor.

India's problem since 1957 — thanks to Sir Nicholas Kaldor whose ideas were rejected in Britain — is that we have done the opposite. We have taken money from those who can use it most productively and handed it over to those who use it least productively. This includes the government which uses the money for consumption rather than investment.

The results are there for all to see — overwhelming poverty and the growing moral need for direct income transfers. But if it hasn't worked when it was indirect via subsidies, why should it work now?

Let me put this another way. You don't solve either the economic problem of poverty or even the moral one via income transfers. You only solve the political one.

A larger question is whether economists should be concerning themselves with moral issues. Reading Adam Smith's Theory of Moral Sentiments may be necessary but it is not sufficient. His principles of taxation should be read as well.

They will open eyes and minds.

Patna Sahib will be make or break

The outcome in that Lok Sabha seat will decide what is more important: The Modi-Shah hegemony or winning the seat



PLAIN POLITICS

ADITI PHADNIS

Mr X was insistent. "Please don't use my name," he begged. "Raviya hamara dost hai," he said lapsing into Hindi in his anxiety "and you can't be a Kayastha in Patna and not know R K Sinha — or Shatrughan Sinha, for that matter". This report is based on his analysis.

Patna Sahib is going to be one of India's most interesting contests: Because nowhere else has caste, power politics, and generational change come together to form a combination so potent that it is combustible.

R K Sinha is a venerable and respected pillar of Patna's "prabuddha" (intellectual elite) population. A journalist to begin with, he is self-made and has been the backbone of Rashtriya Swayamsevak Sangh's (RSS) activities in Bihar for several decades. In Bihar, the upper castes used to be with the Congress. In fact, the winning combination for the Congress used to be an amalgam of upper castes, especially Kayasthas (dating back to the days of Rajendra Prasad, Sachidanand Sinha and Mahamaya Prasad Sinha) and the Dalits.

This changed with the Emergency when another Kayastha — Jayaprakash Narayan — challenged the Congress' caste hegemony. More, he was able to create a new social combination, inviting the intermediate castes to the amalgam on the back of a promise of their empowerment. The rise of figures like Lalu Prasad led the Kayasthas to look for leadership elsewhere: And when the *rathayatra* led by the face of anti-Congressism, L K Advani, hit Bihar, the Kayasthas moved to the Bharatiya Janata Party (BJP) en masse. Shatrughan Sinha was the recipient of this bounty. He is not an inconsiderable figure in the politics of Patna and is considered the local boy who

made good but returned to his roots.

Then there's Ravi Shankar Prasad. The son of the Jana Sangh/BJP President of the Bihar unit in the 1970s-80s, Thakur Prasad, Ravi Shankar is the illustrious son of a well known father. The father rose to be a minister in the Karpooori Thakur government. Ravishankar took an opposite position and along with friend Sushil Kumar Modi, fought the legal case against Lalu Prasad's complicity in the fodder scam. He is certainly not a newbie in politics but is generally considered a non-resident Bihari.

Patna is a place where everyone knows everyone. R K Sinha's son Rituraj worked in the BJP's 2015 assembly election campaign, leading the war room. There is no Kayastha function in Bihar and eastern Uttar Pradesh that RK Sinha does not attend or finance. He has organised self help groups, his Chitragupt Sabha does a lot of charity work all over north India. He raised his voice publicly in 2012 about the denial of a place to a Kayastha in the Janata Dal United-BJP government in Bihar. He is the ultimate liberal at heart, a great votary of a free press. He never shirks from telling the truth: Whether people like it or not.

Backed by an assurance from the RSS, Sinha

put in a bid to contest the Lok Sabha election. Deputy Chief Minister Sushil Kumar Modi ascertained the views of MLAs from the constituency. All but Nawal Kishore Yadav, the new entrant into the BJP (he crossed over from the Rashtriya Janata Dal some months ago and was made a minister) supported Sinha's claim.

When the Central Election Committee of the BJP met, it was clear that Shatrughan Sinha would not be given the BJP nomination. R K Sinha was generally considered a shoo-in. Instead, Ravi Shankar Prasad was named the candidate although he still has four and a half years of his Rajya Sabha term left. Supporters of the two leaders clashed at the airport. It was both unseemly and ugly.

Recognising that R K Sinha was hurt, Arun Jaitley called him to assuage his feelings and seek his support for Prasad. It was too late.

Now, Mr X says, it will be touch-and-go for Ravi Shankar Prasad. The Kayastha vote will be split. And if Shatrughan Sinha can attract some Yadav votes (which Ravi Shankar cannot) and some Muslim votes (which will not go to the BJP any way) it will not be easy for Prasad to win: Unless he can make up with R K Sinha. That's not happening.

Mr X's personal, private opinion is that the move addresses a post May 23 situation: The Modi-Shah combine doesn't want independent-minded MPs, least of all MPs who can pick up the phone and speak to the RSS's top leadership. They also want a generational change. The outcome in Patna Sahib will decide what is more important: The Modi-Shah hegemony or winning the seat.

COFFEE WITH BS ► PRANNOY ROY, CO-FOUNDER & EXECUTIVE CO-CHAIRPERSON; DORAB SOPARIWALA, EDITORIAL ADVISER, NDTV

The originals

Roy and Sopariwala tell Uttaran Das Gupta why 2019 will be the most important election of our lives

On the results night in 1977, Prannoy Roy and a few of his associates sat hunched over a radio in their *barsati*. "AIR (All India Radio) was still operating under the fearsome shadow of the Emergency. As the results began to come in, AIR persisted in presenting a falsely 'balanced' picture," writes senior journalist and NDTV founder Roy in his new book, *The Verdict: Decoding India's Elections*, co-authored with market researcher and pollster Dorab R Sopariwala. But even the limited information revealed to them "that there was a sweep... in favour of the Janata Party". Wine bottles were already being uncorked. The Emergency era, the lowest point in the history of the Indian democracy, was drawing to an end.

In their book, Roy and Sopariwala claim that 1977 marked a shift from the "pro-incumbency" phase of the previous 25 years — the first general elections were held in 1951-52 — to an "anti-incumbency" phase. "Dorab coined the term," says Roy. "I don't remember," replies his co-author. The duo had analysed data from 78 state Assembly elections for the first phase (1952-77) and 93 elections for the second phase (1977-2002). "Now, 2002-19, we are in a 50-50 era, where governments have a 50 per cent chance of being re-elected, if they perform," they write. The message from the voter is clear: "perform or perish".

When I meet Roy and Sopariwala (in March), everyone is eagerly waiting for the Election Commission (EC) to announce the dates for another election. I meet the duo at Roy's cabin in the NDTV office in south Delhi. The small L-

shaped room has glass windows. From where I sit, I can look out at the parking lot of the building complex. On one wall of the cabin hangs a large, rectangular TV playing eight news channels. On another wall, directly over Roy's neat desk, hangs another large flat screen playing NDTV. Both are mute. On the desk is a small Indian flag.

This book has taken a long time to write, claim the authors. "Like true Librarians, we are perfect procrastinators," says Sopariwala. "But he (Roy) is the king of them all." Roy agrees. "If the elections were not around the corner, we would never have finished it," he says. "There were many late nights, staying up till 3-4 am to meet a deadline. I work best to a deadline." Roy adds that he had, however, finished his PhD in three years flat. "That

was to a deadline, right?" I ask. Roy demurs: "In Delhi University, six-seven years was the norm." I am curious how Roy, who did a PhD in economics, and Sopariwala, a graduate from the London School of Economics, got involved in the profession of election forecasting. "It is such an aphrodisiac," says Sopariwala. "If you are in India, you are always watching elections. I am deeply interested in politics, though not as a participant." Roy says he was not interested in politics. "But I am an election junky," he adds. The very nature of Indian democracy and how elections are conducted — and consequently forecasting and analysing polls — has seen a sea change over the past

"I doubt that there is any political motivation to polls that are close to the election," says Roy. "If a pollster puts out wrong data, he would look like a fool when the results come out. There is in fact a 97 per cent strike rate among Indian pollsters in predicting the right winner."

40 years. "You could call this one (2019) the WhatsApp election," says Roy. At this point, Roy and I decide to go for some coffee; Sopariwala sticks to water.

One of the most important factors for elections anywhere now is the internet and social media. After the Cambridge Analytica scandal (2018), governments all over the world and even in India are demanding more accountability from social media giants such as Facebook and Twitter for information spread on their platforms. Sopariwala says this is not such a significant factor for a pollster. "We are trying to analyse the output (the vote), not the input," he says. "As long as the voter is not lying about whom they are going to vote for, how does it matter what influence is working on them?" Roy says the influence of the internet is an added factor for those analysing elections. "The great

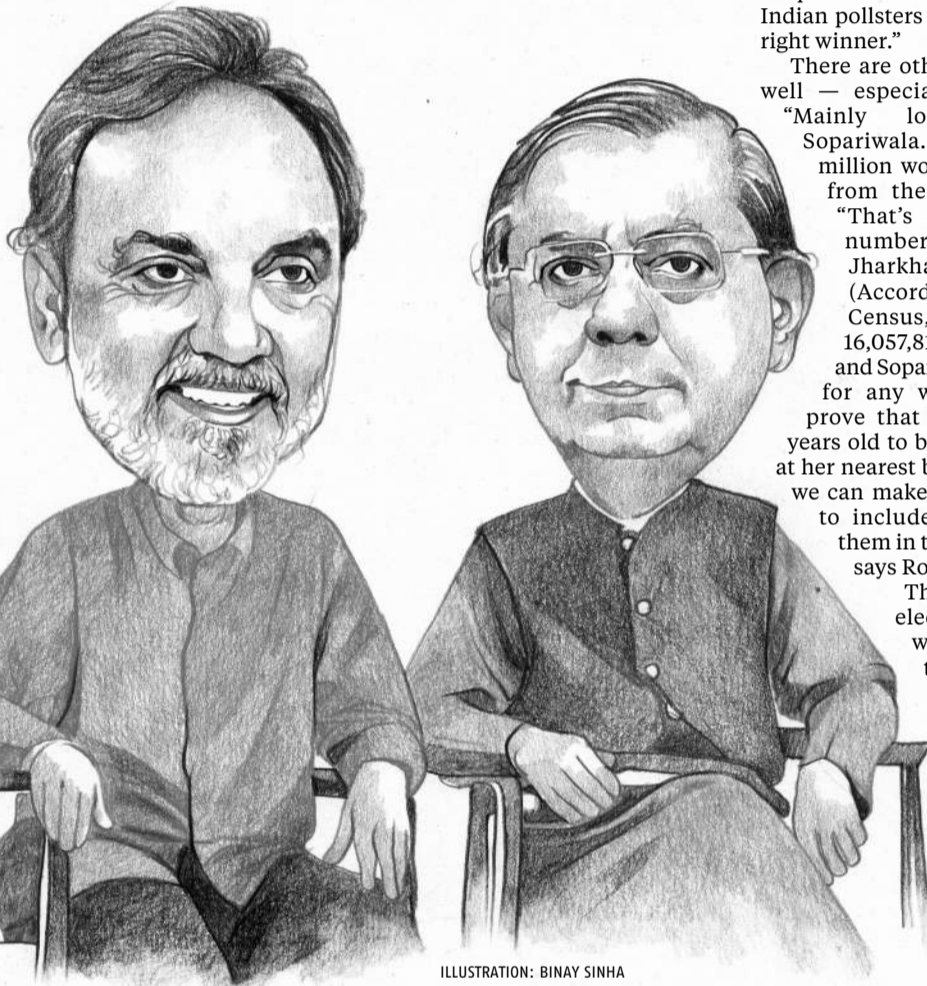


ILLUSTRATION: BINAY SINHA

97 per cent strike rate among Indian pollsters in predicting the right winner."

There are other challenges as well — especially for the EC. "Mainly logistical," says Sopariwala. For instance, 21 million women are missing from the electoral roles. "That's more than the number of women in Jharkhand," says Roy. (According to the 2011 Census, Jharkhand has 16,057,819 women.) Roy and Sopariwala are arguing for any women who can prove that she is above 18 years old to be allowed to vote at her nearest booth. "And, then we can make a genuine effort to include many more of them in the next election," says Roy.

The focus of this election will be women in villages, they claim, adding that since 1971, when the number of rural women turning out to vote was 8 per cent lower than their urban counterparts, there has been a complete reversal.

Now, 6 per cent more women from villages come out to vote than urban women. So, who will come to power in 2019? This is a question I could not help but ask the two leading pollsters in the country.

"Anyone who tries to predict an election is either a liar, a fool or a politician," says Sopariwala. "No one has the foggiest (idea)." Roy adds: "A swing of 3 per cent means 100 seats changing hands. Can you feel a swing of 3 per cent? The job of a journalist is to tell the story and the issues in an election, not to forecast. Leave that to the pollsters." In India, there are 29 elections being fought, not one, "this is not a 'national election. It's a 'federation-of-states' election," they add. "Lok Sabha is becoming less and less important for the voter vis-à-vis state or local elections," says Roy.

The very next day, the EC announced the dates for the 2019 Lok Sabha elections.

Return to tradition



PEOPLE LIKE THEM

KEYA SARKAR

In recent years, the residents of Santiniketan await the festival of Holi or *Basanta Utsav* with great trepidation. As the Visva Bharati University celebrates the coming of spring in the tradition of Rabindranath Tagore, hordes of lovers of Bengali culture descend on this small town to participate in the festivities.

The programme, held by Visva Bharati, comprises singing of and dancing to Tagore's songs of spring by the students of the school, college and university. The university has always welcomed outsiders to participate. Held in the open with no restrictions on admission, this programme has probably been one of

the best welcoming of spring that the country sees. However, while earlier tourists (mainly Bengalis) who came from across the globe were aficionados of Tagore literature, those who come now, by the bus from muffosil towns within and without Bengal, may not even know who Tagore was.

So from a cultural festival, *Basanta Utsav* has become a merry making weekend jaunt hugely aided and abetted by the innumerable hotels and lodges selling weekend packages. While the number of visiting tourists usually hovers around 1-1.5 lakh, this year the number crossed 2.5 lakh, as put out by the university.

The police and administration in their wisdom block entry and exit from the *Basanta Utsav* venue except through specific roads. The civic volunteers on duty are often from outside of Santiniketan and have no clue about these. The resulting traffic chaos and stampede is dangerous and growing every year.

In addition to those tourists who spend a couple of days, there are of course the day trippers. This year this meant that every open area within Visva Bharati's large campus had become a parking lot for Volvo buses. Each bus opened its hatch at the back and cooked for the trav-

ellers that it had carried. Once the buses had fed all and thrown what they didn't wish to carry back, the open spaces were a sight to behold. This was in addition to the millions of empty plastic water pouches flying around, which the university had distributed to its 2.5 lakh guests. For residents who can barely cope with the daily garbage that they generate (because Santiniketan has no municipality), the *Basanta Utsav* merry making aftermath is truly horrific.

This year, however, the recently appointed vice chancellor was all enthusiastic and ensured that over 1,000 members of the university staff and students cleaned the campus over the next two days. Like every year, this year too there has been a lot of debate about the need to have an unrestricted, free-for-all *Utsav*. Tagore started it for those who lived and studied in Santiniketan and maybe it was time to go back to that.

But the hotel lobby is powerful and moneyed and every year they manage to win this debate. For the university too, as its educational standards are on a decline, its administrators take far more pride in the numbers that attend the *Basanta Utsav* and the *Pous Mela* (held in December) than its academic achievements.

Weekend with my mother



PEOPLE LIKE US

KISHORE SINGH

No one is giving my mother's request for a family weekend getaway much thought. Maybe because a summer break needs to be longer than a weekend, or even an extended weekend. All that planning, all that travelling, for it to be over in the blink of an eye? On the family group, where my kid brother has been given charge of rallying the family's forces, he has been getting little traction. With prices hardening and bookings becoming increasingly difficult, no one can blame him for sending peevish messages.

Meanwhile, plans for longer vacations are under more active — if secre-

ture — consideration. My own family rarely shares these with me, having labelled me the holiday wet-blanket. I am loath to commit to dates because office programming, fluid at the best of times, is likely to change just when you've splurged on non-refundable tickets and rooms. Better, I think, to pay more at some later date, than to lose it all on the whim of a colleague. My family tells me they would like us all to vacation together. There was a time I thought this charming. I now know better. All they're hoping for is for me to fund the trip.

When they are able to spend their own money, they do not care to include me. These are vacations to be enjoyed within their intimate circle of friends. So, my wife, who was in one place earlier this week, is going to be in quite another as you read this — and they're both far from home. Of course, she says it's work, or at least work-related, but I do not think that is the truth, or at least the entire truth. I miss her more than she misses me when she is away from home. There is no one to hang the clothes in the cupboard, you see.

Passing by my daughter's room, I heard her arguing with friends about where she did *not* want to go this summer, and that included New York

because, she said, she was "bored" of the most exciting city in the world, or London, because, well, how many times can you return to the same place again. So, her friends, one batch of which is meeting in NY, and the other in London, is collaborating on how to start, or end, their trip in a part of Europe in which my daughter has some interest. Having travelled extensively these last years on bachelorettes, bridal showers, shopping escapades and getaways for no reason at all, my daughter, I think, would prefer something closer home. She has been the first — and only one so far — to endorse the weekend break with my mother.

I am not privy to my son's holiday plans since he no longer shares them with us, having recently acquired a wife. He will be travelling for professional reasons to a distant part of the world, but unlike in previous years, he has not asked us to join him for an extended sabbatical as he would previously. Since no one seems keen to have me around any longer, I'm signing up for my mother's retreat. I had thought being on my own would be liberating, but you don't want everyone else to have fun while leaving you to cope with New Delhi's heat, dust and outings.

MFs' asset growth rate at 7-year low

Sharp volatility in debt, equity markets has created panic among investors

JASH KRIPLANI
Mumbai, 5 April

The mutual fund (MF) industry, which had recorded double-digit growth in its asset base for the last several years, saw the same slip to a seven-year low at the end of FY19.

According to data from the Association of Mutual Funds in India (Amfi), the MF industry's average assets for the March quarter stood at ₹24.5 trillion, which was 6 per cent higher than the same period in the previous fiscal year. The industry assets have grown at an average of 23 per cent over the past six years.

According to experts, the growth in asset base has slowed down because both the debt

and equity markets have seen sharp bouts of volatility in recent months.

"The events seen during this year have created panic among corporate and large-ticket investors, who have pulled out a large part of their investments from liquid schemes following the Infrastructure Leasing & Financial Services (IL&FS) crisis. Further, the rise in interest rates and weak equity markets have led to mark-to-market losses," said Raj Kumar, CEO of LIC Mutual Fund.

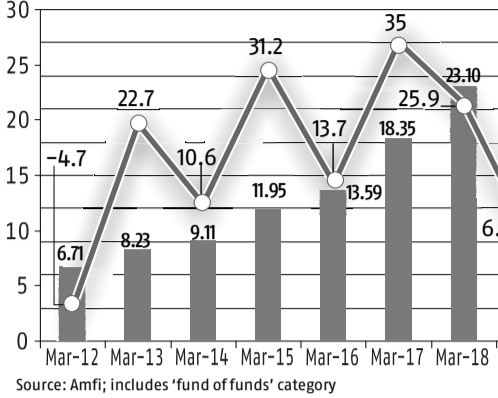
The income category has witnessed outflows to the tune of ₹80,000 crore since the IL&FS crisis hit debt markets in September. Liquid schemes — used by corporates and institutions to park surplus funds —



LOSING PACE

Market volatility took a toll on industry's asset growth

■ ₹ trillion (LSH) — % growth (RHS)



Source: Amfi; includes 'fund of funds' category

have seen outflows of above ₹1.3 trillion since September.

Kumar said investor caution was likely to stay for some time; flows could start improving after the election results in May.

On the equity side, the flows have come under pressure, as poor trailing returns have disappointed investors and falling commissions have raised concerns among distributors.

"The one-year returns have been negative. The ban on upfront commission has also dented sales," said a senior official of a fund house.

According to a data analysis,

nearly three in five diversified equity schemes underperformed their respective underlying indices in FY19.

A separate study by S&P Dow Jones Indices showed 92 per cent of large-cap equity funds and 26 per cent of mid- and small-cap equity funds had underperformed their respective indices. In February, equity flows slipped to ₹5,122 crore, falling for the fourth month in a row. This was the lowest tally in 25 months. Compared to the average inflow of ₹9,825 crore over the past 12 months, the figure was down 48 per cent.

Analysts say growth could see a revival if the election outcome indicates a stable government. At end-February, equity assets (including tax-saving schemes) stood at ₹7.7 trillion. Assets managed by income and liquid schemes stood at ₹11.8 trillion, accounting for over half the industry's assets.

Sensex caps best week in 14 mths

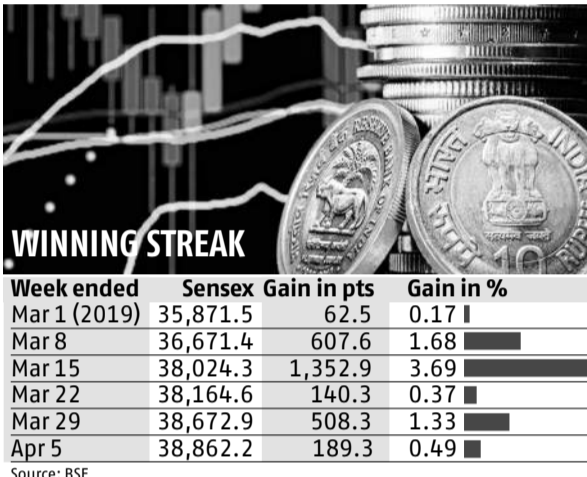
SUNDAR SETHURAMAN & BLOOMBERG
Mumbai, 5 April

The benchmark Sensex on Friday capped its best weekly rising streak in 14 months, with investor focus shifting towards the upcoming elections, and with the earnings season set to begin next week.

The index advanced 0.5 per cent, or 178 points, to 38,862, completing its seventh consecutive week of gains. During this phase, it has added over 3,000 points, or 8.5 per cent. The Nifty50 rose 0.6 per cent, or 68 points, to 11,666.

The Sensex had retreated for the past two sessions after closing at a record high on Tuesday. Foreign institutional investors (FIIs) turned net-buyers after two back-to-back days of selling. On Friday, they purchased shares worth ₹798 crore, while domestic investors were net-sellers to the tune of ₹326 crore.

The surge in FII flows is seen as the key reason behind the market's seventh straight weekly gain. Since February-end, overseas investors have pumped in over ₹50,000 crore into domestic markets, buoyed by the dovish policy



stance adopted by global central banks, particularly the US Federal Reserve.

Besides easy liquidity, the prospective re-election of Prime Minister Narendra Modi has helped sentiment. The first phase of voting in starts on April 11, while Infosys kicks off the quarterly earnings season next Friday.

India on Tuesday became the first among markets valued at more than \$1 trillion to reach a record this year.

Last month, India was the best-performing major market globally, with gains of nearly

8 per cent. Indian markets ended the FY19 with 17 per cent gains, the most since four financial years. Experts believe the gains could moderate, going ahead.

On Friday, all 19 sectoral indices compiled by the BSE advanced, led by a gauge of real estate stocks. Lenders, including IndusInd Bank and YES Bank, rose the most on the benchmark gauge.

Among Sensex members, 21 ended with gains led by Tata Steel and Vedanta. Power Grid and SBI fell the most at nearly 1.5 per cent each.

Metropolis IPO subscribed 6 times

The ₹1,200-crore initial public offering (IPO) of Metropolis Healthcare saw a demand of nearly six times the shares on offer. The institutional investor portion of the IPO garnered nearly nine times subscription; the wealthy investor portion being subscribed three and the retail investor portion subscribed less than twice. The price band for the IPO is ₹877-880 per share. Given the high demand, the firm may price its shares at the top-end of the band, which will fetch it ₹4,416 crore.

Polycab subscribed 71% on Day 1

The ₹1,345-crore IPO of Polycab India was subscribed 71 per cent on Friday, the first day of the issue. A day earlier, it had allotted shares worth ₹400 crore to anchor investors at ₹538 per share, the top-end of the IPO price band. At the issue price, Polycab will be valued at nearly ₹8,000 crore. This is after accounting for the fresh issue of equity shares worth ₹400 crore. The IPO comprises second share sale worth ₹945 crore.

PVR writes to Sebi against Screwvalla



PVR has said Screwvalla's interviews included false details about VPF and the monetary gains to multiplex players

URVI MALWANIA
Mumbai, 5 April

PVR has written to the Securities and Exchange Board of India (Sebi), stating that the statements made by Ronnie Screwvalla about virtual print fee (VPF) — the charge levied by film exhibitors — had resulted in volatility in its stock price.

In the letter dated April 4, PVR said Screwvalla's statements were slanderous and malicious, and had misled analysts as well as investors.

On March 19, Screwvalla had moved the Competition Commission of India against

multiplexes for charging VPF, which, he said, was a significant contributor to their revenue and profitability.

VPF is typically levied on film distributors by exhibitors to share the cost of digitisation of screens.

In the letter, PVR has said that Screwvalla's interviews in the media included false information about VPF and the subsequent monetary gains to multiplex players.

It added that specific claims pertaining to multiplex chains earning ₹400 crore a year from charging VPF were incorrect, and that it did not contribute to profitability.

▶ FROM PAGE 1

Investors in unlisted firms can't file ITR1, ITR4 forms

An assessing officer said disclosures of holdings in the form of unlisted shares would help keep a check on whether such routes were being used to generate unaccounted money.

He said the tax department had observed cases where either the shares were traded in physical form where the gains could remain undisclosed or shares were issued by unlisted companies to garner funds from persons who wanted to avoid know-your-customer scrutiny.

Experts said the new modalities were comprehensive in nature. "The new forms, ITR-2 and ITR-3, specifically ask about investments and holding of a person in unlisted shares of a company and if the person held such shares any time during the year. Such individuals cannot file their return in ITR-1 and ITR-4, irrespective of the quantum and nature of income," said Amit Maheshwari, partner, Ashok Maheshwari & Associates LLP. The board has rationalised the new ITR-1. An individual who is a director of a firm, has investment in unlisted shares or has income on which TDS has been deducted in other person's hands, can't file these forms.

In case of individual assesses, ITR-2 asks them to furnish elaborate details about their residential and directorship details. Further, the new form seeks details of foreign assets and income from any source outside India, including offshore depository and custodial accounts.

More on [business-standard.com](https://t.me/business-standard.com)

Supreme Court warns Singh brothers of jail

In his submissions before the court, Singh said the group had assets worth ₹6,300 crore, majority of which was lying with a spiritual leader, which they had not been able to recover.

Singh also tried to get the court to intervene to recover the money, arguing that the top court's intervention would hasten payment to Daiichi. The request was, however, turned down by the court, which said who owed money to whom was not its problem.

"We are not here to solve your problems. We are here to help you satisfy creditor dues," the Bench said. Other than these, the group, Singh claimed, had ownership in other companies and real estate assets, which could be sold to pay the dues. He, however, did not provide any details of



where these assets were.

Shivinder Mohan Singh, on the other hand, submitted that he had assessed the value of assets held by him and it had come to around ₹900 crore, which could be sold to satisfy part of Daiichi Sankyo's decree.

Apart from that, the younger sibling said, he had another plan in which he sought a time of two years from the court. During this period, Shivinder said, he would work with Daiichi Sankyo and others and enhance the value of the assets

from ₹900 crore now to ₹2000 crore, which could then be sold.

Acknowledging that the value of the RHC group had depleted severely over the past few years, Shivinder said most of this value degradation happened during the time he had relinquished the world to undertake a spiritual journey and left the company's control to his elder brother.

The two brothers, who were present in court on Friday, have been asked to be present in the court again on April 11.

On Friday, the top court also stayed insolvency proceedings against the RHC group and its garnishee companies. The order came on a submission by Daiichi Sankyo that if insolvency against these companies started, a moratorium would

come in place, which would then make it difficult to recover the award owed to them.

The insolvency petition has been moved against a cluster of 19 companies that are allegedly linked to the Singh brothers. The companies, Religare Finvest had said in its petition, were used to siphon off loans taken by the two brothers when they were in control of the firm.

The apex court is hearing a batch of petitions filed by Daiichi Sankyo, which include a challenge to the sale of Fortis Healthcare's stake to IHH Bernhard Malaysia. The top court, on December 14 last year, had ordered status quo with regard to the sale of controlling stakes of Fortis Healthcare.

More on [business-standard.com](https://t.me/business-standard.com)

Corporate India's old brigade marches out



The move has sparked a debate on whether age should be a ground for a director to step down. While some believe it will help induct younger generation, others say it could impact the company's skills or ethos.

"It is an ongoing process on the part of companies to ramp up their boards and bring in directors with the right kind of skills and diversity, while also being sensitive to the culture and ethos of the company," said Sai Venkateshwaran, partner, KPMG

"When the average employee age in many companies is late-20s and early-30s, I don't see any rationale in the directors above 75 continuing on boards," said Shriram Subramanian, MD, InGovern.

In its observations, the Kotak panel had said: "While age itself may not be a determinant of efficiency or capability of a person or the basis for disqualification of a director, a higher level of shareholder endorsement may be required for directors to continue in their position beyond a certain age."

The committee further noted that non-executive roles on board also needed significant commitment of time, and hence checks and balances should be considered in connection with the age of non-executive directors similar to the provisions of the Companies Act for executive directors.

"Age is a very subjective issue. So in order not to have a rule on age, it is better to have a benchmark, and once the benchmark is crossed, there should be a little bit more scrutiny for continuation," said J N Gupta, MD, Stakeholder Empowerment Services (SES).

Last year, the reappointment process of Deepak Parekh as non-executive chairman of HDFC had put a spotlight on the issue of average board age and number of directorships.

Nearly a quarter of shareholders had voted against Parekh's reappointment after certain overseas proxy firms recommended shareholders to vote against the resolution citing its directorship in eight boards. Some experts had also raised concerns over the high average age of the directors at the mortgage lender.

THE COMPASS

Outlook for agri-input companies worsens on Skymet predictions

India-focused firms reeling from weak March quarter performance

UJJVAL JAUHARI

The outlook for India-focused agri-input companies has worsened after the monsoon predictions earlier this week.

Skymet Weather Services on Wednesday predicted this year's monsoon at 93 per cent of the long period average (LPA), impacted by a devolving El Nino. Rainfall is expected to be deficient in June and July, which means the June quarter is likely to be weak for agri-input firms.

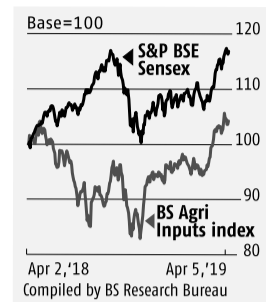
However, a grey area is how the monsoon behaves thereafter. Analysts say that rainfall is expected to pick up during August and September, and may compensate for the deficient rain in June and July. Therefore, they say, the overall demand for agriculture production and agrochemicals may not get materially impacted.

Nevertheless, they will be watching the progress of the monsoon. In this backdrop, and looking at strong international prospects, the advice for investors is to stick with companies with sizeable exports or global exposure.

Analysts at Prabhudas Lilladher say: "We continue to remain positive on companies with sizeable exports/international business such as PI Industries and UPL, given their high revenue growth visibility as well as consistency in performance."

Though Dhanuka Agritech and Insecticides India also figure among their picks, the fortunes of these two companies completely on how the monsoon pans out in India.

The sentiment around domestic-focused agriculture companies is also likely to be impacted by



The expected weak performance in the March quarter.

The weak rabi season and high inventory at channel partners is likely to weigh on their performance. Analysts at Edelweiss say the near-term outlook for agri-input companies remains muted on account of a weak rabi season and crop prices. Further, with the presence of higher-channel inventory in the system, they expect marginal growth of 4 per cent year-on-year (YoY) in domestic agrochemical revenues.

The overall growth of agrochemical companies is expected to be driven primarily by PI Industries. The analysts expect a 14 per cent YoY increase in revenues for the firm, driven by a 20 per cent YoY rise in the custom synthesis and manufacturing solutions segment, which is seeing a strong order book and growth momentum.

UPL, too, is expected to see 12 per cent YoY growth, driven by performance in Latin America despite the weak domestic performance. However, looking at government initiatives such as the Direct Income Transfer and farm loan waivers to support farmers' income, Coromandel International remains among the top picks of analysts.

Modi raises Agusta charge sheet that named AP, FAM

PRESS TRUST OF INDIA
Dehradun, 5 April

Prime Minister Narendra Modi on Friday referred to the Enforcement Directorate's charge sheet on the AgustaWestland helicopter scam and claimed that alleged middleman Christian Michel had pointed at the involvement of the first family of the Congress.

Alleging that the Congress and corruption were "inseparable partners", Modi said Michel had disclosed two names to his interrogators. "One was 'AP' and the other was 'Fam'.

'AP' stands for Ahmed Patel and 'FAM' stands for family. Have you heard of Ahmed Patel? Which family is the close to?" Modi asked the crowd at a rally in Dehradun.

When he heard the crowd's response, Modi said: "You understood automatically. The family cannot tolerate the stern attitude of the *chowkidar* (watchman)." The ED had filed a supplementary charge sheet against Michel in a Delhi court



Prime Minister Narendra Modi at a rally in Amroha PHOTO: PTI

on Thursday, saying that the alleged middleman had identified the initials "AP" as Ahmed Patel, the senior Congress leader considered close to the Gandhi family. Michel, however, filed an application on Friday claiming that he had not named anybody in connection with the deal.

He also claimed a journalist was pushed around when he tried to ask Congress President Rahul Gandhi questions on the charge sheet.

Jaitley also attacks Rahul
BJP leader Arun Jaitley on Friday questioned Gandhi's "silence" on the charge sheet, saying right to silence belongs to an accused but not to a prime ministerial aspirant.

Addressing a press conference, Jaitley said the Congress should answer as to who were referred to as "RG", "AP" and "FAM" and added that Swiss police had also seized papers carrying similar initials in its

Cheap poll stunt: Congress slams ED

The Congress said on Friday that the ED's supplementary charge sheet was a "cheap election stunt" to divert the people's attention from the "imminent defeat" of the Narendra Modi dispensation in the Lok Sabha election.

Congress chief spokesperson Randeep Surjewala said a "panic-stricken" Modi government is using "rehashed insinuations" through its "puppet" ED, which it dubbed as "Election *Dhakosla*" (sham) for "manufacturing lies". "All these rehashed insinuations and lies were bundled out earlier too through a set of pliable media." PTI

raids in connection with the case in 2013.

Meanwhile, Christian Michel told a Delhi court on Friday that he has not named anybody in connection with the deal during investigation by the ED.

Michel, who alleged that the central government was using agencies for political agenda, filed an application after the reports appeared that ED in its charge sheet has named politicians of the previous UPA regime.

NaMo TV is an ad platform by DTH service providers: I&B

PRESS TRUST OF INDIA
New Delhi, 5 April

The Information and Broadcasting (I&B) Ministry is learnt to have responded to an Election Commission (EC) notice on NaMo TV on Friday, saying it is an advertisement platform launched by DTH service providers which does not require government nod.

The ministry also said that NaMo TV is not a regular channel and it does not figure in the official list of approved channels, a source said.

The ministry told the poll panel that according to the norms, no approval is required to run such advertising platforms, the source said.

On Tuesday, the EC had issued a notice seeking a report from the ministry on NaMo TV, launched just weeks ahead of the general election, after Opposition parties, including the Congress, asked the poll body to direct the ministry to suspend the channel as it was violative of the model code of conduct.

The EC will take a call on whether it violated the model code after going through the documents the ministry filed.

Won't increase tax to fund NYAY: Rahul

PRESS TRUST OF INDIA
Pune, 5 April

Congress President Rahul Gandhi on Friday said his party's manifesto was an expression of the people of India and ruled out burdening the middle class to fund the anti-poverty scheme Nyuntam Aay Yojana (NYAY).

The opposition party has said that if voted to power, it will give ₹72,000 per year as minimum income to poor families, benefiting around 25 crore people, a move Gandhi has termed a 'surgical strike' on poverty.

Interacting with students in Pune, Gandhi said the manifesto has been prepared after consultations with all stakeholders. "The middle class will not be taxed and income tax will not be increased to implement the Nyay scheme where ₹72,000 will be deposited in bank accounts of poor people every year if the party is voted to power," he said.

The Nyay minimum income guarantee scheme is estimated to cost ₹3.26 lakh crore to the national exchequer. The BJP, which has criticised the scheme, has sought to know how it will be funded. Senior Congress leader and former Union minister P Chidambaram has also said the middle class won't bear the burden for implementation of the Nyay scheme.

"I have already said in press conference and various interviews: there will be no increase in the tax burden of the middle



Congress chief says he loves Modi, berates him for 'insulting' Advani

Congress President Rahul Gandhi on Friday said his love for Prime Minister Narendra Modi begets anger from the latter, and berated him for 'humiliating' BJP veteran L K Advani.

Addressing a poll rally at Chandrapur, Gandhi said, "BJP talks of Hinduism. In Hinduism, guru is supreme. It talks of guru-shishya tradition. Who is Modi's guru? Advani. *Joota maar ke stage se utara* (Advani was kicked out from stage)." Gandhi said Modi had humiliated Advani, and added that disrespecting one's guru is not Hindu culture. His swipe at Modi over the treatment meted out to Advani follows the BJP patriarch's blog published on Thursday. PTI

Priyanka: PM unable to list even one achievement of his 5-year rule



Congress leader Priyanka Gandhi Vadra on Friday hit out at Prime Minister Narendra Modi, saying he should tell the country what he did in the last five years instead of seeking an account of the work done by former prime ministers Jawaharlal Nehru and Indira Gandhi. Priyanka, who was speaking after holding a road show in support of party candidate Dolly Sharma, alleged the prime minister was serving lies to the masses and is unable to list a single achievement of his five-year tenure. PTI

class. This is our promise," Malishka and actor Subodh Chidambaram tweeted. Bhave, Gandhi answered a number of questions, ranging from politics to personal life.

EC pulls up Adityanath, NITI V-C

Says NITI Aayog's Kumar violated poll code with comments on NYAY; lets off Uttar Pradesh CM over 'Modiji ki sena' remark, asks him to be careful in future

BS REPORTER & PTI
New Delhi, 5 April

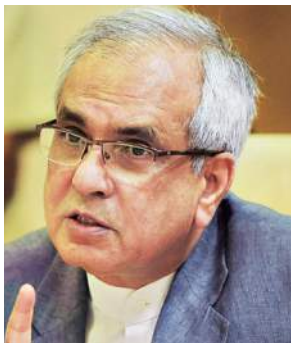
The Election Commission (EC) said on Friday that NITI Aayog Vice-Chairman Rajiv Kumar violated the model code of conduct when he made comments against the Congress' proposed NYAY scheme.

However, the EC expressed "displeasure" over his remarks and did not take any further action.

In a communication sent to Kumar, the EC asked him to be cautious in future while making statements.

"The Commission has come to the conclusion that your above-mentioned comments violate the said MCC norms. The Commission has therefore, decided to convey its displeasure to you and expects that you shall exercise caution in future," the EC said in the letter sent to Kumar.

On March 27, the poll panel had sought Kumar's response on his remarks in which he had attacked the Congress over its minimum income guarantee promise. The EC had felt that since



While Kumar told the EC that he spoke against the NYAY scheme as an economist and not as part of the policy body, Adityanath, in his reply, is learnt to have hailed the role of the EC in conducting polls

Kumar is a bureaucrat, his remarks were prima facie violative of the model code.

Kumar is learnt to have told the Election Commission that he spoke against Congress's Nyuntam Aay Yojna (NYAY) scheme as an economist and not as part of the policy body.

At a press conference here on March 25, Congress president Rahul Gandhi announced that 20 per cent families belonging to the poorest category will be given Rs 72,000 each annually as



minimum income if his party comes to power.

The EC is also learnt to have let off Uttar Pradesh Chief Minister Yogi Adityanath with a light rap for his "Modiji ki sena" remark, asking him to be more careful in the future.

Not satisfied with the remarks, the EC is learnt to have told him that be "more careful in his utterances in future", sources said.

They said the EC also told Adityanath that since he is a senior politician holding an

EC to seek legal view on Modi film

The EC on Friday decided to consult its legal experts before taking a final decision on whether to restrain the release of the biopic on PM Narendra Modi till the polls are over.

"The matter is now in the Supreme Court where it is listed for April 8. Since the EC has been made a party, the commission will discuss the situation with its legal experts on way forward," a functionary explained. PTI

important position, his remarks should reflect his stature.

The commission was not satisfied with his reply in which he is learnt to have hailed the role of the EC in conducting polls.

The EC had issued the Uttar Pradesh chief minister a show cause notice based on a video clip submitted by the Ghaziabad district magistrate which showed Adityanath making the remarks at the election rally there on Sunday.

Amit Shah: BJP brought peace to Northeast



BJP President Amit Shah on Friday said the Modi regime has ensured peace and development in the Northeast, which was roiled by militant activities just five years ago.

The BJP is committed to take action against cross-border terrorism and to root out insurgency in the northeast, he said in Changlang, insisting that political stability returned to Arunachal after the party came to power.

Modi had instructed his ministers to visit the northeast states every fortnight and resolve the problems of the people in the region, Shah said.

"Five years ago, the northeast was disturbed, there was hardly any development. The BJP has brought peace to the region and paved way for its development," he claimed.

"All parts of the northeast now have air and rail connectivity. In Arunachal alone, the govt has sanctioned ₹50,000 crore for the development of roads," Shah stated. PTI

Won't contest polls: Sumitra Mahajan

SANDEEP KUMAR
Bhopal, 5 April

Lok Sabha Speaker Sumitra Mahajan on Friday announced she would not contest the Lok Sabha election starting next week.

The eight-time Member of Parliament from Indore spoke out against the Bharatiya Janata Party (BJP) in a letter.

Mahajan, known as "Tai" to the people of Indore, wrote, "The BJP has not declared its candidate for the Indore seat till now. Why is this situation of uncertainty? The party may be hesitant to take a decision. I had, however, spoken to seniors in the party in this context quite early on and left the decision on them. It seems they still have some hesitancy regarding the candidate for the seat. This is the reason I'm making this declaration now that I will not contest the Lok Sabha polls. I leave the party free to make a decision on the seat." She also thanked the people of Indore for supporting her.

Mahajan is the latest to join the list of BJP leaders over 75 years of age who have been asked not to contest elections. L K Advani, Kalraj Mishra, Murli Manohar Joshi and Shanta Kumar are among others. Joshi had also written an open letter to the Kanpur



Mahajan is the latest to join the list of BJP leaders over 75 years of age who have been asked not to contest elections

voters, saying he had been asked not to contest the election.

Political analyst Girija Shankar terms the letter a "revolt". "Angst is a small word. The language of the letter indicates that Mahajan is certainly not happy with the party leadership." He also said Mahajan's move will not affect the chances of the BJP in the saffron bastion as any individual cannot survive without the umbrella of the party.

BJP spokesperson Rajnish Agarwal said, "She is a senior leader. She had to make an announcement regarding her plans and she chose to write a letter. We respect this. The party is completely fine with it." PTI

SC no to granting interim stay on electoral bonds

The Supreme Court on Friday refused to grant interim stay on the electoral bonds scheme of the Centre on funding to political parties and asked the petitioner NGO to file an appropriate application. The Centre told the court the scheme was launched to prevent black money flow into political funding. A bench of CJJ Ranjan Gogoi and Justices Deepak Gupta and Sanjiv Khanna said the issue requires a detailed hearing and, therefore, it will take up the plea on April 10.

BS REPORTER

Citizenship Bill, NRC lollipops, says Mamata



The National Register of Citizens (NRC) and the Citizenship Bill are "two lollipops" being doled out by PM Narendra Modi to "fool" the people of Assam, West Bengal CM Mamata Banerjee said on Friday. The NRC had left out the names of 4 million people and it was only the Trinamool Congress that stood beside these people irrespective of their religion, Banerjee said while addressing an election rally in Assam. PTI