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inside the bahi rhat

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NBFC Crisis Has Plateaued, Govt is Monitoring: FM

Finance Minister Nirmala Sitharaman said the crisis faced by non-banking finance companies (NBFCs) has plateaued but it might not be over yet, and that the government would monitor the emerging situation with RBI. "We shall be closely monitoring with RBI to see how it's moving. So strictly speaking, I feel the NBFC issue has been addressed," she said in a media interaction a day after the budget unveiled measures to address concerns of the sector.

The budget on Friday announced a series of steps to give relief to NBFCs facing a cash crunch following the collapse of IL&FS last year.

"Largely it (NBFC crisis) has reached a peak in terms of the challenges they are facing. The problem probably is not over yet but it can only plateau rather than worsen... the deteriorating situation has reached its bottom... now it has bottomed out," Sitharaman said.

To address the stress in the sector, the government proposed that public sector banks would purchase high-rated pooled assets of financially sound NBFCs, amounting to ₹1 lakh crore, during the current financial year. For this, the government will provide one-time, six months' partial credit guarantee to them for

first loss of up to 10%.

On bringing down government stake to below 51% in PSUs, she said the move would help increase retail participation and deepen the market. It will be designed in such a fashion that the government will directly or indirectly, through its state-owned entities, hold 51% stake to ensure its public character is maintained.

On raising public holding to 35% from 25% in listed companies, she said it was a well thought out move.

About the negative reaction of the market on the proposed move, the finance minister said, "I am yet to hear a response.... Parliament is debating it."

On increase in surcharge on high net worth individuals, she said it was not a punishment (for being rich). She said she had said in her speech there was a duty and a right. They have to share the responsibility. "This is not to punish... I respect them... They are the wealth creators so why will I punish them?" she added.

—Our Bureau/New Delhi



Budget has 2 Nominal GDP Growth Figures

New Delhi: The Union budget gives two separate figures for nominal GDP growth in FY20, a key input that is used to estimate tax collection based on historical buoyancy.

"Budget at a glance", summary of the budget, projects a nominal GDP growth of 12% for FY20, estimating the GDP at current prices at ₹211 lakh crore for the year. The "medium term fiscal policy cum fiscal policy strategy statement", also presented with the budget, pegs the nominal GDP growth at 11%. "Nominal Gross Domestic Product for 2019-20 is expected to be ₹2,11,00,607 crore which indicates a growth of 11% of previous year," it says.

The right nominal GDP growth is 11%, not 12%

as presented in "budget at a glance", which also assumes ₹211 lakh crore nominal GDP for FY20.

Its growth estimate is higher by one percentage point as it has got the nominal GDP for FY19 wrong. It says the estimated GDP for FY19, according to revised estimate, is ₹188.4 lakh crore, which yields a 12% growth. The actual nominal GDP, according to provisional estimate released by statistics office on May 31, was ₹190.1 lakh crore, which yields the right nominal GDP growth rate of 11%. The ₹188.4 lakh crore estimate, used in interim budget for FY20, came from first advance estimate presented on January 7, which has since been updated.

—Our Bureau

PM Flays 'Professional Pessimists'

Varanasi (UP): Prime Minister Narendra Modi Saturday dismissed as "professional pessimists" those who criticise the Centre's target of India becoming a \$5 trillion economy within the next five years and asserted that a "new India" was on the threshold of sprinting forward.

Addressing a gathering in his Lok Sabha constituency of Varanasi after launching the BJP's membership drive on the occasion of the 118th birth anniversary of party ideologue Syama Prasad Mookerjee, Modi said: "I am fully confident that as a nation, with our collective efforts, in the next five years we will definitely reach the destination of \$5 trillion economy. But some people are questioning the need for this (goal) and asking why all these are being done. These are people we can call 'pesheywar nirashawadi' (professional

pessimists). These professional pessimists are totally different from common people. If you approach a common man with a problem, he will offer you a solution. But if you go to these people with a solution, they will convert it into a problem."

Referring to the proposal in the Union Budget, Modi said "new India" was on the threshold of sprinting forward. The PM said, "The rich and the poor are the arms of the new India. This is the call of a transforming country. The nation has moved ahead in the past too, but now new India is ready to sprint. People have the power to turn the impossible into possible."

Earlier, soon after his arrival here on a day-long visit, Modi unveiled a statue of former prime minister Lal Bahadur Shastri at the airport.

—PTI



PM Modi visits the Virtual Experiential Museum in Varanasi on Saturday.

Karnataka Govt Teeters as 14 MLAs Resign

Bengaluru: Fourteen MLAs from the ruling coalition in Karnataka – 11 from the Congress and 3 from the JD(S) – have resigned, creating the biggest ever crisis for the 13-month-old government and driving it to the brink of collapse. The BJP, with 105 members in the 224-member Assembly, is waiting for the government to fall apart.

Thirteen MLAs put in their papers on Saturday, while Congress MLA from Hospet Anand Singh had resigned earlier. Speaker Ramesh Kumar said he would decide on the resignations on Tuesday. He left for his hometown on Saturday, saying his relative is unwell. He will return to Bengaluru only on Tuesday.

Five Congress MLAs who resigned are from Bengaluru City. Three of them, ST Somashekar, Munirathna and Byrathi Basavaraju, are loyalists of former CM Siddaramaiah. Political observers suspect that they resigned to step up pressure on the government to offer them plum posts.

On Saturday afternoon, the Speaker said 11 MLAs had submitted resignations to his office. The twelfth resignation, of Munirathna, took place in the evening. The Speaker left in a private car without accepting any resignation.

In an attempt to stall the crisis, Water Resources Minister and Congress's chief troubleshooter DK Shivakumar swung into action. He took away MLAs Ramalinga Reddy, Somashekar and Munirathna in his car in a bid to dissuade them and told the media "nobody will resign". Reddy is the most senior Congress leader in the state.

BJP state president BS Yeddyurappa told the media that the party had no hand in the resignations.

Chief Minister HD Kumaraswamy, who is in the US, boarded the flight Saturday night India time and will arrive in Bengaluru on Sunday. Karnataka Pradesh Congress Committee president Dinesh Gundu Rao, who is also overseas, is rushing back home. AICC general secretary KC Venugopal reached Karnataka on Saturday evening.

The disgruntled MLAs teamed up and timed their resignations in a coordinated manner, catching the JD(S) and Congress camps by surprise.

JD(S) MLA from Hunsur, H Vishwanath, quit to settle scores with Siddaramaiah, who heads the JD(S)-Congress Coordination Council. Reddy, a veteran Congress leader, had earlier said that senior leaders were being ignored by the party; he did not get a ministerial berth in the current government.

—Our Bureau

ROHIT MACHINE



In the India-Sri Lanka match Saturday, Rohit Sharma hit his fifth century in the 2019 World Cup, setting the record for the most number of centuries in a single edition of World Cup —AFP

“The Claims of India Becoming Protectionist are Unfounded”

The government is committed to phasing out tax exemptions, says Revenue Secretary **Ajay Bhushan Pandey**. The proposed exemptions for certain sunrise sectors and advanced tech would be offered as part of a global bid and only the winners would be eligible for them. Edited excerpts from an interview with **Deepshikha Sikarwar**:

Government has proposed tax exemption for electric vehicles. Does that mean that government will now not pursue its intent to phase out exemptions?

We are committed to phasing out exemptions. There are two types of exemptions – general and specific. What we have given is a specific exemption to attract manufacturers in sunrise and advanced tech sectors. Industry would be invited through a global bid to set up manufacturing. Prior to the bidding, companies will be offered tax exemption. Those giving the best terms will be offered the facility. It is not that the exemption would be given to everyone.

There is a growing view that India is turning protectionist.

That is completely unfounded. We have increased customs duties only on a few items that are being manufactured in India. Question of protectionism will arise only when you exceed the bound rate (tariff offered to the Most Favoured Nations). Increasing your rate marginally to encourage your industry cannot be termed protectionist by any stretch of imagination.

How will this help? A number of items already face lower or zero duties under the free trade agreements.

The problem arising out of FTAs will

“People should be taxed according to their capacity to pay – this is a basic principle of taxation”

be looked at by the commerce ministry. The government has only tried to provide some support to domestic industry and to encourage them by raising duties on finished goods and reducing them on inputs. This is another way to counter cheap imports coming from other countries.

You have raised surcharge on high net worth individuals. This at a time when there are reports of HNIs shifting base out of India. Was it really necessary?

The highest marginal tax rate before this increase was 35.88%, which is lower than 54% in Canada, 50.3% in US and 45% in the UK. So, compared to these rates, even after this increase, it is not much. Also, from the equity point of view, a person earning ₹10 lakhs a year should not be in the same bracket as someone earning ₹10 crore. People should be taxed according to their capacity to pay – this is a basic principle of taxation. I am not aware of this data about people leaving. People do not make the decision to live in a country on the basis of taxation.

On the indirect taxes side, GST collections estimate has been scaled down...

With respect to actual collections last year, we have assumed a 14% growth. In the current economic situation when your economy is growing at a nominal growth rate of 11%, assuming 14% is not scaling down. It is actually making a realistic assessment.



Petrol Price Hiked by ₹2.40, Diesel by ₹2.36

Petrol price was Saturday hiked by a minimum ₹2.40 per litre and diesel by ₹2.36 after Finance Minister Nirmala Sitharaman raised taxes on the fuels to part-fund her budget for 2019-20.

Petrol price in Delhi was increased by ₹2.45 a litre to ₹72.96, while the increase in Mumbai was ₹2.42 to ₹78.57, according to a price notification issued by IndianOil. Diesel price was hiked by ₹2.36 per litre in Delhi to ₹66.69

and by ₹2.50 per litre in Mumbai to ₹69.60. In Kolkata, petrol price went up by ₹2.40 to ₹75.15 and in Chennai by ₹2.57 to ₹75.76 a litre.



Rates vary from state to state depending on the incidence of local sales tax or VAT. Also prices vary by a few paise at pumps operated by other state-owned fuel retailers, Bharat Petroleum and Hindustan Petroleum.

–PTI/New Delhi

PNB Reports ₹3,805 cr Fraud by Bhushan Power & Steel

State-run lender Punjab National Bank Saturday declared loan exposure of ₹3,805 crore to bankrupt Bhushan Power and Steel as fraudulent. In a notice to exchanges, PNB said it had reported the fraud to the Reserve Bank of India (RBI) on the basis of forensic audit findings.

“On the basis of Forensic Audit Investigation findings and CBI filing FIR, on suo moto basis, against the Company and its Directors, alleging diversion of funds from banking system, a fraud of ₹3,805.15 crore is being reported by Bank to RBI,” Punjab National Bank said.

The ₹3,805 crore includes domestic ex-

posure of ₹3,191.5 crore at the lender's Chandigarh Large Corporate branch, overseas exposure of ₹345.74 crore at its Dubai branch and ₹267.90 crore disbursed from its Hong Kong operations. The bank has already made provisions of ₹1,932.47 crore towards this exposure, it said.

“It has been observed that the company has misappropriated bank funds, manipulated books of accounts to raise funds from consortium lender banks,” PNB said. “At present, the case is at NCLT, which is in advance stage and the Bank expects good recovery in the account.”

–Saloni Shukla / Mumbai



DRT Asks Nirav to Pay ₹7,200 cr to PNB, Others

In fresh trouble for Nirav Modi, the Pune bench of the debt recovery tribunal (DRT) has issued a recovery certificate and has directed the fugitive diamondaire to pay over ₹7,200 crore to Punjab National Bank (PNB) and others.

On Saturday, the Pune bench of DRT, which also holds additional charge of Mumbai, passed an order in two cases filed by

PNB. The lender has filed one petition for the recovery of ₹7,000 crore and another, on behalf of the lenders' consortium, for recovery of ₹223 crore. Modi, who is in a London jail along with his uncle Mehul Choksi, are wanted by the Enforcement Directorate and the Central Bureau of Investigation for allegedly defrauding PNB of ₹13,400 crore.

–Our Bureau/Mumbai

ELITE GROOMS

Delhi based Businessman, 31, 5ft 10", Agarwal. Dual Majors in Hospitality & Business from Switzerland. Family is financially well off. Looking for a compatible and well educated match in India/Abroad. Contact: 7428751516

Delhi based Businessman, 30, 5ft 10", Arora. MBA. Lives in Delhi. Father is a Businessman. Family is financially well off. Looking for a likeminded and well educated match in India/Abroad. Contact: 7428751516

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Mumbai based Vice President, 35, 5ft 10", Bengali/Brahmin. Lives in Mumbai. Parents are retired Professionals. Looking for a well educated match from any Hindu community in Mumbai/Pune. Contact: 7824805304

Chennai based Director, 26, 165 cms, Brahmin. MBA from Singapore. Father is a Businessman. Family is financially well off. Looking for a compatible and well educated match from the same community. Contact: 8695668994

ELITE BRIDES

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Noida based CEO, 24, 5ft 6", Brahmin, Masters in Fashion Management. Father is an Additional Senior Solicitor. Family is financially well off. Looking for a compatible and well educated match from the same or similar community in India/Abroad. Contact: 9310065725

Mumbai based Entrepreneur, 26, 5ft 3", Brahmin, B.E from a reputed Institute. Father is a Businessman. Looking for a likeminded and well educated Businessman. Contact: 8861503758

Mumbai based Director, 33, 5ft 6", Gujarati/Lohana. Father is a Director and Mother is the Director of a newspaper. Looking for a compatible match from a similar community in Mumbai/Pune. Contact: 7824805304

Ujjain based Management Professional, 26, 5ft 6", Jain-Shwetambar. M.Sc from a premier Institute. Father is a well known Industrialist. Family is financially well off. Looking for a likeminded and well educated match. Contact: 9310065725

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I Recognise Cynicism but Targets are Realistic

The government expects the budget to give a boost to investments and lift foreign inflows. Finance Secretary **Subhash Chandra Garg** says the revenue assumptions in the budget are sound and expenditure has been kept in check. Edited excerpts from an interview with **Deepshikha Sikarwar**:

Investment is yet to pick up while savings and consumption are both down. How will the budget help address these?

The budget is setting a medium term vision and goal for the economy. We might be in a state of economy where it is not in the best of a roaring stage. Last quarter we grew at only about 5.8%. First quarter of the current financial year may also be somewhat depressed. But that does not and should not prevent the government to set what it would like the economy to be in five years from now. If you set that goal clearly that this is where we want to be in 2024-25, then you will take all necessary measures that are required to boost investment, raise consumption and also plan for an export strategy.

My sense is that the Indian economy is now almost on autopilot as far as 5-6% growth rate is concerned. I don't think we have seen growth lesser than this in 15 years. Given the dynamism in the economy and the productivity increases, 5-6% expansion can be presumed as base. The policy reforms, structural reforms can give us that additional 2-3%. The budget lays down some things very clearly – open up for private sector, create avenues for private sector to make investments, open up the financial market system in the country, open up several areas for foreign investment. Temporary periods should not cloud our vision and plan for the long-term.

So this slowdown is a blip and not structural and these measures should be able to address it?

This is a cyclical kind of slowdown for factors which have been there for some time. These will get corrected as we go along. I am not denying that there are structural issues. They will have to be dealt with for that additional 2-3% growth, whether it is agriculture or transportation, railways or power. We will have to get things right in several sectors to push infrastructure. I think the government is quite confident that it can take care of those structural issues as well to get that extra 2-3%.

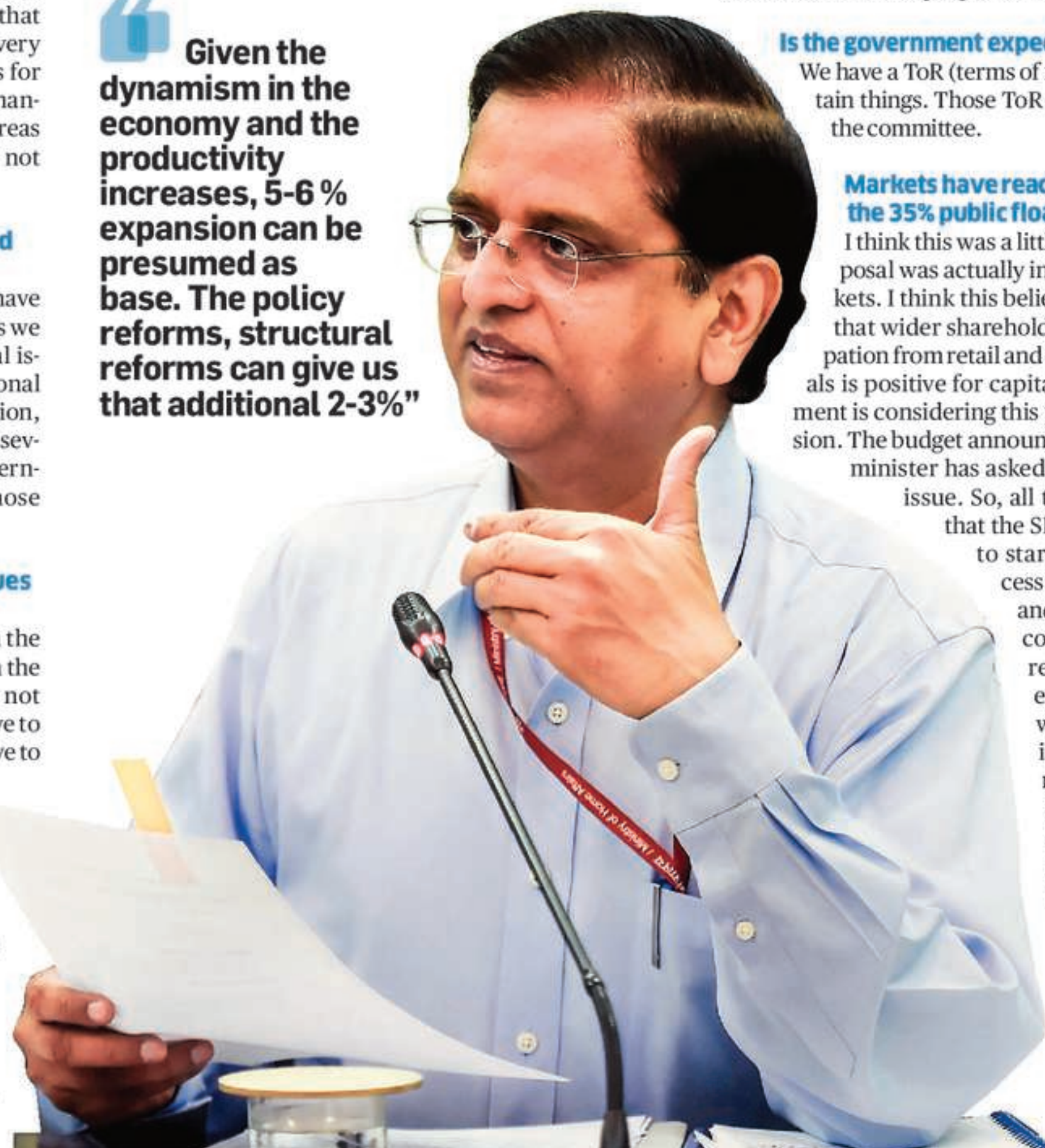
Is there a plan being worked out to address issues in agriculture or railways?

What you have seen in the budget is signalling from the government. You saw for railways a clear mention on the kind of investment needed. Current investment is not even enough to take care of existing projects. We have to move to PPP (public-private partnership). We will have to take a lot of decisions in the sector. Likewise in the power sector—tariff policy and distribution reforms. In agriculture, a lot of work has already been initiated. The government is conscious of these needs. My sense is that now to achieve this goal, which has been set, it will focus everyone's attention. Government has already asked for a five-year vision. Groups of secretaries are working on it. Every group working there, whether working on finance or social sector, is now focussed that all that they do should be towards achieving this goal. This synergy will drive us and help achieve the laid down goals.

Fiscal maths has been questioned as pressure on revenues is seen due to slowing economy...

I recognise a little bit of cynicism in tax numbers because we missed (the target) last year. But, now what we have set out for the current year is absolutely realistic. On direct tax side, the strike rate is 17.5%. There have been some measures such as additional surcharge. So with the base expanding, additional revenue mobilisation measures is a fairly realistic target. On indirect taxes, there is substantial revision. The GST has been substantially revised downwards, which I think is a very low growth over last year. There are revenue mobilisation measures on excise duty and customs. Taking all together, the projected growth rate of about 15% is fairly realistic. Disinvestment targets we have not missed for the last two years. We should be able to achieve it for this year as well. In fact, we might do somewhat better. RBI was also this year better than previ-

Given the dynamism in the economy and the productivity increases, 5-6% expansion can be presumed as base. The policy reforms, structural reforms can give us that additional 2-3%



ous years on surpluses, and we have somewhat higher projection on dividends this year. All the revenue side measures are quite realistic and should hold out. Expenditure restraint is there. Growth over previous year is only 13%-14%, which is reasonable and fair. You will have to exercise some control. That has been done in the past.

You are banking on non-tax revenues. Does the transfer from RBI include assumption as a result of Bimal Jalan committee's recommendations?

No. Those recommendation are not available. All that has been included is expected transfer from the financial year. There is no receipt estimated or projected from Jalan panel.

You have given a strong dissent in the draft report of the committee...

Committee is still deliberating. Until the deliberations are over, it would not be proper to comment.

Is the government expecting a large transfer?

We have a ToR (terms of reference). ToR says certain things. Those ToR need to be answered by the committee.

Markets have reacted strongly against the 35% public float proposal...

I think this was a little unfortunate. The proposal was actually intended to help the markets. I think this belief is shared by everyone that wider shareholding and greater participation from retail and high net worth individuals is positive for capital markets. The government is considering this proposal, it's not a decision. The budget announcement says the finance minister has asked the SEBI to look at this issue. So, all that will happen now is that the SEBI would be requested to start the consultation process with all the stakeholders and after that consultation come up with a considered recommendation, whether and to what extent and which kind of companies it would be advisable to raise the public shareholding from 25% to 35%. It would not be immediate. No time frame has been set. There is no road map. I don't think there is any need for any immediate reaction on this.

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“We’re Shedding the Thought that 51% is Needed to Retain Control”



Department of Investment and Public Asset Management Secretary **Atanu Chakraborty** feels that the budget has come up with a concrete reform programme. In an interview with **Dheeraj Tiwari**, he shares the road map for achieving India’s ambitious divestment target. Edited excerpts:

As announced in the budget, government is now open to bringing its stake below 51% in state-run firms. How will this work?

We are actually shedding this old thought that 51% is needed to retain control. The marriage between control and 51% is separated for the first time. We have decided to go below 51% and open much larger investment space for people to come in, including international funds, which is needed. Today, there are a lot of professionally run companies where promoters don’t even hold 2-3% and if you look at Sensex 30, in around 18 out of 30 companies, promoter group holding is below 40%.

But in some cases you have said that this 51% will include the holding of other state-owned entities. Will you nudge firms like LIC to hold more?

Many a times we have seen that a large equity stake is held by public financial institutions or there are cross holdings, and that space is blocked. It leaves very little float for people to come in. International funds that are looking at these companies give up on account of very little float being available. Now that larger float is available with the new definition of 51% itself (sovereign holdings to include those by state-owned financial companies), going below that level increases the available float even more. Last year or the year before that very little stake was bought by LIC. This is complete misinformation.

Will the state going below 51% ownership change the nature of a state-run firm?

It may or may not be a government company depending on the type of ownership. A government company under Section 245 of the Companies Act has its own definition. For running a company efficiently and otherwise it has nothing to do with being a government company. When we set up these companies, we provided a large amount of equity at that point of time because nobody else was willing to put in equity in say a refinery or a steel plant. Over a period of time we have consciously taken out our equity because people are willing to buy.

Case in point is that we got ₹1.33 lakh crore of subscription but we could issue share worth only ₹45,000 crore in Exchange Traded Funds, which means there is more flow which wants to come in.

Will you keep management control or cede it at a premium at a later stage in these firms?

There is no problem in ceding management control with say a 40% shareholding. If you are retaining management control, obviously this means you are controlling the board and you

will appoint whosoever you want to. If we cede control, we will do it through a transparent, strategic divestment programme.

How about Air India?

We will like to do Air India much faster as we have done the groundwork. Last year we were in crude volatility stage which was quite unprecedented, and that also coincided with exchange rate volatility, and subsequently huge liquidity issues. The general feeling is that if people want to have full (100% stake sale) let them have it.

dheeraj.tiwari@timesgroup.com

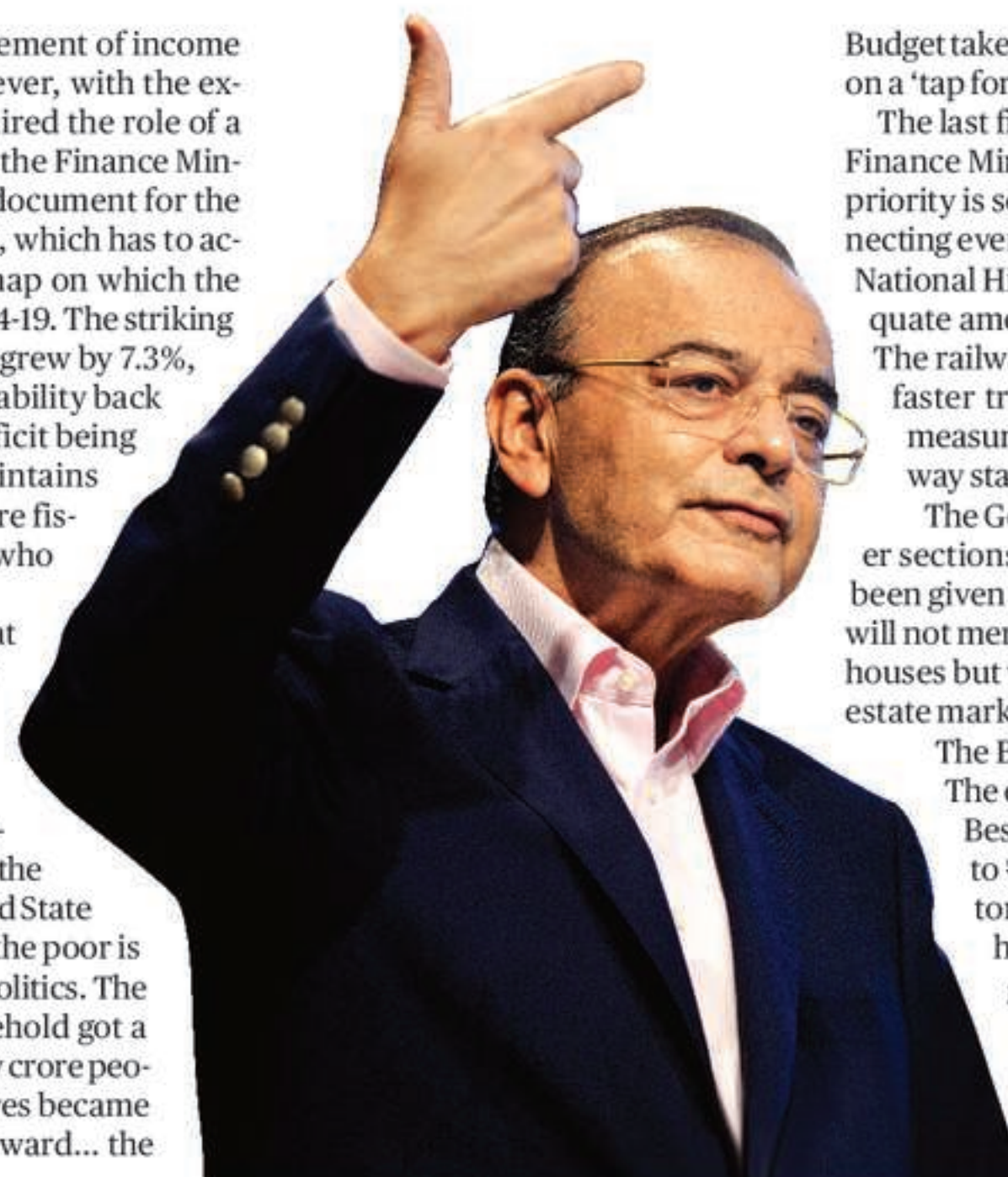
Budget Gives Direction for Aspirational India

It maintains that path based on the premise that fiscally prudent economies get rewarded

:: Arun Jaitley

The Budget for each year is essentially a statement of income and expenditure of the Government. However, with the expansion of the Indian economy, it has acquired the role of a policy document. The Budget presented by the Finance Minister, Smt. Nirmala Sitharaman, is a policy document for the medium term. It is a budget of a continuing government, which has to accelerate the direction of the past. It expands the roadmap on which the Prime Minister has built up India’s growth story from 2014-19. The striking part of this period was that for a five-year average, India grew by 7.3%, its revenues grew exponentially and it brought macro stability back with both the Current Account Deficit and the Fiscal Deficit being on the glide path downwards. The present Budget maintains that path based on the premise that economies which are fiscally prudent, eventually get rewarded as against those who indulge in fiscal adventurism.

A fundamental question has always been asked as to what would one choose between good economics and clever politics. The choice is unfair because any Government needs both in order to survive and perform. The Prime Minister’s first tenure witnessed this blending of good economics and good politics. The change, which was facilitated by the Jan Dhan Accounts and the AADHAAR, laid the foundation for Direct Benefit Transfer to those who needed State support... Subsidies in the form of transfer of facilities to the poor is an example of the blending of good economics and good politics. The villages got roads, the poor got houses, and every household got a toilet, a gas connection and an electricity connection. Fifty crore people got hospital treatment upto ₹5 lakh per year. Their lives became liveable with at least these basics. To carry this path forward... the



Budget takes upon itself the task of concentrating, in the next five years, on a ‘tap for every home’.

The last five years had seen a lot of emphasis on infrastructure. The Finance Minister has rightly given top priority to infrastructure. This priority is self-evident in the fact that the rural roads programme connecting every village with a motorable road is nearing completion. The National Highways are moving at a pace faster than ever before. Adequate amount of allocations have been made in the Budget for this. The railways is one of the top priorities of the Government. Besides faster trains, modernised coaches and additional railway safety measures, very soon India will witness the modernisation of its railway stations similar to what today has happened to the airports.

The Government is committed to providing housing to the weaker sections in both rural and urban areas. A major tax incentive has been given to those who borrow to buy affordable houses. This move will not merely help the system to utilise the unsold stock of affordable houses but will also be instrumental in injecting liquidity into the real estate market.

The Budget creates a political direction for an aspirational India. The economically weaker sections get the basic amenities of life. Besides the income-tax exemption limit having been increased to ₹5 lakh in the interim Budget a few months ago, several sectors of interest to the middle class and the neo-middle class have been incentivised. India will continue to be the fastest growing major economy in the world. In the last two to three quarters growth has seen a moderation. Unquestionably, the Budget as a policy document lays down the road map for India to get back on track. ■

This is an edited excerpt from a blog by the former finance minister



Harsh Goenka
 Chairman, RPG Enterprises

Blueprint for Resurgence

Sitharaman's budget aims to achieve a virtuous investment cycle and clean up legacy issues in the balance sheet

Nirmala in Sanskrit means virtuous, clean and pure. And that is precisely what Union Finance Minister Nirmala Sitharaman has endeavored to do in her maiden budget.

She has presented a wide array of proposals aimed at achieving a virtuous investment cycle and will help clean up many legacy issues in the national balance sheet. Her proposals are intended to attract more capital, expand the scope of digital in our economy and boost infrastructure development – steps that will serve as the backbone for growth over the next few decades. While the reaction from the markets has been subdued, I believe the approach will result in long-term benefits for the country.

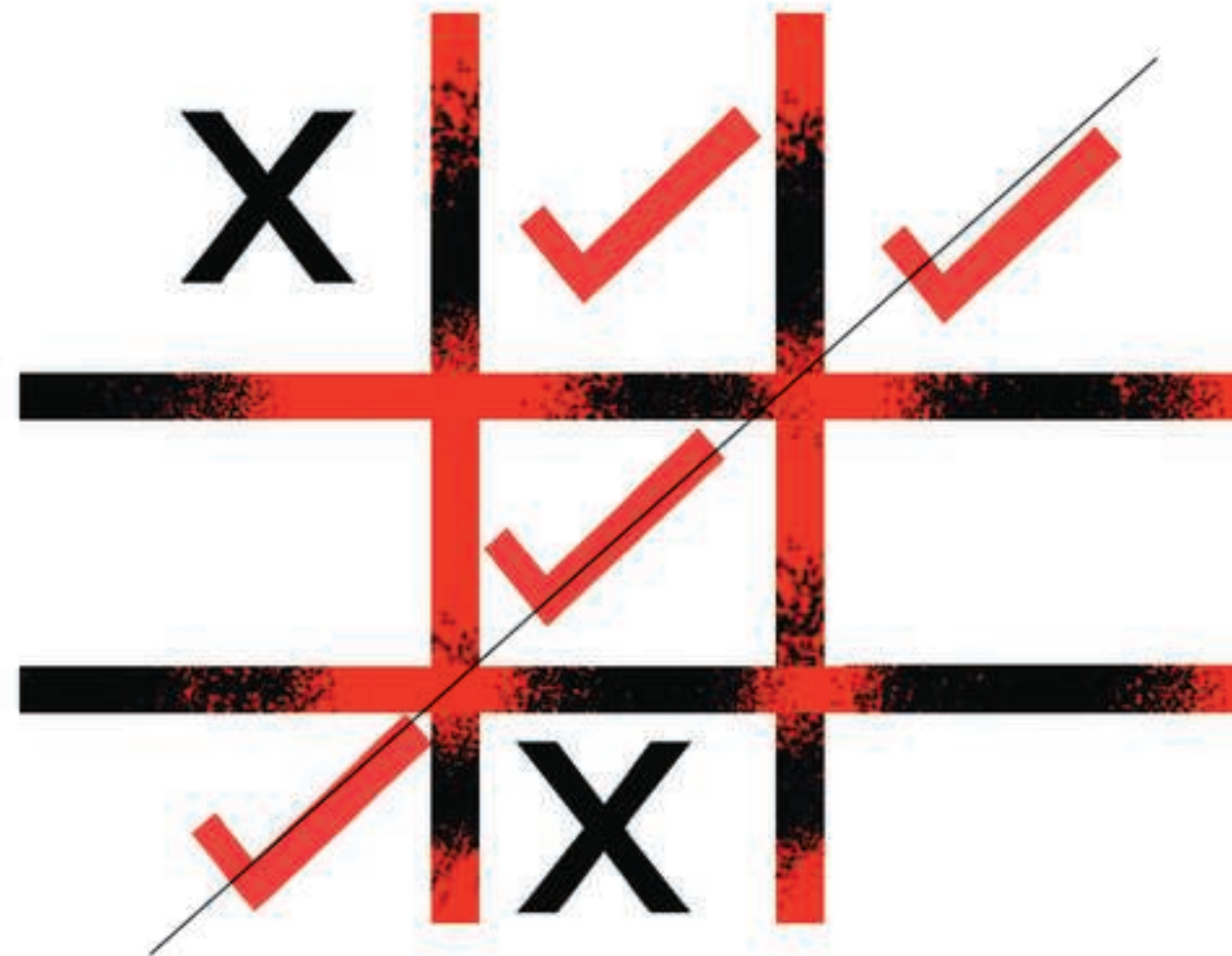
A big ticket agenda emerging from this budget is the push towards infrastructure development with a sharp focus on railways. The massive ₹50 lakh crore investment target to expand and upgrade the railway network by 2030 is by itself a game-changer. The multiplier effect of large infrastructure investments and the building of roads will help increase employment and lead to higher capital flows.

The finance minister's intent on making India an environmentally sustainable and future-ready nation is clear from the thrust given to electric vehicles (EV). Import sops on EV parts, incentives to manufacturers and tax breaks on loans for EV buyers is a well-rounded strategy that will help propel the EV ecosystem. Not only will this lower the carbon footprint but also reduce the burden on the exchequer caused by oil imports.

What I particularly liked was that the economic imperatives have been well-researched and studied to understand the levers that will move the economy. By adding depth to the debt and equity financial markets, strengthening the insurance infrastructure, targeting the liquidity crisis issue at non-banking financial companies and easing access to funds for corporates, the minister has prescribed meaningful measures that will drive liquidity and credit flows to corporate India. At the same time, these are measures that will give confidence to global investors.

Ease of living is becoming an area of attention for the new government. Bringing water to the parched hinterland, building homes in rural India and ensuring electrification are themes that are continuing to receive the necessary budget funding. With an ambitious target of 1.95 crore houses in the second phase, the 'Housing for All by 2022' mission looks to be on course. The government has done an incredible task of constructing 9.6 crore toilets making lakhs of villages open-defecation free and above all, protecting and restoring the dignity of women. Making the action plan comprehensive is the Har Ghar Jal initiative, which is the need of the hour to ensure hygienic water access to all.

The much debated issue of job creation for the youth has got the priority it deserves through various innovative measures. One such step is



the out-of-the-box idea to launch a TV channel that will help create a knowledge sharing and networking platform for startups.

Easing angel tax – a major obstacle in attracting investment into startups – is also a welcome move. The other job-creation engine – the micro, small & medium enterprises – has also been given tax breaks along with indirect tax rate cuts, which will spur business investment further. The creative idea of upskilling the youth with globally relevant job skills in artificial intelligence, internet of things, 3D printing and digitisation will make them more employable, foster innovation and drive productivity.

Embedded within the budget provisions are several measures to simplify procedures in GST and income tax by reducing the complexity and volume

of filings required. Eliminating the interaction between the assessee and the tax official by bringing in e-assessment will create transparency and do away with the scope for malpractices.

Further, the stringent limits on withdrawing cash for business should help drive adoption of e-payment solutions, even though it will cause some hardship in the transition period.

Labour reforms have been a long pending area of intervention and I was glad to note the finance minister talk about streamlining multiple labour laws into four broad labour codes. Simplifying labour-related concerns is sure to augment India's investment attractiveness and will help bolster ease of doing business. In addition to labour law reforms, it was heartening to see that the government was mulling a revamp of our archaic tenancy laws with a model tenancy law to be shared with states.

Harnessing foreign direct investment (FDI) and NRI money has received a lot of attention from the finance minister. By simplifying regulatory hurdles and opening up FDI in aviation, media and insurance, India's ability to attract investments will gain several points.

Easing of norms for single brand retail can also hold a lot of potential in bringing new players into the country, adding to the employment potential.

An understated element of this budget and one which can be a game-changer for coming generations was the articulation of a national education policy. A special thrust on research through the setting up of the National Research Foundation will encourage a robust research ecosystem through focus on identified sectors.

The finance minister's focus on strengthening the economy systemically is clear – whether it is creating an ecosystem for startups, eliminating cash transactions, e-assessments or driving infrastructure growth, each measure clearly shows a long-term focus.

Devoid of extravagantly populist measures and short-term fixes, Sitharaman's maiden budget has laid a blueprint for a resurgent India. ■

The finance minister's focus on strengthening the economy systemically is clear – whether it is creating an ecosystem for startups, eliminating cash transactions, e-assessments or driving infrastructure growth, each measure clearly shows a long-term focus





Arvind Virmani
Former Chief Economic Adviser to the
Government of India

Focused Reforms Show the Way Forward

Part A of the budget speech gets an A rating while Part B that deals with taxation and tariffs gets only B-negative

Let me start with the Economic Survey. It has two messages. One, it has indicated that the focus will be on private investment and growth because it's the private sector that generates growth and jobs on a sustainable basis. Two, any goal has to be looked at in an integrated way. You cannot look at an objective or a sector separately.

On both these aspects I was pleasantly surprised that an underlying approach was spelt out in Union Budget 2019-20 as well. With an objective of becoming a \$3 trillion economy (by 2020) and a reiteration of "minimum government, maximum governance" that people thought has gone out of the window, there is a return to the approach where the government is focusing on creating the right environment.

Let me give you an example of infrastructure because everybody expects the government to have a role in it. Infrastructure is supposed to create an environment where economic activity flourishes. Here, PPP (public private partnership), which had kind of disappeared, is back.

I am encouraged due to the underlying approach plus a few very specific things.

Many people have felt that the financial intermediation system is messed up – that it is a danger to economic growth and must be addressed. In the budget, there is an attempt to correct various aspects via regulations, financial market reforms and some specific budgetary announcements. This is encouraging.

Regarding non-banking financial companies (NBFCs), I never supported the argument that a lot of money should be pumped in to support the failing NBFCs. The government hasn't done that. It has been selective, it has changed regulations, it has talked about some bonds and underwriting part. It has come up with a very careful, selective approach and at the same time given them the right support.

There was a great opportunity to promote exports by bringing in supply chains. Traditionally, our exports have been niche and we are not part of supply chain. In that context the budget per se did not do enough to make this happen. Now, we will have to see if it comes separately.

Also, GIFT City (Gujarat International Finance Tec-City) was supposed to be the country's first international financial centre hub but it hasn't really taken off. The budget has looked at it and is giving incentives. That is the way to do it: you do certain things and if these don't work, you try to see what's wrong and improve on it. So selective reforms, focused reforms and attempt to relook at things which haven't worked have been the way.

A very innovative thing that few have noticed is in the Make in India initiative. Finance Minister Nirmala Sitharaman said "the



government will launch a scheme to invite global companies through a transparent competitive bidding to set up mega-manufacturing plants in sunrise and advanced technology areas". In high-tech industry, you can't have much competition with a lot of players. The government has brought out a very innovative mechanism for attracting them. Such industries will not come unless you give them incentives. The government has said it will do so but the selection of a company will be through some auction. This idea is very innovative: you have the most eager person who wants the minimum incentive needed and also there is less scope of people accusing you of making some sweetheart deal. It shows some understanding of the nature of the industry.

On achieving the target of becoming a \$5 trillion economy, I do not see such broad statements as old-style planning objective. It is more inspirational. A message is being conveyed to the departments that we must all work to achieve this goal. It sets a common goal and helps to motivate.

Nitin Gadkari, Union minister for road transport and highways, and MSMEs, has been working to achieve that goal. Similarly everyone would ask how they can contribute towards that common goal of the government. This is more motivational and inspirational. Now will we achieve it? I don't think that if there is a delay of a year or so it will make a difference. The important thing is that the policies and programmes must be aligned towards achieving that goal.

The Negative

My only problem with the budget is to an approach that is becoming clear in the last few years: efforts to raise marginal income tax rates. It is the antithesis of the I-T reforms of 1996-97 in which I was involved where we drastically reduced marginal income tax and that led to a huge increase in direct tax collection due to voluntary compliance. Now, for the last two-three years, the government is going in the opposite direction. I do not think this is wise.

As someone who has worked on tax reforms, I do not think there is enough appreciation in this government about the negative effects of marginal tax rates. Simplify and broaden the tax base and voluntary compliance will increase. This means that even if you reduce the marginal tax rates, your revenues go up. This was shown in the tax reforms of the mid-1990s. If it is a one-time increase, people will accept it. But this has been happening for the last three-four years. This is the biggest negative for me as well as for the market. While there is a serious effort to make it easy to pay taxes, with digitisation, the surcharge is negative.

I would rate the budget like this: A for Part A and B-negative for Part B that deals with taxation and tariffs. ■

As told to Prerna Katiyar

On achieving the target of becoming a \$5 trillion economy, I do not see such broad statements as old-style planning objective. It is more inspirational. A message is being conveyed to the departments that we must all work to achieve this goal

Social Capital

The budget proposal to set up a social stock exchange has sparked interest and questions among social enterprises and nonprofits

:: Indulekha Aravind

On July 1, the think tank Brookings India released a paper titled "The Promise of Impact Investing in India", which mentioned that in a survey of Indian social enterprises, 57% identified access to debt or equity as a barrier to growth and sustainability. The Finance Ministry has chosen a novel way to address this. On Friday, Finance Minister Nirmala Sitharaman announced in the Union Budget that the government proposes to create "a social stock exchange... to list social enterprises and voluntary organisations... so that they can raise capital".

Details of this radical proposal are yet to be announced but the intent has been welcomed. "It sends a positive signal that the government is bothered about the sector. It will help companies like ours to have greater visibility and raise capital. For instance, if an entrepreneur can go to a single platform which he knows will be touched by a hundred investors, it becomes easier for him," says K Chandrasekhar, CEO of Forus Health, a social enterprise manufacturing medical devices, with the larger vision of eliminating preventable blindness. Brookings India research director Shamika Ravi, one of the authors of the paper on impact investing, suggests that the exchange should be viewed as a medium or platform where search can happen. "The industry is at a very nascent stage and given the scale of operations, it's unlikely to be able to create such an entity (on its own). In a sense, it's good for the government to put in some resources in the creation of what should be viewed as a facilitating institution," says Ravi, who is also a member of the PM's Economic Advisory Council.

A social stock exchange, broadly, is understood as a platform that allows investors to buy shares in a social enterprise that has been vetted by the exchange. There are only a few international examples and they follow different models. In London, it acts more as a directory connecting social enterprises with potential investors, while in Canada the SVX is an online platform where even retail investors can invest in funds or companies with social impact. In India, the finance minister said the exchange will come under the ambit of the Securities and Exchange Board of India. She mentioned that it will be "an electronic fund-raising platform", but the precise nature of its functioning is unclear so far.

While ironing out the details, one of the government's priorities should be to define a social enterprise, says Vineet Rai, CEO of Aavishkaar-Intellect, the country's pioneering impact fund. "The first thing the government needs to decide is how to distinguish between a social enterprise and a normal enterprise. The criterion doesn't exist in India." While setting up an exchange is easy, the challenge



What the FM said:

"I propose to initiate steps towards creating an electronic fund-raising platform – a social stock exchange – under the regulatory ambit of Sebi for listing social enterprises and voluntary organisations working for the realisation of a social welfare objective so that they can raise capital as equity, debt or as units like a mutual fund"



What is a Social Stock Exchange?

It is a platform which allows you to buy shares in a vetted social enterprise. Returns would be modest, and the focus will be on the venture's social impact

lies in making it work and creating liquidity, he adds. "Ultimately, it will boil down to the kind of incentives the government is proposing for those getting listed and those providing liquidity by participating in the stock exchange," says Rai. It would be innovative if corporate social responsibility funds could be routed to social enterprises through the exchange, says Srinivas Ramanujam, COO of Villgro Innovations, an incubator for social enterprises. "This can help reduce misuse of CSR funds and help companies route funds through a more viable route," he adds.

Not everyone is convinced that a separate stock exchange might be the best way to improve access to capital for social enterprises. "I think both India and our sector would be much better served if the SME exchange could be up and running properly, considering all these social enterprises are actually SMEs. To me, that's more viable than creating another impractical exchange," says Vishal Mehta, cofounder of Lok Capital, who feels the impact investment sector in India is not mature enough for such a move.

There is less clarity about how a stock exchange will help raise capital for "voluntary organisations". Anuj Gupta, founder of the NGO Goonj, says the kind of voluntary organisation it is meant for is also unclear as of now. "If it is applicable to Section 8 companies, this will include the BCCI, one of the richest sports bodies, and every money-making private school. We don't know the framework yet." With the government distrustful of foreign donations to nonprofits, the exchange might help the sector generate more capital, says Rai.

A unified platform can bring in greater transparency for nonprofits, and help both individuals and the corporate sector evaluate NGOs they would like to give money to, says Sridhar Iyer, EY India's national director for CSR. Hypothetically, the exchange might be for intermediaries which provide a platform for people who want to donate to credible NGOs. The intermediaries could act as mutual funds which people can subscribe to, and which will manage the funds. "This could bring more people into the giving fold," says Iyer. A platform can help with both discovery of NGOs and in impact evaluation, which is otherwise expensive, he adds. Much of the success of the exchange will depend on the form it finally takes. The devil, as stakeholders point out, will lie in the details. ■

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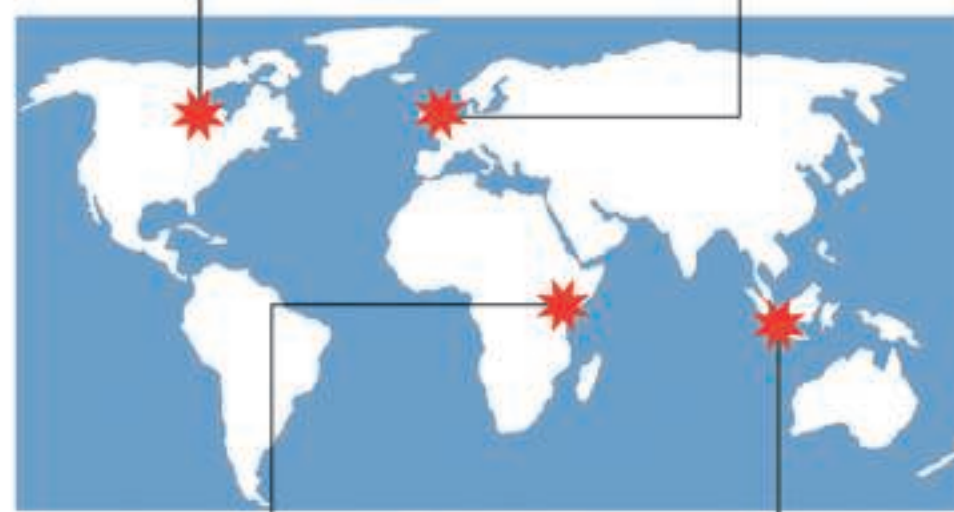
Global Models

Canada

Backed by the Ontario government, the SVX is an online platform that allows investments in Canadian companies and funds that have "a positive social or environmental impact". Retail investors are also allowed to participate

UK

The Social Stock Exchange in London functions more as a directory connecting social enterprises and potential investors. Launched in 2013, it only accepts companies that pass its independent assessment on social impact



Kenya

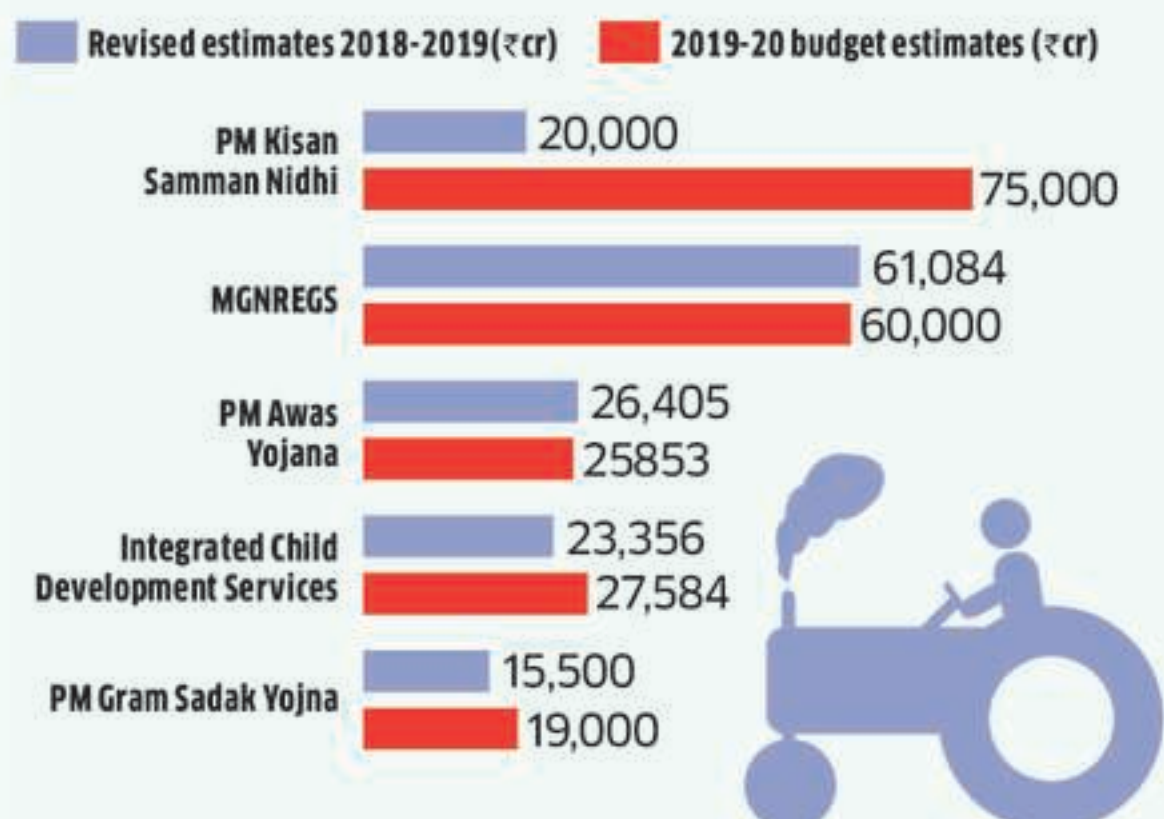
The Kenya Social Investment Exchange, launched in 2011, connects vetted social enterprises with impact investors, both foreign and domestic. A listed social enterprise has to demonstrate social impact as well as financial sustainability beyond the funding period

Singapore

The Impact Investment Exchange runs a social stock exchange in partnership with the Stock Exchange of Mauritius, which is open to limited accredited investors who want to invest in social enterprises

PM-KISAN Biggest Welfare Scheme

The new farm income support initiative is now India's largest centrally-sponsored welfare scheme, far bigger than Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)



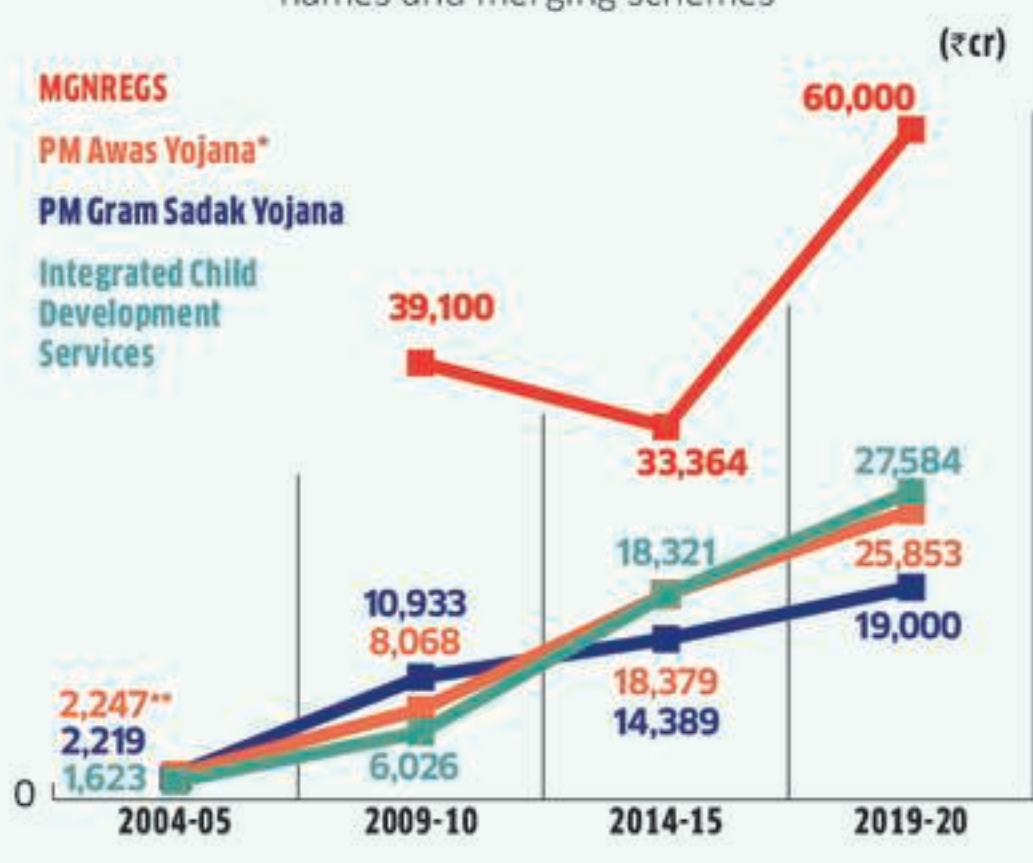
BUDGET TAKE 5

The Modi government in its second term has not made major changes in the budget architecture. In fact, it has added more large schemes and grown the subsidy bill. Here are 5 big takeaways:

:: Rukmini S

UPA-era Schemes Extended

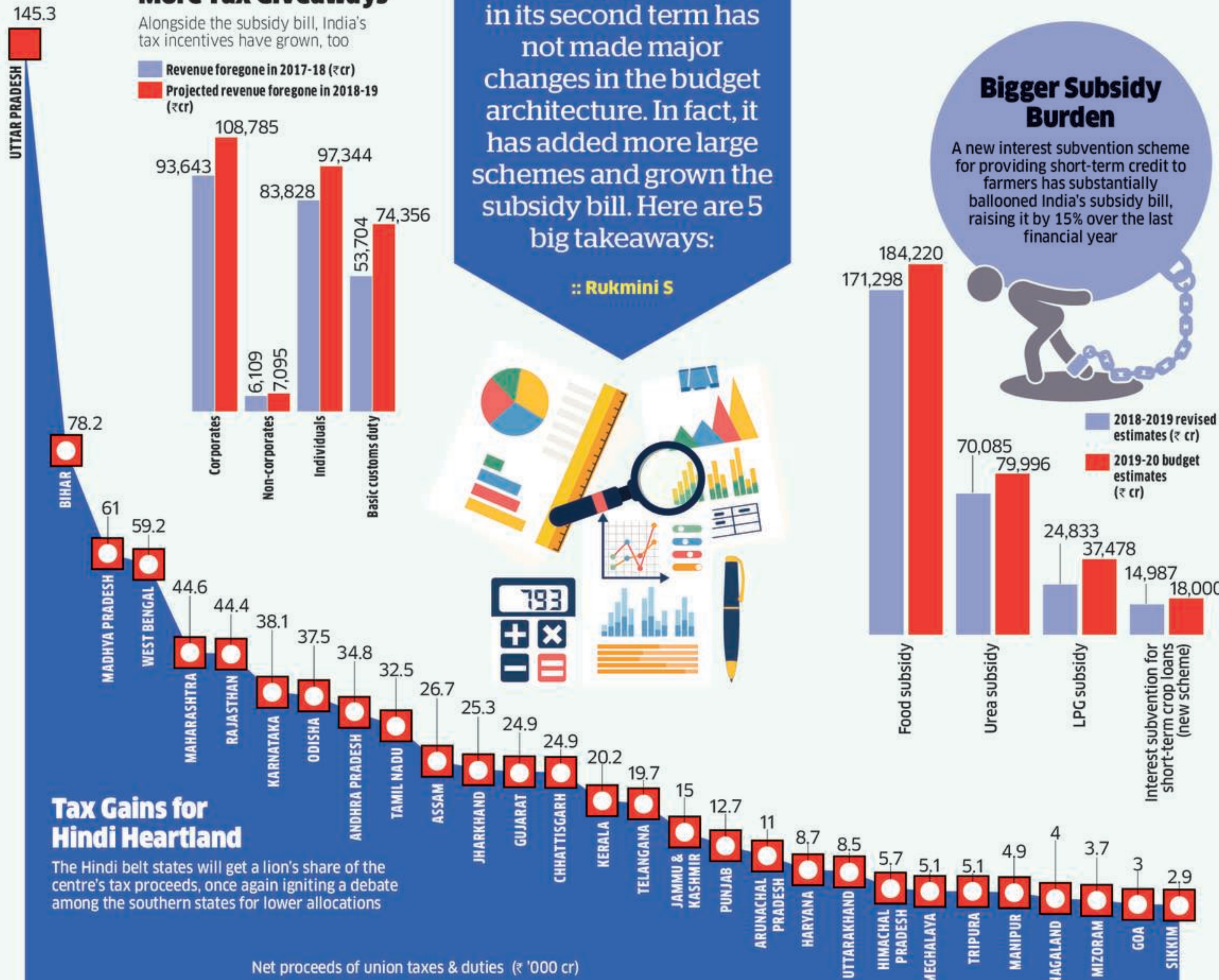
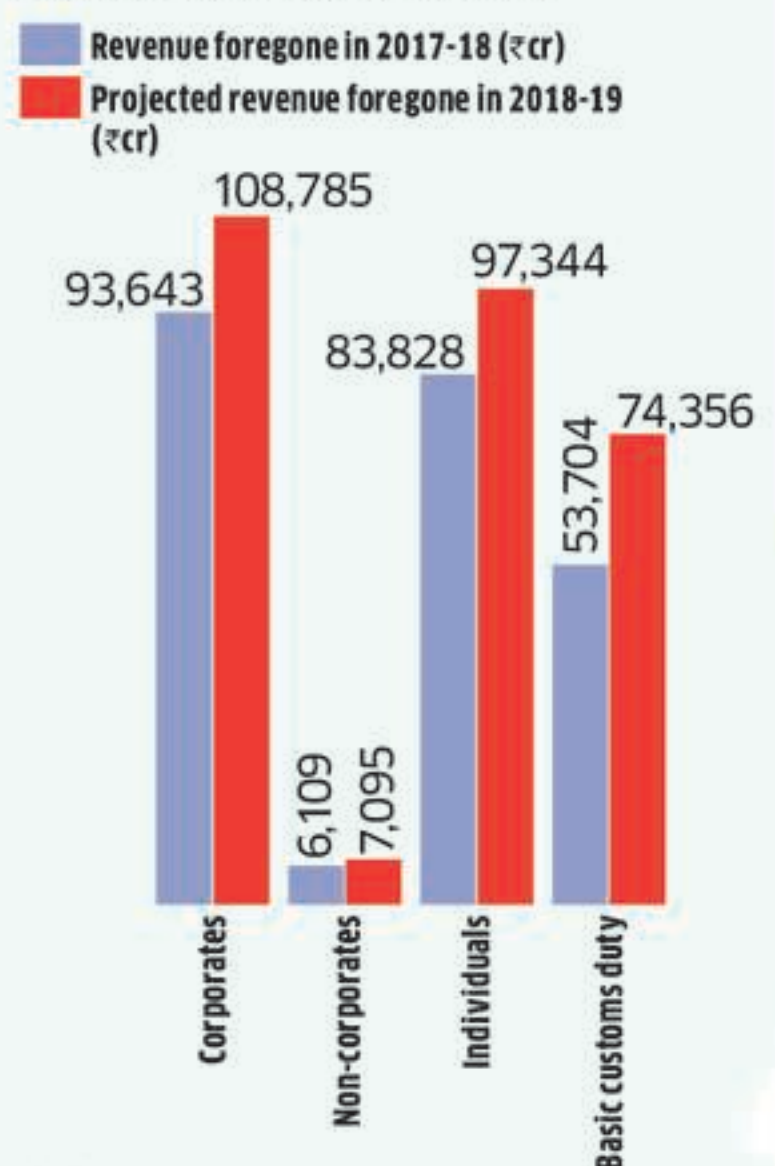
The NDA government has built on most of the UPA government-era initiatives, in some cases changing the names and merging schemes



*Formerly Indira Awas Yojana for rural and Rajiv Awas Yojana for urban
 **Rural housing only

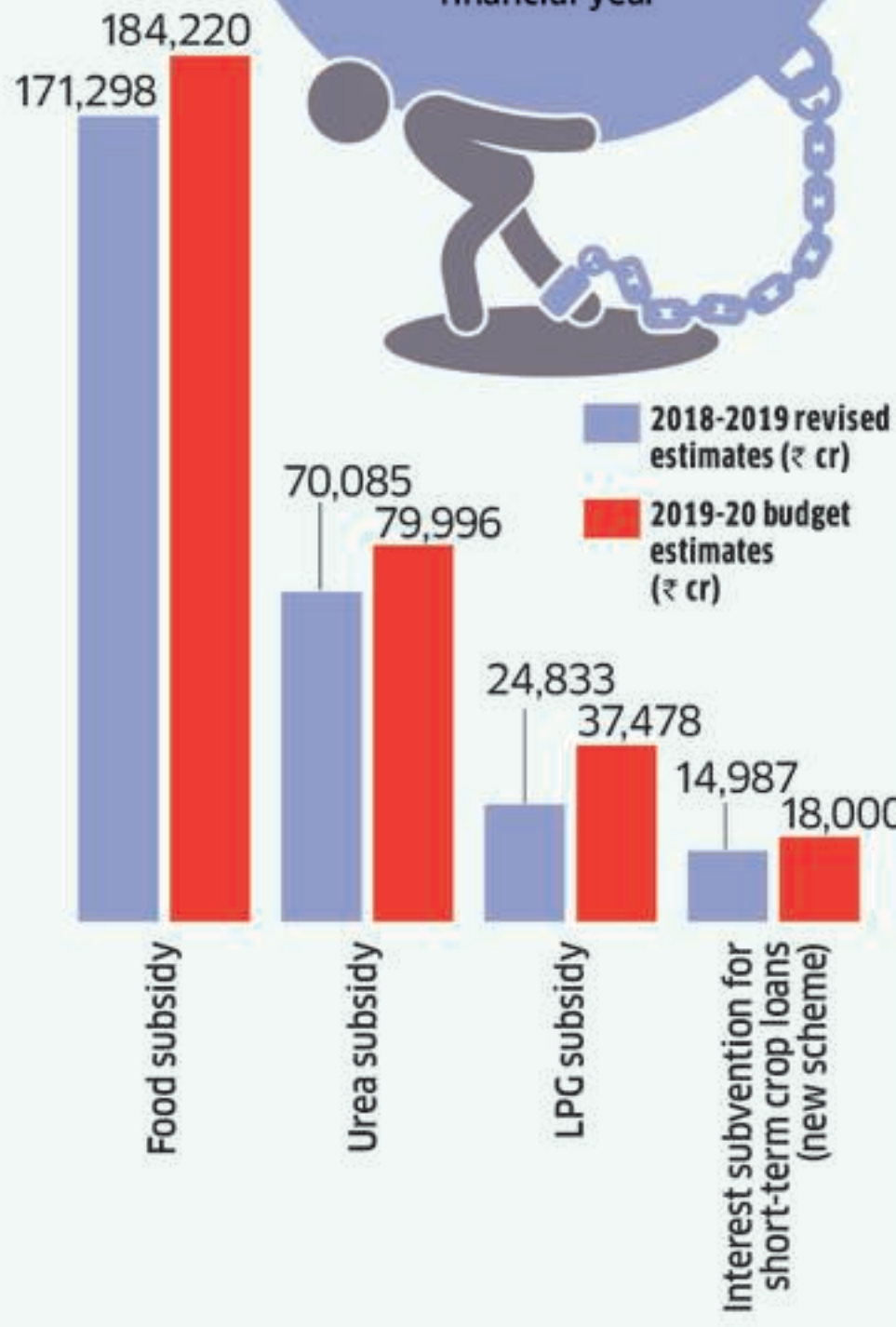
More Tax Giveaways

Alongside the subsidy bill, India's tax incentives have grown, too



Bigger Subsidy Burden

A new interest subvention scheme for providing short-term credit to farmers has substantially ballooned India's subsidy bill, raising it by 15% over the last financial year



Opening Innings

How Sitharaman's first budget is different from those presented by other first-time finance ministers

:: Shantanu Nandan Sharma

Call it a simple yet strategic budget. Critics might argue, and rightly so, that Finance Minister Nirmala Sitharaman's maiden budget is devoid of any landmark announcement to engineer a directional shift in our nation's economic trajectory.

What she chose instead was a political document that is well in sync with the ruling BJP's belief that elections are an ongoing game. The finance minister adroitly divided the larger part of her budget into segments, or political constituents – such as rural, urban, women and farmers. The overarching aspirational narrative was of India closing in on the target of becoming a \$5 trillion economy. What she added was ease of living, a slogan that transcends the usual divides – class and caste, urban and rural. And she showed her political maturity by taxing the super-rich with an annual income of ₹2 crore and above, and by not extending the reduced 25% corporate tax bonanza to India's top 0.7% companies.



"The new FM does not have legacy issues and so has the surprise element on her side. This gives her the flexibility to take an uncharted course to usher in path-breaking reforms. This is buttressed by the strength of a massive electoral mandate and political equity of a popular PM. Manmohan Singh was able to achieve the 'Indian miracle' as FM despite the then government not having a massive majority"

Arvind Mayaram,
former finance secretary

The first big difference in the budgets of Sitharaman and most of her predecessors is that she has avoided any mention of the economic hiccups. Contrast this with others. Chetty, for example, began his speech by narrating the post-Partition holocaust – people getting "brutally butchered" and millions of innocent men, women and children being "driven out of their ancestral homes and forced to make a dusty, deadly trek in search of a new home". Morarji Desai, who presented 10 budgets – the highest by any finance minister – began his first budget speech in February 1959 by referring to a record low in agricultural production and a slowdown in industrial output. That his own party, the Congress, was in power did not stop him from naming the challenges. In fact, recording adverse economic climate in the budget was considered normal by most FMs in the past.

Sitharaman chose to highlight all the positives of her party's previous regime (2014-19) – a performing government, rejuvenated Centre-state dynamics and a strident commit-



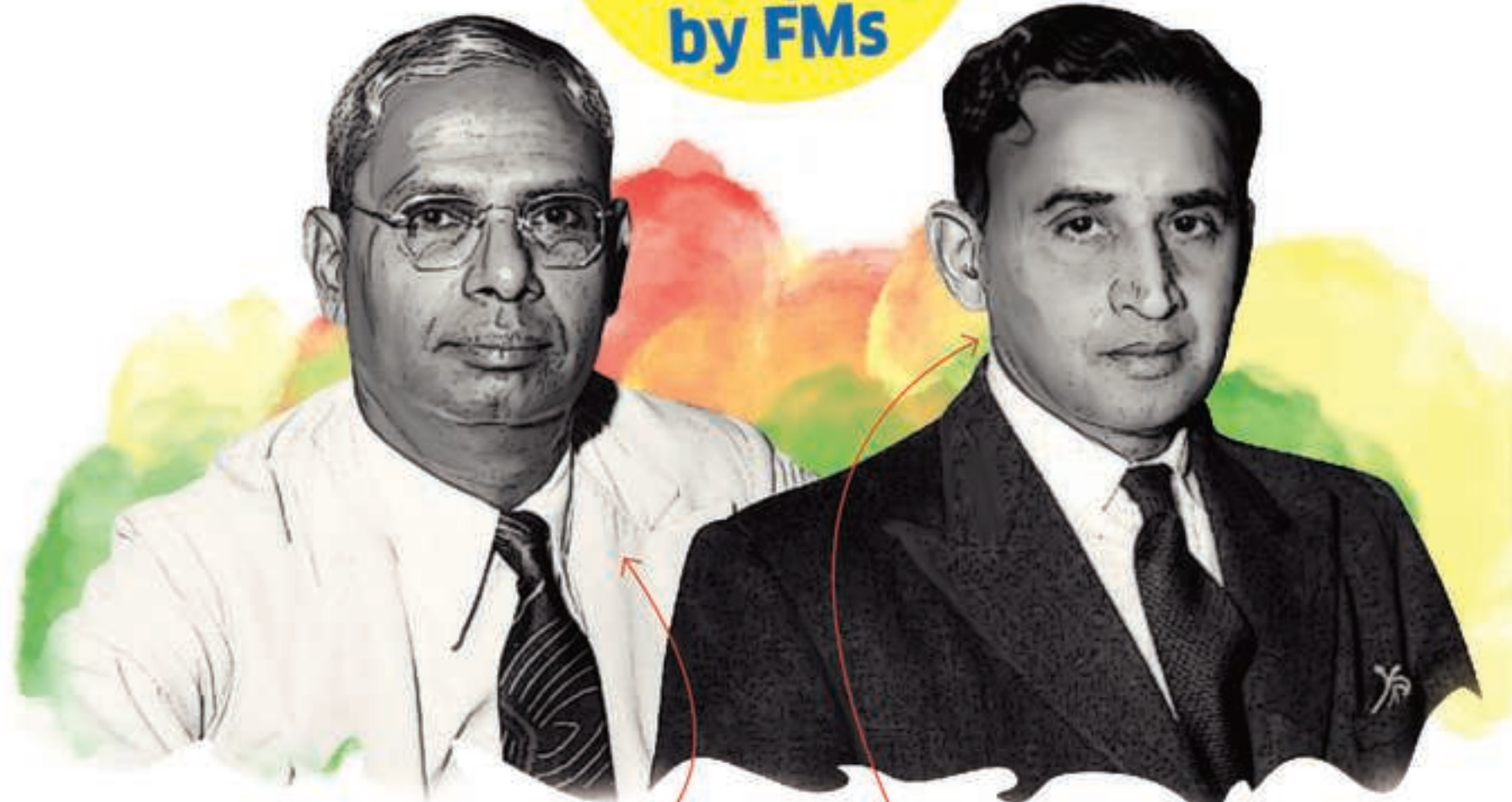
Unlike most first-time FMs, Sitharaman avoided any mention of economic headwinds and presented the budget from a position of strength

She presented a budget that touched upon all segments without attempting any landmark policy shift

Most first budgets of previous FMs created institutions – Nabard, NHA; Sitharaman avoided this

Thanking taxpayers and infusing a sense of duty have been a hallmark of earlier budgets also

Prominent First Budgets by FMs



RK Shanmukham Chetty (1947-1949)

BUDGETS PRESENTED: 2

Handpicked by Mahatma Gandhi against the wishes of the then PM Jawaharlal Nehru, the former Diwan of Cochin presented Independent India's first budget

Ist Budget, 1947-48

PRESENTED ON: November 26, 1947

TOTAL RECEIPTS: ₹171 crore

PROGRESS: ₹197 crore

RESULT: ₹26 crore

HIGHLIGHTS

- Setting up of Partition council and rehabilitation of refugees
- Setting up of Damodar Valley Authority
- Construction of Hirakud Dam (Odisha) and Bhakra Dam (then Punjab)

CD Deshmukh (1951-57)

BUDGETS PRESENTED: 7

A civil servant-turned-FM, Deshmukh was also the first Indian to be appointed as governor of Reserve Bank of India

Ist Budget, 1951-52

PRESENTED ON: February 28, 1951

TOTAL RECEIPTS: ₹370 crore

TOTAL EXPENDITURE: ₹375 crore

DEFICIT: ₹5 crore

HIGHLIGHTS

- Setting up of Central Jute Board, Cotton Advisory Board
- Reorienting the Grow More Food Plan
- Introduction of sales tax in Delhi

Budget: Then and Now

"He (a poor villager) says that he has a burning desire to help the Government of India in some way or the other. He has remitted a sum of ₹5 to me and has promised to remit a similar sum every year. It is not the small amount that he has offered but the spirit behind the offer that matters"

CD Deshmukh, budget speech on February 28, 1951



"In the first 50 years after Independence we emphasised on rights. Marking 75 years of our Independence, we should place emphasis on our duty towards India, without undermining rights. Thinkers, all over the world, have supported the argument that in performing one's duty, protection of one's rights is inherent"

Nirmala Sitharaman, budget speech on July 5, 2019



Pranab Mukherjee
 (1982-84; 2009-12)

BUDGETS PRESENTED: 8
 Mukherjee, an all-weather politician, always believed that the budget is more of a political instrument

Ist Budget, 1982-83

PRESENTED ON: February 27, 1982
TOTAL RECEIPTS: ₹27,134 crore
TOTAL EXPENDITURE: ₹29,219 crore
DEFICIT: ₹2,085 crore

- HIGHLIGHTS**
- Establishment of National Bank for Agriculture and Rural Development
 - Emphasis on small savings with the introduction of social security certificate
 - Road map for implementing the revised 20-point programme

Manmohan Singh
 (1991-96)

BUDGETS PRESENTED: 6
 Singh, who later became India's 14th prime minister, used his first budget to engineer a historic shift in the economy

Ist Budget, 1991-92

PRESENTED ON: July 24, 1991
TOTAL RECEIPTS: ₹1,03,698 crore
TOTAL EXPENDITURE: ₹1,13,422 crore
DEFICIT: ₹9,724 crore

- HIGHLIGHTS**
- Structural reforms in industrial policy
 - Trade reforms and liberalisation in foreign direct investments
 - Investment incentives for non-resident Indians

Morarji Desai
 (1958-63; 1967-69)

BUDGETS PRESENTED: 10
 Desai, who later became India's fourth prime minister, has the rare distinction of presenting the most budgets

Ist Budget, 1959-60

PRESENTED ON: February 28, 1959
TOTAL RECEIPTS: ₹757 crore
TOTAL EXPENDITURE: ₹839 crore
DEFICIT: ₹82 crore

- HIGHLIGHTS**
- Formation of Heavy Engineering Corporation
 - Intensification of the savings movement
 - Simplification of company taxation

P Chidambaram
 (1996-98; 2004-2008; 2012-14)

BUDGETS PRESENTED: 9
 Known for balancing sops and fiscal prudence, Chidambaram has presented the most budgets, after Morarji Desai

Ist Budget, 1996-97

PRESENTED ON: July 22, 1996
TOTAL RECEIPTS: ₹1,95,774 crore
TOTAL EXPENDITURE: ₹2,04,698 crore
DEFICIT: ₹8,924 crore

- HIGHLIGHTS**
- Setting up of Infrastructure Development Finance Company
 - Setting up of National Highways Authority of India
 - Setting up of Foreign Investment Promotion Council

Arun Jaitley
 (2014-2019)

BUDGETS PRESENTED: 5
 Jaitley's first budget sowed the seeds of a narrative around nationalism as he made provisions for building a war memorial, a police memorial and a massive statue of Sardar Patel

Ist Budget, 2014-15

PRESENTED ON: July 10, 2014
TOTAL RECEIPTS: ₹12,63,715 crore
TOTAL EXPENDITURE: ₹17,94,892 crore
DEFICIT: ₹5,31,177 crore

- HIGHLIGHTS**
- Major emphasis on rolling out of Goods and Services Tax
 - Further liberalisation of FDI and raising of its cap in defence manufacturing to 49%
 - Releasing initial fund for building 100 smart cities

Source: Budget documents

Other FMs who have presented budgets include John Mathai, TT Krishnamachari, Jawaharlal Nehru, Sachindra Chaudhuri, Indira Gandhi, YB Chavan, Hirubhai M Patel, R Venkataraman, VP Singh, Madhu Dandavate, Yaswant Sinha, Jaswant Singh and Piyush Goyal

ment to fiscal prudence – adding how the hearts of millions of Indians were filled with hope, trust and aspirations.

Another notable change was that most first budgets of previous FMs created new institutions. Modi government's finance ministers have not done this. Sample this: Pranab Mukherjee announced the creation of the National Bank for Agriculture and Rural Development in his first budget, presented on February 27, 1982; P Chidambaram in his first budget (July 22, 1996) created the National Highways Authority of India and Manmohan Singh in his trend-setting 1991 budget chose to chart out a new liberalised economic path, memorably quoting Victor Hugo: "No power on earth can stop an idea whose time has come".

To her credit, Sitharaman has introduced some positive changes, says Vijay Paul Sharma, the IIM-Ahmedabad professor deputised as chairman of the Commission for Agriculture Costs and Prices. "Formation of 10,000 new farmer producer organisations and promotion of entrepreneurship in farm and rural sectors will facilitate better market linkages, especially for small and marginal producers."

Former Railway Board chairman Arunendra Kumar says: "FM's intent to bring in private investments into the Railways is clear when she talks about ₹50 lakh crore investments in 12 years. She has emphasised a lot on public-private partnership."

Unlike some of those clear takeaways, Sitharaman's document

"This is an unconventional budget that attempts to paint a longer term vision for the economy as also cover a very wide canvass to attract private investment, which is key to achieving higher GDP growth rate. It will mark a change in our growth trajectory and also in operationalising a new model of public-private partnership to attain the target of making India a \$5 trillion economy"

Rajiv Kumar,
 vice-chairman,
 NITI Aayog



may have some partly hidden messages that will surface as Modi's second innings progresses. Who would have thought Arun Jaitley's first budget in 2014 had an underlying tone of nationalism, even as he set aside ₹200 crore for a statue of Vallabhbhai Patel, ₹100 crore for a war memorial and ₹50 crore for a National Police Museum? But by 2019, all those initiatives accrued as political capital for the ruling party. No wonder, when the government undertook an air strike in Pakistan's Balakot in February, the BJP could easily strike a nationalistic chord with voters. After all, it had built up the narrative over five long years.

Sitharaman's emphasis on national duties, as against rights, has somewhat similar connotations. "Marking 75 years of our Independence, we should place emphasis on our duty towards India...we should dedicate ourselves to serve our nation," she said in her budget speech.

This tone has a familiar ring. The civil servant-turned-FM, CD Deshmukh, had in his first budget (1951-52) narrated an incident of how a poor villager with "a burning desire to help the Government of India" remitted a sum of ₹5 with an assurance that he would continue to pay the same amount every year.

No wonder, beneath hard fiscal numbers, finance ministers always make attempts to deliver subtle messages. On that count, Sitharaman has hit a six. ■

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JUST FOR KICKS

Collecting sneakers is no longer just a fad. StockX, which started off as an eBay for sneakers, recently raised \$110 million at a valuation of \$1 billion. The Detroit-based ecommerce platform now also has streetwear, watches, handbags and collectibles. StockX was founded by Josh Luber, a former IBM consultant, in 2015 and counts General Atlantic among its investors. In the context of StockX's unicorn status, helped in no small measure by rappers and basketball stars who popularised sneakers, *ET Magazine* looks at some of the coolest and most expensive kicks

:: G Seetharaman

Nike Mag Back to the Future
 A replica of the shoes shown in the 1989 movie *Back to the Future II*, the 2016 edition of the self-lacing Nike Mag last sold for \$10,000 on StockX



\$10,000

Diamond and Gold LeBron 15

Nike in 2018 commissioned legendary sneaker designer Dominic Chambrone to make a pair for their brand ambassador LeBron James to mark his 30,000th career point. The sneakers were made from crocodile skin and covered in 24-carat gold and studded with diamonds.



\$1,00,000

Air Jordan 12 'Flu Game'

Michael Jordan battled the flu to score 38 points, 7 rebounds and 5 assists to secure a victory for Chicago Bulls against Utah Jazz in game 5 of the 1997 NBA finals. The black-and-red Nike Air Jordans he wore in the game sold for a whopping \$1,04,000 in 2013.



\$1,04,000



\$1,90,340

Converse Fastbreaks

Jordan wore these shoes when he helped the US defeat Spain in the Olympic final in 1984. The pair found a taker in 2017 for over \$1,90,000 – the highest for a pair of sneakers.

Air Jordan OVO
 These white-and-gold shoes also trace their story to a basketball game in 2014, where rapper Drake sported them before giving them to a fan, who sold it online for a pretty penny



\$1,00,000



Eminem x Carhartt x Air Jordan 4 'Black Chrome'

Made exclusively for the rapper's family and friends in 2015, a few pairs were auctioned on eBay.



\$12,300

Pharrell x Chanel x NMD Human Race Trail 'Chanel'

Coming out of a collaboration of Adidas, singer Pharrell Williams and fashion house Chanel, only 500 pairs of these NMD Human Race were released. The sneakers were sold via a lucky draw conducted by a shop in Paris.



\$7,160

Nike Air Yeezy II Red October

Designed by Grammy-winning rapper Kanye West, these kicks last fetched \$6,300 on StockX. By the time these shoes were launched in 2014, West had severed ties with Nike and is now associated with Adidas.



\$6,300

Star Sneakerheads



SPIKE LEE

DJ KHALED

KEVIN DURANT

PHARRELL WILLIAMS

LEBRON JAMES

JAY-Z

LENA WAITHE

IDRIS ELBA

“Water Crisis an Opportunity to Become Surplus Nation”

The Centre set up the Ministry of Jal Shakti by merging the ministry of water resources, river development and Ganga rejuvenation as well as the ministry of drinking water and sanitation. **Gajendra Singh Shekhawat**, who heads the new portfolio, says a unified ministry can effectively deal with the multiple issues related to water and river cleaning projects to ensure the country does not face water shortage. The MP from Jodhpur, who defeated Rajasthan Chief Minister Ashok Gehlot's son Vaibhav in the recent Lok Sabha polls, tells **Prerna Katiyar** that increasing awareness among the public can help the government make India a water-surplus nation. Edited excerpts:

What can we expect from the new Ministry of Jal Shakti in the next five years considering the multifarious water problems the country is facing?

Water is a big challenge. India is home to 18% of the world's population and 18% of the world's livestock population. But India has just 4% of the fresh water resources of the world. Thanks to past generations or whosoever is responsible for this, we now have the most contaminated water sources – be it surface water or underground water. Climate change exacerbates the problem – there is incessant rainfall in some part and drought in other parts.

Because of this, our challenge has increased manifold. Keeping this in mind, our prime minister is working on two fronts. He declared the creation of the Jal Shakti ministry even before the elections were over. Various issues related to water such as urban drinking water, rural drinking water, Ganga, other rivers, irrigation, dams, water resources were being dealt by multiple ministries earlier. His vision was to deal with all of these together. Hence a unified Jal Shakti ministry was created. This is the first initiative.

The other initiative was to save water and increase groundwater level. 65% of our irrigation and drinking water needs are met using underground water. Taking the initiative to replenish these resources, he wrote to all village sarpanchs about 10 days ago. The letter was written in 12 languages on how to conserve water and replenish water bodies. He wrote 'gaon ka paani gaon, ghar ka pani ghar mein aur khet ka pani khet mein rokna chahiye (water must be conserved at home, farm and village levels)'. He has motivated people at all levels to do this. On our part, we held a joint meeting with all state ministers who deal with water resources.

Thirdly, in his recent Mann Ki Baat, the PM spoke elaborately about the need to conserve water resources. In this sequence, we launched the Jal Shakti Abhiyan. It has been decided that joint secretaries, hydrologists and engineers will be part of a team that will visit all water-stressed districts – where groundwater is depleting alarmingly – on a priority basis. Collectors have been made nodal officers for the pro-

gramme. They will create awareness, sensitivity and develop a plan for each district. Motivational as well as technological support will be provided in this way.

What about replenishing aquifers for groundwater conservation? Is there a plan to do this to help farmers get a steady supply of water?

We have asked the CGWB (Central Ground Water Board) to expedite its work on aquifer-mapping. By the end of March 2020, we will develop a 3D diagram and plan for aquifer status and aquifer recharge module for all water-stressed districts. We are working on that. This is a huge task.

What about cleaning the Ganga? Nitin Gadkari said in a recent interview that when he was the water resources minister, 30% of the projects on the river were completed. A large part of the task is still left, though. How do you plan to complete these?

On cleaning the Ganga, our approach has seen a paradigm shift. Rather than just cleaning Ganga, we have also included all its tributaries, sub-tributaries and distributaries so as to cover the entire river basin. For example, from Ganga to Yamuna, Yamuna to Chambal and further to Berach, Gambhir, Banas and so on. The idea is to treat the entire basin. We are working on this direction. How can you keep Ganga clean without first cleaning up the Yamuna? So we are developing a network of sewage treatment infrastructure. In fact, a big treatment plant is going to come up in Delhi. This is going to be one of the largest sewage treatment plants.

The NITI Aayog recently said in a report that overexploitation of groundwater is contributing to the worst water crisis in India's history. You later said that India's water problem was not that alarming. Can you elaborate?

See, it is not like this year has been an exceptionally bad year in terms of water. Water crisis has been there in some part of the country or other. The state I come from, Rajasthan, has seen drought in 60 of the last 70 years. But ancient systems and technologies of water conservation and rainwater harvesting kept us going. I remember that during my childhood, we used to drink rain water collected on the terrace of our houses. Water collected like this was used the entire year. We were able to survive

70% of the water we use for domestic purpose gets wasted. We are looking at ways to clean, reuse and make this water usable”



because of these ancient techniques of water conservation. The challenge has become bigger now as water in our reservoirs has also depleted. This is a point of worry. But we are looking at this as an opportunity. If the entire country comes together and works in one direction, the problem can be solved. I say this with such conviction because of the 4,000 BCM (billion cubic metres) water we receive as rain, we are able to use only 1,000 BCM. If we can save up to 2,000 BCM, then India will be water surplus. For the next many, many years, we will be water secure. We have to increase our awareness level and make it a movement of the common man. And we will still not be the first one to do it. Look at Israel – they have turned water crisis into an opportunity. They receive one-fourth of the rainfall we get in India. But they are water secure and their groundwater level is also increasing due to adoption of new techniques.

After a country-wide sanitation drive, the government has now promised piped drinking water connections to every household as part of Jal Jivan Mission. How do you intend to fulfil this promise?

Nal Se Jal (water via taps) is the PM's flagship programme. Earlier, the goal was set for 2030 under the sustainable development goals. But the PM later made a commitment through the BJP manifesto in the run-up to the 2019 Lok Sabha elections that we will achieve this goal by 2024. We have personally asked all chief ministers, chief secretaries and officers concerned that they must prepare and submit their plans immediately. Water is a state subject but we want to ensure complete cooperation for completion of their projects. We are sure that we can provide potable water to every tap in every household. But apart from this, there are two more focus areas of the prime minister: source of water for Nal Se Jal project must be sustainable for incessant supply. To keep the source sustainable, the mechanism – be it developing point-recharge system, water harvesting system, water replenishment system, aquifer replenishment – must be developed first. Second, 70% of the water we use for domestic purpose gets wasted. We

“We get 4,000 BCM of water as rain and are able to use only 1,000 BCM. If we can save up to 2,000 BCM, then India will be water surplus”



Women fetch water from a lake that has almost dried up in Chennai, on June 11, 2019

are looking at ways to clean, reuse and make this water usable for irrigation or other purposes.

As far as groundwater is concerned, we have so many success stories – Maharashtra Jalyukt Shivar Abhiyan is successful, Rajasthan's Mukhyamantri Jal Swavalamban Yojana is a model for the world, Gujarat has Sujalam Sufalam, Andhra Pradesh has Neri Chaatuu and so on. I can enumerate many villages that have successful programmes. There are hundreds of people and communities working in this endeavour. If we all feel responsible in this way it will make a big difference. We are looking at ways to integrate such initiatives.

Is there any specific plan in mind, apart from integrating existing schemes?

See, we can do a lot by making changes in these programme. For example, in case of MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme), 65% of the budget has to be spend on natural resource management. This is mandatory. Every year, ₹25,000-30,000 crore is spend on this. If we use that in productive work for water resource management, along with convergence of various state and central schemes, we can make a big difference. Similarly, larger companies need to make

initiatives by way of CSR (corporate social responsibility). The bigger issue is to create awareness and to motivate people, parties and entities.

What about the river-interlinking project? It has been in limbo for a while?

River-interlinking is again a big issue. We have identified 30 such links in the Himalayan and peninsular regions. Undoubtedly, we need to resolve these outstanding issues. While we are discussing water scarcity, we are grappling with flood-like situation in some states. If we have to resolve these, we need to interlink rivers. But a consensus has to be reached with all states. We have had several rounds of meeting with these states. We have identified four important links. Some smaller problems remain but these should also be resolved soon.

What about the water crisis in Chennai? How is the government planning to avoid such crises in future?

As I said, rainwater harvesting is a big task. Chennai receives rainfall of 1,200-1,500 mm. It is an irony that a region that gets so much rain is grappling with water scarcity when there is no crisis in places that get much lower rainfall. Apart from solving problems at the local level, we are working on ways to provide water to Chennai from additional sources.

Are there new targets for Swachh Bharat Mission as well?

No one could have imagined that a programme aimed at changing the behaviour of 50 crore people could be successful. This is the only example in the entire world. This could be achieved only because of the driving force of Modi ji. He proved that if political leadership works with commitment, then such a stupendous change can be brought about among crores of people.

Now we have time till October 2 to cover all those who were not covered in the baseline survey to meet the 100% open-defecation-free (ODF) target. Also the prime minister is now guiding us to work towards an ODF-plus programme. Under this, we are working on solid and liquid waste management simultaneously in villages. In liquid waste management, we are working on grey water, black water and faecal water all together. All these initiatives are being integrated – Jal Shakti, ODF-plus and the Nal Se Jal programme. That was why a unified ministry was created. ■

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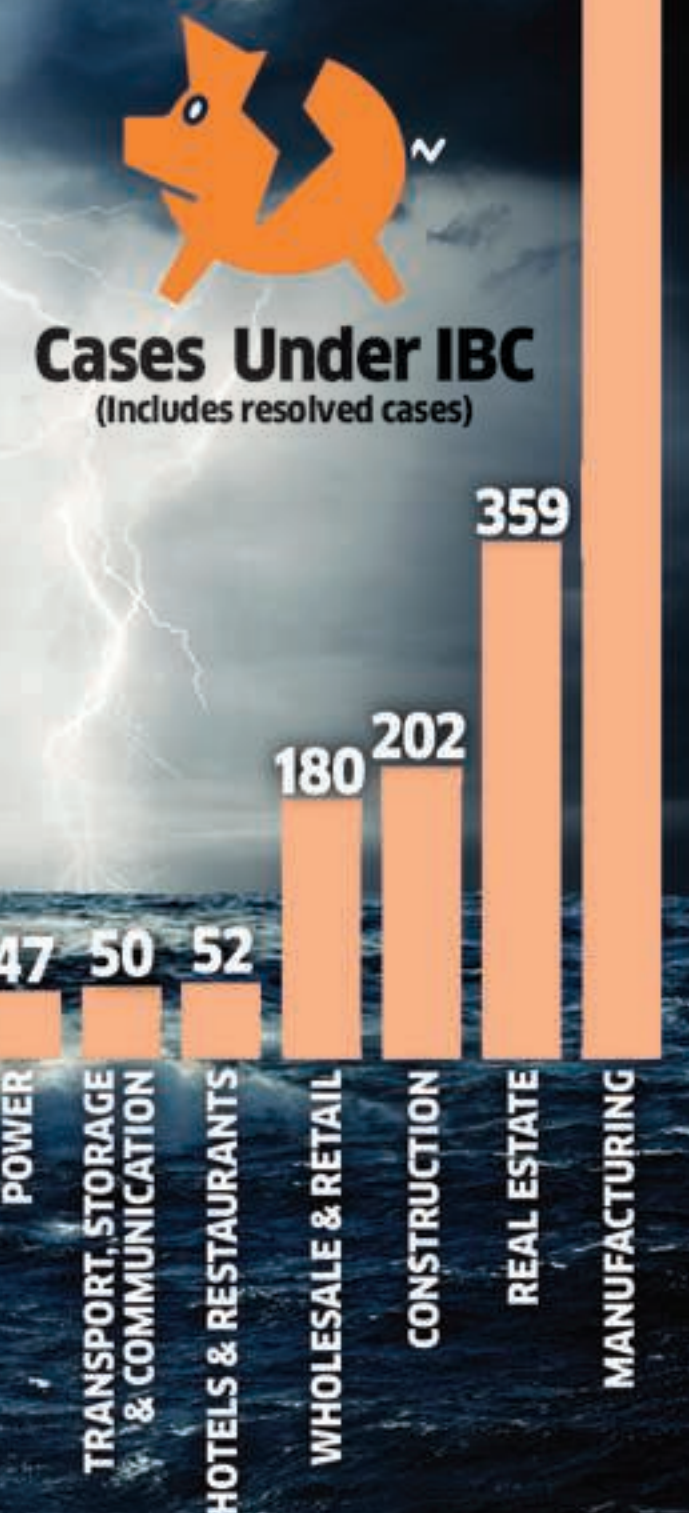
Volunteers clean the Ganga during the Ganga Dussehra celebrations in Varanasi on June 12, 2019



“A consensus has to be reached with all states for river-linking. Some smaller problems remain but these should be resolved soon”

Bank Knots

Inadequate infrastructure and lack of legal precedent have not only made speedy debt resolution process virtually impossible under the Insolvency and Bankruptcy Code but have also hindered pre-IBC debt deals



Source: IBBI Newsletter (Jan-March 2019)

:: Suman Layak

On Dr Dadabhai Naoroji Road in Mumbai's Fort business district, barely 300 metres from the National Company Law Tribunal (NCLT) courts in Mumbai, sits Kini House, the offices of the law firm MV Kini & Company. Its entrance is easy to miss, with an array of shops on the ground floor selling cheap electronic gadgets and knick-knacks. The facade is partially hidden by construction paraphernalia of the Mumbai Metro line that's coming up. An old hand at working the wheels of the debt recovery tribunals across India, this firm is the legal counsel for most Indian public sector banks.

Two years ago, its area of business underwent a dramatic shift. The Insolvency



and Bankruptcy Code (IBC) came into effect in 2016, becoming the preferred debt default resolution route, and the legal needs of lenders and insolvent companies changed.

The firm quickly retrained, hired and deployed people to run the show, and also upgraded the staid interiors to a more modern look. Today, it handles 30-odd IBC briefs, representing lenders, debtors and, in some cases, operates as the "resolution professional" who takes charge of an insolvent company. Many law firms across the country, the large audit and accounting firms, as well as investment bankers and consultants made similar moves to work on the new insolvency regime.

In the last nine quarters – between January 2017 and March 2019 – 1,858 companies have been admitted to the corporate insolvency resolution process. Of this, 715 have exited the process – 378 of them have been liquidated and 337 have either withdrawn or accepted the resolution plans. Many from the latter group have also moved the appellate authority, the National Company Law Appellate Tribunal, or the Supreme Court. The number of cases exiting the system per quarter has dropped over the

Deals Off the Table



74% drop in deal value in Jan-May 2019 over same period in 2018



11% drop in volume of deals in Jan-May 2019 over the same period in 2018



61% of the deal volume (34) in Jan-May 2019 came from IT sector and tech startups



81% of deals by value were from manufacturing, pharma, IT, energy & banking

Source: Grant Thornton India

last two quarters. Consider the 12,000-odd insolvency petitions, a majority of which are yet to be admitted by the NCLT courts, and one can gain an estimate of the humongous amount of litigation that the IBC has unleashed.

The central promise of IBC was a time-bound resolution of debt that has gone bad, which, when unresolved for long periods, has a corrosive effect on lenders, investors, liquidity and sentiment. Resolution of insolvent companies allows lenders to recover their dues partly and, also where possible, salvage parts of the company's business after debt obligations have been met. The process also allows a company to make a fresh start, with a new set of promoters and a healthier balance sheet. But this promise now appears to be under threat, with the NCLT infrastructure proving woefully inadequate for the quantum of cases flooding the system. The lack of established legal precedents, which will only build up over time, also makes litigation under the IBC framework elaborate and time-consuming. The net result is that resolution, especially in marquee cases involving large amounts of bad debt, is often taking far longer than the envisaged timeline of 180-270 days.

"The NCLT courts are starting to resemble metropolitan magistrate's courts with little infrastructure and makes us wonder if the government is serious about recovery of debt," says Supreme Court senior advocate MV Kini.

"NCLT courts are starting to resemble metropolitan magistrate's courts with little infrastructure and makes us wonder if the government is serious about recovery of debt"
MV Kini, senior advocate, Supreme Court



The Reserve Bank of India had flagged IBC as its preferred solution for bank bad debts, by pushing 12 flagship cases such as Essar Steel, Bhushan Steel and Bhushan Power and Steel into the IBC process in June 2017. It followed up with a second list of 26 defaulters in October 2017. Upping the ante, on February 12, 2018, the apex bank recommended a mandatory push to IBC for any corporate defaulter, after banks had spent 6 months trying to find a resolution. This last bit, known as RBI's February 12 circular, was set aside by the Supreme Court in April 2019. However, in the intervening months,



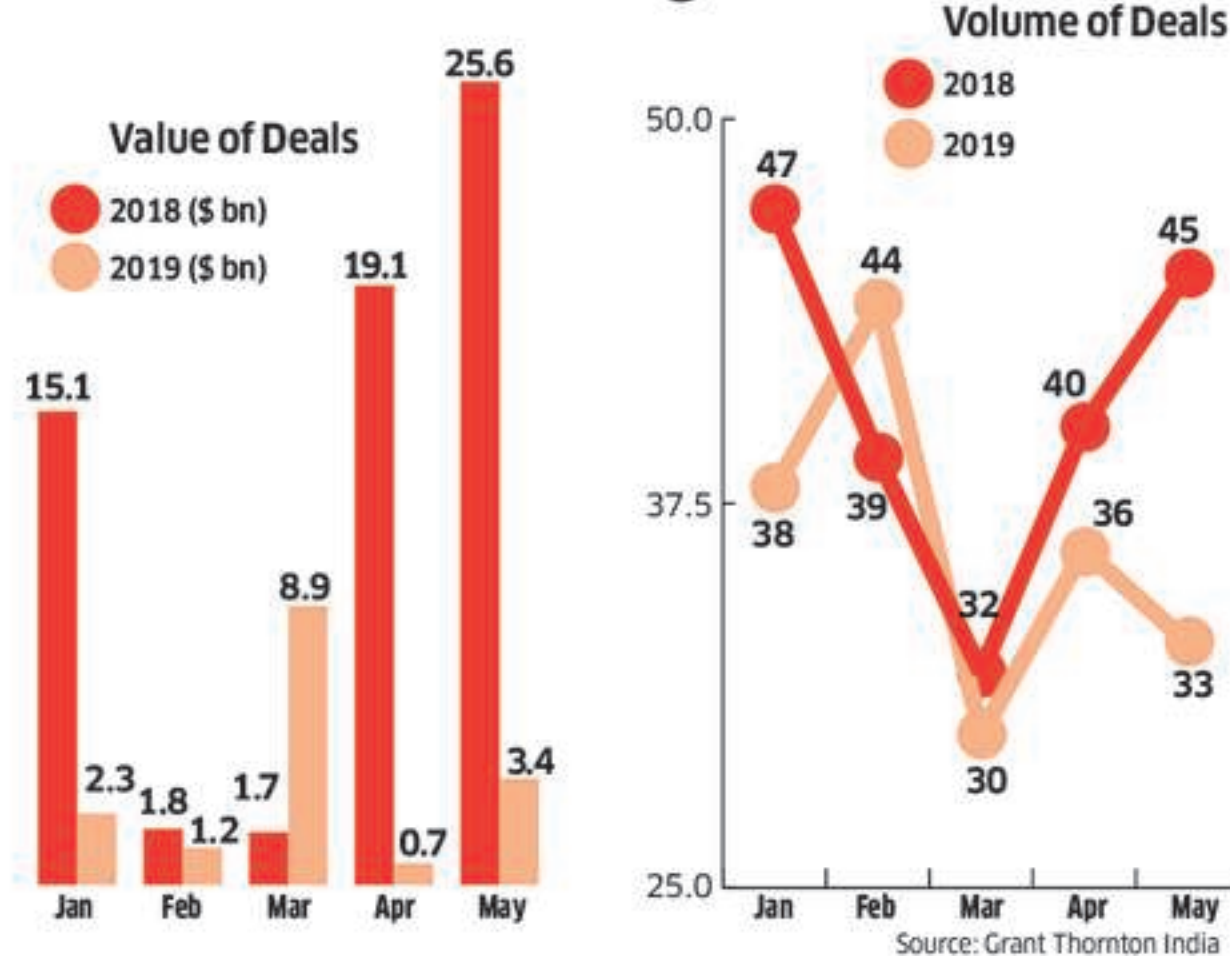
many Indian bankers had generally adopted RBI's stance of pushing every bad debt/debt default case into the IBC process.

The IBC process was meant to serve as a deterrent, incentivising promoters to pay up or reach a deal with lenders, rather than end up in the NCLT, with the risk of losing their companies. Matters indeed started off well. By late 2018, the prospect of quick resolution via the IBC had spurred a healthy market for bad loans, and by May 2019 Indian banks had put ₹1.3 lakh crore worth of bad loans on the market, for funds specialising in distressed companies to take over. That is around 10% of all bad loans (gross non-performing assets) with the banks. However, only ₹30,000 crore to ₹35,000 crore worth of bad loans have changed hands. The sluggishness at NCLT has dampened pre-NCLT deals as well.

There has also been a general slowdown in all kinds of deals in 2019 over 2018. According to Grant Thornton, between January and May 2019, deal values were down by 74% year-on-year, whereas by volume they were down 11% over the same period of 2018. At a recent meeting in Singapore in the first week of June, where mandarins of Insolvency & Bankruptcy Board of India were present along with Indian lawyers and insolvency professionals, foreign distressed funds expressed their concern with the slow processes.

"There is serious deal fatigue setting in within the investor group as despite their efforts, time and costs being incurred towards diligence, deals are still not getting closed.

Deal Digest



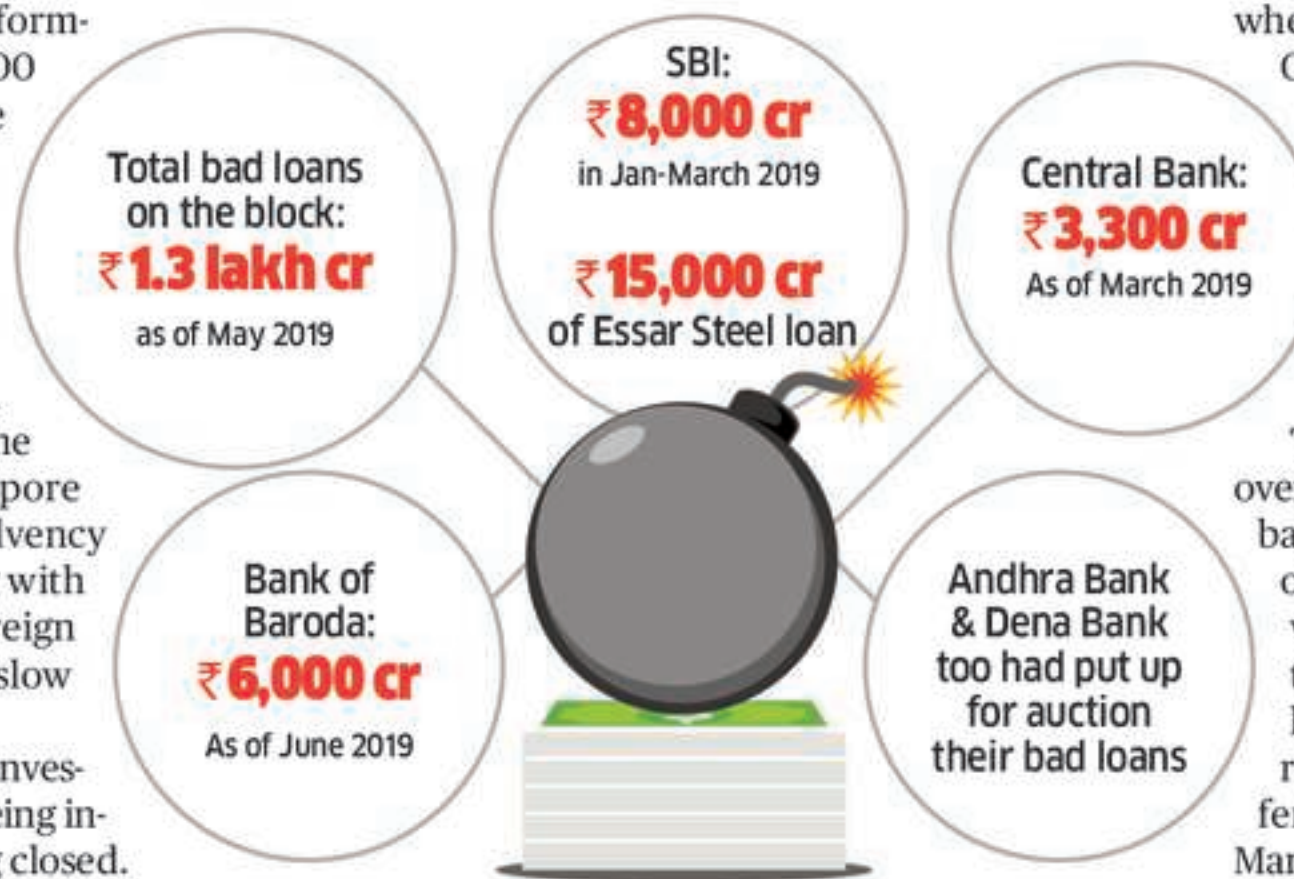
"Global interest in Indian distressed assets remain, but they will now seek the right price. Gross NPAs with banks have peaked. When the demand cycle turns and demand for loans pick up, banks will be more willing to let go of old assets at lower prices"



Prateek Jhavar, director, investment banking, Aventus Capital

There is an urgent need to correct measures that are creating impediments for deal closures pre-NCLT and in NCLT as well," says Manish Aggarwal, partner and head of Infra M&A and Special Situations Group at KPMG.

Lenders' Bad Loans for Sale



Running Circles Around Process

Let us take the case of Vijay Kalantri-promoted Dighi Port, where MV Kini & Company represents the Committee of Creditors, a committee of all the financial lenders of the company set up under the IBC. The company owes its lenders ₹2,628 crore. The case illustrates how different arms of the government worked at cross purposes. Abhay Itagi, who heads MV Kini & Co's IBC practice, throws up his hands as he explains how the case has meandered through legal and bureaucratic logjams. While state-owned Jawaharlal Nehru Port Trust (JNPT) emerged as the preferred bidder to take over the port around 150 kilometres to the south of Mumbai, JNPT was unable to get the central government to okay bank guarantees worth ₹100 crore it needed to provide. Last week, on July 2, the NCLT allowed the creditors to file an application to seek out other bidders who had earlier been rejected in favour of JNPT. Among the rejected bidders was Adani Enterprises, which had offered a higher bid, but without guarantees. Earlier in March, at the end of another legal battle, the NCLT had al-

A Judge's Code

Justice Sudhansu Jyoti Mukhopadhyaya is carrying the burden of deciding on most of corporate insolvency cases at NCLAT

By Maulik Vyas

One man presides over most, if not all, of the corporate insolvency resolution cases in the country ever since the Insolvency and Bankruptcy Code came into force in 2016.

Justice Sudhansu Jyoti Mukhopadhyaya, a 69-year-old retired Supreme Court judge, has headed the National Company Law Appellate Tribunal since its inception in June 2016 and all important cases under the IBC pass through his court, especially if there is a point of law to be considered.

He is often seen to be coming down hard on stuff that delays resolution processes.

On June 26, the NCLAT bench he presided over with Justice Bansi Lal Bhatt came down strongly on lenders of Amtek Auto for issuing a fresh expression of interest after Liberty House withdrew its winning bid of Rs 4,119 crore. The bench had told the lenders to approach the second-highest bidder -- Deccan Value Investor LP -- and see if they can improve their Rs 3,150 crore bid and rebuked them from trying to start fresh bidding.

Similarly, on June 23, the bench dismissed a plea by customs authorities for auctioning confined goods of Ram Sarup Industries in Kolkata. It ruled that assets of a company cannot be sold while a resolution process is on.

Each of these pronouncements of the NCLAT are important as



they set up precedents -- either on points of law or procedure or on the merits of the case.

Justice Mukhopadhyaya, as the chief of NCLAT, and the only former Supreme Court judge on the tribunal, usually presides over all crucial or high-profile cases.

"He likes his cases to be put to him in short notes along with the point of laws and cases to support them. But then he reads everything and does his own research," says a law firm's litigation partner, who appeared at the NCLAT for a case involving one of the first 12 companies referred to the IBC by the Reserve Bank of India. "Justice Mukhopadhyaya always prefers resolution over liquidation and for that, he has always given hearings to parties who have come to NCLAT with the right intent and revival plan," the person says.

Several advocates, speaking on the condition of anonymity, says the judge is quick to gauge the issue at hand, is vocal about his opinion and expresses his views in detail. "If he sees that counsels are unnecessarily trying to delay the case, he will quickly decide the matter on merit," says lawyer from Delhi who has appeared before Justice Mukhopadhyaya.

He is also well-known for his

rustic humour, which he often brings into play if senior advocates get embroiled in heated arguments in his court. He is also seen to encourage young lawyers, and recently encouraged a young advocate to argue a case in the absence of his senior.

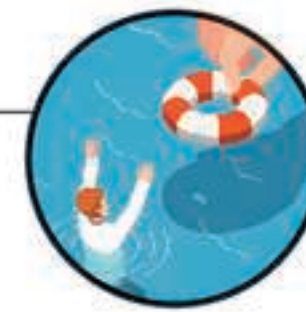


Several advocates say the judge is quick to gauge the issue at hand, is vocal about his opinion and expresses views in detail

A second generation lawyer, Justice Mukhopadhyaya did his schooling and college from Bihar and practised at Patna and Ranchi Bench of Patna High Court before being appointed as a judge in the Patna High Court in 1994. He served at different high courts across the country before becoming chief justice of the Gujarat High Court and then being elevated to the Supreme Court in 2011.

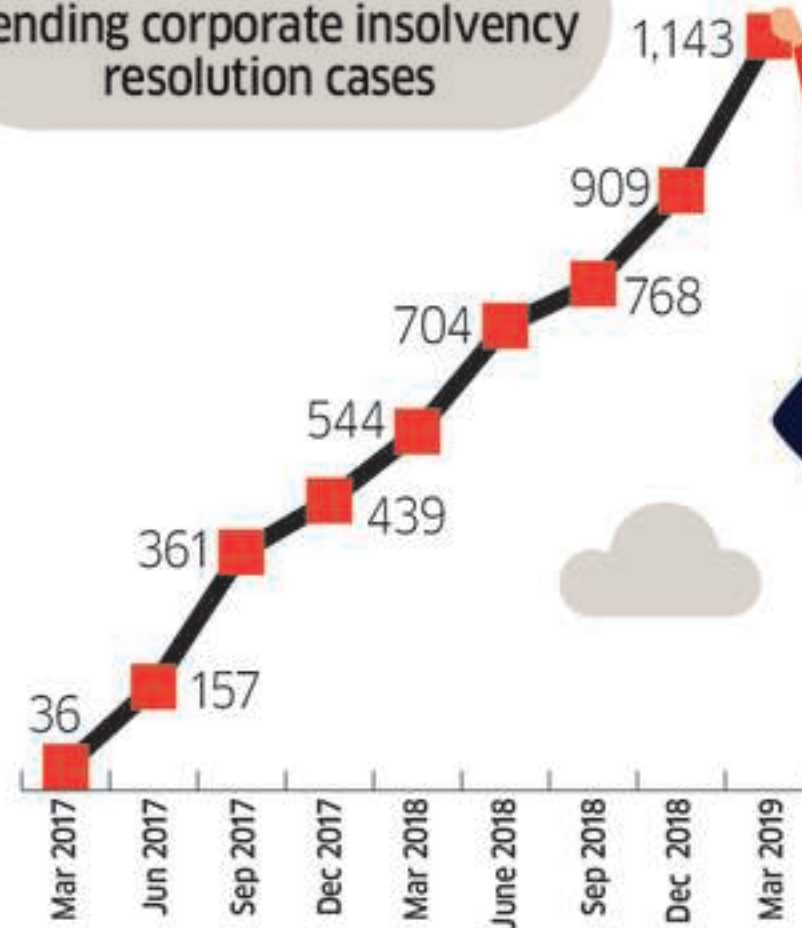
His judicial legacy includes the 2013 Supreme Court judgement along with Justice GS Singhvi that recriminalised homosexuality by setting aside a High Court decision. This view was later overturned by a larger bench of the apex court. At the Patna High Court, Justice Mukhopadhyaya had pronounced a landmark judgement on the applicability of the 50% cap on reservation on the post of mukhthiyas in panchayats, something later upheld by the Supreme Court. It is now certain that the lasting legacy of this former Supreme Court judge will surely be his pronouncements and views expressed at the NCLAT.

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Stacking Up

Pending corporate insolvency resolution cases



Source: IBBI

The market for bad loans is often affected by the speed of the resolution process. These loans are bought at a discount with the hope for a higher recovery when the resolution takes place. For Essar Steel, given the interest from top global steel companies, there was a good chance of recovering its entire debt, offering a high return to anyone buying the loans. However, once the process is delayed by more than a year, the returns fall. One of the earliest players in the game of buying out loans, Anil Bhatia, MD of JM Financial ARC, said global interest in Indian distressed assets after IBC started had created a rush. "Every other investor wanted a piece of the action, expecting multifold returns. Some overseas brokers and investment bankers started distributing deals without understanding the underlying assets. These brokers and investment bankers thought this is easy money and probably promised the same to their investors – 'buy at 50 cents to a dollar and make closer to 100 cents'," he said.

He added that now with the delays, these investors are confused as their internal rate of returns calculations are going awry, developing in turn a fatigue with the Indian situation.

Asset Rescuers

Global funds that are buying distressed assets in India

AION Capital Partners

Apollo Global-ICICI Ventures joint venture

KEY DEALS

Sep 2018: Acquired Creixent Special Steels and Milloret Steel from JSW under IBC
 Mar 2018: Winning bid to buy Monnet Ispat under IBC

India RF

Piramal Enterprises-Bain Capital Focus JV

KEY DEALS

May 2019: Bought Indian Steel's bad debt from SBI
 Jun 2018: Invested in Archeon Chemicals

Oaktree

Alternative investment fund

KEY DEALS

Jan 2019: Bought ₹1,375 crore debt from DHFL
 Sep 2018: Partnered with Edelweiss ARC to acquire GTL Infra's ₹4,000 cr debt

SSG

Alternative asset management firm

KEY DEALS

Apr 2018: Took 47% stake in Shapoorji Finance
 Feb 2018: Bought \$385 million of debt from Bhushan Steel via its ARC
 May 2016: Acquired 14.7% in Asset Care and Reconstruction Enterprise

Blackstone

Private equity fund

KEY DEALS

Oct-2018: Winning bid to acquire Trident Hyderabad
 Nov 2017: Bought IARC to enter India's asset reconstruction segment

Other Players: KKR, Multiples, Varde, Lonestar, Avenue Capital Group, PAG, Centerbridge, Eight Capital, ADV Partners, Cereberus, Broad Peak, Carval, Bay Capital, Bank of America

Source: News agencies and investment bankers

the first 12 companies sent to NCLT by the RBI in June 2017. The resolution professionals for the company had filed a resolution plan in March 2018, and the NCLT approval came in July. However, the issue went to the appellate tribunal and the final approval from the NCLAT came only in March 2019. Sources indicate that because of the year-long delay, the sole bidder for Jyoti Structures, a consortium of companies led by Sharad Sanghi, might now need some help in arranging necessary funds.

Sandeep Upadhyay, MD of investment banking firm Centrum Infrastructure Advisory, says a company being in NCLT is akin to a patient being in an ICU. "The longer it takes to consummate a transaction, the asset quality is exposed to potential deterioration, leading to deal fatigue in many cases."

Top cases like Essar Steel have seen their share of litigation too, with many going to the Supreme Court. Only on July 4, 2019, did NCLAT finally reject promoter Prashant Ruia's case challenging the eligibility of ArcelorMittal to bid for the company. For Essar and Jyoti, the process has been on for two years from the time when they were referred to the NCLT, a far cry from the 180-270-day resolution envisaged in the IBC.

Essar Steel's debt was among the earliest to be sold off – ICICI Bank sold ₹1,600 crore worth of debt in 2016 to Edelweiss ARC, while State Bank of India had put debt worth more than ₹15,000 crore on the block in January 2019.

Bargain Hunters

However, a different kind of buyer is finding the circumstances attractive. These are the experts in distressed assets, who know how to play the waiting game. Today, however, there are too many deals chasing too few buyers. While some players such as Apollo Global, SSG, Bain and Oaktree have set up Indian shops, or JVs, others are still playing the waiting game, preferring to invest in select deals.

Alvarez & Marsal, a global distressed assets expert, has opened a large presence in India and is involved in a range of services, from managing assets to finding investors. Some players, such as Bank of America, Cantor Fitzgerald and SC Lowy, are also placing Indian distressed debt papers with their global clients.

Bhavik Hathi, MD for the financial sector at Alvarez & Marsal, says that early investors in distressed assets in India were foreign PE funds that operate with small teams, and may not find it worth their while chasing the deals

any more if the process lingers. "Funds specialising in distressed assets, however, have a different DNA, and are used to longer processes that also need more manpower. Many of them are interested in India."

Aggarwal of KPMG adds: "The test for IBC is when due to the fear of losing control and with the NCLT process not always providing optimum value, both lenders and sponsors work out a solution much earlier and that's why pre-NCLT deals will be the norm in a majority of the cases."

Prateek Jhavar, director of investment banking at Aventus Capital, predicts a turnaround in the situation in the next 12-18 months with speedier deals in distressed assets. He says, "Global interest in Indian distressed assets remain, but they will now seek the right price. Gross NPAs with banks have peaked. When the demand cycle turns and demand for loans pick up, banks will be more willing to let go of old assets at lower prices and deploy the capital in a more profitable manner."

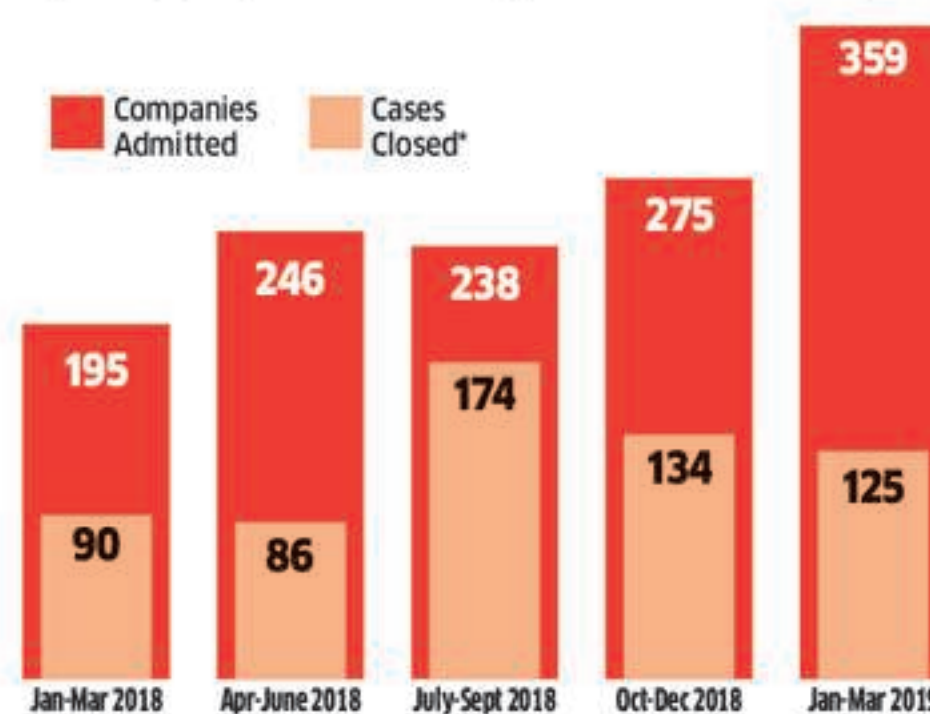
Much more can happen in the next 18 months; at the least one can be hopeful. For one, the Mumbai Metro construction is likely to be over and reaching the NCLT courts from Kini House would be a hop, skip and jump.

The IBC, three years old today, would be closing in on five years. Market players feel time-bound resolution of insolvency through NCLT courts should also take five years to settle down, like it did in the United Kingdom. For starters, it will need a library of Supreme Court judgments on IBC cases to ensure faster resolution in the future. On July 4, 27 new judges took oath to sit on NCLT benches, and the next 18 months will likely see the resolution process gaining some much needed speed. ■

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Such a Long Queue

While numbers of new cases admitted to insolvency resolution has risen, the number of cases exiting the system per quarter has dropped after an initial spurt



Source: IBBI Newsletter (Jan-March 2019)

*Cases closed include withdrawals, settlements or those being appealed against, approval of resolution plans and liquidations

lowed IMICL Dighi Maritime Limited (IMDL), a subsidiary company of IL&FS, the status of a financial creditor. IMDL had advanced money to Dighi Port in lieu of getting control and revenues of some berths at the port. Now, consider the fact that most creditors to Dighi Port are public sector banks, some of whom also own large stakes in IL&FS that controls IMDL – effectively under government control.

Or, take the case of Jyoti Structures, a power infrastructure company that owes lenders ₹7,091 crore. It was among



"Some overseas brokers and i-bankers started distributing deals without understanding the underlying assets. With the delay in resolution, these investors are confused"

Anil Bhatia, MD, JM Financial ARC

After Rahul, What?

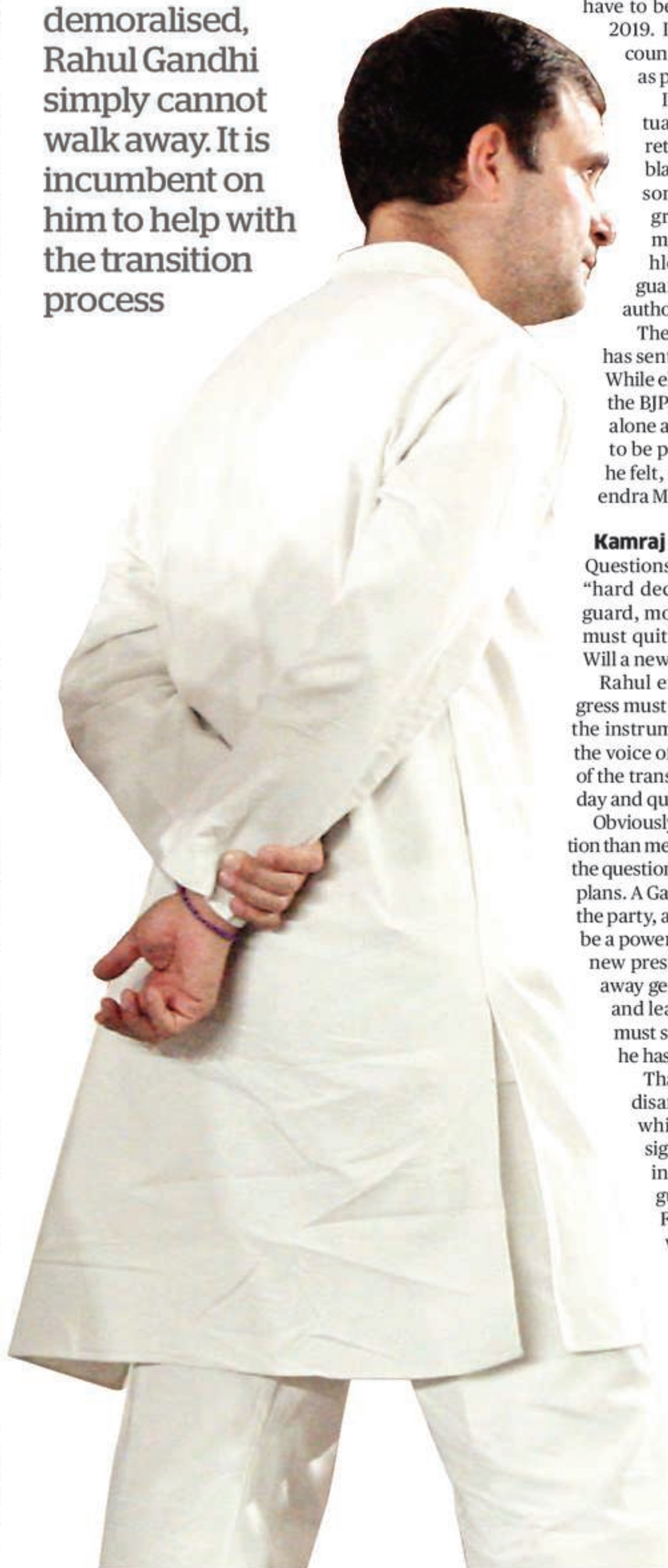
:: Arati R Jerath

Rahul Gandhi's resignation letter, officially quitting the post of Congress president, has only deepened the crisis in the grand old party. It should have been the first step towards resolution. Instead, it has thrown up a host of questions which Rahul himself must answer if he genuinely wants to see the Congress live to fight another day.

The decision to step down is clearly an attempt to set new standards of political morality by owning responsibility for the Congress's drubbing in the recent parliamentary polls. But accountability does not end there. As the person entrusted with the task of leading as its president, Rahul cannot simply walk away without so much as a backward glance just because he lost. It is incumbent on him to help with the transition process so that change is smooth and painless.

In fact, he has a double responsibility because the Nehru-Gandhi family is the core of the Congress that Indira Gandhi crafted after the great split of 1969. Rahul summarily dismissed pleas to reconsider his resignation, saying that a member of the Gandhi family need not be the party president.

With Congress confused and demoralised, Rahul Gandhi simply cannot walk away. It is incumbent on him to help with the transition process



Sooner or later, Rahul must take the questions head on and clarify his future role and plans. A Gandhi cannot be just another member of the party, a loyal foot soldier. He or she will always be a power centre with the capacity to undercut a new president

He was being disingenuous. The Gandhis have run the party like a family concern for more than four decades. Only two non-Gandhis have headed the party since 1978. The first was PV Narasimha Rao after Rajiv Gandhi was assassinated and Sonia Gandhi declined requests to take her husband's place. The second was Sitaram Kesri who took over from Rao after the Congress lost the 1996 Lok Sabha election.

Both times, the party started splintering as disgruntled Congress leaders sought their fortunes elsewhere. That's when Sonia stepped in and became president. Her reasons for setting aside her reluctance and taking the plunge into active politics are revealing.

In a television interview some years later, she said that every day she would walk past life-size photographs of her husband and mother-in-law hanging at her 10 Janpath residence. "How can I get up every morning and have these pictures stare at me from the wall?" she asked.

She sugarcoated her decision by attributing it to her sense of responsibility and duty but her proprietary attitude towards the party was obvious. Only a member of the Gandhi family could run the Congress.

There's little to indicate that Rahul and Priyanka Gandhi Vadra do not share similar sentiments of duty bordering on a sense of entitlement. There was a glimmer of it in the way Priyanka scolded party workers in Rae Bareilly and Amethi for not putting in enough effort to win. She seemed oblivious of the fact that party workers need motivation and inspired leadership. They are not paid employees of a political organisation.

There were echoes of this in Rahul's resignation letter as well. While saying he's accountable for the defeat, he also spread the blame around. "As president of the Congress party, I am responsible for the loss of the 2019 election. Accountability is critical for the future growth of our party. It is for this rea-

son that I have resigned as Congress president," he wrote and then added, "Rebuilding the party requires hard decisions and numerous people will have to be made accountable for the failure of 2019. It would be unjust to hold others accountable but ignore my own responsibility as president of the party."

Impressive words but what do they actually mean in real-time action? Is Rahul's retreat temporary till all those whom he blames for the defeat also quit? He named some in his outburst at the May 25 Congress Working Committee meeting: Kamal Nath, P Chidambaram, Ashok Gehlot. These are all members of the old guard who, he feels, have not accepted his authority fully.

There was another salvo in his letter which has sent ripples of disquiet through the party. While elaborating on his fight against Modi and the BJP, he said, "At times I stood completely alone and I am proud of it." Again, he seemed to be pointing a finger at senior leaders who, he felt, did not back his campaign against Narendra Modi on the Rafale fighter aircraft deal.

Kamraj Plan 2.0?

Questions keep mounting. When Rahul talks of "hard decisions", is he indicating that the old guard, most of whom are members of the CWC, must quit too? A Kamraj Plan 2.0? Then what? Will a new, younger leadership take over?

Rahul emphasised in his letter that the Congress must "radically transform itself" to become the instrument to resuscitate institutions and be the voice of the people. Does he intend to be part of the transformation? Or does he want to call it a day and quit politics altogether?

Obviously, there is much more to Rahul's resignation than meets the eye. Sooner or later, he must take the questions head on and clarify his future role and plans. A Gandhi cannot be just another member of the party, a loyal foot soldier. He or she will always be a power centre with the capacity to undercut a new president. So, unless Rahul intends to fade away gently along with the rest of the Gandhis and leave the Congress to its own devices, he must step out from behind the wall of silence he has erected around himself.

That better be sooner than later, given the disarray in the Congress and the speed with which it is unravelling. The most telling sign of the confusion and demoralisation in the ranks was the listless body language of party MPs on budget day while Finance Minister Nirmala Sitharaman was speaking.

Even when she announced a hike in excise duty on petrol and diesel, there was no reaction from Congress MPs. In better times, they would have been on their feet shouting in protest. Trinamool Congress MP Saugata Roy turned out to be the lone voice of dissent from the opposition benches as he asked Sitharaman why she had ignored the middle classes in her budget and given them no relief. ■

The writer is a political commentator

It Would Have Been Too Bollywood to Have a Dalit Hero

Filmmaker **Anubhav Sinha's** latest movie *Article 15* unfolds in Lalgaoon, a fictional village in Uttar Pradesh that is in perpetual half-light and half-darkness. Here, contemporary caste atrocities converge. The film, unusually for Bollywood, references the alleged rape and murder of two girls in Badaun and the flogging of Dalits in Una. It recalls both Chandrashekhar Azad "Ravan" of the Bhim Army and Rohith Vemula. The movie has opened to much acclaim, criticism as well as protests by fringe organisations that represent upper castes. While *Article 15* focuses on caste privilege and discrimination, there have been questions about the gaze and whether it is upper castes speaking to upper castes. Over a WhatsApp video call with **Charmy Harikrishnan**, Sinha, 54, responds to questions on why a Brahmin police officer is the hero and whether Dalits have become blurred and without agency in his film even as it makes visible the atrocities against them. Edited excerpts:



Can I ask a question that Ayan Ranjan, the protagonist of *Article 15*, asks everyone? What is my caste? I am a Kayasth.

Your film takes a stark look at caste in contemporary India. Why caste?

When I was 10 or 11, in my own home and around me, I realised that people were judged by their surname. Even now, headlines that are made to look insignificant on Page 6 or 7 of newspapers are about Dalits getting raped, murdered, tortured and discriminated against. This film came out of a lot of anger.

Is it difficult or complicated to look at atrocities against Dalits as a non-Dalit?

I don't think so. I think it is about good or bad people. I don't look at people as a subset. I don't consider myself as a subset. I have looked at this as a human being horrified at society.

Why did you have a Brahmin as the hero?

The privileged has to question their privilege. I find that more rewarding. It is no fun when the oppressed asks why this is happening. I did not design it that way, though – to have a Brahmin as the hero. But I saw it and recognised it and let it be. For me, he is a good human being. The privileged has to speak up. Even in my earlier film *Mulk*, it is the Hindu daughter-in-law who argues for the Muslim family (which is accused of being terrorists).

Will you accept the argument that *Article 15* is more about the savarna's encounter with caste atrocities than the Dalit's visceral experience of caste?

I am sure some people can look at it like that. You know, while writing the script I had to choose between placing the 'master script camera' inside looking at us or on Ayan's shoulders looking at them. Both had a movie. Legitimate movies. I chose to place that camera on Ayan's shoulder

because I wanted to highlight our ignorance/inadvertent complicity. Or, even fully advised complicity and inertia.

In the process, have you transferred the angst from the suffering Dalit to the horrified Brahmin?

One doesn't take away from the other. I don't see Ayan as a horrified Brahmin. I see him as a horrified privileged man. I wanted him to be privileged on both the ladders, social and structural, and then he had to take a stand, the onus is

Now lynching has replaced riots but never before has it seemed that people will not be protected. In Patna, where some were protesting against my film, there was no police presence. But when Dalits of Bhim Army said they wanted to watch the film, they were lathi-charged. Whose side are we on? Was the earlier group protected?"



on him. Hence the end credit song 'Shuru karein kya'.

The Badaun case where two girls were found hanged from a tree is at the heart of the story.

It is – and it is not. It is one of the catalysts. That image disturbed me a lot. So did Una. So did Rohith Vemula's suicide. They stayed with me.

The character Nishad recalls Chandrashekhar Azad 'Ravan' of the Bhim Army. You have also fused certain aspects of Rohith Vemula in Nishad.

I did not want Nishad to be Chandrashekhar entirely because I did not know enough about him. I haven't met him. I liked his stand during the elections. When Mohammed Zeeshan Ayyub (who plays Nishad) came to meet me, he was coming from the sets of Hansal Mehta's film. He had that moustache. He asked me whether he should keep it. I said yes. I realised the similarity with Chandrashekhar. But I wanted the audience to enter the film as Ayan.

Lalgaoon, the village in your film, is the site where contemporary assaults on Dalits come together – including a woman who is thrown out of her job as a cook of midday meals because she is Dalit.

In January 2017, when I started writing the script, it was called 'Kanpur Dehat'. I wrote this before *Mulk* but people said these things don't happen anymore. I changed the name because I did not want people to assume that this happens only in one particular place. I did not want this to be place-specific. I wanted to use these images that you might have looked past. And I wanted to take you back there and make you see them. Caste is everywhere.

In your film, you are critical of the 'we are all Hindus' line when the society is so divided. You mock at the mahant's attempt to eat alongside a Dalit.

When you actually share your food with everyone else it is



The Badaun case is one of the catalysts for the film. That image disturbed me a lot. So did Una. So did Rohith Vemula's suicide. They stayed with me"



fantastic. It is part of my thinking and my life. The moment you sell it, it is wrong. It happens in politics – politicians have a meal at a Dalit's home just to score political points.

In your WhatsApp profile picture, you have a saffron Sita-Ram shawl wrapped around you.

I want to reclaim that colour because it has been maligned. This colour was worn and accepted by people who believed in equality. This is the colour of dawn, of knowledge. Now when people are protesting against my film, they are carrying that colour. It spoke something else. My religion doesn't tell me to beat someone to chant Jai Shri Ram.

We have a right wing government with a huge majority at the Centre.

That's a fact. We have to accept it. But do I agree with them? No. A lot of things are happening in this country that I don't agree with. Now lynching has replaced riots but never before has it seemed that people will not be protected. In Patna, where some were protesting against my film, asking that it should not be screened, there was no police presence. But when Dalits of the Bhim Army said they wanted to watch the film, they were lathi-charged. Whose side are we on? Was the earlier group protected?

Why are the upper castes angry with your film?

Not even 1% of them is against the film. These organisations (which oppose the film) simply don't want their privilege questioned.

You have said in an interview that the audience is an accused party. Who are you pointing the finger at?

I don't see (the hero) Ayan as a horrified Brahmin. I see him as a horrified privileged man. I wanted him to be privileged on both the ladders, social and structural, and then he had to take a stand, the onus is on him"



The upper castes?

I am pointing the finger at everyone. The idea is to make a society that does not exploit identity. I am pointing a finger at anyone who exploits caste identity for benefits. And that includes improper Dalit politics. Identity should not be used merely for electoral purpose but for the uplift of people. The defence mechanism of a people who have been discriminated against is to huddle together – and a leader emerges from among them. But if the leader starts selling his position or uses caste politics to further his own interests, then I am pointing a finger at them, too. There is a line in my film: 'When you are in power, you make statues; when you are in the opposition, you become Dalit'.

But making statues is also a part of Dalit assertion and politics. If the upper castes can, why can't Dalits?

No matter who does it, the act is wrong.

Even as your film highlights the crimes against Dalits, have Dalits become blurred, without agency or victims in it?

I don't think so. Gaura has agency. I like the arc of (the policeman) Jatav – from 'Jatav tho zero hain' in the beginning, he arrests and slaps (the Thakur circle officer) Brahmadatt Singh in the end. In an ideal world, Dalits should have enough to defend their causes. But they have been made helpless. There's no water to drink. There's no food to eat. In that kind of a society where Dalits are systematically oppressed, it would have been too Bollywood to have a Dalit hero. It would have been unbelievable.

What is caste?

Caste is a conspiracy. Human beings are designed to create class divide. Here it is caste. It is designed to keep the majority of people way under the minority. It is about entitlement. It is about cheap labour. It is about exploitative free labour. Caste is all about class. It is power-based discrimination. In my apartment building, housekeepers and drivers are not allowed in a particular elevator. When I ask the security

guard why they are not allowed, he would say, 'Saheb log naaraz ho jaayega.'

And what have you done about it?

Sometimes I take them along in the lift. Sometimes I am too busy to do that. I am a party to it. I am pointing a finger at myself.

But isn't caste far more insidious and ingrained than class where mobility is possible?

I don't think so. If you sit next to a billionaire, most likely you don't think of their caste.

I am sure one does.

Maybe. But caste considerations are often subservient to commercial concerns.

The film upholds the primacy of the Constitution.

Yes, it is about the primacy of the Constitution. It is about one particular article which is long forgotten. I respect that book. These are rules that are supposed to govern us. These have not been implemented and they are thinking about amending them already. I wanted everyone to find out about Article 15. That's why I kept the shot lingering on what Article 15 says in the film, just before the interval.

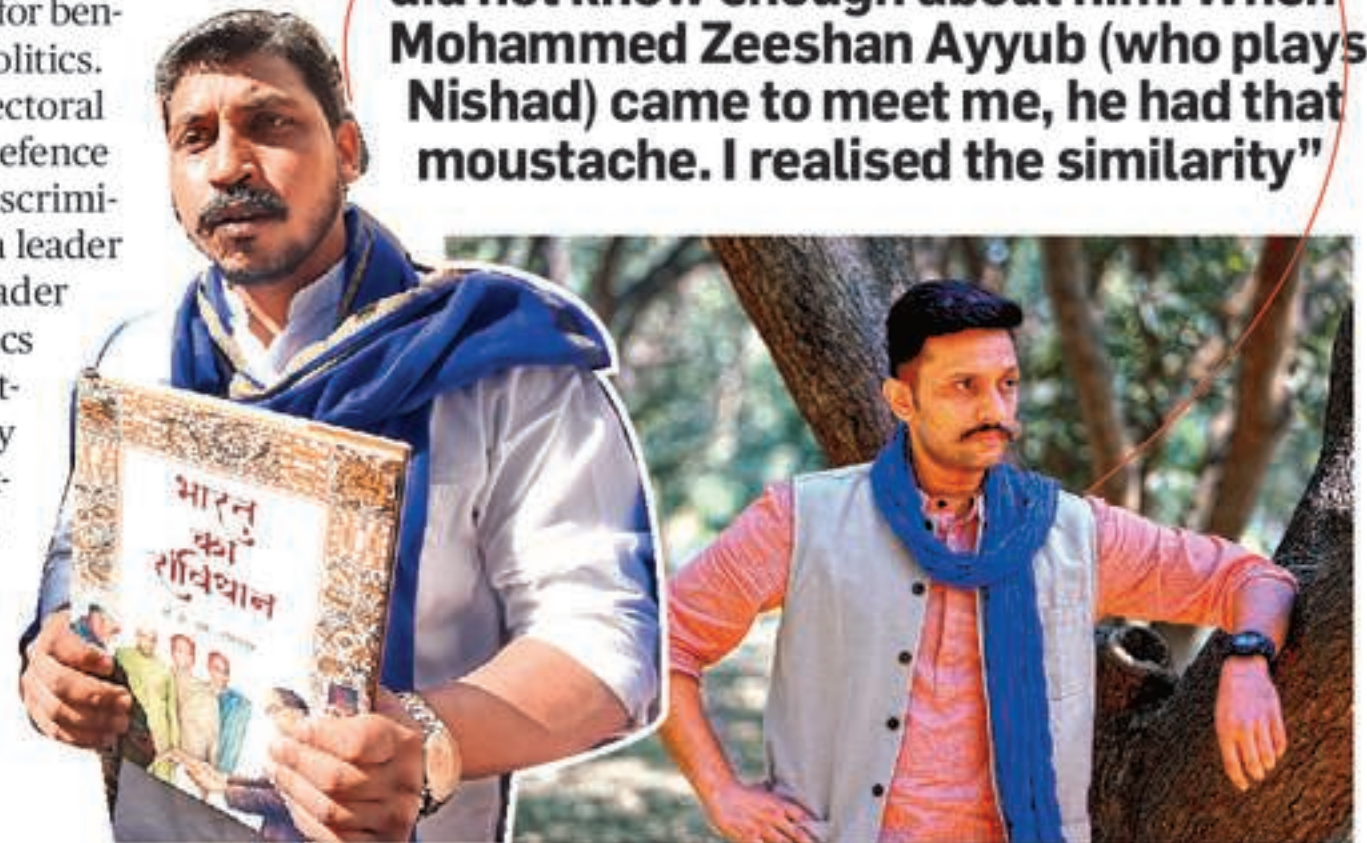
The film also quotes Ambedkar that 'I will be the first person to burn the Constitution'.

Yes, he said that and he was right. What is the point of having the Constitution if it is misused, if the rules are not followed?

In Mulk and Article 15, you solve religious prejudice and caste discrimination through law. Do you think only due process can save us?

I have used the process to elucidate a problem. It is when

I did not want Nishad to be Chandrashekar entirely because I did not know enough about him. When Mohammed Zeeshan Ayyub (who plays Nishad) came to meet me, he had that moustache. I realised the similarity"



you, as an individual, fail to deliver that due process comes into play.

Mulk and Article 15 mark quite a change from your earlier films like Dus and Ra.One. How did the shift happen?

Mulk and Article 15 came out of anger. Earlier I had a misplaced sense of success. For me, success was whose picture is bigger – mine or Sanjay Gupta's or Rohit Shetty's. In the past five years, I have started reading again. I felt liberated. I read *The Discovery of India*. It told me so much about the country. That's why I showed that book in the movie. Then I read Gandhi's autobiography. I realised that he was so fallible – he kept making mistakes and he kept correcting himself. I read Om Prakash Valmiki's *Joothan* and Anand Teltumbde's *Republic of Caste*. I gave a copy of *Joothan* to (actor) Ayushmann Khurrana (who plays the IPS officer Ayan Ranjan) because I wanted him to know who he was defending and what he was defending.

I want to reclaim that colour (saffron) because it has been maligned. Now when people are protesting against my film, they are carrying that colour. My religion doesn't tell me to beat someone to chant Jai Shri Ram"

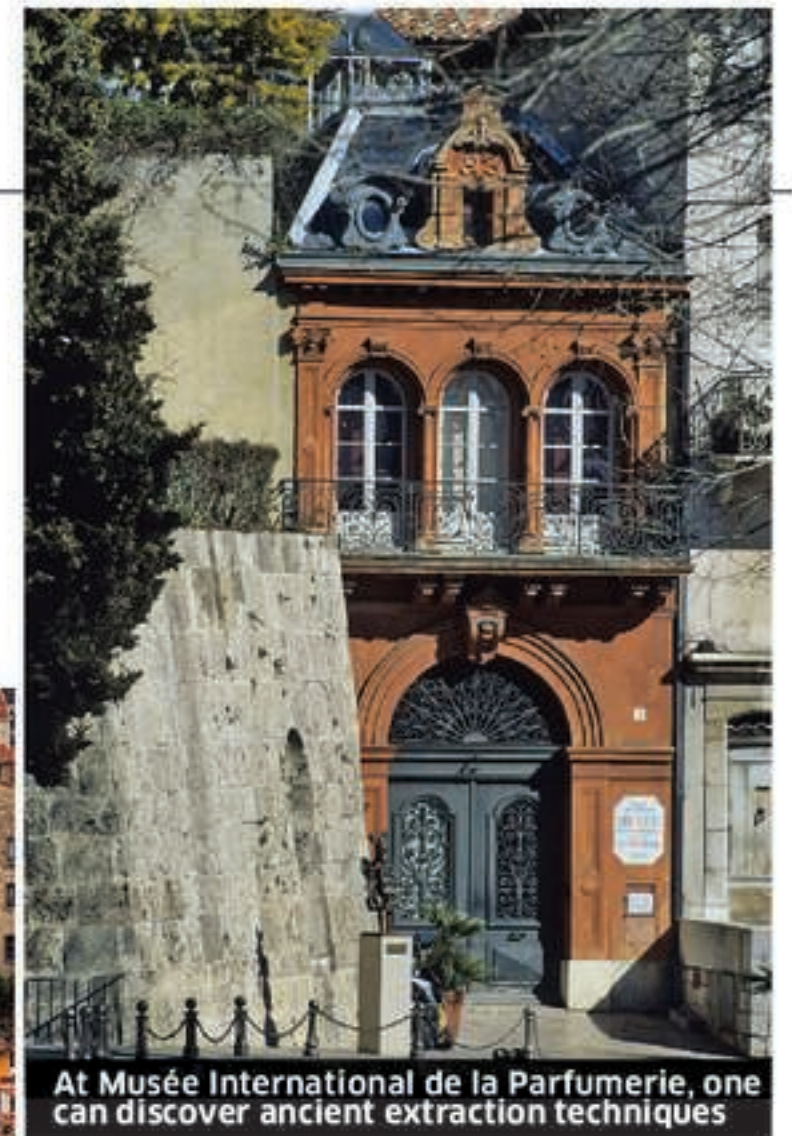


Do you think a film can effect change, alter mindsets about caste?

No, films can only raise questions. In the larger scheme of things, they have a point. After *Mulk* was released, I got a message. It said, 'I always thought I was secular. But I wasn't.' If a film can make you look within, that is the most it can do. The only idea is to make people see. We need to become better human beings. We need to learn to coexist. Because to tell you the truth, this world is f**ked up. ■

Scent of a Town

In the French town of Grasse, considered the perfume capital of the world, the best travel guide could well be your nose



At Musée International de la Parfumerie, one can discover ancient extraction techniques

Prachi Sibal
 The winding and cobbled paths and heritage buildings may make it seem like you have arrived at another tourist-laden European town. But here, let your sight take the backseat and let your nose guide you through Grasse – a small town in the picturesque French Riviera off the Côte d'Azur and home to a majority of international perfume houses, perfumers and institutes.

If you have read German novelist Patrick Suskind's intriguing *Perfume: The Story of a Murderer*, you are already familiar with the name and nature of this ancient town. If you have not, we suggest you wait till your return since those pretty streets can get dark and lonely at the bend, come nightfall.



Close to the luxe town of Cannes and a short ride away from Nice, Grasse is quite unlike the rest of the Riviera. Common travel guides are easy to dismiss it and make recommendations of a quick day trip here. But we suggest: stay and inhale deeply while you do.

The city centre around the small town square at Place Aux Aires is where all the action is. While one side of this hilly street is dominated by niche fragrances houses, the other is a medley of restaurants, delicatessens and boulangeries.

Start your journey with the Musée Inter-

national de la Parfumerie that takes you through the history of perfumery in the world with highlights of creation, natural materials and basic accords. The experiential greenhouse helps you distinguish base, heart and top notes in natural materials – the first steps in perfume creation.

As you move to the floors below, walk through the history of modern perfumery centred in Grasse with a collection of iconic perfumes such as Guerlain's Shalimar, Jicky and Chanel No. 5. Interspersed with these are bottles of vintage eau de cologne from around the world, therapeutic tinctures and much more. Discover ancient extraction techniques, cosmetics and observe a traditional perfumer's organ.

The city with its abundant supply of water and precarious location at the edge of the bay was once a leather tanning centre. Flowers grew wild and enfleurage (an ancient technique that uses flowers pressed in fat) was used to extract scents like those of the famed Grasse jasmine to perfume leather gloves. The same jasmine now makes its way into Dior and Chanel fragrances. For an insight into these fascinating raw materials, a short bus ride takes you to Mouans Sartoux



TRANSIT
DÉCHETTERIE

PARFUMERIE
GALIMARD

AUTOROUTE
Estérel-Côte d'Azur
- A PÉAGE -

CANNES

where Jardins du Musée International de la Parfumerie – the official gardens of the museum – will introduce you to fragrant plants. It is here that you will see the Grasse

Jasmine (in season) in all its glory, the sharp-scented Tuberose, Mimosa and much more.

Next on your fragrant itinerary would be the grand old perfume houses of Grasse – Fragonard, Molinard and Galimard.

Villa Fragonard, named after the famous painter from the region, is a bright yellow provençal house spread over three floors and an open terrace. With a small museum of its own, Fragonard has a large collection of perfumes, soaps and cosmetics.

Molinard, now in its fifth generation, is known for its award-winning fragrances, extensive work with Lavender from neighbouring Aix-en-Provence and its once flamboyant bottles. Situated in a muted stone house a short walk away from Place Aux Aires, it has a small museum that takes you through the history of the fragrance house complete with vintage bottles. The store has a large variety of perfumes including a Chocolate scent.

Galimard, the oldest of them (dating back to 1747) will take a bus ride from the city centre and will introduce to a life-size distillation apparatus used to extract essential oils – the natural essence that makes it to your perfume.

The best way to experience the perfumeries of Grasse is to take an introductory workshop called 'Make your own perfume' offered at each of them. Spanning a couple of hours, they give you an insight into creation and let you go back with a bottle of one you have created. Scented memories do not



Grasse Jasmine →



Distillation apparatus at the perfume museum



You can make your fragrances at Grasse perfumeries

TRAVELLER'S TRIVIA:

- Brush up on some basic French; it is hard to get by without it
- The town virtually shuts down by 8 pm (including restaurants)
- Walk, walk, walk. It is the best way to discover the little surprises the town has in store. We found jewellery made of nuts and bolts!
- Apartments in the heritage part of town have no ACs or lifts

Getting there: The closest airport is Nice – 44 km away. Take the train into town or hop on to bus #500 for a cheaper way to get to the city centre.

Stay: Hotel Le Patti in the city centre, La Bastide Saint-Antoine or the many of the compact apartments listed on Airbnb.

Eat: Niçoise salad at the cafes, freshly-baked chocolate croissants at the boulangeries and great pizzas because of the town's proximity to northern Italy.

Buy: Lots of perfume. Look for vintage perfume bottles, applicators and art at the antique stores that dot the city. Also, olive oil from delicatessens

get better than this.

While at it, do not forget to explore the small open-fronted independent perfume stores. It is here that you can get your hands on some experimental creations and even take home a bottle of prized extract (the most concentrated form of perfume).

Flowers are everywhere – from the osmanthus that grows on the hedges to streaming bougainvillea dangling from provençal balconies, all the way to the occasional wayside rose shrub.

In summer, the Grasse Jasmine festival takes over the streets and is in the best time to visit this otherwise sleepy town.

However, perfume is not all these flowers go into. In summer, stop by at one of the many street corner gelato vendors and get yourself a scoop of flavours like lavender, jasmine, cassis (black currant leaf) or violet. Floral preserves are common too and souvenir sizes available at most stores.

If you have chosen to visit in January and February when the magical Seville oranges have made their way into town, find yourself a glass of the balmy Vin D'Orange, a traditional orange wine fortified with brandy that is as fragrant as it is potent. ■

The writer is a Bengaluru-based journalist

A WEEKLY DOSE OF QUICK, QUIRKY AND TRENDY INFORMATION

Stage is Set

At the recent Prague Quadrennial, curators from across the world were asked to create unique scenographic landscapes to show innovations in performance design. Here is what they put together:



DENMARK

Virgin

Set designer Julian Juhlin, a 31-year-old self-confessed virgin, placed his own body at the centre of the scene inspired by European folklore that ascribed magical powers to virgins

INDIA

Natya Mandap

Drawing on classical theatre tradition, the stage was shown as a free space where the actors do not try to simulate reality but show it as it is



EGYPT

Egyptophosis

The exhibit showed the diverse cultural influences of thousands of years that have come to characterise Egyptian society

FRANCE

Microcosm

The installation showed spaces where tiny communities must make a life for themselves under any possible circumstance



ISRAEL

1600 Feet Under

The exposition put the focus on the ecosystem of the Dead Sea, which lies 1,600 feet below sea level

RUSSIA

Theatre of a Madman

The exposition was an ode to improvisational Russian composer Oleg Karavaychuk (1927-2016), who harboured the desire to run off to the woods



SLOVAKIA

The Absence of Miracles Exhausts Us

The performance done at night in the countryside drew upon the 1960s tradition to portray what personal freedom meant in society

THIS WEEK, THAT YEAR

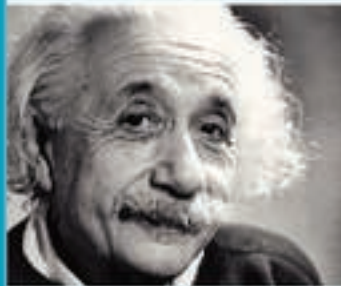
July 7-13



July 7, 2005
Suicide bombers target three underground trains and a bus in London, killing 52 people and injuring 700.

July 8, 1497

Portuguese navigator Vasco da Gama sails from Lisbon with a fleet of four vessels, reaching the coast of Calicut in May 1498.



July 9, 1955

Amid the Cold War, physicist Albert Einstein and philosopher Bertrand Russell release a joint manifesto against the dangers of nuclear weapons.



July 10, 1991

Pro-reform politician Boris Yeltsin is sworn as the first elected president of Russia after the fall of the Soviet Union.

July 11, 1962

The era of satellite TV is born when Telstar I communication satellite relays the first television signals from Europe to North America.



July 12, 1985

The Live Aid concerts are held in London and in Philadelphia to raise funds for those affected by a famine in Ethiopia.



Text: Sourabh Gupta SOURCE: PQ.CZ

SOURCE: ONTHISDAY.COM, IOP.ORG

WEEKLY VECTOR

Money Goes Home

Remittances touched a record \$529 bn in 2018, and is projected to reach \$550 bn in 2019. Like in 2017, India remained the world's top remittance recipient in 2018



INDIA
78.6 bn



CHINA
67.4bn



MEXICO
35.7 bn



PHILIPPINES
33.8 bn

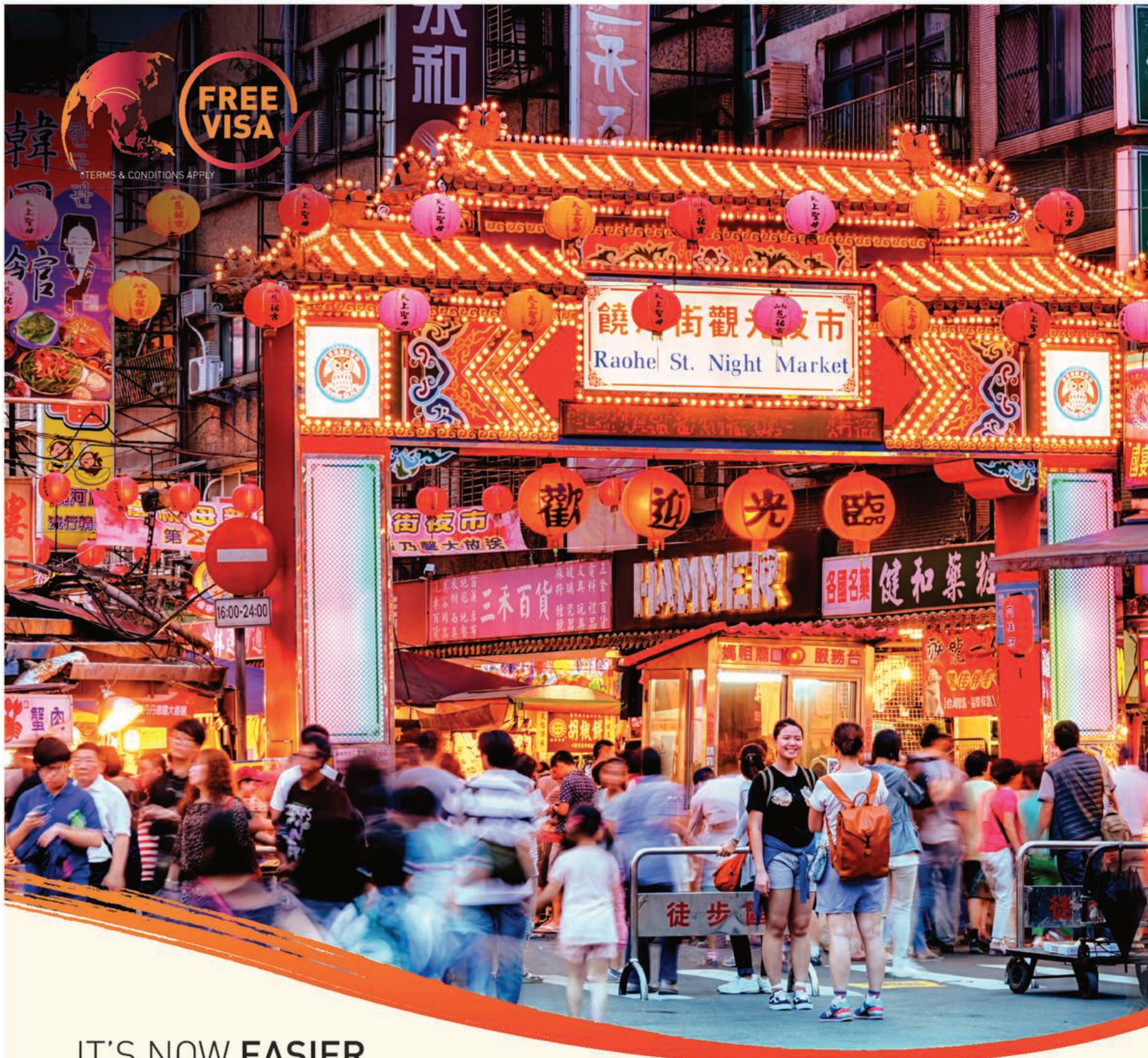


EGYPT
28.9 bn



NIGERIA
24.3 bn

Source: Global Knowledge Partnership on Migration and Development (KNOMAD) and World Bank



IT'S NOW EASIER THAN EVER TO VISIT TAIWAN!

Explore amazing Taiwan this summer with more flight options! From 1 Jul to 30 Sep 2019, take advantage of special fares to Taipei on Cathay Pacific — INR 36,600 from New Delhi, INR 30,222 from Kolkata and INR 36,500 from Hyderabad. And now, you can also fly direct on China Airlines and arrive in Taipei in just 6 hours 20 minutes. Enjoy a 14-day visa-free stay in Taiwan if you hold a residency or valid visa for USA, Canada, Schengen States (Europe), UK, Japan, South Korea, New Zealand, or Australia. Plan your trip to the Heart of Asia today!

Apply for your visa online: https://niaspeedy.immigration.gov.tw/nia_southeast/

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