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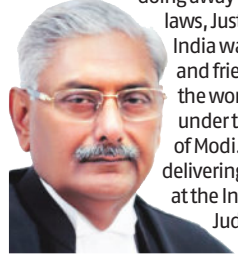
**WORLD P8**  
**BOEING FINDS DEBRIS IN FUEL TANKS OF MANY 737 MAX JETS**

**WORLD P9**  
**HOLOCAUST EDUCATORS URGE AMAZON TO STOP SELLING NAZI PROPAGANDA**



**PM A VERSATILE GENIUS WHO THINKS GLOBALLY, ACTS LOCALLY: SC JUDGE**

Supreme Court judge Arun Mishra on Saturday was all praise for Prime Minister Narendra Modi and termed him an "internationally acclaimed visionary" and a "versatile genius, who thinks globally and acts locally". Complementing the PM and Law Minister Ravi Shankar Prasad for doing away with 1,500 obsolete laws, Justice Mishra said India was a responsible and friendly member of the world community under the "stewardship" of Modi. Justice Mishra was delivering the vote of thanks at the International Judicial Conference 2020.



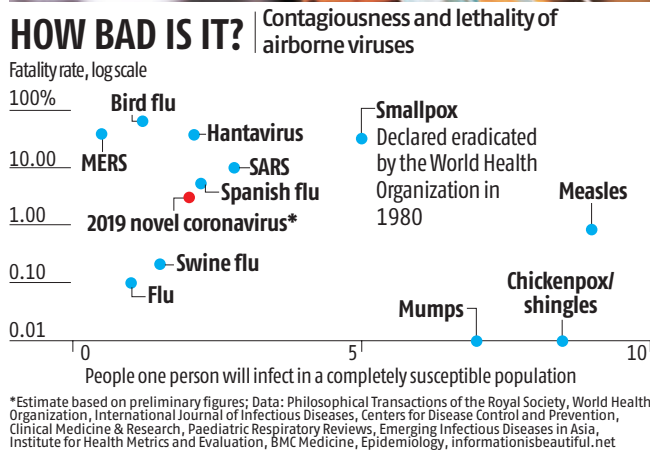
**ECONOMY & PUBLIC AFFAIRS P4**  
**SBI to auction 1,000 properties on Feb 26**  
State Bank of India (SBI) will auction 1,000 properties, including houses, and industrial and commercial units of defaulters, on February 26 to recover dues. These are stressed assets and the bank had made provisions on exposure according to Reserve Bank of India norms.

**BACK PAGE P12**  
**Russian airlines deepen India connectivity**  
Indian and Russian carriers are set to introduce new services from Mumbai and Delhi to Moscow. Aeroflot and Ural Airlines are introducing Moscow to Mumbai services for their summer schedule. Kazakhstan's Air Astana will also start four weekly flights between Almaty and Mumbai.  
**ANEESH PHADNIS reports**

**COMPANIES P2**  
**Biocon receives three USFDA observations**  
Biocon on Saturday said it had received three observations from the US Food and Drug Administration (USFDA) following inspection of its insulin manufacturing facility in Malaysia. The USFDA had conducted a pre-approval inspection of Biocon's subsidiary Biocon Sdn's plant.

**ECONOMY & PUBLIC AFFAIRS P4**  
**₹50,850 crore disbursed under PM-KISAN: Govt**  
The Centre on Saturday said it had disbursed ₹50,850 crore to farmers so far under its Pradhan Mantri Kisan Samman Nidhi scheme, enabling them to meet farm input cost and household expenses.

**IN DEPTH**  
**A turning point in war against corruption**  
India's battle against black money is still a work in progress. A new book compiling selected essays by former finance minister **ARUN JAITLEY** details the measures taken by the NDA govt to prevent and combat corruption



**AMALGAMATION OF 10 PUBLIC SECTOR BANKS**

**PMO seeks post-merger financial projections**

SOMESH JHA  
New Delhi, 22 February

The Prime Minister's Office (PMO) has sought specific details from the finance ministry on the benefits of the proposed amalgamation of 10 state-owned banks, even as the lenders await necessary approvals from the government to take the process forward. The anchor banks — Punjab National Bank (PNB), Canara Bank, Union Bank of India, and Indian Bank — which will take over six other public sector banks (PSBs), have been asked to furnish the financial projections for the next three-five years by the Department of Financial Services. In the past few days, the government has asked the banks to give their plans for raising capital through the equity and bond markets after the completion of the merger process, a senior PSB executive said, requesting anonymity.



treading cautiously on the merger of PSBs, even though the deadline to merge the balance sheets of these lenders was over a month away i.e. April 1.

A senior government official said Prime Minister Narendra Modi wanted to see the "outcome of the amalgamation of Bank of Baroda (BoB)" before taking a final call on the merger of the 10 PSBs. The finance ministry is likely to give a presentation to the PM soon before a final decision is taken.

"The tricky part is that the immediate benefit from the amalgamation process is cost rationalisation. But since we are state-owned banks, we cannot shut branches immediately or reduce staff. So in a way we have told the government about the long-term benefits of the exercise," one of the bank executives cited above said.

**TAKING STOCK**

What merging banks have to furnish

- Year-wise financial projections for next 3-5 years, with data on deposits, credit, capital adequacy, profitability, and NPAs
- Year-wise savings from merger in 3 years
- Branches and ATMs planned to be closed
- Capital-raising plans through equity and bond markets
- Sector-wise credit data of past 2 years

**FM SET TO HOLD REVIEW MEETING ON WEDNESDAY**

Finance Minister Nirmala Sitharaman will hold a review meeting with chief executives of all PSBs on Wednesday, with credit to micro, small and medium enterprises (MSMEs) being at the top of the agenda. "The finance minister has desired to conduct a review of the performance of PSBs on MSMEs," a communication, dated February 20 and issued by the finance ministry, stated.



**Taj gets picture-ready to welcome Trump**

SHREYA JAI  
Agra, 22 February

The billboards of 'Panchhi Petha' are competing fiercely with hundreds of sundry hoardings welcoming Donald Trump to Agra and the Taj Mahal. But the most famous brand of the sweetmeat made from ash gourd won't get to showcase its products to the United States president, a disappointed branch owner in Tajganj told *Business Standard*. All shops inside the Taj complex will remain closed when Trump visits the monument of love with his wife Melania on Monday.



After a show in Ahmedabad on Monday, US President Donald Trump will reach the Taj Mahal the same evening

Despite the hit on business, Agra's in good spirits. From Dwight D Eisenhower to Bill Clinton, many American presidents have made sure they're photographed against the backdrop of the Taj. And, now the monument is ready to impress Trump for that family frame. Well, almost ready. The messages flashing across Agra capture the spirit of readiness. 'Welcome to the land of Ram and Krishna', 'Greetings from people of Uttar Pradesh', 'Welcome to the land of immense investment opportunities' and many more. It's another matter that Trump has been sending confusing signals on trade and business deals with India over the last few days. Leaving nothing to chance as a good host would do, the BJP-ruled Uttar Pradesh has done its bit to beautify the area around the world's most iconic monument of the Mughal era. On Saturday, this reporter found everyone from gardeners to masons working at breakneck speed. If gardeners were on ground designing grass in star pattern (a feature of Mughal architecture), masons

were fixing broken tiles and leaking fountains. Then there were others cleaning paan (betel leaf) stains. After the US president and his wife land at Agra airport, the convoy would proceed straight to the Taj entry gate, from where the electric-run golf carts would escort them to the marble marvel, officials said.

**ECONOMY & PUBLIC AFFAIRS P3**

**Uncertainty looms over Ahmedabad itinerary of Trump**

Till Saturday, officials in the state government and local administrative bodies had no clarity on whether Trump, and the First Lady would visit Sabarmati Ashram before heading to the public event 'Namaste Trump', which is modelled on the lines of the 'Howdy Modi' event held in September last year. **VINAY UMARJI reports**

**NASSCOM TO PUSH FOR RELAXING H1B VISA NORMS**

**TRUMP MAY DISCUSS RELIGIOUS FREEDOM WITH MODI**



Chief Economic Advisor Krishnamurthy Subramanian said we should always aim for "creative destruction" where incumbents were challenged

**India needs pro-business, not pro-crony policies: CEA**

PRESS TRUST OF INDIA  
Mumbai, 22 February

India has some distance to go in fully shifting from the pro-crony to pro-business policies, Chief Economic Advisor Krishnamurthy Subramanian said on Saturday.

It will be pro-business policies that will enable the "invisible hands of the market" and also take the country to the \$5-trillion gross domestic product (GDP) goal, he added.

"Pro-business policies are those that enable fair competition in the country. We have some distance to go in terms of enabling that fully. Pro-crony policies on the other hand just help incumbents and that is something that we have to stay away from in enabling the invisible hands of the market," he said at an alumni conference of his alma mater, IIT-Kanpur.

Indian policymaking has been criticised for favouring crony capitalists in the initial decades after Independence, till the country shifted gears by adopting liberalisation in 1991.

Subramanian said after the Comptroller and Auditor General (CAG's) report on telecom spectrum allocations came out in 2011, investor returns from "connected companies", an euphemism for crony firms, had been very low as compared to the broader indices. The problem with cronyism is that it is not a better business model, he said, adding that we should always aim for "creative destruction" where incumbents were challenged.

In a critique of the dominant policy choices in the initial decades after Independence, he said "the trust with socialism did not deliver the trust with destiny", referring to the first prime minister Jawaharlal Nehru's famous speech when India attained freedom.

**Coronavirus may be the 'disease X' WHO warned about**



**Picture is emerging of an unpredictable, enigmatic pathogen**

JASON GALE  
22 February

The World Health Organization cautioned years ago that a mysterious "disease X" could spark an international contagion. The new coronavirus, with its ability to quickly morph from mild to deadly, is emerging as a contender.

From recent reports about the stealthy ways the so-called Covid-19 virus spreads and maims, a picture is emerging of an enigmatic pathogen whose effects are mainly mild, but which occasionally — and unpredictably — turns deadly in the second week. In less than three months, it's infected about 77,000 people, mostly in China, and killed more than 2,200.

"Whether it will be contained or not, this outbreak is rapidly becoming the first true pandemic challenge that fits the disease X category," Marion Koopmans, head of viroscience at Erasmus University Medical Center in Rotterdam, and a member of the WHO's emergency committee, wrote on Wednesday in the journal Cell.

The disease has now spread to more than two dozen countries and territories.

Some of those infected caught the virus in their local community and have no known link to China, the US Center for Disease Control and Prevention said.

"We are not seeing community spread here in the United States yet, but it's very possible — even likely — that it may eventually happen," Nancy Messonnier, director of the CDC's National Center for Immunization and Respiratory Diseases, told reporters on Friday.

Unlike SARS, its viral cousin, the Covid-19 virus replicates at high concentrations in the nose and throat akin to the common cold, and appears capable of spreading from those who show no, or mild, symptoms. That makes it impossible to control using the fever-checking measures that helped stop SARS 17 years ago.

**Spreading surreptitiously**

A cluster of cases within a family living in the Chinese city of Anyang is presumed to have begun when a 20-year-old woman carried the virus from Wuhan, the

outbreak's epicentre, on January 10 and spread it while experiencing no illness, researchers said Friday in the Journal of the American Medical Association.

Five relatives subsequently developed fever and respiratory symptoms. Covid-19 is less deadly than SARS, which had a case fatality rate of 9.5 per cent, but appears more contagious. Both viruses attack the respiratory and gastrointestinal tracts, via which they can potentially spread.

While more than 80 per cent of patients are reported to have a mild version of the disease and will recover, about one in seven develops pneumonia, difficulty breathing and other severe symptoms. About 5 per cent of patients have critical illness, including respiratory failure, septic shock and multi-organ failure. "Unlike SARS, Covid-19 infection has a broader spectrum of severity ranging from asymptomatic to mildly symptomatic to severe illness that requires mechanical ventilation," doctors in Singapore said in a paper in the same medical journal Thursday.

BLOOMBERG  
Turn to Page 4

**IMF: VIRUS TO SHAVE 0.1 PERCENTAGE POINTS FROM GLOBAL GROWTH**  
BACK PAGE P12

















CHATTERBOX

Andhra-Delhi bonhomie

All of last week, Andhra Pradesh Chief Minister Y S Jagan Mohan Reddy shuttled between the state and Delhi, and met Prime Minister Narendra Modi at least once to get his support to make Visakhapatnam the executive capital of the state...

DID THEY REALLY SAY THAT?



"THE PROBLEM OF STRAY ANIMALS... ISSUE OF PAYMENT OF SUGARCANE... COMPENSATION FOR CROP WASTAGE OF FARMERS IS ALSO MISSING."

Congress leader Priyanka Gandhi Vadra on the UP Budget, February 19 in Delhi

CHECKLIST THE POLITICS OF CORONAVIRUS

- South Korea: General elections are due mid April and the government led by President Moon Jae-in's Democratic Party is expected to do well...
■ Philippines: President Rodrigo Duterte, who has developed a close relationship with his Chinese counterpart Xi Jinping...

- the nation's anger," Opposition politician and former solicitor general Florin Hilbay said.
■ Thailand: Tourism accounts for more than 12 per cent of Thailand's GDP and nearly a third of it derives from Chinese visitors...



OPINION

RAVEESH KUMAR

'Five MoUs are under discussion with the US'

Question: Data localization has been quite a sticky point with the US, have there been any talks on this topic or we expect something to come up regarding this?

Question: What are going to be the major deliverables of this visit?

Official Spokesperson, Shri Raveesh Kumar: On H1B visa you are aware that we have remained engaged with the administration and the Congress on this issue of movement of Indian professionals... On the first lady's visit, this is being organised by the US Embassy...

On Howdy Modi program, whether who all are being invited, this is an event which is being organised by Donald Trump Naagrik Abhinandan Samiti. They are the ones who are taking a decision on who to be invited so this question should be addressed to them.

On the key deliverables, I think we have to understand this visit and see this visit in the context of a certain maturity which we have reached in the relationship and this is something which is missed time and again... There is a growing comfort level between the two countries...

We are aware that both leaders have personally invested in this relationship. Over the years we have seen how the canvas of the relationship has expanded to include newer areas of cooperation and if you can break it down you actually see that there has been huge support to the relationship...

If you look at the intensity of ministry level exchanges, I think that is unprecedented. India-US, the two-plus-two dialogue, which took place in December last year, very successful outcome rich meeting. Our defence relations have expanded significantly and you are familiar with the two agreements... like LEMOA and COMCASA. We have initiated a joint Tri-Services HADR Exercise named Tiger Triumph as an annual exercise...

On data localisation, you see I can't really say in what context it will really come up. There is quite a big agenda which the leaders will have in front of them. This will not be the first time that the discussion will take place. Our views are known and let's hope that we will be able to share some details on some of the discussions which we have with the US side on the 25th.

Question: You mentioned about energy security, is there any specific thing likely to happen on the nuclear front because the nuclear deal is kind of stalemated somewhere?

...Kumar: On the nuclear cooperation front Westinghouse and NPCIL they are in discussion to build six, 1,100 MW reactors at Kovvada, A(Andhra)P. Following resolution of Westinghouse's bankruptcy issues, the two sides are in discussion regarding the division of responsibility of the work. NPCIL has visited the US reference plant to understand the Westinghouse's modular construction methodology.

Question: If there is no trade deal..., when do you hope there will be one?

...Kumar: ...you are aware that we have been engaging with the US for quite some time now. We do hope to reach an understanding with an outcome that strikes the right balance for both sides and these are complex negotiations. We would not like to rush into a deal as... there are many decisions which actually could affect or impact lives of millions of people on the ground and some also with long-term economic consequences...

Edited excerpts from a briefing by Raveesh Kumar, spokesman, Ministry of External Affairs, February 20, in New Delhi



ILLUSTRATION BY BINAY SINHA

Although expectation about actual deliverables from President Donald Trump's India visit are low, ASHLEY J TELLIS, senior fellow at the Carnegie Endowment for International Peace and formerly senior adviser to the US undersecretary of State for political affairs, tells Aditi Phadnis India will not be able to put off crucial trade and other decisions in its dealing with the US much longer

'With Trump, often symbolism is the substance'

What do you expect will be the outcome of the US President Donald Trump's India visit? Both President Trump and Prime Minister Narendra Modi want this visit to showcase the strength of the US-Indian strategic partnership. Any state visit by an American president would ordinarily have such an objective, but this one is special because of Trump's unconventional presidency...

So will this visit be only about optics then? With Trump, the symbolism often is the substance, but that may not be a bad thing in this case. Given the goal, the two leaders have — showcasing the strategic partnership both for

their domestic constituencies and for their foreign rivals — I expect that the visit will be dominated by discussions on strategic issues where there is strong convergence, such as the Indo-Pacific, sustainable infrastructure development and terrorism. Because the trade deal has proven to be elusive, closing on defence sales, especially those with big dollar signs, will be important. I suspect India will be looking for ways to show Trump that it intends to be a good economic partner by accelerating the purchase of the US energy and collaborating on development projects in third countries...

How much has the Indian government's domestic political agenda hurt Indo-US relations? That's a complicated question because the Modi government's agenda has economic and political components. The creeping return toward import substitution and self-reliance that seems to characterise the current Indian attitude toward foreign trade has left the Trump administration quite unhappy...

Below 1% trafficking victims get compensation

Some outfits in West Bengal take up cudgels to find out the lacunae through RTI pleas and creating awareness among survivors, writes Swarnami Mondal

Sultana (name changed), a human trafficking survivor from West Bengal, is one among only three in the state to get compensation from the State Legal Services Authority (SLSA) under the West Bengal Victim Compensation Scheme between 2012 and 2019 — that too after a legal tussle of four years.

"In order to prove that I had been a victim of human trafficking, I had to go through multiple rounds of questioning by police. This was followed by a legal tussle and multiple rounds of hearing at the district court, which did not yield any result. I filed the case in 2016 and I received a compensation of about ₹4 lakh seven months back after battling it out in the Calcutta High Court," says the resident of South 24 Parganas district.

According to the National Crime Records Bureau (NCRB), West Bengal topped the country's trafficking list in 2018, with 3,500 cases being recorded between 2012 and 2019.

As far as the entire country is concerned, less than one per cent of trafficking survivors have received compensation during the period, says an action report by Kolkata-based research and anti-trafficking NGO, Sanjog — prepared by a team of five lawyers.

The team now plans to ramp up their research efforts by filing applications under Right to Information (RTI) Act and producing

a nationwide ground report, which will cover victim compensation orders and disbursement of compensation by the District Legal Services Authorities (DLSAs) and State Legal Services Authorities (SLSAs). They also aim to produce findings of reports from National Legal Services Authority (NLSA) in the near future.

One of them, Vipani Kumar, tells Business Standard the NCRB data shows 38,503 victims across the country filed cases with respective state police between 2010 and 2017. "We filed applications under Right to Information (RTI) Act with the state and district legal agencies to find out how many of these victims received compensation. The RTI information reveals only 107 survivors applied for compensation since 2011 and courts awarded compensation to another 102. Out of these 102 survivors, the respective DLSAs disbursed compensation to only 77 survivors," he says.

The DLSAs and SLSAs are responsible for providing compensation to the human-trafficking victims, he adds.

He further says, "During our research, we found most of the victims did not even know that they were eligible to get compensated by the government. The onus of providing proof of human trafficking falls on the victim and it requires submitting copies of multiple FIRs — one lodged at the police station, under whose jurisdiction, the victim was rescued, and the

India visit despite recognising that the trade deal was slipping — domestic electoral concerns, Modi's charms and strong advocacy by Ambassador Ken Juster probably explain that outcome. But Trump hasn't forgotten, and if the modest issues on which the administration is asking for progress are not resolved, the visit's aftermath may not prove to be as happy as the visit itself. And if Trump is re-elected, the Modi government will simply be unable to put off addressing these issues.

The recent Indian domestic political developments have raised concerns even within the administration, but senior officials have been careful enough not to make this an issue publicly. This public silence should not be misinterpreted as an absence of anxiety, though the depth of the apprehensions varies depending on the individual. For a president who was elected with strong evangelical support, issues of religious freedom for Christians are obviously important. But for other administration officials, how the Indian state treats all its minorities is of concern. In the Congress, the press and among NGOs, the dismay about the Indian government's policies has been much more vocal. I don't view these reactions as fatal to the US-India relationship right now, but the growing cleavages between the executive and the legislative branches and between Republicans and Democrats will, if not repaired, make the task of advancing the relationship more difficult. We don't need relations with India to become a new subject of controversy within the United States.

We now know that former prime minister Manmohan Singh was ready to face elections, but did not give up on the Indo-US nuclear deal. Do you think India and the US have optimised returns after that huge political gamble? Who has let whom down? Completing the deal served the basic purposes that we in the Bush administration had intended: to remove the biggest decades-old impediment that cemented India's suspicions of the United States; to bring India into the non-proliferation order without it having to give up its nuclear weapons; and, to permit the more liberal sharing of restricted technologies to aid the growth of Indian power in order to better balance China. I would contend that all these objectives have been satisfied.

Was the deal overly favorable to India? Absolutely — but by design. Where we fell short, at least thus far, was in regard to commercial sales of the US nuclear reactors to India. Many in the administration had hoped that India would buy a substantial number of US reactors. But India's mismanagement of the nuclear liability legislation and the Fukushima disaster made this much harder.

I still believe we will get to reactor sales eventually — what elsewhere takes years requires decades to accomplish in India — but when you look at the deal in terms of its fundamentally-transformative impact on the US-Indian relations, there is no doubt in my mind that our core objectives have been achieved. The dramatic deepening of the US-Indian cooperation on critical issues such as balancing China in the Indo-Pacific, the rising defence trade, and the growing willingness of



police station, under whose jurisdiction the victim was trafficked. The task of proving to the legal authorities that they have been victims of trafficking is arduous and uphill. The DLSA and SLSA appoint lawyers to help the victims avail legal help, but more often, these lawyers are ill-informed. The High Court lawyers are mostly interested in prosecution and they charge high fees."

The stakeholders involved in the process of rehabilitating the victims - like shelter homes, where they often stay for months before being resuscitated - often do not inform them about compensation.

both sides to actively collaborate in the Indian Ocean amply corroborates that judgment.

We are looking, almost certainly, at an abortive Indo-US trade deal. India has already walked out of RCEP. What are the prospects of an agreement on trade in the future and won't it always be in collision with America First?

The Modi government's failure to resolve the trade disputes with the US administration is disappointing, could be potentially costly to India, and remains a conspicuous blot on the otherwise unexpectedly successful strategic partnership under Trump. Unlike in other cases where Trump has focused on correcting the US trade balances itself, the issues that Trump has pursued with India are few and could have been addressed without major cost to Modi's larger objectives. But the economic slowdown, the Modi government's protectionist instincts, and the return of the ambition of self-reliance all conspired to prevent India from offering satisfactory solutions. Even bigger problems promise to come down the pike: e-commerce policy, data localisation requirements, and the like. India's curmudgeon attitude to trade liberalisation remains at stark odds with its expressed desire to participate in networked manufacturing, to integrate itself into global supply chains, and to consummate its "Act East" policy.



ASHLEY J TELLIS Senior fellow at Carnegie Endowment for International Peace

India and the US may be able to cobble a ragged truce on trade if they try hard enough in the future, but unless there is a major transformation in India's attitude to trade, the costs to India's long-term economic growth will be significant. The truth of the matter is that the US market remains the most lucrative market in the world and all countries that grew at remarkable rates in the post-war period grew in part because of their privileged access to the US market. If India finds itself shut out of this market because of its own regressive trade policies and the growing US inclination to make access to its markets dependent on reciprocal access — an attitude that may outlive Trump — India stands to lose far more than the United States potentially will. This simple fact should force the Modi government to rethink its attitude to trade openness in regard to the US.

The peace process in Afghanistan is to start next month and will be remote-controlled by the US. How much chance does India have of finding a place in the new equations?

India has grudgingly come to terms with the reality of the eventual US withdrawal from Afghanistan and the likelihood of a Taliban integration into the Afghan state. I don't believe that Washington can stage manage India's future role in Afghanistan. Much will depend on the choices India itself makes in the context of parallel decisions by others. But India has significant assets here: there is strong support for an Indian presence in Afghanistan across the Afghan political spectrum; Washington welcomes India's constructive role already; and all of Afghanistan's neighbours, barring Pakistan, would be willing to collaborate with India to preserve a stable Afghanistan state. The big question is whether the Afghans themselves can and will collaborate to produce this outcome — at this point, that's anyone's guess.

Subhashree Raptan, co-ordinator of Goranbose Gram Bikash Kendra in West Bengal's South 24 Parganas, said victims have to deal with social and internal stigma throughout the long-drawn process of fighting a legal battle to get their compensation. "Access to lawyers, attending repeated hearings only to recount their ordeal to prove that the rescued victims are eligible for compensation is an uphill task. We are struggling for justice, official rehabilitation and compensation," says Raptan who also works with Canning-based Bandhan Mukti Survivors Collective. A victim of human trafficking, who was rescued from Pune, says she did not know of any such scheme. "Also travelling all the way to Kolkata for repeated hearings becomes economically unsustainable. The lawyers couldn't help me out. The survivors' network established by Bandhan Mukti Collective helped me."

Budgetary allocation Kumar further says a major question in the RTI applications was about the budgetary allocation towards compensating human trafficking victims and how much of that has been used. "Answers by the Odisha SLSA to this RTI query revealed that the state had spent 104 per cent of the budgetary allocation towards compensating the victims, Karnataka SLSA responded that entire budgetary allocation towards compensating the victims was utilised. The Bidar DLSA of the state, however, said only 50 per cent of the sum set aside was used to compensate victims," Kumar says.

## The genie is out of the bottle

Deepfake's proliferation poses huge challenges

The Bharatiya Janata Party (BJP) deployed a new artificial intelligence-based (AI-based) technology, Deepfake, during the campaign for the Delhi assembly elections. This is the first time Deepfake was officially deployed in a political campaign, although it has been used earlier to disseminate fake political-slanted news. Deepfake is a portmanteau word combining "Deep learning" and Fake. It can be used to create realistic videos of somebody doing, and saying, things they have not done or said. The technology has been around for three years. It is now being commoditised with many programmes easily available.

In the Delhi campaign, Manoj Tiwari

was featured delivering short speeches in English and Haryanvi. The "base" video featured Mr Tiwari actually speaking Hindi. Deepfake was used to lip sync and dub new videos in what sounds like Mr Tiwari's voice. A Chandigarh-based communications outfit, The Ideaz Factory, created the content and the BJP pushed it out to over 5,000 WhatsApp groups. In this instance, Deepfake was used with Mr Tiwari's consent. But the realistic nature of such content makes it hard to fact-check and, thus, makes Deepfake a powerful tool of disinformation. The technology has often been misused for malicious and nefarious purposes.

Apart from unique faces, voices, and figures, individuals have unique postures,

expressions, speech patterns, and movements. AI can analyse video footage to extrapolate how an individual would say or do something. Most Deepfake programs use Generative Adversarial Networks (GAN) with two algorithms: One forges deepfakes while the other points out flaws in the forgery, which are then corrected. Related technologies like the DeepNude program can guess what a clothed person looks like without clothes. Ageing and de-ageing programs can accurately guess past or future appearances. It is even possible to create "synthetics" — full-body moving, talking images of non-existent people.

Hence, Deepfake videos can, for example, feature Donald Trump chanting in Sanskrit, or Lionel Messi playing cricket. Mark Zuckerberg, Barack Obama, and other well-known people have already been victims of Deepfake videos. Deepfakes have "embedded" Nicholas Cage, the late James Dean, and the late Carrie Fisher into films,

and depicted a young Harrison Ford. There are now ongoing lawsuits by the estates of several dead actors to prevent Deepfaking.

Most Deepfake content has been banned by Facebook and Twitter, with only content labelled for humorous and satirical purposes allowed on these platforms. TikTok also claims to be against Deepfake deployment but it has an embedded feature, Face Swap, which makes Deepfake easier to produce. The state of California is legislating a ban on Deepfake pornography since it is often used to target celebs, and to create "revenge porn" to embarrass former partners. As of now, it's estimated that over 95 per cent of publicly available Deepfake videos consist of pornography. But Deepfake is likely to see ever-wider deployment in political campaigns, as the technology catches on. It also provides a convenient excuse for politicians to disavow recorded statements they have actually made.

The technology presents a thorny prob-

lem for law enforcement, and it is also likely to be misused by authoritarian regimes to manufacture fake evidence against "anti-nationals". At the same time, it can be used creatively for sports and linguistics training, and creating content with "synthetic" actors and musicians. This particular genie is out of the bottle and the technology cannot be controlled or legislated out of existence.

Deepfakes' GAN is specifically designed to help it pass forgery tests, which makes it very hard to detect. Facebook is investing \$10 million in creating better recognition systems, hiring actors to make videos for training recognition algorithms. Google has released a publicly available dataset of 3,000-odd deepfake videos, to help train AI to identify deepfakes. But the technology for creating Deepfakes is also constantly improving. If recognition systems cannot keep pace with the new technology, Deepfake proliferation could absolutely destroy the credibility of our information dissemination systems.

## Financing infrastructure

India's infrastructure deficit can be reversed only by development finance institutions that have the domain expertise to both borrow and lend long-term

ASHOK HALDIA

The National Infrastructure Pipeline (NIP) laid out a blueprint for expenditure of ₹102 trillion over the 2020-25 quinquennium to change the infrastructure landscape in the country. Conspicuously lacking, however, were measures for mobilising funds to finance such a whopping requirement, particularly in the face of the yawning fiscal deficit, the limited lending capacity of banks, an underdeveloped bond market, the current state of the capital market and the weak finances of companies. The Union Budget has missed yet another opportunity to comprehensively address issues that are core to infrastructure development in the country.

The NIP has estimated the share of the private sector over this five-year period at ₹22 trillion, front-loaded, as against an investment of ₹2-3 trillion per year in recent years, which is drying up. In this backdrop, the Budget was expected to announce measures impinging upon the institutional framework, financing instruments and products, and fiscal incentives to step up the pace and scale of private sector investment.

The Budget has proposed isolated measures like increase in limits for foreign portfolio investment in corporate bonds from 9 per cent to 15 per cent (while the existing limit is utilised by only 58 per cent) and extending the concessional tax rate of 5 per cent on the interest income of non-resident Indians on masala bonds for another three years. These are welcome, but will have little incremental impact. Amid bottlenecks in infrastructure projects, it is to be seen how far tax exemptions on income on long-term bonds and equity will incentivise sovereign funds to invest in infrastructure.

The above and a few other similar measures will hardly boost the much-needed growth of the corporate bond market. In the past as well, ad hoc and half-hearted measures taken, for example, in regard to infrastructure investment trusts (InvITs), real estate investment trusts, credit enhancement, and participation of pension funds and insurance companies, have not helped. In fact, the Budget proposal to tax dividends in the hands of unit holders/investors will prove counterproductive for the growth of InvITs at a time when these are showing green shoots and expected to grow five-fold in the next two years.

It is therefore not surprising that the corporate bond market in India is smaller than even those of countries such as Thailand and Malaysia in Asia. The potential for the corporate bond market is evident from estimates that increase in its size from about 16 per cent of gross domestic product to 20 per cent in the next five years will release an additional ₹30 trillion for private sector investment. This would, however, need a suitable institutional apparatus, regulatory reforms, and introduction of new instruments and a hedging mechanism.

The Budget has failed to provide direction on how debt finance of the size envisaged in the NIP and for tenures of up to 20-25 years would be made available on a non-recourse basis for infrastructure projects, in both the public and private sector. Infrastructure projects raise 45-80 per cent of their funding requirements from commercial banks which, ironically, do not have the domain expertise to lend to infrastructure projects.

Learning from the failure of commercial banks, as is evident from mounting non-performing



The National Infrastructure Pipeline has laid out a blueprint for spending ₹102 trillion between 2020 and 2025, of which the private sector's contribution will be ₹22 trillion

assets, it was expected that the Budget may announce the setting up of development finance institutions (DFIs) that can borrow long-term and lend long-term, with a better understanding of the risk profile and distinctive characteristics of infrastructure projects. The Budget proposes to fund a government-owned DFI, namely, India Infrastructure Finance Company Limited (IIFCL), to leverage private sector investment. But the efficacy of the measure is questionable, as IIFCL, set up in 2006 for financing infrastructure projects, has so far not had any impact, because it lacked autonomy to act as a vibrant financial institution. DFIs with ownership and management structures like those of the erstwhile Industrial Credit and Investment Corporation of India are needed to match the challenges.

**Private sector investment hinges on ease of setting up infrastructure projects, and their continued viability. Investors are concerned about risk and uncertainty**

under an acute asset-liability mismatch and funding constraints may be asked to transit to infrastructure banks over a period of one to three years.

Last but not least, private sector investment hinges on ease of setting up infrastructure proj-

ects and their continued viability. As many as 386 projects have been delayed by more than one year and beyond six years. Investors are extremely concerned about risk and uncertainty surrounding regulations and regulatory actions, contract enforcement, delays in obtaining approvals and realisation of dues from concessionaires that are government entities.

In the last decade, India has rolled out one of the largest public-private partnership programmes (PPP) worldwide. The experience of the PPP model at the ground level has, however, been far from satisfactory because of imprudent allocation of associated risks between the public authority and the private partner, and an inefficient dispute resolution mechanism.

It is necessary that the government lays emphasis on confidence-building measures before extending the PPP model to other areas of economic and social infrastructure, as proposed in the Budget, by providing for a framework for time-bound approvals, coordination between implementation agencies, enforceability of contracts, timely resolution of disputes, and fast-track implementation of stalled projects.

Considering the enormity of the challenges, it is time for the government to create a separate ministry for infrastructure development that will also focus on the structural reforms needed for financing infrastructure projects. Otherwise, the NIP as an instrument for achieving a \$5 trillion economy will remain an illusion.

The writer is former managing director, PTC India Financial Services

## 'Yes, it's rational' doesn't mean it works

JIGAR MISTRY

"For every complex problem, there is an answer that is clear, simple and...wrong."

While the American essayist H L Mencken had written a version of the above statement in 1920, Germany had proved it a few decades earlier. Towards the end of the 19th century, Germany had a novel idea. Since certain trees provided greater capital returns, it made "sense" to create homogenous forests of these trees alone. To do so, existing forests were cleared of underbrush and new trees were planted in straight lines to facilitate counting and cutting. To duplicate the original forests, the state also created birdhouses and anthills, and even imported spiders. This experiment failed miserably and the "scientific forests" died, largely due to what's better known these days as the problems of monoculture (all complex systems need their ecosystem to survive).

James C Scott writes about this example in his book, *Seeing Like a State* (about how modern states simplify complex phenomena of societies that they wish to control). He introduces the idea of "legibility" essentially to suggest that when we see a complex natural system, we assume that just because it "looks" messy, it must be out of order. We then impose our own order to make it "legible". However, eliminating messiness removes the essential components of the system that we couldn't grasp, and the system fails.

The recipe for disaster, then, is fairly straightforward: (a) Look at a complex and confusing reality; (b) fail to understand all the subtleties of how complex reality actually works; (c) mistake your own inability to understand for the irrationality of what you see; (d) come up with plain vanilla vision of what reality "ought" to look like; (e) argue that relative simplicity and orderliness represent rationality; and then (f) watch your rational utopia fail miserably.

Sounds familiar? How about the last time you heard an expert making sense of the markets or how they have formulated a singular investment strategy that beats the market across cycles?

The reality, unfortunately, is much more complex than that. Markets (equity or otherwise) are an extremely complex ecosystem.

### DIVERSE MUTUAL FUND INVESTMENT STYLES

(All figures in per cent)

Years	Scheme 1	Scheme 2	Scheme 3	Scheme 4	Scheme 5
2002 to 2007	2289	1143			
2008 to 2010	6	33			
2011 to 2015	61	44	121		
2016 to 2017	49	43	30	55	36
2018 to 2019	-5	8	-4	-1	30
Assessment of investment style	Bottom-up stock picking	Growth at reasonable price	Deep value	Quality + growth	Large-cap + growth

### ▶ OTHER VIEWS

#### Public sector bank reforms vital to stop value erosion

Holding company structure will help insulate management from ownership

The pace at which private sector banks are gaining market share at the expense of their public sector counterparts is staggering. In 2016-19, the share of private banks in incremental deposits rose to 81 per cent, up from 19 per cent in 2011-15, while their share in incremental loans stood at 69 per cent in 2018-19. Though, at the aggregate level, public sector banks accounted for roughly 65 per cent of total deposits at the end of 2019, if these trends persist, it is conceivable that in the coming years, the share of private banks in both deposits and advances will be at par with that of public sector banks — fundamentally altering the structure of the banking sector in India.

So far, the government's strategy of turning around public banks, which rests on four pillars — recognition of bad loans, resolution and thus recovery of value from these stressed loans, and recapitalisation and reforms in banks — hasn't had the effect it had hoped for, largely because of the lack of reforms to address structural issues that continue to plague state-controlled banks. Since outright privatisation does not appear to be an option that is being considered, the government should consider transferring its stake to a bank holding company along the lines suggested by the P J Nayak committee. This



would help create a wall between ownership and management, allowing banks the freedom to take commercially viable decisions without interference from the government.

The Indian Express, February 21

#### India's quest for high growth

It should be ready for disruptions

The National Statistical Office (NSO) will release GDP numbers for the December quarter at the end of this month. The official position, also reflected in the first advanced estimates for the overall performance in fiscal year 2019-20, has been that the economy bottomed out in the September quarter. The GDP growth in the September quarter was 4.5 per cent, the lowest since March 2013. Unless there is a sustained acceleration in economic activity, the economy's midterm challenges will only increase. The global economy has not been able to regain its mojo even a decade after the 2008 financial crisis. Protectionism in developed countries, manifested in things such as United States-China trade war and Brexit, is

threatening to weaken tailwinds to economies of the global south from advanced country markets. Reconciling with effects of climate change and sharing costs of mitigating these effects is another big area of conflict.

Even as the world is struggling to come to terms with such structural challenges, there have been unanticipated disruptions. The coronavirus contagion in China is exactly that. While economists hope it will not lead to long-term damage, the spread of the epidemic can lead to supply chain disruptions and hit investor confidence. India cannot be complacent on the economic front, even if there is a short-term recovery.

Hindustan Times, February 21

#### Trump visit may yield no deal

The narrative will be political

Ahead of US President Donald Trump's visit to India, some of the key deliverables from the trip, as well as the outcomes that may not be delivered after his meeting with Prime Minister Narendra Modi on Tuesday, are coming into view. The larger question remains as to whether the bonhomie between the two, who will be meeting for the fifth time in eight months, will also spur the bilateral relationship towards broader outcomes, with expectations centred at bilateral strategic ties, trade and energy relations as well as cooperation on India's regional environment. On the strategic front, India and the US are expected to take forward military cooperation and defence purchases totalling about \$3 billion.

Mr Trump has cast a cloud

over the possibility of a trade deal being announced, but is expected to bring US Trade Representative Robert Lighthizer to give a last push towards the trade package being discussed for nearly two years. Both sides have lowered expectations of any major deal coming through, given that differences remain over a range of tariffs from both sides; market access for US products; and India's demand that the US restore its GSP (Generalised System of Preferences) status. However, it would be a setback if some sort of announcement on trade is not made. Despite the foreign ministry's statement to the contrary, the narrative will be political.

The Hindu, February 21

# Mumbai meets Moscow as airlines add flights

By July, the Mumbai airport will have 18 weekly flights to Russia and Central Asia

ANEESH PHADNIS  
Mumbai, 22 February

Goa's beaches and warm weather have lured Russian tourists for years. Each winter, thousands of Russians come to Goa in chartered flights for sun and surf. However, regular air connectivity between the two countries is limited to Aeroflot's double-daily flights to New Delhi.

This will change this year, as Indian and Russian carriers introduce new services from Mumbai and Delhi to Moscow.

Aeroflot and Ural Airlines are introducing Moscow to Mumbai services for their summer schedule. Kazakhstan's Air Astana will also start four weekly flights between Almaty and Mumbai, increasing connectivity to Central Asia. Currently, Uzbekistan Airlines flies two flights per week to Mumbai. By July, the Mumbai airport will have 18 weekly flights to Russia and Central Asian states.

IndiGo and Vistara, too, are planning to introduce flights between Delhi and Moscow to tap growth in trade and tourism. "We do plan to introduce flights to Russia sometime during the course of

this year. The exact timelines are yet to be finalised," IndiGo said in a statement.

"We will be sharing details of our new international destinations at an appropriate time," a Vistara spokesperson said. The new flights come in the backdrop of the Indian government's move to

Azerbaijan and Uzbekistan have seen 24 and 50 per cent year-on-year growth in passengers to/from India. Tajikistan's Somon Air, which launched two weekly flights to Delhi last December, sees a lot of tourist and student traffic from India.

"Around 80 per cent of Russian tourists visit Goa and the rest visit Kerala, Delhi, and Agra. The new flights will bring more tourists to Mumbai, but will largely benefit outbound travel, as Indians are now exploring new destinations," said H S Duggal, managing director of Minar Travels, which specialises in inbound tourism.

"Traveller interest in Russia and some of the Commonwealth of Independent States has been growing steadily. In fact, Russia is among the top 10 countries booked by travellers from India on Cleartrip. The Russian government has also made visiting some key destinations in the country easier for Indian citizens by extending the e-visa facility. Azerbaijan, Armenia, Ukraine, and Kazakhstan are some of the other destinations in the region gaining popularity among tourists from India," said Balu Ramachandran, senior vice-president, Cleartrip.com.

**Around 450,000 people flew between India and Russia in the 12-month period ending December, 2019 — a growth of around 10% over the previous year**

boost air connectivity with Central Asia, and growing interest of Russian investors in India. Russian companies and government-backed funds have showed interest in high-speed rail projects in Gujarat, and revival of Jet Airways.

Around 450,000 people flew between India and Russia in the 12-month period ending December, 2019 — a growth of around 10 per cent over the previous year.

## Need to enhance global risk monitoring, says finance minister

Should explore the scope for policy coordination, she adds



PRESS TRUST OF INDIA  
New Delhi, 22 February

Finance Minister Nirmala Sitharaman on Saturday emphasised the need to enhance global risk monitoring and explore the scope for policy coordination to deal with such risks.

Speaking at the G-20 Finance Ministers and Central Bank Governors meeting in Riyadh, she called upon all the member countries to enhance their efforts aimed at empowering women, youth and small and medium enterprises (SMEs). "Finance Minister Smt @nsitharaman called upon the G20 to enhance global risk monitoring and explore the scope for policy coordination to deal with such global risks," a tweet by the Ministry of Finance said.

Sitharaman was the lead speaker during the session "Enhancing Access to Opportunities for All" in the G20 Finance Ministers and Central Bank Governors Meeting on Saturday.

"Finance Minister Smt

@nsitharaman emphasised that growing inequality has slowed down the pace of inter-generational mobility globally.

She pointed out that identifying the causes and developing solutions require coordinated policy solutions," the ministry tweeted.

The minister also highlighted the initiatives undertaken by the Indian government for empowering women such as 'Stand Up India' and the STEP scheme.

She emphasised the risk and collateral free Mudra scheme for the SME segment in the meeting, the ministry said.

Sitharaman held bilateral talks with her counterparts from other countries and the Organisation for Economic Cooperation and Development officials on the sidelines of the G20 event.

She expressed empathy with the people of China, suffering from the coronavirus epidemic and extended India's support in this hour of need, the ministry said in a tweet.

## Coronavirus to shave 10 bps from global growth, says IMF

The fast-spreading coronavirus outbreak will likely lower China's economic growth this year to 5.6 per cent, down 0.4 percentage points from its January outlook, and shave 0.1 percentage points (10 basis points, or bps) from global growth, the IMF said on Saturday.

International Monetary Fund (IMF) Managing Director Kristalina Georgieva presented the outlook to central bankers and finance ministers from the world's 20 largest economies gathered in Riyadh where the outbreak was a major topic of discussion, but said the IMF continued to look at more dire scenarios.

China, which did not send senior officials to the G20 meeting because of the crisis over the virus, reported a sharp fall in new deaths and cases on Saturday. But world health officials warned it was too early to make predictions about the outbreak as new infections continued to rise in other countries.

"In our current baseline scenario, announced policies are implemented and China's economy would return to normal in the second quarter. As a result, the impact on the world economy would be relatively minor and short-lived," Georgieva said. "But we are also looking at more dire scenarios where the spread of the virus continues for longer." **REUTERS**

**India tells citizens to avoid non-essential travel to Singapore. Also, 46,218 people have been screened at Mumbai airport since January 18**

## Traditional media should introspect on its role in society: Prez Kovind

PRESS TRUST OF INDIA  
New Delhi, 22 February

President Ram Nath Kovind on Saturday asked the traditional media to introspect on its role in society in the face of the new media, driven by the internet and social media, to earn the reader's full trust again.

"The new media is fast and popular and people can choose what they want to watch, hear or read. But only the traditional media has, over the years, developed skills to authenticate a news report, and that is a costly operation," he said in his inaugural speech at the fourth edition of *The Huddle* by English daily *The Hindu*.



The President said traditional media would have to introspect on its role in society and find ways to earn the reader's full trust again. "The project of democracy is incomplete without informed citizens which means, without unbiased journalism," he said.

Speaking about the new media, the president said rapidly evolving information technology has impacted journalism in all its aspects, from news gathering to delivering news to readers, and finally making money to sustain the activity.

## Robust surveillance stalled coronavirus: Health minister

PRESS TRUST OF INDIA  
Mumbai, 22 February

India remained protected from the novel coronavirus because of its robust health surveillance system, Union health minister Harsh Vardhan said here on Saturday.

He also hailed qualified health professionals for "resisting" the Ebola, Nipah virus and Swine flu in the past.

Speaking at the foundation stone laying ceremony of the academic and administrative building of the International Institute for Population Sciences (IIPS) here, the health minister said India is now in a position to achieve the WHO 'Health for All' goal.

# And now — homegrown public policy wonks

ISPP is the country's first institute of its kind

ANJULI BHARGAVA  
New Delhi, 22 February

As the Indian youth engage more with the politics of the day and begin to grasp the critical role public policy plays in determining one's quality of life, there has been a rise in students heading West to join such prestigious institutes as the Harris School of Public Policy in Chicago, the Kennedy School at Harvard, the Blavatnik School of Government at Oxford University and Sciences PO in Paris. Closer home, the Lee Kuan Yew School of Public Policy is one of the more popular schools on their radar.

To give one example of the growing popularity of public policy, between 1988 and 2016, Harris School in Chicago had only 12 Indian students. In 2016, their number jumped to 18, followed by 24 in 2017 and 32 in 2018. Today, there are 45 Indian students studying at the institute.

Those who wanted to pursue the subject in India have had limited options. Courses in public policy are offered at institutions such as Jindal Global University, NLSIU, Bengaluru, and Xavier's Mumbai. However, in most of these places, the courses were added as an afterthought. By and large, these institutions are known for other disciplines. Hence, for students who wanted to take a deeper dive into the subject, heading out of the country was the only real option, albeit an expensive one. Some students manage a part scholarship, but many take loans of anywhere between \$100,000 and \$150,000 for a two-year course.

The Center for Civil Society (CCS), a body that drives social change through policy action, started courses in public policy and governance in 1998. Meant for college and post-graduate students, the courses ranged from 3 days to six weeks. Over 10,000 students have done these programmes so far, many of them heading West later to study the subject at greater length.

But CCS founder Parth J Shah says that when they spoke to former students, many would complain of not being able to return to India. "Reinventing their lives here became impossible for many of our students," explains Shah. Many would stay on to earn and pay back loans till their early 30s, and then find that they were "stuck" due to their circumstances.

That's when the idea of setting up the Indian School of Public Policy (ISPP) began to take shape in Shah's mind. Besides, by



2018, CCS itself had completed 20 years and was looking at new avenues for growth.

Before setting up ISPP, Shah did some homework on global trends in higher education and came to three conclusions: First, he realised that specialisation was key, so any new school needed to offer public policy as its main offering, the same way that schools that specialised in medicine or management did. Second, that a public policy school could be asset light. The focus needed to be on technology and talent and highly qualified and competent teachers were more essential to success than a fancy campus. Shah realised that students needed to specialise even within public policy so that they were job ready once they finished the year-long programme.

Once the idea crystallised, Shah and CCS chairman Luis Miranda managed to secure the financial support of Nandan Nilekani, who had seen the lack of capacity in the system during his UIDAI tenure. Shubhashish Gangopadhyay, who had been advisor to former finance minister P Chidambaram, has been co-opted as the first dean. As of now, the board of the new school comprises Shah, Miranda and EdelGive Foundation CEO, Vidya Shah.

ISPP's first batch of one-year residential programme began in 2018 with 63 students. Housed in Delhi's Qutub Institutional Area, the programme is highly subsidised and currently costs ₹7 lakh a year. (It is expected to go up to ₹8 lakh from the next session, which begins this August.)

The students in the first batch range between 21 and 40 years in age. Many have work experience. The main faculty is visiting and the school has learning associates who bridge the gap between faculty and

students. The founders argue that there is very high latent demand for policy professionals in India, but the supply has not been convincing enough for employers. From industry bodies to government outfits, think tanks, advocacy bodies, multilateral and international development organisations, consultancy firms and even companies like Uber, Ola, Amazon, many hire MBAs to do policy jobs.

"If they believed that policy graduates would handle that work at least as effectively and, in addition, bring policy perspectives to the table, they would grab that opportunity," adds Shah.

The ISPP is working to put in place an effective placement plan for its students.

Viral Doshi, one of India's best-known education consultants, says public policy has emerged as a popular postgraduate option in recent times. "By the time a student finishes school, they are not yet fully aware of what policy studies means. So I don't see too many undergraduate students opting for it. But at the postgraduate level, the demand is growing," he says. He estimates that between them, policy schools in the US get at least 200-300 postgraduate applications from India in a year. So, the scope is substantial.

But whether students will pick an Indian course over established foreign options remains debatable. ISPP wins on lower costs and a potential network for those keen to work in India. But it cannot complete with established public policy schools abroad when it comes to international exposure or their brand value. Going forward, the success of ISPP will depend on how it manages to position itself and the quality of its final product — the students.