

IN BRIEF

Sanjeev Nandan Sahai takes charge as power secretary



Sanjeev Nandan Sahai assumed charge as Secretary of the Power Ministry on Friday. "Prior to this, he was serving as the Special Secretary in the Ministry of Power," the ministry said in a statement. Sahai is a UT cadre IAS officer of 1986 batch. He has also served as Additional Secretary in the Ministry of Power from May, 2018 to July, 2019, according to the statement. Along with these, Sahai has held several other important positions in the Union as well as state governments. These include DG (Additional Secretary equivalent) and Additional Secretary in the Ministry of Commerce and Industry, Principal Secretary in the Home Department, Chairman and MD of Delhi Transport Corporation, Secretary-cum-Commissioner Transport for Delhi Government, Chairman of the Chandigarh Housing Board, Finance Secretary in the Government of NCT of Delhi, among others. **PTI**

Seventh PMC Bank depositor dies since scam surfaced

A 64-year-old depositor of Punjab & Maharashtra Cooperative (PMC) Bank died due to a heart attack in neighboring Navi Mumbai, her family said on Friday. Kuldeep Kaur Vig (64) is the seventh PMC Bank depositor to have died after the alleged ₹4,355-crore scam at the bank came to light and the RBI imposed restrictions on withdrawal of funds. Kaur was quite stressed after watching news about depositors' protest on TV, her husband Varinder Singh Vig (74) said. **PTI**

Chidambaram fine, hospitalisation not needed: AIIMS to HC

The Delhi High Court was informed Friday that according to AIIMS Medical Board the health condition of former finance minister P Chidambaram, who is suffering from Crohn's disease and lodged in Tihar jail in the INX Media money laundering case, is fine and does not require hospitalisation. Solicitor General Tushar Mehta read out the report of the medical board, set up on the court's order to examine Chidambaram's health condition. **PTI**

First index for export preparedness likely in Jan 2020

The Centre is likely to release the first index to rank states and Union territories based on their preparedness to promote exports, an official said. This would help in promoting healthy competition among states and UTs to work on promoting exports, which is one of the key indicators for boosting economic growth. **PTI**

Now, workers can generate IAN from EPFO portal directly

EPFO on Friday launched a facility for formal sector workers to obtain universal account number online without depending on their employers. Presently, workers are required to apply through employers to get the universal account number, which enables them to avoid filing PF transfer claims on changing jobs. **PTI**

No need for passport for Sikhs to visit Kartarpur: Pakistan PM



Pakistan Prime Minister Imran Khan on Friday announced that Sikh pilgrims from India would only need a valid ID and not a passport to travel to Kartarpur and no fee would be charged from them on the opening day of the Corridor and on Guru Nanak's 550th birth anniversary. In a tweet on Friday morning, the prime minister also announced that the condition for pilgrims to register 10 days before their arrival to the Gurdwara Darbar Sahib, the shrine of the Sikh religion's founder Guru Nanak Dev in Kartarpur, has been waived off. **PTI**

Gaps in Budget team has experts worried

Budget will be presented in Parliament in early 2020; people joining now will find it difficult to pick up



SUBHOMOY BHATTACHARJEE
New Delhi, 1 November

Finance Minister Nirmala Sitharaman's key Budget team for 2020 has gaps in key positions. As the Budget season of the government begins in earnest, the posts of joint secretary (Budget) and of expenditure secretary are being handled as additional charges by other officers. On Wednesday, Economic Affairs Secretary Atanu Chakraborty was given additional charge as expenditure secretary. What is surprising is that Revenue Secretary Ajay Bhushan Pandey, despite being senior to Chakraborty, was not given the additional charge once Expenditure Secretary Girish Chandra Murmu was elevated as Lieutenant Governor of Jammu & Kashmir. Pandey is from 1984 batch of IAS while Chakraborty is from the 1985 batch. Also, just a week ago, the officer next to Murmu, special secretary Pramod Kumar Das, who was tipped to take over as expenditure secretary was instead transferred to the ministry of

minority affairs as secretary.

In less than 20 days, the winter session of Parliament will begin where the finance ministry will present its second supplementary demand for grants, a top up of the annual Budget allocation made in July. The expenditure secretary is the points man for the finance minister in this exercise, which will be Chakraborty unless a replacement for him arrives by then.

In preparations for this exercise, officers from respective ministries have already come up to North Block periodically with their report cards of money spent in the fiscal year and have offered projections of what they plan to spend in the next fiscal year. These meetings determine pretty much the expenditure budget of the government, which also includes the Railway budget, merged into it since 2017.

The annual Budget will be tabled in Parliament within three months at the end of January. "It seems most difficult for a new officer to pick up the details at this stage and to be in control of the Budget process. A

delay will make it an impossible task," said a former secretary from the ministry.

It is going to be even more difficult this year as the next person to stand in for the expenditure secretary, joint secretary (budget), too, is vacant, since Arvind Srivastava moved across the road to the Prime Minister's Office in August. While the joint secretary (budget) is notionally under the department of economic affairs, in the Budget exercise, the officer in this post works in close conjunction with the expenditure department. Often officers from this post have later gone on to become expenditure secretaries.

Since Chakraborty continues to be department of economic affairs secretary he shall now have the advantage of both the larger expenditure department and the budget division in DEA reporting to him.

There are other senior-level vacancies in the North Block and these, too, could affect the Budget time table. This includes vacancy in the post of joint secretary (public finance-central I).

While there have been episodes earlier where one secretary in the finance ministry has held additional charge, old hands could not recall instances where it has happened so close to the presentation of the annual Budget. Because of the uneven terms in which officers retire changes at secretary levels have happened close to Budget. But the switch among finance ministry officers have been made seamless in recent years since those have been announced well in time to offer the new person a chance to familiarise oneself with the department.

For instance, current Election Commissioner Ashok Lavasa retired at the end of October 2017 to be replaced by Ajay Narayan Jha. But Jha's appointment was announced a fortnight before. Jha served as officer on special duty till Lavasa's term got over on October 31. Murmu came in as expenditure secretary with a similar lag. His appointment was announced in November 2018 and he took over after Jha retired after the presentation of Budget in January.

India reiterates stand to US on strategic relations with Iran

ARUP ROYCHOUDHURY
New Delhi, 1 November

India, on Friday, reiterated its stance to the United States regarding the importance of a strategic relationship with Iran in the face of denial of land access by Pakistan to Afghanistan. This was conveyed by Finance Minister Nirmala Sitharaman to her US counterpart, Treasury Secretary Steven Mnuchin.

"From our side we explained the Indian position, particularly the need to maintain land-based access to Afghanistan. We explained the need for us to have the Chabahar port link, and from there the rail corridor to Afghanistan. This is especially in the context of Pakistan denying us access through land," Sitharaman said.

US President Donald Trump had reinstated a number of sanctions on Iran which his predecessor Barack Obama had tried to dismantle. The latest sanctions were intended to force Iran to dramatically alter its policies in the region, including its support for militant groups in the region and its development of ballistic missiles. The



Finance Minister Nirmala Sitharaman (right) and US Secretary of the Treasury Steven Mnuchin during a meeting in New Delhi on Friday. PHOTO: PTI

US has said it will impose sanctions on whoever deals with Iran. Sitharaman explained that India's relation with Iran was a strategic one, especially regarding the Chabahar Port and the corridor to Afghanistan. Iran's only deep sea port and the rail links leading out of it have been constructed and developed with India's help.

On his part Mnuchin said that the U.S. has been working with allies, especially in the Middle East, to ensure that there is enough oil supply to offset the sanctions against Iran. "We are sensitive to

the fact that India has tremendous energy needs. We look forward to working with India on liquefied natural gas," he said.

"We are working together to promote growth and promote economic security in both of our countries. I look forward to the Indian government's goal of reaching to a \$5 trillion economy, I think that they will hit that goal even faster than they expect, with what are great economic opportunities as they promote growth," Mnuchin said.

The Treasury Secretary added that the United States and China

were working hard to conclude a trade deal following directions from their leaders.

A statement released after the meeting between Sitharaman and Mnuchin said that a range of issues were discussed such as the global, US, and Indian economic outlooks, global debt sustainability, financial sector reforms, leveraging of capital flows and investment, and tackling money laundering and combating the financing of terrorism.

"As India gears up for the 2022 Presidency of the G20, the United States stands ready to support India in hosting a successful and focused Presidency," the statement said.

"The United States and India recognize the importance of foreign portfolio investors for supporting economic growth, and discussed ways to build on India's positive steps in further opening to greater foreign portfolio investment. Both sides welcome the growing bilateral foreign direct investment between our countries and underscore the importance of India taking steps to improve its investment climate for all types of investors. These investments will help to boost growth for both countries," it said.

Reserve Bank rejigs regulatory and supervision depts

SUBRATA PANDA
Mumbai, 1 November

The different departments responsible for supervision and regulation of banks, non-banks and co-operative banks have been unified by the Reserve Bank of India (RBI) under the Department of Supervision and Department of Regulation, with effect from November 1.

Earlier, financial sector supervision was undertaken through three separate departments — the Department of banking supervision, Department of non-banking supervision and Department of co-operative bank supervision. Similarly, the regulatory powers of the RBI over banks, NBFCs and cooperative banks were carried out through three separate departments — the Department of banking regulation, Department of non-banking regulation and Department of cooperative banking regulation.

The RBI said this move will make supervisory and regulatory process more activity-based rather than being segmented purely based on the organisational structure of regulated entities. This will also enable more effective and consolidated supervision of financial conglomerates under RBI's purview.

According to the regulator, the restructuring will give categorised supervisory approach to all the RBI supervised entities linked to their size and complexity.



POLL IN THE RED REGION

Jharkhand, parts of which are under Maoist influence, will have a five phased polling from November 30 to December 20. Counting of votes is on December 23. Jharkhand has a BJP government with Raghubar Das as the chief minister, the first CM of the state to complete a five-year term after the state was created in November 2000

ARCHIS MOHAN

Total Assembly seats	Reserved for STs	Reserved for SCs
81	28	9

■ Current Assembly expires on January 5

2.26 crore Total electorate

29,464 Number of polling stations (19.54% increase over 2014)

■ Polling in five phases from November 30 to December 20

■ Counting of votes on December 23

POLLING ON

November 30:	13-seats
December 7:	20-seats
December 12:	17-seats
December 16:	15-seats
December 20:	16-seats

Shiv Sena's grim trigger strategy

The outcome of the BJP-Sena battle depends on Uddhav Thackeray's ego

TCA SRINIVASA RAGHAVAN
New Delhi, 1 November

For the last few days there has been a lot of discussion about the politics of Maharashtra. This is because the recent Assembly election failed to throw up a clear winner.

The Shiv Sena, encouraged by its electoral performance, now wants to share the chief ministership with the incumbent BJP. The BJP has said no. You can have the deputy chief ministership, it has told the Sena. In turn the Sena has resorted to brinkmanship.

Those familiar with game theory will recognise what the Shiv Sena is doing. It is playing a version of what is called the Grim Trigger strategy.

Game theory is a branch of economics developed about 80 years ago to analyse how adversaries strategise to gain at the other player's expense. Grim trigger is one little known part of it. But it's not new.

Basically, the game consists of two players in which there is no draw. It is a special case of non-cooperative strategy that is completely unforgiving.

The theory says that while co-operation will leave everyone somewhat better off, non-cooperation will leave everyone very much worse off. In the extreme form you get only one chance to play it.

The problem arises when a unilateral deviation from a co-operative strategy is seen as being so profitable that there is no way of ensuring co-operation. It becomes a fight unto death. The Kashmiri separatists played it and have lost forever.

The strategy was tried in 2008 by the CPM with its senior partner, the Congress, over the nuclear deal. The CPM, whose support was crucial to the Congress, was opposed to the deal. It lost its ideological battle. Then the Congress went on to win the 2009 election. The CPM and its boss, Prakash Karat, went into oblivion.

Where the Shiv Sena is concerned, as Aakar Patel has pointed out in this newspaper on Friday, it is fighting for



Uddhav Thackeray seems to have boxed himself into a corner. Getting out will require him to cooperate with the BJP

survival. Over the last decade the BJP, as he puts it, "has eaten the Sena's lunch". It is now the senior partner in the state. Until just five years ago it was the junior. Hindutva has trumped anti-non-Maharashtrians appeal.

There is a precedent. It happened when Manmohan Singh clobbered with Prakash Karat in 2008 and as Amit Shah might now do with Udhav Thackeray. Manmohan Singh gave Karat a lot of opportunities to see sense. He refused.

What Manmohan Singh did was, in terms of theory, like playing the game repeatedly to see if he could get some sort of co-operation from Karat. Mechanisms do exist for doing that. These mechanisms are called "punishment" strategies, and involve the threat of action if there is continuing non-cooperation. Remember his threat, made in an interview to *The Telegraph*, to go it alone?

The idea is to see if this will get you some cooperation because these strategies can be deadly for the player who pulls the trigger first. The key to the success of such a strategy lies in the credibility of the threat, and clearly the Sena thinks it's threat is credible. The player who uses it has to commit credibly to it totally. There is no halfway house.

The player who fails to show that his or her threat is credible is a goner. Remember Khrushchev and the Cuban missile crisis? Khrushchev's threat was not credible and he lost everything. From that point on no one took the USSR completely seriously. The same thing has happened to the CPM.

This is the problem that now confronts the Sena. Having made the threat, it must now show that it's committed to the strategy of not giving in and that its threat is credible.

That is why Sanjay Raut went to call on Sharad Pawar. The Sena was trying to show that it means business. But it doesn't look as if it got much purchase from the NCP.

There is an additional complication. There are two hecklers who can force the deviating player not only to persist but also to make a mistake. They are the NCP and the Congress.

I think this is what we are witnessing now — a player who is being encouraged to pull the trigger by hecklers who have no stake in the play. This can only end one way. So just as in 2008 it came down to Karat's ego, now also everything depends on Uddhav Thackeray's ego. He seems to have boxed himself into a corner. Getting out will require him having to cooperate with the BJP.

Poll promises on cheaper power come at a cost

AMRITHA PILLAY
Mumbai, 1 November

During the Maharashtra Assembly election campaign, two of the main parties, the Shiv Sena and the Nationalist Congress Party (NCP), mentioned the cost of electricity in their manifestoes. While the Sena had promised a discount of 30 per cent for consumption of up to 300 units, the NCP's promise included keeping industrial electricity rates on a par with other states and waiver of electricity bills to farmers. This was on the lines of measures taken in Tamil Nadu and Andhra Pradesh.

There is speculation now on what could happen on this front. A legal procedure has to be also noted.

"The state electricity regulator decides on aggregate revenue requirements of a discom (power distribution company) and fixes electricity tariffs for each category of consumer to match this. If a state government wants a lower tariff in any category, it has to provide monthly cash compensation to a discom," said Debasish Mishra, partner at consulting unit of Deloitte Touche Tohmatsu.

Consumers in Delhi enjoy free electricity of up to 200 units a month. This has led to a significant number of people getting zero monthly bills. Tamil Nadu offers up to 100 units of free consumption. Maharashtra, in comparison to Delhi, has a much larger consumer base. According to the MAHADISCOM website, 73 per cent of its 25.4 million consumers are in the residential category.

In addition to the Maharashtra State Electricity Distribution Company (MSEDCL), Adani Transmission and Tata Power also distribute power in Mumbai. An e-mail query sent to both the firms for



this report was not answered.

"Private discoms have no role to play in the offered discounts. If the next elected government wants to keep a promise, it will have to enter into a commercial deal with the providers and pay for the difference," said a person with knowledge of such developments, who did not wish to be identified.

In an October 13 report on state discoms on the Power Finance Corporation website, rating agency ICRA flagged high dependence on subsidy support from the state government and delay in subsidy support as some of the key concerns for MSEDCL. People in the know added, "What MSEDCL receives as subsidy and what it pays back to the government as dues is the same. There is no net receivable. What ICRA has highlighted was merely delay in formalities for the same. Any discount promised in the election manifesto will also need to be passed on as subsidy to the discom."

It is not clear what would be the impact of such a discount. "In a state like Maharashtra, for 300 (discounted) units for residential consumers, the subsidy number will run into thousands of crore," said an industry expert who did not wish to be identified.