



The Indian EXPRESS

FOUNDED BY
RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

A code for resolution

Three years on, Insolvency and Bankruptcy Code is learning from outcomes, growing stronger



SOUMYA KANTI GHOSH

IN 2016, INDIA embarked on a landmark reform of providing a robust platform for resolution of troubled corporate entities. In principle, insolvency and bankruptcy are covered in the Seventh Schedule under the Concurrent List in the Constitution, allowing both states and the Centre to develop the legislative framework. However, in India, there is no state legislative history regarding either insolvency or bankruptcy in the post-Independence period, an important departure from the US. All such Indian post-Independence laws have their origins in UK laws.

Till the year 1985, the legal framework for dealing with corporate insolvency and bankruptcy in India consisted of only one law — the Companies Act, 1956. In 1985, the Sick Industrial Companies Act, 1985 (SICA), followed by the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (RDBFI) under which debt recovery tribunals (DRTs) were established and finally, the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act (SARFAESI) was enacted in 2002. Around the same time when the SARFAESI Act was introduced, the Reserve Bank of India introduced a corporate debt restructuring scheme that provided broad guidelines for banks. It was thus clear by the year 2010 that a single, comprehensive framework was needed to effectively tackle delay in insolvency and bankruptcy proceedings.

This 60 years of Indian experience in insolvency resolution (till the IBC came into existence) suggests a similar story as in the US, where the first bankruptcy law was passed on April 4, 1800. Over time, however, almost all the efforts prior to the IBC failed to meet expectations. The success rate of companies under several regulations pre-2016 was abysmally low and varied from 16 per cent to a maximum of 25 per cent. In contrast, the success rate of companies under the IBC in terms of a closure is already at 41 per cent and increasing. The recovery rate is 43 per cent, up from 12 per cent in FY15 through other mechanisms with defaulting promoters losing control of the company. The Essar judgement, assuming a provision of 80 per cent, could potentially result in a provision writeback of more than Rs 30,000 crore for

the banking system.

There are, however, a few trends that merit attention. Firstly, the number of cases admitted through Lok Adalats and DRTs has declined significantly post introduction of the IBC. As an example, the IBC platform is now being used by operational creditors (48 per cent of the cases admitted). Given the very small threshold limit of Rs 1 lakh, operational creditors seem to be more aggressive in dragging the corporate debtor into the NCLT, eating up the bandwidth of the court and thereby delaying resolution of the bigger cases and defying the main objective of the IBC. It is high time that the government seriously rethinks increasing the threshold value substantially from Rs 1 lakh and increasing the number of NCLT benches with a preponderance of more erudite professionals who understand the financial system better. This will ensure that the IBC platform is not used as a recovery but more as a resolution tool.

Secondly, it is observed that more than 23 per cent of the admitted companies ended with liquidation. One way of viewing it is that at the time of low demand and economic downturn there are not enough buyers of the stressed assets. Regulations must be made allowing foreign portfolio investors (FPIs) to acquire stressed rupee loans directly instead of going through an asset reconstruction company (ARC) and allowing eligible external commercial borrowing investors to fund the acquisition of stressed companies both under the IBC and outside it.

In fact, as companies are admitted into liquidation, the employees on the rolls of the company are only cumulatively compensated till the resolution process is completed, while the contractual employees are downsized. This could also act as a constraining factor on consumption growth and thus it is essential that we find a quick resolution (average resolution time is of 324 days as on March 2019).

Thirdly, it is also observed that sectors such as construction, EPC, electricity, where there are no hard assets, are also being dragged to the NCLT and such companies are mostly liquidated. Efforts should be made to find a resolution of such companies outside the NCLT as these could save resources and time for hard-pressed NCLT benches.

Fourthly, will the IBC facilitate the development of the corporate bond markets in India? After the IBC came into force, the SEBI chairman in a summit organised by CII in August 2017, said: "From an investors' standpoint, an effective and robust bankruptcy regime is important for developing the corporate bonds market. Investors have been shying away from low-rated corporate bonds and even if the rating is of investment grade, given the high rate of defaults".

The recent empirical work on links between corporate bond markets and the bankruptcy system predicts that safe firms will issue bonds but higher risk firms, for whom insolvency is more likely, issue bonds as long as bankruptcy is efficient. Clearly, this might require more analysis in the Indian context but there is evidence already.

Finally, where the IBC has been largely successful, in countries like China and Japan, culture has played a crucial role. As an example, Japan makes bankruptcy a personal, not business, failure. This characterisation of bankruptcy in Japan often leads to tragedy for the individual, be it isolation from family or otherwise. Culture also plays a substantial role in Chinese laws. In Chinese society, the notion of bankruptcy has long been condemned as "bad luck". If a father owes a debt, his sons or grandsons would be responsible for it; bankruptcy implies living with a burden for generations to come.

Is Indian culture any different? Interestingly, in India, ordinary households take it upon themselves to repay their debt (household debt to GDP is lowest across all countries at 11 per cent of GDP). Thus, culture is indeed important. But in the larger context, two things are imperative to making the IBC successful in India.

First, learn from outcomes and strengthen the code so that the law is robust over time. This is currently being done. And, the ultimate test for culture is when promoters themselves approach the IBC for resolution for the benefit of all stakeholders.

The writer is group chief economic advisor, State Bank of India, Saket Hishikar, economist, SBI, contributed to this article. Views are personal

QUALITY OF LENDING

Sharp rise in bad loans under Mudra is cause for concern. RBI should step in to examine extent of fallout

THE PRADHAN MANTRI Mudra Yojana has often been held up as the solution to India's job problem. It was expected that the scheme, which entailed the provision of collateral-free loans, would spur both entrepreneurship and job creation in the country. But not only has its performance on creating new jobs been underwhelming — a report in this paper showed that not every loan translated to new jobs — there are now grave doubts over the quality of the loans extended as well, with a sharp rise in the number of loans turning non-performing. On Tuesday, RBI Deputy Governor MK Jain voiced concern over rising bad loans under the scheme. "While such a massive push (Mudra) would have lifted many beneficiaries out of poverty, there have been some concerns at the growing level of non-performing assets (NPAs) among these borrowers," he said.

Loans under Mudra fall under three categories: Shishu, which covers loans up to Rs 50,000; Kishore, for loans between Rs 50,000 and Rs 5 lakh; and Tarun, for loans between Rs 5 lakh and 10 lakh. At the end of 2018-19, Mudra loans worth Rs 8,93,000 crore had been sanctioned by Member Lending Institutions (MLIs), Anurag Thakur, Minister of State for Finance, said in reply to a question in the Rajya Sabha. Of these, only 2 per cent or Rs 17,651 crore had turned non-performing. But, in the subsequent six months, there has been a sharp rise in bad loans. As reported in this paper, the number of bad loans in the Kishore category has more than doubled, rising by 107 per cent at the end of September 2019, over March. In value terms, bad loans have surged by 71 per cent in this category. In the Tarun category, too, bad loans have risen to Rs 3,425 crore in September, up 45 per cent from Rs 2,353 crore in March. The Shishu category has also seen a spurt in the number of bad loans, though of a lower magnitude.

Several factors could have contributed to this spurt in bad loans. Poor credit appraisals and lack of monitoring by banks, wilful defaults, and the growing inability to pay back obligations due to a slowing economy could have all played a part. But, coming at a time when banks are struggling to resolve their existing pile of non-performing loans, this spurt in bad loans under Mudra may end up becoming another source of vulnerability for them. While the political overtones of the scheme are hard to dismiss, the RBI should examine the implications for the financial system more closely and step in if necessary.

A NEW CAST

By choosing an upper caste politician to lead it, the RJD sends out a political signal in turbulent times

THE CHOICE OF Jagdanand Singh, a Rajput, to lead the Rashtriya Janata Dal may be a snapshot of change, a reflection of the compulsions the party is facing in the current political moment. Singh, 74, a seasoned politician, associated with the socialist movement in Bihar since the 1960s, has been a founder member of the RJD and minister when Lalu Prasad was chief minister. He is also the first upper caste politician to lead the RJD since it was formed in 1997. His unanimous election earlier this week is being read as an attempt by the party to reach out to sections of the society, particularly the upper castes, which have, all these years, been seen to oppose it.

This outreach could be an indication that the RJD finally acknowledges that it has reached the limits of identity politics. Since the Mandal driven realignment of political forces in the 1990s, the RJD projected itself as a bulwark of the politics of secularism and the custodian of lower caste interests in Bihar. Yadavs and Muslims formed the core of this support base that included a spectrum of backward castes and Dalits. Though the Mandal consensus that briefly united the backward castes and Dalits disintegrated following splits in the Janata Dal, the Muslim-Yadav math helped the RJD to continue to win assembly elections. However, the layered politics crafted by the BJP since the advent of Narendra Modi in national politics, combining the Hindutva agenda and hard nationalism, has shown a trans caste appeal which has breached the core constituencies of several caste-based parties, including the RJD. With Lalu ailing and in jail, the RJD leadership has found itself short of ideas, tactics and a charismatic leader to challenge the BJP narrative and contain its spread even among the Yadavs. When a similar unravelling of Mandal politics took place in UP earlier, the SP and BSP had tried to broaden their appeal by building pan-caste alliances.

Is the RJD planning to emphasise the class dimension in politics now, especially since there is a view that its opposition to the 10 per cent quota for the poor among the forward castes may have hurt its prospects in the May general election? It has already promised to reserve 45 per cent of the party posts for the Extremely Backward Castes and Dalits. The party now seems to want to build a broader social coalition and pitch a larger tent.

GOOD MORNING

Trump greets the world dressed in Rocky Balboa's washboard abs. He offers no explanation

ON WEDNESDAY MORNING, two world leaders reached out to the world. German Chancellor Angela Merkel shared a clip of a speech on the meaning of freedom in the digital era. US president Donald Trump shared a picture of his head grafted onto the bare body of Sylvester Stallone as Rocky Balboa. Merkel's communication was meaningful, while Trump's was perplexing, except to his following, who would get the semiotic instantly.

Having failed to convince the world that he is doing enough about the Russians, with this image — doctored for the age of fake news — Trump has entered the lists in the war of chests, washboard abs and all. Avid outdoorsman Putin, who has bared it proudly in several photo shoots, is his most celebrated competitor. But there are others. In a world that seeks strongmen, there will be more.

Trump has a bipolar relationship with movie boxers. Earlier, he had accused his critic, Robert de Niro, of being concussed from acting in too many boxing movies, starting with *Raging Bull*. Now, he has chosen to merge with Stallone. But this is politically clever, because Rocky Balboa, played by Stallone, is one of the most inspirational speakers ever, and his quotes are still as current as Chuck Norris facts. A popular example: "It ain't about how hard ya hit. It's about how hard you can get it and keep moving forward. How much you can take and keep moving forward. That's how winning is done!" That was a harangue to his son. Balboa was harder on himself: "I gotta problem I gotta fight!" For a populace bamboozled by fake news and MAGA-ness, such clarity and sense of purpose is the universal nostrum. Even Putin would approve, though he wouldn't dream of taking it on the chest. Being intelligent, he would sidestep.

BASTION FOR HUMANISM

First-generation learners at JNU are beacons of hope for their communities



BINOY VISWAM

CAMPUSES ALL OVER the world have been breeding grounds of ideas and activism. How can one forget the student activism in Paris that frightened the French ruling class in the 1960s? During the Vietnam war, campuses in the US were centres of the anti-war movement. Students in Latin America have waged heroic struggles against fascist dictatorships.

One needs to look at recent developments in JNU from this perspective. JNU signifies ideas, values and commitments that are fundamental to the idea of India. That is why the happenings in JNU are of relevance beyond its campus. Many campuses in India, not just JNU, have become centres of study and struggle. These include the FTII and IITs.

Commercialisation and communalisation are the twin threats to the Indian education system today. Neo liberal globalisation has created such challenges. This threat has become more acute with the RSS-backed BJP in office at the Centre, and in several states. The imprint of the Sangh Parivar is prominent in syllabi from the school level to universities — and in the administration of universities as well.

The entry of students from backward sections to institutions of higher learning did not happen in one day. It was the outcome of years of struggle to make education a right — not a privilege. Such struggles opened the gates of institutions like JNU for the daughters and sons of the weaker sections across India. Reservation in education, an outcome of these struggles, was a progressive step.

The entry of students from backward sections to institutions of higher learning did not happen in one day. It was the outcome of years of struggle to make education a right — not a privilege. Such struggles opened the gates of institutions like JNU for the daughters and sons of the weaker sections across India. Reservation in education, an outcome of these struggles, was a progressive step.

Today, most of the students who enter campuses like JNU belong to socially and educationally backward families. In many cases, these first-generation learners become beacons of hope for their communities. In JNU, 71 per cent of students avail various scholarships sponsored by agencies like the UGC, CSIR, DBT and the university itself. Such a shift in social composition of students is a matter of pride for the country.

The Sangh Parivar's ideology makes it biased against the poor and lower castes. Today's Ekalavyas compete with children from wealthy and upper caste families. How can the Sangh Parivar tolerate this? Its agenda on access to education, which was hidden for long, has come to the fore since the Sangh captured political power. Their strategy is to oust students from poor, backward and minority families from the campuses. It tried to ignite ultra nationalism to counter the popularity of Kanhaiya Kumar and spewed venom on all who did not agree with its ideology.

The winds of hatred sponsored by the Sangh have created havoc in universities like Allahabad, Jadavpur, BHU and Aligarh. Now, a new onslaught is in the offing. It seems to be more planned and brutal. As expected, JNU has been made the testing ground of this brutality. The proposed rise in hostel fees, to the tune of 300 per cent, is aimed at forcing many poor students to drop out of the university.

The JNUSU, the representative body of the students, is not being allowed to function. A

few days ago, this writer visited the campus to express solidarity with the students and was greeted by a notice from the registrar urging him not to go near the administrative block as section 144 had been imposed there.

After the sit-in strike, when the students came out for a peaceful march, the government responded in a cruel manner. As night fell, the police switched off streetlights and mercilessly beat up students without sparing even the differently-abled students. Such attacks bare the government's nervousness about a vibrant campus. This campus has produced not only left-minded leaders and academics but also eminent intellectuals like Abhijit Banerjee and leaders like Union Finance Minister Nirmala Sitharaman.

JNU and other campuses are expected to remember what Jawaharlal Nehru once said about universities: "A university stands for humanism, for tolerance, for reason, for the adventure of ideas and for the search for truth." The government has diametrically opposite views about universities. Hence, this is a struggle between ideologies. On one side are the students and their comrades who are committed to a search of knowledge and protecting diversity and scientific temper. And on the other side is a government armed with a majoritarian ideology mortgaged to markets and profits.

The writer is Rajya Sabha MP from the Communist Party of India

NOVEMBER 29, 1979, FORTY YEARS AGO

KERALA DRAMA

THE CHIEF MINISTER C H Mohammed Koya has recommended the dissolution of the Kerala Assembly followed by mid-term polls. Koya, whose support in the 140-member assembly plummeted from 71 to 49 following the decision of the Congress to move over to the opposite camp, has, however, chosen not to resign pending a final decision on his recommendation to the governor. The chief minister, who called on the governor early in the morning, told reporters in the evening that at the time he recommended dissolution, he had a majority in the Assembly. "Even now the Congress has not formally informed me of the withdrawal of its support," he said.

US HOSTAGES

DESPITE AMERICA'S PRODDING, India has decided to keep aloof from the confrontation that is building up between Washington and Teheran, it is learnt. The government has not responded one way or the other to President Jimmy Carter's appeal to use its good offices for the release of hostages in Teheran. To save itself from embarrassment, New Delhi has allowed its ambassador to Iran, Vishnu Ahuja, to return from his post, long before he leaves for Tokyo on his new assignment. A few feelers at lower levels from some powers to show solidarity with "diplomats of all nations" have gone awry.

DANGE'S ON INDIRA

SRIPAD AMRIT DANGE, who has just resigned from the chairmanship of the Communist Party of India, feels that the party has "failed to understand Mrs Gandhi as a representative of the patriotic national bourgeoisie which is intrinsically anti-monopolist, anti-imperialist and anti-feudal". In a note, dated November 23, to the members of the central executive committee and the national council of the party, Dange regrets that the party has adopted "a self-liquidationist line". He laments that a section of the party leadership is "falling into the Sino-CPM net despite the lessons of 1959." However, he is confident that "we will soon repent".



15 THE IDEAS PAGE

On a new footing

There is room for a creative policy of economic engagement with Sri Lanka under Gotabaya Rajapaksa. Delhi must be seen as a friend of all communities in the country



C RAJA MOHAN

AS DELHI RECEIVES the new Sri Lankan President, Gotabaya Rajapaksa, there is considerable optimism about making a fresh start in the bilateral relationship that has endured unprecedented stress in the last few years. During his first term, Prime Minister Narendra Modi had made a big effort to normalise the relationship; but the fractures in Colombo's power structure and its poor governance limited the possibilities.

The return of the Rajapaksas has been widely feared as heralding the renewal of authoritarian rule in Sri Lanka. The election of a strong interlocutor, however, also offers Delhi an opportunity to explore the prospects for a reconstruction of the relationship. Unlike the previous government in Colombo that became dysfunctional due to deep differences between the president and prime minister, the Rajapaksas are now expected to bring political coherence.

In the last few days, Gotabaya has cleared the air on some issues of special interest to India. His visit to Delhi, the first trip abroad since the election, is a good occasion to build mutual trust with the new regime led by Gotabaya and his brother Mahinda, who has been appointed prime minister.

During his visit to Colombo last week, External Affairs Minister S Jaishankar was signalling that India is ready for a fresh start in the relationship. This message was reinforced in a major speech this week by the Indian High Commissioner to Sri Lanka, Taranjit Singh. Singh underlined the importance of the two countries putting the past behind them and looking at a more productive relationship.

Both sides have hopefully learnt much from their past mistakes and will find a new balance in the relationship. The central question is about managing proximity that imposes inextricable interdependence, for both good and bad. For Gotabaya, the challenge is to be mindful of the sensitivities of its larger neighbour. For Modi, it is about respecting the sovereignty of its smaller neighbour.

On his part, Gotabaya has publicly affirmed that Colombo will not do anything that might harm Delhi's interests. But he also expects that Delhi will respect Colombo's freedom of choice in the conduct of its foreign and domestic policies. Sri Lanka's ties to other powers has always been of some concern to Delhi and this problem today is focused on the nature of the ties between Colombo and Beijing. On the internal side, it is the prolonged conflict between the Sinhala majority and Tamil minority in Sri Lanka that has severely undermined bilateral ties in recent decades.

The Sri Lankan president said he is acutely conscious of the China factor in the bilateral relations with India. He has affirmed repeatedly that Colombo does not want to be caught in the rivalry among the major powers and that it will follow a policy of "neutrality". Without having to go into a strict definition of what neutrality might mean here, two important things stand out.

One is that Delhi can live with Colombo's neutrality — after all India has no need to develop either a military base in Sri Lanka or deploy its forces in an island that is physically so close to peninsular India. But Delhi certainly can't accept a situation where Sri Lanka lets the Peoples Liberation Army turn the Emerald Island into an aircraft carrier for China, or for any other power.

In affirming neutrality, Gotabaya is saying that he understands India's redlines and is prepared to respect them. As a realist, Gotabaya



CR Sasikumar

recognises that there is no national mileage for Lanka in provoking India. Gotabaya has gone a step further. He said it was a mistake for the previous government to have handed over the Hambantota port on a 99-year lease to China. He added that his government would like to renegotiate the agreement with China. Whether he can persuade Beijing or not is another matter, but his instincts on the question should be welcome in Delhi.

But on economic issues, Gotabaya made it clear that Lanka has every right to follow its national interest in engaging China. Delhi has no basis to object to this; after all, India itself is eager to expand the economic engagement with China despite many political disputes and clearly articulated objections to Beijing's Belt and Road Initiative. Lanka, like all other countries, can't afford to turn its back to the world's second-largest economy. In an important addition, Gotabaya said he wants all major countries including India, Japan, Singapore and the US to invest in Sri Lanka. Notwithstanding the deep statist tradition in Lanka, Gotabaya has promised to reform and reorient the economy. In other words, there is considerable room for creative Indian policy for economic engagement with Lanka under Gotabaya.

That brings us to the vexed question of the bitter legacy of the brutal civil war that shattered ethnic harmony in Sri Lanka. India's own tragic involvement in this conflict saw India become a major collateral casualty in the war. The end of the war did not materially improve India's position vis a vis Lanka.

Sceptics at home and abroad have been quick to write off Gotabaya as incapable of addressing the deep grievances of the Tamil minority in Sri Lanka. That the Tamils voted overwhelmingly against Gotabaya, the record of the Rajapaksas in government, and the strong majoritarian sentiment of their support base would seem to justify this scepticism. But Delhi should be prepared to listen with an open mind to what Gotabaya has to say and how he plans to deal with the problem. The most important lesson from the

Sceptics at home and abroad have been quick to write off Gotabaya as incapable of addressing the deep grievances of the Tamil minority in Sri Lanka. That the Tamils voted overwhelmingly against Gotabaya, the record of the Rajapaksas in government, and the strong majoritarian sentiment of their support base would seem to justify this scepticism. But Delhi should be prepared to listen with an open mind to what Gotabaya has to say and how he plans to deal with the problem.

Indian military intervention in Sri Lanka during the late 1980s is that Delhi's ability to shape its neighbour's domestic politics is limited. India's own diplomatic failures in Lanka also reveal that Delhi will be the loser if it makes the entire relationship hostage to the question of Tamil minority rights.

In the past, coalition politics at the Centre saw Delhi cede a veto to Chennai over its Lanka policy. The Modi government is stronger today vis a vis Chennai, but it can't simply pretend that the issue does not exist. Meanwhile, Gotabaya has affirmed that he will not take dictation from foreign powers on how to deal with the Tamil question. This is not very different from what India says in response to international concerns about the latest developments in Kashmir.

For Modi and Gotabaya, the challenge is to find a way out of this difficult corner. Mutually reinforcing steps along different axes could hopefully expand the possibilities not just for Delhi and Colombo but also Chennai and Jaffna. These steps could include Colombo's confidence building measures with the Tamils, Delhi's strong support for practical advances between Colombo and Jaffna, greater cross-border economic cooperation as well as between northern Sri Lanka and Tamil Nadu, and Delhi's political investment in resolving the fisheries dispute.

Delhi can't present itself as an impudent demandeur on Lanka's internal political arrangements. Such an approach, as we have seen, is counter productive. Instead, Delhi must be seen as a friend of all the communities in Sri Lanka that can offer its good offices to resolve problems between themselves. Colombo too will find that incremental progress on the Tamil question will rapidly widen its space in regional and global affairs and create better conditions for a much-needed economic renewal.

The writer is director, Institute of South Asian Studies, National University of Singapore and contributing editor on international affairs for The Indian Express

WHAT THE OTHERS SAY

"To maintain 'one country, two systems', the Chinese mainland and the HKSAR need to work together. Anyone who colludes with external forces to undermine 'one country, two systems' must pay a heavy price."

—GLOBAL TIMES, CHINA

How to regain friends in Sri Lanka

India has lost the moral high ground. But there are concrete steps it can take towards repairing the relationship with its southern neighbour



NIRUPAMA SUBRAMANIAN

TWO QUICK DEVELOPMENTS took place in India-Sri Lanka relations in the days following the election of Gotabaya Rajapaksa as the President of Sri Lanka. First, External Affairs Minister S Jaishankar upended at least two decades of established practice by taking the first flight to Colombo to greet the new president. Until now, it used to be a newly elected Sri Lankan president or prime minister who would make tracks to India for their first official visit abroad. The Colombo press used to describe the ritual as "doing puja to Delhi".

This is the first time India did puja to Colombo, and it must have been immensely satisfying to Gota, as he is called by both critics and admirers. After all, just six years ago, he was summoned to Delhi when he was defence secretary during his brother Mahinda's presidency, and given a dressing down for not keeping India informed of a visit by a Chinese submarine. Jaishankar's visit was seen as India going the extra mile to get a foot in the door ahead of China with the new dispensation.

The second came on Jaishankar's return from Sri Lanka, when somewhat counter-intuitively, Delhi put out a statement that the minister had "conveyed to President Rajapaksa India's expectation that the Sri Lankan government will take forward the process of national reconciliation to arrive at a solution that meets the aspirations of the Tamil community for equality justice peace and dignity". This is the first time in several years that India has pushed upfront its interest in the Tamil question.

Together, the two developments are seen as a signal that India is ready to go out of its way to repair its rocky relations with the Rajapaksa family, but would not hesitate to wield the Tamil issue as an instrument to prevent a pro-China tilt, and keep Gota on the straight and narrow.

Jaishankar's Colombo trip yielded a commitment from Gota, who arrived in Delhi on Thursday, that he would come to India for his first official foreign visit. For a government in Delhi obsessed with perception management, it would have been terrible optics had he gone off to Beijing first instead.

But let's face it. Gota will go to Beijing soon. As for the Tamil card, India's leverage in the matter at this point is overstated, if not misplaced. From Gotabaya's inauguration at the ancient Ruwanwelisaya temple in Anuradhapura, built by King Duttugemunu, the icon of Sinhala-Buddhism, whose fabled defeat of a Tamil king of the Chola dynasty has been immortalised in the epic *Mahavamsa*, to his appointment of a general accused of war crimes as the defence secretary, there is no sign that the new regime is worried about Indian or global concerns about Sri Lanka's minorities, both Tamil and Muslim.

After all, the new Sri Lanka, the one that

has elected Gota, has modelled itself after the new India. In its majoritarian sweep, Gota's victory is a mirror of the BJP's victory in India. The Sinhala-Buddhist extremist group Bodhu Bala Sena, with which he has links, and which has fomented communal violence in the island against Muslims and Christians, has made no secret of its admiration for Hindutva, for groups like the BJP and RSS to "protect" Buddhism, and for a "leader like Narendra Modi".

Gota has made plain that he does not need those who vote "against" him. Tamils did not vote for him because of their memories of the war. Facing majoritarian wrath in the aftermath of the Easter bombings, the Muslim community too did not vote for him. His 51-member cabinet, has 49 Sinhalese, two Tamils and no Muslims.

Not just India's majoritarian swag, the democracy deficit in how India has dealt with Kashmir is being watched not only by liberal western democracies and what Jaishankar described as their "liberal English-language media", but also by other nations with similar problems. The former watch, with concern, the latter with admiration. Certainly, Gota, the architect of the LTTE's military defeat, needs no lessons on how to handle a recalcitrant population. But India's handling of the Kashmir issue on the world stage must have encouraged him. The external affairs minister is on record that he does not care what a newspaper in New York thinks about India. Among the very first statements from the new president was that the war crime enquiries against the Sri Lankan army were imposed by "biased western NGOs". Soon perhaps, Gota may say he does not care what a newspaper in Delhi, or for that matter Chennai, writes about Sri Lanka.

In short, India no longer occupies a moral high ground when it preaches to Sri Lanka about equality and justice for Tamils. Such words will be measured against India's own knuckle-duster policy in Kashmir, the NRC, lynchings, and other acts of bigotry now commonplace.

As for the Tamils, it's been at least a decade since they stopped placing their bets on India. Forget Delhi's decision to turn away from the 2009 end-of-war civilian massacre in northern Sri Lanka, India was unable — or unwilling — to influence a friendly Sri Lankan government that took charge in 2015 to get on with constitutional reform.

Worried about the Chinese gaining ground, over the last five years, Delhi put the Tamil question on the backburner. In 2015, Narendra Modi, the first Indian prime minister to visit Jaffna, advised Tamils to be "patient" with the new government. Now the Tamil community is leery of getting its hopes up.

But despite its own loss of a high pedestal, Delhi is not without options. For starters, it could appoint a Tamil as the next High Commissioner to Colombo. It has never been done before and it would send a stronger signal than a preachy statement from Delhi. India's pockets are not as deep as China's but appointing a Special Envoy to Sri Lanka, in the manner of US special representatives to Afpak, someone who knows China as well as Sri Lanka, may be another modest beginning toward making friends and regaining influence in Sri Lanka.

nirupama.subramanian@expressindia.com

LETTERS TO THE EDITOR

SENA'S CHALLENGE

THIS REFERS TO the editorial, 'From Sena to party' (IE, November 28). An assertive BJP under the Narendra Modi-Amit Shah seems to project itself as the sole inheritor of Hindutva politics. It was, therefore, expedient for the Shiv Sena to break the alliance. Uddhav Thackeray will have to run a government based on inherent contradictions. Turning political exigency into a governance success will be the challenge for the new CM.

Anirudh Parashar, Solan

FRINGE IN HOUSE

THIS REFERS TO the report, 'Uproar as Pragma praises Godse again, this time in House, remark expunged' (IE, November 28). Remarks such as the one in praise of Nathuram Godse were earlier attributed to so-called fringe elements. While Pragma Thakur's remarks have been expunged from record, there has been no public admonition of her.

L R Murmu, Delhi

IMPROPRIETY GALORE

THIS REFERS TO the article, 'Checkmated by the Constitution' (IE, November 27). The central government's role in the recently-concluded political drama in Maharashtra throws light on the misuse

LETTER OF THE WEEK AWARD

To encourage quality reader intervention, The Indian Express offers the Letter of the Week award. The letter adjudged the best for the week is published every Saturday. Letters may be e-mailed to editpage@expressindia.com or sent to The Indian Express, B-1/B, Sector 10, Noida-UP 201301.

of power. However, such tricks are not new. The governor's office was misused during Indira Gandhi's rule.

Virendra Piplwal, via e-mail

RIGHTS FORGOTTEN

THIS REFERS TO the article, 'Two sides of a coin' (IE, November 27). What is the need to emphasise Fundamental Duties — not conceived as a part of the Constitution on November 26, 1949? Is it the most essential part of the Constitution? Why not discuss freedom of expression and the right to equality?

Afsheen Rizvi, Lucknow

Compiled by Seema Chishty

THE Urdu PRESS

AYODHYA, FINALLY

SIASAT ON NOVEMBER 11 writes that the various aspects in the Ayodhya "verdict must be analysed. The Supreme Court has accepted that the destruction of the Babri Masjid on December 6, 1992 was an illegal act but it has not said anything about bringing a speedy end to the trial on the matter or for the destroyers to be brought to justice. The Court has also accepted that the absence of namaz did not mean that the Muslims had abandoned the mosque." The newspaper writes that as the Supreme Court is "the apex court, its decision must be accepted but all the legal points that must be considered should be, and if any action is to be taken, it must be explored. But no one must be allowed to take political advantage of the case — politics has gone on around the issue for long enough. This has changed the politics of the country, now, no more."

Inqilab has an editorial on the same day titled, 'After a long time!'. The paper opines: "The verdict was acceptable when it was not given, it is acceptable when it has been made public. The only difference is that before it there was hope, now there is none." It adds: "Disappointment is not in order, but an ab-

sence of peace of mind is natural." Elaborating on the reasons for this, the paper says, "the Babri Masjid matter was an old one. It has witnessed many ups and downs. There have been many court hearings, and every side has presented arguments. The country's top court would have examined witnesses and appeals, undoubtedly. It appears that more than evidence, the overall context was looked at." The editorial adds: "The generation which had seen the mosque get destroyed by Hindutva forces is around today... What we (the paper) are unable to understand is how, if the Masjid is acknowledged as such, why was there no ruling in favour of it?"

Etemad, the Hyderabad-based paper of the AIMIM, says the main "worry is that it (the verdict) will now be used as an example in Kashi, Mathura and various other mosques that are deemed 'controversial'." It hits out at the Congress for supporting the verdict. The paper writes that "it is 27 years after the demolition of the Babri Masjid that the verdict is in, and it makes the road to the temple conducive. Those minorities that trusted the judiciary throughout are most concerned and uneasy. Minorities, at this sensitive time, have demonstrated that they

are peace-loving." *Munsif*, on November 12, devotes an editorial to the "exemplary patience" of Muslims. It writes that "like all judgments, in this case too, a consensus is difficult. But looking at the country's communal environment, the judges tried to please everyone and push through a consensus". The editorial asserts that "non-Muslims are experiencing a wave of joy but Muslims are disappointed and this is natural. But the most important thing is that Muslims are peace-loving and accept the verdict of the Supreme Court without rancour. So, those who now ask for a certificate of patriotism from Muslims must get their heads examined."

Calling attention to what happened when the Court announced its verdict, the editorial claims that "there were those on the lawns of the Court who blew conch shells and many lawyers raised slogans of Jai Shri Ram, the supporters of the Nirmohi Akhara and the Hindu Mahasabha came in a procession to the lawns." The paper claims that those "on the other side, demonstrated that they had accepted the verdict, as they had always said they will and their purpose was to enforce the rule of law, as no section of society can be safe minus the rule of law." The editorial also

quotes the late Chief Justice Verma — the "Supreme Court is final, but not infallible".

MAHARASHTRA DRAMA

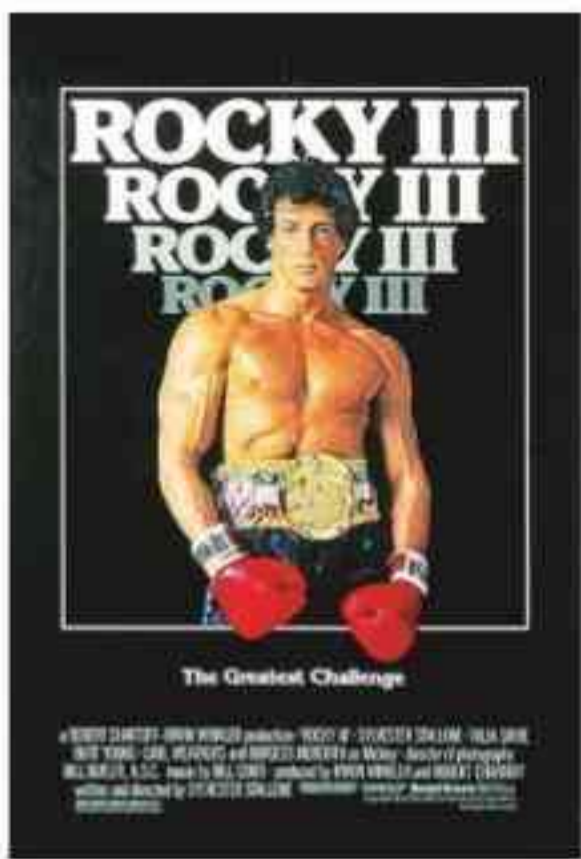
GOINGS ON IN Maharashtra's political theatre have received ample comment.

What stands out in Urdu dailies is unabashed praise for the NCP stalwart, Sharad Pawar, for ensuring a Maha Vikas Aghadi (MVA) being formed. *Inqilab* on November 28 speaks of "relief" that the MVA would take oath and that "it is settled." *Urdu Times* has an editorial titled, 'Pawar ka power' on how "his quiet strategy and deft handling bore fruit". It comments on how the Supreme Court may have realised that more time to prove support would mean horse-trading. The Court may have noted how democracy was trifled with earlier, when the swearing-in of Devendra Fadnavis was allowed, and that might happen again if the 15 days, as asked, were to be given."

Roznama Rashtriya Sahara on the same day, characteristically vacillates and says the events underline how "there are no permanent friends or foes in politics".

FACT CHECK, GROUND REALITY

TRUMP'S 'ROCKY' TWEET: WHAT'S THE OCCASION, IS THERE A CONNECTION?



Donald Trump's tweet, and the original poster from 1982

ON WEDNESDAY, US President Donald Trump tweeted a morphed photo showing himself in a boxing outfit. The image, which is still viral, has Trump's face superimposed on a poster of the 1985 film *Rocky III*, while the body of actor-writer-director Sylvester Stallone remains in place. Trump wrote no caption to explain the tweet.

The Rocky films

Running since 1976, the series is one of the most successful ever. Six *Rocky* films between 1976 and 2006 show the boxer fighting against various odds, followed by the spin-off *Creed* (2015) and *Creed II* (2018) that feature an older Rocky Balboa as the trainer of Adonis Johnson, son of his deceased rival-turned-friend Apollo Creed. Rocky Balboa remains the definitive role, alongside Rambo, in making Stallone one of the best-known action heroes of his generation.

The series also owes much of its success to the critical acclaim earned by the first film in 1976. It shows Rocky Balboa, then a small-time boxer, taking on champion Apollo Creed and aiming not to win, but to survive the entire fight (without being knocked out) and earn self-respect. In a list of the 100 most inspirational American films compiled by the American Film Institute in 2006, *Rocky* (1976) is ranked fourth, after the classics *It's a Wonderful Life* (1946) and *To Kill a Mockingbird* (1962) and the relatively modern *Schindler's List* (1993).

The occasion & the mismatch

Wednesday happened to be the anniversary of the release of *Rocky IV*, which had opened in US theatres on November 27, 1985. The poster that was morphed in Trump's tweet, on the other hand, was of *Rocky III* (1982), which had released in May that year, not November. It is not clear whether Trump chose the wrong poster for the right occasion, or whether the anniversary was on his mind at all.

A number of replies to his tweet made mocking references to Trump's perceived relationship with Russia, which has been accused of influencing his election in 2016. "Yeah, but Rocky actually fought the Russians," tweeted Eric Strangel, a TV and radio show writer-producer. In fact, in

SERIES & SPIN-OFF

Film	Writer	Director
Rocky (1976)	Stallone	John G Avildsen
Rocky II (1979)	Stallone	Stallone
Rocky III (1982)	Stallone	Stallone
Rocky IV (1985)	Stallone	Stallone
Rocky V (1990)	Stallone	John G Avildsen
Rocky Balboa (2006)	Stallone	Stallone
Creed (2015)	Various	Ryan Coogler
Creed II (2018)	Various*	Steven Caple Jr

*Stallone co-wrote screenplay for *Creed II*

only one film in the *Rocky* series is the boxer's rival connected with Russia — Ivan Drago of *Rocky IV* is a Ukrainian boxer backed by the Soviet Union.

Trump & Stallone

Stallone's signature runs across the series, and even the spin-offs. He created the original characters, wrote all six *Rocky* films and co-wrote the screenplay for one of the *Creed* films, directed four of the first six, was boxing choreographer for five of the six, and co-produced both *Creed* films.

The relationship (or lack of it) between Trump and Stallone — both 73 and one born within a month of the other — has been a subject of interest in the past. In 2016, Stallone told *Variety* magazine: "I love Donald Trump." In December that year, *The New York Times* reported that Stallone had been offered an arts-related position in the Trump Administration, including as chairman of the United States' National Endowment for the Arts, but the actor issued a statement suggesting that he was not interested in such a role; he thought he would be more effective in helping military veterans "find gainful employment, suitable housing and financial assistance these heroes respectfully deserve". Earlier this year, Stallone told *Variety* that he did not vote for Trump (or anyone) in 2016.

KABIR FIRAQUE

SIMPLY PUT QUESTION & ANSWER

FASTags: What, why, how

From December 1, such tags will be mandatory for toll payment on National Highways. Installed in vehicles, FASTag will enable electronic payment when it crosses a booth. How can it be bought, and how will it work?

AVISHEK G DASTIDAR
 NEW DELHI, NOVEMBER 28

FROM DECEMBER 1, lanes on national highway toll plazas across India will accept toll only through FASTag — fitted in a vehicle that pays toll automatically when the vehicle crosses the boom barrier of the toll plaza. (One hybrid lane will continue to accept cash in addition to being tag-enabled.) All new vehicles bought over the last few years, in fact, already come with FASTag pre-installed.

So, from next month, all 560-odd plazas under the control of the National Highways Authority of India (NHAI) will collect toll without human intervention, and vehicles need not stop to pay toll. The objective is to remove bottlenecks and capture all toll electronically.

How does FASTag work?

The device employs Radio Frequency Identification (RFID) technology for payments directly from the prepaid or savings account linked to it. It is affixed on the windscreen, so the vehicle can drive through plazas without stopping. RFID technology is similar to that used in transport access-control systems, like Metro smart card.

If the tag is linked to a prepaid account like a wallet, or a debit/credit card, then owners need to recharge/top up the tag. If it is linked to a savings account, then money will get deducted automatically after the balance goes below a pre-defined threshold. Once a vehicle crosses the toll, the owner will get an SMS alert on the deduction. In that it is like a prepaid e-wallet.

A FASTag is valid for five years, and can be recharged as and when required.

How can I buy it?

E-commerce portals like Amazon and PayTM sell these tags issued by various banks. They are available at 27,000 points of sale set up by 22 banks (see box) and the NHAI. At NHAI counters, mostly at toll plazas, the tag is free until December 1. Places where these counters are set up include Road Transport Authority offices, transport hubs, bank branches, and selected petrol pumps.

A FASTag bought from NHAI comes with a one-time fee of Rs 100 besides a refundable security deposit of Rs 150.

Apart from the currently free tags at NHAI booths, there is also a cashback of 2.5 per cent on FASTag transactions as an offer. In the tag taken from NHAI, the Rs 150 security deposit, which the government is bearing as a promotion, comes back to the user as wallet value if the FASTag is linked to the NHAI e-wallet in the "My FASTag app" mobile app. So in this particular scheme, the user gets Rs 150 back without even paying it.

What do I need to buy a FASTag, and what if I don't?

A copy of the vehicle registration certificate and a photo of the vehicle are enough to get a FASTag from NHAI, said officials. Banks may seek certain additional documents.

Vehicles entering FASTag lanes without FASTag will be charged twice the toll amount.

Will those living close to toll roads not end up paying more frequently?

As per a government notification, users living within 10 km of a toll plaza can avail a concession on toll to be paid via FASTag. They need to submit proof of residence and nearest point-of-sale location to validate. Once the address is verified, the concession is ensured via FASTag affixed on the vehicle.

Is it working smoothly?

The tags sold by banks are not "bank-neutral". A FASTag bought from one bank can be recharged through that particular bank only and not through other banks. However, tags sold/distributed by NHAI are bank-neutral as one can use any bank account to



A banner promotes FASTag at Vashi in Mumbai. Security deposit is free at NHAI counters until December 1. Narendra Vaskar

INTERVIEW: NITIN GADKARI

'This will enable seamless movement, address fuel loss'

Why the December 1 deadline?

Well, we have been trying to popularise electronic toll collection through FASTags for years now but it was not really picking up. We had been behind targets in the past even though the number of tags issued was increasing. So we decided that in the interest of seamless movement of traffic on highways, let's do it. The ideal scenario is that you enter a toll road, when your vehicle number plate is electronically captured, and when you exit the road, the toll is automatically calculated and you pay through FASTag without having to stop.

There have been complaints on the technology, recharge and other issues...

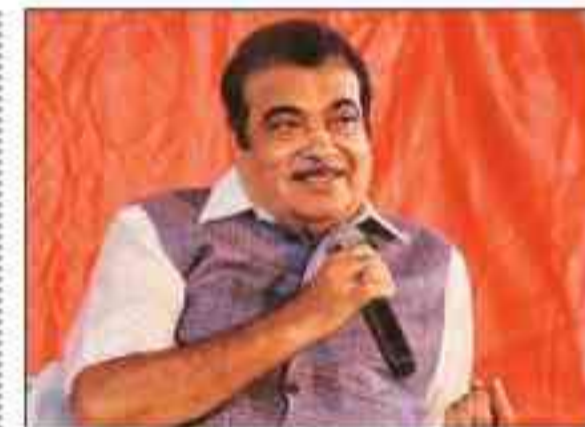
Yes, people are facing inconvenience, there are problems, I won't deny that. These are teething troubles associated with anything new. As and when new problems are arising, we are actively identifying them and resolving them. *Ek tareekh se pehle solve ho jayega.*

Is this idea an offshoot of demonetisation and subsequent push for Digital India?

We want seamless movement of vehicles and electronic toll collection, like it happens in many developed countries, like the US etc. As per a study by IIM Kolkata, the country loses fuel worth Rs 1.2 lakh crore every year thanks to vehicles standing in queue to pay toll at toll plazas. That's a waste. Even so much national time gets wasted. We want to address that.

When will state highways be on board?

See, all new cars and buses in the



country will have FASTags pre-installed. Now, we have decided that because of GST, some 21 types of various taxes stand withdrawn. As a result, state barriers on the roads conventionally for the collection of such taxes are not there anymore either. Therefore, there is no need for any vehicle, commercial or otherwise, to stop anywhere. We are working with states to implement this.

How are you working towards that?

In our endeavour to make "smart roads" we have told state governments to turn all their (cash toll points on) state highways into electronic toll collection points. For that we will help them in the conversion, free of charge.

How are you reviewing the implementation of this?

I am reviewing it very closely. I am getting feedback even from social media, where people are highlighting various issues. I am studying all of them. Even now, I am going for a meeting to review it with all officials.

Gadkari, Minister of Road Transport & Highways, spoke with Avishek G Dastidar

POINTS OF SALE

22 BANKS ISSUE FASTAGS

Axis Bank; ICICI; IDFC; SBI; HDFC; Karur Vysya Bank; Equitas Small Finance Bank; PayTM Payments Bank; Kotak Mahindra; Syndicate Bank; Federal Bank; South Indian Bank; PNB; Saraswat Bank; Fino Payments; City Union Bank; BOB; IndusInd; Yes Bank; Union Bank; Nagpur Nagarik Sahakari Bank; Airtel Payments Bank

WHERE TO BUY

Portals like Amazon and PayTM sell these tags. Available at 27,000 points of sale set up by 22 banks and National Highways Authority of India. Until December 1, free tag available at NHAI counters, mostly at the toll plazas.

has a customer-care link.

How did the idea come about?

A brainchild of Road Transport & Highways Minister Nitin Gadkari, the idea picked up after Prime Minister Narendra Modi's call for a "Digital India" post demonetisation. The government has been trying to make FASTag popular for years. Now, it has decided that the only way to bring vehicle owners on board was by making FASTag mandatory for toll payment.

Sales have indeed picked up in the last few days. This has been helped in no small measure by the announcement by Gadkari on November 21, that till December 1, the government will bear the security deposit of Rs 150, making the physical tag virtually free.

The average daily sale of these tags grew 4 times from 8,000 in July to around 35,000 by the third week of November. On November 26, 1.35 lakh FASTags were issued, up from 1.05 lakh the day before. Average daily transactions processed through FASTag have grown from 8.8 lakh in July this year to 11.2 lakh in November, while the average daily electronic toll collection has grown from Rs 11.2 crore to Rs 19.5 crore for the same period. After the recent thrust, around 70 lakh FASTags have been issued so far and the number is growing.

What about state highways?

Under a new "One Nation One FASTag" scheme, the NHAI is trying to get states on board so that one tag can be used seamlessly across highways, irrespective of whether it is the state or the Centre that owns/manages it. Recently as part of a pilot, Karnataka, Andhra Pradesh and Haryana signed MoUs with the Centre to accept FASTags in state highways also.

How climate change is reducing women's agency in Asian, African settings

YASHEE
 NEW DELHI, NOVEMBER 28

CLIMATE CHANGE is taking an especially high toll on women from weak socio-economic backgrounds, a new study published this week shows.

Research led by the University of East Anglia in England used 25 case studies across three "climate change hotspots" in Africa and Asia to conclude that environmental degradation is reducing further the ability of women to make choices and take decisions that can impact their lives positively, including in adapting to climate change.

The Asian "hotspots" were in India, Nepal, Pakistan, Bangladesh, and Tajikistan, while the African ones were in Kenya, Ghana, Namibia, Mali, Ethiopia, and Senegal. The study, involving researchers from India, Nepal, Pakistan, South Africa, and the UK, was published in *Nature Climate Change* on November 25. (A qualitative comparative

analysis of women's agency and adaptive capacity in climate change hotspots in Asia and Africa'; Nitya Rao and others)

Of the 25 case studies, 14 were in semi-arid regions, six in mountains and glacier-fed river basins, and five in deltas. These areas face a range of environmental risks such as droughts, floods, rainfall variability, land erosion and landslides, and glacial lake outburst floods. The predominant livelihoods include agriculture, livestock pastoralism, and fishing, supplemented by wage labour, petty trade, and income from remittances.

'Feminisation' of agriculture

Climate change has led to erratic weather behaviour and altered the nature of soil and water, making occupations like farming less sustainable. As men migrate in search of better work, and since farming can't be totally abandoned, the women stay back, putting in extra labour into an activity that is no longer that productive economically.

They do this in addition to their duties of



Membership of self-help groups often acts positively for women, but their gains are limited by the social context, says the study. *Archive/For representation*

looking after the household and their families, with no male partner to help them — at the cost of compromising with their health, nutrition, and leisure time, which adversely impacts various aspects of their well-being.

And yet, the study says, the women have little control over how the money they earn is spent, or over what kind of crop is planted

on the farm. In semi-arid Kenya, for example, when men move away with livestock in search of better pastures, women lose "control over milk for consumption and sale, and have to work harder to provide nutritious food to their children".

Earning, but it's not helping

With the men gone, more women are entering the workforce. But their income is going into ensuring basic survival, and not helping their ability to take significant decisions, and to adapt to climate change.

"Household poverty and environmental stress seem to combine to suppress women's agency even when favourable household norms are leading to improved participation of women in the workforce and voice in household decision-making," the study says.

Kenyan women are working to supplement household income, but in risky jobs such as narcotics trade and sex work. In Mali and Ghana, women work on arid land that is often borrowed, without putting in invest-

ment that would make it sufficiently productive, and their labour more worthwhile.

Institutions failing women

While more women are working in farms, farmer associations and markets are controlled by men. In natural disasters, aid-distribution and local governance units are dominated by men, and women have to rely on male relatives. In India, the study says, several rural local body posts are reserved for women, but their decisions are largely driven by men.

In Ghana, the researchers say, state interventions "seemed to impede both the traditional cohesion within communities and women's ability to diversify into more lucrative livelihoods. Focusing on cash crops, and providing formal extension services, typically controlled by men, they strengthened cultural norms that excluded women."

In the Ganga-Brahmaputra delta in Bangladesh, state interventions in terms of planned relocation "negatively impacted women's agency", with available jobs, such

as those in export processing zones, being preferentially accessed by men.

Women self-help groups (SHGs) "are often limited in number and lack the needed capacity, skills and opportunities to be effective and sustainable, especially where individual women and groups are dependent on natural resource systems for livelihood...", the researchers say.

"Though membership of an SHG often acts positively for women's agency, it does not necessarily translate into decision-making authority outside the SHGs and within their homes. This (suggests)... that women's agency in one institutional site may not necessarily transfer uncontested to another — it is contextual and socially embedded."

However, the study says some government measures, such as the public distribution system (PDS) for foodgrains in India, or pensions and social grants in Namibia, do grant women more agency, by taking care of basic survival and giving them more spending power.