



"At Oyo, there's an opportunity to create a truly global brand"

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# THE ECONOMIC TIMES

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## magazine

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# CHANGE



A peek into the Indian Railways' blueprint to roll out semi-high-speed private passenger trains

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# Maharashtra, Haryana Go to Polls on Oct 21

Bypolls to be held in 64 seats; all results on Oct 24

Assembly elections in Haryana and Maharashtra would be held on October 21 and the results will be declared on October 24, the Election Commission said on Saturday. Polls in both the states will be held in a single phase.

By-elections for 64 seats in 17 states and Union Territories will also be held on October 21, Chief Election Commissioner Sunil Arora said.

The elections will test the pre-poll alliances forged in Maharashtra between ruling BJP and Shiv Sena, and opposition NCP and Congress. In Haryana, the Congress is up against a well-placed BJP government being run by Manohar Lal Khattar. The Congress' state unit had only recently settled its leadership issues. The by-elections on October 21 will test the slim majority of the new BJP government in Karnataka, with 15 assembly seats in the state going to the polls. The seats fell vacant after the speaker disqualified 15 rebel Congress MLAs. The MLAs have challenged their disqualification in the Supreme Court, which is set to hear the case next week.

The Election Commission said the decision to hold by-elections in Karnataka was taken after it took legal advice on the matter. Polls for two other vacant seats in the state are yet to be announced due to pending election petitions.

By-elections for one Lok Sabha seat in Bihar and 64 Assembly constituencies were also announced by the Election Commission. Polls would be held



Chief Election Commissioner Sunil Arora announces the dates for the elections in New Delhi on Saturday

**POLLING: OCT 21**  
 Maharashtra assembly  
**288 seats**

Haryana assembly  
**90 seats**

**Bypolls: 64 seats in 17 states and UTs**

Include 15 seats in Karnataka and 11 in UP

**RESULTS: OCT 24**

in Arunachal Pradesh, Bihar, Chhattisgarh, Assam, Gujarat, Himachal Pradesh, Karnataka, Kerala, MP, Meghalaya, Odisha, Puducherry, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana and Uttar Pradesh on October 21. Bypolls will also be held at the Samastipur Lok Sabha seats in Bihar. The seat fell vacant after the death of Lok Janshakti Party MP Ramchandra Paswan.

While announcing the poll dates, the chief election commissioner said special expenditure observers have been appointed to check circulation of illegal money to influence voters ahead of the elections. The Election Commission has asked political parties to desist from using plastic material during campaigning. The model code of conduct has now come into effect across all poll-bound constituencies. —Our Political Bureau/New Delhi

# PMLA Tribunal Slams ED for Poor Probe in PNB Case

New Delhi: The Prevention of Money Laundering Act Tribunal has slammed the Enforcement Directorate for "inadequate investigation" into the Punjab National Bank scandal and for attaching properties of a consortium of banks on the basis of "incomplete facts".

Ordering the release of the properties attached by the ED worth ₹323 crore, which were mortgaged or hypothecated with the consortium of lenders led by ICICI Bank, the tribunal said that "innocent banks have become victims of fraud perpetuated" by Mehul Choksi and his companies, including Gitanjali Gems and others, which has been aggravated by "mechanical" attachment of properties that were not even proceeds of crime.

Paving the way for recovery of dues by banks, the tribunal ruled: "Public sectors banks' money is the public's money. The banks are in critical conditions as these alleged accused have cheated every citizen of this country."

The order said: "Value of the properties ... has depreciated significantly and is deteriorating on a daily basis, such that any delay in enforcement of recovery by the appellant (banks) would be rendered meaningless." Referring to Choksi and Nirav Modi, the tribunal said "banks' money has been looted by these cheaters. No doubt, they should also be dealt with criminal liabilities, but recovery process cannot

## ED Attaches Chimpanzees

New Delhi: The ED has attached three chimpanzees and four marmosets as part of a money-laundering probe against a wildlife smuggler of West Bengal. The central agency said the chimpanzees were being kept at the Alipore Zoological Garden in Kolkata. The marmosets were being kept at an animal shelter. The agency said the seven animals are valued at ₹81 lakh, with each chimpanzee worth ₹25 lakh and a marmoset about ₹1.5 lakh.

—PTI

be stalled in this way. These johnnies are always happy if their mortgage properties shall remain attached and should not be disposed of."

Opposing the application of ICICI Bank, the ED had said in its response: "It is further submitted that during the course of investigation it was revealed that Mehul Choksi was desperately trying to dispose of his entire properties."

"Slamming the ED for making a 'malafide afterthought and desperate attempt to improve its case' at the appellate stage, the tribunal called ED's claim as a 'bald statement'. It has held that ED failed to place on record any material to corroborate and substantiate its claim.

—Raghav Ohri

# "Stimulus Measures are Already Showing Results; the Mood is Upbeat"

The stimulus packages announced in the last few weeks have already started showing results but a collective effort of all stakeholders would be needed for the economy to turn around, says Commerce and Industry Minister Piyush Goyal.

In an interview with Kirtika Suneja in Dubai, he explains the way forward.

Edited excerpts:

**A series of stimulus packages have been given in the last few weeks. By when do you think they'll start showing result?**

It has started happening now. I had a set of engagements in the morning with the business community and now with investors. The mood is so upbeat it is truly unbelievable. The excitement and the enthusiasm that people have to engage and do business with India is so huge. Prime Minister Modi and his entire team is committed to making this a reality in the very very near term.

**Are these measures enough to overcome the slump that India is facing?**

I beg to disagree. There is no slump. We are going through a cyclical problem which we have to

overcome which is why you have a responsive government and finance minister has been engaging with stakeholders all across the country.

To my mind, the series of steps that FM has taken, what plans we have going forward and which will continue to unfold in the days to come, collectively will turnaround the situation to a high growth trajectory faster than anybody can imagine.

**Do we have a number for this high growth trajectory or is it too early to put a number?**

There's no limit to the possibilities. It can't be the government alone who can manage that, it is the collective effort of all stakeholders.

**How will all these measures help in giving manufacturing a boost when we are**

**signing the Regional Comprehensive Economic Partnership (RCEP) and in talks with the US for some kind of a trade deal...**

You're starting from an assumption that doing a trade deal with the US or RCEP is detrimental to India's interest. This is the mindset that most of us including me at one point in time had. As you understand the intricacies of global trade, as you see the interlinkages of global trade, value chains... you realise that if you remain outside the chains and don't wish to engage with the world, you will be left behind and lose the potential that India has. So I think all of these efforts will be keeping in mind national interest and domestic industry's interest while at the same time ensuring that we can do large-scale job creation and economic activity grows.

**We have asked for review in Asean, Japan and Korea free trade agreements (FTA), is something of that sort also likely in the RCEP?**

RCEP will have an automatic review mechanism. We have already ensured about that. We are not allowing our negotiators to make the same mistake that we have made in FTAs during the 2009-10 period.

# Houston Gears Up to Welcome PM Modi for 3-Hour Show



A hoarding inviting PM Narendra Modi to Houston for the Howdy Modi event

Houston (Texas): Preparations are in full swing for Sunday's Howdy Modi event here that will see 50,000 enthusiastic Indian diaspora members greet PM Narendra Modi as he takes the stage, with US President Donald Trump joining him in a rare gesture. The event at the NRG Football Stadium, one of the largest in the US, has been organised by the Texas India Forum (TIF), a non-profit organisation. The Indian American community has been busy preparing for the three-hour show that will see artistes present classical and folk songs and dances. More than 1,000 Gujaratis from Houston are preparing for a mega dandiya to welcome the prime minister for the event. TIF spokesperson Gitesh Desai said some 50,000 attendees from Indian American communities are attending and more than 100 buses were being provided to ferry the participants.

—IANS

# Time to Get Creative

The recent chill in India-US ties is a result of quarrels in the ranks. Modi can leverage the current climate to deliver major strategic outcomes

Pranab Dhal Samanta

There are many ways to look at Prime Minister Narendra Modi's first US visit in his second term — from the transactional to the strategic, from the politically symbolic Texas event to the more substantive outcomes like the trade deal or, if you may, from talking up potential to getting real.

On the first count, there is now a broad consensus that an India-US partnership makes eminent strategic sense. That a Democrat US president (Bill Clinton) and the first BJP prime minister (Atal Bihari Vajpayee) laid the initial foundation; and a Republican president (George W Bush) and a Congress PM (Manmohan Singh) gave it depth as well as ambition through the nuclear deal only underscores the bipartisan nature of this consensus in both countries.

Similarly, the role and influence of the Indian-American community is a known big positive for India. The Texas event is an attempt to showcase the magnitude, prosperity and reach of this community as well as Prime Minister Modi's political connect with them.

It is the third aspect, of turning potential into reality, where there has been unexpected sluggishness. Modi is, perhaps, the first Indian PM who views a strong US relationship as a benefit, not a disadvantage, in electoral terms. Yet by 2018, a drift had set into the relationship, almost making it seem like the two countries were arraigned against each other.

The tension over trade multiplied, even though issues which dotted that conversation accounted for very little in numbers. While US exports to India grew by about 29% in 2018, roughly two-and-a-half times faster than Indian exports to the US, the inability to find a resolution to a bunch of tariff issues involving dairy goods, medical devices and ICT items led to the US withdrawing GSP (generalised system of preferences) benefits to Indian entities.

These were compounded by differences over India's e-commerce policy and data localisation issues. That row has escalated into a whole debate on free flow of data, resulting in a further widening of the gap.

If this wasn't enough, the US started courting Pakistan because it needed help talking to the Taliban to strike a deal that will

enable President Donald Trump to reduce American troop commitments in Afghanistan. Suddenly, it appeared Islamabad had fresh leverage in Washington as it pitched for Trump's intervention on Kashmir.

This was also the period when Trump heaped praise on Chinese President Xi Jinping with the hope of striking a trade deal with Beijing. When posited against the tough talk on India and withdrawal of GSP benefits, the overall picture appeared grim.

The differences weren't as big as they were being made out to be. The fix on trade was always possible, but somehow the channels of communication weren't working.

Arguments led to quarrels rather than resolution of problems. As a result, India found US shifting its stance on granting an exemption to the purchase of S-400 missile defence system from Russia. Gradually, an environment of doubt and suspicion set in as bureaucracies on both sides failed to arrest the drift.

The fact is, these issues turned problematic due to mismanagement, and not because of any big picture shift. If anything, the big picture held good despite these challenges. The US stood with India against Pakistan-sponsored terrorism, getting the United Nations Security Council to sign off on a statement that for the first time acknowledged an attack on armed troops in the Kashmir Valley (Pulwama) as an act of terrorism. And in that context, it also recognised India's right to take counter-terror retaliatory measures in the form of the Balakot strikes.

PM Modi began his second term with an approach to resolve these irritants that had

acquired exaggerated prominence in the relationship as was evident when he met Trump in Osaka and later in Biarritz. His visit, thus, must aim at catapulting the relationship from this management phase to a more productive, somewhat creative, phase.

There is a need to get ambitious. Perhaps trade challenges could be approached differently. Exploring a preferential tariff arrangement for a basket of American goods might be one option.

Instead of getting into what weapon system to buy or not from Russia, a better approach would be to scale up bilaterally and look at bigger Make in India options, especially since India is now an STA-1 (Strategic Trade Authorization) country like Japan and Korea.

In defence, the US has secured \$18 billion worth of contracts from India in the last decade. High-end, expensive purchases, like the armed Sea Guardian drones, are in the pipeline. So, business has flourished in favour of the US and may be now it is time for long-term investments.

As Modi reaches the US, there is already a setback in Trump's outreach to Taliban, China is nowhere close to working out a trade deal and the strategic pendulum is nearly back to where India wants it. And there is a reason for that. American domestic politics won't allow any president or party to compromise on countering both terrorism and the Chinese economic onslaught.

Therein lies the opportunity for India. The challenge for Modi is to convert this into a game-changing, strategic moment for India, like China did in the 1970s and the 1980s amid Cold War rivalry. ■

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## ELITE GROOMS

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# Big Tasks Ahead

Tax cuts are good news but that may not be enough to reverse the ongoing economic slowdown

by TK Arun

Readers should recall a tale from their childhood while debating the corporate tax rate. Once a wolf found itself with a bone stuck in its throat that no amount of huffing or puffing or gagging could bring out. It pleaded for help and a crane came to its rescue. The crane put its beak into the wolf's gaping mouth, thrust it all the way down into the throat and pulled the obstruction out. As the wolf began to walk away without a backward glance at the crane, the bird exclaimed, "Not even a word of thanks, leave alone a reward!" At this, the wolf turned around and said, "Look, you'd put your head into my mouth, you should thank me for not biting it off." The government expects the industry to be grateful that it has graciously reduced the corporate tax rate.

OECD, the club of rich countries, does many useful statistical services, one of which is compiling data on taxes among the major nations of the world. India has the distinction of having the highest rate of corporate tax in the world: 48.3% before the latest reform, including the tax a company pays on the dividends it distributes. Ideally, dividends should be taxed in the hands of the shareholder.

Over three-fifths (58 jurisdictions) of the 94 in the OECD database had statutory tax rates greater than or equal to 30% in 2000; it was less than one-fifth (18 jurisdictions) in 2018. The general trend around the world has been to bring down the burden of corporate tax. In India, the effective tax rate went up from 23.22% in 2013-14, the last full year for which the UPA managed the fisc, to 29.49% for 2017-18, and even higher today, before the tax cuts. The latest announcement brings the rate down to 25.17%, still higher than the level in 2013-14, not counting the dividend distribution tax, which went up from 10% to 15%.

The revenue from corporate tax was 3.56% of GDP in India for 2018-19. The share of direct taxes, including personal income tax, was 6.4% of GDP. Regressive indirect taxes still account for more than 60% of all tax collections in India, including by the states.

A tax is called direct or indirect, depending on whether the taxpayer can shift the tax to someone else. If you have to pay income tax at the rate of 30% plus surcharge, if any, you have to pay it, you cannot make anyone else bear the tax. In the case of taxes on commodities, customs duty or GST, the tax is levied on the seller but it is passed down the chain of sales till it reaches the end consumer, who ends up bearing the tax.

Mukesh Ambani and his driver pay the same amount of tax when each buys a box of matches. In-



GETTY IMAGES

**The most exciting part of the new tax proposals is the lowering of tax rate to 15% for manufacturing companies incorporated after October 1. But why limit it to manufacturing firms, when the share of services is gaining ground in the economy?**

direct taxes will take up a larger share of the disposable income of the poor than it will of the rich. That is why these taxes are regressive and should be a lesser source of revenue than direct taxes, whose higher marginal rates on higher incomes have an element of progressivity built-in.

However, corporate tax is non-transferable only in a

formal sense. Companies look for a post-tax rate of return. They can calibrate their pricing to take into account a high rate of corporate tax, thereby passing on the burden of high corporate tax to the consumer. The only way this can be prevented is if the market is very competitive, eliminating the luxury of raising prices above the competition. In India, thanks to high levels of protection, which has steadily gone up under this government, it is entirely possible to pass on the burden of high tax to consumers by raising prices, in a variety of goods and services.

Therefore, it makes sense to have low, uniform rates of import duty, and low rates of corporate tax comparable to those in other, similarly placed economies. The statutory rate is 20% in a number of Asian countries, 17% in Singapore, although it is 25% in China, without taking into account various allowances that would be available to bring the effective rate of tax down.

The most exciting part of the new tax proposals is the lowering of the tax rate to 15% (effectively 17.01%) for manufacturing companies incorporated after October 1, 2019. But why limit this to manufacturing companies, when the share of services is gaining ground in the economy with every passing day? John Deere, American tractor maker, has so much software in its machines now that it argues that when it sells a tractor, it is effectively licensing use of that tractor and does not part with the authority to carry out repairs, which it says cannot be left to anyone

but its own engineers. If a tractor is a machine-as-a-service, what quite is manufacture? Should India's tax structure look to the future or to other countries' past, in which they made it to assorted manufacturing supply chains?

Will the tax cuts now suffice to reverse the ongoing economic slowdown? That calls for sustained investment. The loan melas that banks have been ordered to carry out (never mind the promise to make banks board-run) will put some purchasing power in rural hands. But for that to result in a sustained boom, investment in infrastructure must pick up. That calls for fixing the broken financial mediation mechanism – banks burdened by bad loans, tottering non-banking financial companies and a dysfunctional debt market – and for the government to start releasing payment for the work done for it, besides a new, healthy model of public-private-partnership in big projects.

Tax cuts are good news, but hold on a bit before you start jumping for joy. ■

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# A Step Towards Global Competitiveness

Friday's tax cuts won't substantially address the problems Indian economy is currently facing. But it is a major long-term reform



**The 15% tax on new firms setting up manufacturing units is real, big reform. In one stroke, it makes India attractive to a host of foreign firms leaving China and looking for greener pastures**

**:: R Sriram**

**F**ew political leaders in major democracies have shown the kind of skill that Prime Minister Narendra Modi has shown in demolishing conventional wisdom and narratives. US President Donald Trump and British 'Leave' campaigner Nigel Farage come to mind but they haven't had the kind of success that Modi has had in establishing a stranglehold in local politics. Many thought 2014 was a fluke till 2019 happened, with a stronger mandate.

In economic governance and reforms too, conventional wisdom has been defied, though not with the same regularity or strike rate as in politics. Many pundits complain big-bang reforms have not happened, forgetting Insolvency and Bankruptcy Code, goods and services tax, bank mergers, GST, introduction of monetary policy committee and last week's corporate tax cuts. Demonetisation was dubbed a failure, ignoring its impact on the growth in electronic payments, sliding investment demand in real estate and the huge jump in mutual fund inflows, which has sustained to this day. But unlike politics, naysayers have had some success here, with concerns around the complexity of GST as well as the extent of the ongoing slowdown proving right, despite the government's efforts to play down the severity of both.

Friday's big bang tax cuts have already sparked all-round celebrations and talk that this is a big step that was

needed to spur growth and investment. The BJP and the government are gung-ho and would obviously like to paint this as the magic pill needed to restore economic health. Much of corporate India and the investing community seem to agree with that stance. It would be prudent to temper the euphoria with scepticism. People are unlikely to rush to car showrooms to buy their favourite vehicle just because Indian companies now have a lower tax rate. Problems besetting the Indian economy are a bit too complex for that.

To understand how this will play out, it will be useful to consider the

**It will be prudent to temper euphoria with scepticism. People are unlikely to rush to car showrooms to buy their favourite vehicle just because Indian companies now have a lower tax rate. Problems besetting the Indian economy are a bit too complex for that**

background to India's current economic problems. India is facing a credit slowdown, worsened by the NBFC (non-banking financial companies, or shadow banks) crisis and fears of default and liquidity issues. The country has also been facing an investment slowdown with any chances of a quick revival complicated by credit slowdown and banks' unwillingness to lend to infrastructure and heavy industry. A steady rise in home loan offtake has not been enough to lift the real estate sector out of its gloom—the NBFC crisis has probably made things worse for them. Lastly, a deepening consumption slowdown has caught everybody by surprise.

Tax cuts will boost profits and earnings. Share prices will go up, investors will pour in money, not wanting to miss out on the opportunity. But will it solve some of the complex problems mentioned above? Will it help revive investment demand as many are predicting? Take real estate, for instance. It is true that much of the problems are restricted to the two big cities of Mumbai and Delhi/NCR. Demand everywhere else seems okay and that is also borne out by home loan growth, which is a decent low- to mid-double digits. Real estate probably needs a massive overhaul with the entry of investors with big pockets and the necessary will to take over and complete pending projects. Companies also need to cut

prices. The strategy of holding on amidst stagnant or nil sales growth and overwhelming evidence of consumer angst over sky-high prices defies all logic. The sector has been helped by some friendly banks and the entry of private equity funds and, of course, booming sales in commercial property. Unfortunately Friday's tax cuts will only postpone the inevitable emergency surgery needed as companies will use the bottomline boost to delay consolidation and price cuts.

NBFCs are probably in a better position as they could use the extra money to pare down debt and improve liquidity. And that's important in a sector where risk aversion still dominates. But their role as large credit providers to MSME and real estate is set to change and that may not be a good thing especially when banks are also turning risk-averse.

Experts and corporate executives seem to believe that the tax cuts will revive capex but the jury is still out on that. Was India's soft capex growth all these years due to lack of cash or liquidity? It's difficult to believe that, given the robust market until early 2018 and the cash still sitting on books of corporations. Companies are more likely to watch for consumption pick-up through auto sales before planning heavy capex, although minor capex to the order of a few hundred or thousand crores have been happening and will continue.

A big talking point from Friday was the 15% tax on new companies setting up manufacturing units. This is real, big reform. In one stroke, it removes a major hurdle to competitiveness and makes India attractive to a host of foreign firms leaving China and looking for greener pastures.

Everybody remembers India's cricket tour of Australia in 2003-04. Sourav Ganguly's biggest contribution was in making millions of Indians, who had given up hope of ever winning Down Under, believe that the country could do the impossible in hostile Aussie conditions. Virat Kohli finally achieved it last year but the foundation of that success was laid by Ganguly.

Nirmala Sitharaman may not trigger a V-shaped recovery with Friday's measures but she has made the country take a big step towards asserting its global competitiveness. She has laid the foundation much like Ganguly on that hot Sydney summer day did in 2003. ■

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# Oyo is Set to Be One of the Largest Hospitality Brands in the World

Led by Ritesh Aggarwal, Oyo has been making headlines for its audacious moves. Sharing his vision is

**Aditya Ghosh**, CEO, India & South Asia, Oyo Hotels & Homes. He wants the company to do in hospitality what Indigo, from where he resigned as president in 2018, managed to do in aviation – cut costs, standardise quality and become accessible to millions. At Oyo's corporate office in Gurgaon, Ghosh speaks to **Mallini Goyal** on the journey so far and the road ahead. Edited excerpts:

# Y

**ou have been in Oyo for nine months. What has the transition been like?**

I came to Oyo for two reasons. One, I wanted to put myself out of my comfort zone completely. Two, I wanted to create a story out of India, build a global company with global presence. Both have come true. That keeps me buzzing and alive. At Indigo, I was there from day zero and had 10-12 years to get used to. At Oyo, I had to do that within weeks. I had to demonstrate that I will be fighting in the trenches with them and be open to challenges. Every day, I learn so many new things. It's a lucky place to be in. This has been an extremely fulfilling opportunity.

Oyo is trying to solve a really hard problem and growing at an exponential pace. This isn't just about creating a fantastic business. Oyo wants to quickly make living spaces much more accessible and affordable. Keeping customers at the centre, it is throwing two important resources – intelligent mind and technology – to achieve it. A broken market, a large number of consumers and technology – Oyo is about the interplay of all these.

**What are your biggest challenges? Platform companies like Oyo and Zomato have of late seen a surge in protests and boycotts.**

First, I want to clarify that we are not a platform business. We are not an aggregator. We take ownership of our customer experience.



**“At Indigo, due to regulations we couldn't go overseas. At Oyo, there is an opportunity to create a truly global brand”**

Currently, franchisees are 75% while we own 25% of the properties. However, in the future, that ratio will change. We will increase our share (of owned properties).

We are on a mission to make our product inexpensive and accessible. It will impact legacy businesses because they are inefficient. Over the last 15 years, we have seen these protests impact many legacy industries – travel agents, legacy airlines, telecom, auto and many consumer companies. Indigo, Reliance Jio, Bajaj Auto – with each of these companies,

**Aditya Ghosh**, 44, CEO, India and South Asia, Oyo Hotels & Homes

#### Career Track

Associate at law firm J Sagar Associates; joined Indigo in 2004 and resigned in 2018 as president; became CEO of Oyo in 2018

#### Professional Mantra

Get out of the comfort zone and learn something new

#### Fitness Regimen

Wakes up at 4 am for his workout that includes weight training and swimming

#### Family Time

Gets his two children ready for school and supervises their homework

we heard the same arguments we are hearing today from legacy players. But newer businesses came and made things better. It will be grossly unfair that just because you have gotten away with inefficient business so far, you expect me to protect you.

When large-format stores came, people said kirana stores will vanish. They haven't. If you are not running business efficiently and not offering at a price point that consumers want, you will feel the pain. Vested interests react. I am used to it. Oyo is impacting many individuals and businessmen. The key is how do we explain ourselves to partners and the government. What I know is that finally what wins is what consumers want.

**Has anything significantly changed since you arrived? What are your focus areas?**

I believe this is about making Oyo an accessible and profitable business, and not burning cash. We are steadfastly focused on bringing down the losses. Our profitability is moving up. Two years back, our losses were 45% of our topline. A year back it was 20%. This year hopefully it will be 10% or we can even get rid of that. We are on track to building a sustainable business. We added over 200 cities to our portfolio in the last eight months. We are trying to become more efficient – get better at revenue management, introduce dynamic pricing, focus on fundamentals of the business and make money.

#### How is Oyo growing?

There was a need to set out our priorities at Hotels & Homes. Safety and security are critical. We have done many things such as intro-

## Oyo So Far

**2012:** College dropout Ritesh Agarwal starts Oravel, a website listing budget hotel rooms

**2013:** Agarwal becomes the first Indian to be selected for the Thiel Fellowship, which gives him a \$100,000 grant; he renames Oravel as Oyo Rooms



**2014:** Oyo receives series A funding

**2015:** Launches its app, expands to 100+ cities and crosses 10,000 rooms

**2016:** Oyo sees 1 mn-plus hotel check-ins; forays into Malaysia

**2017:** Enters Nepal and China



**2018:** Becomes unicorn

Enters co-living business with Oyo Life

Acquires Weddingz  
Expands to the UK, UAE and Indonesia



**2019:** Enters the Philippines, Vietnam, Saudi Arabia, Japan, the US

Acquires @Leisure Group of Amsterdam  
Enters co-working space with three brands  
Partners Highgate to enter Las Vegas

Oyo Hotels & Homes expands to 500+ Indian cities  
Becomes the largest single hotel brand in China

ducing an SOS button on our app to improve safety. We are growing rapidly. At Oyo Hotels & Homes, we will add 3,000 employees in India alone this year. As we get deeper into tier-2 and tier-3 cities, we have to focus on how we use tech to get to our customers and serve their needs well. This is a supply-constrained market. Since January, we have grown at 50%. Being a market leader, we have a responsibility to play a larger role in CSR and it is part of my office. One of the initiatives we undertook was water problem in Shimla. Early this year we decided to create rainwater harvesting at all our hotels in Shimla. We have already managed to make some impact.

Our franchisees struggle with operational excellence, funding, etc. We have rolled out a partner-engagement programme to deal with some of these issues. We are focusing on more product supply, a more consistent customer experience and using technology to grow faster.

We have a very focused India team. One of our priorities is to also grow talent for the world. I am constantly looking at our supply, technology and people – do we have the right organisational structure to take us forward. On brands and products, we ask if there is clarity on what we are promising and delivering. Hope is not a plan. How do you break it down into execution? Ritesh (Agarwal) is fantastic on this.

**What is it like to work with Ritesh Agarwal, the 25-year old Oyo founder? What difference have you managed to make?**

That's a question perhaps Ritesh should answer. I believe my team and I have been able to release some of his time. Ritesh is much wiser than his years, so much so that sometimes you forget he is just 25. Entrepreneurs have a deep understanding of their business and a very strong gut feeling. It is very enviable. For a professional CEO (like me) to understand and get that gut instinct is very difficult.

Ritesh stands out for his drive for execution. He is able to do reviews once a month and yet go deep and see the larger picture. He sleeps even less than me, and I sleep only 4.5-5 hours every day.

**Going forward, where do you see Oyo?**

It is a combination of three-four things. Quality living at an affordable price is a secular demand in hotel business globally today. We have a very unique play between consumer, technology and real estate, with our hotels, co-living and homes. We are poised to become one of the largest hospitality brands in the world.

**You took a long break after Indigo. What did you do after quitting?**

In a long career, taking six months off isn't a

big deal. I was fortunate enough early on in my career to get a leadership role at Inter-Globe. I was 28 when it began and by 40-41 I had spent 13-14 years in leadership. In those six months, I wanted to do things without a plan, things I always wanted to do but never had the time. Learn new things. I spent a lot of time with startups, both unicorns as well as small ones. I went driving, hiking and trekking. I binged on films that I had waited for years to watch. I have gone to watch movies alone at 11 am on a Monday. Before I began rethinking, I wanted to clear my mind and get some space for myself. I met and talked to friends from across walks of life, including musicians. (When I quit) I had an open mind. But I was clear about a few things – one, I am not going to decide on 200 things. Two, whatever I do has to be outside my comfort zone. This meant no airline job.

## Oyo Group

**Founder:** Ritesh Agarwal

**Employees:** 17,000

**Global Footprint:** 23,000+ buildings & 125,000 vacation homes in 800 cities in 80 countries; over 1 mn rooms

**India Footprint:** 18,000-plus leased and franchised buildings & 2.7 lakh rooms in 500 cities

**Investment:** So far raised \$1.5 billion; plan to invest ₹1,400 crore in 2019

**Businesses:** 5 verticals – hotels, homes, co-living (Oyo Life), co-working (Oyo Workspace) and wedding management (Weddingz.in)

**Investors:** Airbnb, SoftBank Group, Lightspeed India, Greenoaks Capital, Sequoia Capital and Hero Enterprise



**What did you discover about yourself in those six months?**

That I cannot be a unidimensional person. I am the happiest when I am doing 500 things at a time. I have tonnes of passion – film, sports, travel, reading, walks, photography, learning a new instrument or going to concerts. In those six months, I even considered not working full-time. During those months, even when I worked as a senior advisor with Tata Trusts, I realised that I wanted to be in the thick of things, that anything to do with a large number of customers and India as an emerging market excited me. I must mention that I did consider entrepreneurial options – like running an established business or working with a PE firm, not-for-profits or startups.

**How did Oyo happen?**

I first met Ritesh at The Economic Times' event 40 Under Forty. After I quit Indigo, he called me. The first day we met, we were talking for five hours and it continued till midnight. We decided to continue our conversation the next evening. We met at 8 pm. Eventually, we had to move out of the hotel and drive down to my place where we got finished at 4.30 am. We joke that we were together for 13 hours on our first date. This was more about understanding the business. After that we talked for weeks. About things like what's the need for anyone since Ritesh was doing a phenomenal job.

I told him to take me out of the equation and then let's talk. What struck me most about Ritesh is his audacity to dream big with great humility. Just look at how many great leaders he has been able to attract.

**What helped you make the decision to join Oyo?**

One is Ritesh. Chemistry with founders is very important in these roles. The ability to express oneself and disagree is critical. As I learnt more about Oyo I also realised that they have some very impressive people in talent, which is so much in short supply these days. I have had an opportunity to help build an airline like Indigo. But due to regulations in India we couldn't go overseas. At Oyo, I saw an opportunity to create a global brand.

**Indigo and Oyo are two very different companies. How is it to work inside the two?**

The biggest difference is that



Oyo is a new-age, very tech-driven company, operating at a global scale and growing at very fast pace. I see a lot of similarities between the two. For example, the type of customers we are looking for. Air travel was once an expensive affair. We (Indigo) made it affordable. In 2006, we had about 18 million air travellers annually. Now, there are about 18 million people travelling every month. Oyo, too, is working to make something that is expensive more affordable at a massive scale. In India alone, we have close to 200,000 people sleeping on Oyo pillows.

**What's life for you outside work?**

I work long hours. I am travelling a lot more now – about 10 days a month. But I find time for myself and family. I get up at 4 am and am very regular with my workout – weight training and swimming. I have been doing it regularly for eight-nine years now. I make time for my two kids. I get them ready for school, help them with their homework, go out for late-night burger outings.

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# Track Change



A peek into the Indian Railways' blueprint to roll out semi-high-speed private passenger trains

## :: Shantanu Nandan Sharma

**T**he Indian Railways (IR) is set to embark on a new journey by embracing private passenger trains and divesting its near-total monopoly. The plan, as it stands now, is ambitious enough to change the very landscape of the railway network and alter the government-run transporter's basic tenet of overarching control on trains, tracks and manpower.

People might soon have the option to travel on a swanky private train instead of waiting for the one operated by the government transport behemoth to arrive at the platform. The concept of waiting list for tickets might also become history in at least some routes as there would be more trains, if the IR's plans are implemented.

In New Delhi's Rail Bhawan, the IR is getting ready with a set of bidding documents to invite private train operators – including global players – to run trains and fix their own fares in 150 routes. The blueprint, seen by *ET Magazine*, sets the deadline of late 2020 for awarding the contracts so that the new train-sets can

## The Rail Map

**150**  
Private trains to be deployed (Delhi-Mumbai, Delhi-Kolkata and other stretches)

**2,400**  
Coaches to be used in private trains (16 a train)

**₹16,000 cr**  
Likely investment from private operators

**2023-24**  
Start of operations

## Action Plan

Railways finalising requests for qualifications and requests for proposals

Bids likely to be awarded on the basis of routes and time slots in 2020

Trains likely to reach 160 kmph at least on select routes

Operators can fix fares, hire drivers certified by railways & are likely to offer value-added services such as luggage pick-ups and drops, like IRCTC

Railways will levy haulage, power charge

Regulator to be set up to settle disputes and cap fares

Source: Railway officials



hit the tracks by 2023-24.

Private companies already operate and run container trains in

India. But passenger operations have been the preserve of the IR.

The plan to allowing private players in passenger operations won't be a piecemeal exercise, going by the IR's plans. Private operators might even be allowed to bring in their own loco-drivers, though with a caveat that the drivers will have to be certified by the IR for security and safety reasons.

"The railways will have 150 private trains, to



begin with," says Railway Board Chairman Vinod Kumar Yadav in an exclusive interview with *ET Magazine* on the introduction of private trains. "We will run those in Delhi-Mumbai and Delhi-Howrah corridors and also in other viable stretches. There will be a regulator to decide on disputes on routes, fares et al."

The operators will be allowed to either import coaches and locomotives or to get those on lease from the IR, he adds.

*ET Magazine* also spoke with two other senior officers connected with the development to understand the nitty-gritty of the groundbreaking initiative of the transport behemoth – the fourth largest in terms of network (68,000 route-km) after the US, China and Russia. The IR, the officials say, will take a haulage charge from the private operators for using its platforms, tracks, signalling and other infrastructure. Electricity charge will be calculated separately so as to give incentives to operators who bring in new-age trains that consume less power.

There is no clarity as yet on which global railway operators are showing interests in running train in India. The IR hasn't publicly spelt out the conditions for the private entry. But a back-of-the-envelope calculation shows the initiative may straightway fetch the IR ₹16,000 crore in private investments. If, as Yadav says, 150 private trains are introduced and each has 16 coaches, it would make

## Potential Partners

**Deutsche Bahn AG** (Germany)

**SNCF** (France)

**MTR** (Singapore)

**Virgin Trains** (UK)

**First** (UK)

**Renfe** (Spain)

Note: There have been no formal talks yet; public sector train companies such as SNCF are likely to be allowed for bidding; Indian companies may also join the race

2,400 coaches in total. Assuming each coach costs ₹6.5-7 crore, according to industry estimate, the IR should be able to attract ₹15,600-16,800 crore in private investments.

The IR's latest train – Vande Bharat, or Train 18 as it was earlier called – has 16 coaches. It was manufactured at the Integral Coach Factory (ICF) under the Make in India banner and was inaugurated on February 15. The semi-high speed train can reach 160 km an hour, had automatic sliding doors and other latest technologies that set it apart. Though it received wide publicity, the train faced criticism for consuming more electricity. It also sparked differences between the Indian Railways' electrical and mechanical wings over issues related to weight and other specifications.

The private trains will most likely be run by a consortium of train operators, rolling-stock suppliers and investors, says Harsh Dhingra, a management consultant who had earlier served as chief country representative of Bombardier in India. Else it might be difficult to get the technical, operational and financial expertise together for a successful operation. "A supplier like Bombardier can at best be a part of a special purpose vehicle, but the lead has to be taken by a train operator," Dhingra adds.

Deutsche Bahn AG (Germany), SNCF (France), MTR (Singapore), Virgin Trains (UK), First (UK) and Renfe



**"Our company is bullish on India. If the Indian Railways offers buzzing routes for private operators, why not? We would like to be part of a consortium and bid for it. We feel the early birds will have profitable businesses"**

**Subrat Nath**  
MD, Talgo India

# There will be 150 Private Trains to Start With

Railway Board Chairman **Vinod Kumar Yadav** makes it amply clear that the Indian Railways is readying bidding documents to bring in private train operators. In an interview with **Shantanu Nandan Sharma**, Yadav explains why the railways needs private trains, and how and where these will be rolled out. Edited excerpts:

## Why is the railways planning to bring in private trains?

By December 2021, we should be able to complete our dedicated freight corridors (DFCs) connecting Delhi and Mumbai, and Delhi and Howrah [Kolkata]. At present, the permissible maximum speed for freight trains is 60 kmph. But the DFCs are being developed for 100 kmph. All this would mean that 90% of freight traffic on these routes will shift to DFCs.

Meanwhile, the Union cabinet has approved nearly ₹13,000 crore to upgrade the Delhi-Mumbai and Delhi-Kolkata stretches for trains running at 160 kmph.

So, in four to five years, we will be able to run trains according to demand. There will be no waiting lists. But that will also mean that a large number of new trains will be required. The role of the private trains comes in here.

## But the railways can also manufacture more trains and fill the gap. Why do we need private trains?

Private operators are expected to bring in their own train-sets, state-of-the-art technology and innovative ways of providing passenger amenities and finding new luggage-handling solutions.

To prove the concept of private train operations works, we recently handed over two luxurious rakes called Tejas to our own company, IRCTC. It is an experiment before allowing pure private operators. Now, IRCTC has announced value additions such as ₹25 lakh insurance on every ticket,

wheelchairs, home pick-up and delivery of luggage, etc. IRCTC can even pick you up from your home and drop you at the station. In Delhi and Lucknow (to be connected by the IRCTC-run train by October 4), passengers can also avail accommodation at retiring rooms.

## How many private trains will there be? And where will they run?

The railways will have 150 private trains to start with. We are still working on the routes that will go for bidding. We will run these trains in the Delhi-Mumbai and Delhi-Howrah corridors and also in other viable stretches.

## Will it be mandatory for private operators to manufacture coaches and locos in India?

During bidding, we will give options – import, buy rakes from an Indian company or from us. They can get coaches on lease too. But our expectation is that new types of train-sets will arrive.

## How much investment are you expecting from private players? When will these trains start running?

We can't give the exact investment numbers as yet. These are being worked out. We are hoping private trains should run by 2023-24. And for that to happen, the bidding process needs to be initiated soon.

## But who will be the arbitrator if the railways fails to honour its commitments?

When private train operators are brought in, we will need a regulator. The regulator will take a call on disputes, including those on routes and fares.

## But the railways has faced criticism for not being able to successfully run private container trains, which have been around for 13 years.

We regularly sit down with private container operators. Their problems are being sorted out. The operators feel they are unable to compete with Container Corporation of India. It is a railway PSU and a big player.

## You have also decided to corporatise production units despite opposition from workers. Why?

The corporatisation of production units is essential because we will need more coaches and locomotives fit for 160 kmph. Once more autonomy is given, our production units will bring in new technology and produce rolling stocks for internal consumption and for export. There is a huge demand of rolling stocks from Sri Lanka and Bangladesh. Australia may also show interest. It has already imported some coaches.

We are debating whether we should have one holding company or two to club our eight production units. One argument is that we should have two PSUs – one for locos and one for coaches.

## But trade unions are opposed to private trains. How will you deal with that situation?

Before taking a final decision, we will consult all stakeholders, which include trade unions. We will ensure interests of railway employees are fully protected.



(Spain) are among the famous train operators across the world.

The IR is likely to allow public sector train companies, like SNCF, to take part in the bidding.

The government had on its part, as was articulated by Railway Minister Piyush Goyal in the Lok Sabha last month, said it would place private trains under the larger bracket of public-private partnership. After all, tracks, signalling, stations and other infrastructure will continue to be with the IR. And the government won't give away its existing trains to private players.

Dhinga also anticipates Indian companies directly or indirectly connected to railway networks – for example, Tata, Adani and Larsen and Toubro – may join the bandwagon.

The India managing director of Talgo, Spain-based high-speed passenger train maker, Subrat Nath says he has been receiving enquiries from Indian companies on a possible tie-up. "Our company is bullish on India. If the Indian Railways offers buzzing routes for private operators, why not? We would like to be part of a consortium and bid for it. We feel the early birds will have profitable businesses." He adds that Talgo India has the potential to grow bigger than its parent company, Talgo Spain.

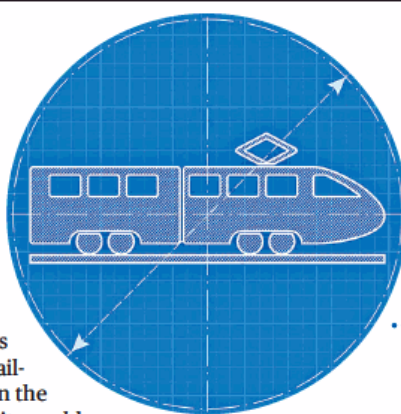
The IR has tested Talgo trains on its tracks, but the Spanish train manufacturer is yet to make any business from India.

For private operators, the key to profit will be through routes and time slots. They will have to get routes that have heavy passenger traffic but ensure there are no delays, for quick turnaround of trains.

As it stands today, the IR may bid out several routes and time slots in the Delhi-Mumbai and Delhi-Kolkata corridors for private players, apart from handpicking other viable routes such as Bengaluru-Chennai, Bengaluru-Mysuru, Secunderabad-Vizag, Nagpur-Secunderabad and Howrah-Vizag, according to officials in the know.

The selection of routes won't be random. IR has estimated that both the eastern and western dedicated freight corridors (DFCs) – connecting mainly Delhi and Kolkata and Delhi and Mumbai – would be ready by December 2021. That means, 90% of the freight traffic on the existing corridors, which carry passengers and freight, will shift to the DFCs, where 120 trains will run daily at 70-80 km per hour, up from 40 now. Also, in the next four years, the Delhi-Mumbai and Delhi-Kolkata passenger corridors will be upgraded for trains to run at 160 kmph, from 130 now. The cabinet has given approval to upgrade the tracks. So, by 2023-24, the IR will need a large number of semi-high-speed trains to fill up the void in the passenger corridor.

The private operators are expected to play a role here. An IR official says busy routes



## Status Check

### Dedicated Freight Corridors

## Being Built

**Western DFC**  
 Dadri, near Delhi, to  
 JNPT in Mumbai)

**1,468 km**

Note: These are known as Delhi-Mumbai and Delhi-Kolkata dedicated freight corridors, respectively



**Eastern DFC**  
 Ludhiana, Punjab,  
 to Dankuni, near  
 Kolkata)

**1,760 km**

## Next Round

**East-West DFC**  
 (Kolkata to Mumbai):

**2,328 km**

**Cost: ₹1.05 lakh cr**

**North-South DFC**  
 (Delhi to Chennai):

**2,327 km**

**Cost: ₹1.08 lakh cr**

**East Coast DFC**  
 (Kharagpur to  
 Vijayawada):

**1,115 km**

**Cost: ₹0.5 lakh cr**



Source: RITES estimates

other those in the Delhi-Mumbai and Delhi-Kolkata corridors too need to be put out for bidding to woo big train operators. After all, bigger players will enter into the Indian railway market only if they see volumes.

The initiative makes sound financial logic for the IR, as private trains will not erode money from its exchequer.

There is no doubt that the IR's financial health continues to be a concern. Its earnings have not improved. Besides, 63% of its expenditure is now incurred on account of salary and other allowances (40%) and pension (23%), according to the budget estimate of

**"We'll oppose any move to privatise railways. Why should we get trains from private operators when we have Shatabdi and Vande Bharat? Had trade unions not been there, railways would have long been a loss-making entity just like Air India"**



**Shiva Gopal Mishra**

General Secretary, All India Railwaymen's Federation

2019-20. Fuel accounts for 15%.

No wonder, the operating ratio of the IR was 96.2% in 2018-19, which is marginally better than 98.4% in 2017-18. That means, the IR uses more than ₹96 of every ₹100 it earns for its day-to-day expenses. This leaves aside virtually nothing to re-invest.

Given this situation, there is an argument that it would make sense for the IR to get private players instead of going ahead with its plan to replace 43,000 outdated ICF coaches with Linke Hofmann Busch (LHB) ones. Not only will the IR struggle to find the money for this replacement, but LHB coaches are an outdated technology globally, say experts. Private trains, on the other hand, will bring in newer coaches and the latest technologies.

At present, LHB coaches are used in trains such as Rajdhani and Shatabdi.

The introduction of private passenger trains, however, is not going to be easy considering the potential opposition from railway trade unions and political parties. Though the IR has for the last 13 years allowed private players to operate container trains on its tracks, the very words "privatisation" and "private train" sit uneasily among a section of the railway fraternity.

The first hurdle for the IR would be to convince its own workers and trade unions that getting private trains won't rob them of their jobs. The IR has a staff strength of a little over 1.2 million against the sanctioned strength of 1.5 million. The fear among the workers is that the entry of private train operators will curtail their strength even further.

"We will oppose any move to privatise the railways," says Shiva Gopal Mishra, general secretary of All India Railwaymen's Federation. "Why should we get trains from private operators when we have quality trains such as Shatabdi and Vande Bharat? Had trade unions not been there, the railways would have long been a loss-making entity, just like Air India."

The trade unions are also threatening nationwide protests.

The move to invite private operators, once it is announced, may witness massive political opposition as well.

Interestingly, the IR was during the major part of the British Raj developed and operated by private companies such as East Indian Railway Company, Great Indian Peninsula Railway and the Bombay, Baroda and Central India Railway, among others. But it has been under the Government of India's control since 1924. After 1947, there was no attempt to bring in private passenger trains, though foreign companies with Indian partners were allowed to run civilian airlines.

So what will be the impact of private trains? Statistically speaking, the introduction of 150 private trains is unlikely to upset the functioning of the humongous Indian railway apparatus that operates 13,542 passenger trains a day and carries 23 million passengers. Private trains will account for just 1.1% of passenger trains a day.

Yet, the deployment of 150 technically superior and faster train-sets will give the IR a facelift. Punctuality is also likely to see a major improvement.

After all, if one Vande Bharat Express had caught the imagination of the entire nation, imagine what 150 stylish ones will do. ■

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# 5

## Questions on Private Trains

**Vivek Sahal, a former Railway Board chairman, has posed these queries to Indian Railways on its plans to start private trains:**

**1** IRCTC was created for better catering services. Has it been selected to operate trains because it has achieved that objective?

**2** If private trains are introduced, who will control the fare? Also, why has railways not been able to raise passenger fares?

**3** Will profitable routes be given to private operators?

**4** Why is railways only planning 160-kmph trains? Why not 200-kmph trains?

**5** Private trains may be a success in Japan, but what is the guarantee the same model will work in India? Has our purchasing power reached a level it can sustain trains with better amenities but also higher fares?





# Armed & Autonomous

A swarm of military-grade drones destroying Saudi oil facilities last week showed just how deadly and effective the weaponisation of UAVs has become

## ALL ABOUT MILITARY DRONES

### TECH

The software is like an auto-pilot linked to onboard motors, propellers, payload activators and weapons

### TASK

Security, surveillance, attack

### SPEED

Mach\* 0.18 (222 kmph)-

Mach 1 (1,234 kmph)

\*Ratio of a drone's speed to speed of sound

### PRICE

₹ 50 lakh+

### RUN ON

Lithium polymer batteries, hydrogen fuel cells, jet fuel

## DRONES FASTER THAN SOUND?

Companies are developing hypersonic weapons – missiles that can dodge air defence system by flying up to five times faster than sound. Thus, combat drones moving at hypersonic speeds (beyond Mach 5) could bypass detection systems making them more lethal

by Shelley Singh

Something once equivalent of a do-it-yourself kit was enough to blow up half of Saudi Arabia's crude oil output on September 14. The 18 low-cost drones (along with cruise missiles), supposedly deployed by Houthi rebels in Yemen to attack the Saudi oil facilities, caused oil prices to jump more than 10% in a day.

In recent years, unmanned aerial vehicles (UAV) or drones that used to improve our daily lives with logistics and mapping support can now be programmed to destroy things remotely. What makes them lethal and effective for warfare are advancements in video-camera techniques, precision operations with improved GPS, stealth operations and faster speed. In fact, capability improvements can be seen from India's own drone procurement and manufacturing. Back in the 1990s, the Indian Army bought Israeli drones for reconnaissance and surveillance. But this year, an order was placed for more than 50 Harop attack drones from Israel. Meanwhile, state-run Defence Research and Development Organisation (DRDO) and a clutch of private Indian companies are making drones and developing UAV technologies.

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## TYPES

**MALE** or Medium Altitude Long Endurance drone:

Can fly up to an altitude of **30,000 feet** and travel over **200 km**

**HALE** or High Altitude Long Endurance drone:

Can go beyond **30,000 feet** and has a range of a few thousand

## INDIA'S HAROP DEFENCE

India has a fleet of around 100 drones and it plans to add 54 Harop attack drones from Israel to enhance unmanned warfare capability. These drones have electro-optical sensors to loiter over high-value military targets like surveillance bases and radar stations before attacking them

## PROJECT RUSTOM

DRDO is developing MALE drones that can travel at 200 kmph and fly at altitudes of 6,000-10,000 feet

## FLYING BUSINESS

**\$886 million**

Likely size of Indian UAV market by 2021

**\$21 billion**

Estimated global size of market by 2021

**\$100 billion**

Global market for drone applications by 2020

**50,000**

No. of drones operating illegally in India before 2018 rules

**>50**

No. of Indian firms in drone business

Source: FICCI-EY report & Industry

## DRONES IN DEMAND

**IRAN**

Shahed-129 and Qasf-1

**ISRAEL**

Harop, Heron TP, Hermes 450 and 900

**CHINA** Wing Loong 1

**US**

Predator and Reaper



"In the last 20 years, whatever was done by helicopters and aircraft can now be done by drones. But if you make good things accessible to bad actors, they will use them for wrong reasons"

Vipul Singh, cofounder, Aarav Unmanned Systems

"To be future-ready, the forces must strengthen unconventional warfare systems that include drones, missiles and air defence"

Vivek Verma, former IAF group captain and head, business development, Tonbo Imaging Systems



## Humble Beginnings

**1959** President Rajendra Prasad launches DD as a pilot project at AIR studio in Delhi. It telecasts 1-hour programmes on social education twice a week

**1965** Daily transmissions begin with shows in morning and evening; five-minute news bulletins start; telecast duration goes up to 4 hours over the coming years

**1975** DD broadcasting extends to seven more cities, including Mumbai and Amritsar

**1976** DD becomes a standalone department, apart from AIR

**1982** Nationwide telecast begins; colour TVs reach Indian homes

**1984** DD network adds more channels, starting with DD 2 (now DD Metro)

**1991** Cable TV & private channels enter the market leading to a decline in DD viewership

**2004** DD launches DD Free Dish, India's only free DTH service

**2016** DD Free Dish goes from Insat-4B to Gsat-15 satellite to allow more free-to-air channels on its DTH service

# Big Bang on Small Screen

Doordarshan, India's first television network and public service TV broadcaster, turned 60 on September 15. Here is a nostalgic look at the broadcaster's milestones, long-running shows and memorable programmes

By Shephali Bhatt

## Iconic Logo

The "DD eye" logo was designed by NID alumnus Devashis Bhattacharyya in the early 1970s; Prime Minister Indira Gandhi picked his design from NID submissions. In May 2019, Prasar Bharti – the TV wing of India's public service broadcasting – shortlisted five submissions for DD's new logo



## DD Today

**34** Satellite channels

**66** Studios/DD Kendras

**5,00,000** hours+ Audio-video content in DD archival library

**₹ 6-7 lakh** Monthly revenue from DD channels on YouTube

**104** Private free-to-air (FTA) channels on DD Free Dish

**₹ 5 crore** Approx annual fee FTA channels pay to be on DD's Free Dish

**3-5%** Households with only DD connection – no cable & satellite channels

**35** DD accounts on Twitter

## Landmark Shows

**1967:** *Krishna Darshan*, designed for rural audience and farmers, starts airing on Republic Day; becomes the longest-running TV programme in India

**1976:** DD airs its first TV serial, *Ladoo Singh Taxiwalla*, starring actor Kanwarjit Palnial

**1982:** *Chitrahaar* starts airing; *Rangoli* hits the TV screens six years later

**1984:** India gets its first soap opera in the 154-episode *Hum Log*, which centres around the trials and tribulations of a middle-class family; It has actor Ashok Kumar as the narrator

**1987-1990:** Ramanand Sagar's *Ramayan* (1987-88) and BR Chopra's *Mahabharat* (1988-90) get high viewership and ad revenues; *Malgudi Days* (based on author RK Narayan's eponymous book of short stories) airs on the channel in 1987

**1994:** Fantasy series *Chandrakanta* airs on DD National every Sunday morning

**1997:** Hindi-language superhero series *Shaktimaan* starts on DD National; starring Mukesh Khanna, the show gets mired in controversies owing to impressionable kids imitating dangerous stunts in the series

## First on DD



### Pratima Puri

Became India's first newsreader when DD began five-minute bulletins in 1965

### Shah Rukh Khan

Did his screen debut with TV series *Fauji* that aired on DD National in 1989

### Karen Lunel

The dancing girl of Liril's first ad featured on DD as it was the only running channel network when the TV commercial was released by Lintas in 1985. Lunel, who is remembered to date for the abandon with which she danced under a waterfall in the ad, was brought to the shoot as a backup model

## DD Tune & Pop Culture



In Zoya Akhtar's 2011 film *Zindagi Na Milegi Dobara*, actor Hrithik Roshan recalls and recreates the DD signature tune in a scene committed to nostalgia



In March 2019, a TikTok video of @Vajshakhdancer09 dancing to the opening music theme of DD News (DD Samachar) goes viral across social media channels



The DD signature tune was composed by Pandit Ravi Shankar and Ustad Ali Ahmed Hussain Khan in 1976



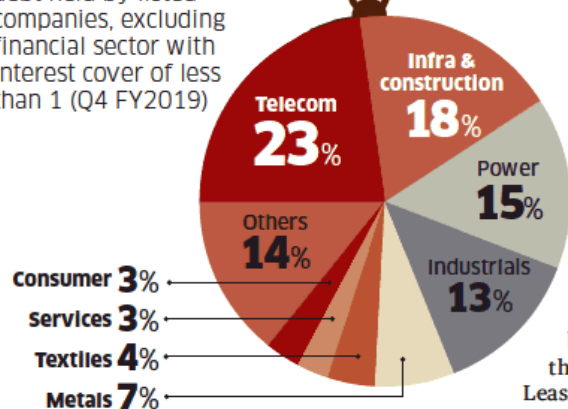
Source: doordarshan.gov.in, media agencies, DD spokespeople, @DDNational on Twitter

# DEBT DISTRESS 2.0

If troubled loans covered under inter-creditor agreements are taken into account, the total stressed assets now exceed gross NPA peaks of March 2018

## Debt Stressed

Sector-wise division of debt held by listed companies, excluding financial sector with interest cover of less than 1 (Q4 FY2019)



Source: Credit Suisse

Note: Interest cover is earnings before interest and tax, or EBIT, divided by interest payout obligations in a year. If a company's operating profits are just sufficient to cover its interest obligations for that year, the figure would be 1

insolvency, thanks to the ongoing liquidity crunch sparked by the collapse of the Infrastructure Leasing & Financial Services (IL&FS) in September

last year.

There are multiple signs of rising debt distress. The gross NPAs for the quarter ended June 30, 2019, halted the downward trend seen in all the four quarters of 2018-19, and inched up again. Last month, a report by Credit Suisse (CS) on debt in Indian companies pointed out that signs of a second wave of stressed loans can be seen in the new Inter-Creditor Agreements (ICA) being signed. An ICA is a process for resolving bad loan situations ahead of the formal insolvency process. The report noted that even though the

reducing the burden on lenders from businesses gone bad, and allowing good parts of a failing company to make a fresh start under new promoters.

Today, however, there is a reason to be concerned that even as the old cases are winding through the IBC process, a new set of companies are flirting with

**Suman Layak**

**N**ithia Capital Resources' first attempt to invest in Indian companies with high debt burden had ended without any success. Around 2014, the London-based asset advisory company raised \$300 million in commitments from investors to buy out small Indian steel-makers and miners. A year or so later, after multiple unsuccessful takeover attempts, the company had to withdraw, as investors lost patience and revoked their commitments.

Founded by former Mittal Steel official Jai Saraf, the company returned

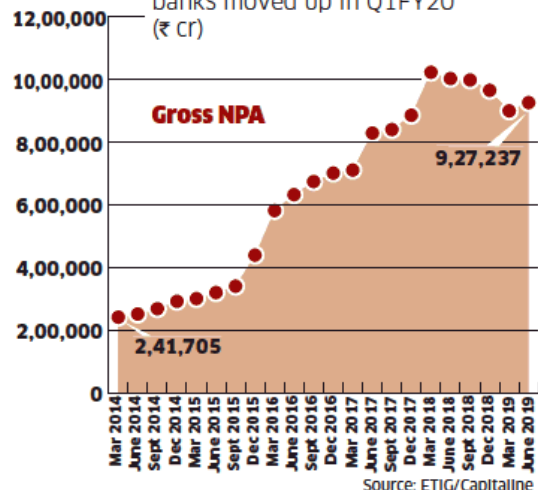
shortly after the Insolvency and Bankruptcy Code (IBC) took effect in India. Its second outing is already looking better than the first. Its initial successful attempt was in a bid for Uttam Value Steels and Uttam Galva Metalloys, as part of a consortium. While the lenders picked the consortium as the preferred bidder, the matter is now in the National Company Law Tribunal (NCLT), the arbitrator of IBC cases.

Nithia Capital is among a number of players that are scoping to acquire debt and distressed assets, hoping to extract value from complex situations. There's the Liberty Group from the UK, distressed funds like SSG, or private equity players such as Blackstone and Bain which are all actively courting distressed assets or companies destabilised by debt. In such deals, lenders agree to write down a substantial chunk of what they are owed, and investors make an offer for the value of the remaining debt plus the assets of the company.

This build-up of companies that are unable to service their debt has been ongoing since 2012. This has translated into a high share of defaulting loans, also known as non-performing assets (NPAs), on the books of banks. In March 2018, this peaked, at 11.75% of total lending, sparking concerns about the health of the banking system. The insolvency and bankruptcy process, which kicked off in 2016, had provided a safety valve,

## Upward Move

Cumulative NPAs of 44 listed banks moved up in Q1FY20 (₹ cr)



Source: ETIG/Capitaline



**"The MF industry has created a lot of wealth for investors. Unfortunately, debt schemes have had some problems, even though they were nothing compared to the scale seen in the banking industry. Whenever investors lose money, it does**

**not look good for MFs. I am confident the learnings from recent events will help the industry"**

**Sundeep Sikka, CEO, Reliance Nippon Life Asset Management**

gross NPA levels fell to 9.6% in the April-June 2019 quarter, from 11.75% in January-March quarter of 2018, if one adds the ₹2.4 lakh crore worth of loans under ICA, for 16 debt-ridden companies, to the NPAs, the total stressed loans would exceed 12% of total lending. Out of the total debt in ICAs, 49% relate to financial sectors.

Ashish Gupta, MD and head of equity research at Credit Suisse, pioneered the tracking of debt situation of Indian companies in 2012. He uses the metric known as interest cover (earning before interest and tax, or EBIT, divided by interest payout obligations in a year). This means if a company's operating profits are just sufficient to cover its interest obligations for that year, the figure would be 1. An interest cover less than 1 means a company has to find a way to fund the difference. A company with interest cover of less than 1.5 is typically watched closely for debt distress.

"A second wave is getting started because of the stress at the non-banking financial companies," Gupta told *ET Magazine*. The report adds that corporate stress is also high as the aggregate interest cover for listed Indian companies fell to 2.3 from 2.7 over the preceding year.

#### Good Tidings

There are some silver linings, though. This time the debt build-up is being managed right as it unfolds. The IBC, even though it has slowed down, is acting as a major pressure valve. "With the IBC, the fear is gone to a large extent," says Nithia's Saraf. He adds that he hopes the ICA mechanism, too, will see banks taking a proactive role in accepting haircuts on their receivables.

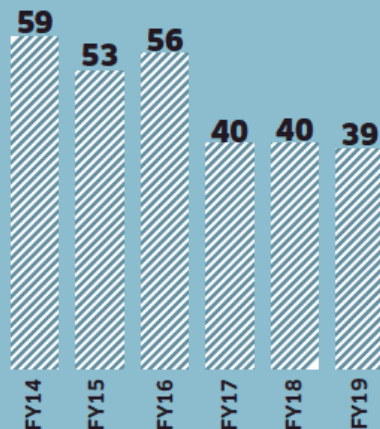
An X-factor here is the big PSU (public sector undertakings, or state-owned) bank mergers announced by Finance Minister Nirmala Sitharaman on August 30, bringing down the total number of PSU banks from 27 to 12. The resultant banks, with greater heft, will be able to make faster and bolder decisions about debt resolution. But on the flip side, the period before and after the merger might see organisational flux, hampering decision-making.

A study of BSE 500 companies (excluding the banking and financial services sector), done by the ET Intelligence Group (ETIG), shows that the actual number of companies with interest

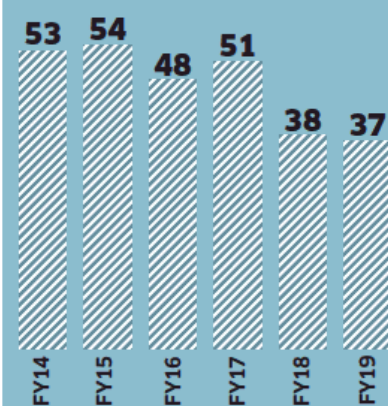
### Silver Lining

The number of BSE 500 companies (excluding BFSI) with low interest cover is falling

#### Firms With Interest Cover < 1



#### Firms With Interest Cover of 1-2



Note: An interest cover of less than 1 means a company's operating profits are not sufficient to cover its interest obligations that year. A company with interest cover of less than 1.5 is watched closely for debt distress.

BFSI is banking, financial services and insurance  
Compiled by: ETIG Database



cover below 1 has fallen over the last few years. The number of such companies fell from 59 in 2013-14 to 39 in 2018-19. In terms of the sheer number of debt-heavy companies, that is a 33% drop. The number of companies with interest cover between 1 and 2 also showed a decline from 53 in 2013-14 to 37 in 2018-19.

There is some hope for further redemption in an environment where interest rates are going down. Elara Capital, in a report dated September 19, says it expected a sharp 50 bps cut in rates by the Reserve Bank of India in October. The report says: "We can expect interest expenses of highly leveraged corporates to drop meaningfully and shore up their net income as early as the third quarter of FY20. Our analysis suggests that a 100 bps reduction in interest rate will expand the NSE 500 (excluding financial sector) net income margin by 480 bps."

Credit Suisse's August report points out three clear areas of stress. The first being the continued corporate stress, it says that companies with interest cover of less than 1 had 42% of the debt, effectively putting 42% of outstanding debt under a cloud. Second, the huge amount of stressed debt being handled through the ICAs indicates that the market is viewing the IBC process as inadequate, almost certainly on account of speed. The third area of stress is the liquidity that used to be available through the shadow banking sector. The CS report says it is likely some debt restructuring may happen in the shadow banks, too, through the ICA route.

#### Learnings from the Battlefield

Much of the unfolding difficulties relates



**"A second wave of debt stress is getting started because of the stress at the non-banking finance companies"**

Ashish Gupta,  
MD & Head of Equity  
Research-India,  
Credit Suisse

to NBFCs (non-banking financial companies) and started with the default by IL&FS in August 2018. The bad news was followed by news of stress at Zee, Dewan Housing Finance Corporation and the Anil Ambani-promoted Reliance Group. The exposure of the mutual funds industry, especially debt mutual funds (as opposed to those that invest in equity), to NBFCs, also came to the fore. By May 2019, the share of debt mutual funds to the total assets under management by the mutual funds industry fell to 29%, compared with 35% a year ago.

Apart from the banks, NBFCs also borrowed from the mutual funds industry, and redemption pressure from the mutual funds has compounded the woes of the NBFCs.

A former president of the Association of Mutual Funds, who asked not to be named, told *ET Magazine* that the mutual funds industry should have done a better job of explaining the difference between

a bank fixed deposit and a debt mutual fund that invests in bonds and has marked-to-market risks. "The fixed income teams at mutual funds would usually be 4-5 people strong. Compare that to the huge teams that banks are able to deploy to their fixed income assets," he points out, admitting that the mutual funds industry made mistakes along the way, while scrambling to climb the assets-under-management league table.

Sundeep Sikka, CEO of Reliance Nippon Life Asset Management Ltd, says the mutual funds industry may finally take a good turn after the crisis. "Unfortunately due to

various challenges in the economy, debt schemes have had some problems. Whenever investors lose money, it does not look good for the MF industry. I am confident that learnings from recent events will help the industry in the future," he adds.

Gupta and his team say this is an ideal situation for debt restructuring at NBFCs. They hint at management change at some big NBFCs when they write: "In the recent finance bill, the RBI has been given powers to restructure/merge/de-merge NBFCs in the interest of financial stability. We, therefore, expect that debt restructuring of some NBFCs may be accompanied with restructuring of the corporate entity."

The role of the RBI as well as the government will become key as the nature of India's NPA problem has undergone a change over the last one year. The stressed debt has suddenly grown again in absolute numbers and the financial sector itself has got troubled, moving the epicentre away from steel and power. ■

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**"With the Insolvency and Bankruptcy Code, the fear of being stuck in a stalemate is gone to a large extent"**

Jal Saraf  
founder, Nithia Capital

### Chronically Stressed

Big borrowers with low interest cover	FY19 gross borrowings (₹ lakh cr)	Q4 EBIT (₹ cr)	Q4 Interest (₹ cr)	Q4 Interest cover
Vodafone Idea	1.26	-2,480.8	3,723.7	-0.7
Bharti Airtel	1.25	1,530.1	3,784	0.4
Tata Motors	1.06	-2,608	1,711.6	-1.5
Tata Power	0.49	1,094.7	1,143.9	1
Reliance Communications	0.47	-155	47	-3.3
Steel Authority of India	0.45	716.2	788.4	0.9
Alok Industries	0.35	-125.3	16.9	-7.4
Jalprakash Associates	0.31	-96.7	680.7	-0.1
Reliance Power	0.31	769.4	775.4	1
Jalprakash Power Ventures	0.26	213.1	377.1	0.6

Source: Credit Suisse



# Plastic Surgery

If India goes ahead with an immediate ban on certain single-use plastics, what could be its likely impact? Are businesses and consumers ready for it?



GETTY IMAGES

by G Seetharaman

**T**he first thing you notice about the waste-collection centre is the absence of stink you associate with mounds of garbage. That's because this municipal corporation facility at Malad in suburban Mumbai is only for segregated dry waste.

It's around noon on a weekday and two trucks, which have collected rubbish from around the neighbourhood, are being unloaded as a third one pulls in. There's everything from a mattress to a travel bag in the trash that was dumped here a few days ago.

Three workers look for recyclable plastic in the refuse, including packaged water bottles and soft drink bottles, and shampoo and handwash containers, which will later be sent to a recycling unit. These plastics are shredded and turned into clothing, toys and trash cans, among others. But there is a lot of plastic here that cannot be recycled and the most common is multilayered plastic (MLP) packaging, used for chips, biscuits, chocolates, etc.

MLP, along with thin grocery bags, straws, cups, glasses and cotton buds, among others, are called single-use or disposable plastics. Water bottles are used only once in advanced economies but in India they are often reused; nine out of ten of polyethylene terephthalate (PET) bottles are recycled in India. In June 2018, Prime Minister Narendra Modi announced that India would eliminate single-use plastics by 2022. Canada and the European Union have since said they would get rid of some single-use plastics by 2021.

Modi reiterated his position last month when

India Generates  
About 2,600  
Truckloads of Plastic  
Waste Every Day

Plastic Waste In  
India In 2017-18  
**26,000\***  
tonnes per day (TPD)

\*requires 2,600 trucks at 10 tonnes per truck



Recycled Plastic Waste  
**15,600** TPD

India's  
Recycling Rate



Source: Central Pollution Control Board; "Production, Use and Fate of All Plastics Ever Made", published in Science Advances in 2017; Our World In Data

Global  
Recycling Rate



he called for the first big step in the fight against disposable plastic to be taken on October 2, the 150th birth anniversary of Mahatma Gandhi. Since that statement, there has been a lot of speculation on whether the government will ban or announce a phasing out of some single-use plastics on that day. How hard will it be to implement a plastic ban? What will it mean for businesses and consumers? Will they find a way around it?

According to Reuters, the government could ban six items, including bags, cups, straws and certain sachets. Another news report pegged the number of items to be outlawed at twice as many. These reports have pushed industry lobbies to issue statements highlighting the adverse impact of a ban and to take out advertisements in newspapers in defence of plastic.

Single-use plastic  
bags and Styrofoam  
containers can take  
up to  
**1,000**  
years  
to decompose

Source: UN Environment Programme

"If an industry has been operating following all the rules, you cannot suddenly say that its products will be banned," says Anil Reddy Vennam, whose Hyderabad-based firm Nayastrap manufactures stretch film used to cover boxes and foods.

India's plastic-processing industry has over 30,000 units and an annual turnover of ₹2.25 lakh crore, according to the All India Plastic Manufacturers' Association (AIPMA). The industry also employs over 4 million people. The government will have to carefully weigh the impact of a

ban, in terms of plant closures and job losses, at a time of economic downturn.

## The Big Trash

There are few materials as versatile as plastic, most of which is made from oil, natural gas and coal. It makes packaged foods last

**"If an industry operates following all the rules, you can't suddenly say its products will be banned"**

**Anil Reddy Vennam**,  
director of Nayastrap, Hyderabad &  
VP, south, All India Plastic Manufacturers' Association



longer on store shelves and withstand extreme temperatures while being transported. Packaging accounts for a third of India's plastic consumption, according to Ficci, an industry body. And 70% of plastic packaging is turned into waste in a short span, as per a report by the Ministry of Housing and Urban Affairs.

India generated 26,000 tonnes per day (TPD) of plastic waste in 2017-18, the latest year for which data is available, according to the Central Pollution Control Board. Of that, 15,600 TPD, or 60%, was recycled. The rest ended up as litter on roads, in landfills or in streams. Uncollected plastic waste poses a huge threat to species on land and in water.

Around eight million tonnes of plastic waste enter the ocean every year. The river Ganga alone took 1.15 lakh tonnes of plastic into the ocean in 2015, second only to China's Yangtze, according to a research paper published in *Nature Communications* magazine. It's also common to see garbage being burnt on the sides of roads, adding to our cities' air-pollution woes. Some plastics take hundreds of years to decompose. That means a polyethylene shopping bag made in 1965, the year it was patented by a Swedish company, could still be at a landfill or in the ocean.

India's plastic recycling rate is 60%, three times higher than the global average of 20%, and India's per capita plastic consumption – at 11 kg in 2014-15 – is less than half the global average of 28 kg. In 2016, India said it wanted to increase the per capita plastic use to 20 kg by 2022. Since half the plastic now produced is meant to be used only once, India has to figure out what plastic it wants to use and ban – and how it will recycle all that trash.

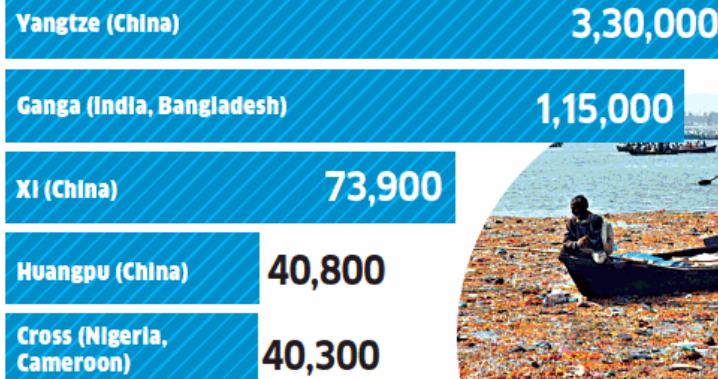


**"We are aggressively developing plastic-free alternatives for packaging mailers, bubble bags, stretch wrap and tape used in packaging"**

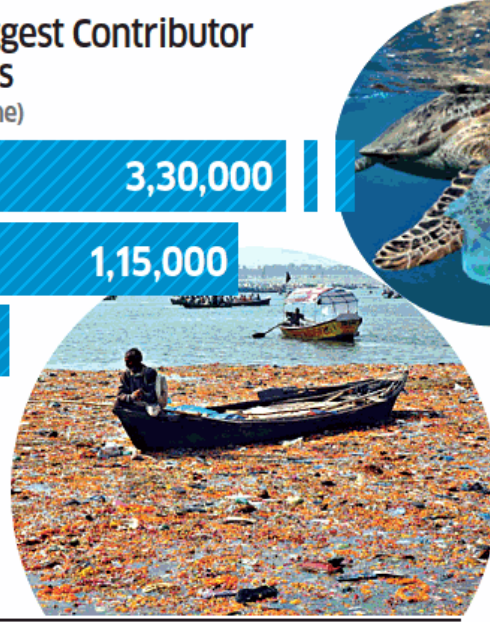
**Akhil Saxena,**  
vice-president, customer fulfilment, Amazon India

## The Ganga is the Second Biggest Contributor to Plastic Pollution in Oceans

Plastic Input into the ocean in 2015 (tonne)



Source: "River Plastic Emissions to the World's Oceans", published in *Nature Communications* in 2017; Our World in Data



### Use & Reuse

A key step in that direction was Extended Producer Responsibility (EPR) under the Plastic Waste Management Rules, 2016, which were amended last year. As part of EPR, producers, importers and brand owners – like fast-moving consumer goods

(FMCG) and pharma companies – are supposed to take back the plastic waste generated by their products, with the help of waste-management companies like Ahmedabad-based Nepra Resource Management. Nepra works with the likes of Nestle, PepsiCo and Colgate to collect plastic waste

from collection centres like the one at Malad in Mumbai.

Nepra transports around 70-80 million tonnes of plastic, most of which is MLP, from the facility to cement kilns in Dhar in Madhya Pradesh, 570 km north-east, every month. MLP is hard to recycle since it has multiple types of plastic, aluminium and, in some cases, paper. So it is used as an alternative for fossil fuels in cement kilns.

Sandeep Patel, cofounder of Nepra, says that despite MLP being non-recyclable, the government cannot ban it since there is no alternative yet. "Companies are trying to shift to single-polymer packaging, which would make it recyclable."

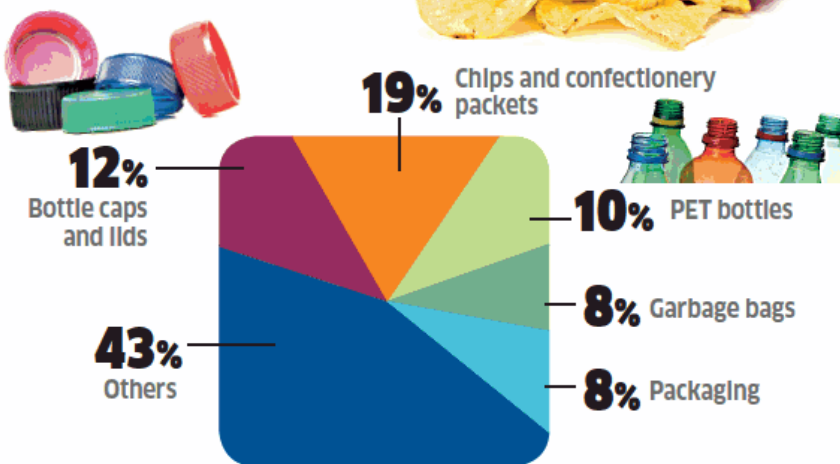
Global FMCG giants Unilever and Nestlé plan to have 100% recyclable or reusable packaging by 2025. Hindustan Unilever, the Indian arm of Unilever, collected and disposed of more than 20,000 tonnes of MLP waste in partnership with nonprofits and startups in more than 30 cities across India, and plans to expand it to more cities, says a company spokesperson. PepsiCo plans to have 100% recovery of its MLP in India by 2021.

### The Challenge

While India is one of 63 countries with EPR, its guidelines for the same continue to be

## Chips and Confectionery Packets Account for the Largest Share of Plastic Waste in India

% of total plastic waste



Source: Ficci

## Single-Use Plastic is the Most Common Debris Found on Beaches and in Rivers and Lakes Globally

No. of units collected in 2018 (mn)



Source: Ocean Conservancy

Note: The clean-up drive took place in 122 countries, including India



**"Multilayered plastic (MLP) packaging is non-recyclable, but government can't ban it as alternatives are not available. Firms are trying to shift to single-polymer packaging"**

**Sandeep Patel,** cofounder, Nepra Resource Management, a waste-management company in Ahmedabad

## Plastic Bans Across the World

# 127

countries have restrictions on manufacture, distribution or use of plastic bags; some have levies



# 27

countries have banned specific products like plates, cups and straws or materials like polystyrene

# 63

countries have Extended Producer Responsibility for companies to take back single-use plastics from consumers

# 8

countries have banned microbeads, which are plastic particles less than or equal to 5 mm in size



Source: UN Environment Programme  
 Note: Data as of July 2018

vague, says Roshan Miranda, cofounder of Hyderabad-based Waste Ventures. "There isn't much clarity on how much of single-use plastic a company puts out needs to be taken back by it," he says. Afroz Shah, a lawyer and environmental activist known for his beach clean-up drive in Mumbai, concurs. "There is no mechanism to implement EPR." Around 95% of the trash he and his volunteers pick up on beaches is disposable plastic.

Even if the government chooses to ban certain plastics, there is a big question mark on how effective it will be. "Plastic is cheap and convenient, and as long as there is demand for it, people are going to manufacture it," says Abhijit Bangar, Nagpur's municipal commissioner. A national ban will have to be enforced by local bodies. Bangar says that unlike urban local bodies, gram panchayats may not have the resources to do routine checks on plastic use.

Maharashtra is among the 23 states that have fully or partially banned plastic bags, but that has not stopped people from using them. Moreover, the fact that five years after Modi launched the Swachh Bharat Mission, only 56% of our urban solid waste is processed and only two-thirds of the wards have 100% segregation of waste at source shows that implementing a plastic ban is going to be far from easy.

There is also no clear evidence that curbs on plastic use have the desired results. A 2018 analysis by the United Nations Environment Programme of bans and levies on plastic bags and Styrofoam in 60 countries found that there was not enough data available on their impact in half the cases. In 30% of cases, there was a drop in usage of those products, but in 20%, there was little to no impact. Emails sent to the Environment Ministry did not elicit a response.

A ban would most likely target plastic cutlery, straws, cups and glasses, which, Miranda says, are mostly made by the unorganised segment. Ram Vilas Paswan, Union minister for food and consumer affairs, recently told *ET* that plastic bottles for water will stay till an affordable alternative is found. But there have been reports that the government could put an end to 200 ml water bottles.

The airline Vistara in July decided to stop giving small water bottles on its flights; state-owned Air India will soon follow suit.

Besides airlines and FMCG companies, e-commerce and food-delivery firms also have to reduce the use of plastic in their deliveries. Walmart-owned Flipkart plans to eliminate single-use plastics by March 2021. Its competitor Amazon aims to do the same by June 2020. But if India decides to ban them in October, the companies will have to advance their deadlines. "We are aggressively developing plastic-free alternatives for packaging mailers, bubble bags, stretch wrap and tape used in packaging," says Akhil Saxena, vice-president of customer fulfilment at Amazon India. Only around 7% of the packaging material at its fulfilment cen-



**"Any ban on plastic is enforced by local bodies. Unlike municipal corporations and councils, gram panchayats may not have the resources to do routine checks"**

**Abhijit Bangar**, municipal commissioner, Nagpur

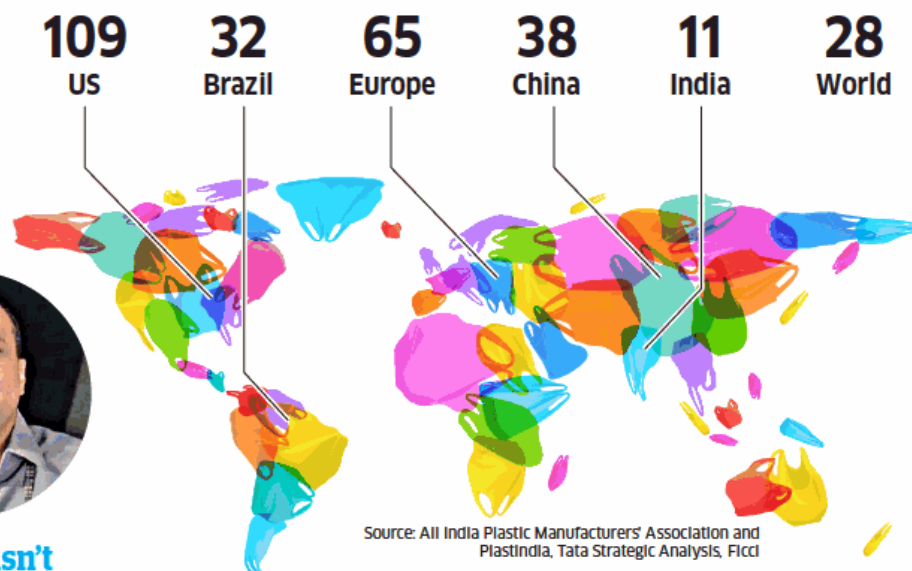


**"There isn't much clarity on how much of single-use plastic that a company puts out needs to be taken back by it under Extended Producer Responsibility"**

**Roshan Miranda**, cofounder, Waste Ventures, Hyderabad

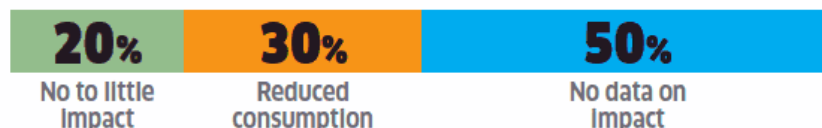
## India's Plastic Consumption is Less Than Half of Global Average

Per capita plastic consumption in 2014-15 (kg)



## Effect of Curbs on Plastics Unclear

Effect Of bans and levies in 60 countries\*



\*on plastic bags and Styrofoam containers

Source: All India Plastic Manufacturers' Association and PlastIndia, Tata Strategic Analysis, Ficci

tries is single-use, and 95% of its deliveries do not carry the invoice in plastic. Food delivery company Swiggy says it helps the restaurants it works with find eco-friendly packaging alternatives to plastic, like paper and glass. Flipkart did not respond to *ET Magazine's* questions nor did Zomato.

Besides the most obvious plastic items like bags and cutlery, there is the cigarette butt, which one does not often think of as plastic. The butts have filters made of a plastic called cellulose acetate; this can be recycled by mixing it with other polymers into shipping pallets and benches. The cigarette butt is the most commonly found litter on beaches and in rivers and lakes. A global coastal clean-up drive in 2018 found 5.7 million of them. Questions sent to ITC, India's largest cigarette maker, went unanswered.

Environmental considerations were not a factor in the decision-making of many companies till recently. But chief executives are now being forced by governments, investors, customers and activists to be more

responsible. "Companies will have to start thinking of the real cost of products in ₹1-2 sachets," says Shah. While those living in slums do not have much of an option in how they discard their waste, companies are taking an informed call on the plastic packaging they use, he adds. However, banning smaller-size packets of chips, chocolates and shampoos means taking those products out of the reach of millions of consumers and giving up a sizeable chunk of the market. Clearly, it's not an easy choice for companies.

There are efforts underway to make sustainable alternatives commercially viable. The past few years have seen a lot of starch-based substitutes for conventional plastic, but there are still concerns over how long they take to break down once they are discarded. Bamboo-handle toothbrushes and edible seaweed packaging are becoming more popular, but they are still not used at scale. The next few years will likely see some of these products being adopted by the masses, but plastic is very much here to stay.

While restricting the production and use of some harmful plastics in a phased manner is essential, equally crucial is figuring out how to handle our plastic waste better. When even parts of India's financial capital, Mumbai, do not segregate dry and wet waste, not much can be said of our smaller cities and towns, which are hardly prepared to handle the surge in refuse. But the biggest challenge when it comes to the use and disposal of plastic is changing behaviours. ■

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**India Has Over 30,000 Plastic-Making Units**

**₹2.25 lakh cr**  
 Market size of plastic processing in value

**> 30,000**  
 Processing units

**> 2,000**  
 Exporters

**4 million**  
 People employed

Source: All India Plastic Manufacturers' Association, Ministry of Commerce

# Blame the Millennials

:: Sruthijith KK

In a 2008 essay in *The New Yorker*, the humorist David Sedaris wrote about his relationship with cigarettes. "When New York banned smoking in the workplace, I quit working. When it was banned in restaurants, I stopped eating out and when the price of cigarettes hit seven dollars a pack I gathered all my stuff together and went to France."

I wish my own relationship with smoking was ever as unabashed. I have always been the hypochondriac sort who spent more time worrying about smoking than indulging in the act, for the habit to be worth it. It's like hours of worrying for a few seconds of pleasure, which, to be fair, is an anxious person's relationship with most pleasures. I started relatively late (mid-20s), took to it with gusto for a while and then struggled to kick the habit and continued for years to keep it somewhat under control, lighting up four or five times a day. I would manage to quit for weeks at a time – even six months once – but in a routine familiar to most smokers, get pulled right back into the nasty habit after the one-off cheatsmoke.

So while I hated the habit, I relished the act. Smoking is the blockbuster hit it is for a reason (1.1 billion people around the world were smokers at the turn of this millennium). It will kill you, but it is also very pleasurable – I say this not to praise smoking, but to be realistic about how hard it is for addicts to quit. And there exists few substances that are more addictive than nicotine. Like many smokers, I used to think wistfully, and also tell friends, that if smoking weren't harmful, I'd smoke a great deal.

**Like many smokers, I used to think wistfully that if smoking weren't harmful, I'd smoke a great deal. That was the seductive promise vaping held out – get your nicotine hit without tar or smoke**

That was the seductive promise vaping held out – get your nicotine hit without the cancer-causing tar and the tissue-damaging smoke that emanates from cigarettes, apart from some 6,000-plus chemicals, many of which cause very scary diseases and conditions. Rather incredible for a piddly little stick, when you think about it. The appeal of vaping was not just that you could indulge your nicotine habit in relative safety, but once you switched to vaping, it became easier to quit altogether. Vaping satiates your craving for nicotine, but doesn't quite deliver the same strong and instantaneous hit that makes cigarettes irresistible.

## Smoked Out

Vape is actually a generic term for different kinds of devices, collectively called Electronic Nicotine Delivery Systems (ENDS). There are multiple methods and technologies, but they all aim to produce a nicotine-laced vapour without combustion. Vaping, which has zoomed in popularity in recent years, with some 40 million users around the world according to 2018 WHO estimates, has also become an entire subculture. There are endless possible combinations of flavours, oils, devices (called mods), various resistance settings to prime the device for different kinds of plumes and so on. There is a certain kind of hideous, underground-chic poster that adorns the walls of vape shops in New Delhi, making them look like a hybrid between a tattoo parlour and a portal to a spiritual cult.

My first vaping device was decidedly clumsy. It was a sizeable cylinder the size of a large cigar, with a small tank of vaping liquid that needed to be refilled and coils that needed replacing. The tank would leak, it wasn't fun to use and we had a short-lived relationship. But it had one upside while it lasted – it kept me off cigarettes.

Then came Juul, the device and company that revolutionised vaping. Juul successfully miniaturised the vape and managed to shrink everything into a sleek device the size of a pen drive. It was quite like the transition from

Worries about teen vaping in the US have overshadowed the central question about e-cigarettes – are they safer than smoking?



**There really is no logic for India to ban e-cigarettes while letting tobacco remain legal, especially when at least some countries have found them to be an effective harm reduction tool for existing smokers**

Walkman to the first iPod. Juul took off so quickly that it went from founding to a valuation of \$38 billion in just three years.

Juul made vaping wildly popular in the US and many other markets. It also had two inadvertent effects. Because the device was small and easy to hide, teenagers could sneak it in anywhere, including their schools. And because it came in delicious, candy-like flavours, young people loved using it.

There are two critical questions around vaping. One is whether the practice is safe. The answer is easy and unambiguous – it's not. Compared with not using tobacco in any form, vaping is harmful.

From a public health and policy standpoint, the more challenging question is the second one – is vaping less harmful than smoking, and if so, could it be an effective tool for tobacco harm reduction and cessation?

It's important to get this one right. The disease burden on India from tobacco is enormous. As per government estimates from 2011, 35% of Indian adults use tobacco, which is a major contributor to non-communicable diseases, responsible for 60% of deaths in India. Some 111 million people smoke in India. The economic cost of tobacco to India in 2011 was calculated to be \$22.4 billion.

The country that appears to have put the most thought and research effort into the question of relative harm of vaping is the UK. And they are unambiguously for it. Public Health England, the government agency, has said, after reviewing scientific literature, that vaping is about 95% less harmful than smoking and is helping some 20,000 people in the UK quit every year. It runs campaigns encouraging smokers to switch to vaping.

The basis of the pro-vaping argument is that it is the tar in cigarettes that causes devastating damage, not the nicotine (although nicotine is harmful for children and pregnant women).

The main plank of the argument opposing vaping is that we can't know exactly how harmful vaping is, till extensive studies and randomised controlled trials deliver the verdict, maybe 20 years from now.

There is no conclusive scientific evidence at the moment about the safety or relative safety of e-cigarettes and other ENDS devices and a number of countries have banned it, while many have chosen to regulate it. The scientific community largely seems to agree that vaping is safer than cigarette smoking, but concerns, such as in the US, that the perception of relative safety is encouraging young people to take up vaping, has overshadowed the central question. The picture is further complicated because periodic studies emerge examining some aspect or the other of vaping in isolation, and media headlines, optimised to generate interest, serve up conclusions in sensationalist garbs, muddling the picture.

There really is no logic for India to ban e-cigarettes while letting tobacco remain legal, especially in light of the fact that at least some countries have found them to be an effective harm reduction tool for existing smokers. And we have a lot of them.

As for me, more than a year after I switched to vaping (with Juul), one day the device ceased to function properly. An acquaintance was going to bring me one from the US (it's cheaper there). But it would take a week. Would that be okay? Sure, I said, and proceeded to wait. After two days I felt I didn't really need it anymore. And by the time one week came around, I felt liberated. I hadn't smoked cigarettes for more than a year, and now I didn't feel the need to vape either. Vaping had successfully removed one smoker from India's burdensome millions. ■

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Suyash Sinha  
 with the  
 MyScoot  
 team

ASHWANI NAGPAL

# SOCIAL, OFFLINE

A cohort of entrepreneurial ventures aims to bring people together so that they can establish new, meaningful connections

"We strongly believe technology has brought in a lot of isolation. Our mission is to get people to interact with each other offline, share their interests"

**Suyash Sinha**  
 Co-founder, MyscOOT

## MyScoot

**Founders:** Suyash Sinha & Sidharth Rawat

**Present in:** Delhi-NCR, Bengaluru

**Events:** Board game nights, poetry evenings, themed parties

**Pricing per event:** ₹200 to ₹10,000

## :: Indulekha Aravind

When Aditya Cherukumudi, 26, moved back to Bengaluru last April from the US, he faced an unfamiliar situation in the city he had always called home. Nearly all the friends he had grown up with had moved out, either to study or work. That was when a universal reality caught up with him – making friends when you are in your 20s or older is not as much of a breeze as it used to be in college. "Everyone is working and 'life admin' can get in the way," says Cherukumudi, referring to

the drudgery of daily chores like paying bills that eat into your time. "You can't always get out on weekends."

Fortunately for Cherukumudi, a data analyst in sports data company STATS Perform, a friend introduced him to That Extra Step. The Bengaluru-based, year-old venture is on a mission to get people to socialise and have "good, clean fun" offline. They host invite-only, activity-focused get-togethers at a fee of ₹250-350. The idea is to help people build a commu-

nity, at a time when we hardly know our neighbours.

Founders Harihar SS, 25, Shubha Somashekar, 32, and Abhay Toshniwal, 48, say they were partly inspired by their own experiences with urban isolation. "Your friends move out, everyone gets busy with their lives or there is a long commute involved to meet them. And more than any of these, there is social media, where you feel so comfortable sharing memes that you don't feel like you miss the person," says Somashekar, who was in retail operations before launching That Extra Step with her brother, Harihar, and their mentor Toshniwal, who used to run his own design firm.

That Extra Step organises frisbee mornings in Bengaluru's Cubbon Park, socials with games and movie screenings with quizzes, among others. "The activity is the excuse to get people together. The larger aim is for people to meet each other," says Toshniwal.

While Cherukumudi was figuring out how to make new friends in his hometown, Delhi-based architect Itika Khajuria was slowly realising she was tiring of the same old routine of partying, which inevitably involved loud music and few real conversations. "Even at the house parties I was going to, there were no gen-

"After school and college, there are limited avenues to make friends. We are looking at this as an effort to build a community"

**Aashish Thakur**, co-founder

## Aragma

**Founders:** Aashish Thakur, Pulkit Jain, Niti Chauhan

**Present in:** Delhi-NCR

**Events:** Home-hosted parties and gatherings, with the option to stay the night

**Pricing per event:** ₹600-900



uine connections." The 26-year-old found herself returning home and spending hours scrolling through her social media feed. That was when she stumbled upon Aragma (Greek slang for chilling), which was started by a group of friends who wanted to promote "home-based chilling" with a limited number of people. Aragma's plan is to get people to socialise at house parties where the focus is on games and activities, rather than alcohol.

That Extra Step and Aragma have come up as a response to the twin needs of tack-

"I realised that in a city like Bangalore, there was a need to meet new people informally and spend time in a relaxed manner"

Arun Rafi, founder



## OpenOut

**Founder:** Arun Rafi

**Present in:** Bengaluru

**Events:** Curated dining experiences in homes for a limited number of guests

**Pricing per event:** ₹1,250 and upwards

"We are promoting real-time connections, a chance to have more conversations over shared interests"

Shrinivas Shinde, founder

ling urban isolation and the desire among the upwardly mobile youth to experience something more than the usual pub-and-restaurant scenes that tend to dominate their social calendars. They are part of a growing cohort of ventures mushrooming in our metros, including Y Combinator-backed startup MyScoot in Delhi, Playace and Beatmap in Mumbai, and OpenOut in Bengaluru.

Urban isolation and loneliness are increasingly being recognised as a public health issue. There are a host of reasons for this, including migration to cities in search of jobs which uproots you from your support system. It has also been partly perpetuated by technology. Former US surgeon-general Vivek Murthy had called loneliness an epidemic, which has an impact on stress, anxiety and depression. Though opinion varies on whether it is an "epidemic" and on its impact, there is growing acknowledgement that this is a problem. Last year, the UK became the first country to appoint a minister for loneliness. An MP in Australia has proposed the country too have a minister of loneliness.

### Human Connect

It is important and essential for us as humans to connect with each other and socialise, says physician and psychiatrist Shyam Bhat, who heads Mindfit (part of Curefit). "Traditionally, there were many places where we socialised: marketplaces, clubs, libraries. Now think about how technology has deprived us of all of those: you read online, so you don't need libraries; you buy online, so you don't need to go to the market; neighbours don't really speak to each other, families are more nuclear." All of this, says Bhat, results in deprivation of genuine social contact, as opposed to transactional contact, which is what most workplace relationships are. The recent community-building initiatives in India, says Bhat, could possibly be an antidote to the isolation in modern life.

These ventures were born after the founders either experienced the problem themselves, as Somashekar says, or by observing it around them.

Like in the case of Suyash Sinha. While working as a consultant with BCG, a job which continuously took him to new cities, the IIM-Calcutta alumnus found himself wondering why it was so hard to find that one



new friend to go to a movie or restaurant with. "I tried to find meaningful connections through classes and workshops. But the classes were so focused on the activity that there was hardly any room for conversations. Or people would be glued to their screens," he says. Sinha and his IIM classmate, Sidharth Rawat, both 30, quit their jobs to launch MyScoot once they realised there were a number of people out there looking to connect with each other in places other than pubs and hobby classes.

MyScoot is designed as a platform connecting guests with hosts, like Airbnb. It offers a range of experiences from themed parties to get-togethers with pets usually in the hosts' houses. "These days everyone is on their phone and seem super happy on their social media profiles. I was just looking to meet people without an agenda, organically," says Swati Singh, a Gurgaon-based web development consultant who threw a Valentine's Day singles party through MyScoot, for which 20 people turned up.

What these ventures promote are a safe space to interact with a limited number of people, through shared interests and activities. Each has a process to screen guests

"Our events are curated in a way that it gets people to interact with each other, have fun together"

Shubha Somashekar, cofounder



to ensure safety, say the founders. MyScoot, for example, has a three- to five-step method, which includes phone calls to the guests, visits to the hosts and ratings and reviews. For That Extra Step, the fact that their events are alcohol-free acts as a filter in itself. "We are not against drinking but there is enough socialising around alcohol already," says Toshniwal.

At the heart of it all is helping people make connections offline. As someone who preferred house parties to partying in pubs, Shrinivas Shinde says he launched Playace in 2017 to connect guests like him to hosts willing to throw parties at home. "But after a few house parties, we noticed people were coming for conversations over shared interests," says the 32-year-old, who has worked in branding earlier. "People just want to be heard."

Some of these ventures are now looking at the next stage of growth. In Bengaluru, OpenOut is looking to relaunch after a three-month hiatus. Founded by Arun Rafi, 31, in 2016 as a platform for people new to the city to meet, OpenOut's events principally re-

## Playace

**Founder:** Shrinivas Shinde

**Present in:** Mumbai, Pune, Bengaluru

**Events:** House parties, live music events, get-togethers focusing on travel tales

**Pricing per event:** ₹300-600

involved around food. The focus was on offering new experiences during the weekend rather than curbing isolation, says Rafi, who was with United Breweries before quitting to focus on OpenOut. He plans to relaunch with more events during the week.

While That Extra Step's and Aragma's revenue is through ticketing, MyScoot, Playace and OpenOut charge a commission from hosts and guests. Playace also earns through brand sponsorships. MyScoot is funded by Y Combinator and Lightspeed while the others are bootstrapped. Aragma is an exception. "We are looking at it more as an effort to build a community and are just trying to cover our costs," says cofounder Aashish Thakur, adding that they do not see it as a business.

The space seems to have some business potential.

Speaking about the problem and why they invested, Y Combinator partner Adora Chung says people universally want kinship. "The most obvious solution is the old-fashioned one that we already know works — get people to meet and do things together in person. Overall, we think solving this problem is quickly becoming an enormous opportunity."

MyScoot's Sinha says what is helping the concept of their startup is the acceptance of a shared economy. "I feel the world has warmed up to the idea with cab-sharing, shared workplaces and coliving."

For the urban upwardly mobile who want to look up from their screens, these initiatives offer a real-world option. "It is nice to have something to go to every week with other people," says Cherukumudi, now a regular at That Extra Step's frisbee and potluck sessions in Cubbon Park on Sunday mornings. ■

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## Global Loneliness Epidemic

**541,000** people between 15 and 39 in Japan live avoiding social contact

**46%** of Americans in a survey reported feeling alone always or sometimes

**20%** of adults in the UK feel lonely most or all of the time

**8%** of Indian youth in a 2016 survey reported feeling lonely quite frequently

Source: Surveys by Japanese and UK govts, Cigna, Centre for the Study of Developing Societies and Konrad Adenauer Stiftung

## That Extra Step

**Founders:** Shubha Somashekar, Hariharas, Abhay Toshniwal

**Present in:** Bengaluru

**Events:** Alcohol-free gatherings, including games and picnics at Cubbon Park, music performances and movie screenings with quizzes

**Pricing per event:** ₹250-350 (monthly Super Sunday Socials in Cubbon Park are free)

# West Side Plate Story

How Indian chefs and restaurateurs are taking regional food to the West, beyond foodie capitals like London and New York

## :: Anoothi Vishal

**A**nna Morelli, the influential publisher of Tuscany-based *Cook Inc.*, described as one of the most avant-garde food magazines in the world, cannot understand how to eat a dosa. The cone reminds her of things to smoke or a Cornetto ice cream, but this is perplexing new food. The idea of breaking off a bite, dipping it in sambar, scooping up coconut chutney and putting it in one's mouth, as millions of Indians do for breakfast routinely, is alien and intimidating.

The octopus ceviche that is served just before this – fresh, bursting with citrus flavours and dressed with just a dot of kasundi – has been easily lapped up, though. “I am partly Colombian, after all, I should judge this ceviche,” she tells me, before forking it up to much appreciation. After the ceviche, it is my turn to guide Morelli on the dosa, as also the keema pao that follows.

This is a lunch at chef and restaurateur Ritu Dalmia's Spica, her new restaurant in Milan, where cultural exchanges are taking place over food. Perhaps, this is just the way she wanted it. Here, food is inspired by her travels – from South America to Southeast Asia and from Mumbai to Brussels. She is treading new ground, breaking cultural barriers and bringing global gastronomy to Italy, otherwise a more conservative and closed market for international flavours than, say, London and New York.

Apart from Cittamani, her contemporary Indian restaurant in Milan, Dalmia also has a 20% stake in Viva, her friend Viviana Varese's restaurant. Their collaboration continues in Spica, Dalmia's third venture in Milan, a city where she stays half the year and knows perhaps as well as Delhi, where Diva, her restaurant

that opened in 2000, is a flag-bearer of Italian culture and cuisine. The story of Dalmia, who transformed her passion for Italy into a successful restaurant business, is well-known. What she is doing in Milan is no less remarkable.

Backed by an investment made by industrialist Analjit Singh in her company Riga Foods in 2016 (Singh acquired a 51% stake), Dalmia is focusing on Europe, communicating her Indian roots through food to a culture where India seems much loved but little understood – as yet.

Cittamani opened two years ago in Milan and has been serving diverse dishes such as khasta kachori with sweet-and-sour, Marwari-style aloo-petha (potatoes and pumpkin); tuna tartare with chunky mattar, sweet green peas tempered with hing; and masala octopus with the homely gajar-methi (carrots and fenugreek leaves) of a north Indian winter.

This is Indian home-style flavours made comprehensible to an Italian audience that knows little beyond dal makhni and tikka masala. In the process, Dalmia has been

able to raise the image of Indian food from being cheap, oily, chilli-laden take-away to refined gastronomy worthy of paying €70 per person at Cittamani.

Is her European audience a little more aware of the nuances of Indian regional food after two years?

At Spica, food is inspired by Dalmia's travels – from South America to Southeast Asia and from Mumbai to Brussels

## Ritu Dalmia

Spica is her new restaurant in Milan, after Cittamani



Three-hundred dishes from all over Karnataka, from different communities and micro regions, have been researched, recorded and recreated at Oota restaurant in Bengaluru



## Windmills Craftworks

The Bengaluru-based microbrewery is all set to go to Dallas early next year. On the menu will be not just craft beers but also food from its sister restaurant Oota

## Outside Big Apple

Beyond London and, to some extent, New York, more aware global audiences are discovering nuanced regional Indian food through the work of a handful of Indian chefs who are trying to beat stereotypes.

Chintan Pandya, the executive chef of Rahi and Adda Indian Canteen in New York, is perhaps the most promising and talked-about Indian chef in the US right now, his food having found acclaim even in a review by the *New York Times'* food critic Pete Wells, who called it a “lusty, full-throated defence of traditional cooking”.

Apart from the restaurant kitchens that Pandya heads in New York, where he serves lesser known street dishes such as bheja fry and tawa kaleji, food that he calls “unapologetically Indian”, he has been trying to take his kind of gastronomy (modern Indian, street food and re-

Pandya, who refuses to offer tikka masala or tone down spices at his restaurants, serves tangra octopus, banana leaf chicken and bhatti da murg ➤

gional Indian) to other cities and towns of America through pop-ups and collaborations. He was recently in Miami and is now headed to Charleston in South Carolina.

"Millennials are travelling much more than previous generations and social media has brought lesser known parts of the planet to the forefront. We see a tremendous appetite for authentic regional dishes like never before. We are at the cusp of a major breakthrough in the broader mainstream market," says Pandya, who refuses to serve British dishes like tikka masala or tone down spices in his food to make it more acceptable to his audience.

Pandya feels that while earlier chefs and restaurateurs would Americanise their cuisine to get more footfalls, today that approach is fading and "a fresh new breed of chefs are questioning the status quo".

America now seems to be at the beginning of a wave of a new kind of Indian cuisine by Indian chefs who have been brought up or worked in India and are increasingly partnering with US-based entrepreneurs of Indian origin, who are keen to bring "real" Indian food to the table.

Nikhil Merchant, writer and consultant who travels between Mumbai and Los Angeles, is in the process of opening his restaurant Imli in LA with entrepreneurs Nishit and Ashwini Jhaveri, who grew up on the American West Coast but got acquainted with Mumbai-Goan food during their travels to India. They want to bring these

flavours to their city now. "There are at least 30-40 Indian restaurants in the Bay Area but if you see their menus, they are all copy-and-paste with samosa and tikka masala. We are sun-drying our spices and grinding them, and there will be simple home-style dishes on the menu such as kombdi rassa (chicken curry with Maharashtrian spices) that we eat at home," says Merchant.

In San Francisco, restaurants like the Bib Gourmand-listed Dosa, which serves stylish south Indian flavours (like Ambur almond gravy where cashew is replaced by Californian almonds in a mango rassa); chef



### Chintan Pandya

The Mumbai-born chef of Rahi and Adda Indian Canteen in New York is taking his food to Miami and Charleston, South Carolina, through pop-ups and collaborations

Srijith Gopinathan's luxurious restaurant at the Taj Campton Place that recently won two Michelin stars; and chef Sujan Sarkar's Rooh serve Indian gastronomy that is high end and very different from its ethnic, cheap food image.

Some of these restaurants are going to new destinations that are not so acquainted with Indian food. After San Francisco, Rooh has now opened in Chicago and is set to go to Columbus, Ohio, later this month. Sarkar says he is also working on a new concept in Palo Alto that will open early next year. "Yes, a new Indian food movement has started in the US and I am fortunate to be part of that. More and more regional Indian restaurants are opening and people are getting introduced to flavours that were rarely available before," says Sarkar, who serves inventive yet rooted-in-tradition dishes such as kadambuttu (steamed rice balls from Coorg) with Alleppey-style fish curry flavoured with rhubarb instead of tamarind.

### Evolving Foodies

Audiences for this kind of authentic dining may be niche but growing. In Vancouver in Canada, chef and restaurateur Vikram Vij,

who opened the eponymous Vij's 25 years ago, now has three other restaurants in British Columbia and says the audience is evolving and asking more questions because they travel more. "We never served mainstream dishes like butter chicken or chicken tikka masala but traditional food cooked at Punjabi homes. We roast our own spices so that people can taste the difference. It has been a 25-year journey and we are celebrating it with pride," he says.

Vij's wife Meeru supervises the cooking, while he comes to the floor every evening to talk to the customers and educate them.

Customers may be evolving and chefs may be trying to serve their identity through food, but it is a slow process of mainstreaming. James Beard Award-winning food critic Hanna Raskin says that although most diners in the US are beginning to "grasp that northern and southern Indian cuisines – to simplify the case greatly – aren't precisely the same, I'd bet 73% of Americans assume families across India eat vindaloo every night!"

Still, this new wave of restaurants and chefs serving regional food are encouraging more players and expanding the market. Bengaluru-based microbrewery Windmills Craftworks is all set to go to Dallas, Texas, early next year. On the menu will be not just craft beers that the Indian owners have developed – remarkable to market them in a mature market such as the US – but also food from Karnataka. Windmills' sister restaurant Oota in Whitefield, Bengaluru, is perhaps the most phenomenally researched regional Indian restaurant to have come up in the country in the last two years. Three-hundred dishes from all over Karnataka, from different communities and micro regions, have been researched, recorded and recreated. Now, some of these will travel to Dallas, according to executive chef Mandaar Sukhtankar, who is finalising the menu.

Clearly, there is more than steak at stake in the American Midwest and other hitherto culturally insular markets for regional Indian gastronomy. ■

The writer looks at cuisines and food cultures



### Sujan Sarkar

After establishing Rooh in San Francisco, he has opened it in Chicago and is set to go to Columbus, Ohio, later this month



Rooh serves modern Indian gastronomy

Review: iPhone 11

# Performance Power

By Aabhas Sharma

**L**ast year, Apple broke the ₹1 lakh barrier with its XS range of smartphones and has now followed it up the same pricing for iPhone 11 Pro and iPhone 11 Pro Max. But even for die-hard Apple fans, shelling out more than ₹1 lakh might be a bridge too far. Perhaps that is why Apple realised that it needed a phone that keeps the fans on its side and gain a few converts (those who will switch from Android phones) as well. The iPhone 11 is that phone for Apple.

The iPhone 11 comes as the successor to the widely-popular iPhone XR and it does have some big boots to fill. Apple hasn't tinkered too much with the display of iPhone 11. It retains the 6.1-inch Liquid Retina display found in the iPhone XR. What is different in the design is the dual rear camera setup. iPhone 11 comes with a 12-megapixel wide lens and another 12-megapixel ultra-wide lens.

While Apple has cut some corners in iPhone 11, especially in the display, compared to the iPhone 11 Pro series, it hasn't made any compromises on the performance. The iPhone 11 is powered by the A13 bionic processor, which delivers blazing fast speed. We

didn't notice even a hint of lag or stuttering during our time with the iPhone 11. You can unleash all sorts of heavy-duty tasks at the iPhone 11 and it handles them all with ease.

The dual rear camera setup is a welcome addition to the iPhone 11.

Last year, XR didn't have certain camera features present in more expensive versions. With the iPhone 11, barring the lack of a telephoto lens, the camera remains more or less the same as the Pro range. The images clicked with iPhone 11 offer a lot of details; the colours are accurate and it manages to get the lighting accurate almost every time.

iPhone 11 has a 12-megapixel front camera and Apple has added some nifty features to the camera app to make the whole experience much better. It delivers impressive battery life and we found that on a single charge, it lasted easily for up to 14 hours with moderate to heavy usage.

At a starting price of ₹64,900, the iPhone 11 is a no-brainer for anyone who is looking to upgrade from an older iPhone. ■

*The writer is with gadgetsnow.com*

# iOS 13: New Beginnings

Here is how the new operating system will change the way your iPhone works

By Robn Sinha

**L**ike every year, it is time for a new operating system for iPhone users. Apple has just rolled out iOS 13. First unveiled at WWDC in June, iOS 13 not just revamps the OS's look with its "Dark Mode" but also boasts several new features that aim to make iPhones more productive and fun to use.

Dark Mode brings a dramatic new look, changing the way all the stock apps and the notification panel look. The white spaces turn to either black or dark grey so it is easy on your eyes in low light.

Another major change is in the portrait photo-editing features. You get new editing tools to easily sharpen, brighten and make other tweaks. Video editing too has evolved with the ability to adjust brightness and contrast, something iPhone users couldn't do natively before. iOS 13 brings a change in interface design for Photos that can now sort images and videos based on years, months, weeks and days and show them in a carousel. With an overhauled Maps app, iPhone users now get one-tap access to saved places.



Apple says it built the app from the ground-up, showing more detailed buildings, roads and shops.

Memoji lovers have more customisation options – more hairstyles, headgear, makeup and even piercings. They automatically become stickers in your keyboard so you can share them anytime. Talking about keyboard, iOS 13 users finally get the privilege to use swipe gestures for typing, something Google's Android keyboard has for quite some time.

An overall performance boost is expected with faster face unlock time, faster app launches and quicker downloads. And if you feel lazy, iOS 13 comes with a "Voice Control" feature that lets you control the iPhone, navigate through options, edit texts and more without even touching the device. So, with a change in look, more number of features and a powerful performance, iOS 13 offers a good revamp for iPhone users.

Apple iOS 13 will be coming to iPhone SE, iPhone 6S series, 7 series, 8 series and X series. This year's iPhones – iPhone 11, 11 Pro and 11 Pro Max – come with iOS 13 pre-installed. In a big change, Apple has let go of iPads from the iOS ecosystem this year. The company has introduced a dedicated OS called iPadOS, which will arrive on September 24. ■

*The writer is with gadgetsnow.com*



# Apple Arcade: Let the Games Begin

The new, subscription-based, gaming platform has over 100 titles already

By Robn Sinha

**W**hile Apple's latest mobile operating system iOS 13 brings major new features and enhancements to iPhones, what users may find more exciting is Apple Arcade – a new gaming platform. Many see Arcade as a response to Google's Stadia gaming platform. But let us keep that debate for another day. For now, Apple appears to be attracting a lot of buzz with the Arcade subscription model, which kicks in after a month of free trial. As a part of it, users don't need to spend extra for purchases within games.

At ₹99 per month, users get unlimited access to games with zero ads and the ability to share the plan with up to five more members. Apple has over 100 titles already in Arcade and any of the six members can play them across iPhones, iPad and Apple TV. Some popular titles featured are The Speed of Sound, The Pathless, Where Cards Fall,



LEGO Brawls, Hot Lava and Beyond A Steel Sky.

So how does one get started with Arcade? All you need to do is update to iOS 13 and open the App Store. In the menu bar below is the "Arcade" tab from where you can download games and get going. You may find some big names and quality first-person shooter games missing. But as Apple promised during the Worldwide Developers Conference this year, Arcade will add games in the coming months. You can, meanwhile, continue playing games from different genres like arcade, adventure, role-playing and puzzles.

Apple has also made Arcade compatible with Screen Time and added parental controls. Parents can set a time limit on the apps downloaded from Arcade, after which these will not be accessible to children.

Have fun. ■

Write to us with feedback [etmagazine@timesgroup.com](mailto:etmagazine@timesgroup.com)