



WORLD P9
OIL'S BREAKUP IN VIENNA IS LEAVING SCARS ACROSS MKT

WORLD P9
ASIA'S FRIED-CHICKEN KING TAKES \$2-BILLION HIT WITH US GAMBLE



POLITICAL CORRECTNESS CAN'T JUSTIFY TRADE DEAL: JAISHANKAR



Foreign Minister S Jaishankar on Saturday said trade deals must be justified by trade calculations and not political correctness. He said that in a globalised world, no economy could be an island unto itself. "But the exercise of engagement — and its terms — must be very objectively assessed. Trade outcomes must be primarily justified by trade calculations, not by political correctness," he said.

COMPANIES P2
Early signs of turnaround visible, says Prem Watsa

Canadian billionaire and chairman of Fairfax India Holdings Prem Watsa said that though 2019 was a tough year for the Indian economy, there were indications that the downward trend in some key economic indicators had bottomed out. A gradual consumption-driven recovery would take place, he said.

Multiplex chains go into overdrive to add screens

Multiplex chains are on an overdrive to add screens to boost revenues. Leading multiplex chain owner PVR Cinemas that opened 83 screens during 2019-20 has now set a target of 120-130 screens for the next fiscal. Inox Leisure has readied a pipeline of 1,118 screens and 148 properties.

ECONOMY & PUBLIC AFFAIRS P6
ECL Finance puts ₹2k cr of stressed assets up for sale

ECL Finance, the non-banking finance arm of Edelweiss Group, has invited expressions of interest for stressed assets worth ₹2,393.4 crore. These will be sold to asset reconstruction companies. Most of the accounts are from the real estate sector, either non-performing assets or special mention account 2-category loans.

RCom's resolution plan filed before NCLT

The resolution professional of Reliance Communications has approached the National Company Law Tribunal with a resolution plan approved by the creditors of the telecom firm under the Insolvency and Bankruptcy Code, according to a regulatory filing. The plan entails realisation of around ₹23,000 crore from sale of RCom assets and clawback of money paid to some of the lenders.

IN DEPTH
After riots, exodus



Distrust between communities may lead to permanent displacement for thousands, write ARINDAM MAJUMDER and SOMESH JHA

SBI readies ₹10k-cr war chest for YES

State Bank in touch with potential co-investors, will respond to RBI on final plan tomorrow as due diligence underway

ABHIJIT LELE & AGENCIES
Mumbai, 7 March

State Bank of India (SBI) is ready to invest up to ₹10,000 crore for a 49 per cent stake in YES Bank as part of a bailout and revival plan. The bank would initially invest ₹2,450 crore, but was ready to invest the additional amount if required, SBI Chairman Rajnish Kumar told reporters here on Saturday.

"I have already set the (investment) boundary of ₹10,000 crore," Kumar said, adding this was based on the assumption of higher capital requirement by the bank. Assuming the private lender issues 20 billion shares at ₹10 apiece (with face value of ₹2 each), the total capital raise will be ₹20,000 crore. And for the 49 per cent stake, SBI will need to put in about ₹10,000 crore, Kumar said, while elaborating his plans for the Reserve Bank of India (RBI)-initiated reconstruction scheme.

The bank was already in touch with other investors to pump funds into the struggling lender. "23 potential investors have approached us to invest and they include some very good names," he said. According to him, those planning to invest more than 5 per cent in the bank will come under the 'fit and proper' criteria formulated by the RBI. Depending upon the interest from other investors, SBI's final investment amount would be determined, he said.

The legal and investment teams of SBI, Kumar said, were in the process of conducting due diligence on the draft restructuring plan for the private bank and would approach the RBI on Monday with responses. With SBI being a national institute of importance, it needed to step in and protect YES Bank from collapse, he said.

Responding to questions whether SBI was being pressured by the government to carry out a rescue of YES Bank, Kumar said the private bank needed to survive. "The failure of YES Bank would have consequences for the Indian economy," he added.

The SBI chairman said the bank had sufficient capital as its capital adequacy ratio (CAR) was 50 basis points in excess of the RBI's norms. The CAR of the bank stood at 13.73 per cent, with the tier I component being 11.59 per cent at the end of December 2019. Kumar added that the government won't be required to step in with funds to save YES Bank.

SBI'S ACTION PLAN



- **Immediate investment requirement is ₹2,450 cr**
 - **The cap of ₹10,000 cr is based on the assumption of higher capital requirement by YES Bank**
 - **Capital infusion to have minimal impact on SBI capital adequacy**
 - **Co-investor(s) to be roped in**
 - **An arm's length relationship to be kept with YES Bank**
 - **Not seeking additional capital from govt**
- ▲ SBI Chairman RAJNISH KUMAR said the interests of SBI shareholders would not be compromised

ED expands probe against Rana Kapoor

Grills him for several hours; conducts searches at his daughters' houses



SHRIMATI CHOUDHARY
New Delhi, 7 March

Widening its investigation against YES Bank co-founder Rana Kapoor, the Enforcement Directorate (ED) on Saturday questioned him for several hours at its Ballard Pier office in Mumbai, even as the agency conducted searches at residences of his three daughters in Delhi and Mumbai, said officials in the know. Kapoor's wife and daughters were also questioned for hours, they said.

The questioning of the former YES Bank CEO was going on at the time of going to press.

According to the officials, Kapoor's wife, Bindu, and his daughters — Rakhee Kapoor Tandon, Roshni Kapoor and Radha Kapoor — own "several companies", and allegedly received kickbacks from various corporate entities in exchange for the disbursement of loans by YES Bank. These kickbacks were through complex transactions involving the promoters of Dewan Housing Finance (DHFL) and some more firms, the officials said.

Initial investigation suggests that the loan amount of ₹600 crore sanctioned by DHFL to Doit Urban Ventures, a company controlled by the family of Rana Kapoor, was actually the kickback for not repaying the loan to YES Bank.



Democratic Youth Federation of India protests against the proposed BPCL stake sale, in Kochi in December

Companies with \$10-bn net worth can bid for BPCL

May 2 set as deadline to submit EoIs, PSUs kept out

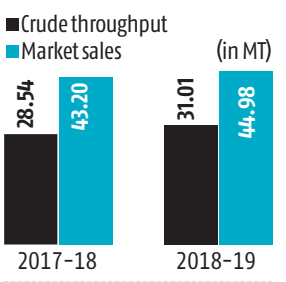
SHINE JACOB & JYOTI MUKUL
New Delhi, 7 March

The government on Saturday invited bids for a majority stake in Bharat Petroleum Corp Ltd (BPCL), more than three months after the Union Cabinet approved the strategic divestment. Private companies with a net worth of over \$10 billion (₹74,000 crore) will be eligible to bid by May 2.

Based on the current market capitalisation of ₹87,388 crore, the government stake of 52.98 per cent in BPCL is valued at around ₹46,300 crore. This sale is key to meeting the government's disinvestment target of ₹2.1 trillion in the financial year 2020-21. So far, the disinvestment exercise has fetched the government ₹34,845 crore during the current financial year.

The Department of Investment and Public Asset Management (Dipam) made it clear that none of the public sector undertakings will be allowed to participate in the proposed stake sale.

KEY PERFORMANCE METRICS



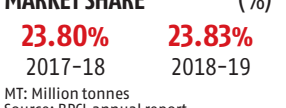
GROSS REVENUE



NET PROFIT (₹ crore)



MARKET SHARE (%)



MT: Million tonnes
Source: BPCL annual report

Gold-silver ratio nears 30-year high

Gold demand rising for the past 6 months on buying by central banks

RAJESH BHAYANI
Mumbai, 7 March

The gold-to-silver ratio, which indicates the relative strength of the two metals, is testing the three-decade-high level of 100, seen in February 1991. Currently, the ratio is at 96.5. The ratio rises when silver underperforms gold. In the past, whenever the ratio has increased to a very high level, it has never sustained and fallen. The ratio shows how many ounces of silver can be bought with one ounce of gold.

Traders in India, like their global peers, trade on the basis of this ratio. If they expect the ratio to rise, they buy gold and sell silver.

"The gold-silver ratio is currently at 96.5. It has seen a jump of about 19 per cent in the past six months. Gold prices have also jumped in this period to ₹44,960 (per 10 gm) and mod-

erated thereafter. This shows the market's clear preference for gold," Ajay Kedia, director, Kedia Commodities, said.

"Globally, gold demand has been rising in the past six months as central banks have been buying gold. Gold prices also got support from the US-China trade war, US-Middle East geopolitical tensions and the rapid spread of coronavirus. Traders are still buying gold as a safe haven in these uncertain market conditions. Silver remained stable compared to gold as industrial demand is poor. The gold-silver ratio can reach the 1991 levels of 100," Kedia said.

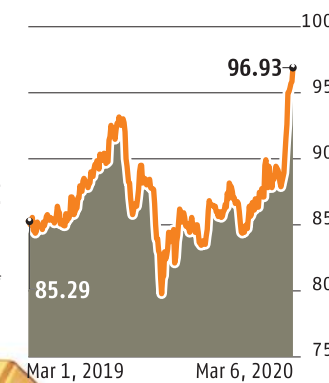
So far, traders have been saying that the ratio will not sustain at high levels and silver will start outperforming gold. This is possible if gold falls faster than silver or if silver rises faster than gold. However, they are now refraining from comment-

ing as silver still doesn't look strong following weaknesses in base metals. This is important as over 55 per cent of the silver demand comes from industry.

There are reasons for gold to rise further or outperform silver.

Metal Focus, a London-based consultancy, said in its latest report on gold that apart from the spreading virus causing damage in newer areas and the Federal Reserve sharply cutting interest rates, "the impact of political turmoil and geopolitical tensions also proved positive for the metal. Among the various problems, some that stand out include uncertainties ahead of the US presidential election as well as Brexit negotiations, and ongoing tensions across the Middle East".

GOLDEN RUN
The trend in the gold to silver ratio* in the past one year



*The ounces of silver it takes to purchase one ounce of gold



Turn to Page 4

Empty offices, full homes: Internet feels the coronavirus 'strain'

SCOTT MORITZ
7 March

With more people working from home to avoid coronavirus, will the internet break? The short answer is probably not. The longer answer is that there will be disruptions.

To protect workers and help stem the spread of COVID-19, companies like Twitter and JPMorgan Chase & Co. are telling employees who can work from home to stay home. In all, 42 million Americans, about 29 per cent of the US workforce, are able to work from home. And as schools close to keep kids out of harm's way, the pressure on home networks will grow.

"The weak link in the chain, where the system could get overloaded, is going to be the home broadband network," said Lisa Pierce, a network expert with Gartner. "People will hit congestion, just like a highway, where the speed goes from 60 miles an hour to 20."

Residences and neighbourhoods served by lower bandwidth cable and copper-wire connections will be among the first affected. Whole families sharing a single wi-fi signal, all logging in at once to work or firing up TVs and tablets to stay connected and entertained, should also expect delays.

Strong backbone

On the whole, the big networks of fibre-optic cable that crisscross the country will continue to operate, hauling internet traffic between cities, according to US phone service giants AT&T and Verizon Communications.

"As an engineer, I will tell you that we will have the capacity in our system that employees and customers need access to, at times like this," said Jeff McElfresh, chief executive officer of AT&T Communications, which



Firms like Twitter and JPMorgan Chase & Co are telling workers to work from home. In all, 42 million Americans, 29 per cent of the US workforce, are able to work from home

oversees landline, wireless and TV services. "We can provide the ability to work where customers need to work and help them continue to be productive. It's something I'm proud of. This is

something we do right." The phone companies' underlying confidence in their networks is due, in part, to the fact that the volume of traffic won't necessarily change. What will change

INDIA CASES JUMP TO 34 AS 3 MORE TEST POSITIVE

Three more positive cases of novel coronavirus have been reported in India, taking the total number of confirmed cases to 34, the Union health ministry said on Saturday. Of the three, two are from Ladakh with travel history to Iran, while one is from Tamil Nadu and had visited Oman, the ministry said, adding all the patients were stable.

MALLS, SHOPPING COMPLEXES FEEL THE PINCH

With COVID-19 cases being reported in Mumbai, Thane, Agra, Noida and Delhi, retailers, multiplex operators, mall developers and eatery owners are bearing the brunt of the outbreak. "There is a clear business impact. People are avoiding crowded places and gatherings across cities," said the Confederation of All India Traders. VIVEAT SUSAN PINTO & SOHINI DAS report

develop bottlenecks at network nodes where multiple lines converge.

Among the biggest network cloggers, or bandwidth hogs, will be popular video and social-media services, like Netflix, YouTube, Facetime and Skype, according to Roger Entner, an analyst with Recon Analytics. "Video is already 70 per cent of all network traffic," he said.

"The moment you add in videoconferencing to all the shows the kids are watching because schools are closed, it could be a problem if everyone is trying to get on at the same time."

Diffuse impact

Problems are likely to range from dropped connections to slow downloads or loss of video feeds. These are familiar conditions in climates where snow days keep folks at home and can test the limits of home broadband capacity.

BLOOMBERG
Turn to Page 4

YES BANK CRISIS

Backup plan, cups of coffee help staff get PhonePe up and running

Payments firm came to a halt after RBI superseded YES Bank's board

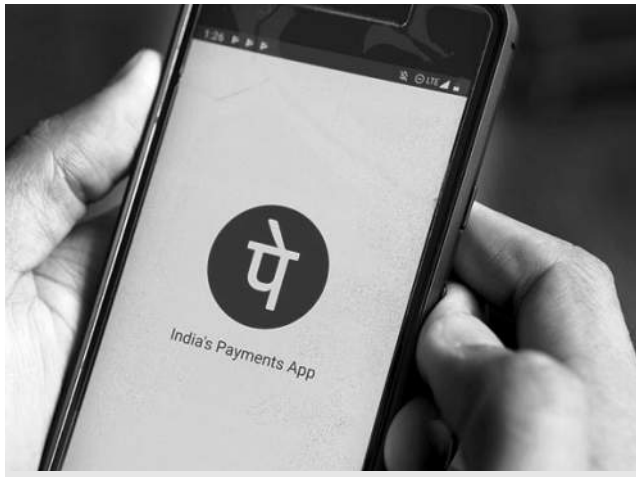
PEERZADA ABRAR & NEHA ALAWADHI
Bengaluru/Delhi, 7 March

On Thursday evening, PhonePe employees were looking forward to the weekend, but then they were caught by surprise when the Reserve Bank of India (RBI) placed YES Bank under moratorium.

PhonePe and its users were hit the hardest as YES Bank is the Walmart-owned payments platform's exclusive UPI (unified payments interface) partner and the PhonePe app had to be shut down.

After a gruelling 24 hours, the PhonePe team, led by chief technology officer Rahul Chari and CEO Sameer Nigam, has fully restored UPI on the payment platform. The app is up and running again with all payment instruments enabled.

This is an engineering feat as it was a multi-location effort and the teams worked on it round the clock, according to people familiar with the matter. "He (Rahul Chari) has not slept in 24 hours and the teams were working around the clock. But to get this size of operations up and running is really amazing," said a



PhonePe team member.

Industry executives said this was an example on how to deal with adversity. PhonePe has ICICI Bank as its new partner. This was already in the works for a few months, according to sources. The firm is also in talks with other banks such as HDFC, Axis Bank, State Bank of India (SBI) and RBL Bank to become a multi-bank platform as recently mandated by the National Payments Corporation of India (NPCI), according to a person from the financial services sector.

Customers and merchant partners don't need to change the UPI address and can continue using the existing handle, said sources.

The Bengaluru-based firm had already anticipated such a situation and put in place contingency plans to protect the company and its customers. "Otherwise, it wouldn't have been possible to be up and running at this scale in just 24 hours," said a team member, who did not wish to be named. "We were not running like headless chicken. The ground-work was already done and we just executed the backup plan," said the person.

Indeed, the firm's scale is massive, as PhonePe — which competes with rivals such as Alibaba-backed Paytm, Google Pay and Amazon Pay — is accepted as a payment option at 10 million outlets across 350 cities

24 GRUELLING HOURS

- The PhonePe team, led by CTO Rahul Chari and CEO Sameer Nigam, has fully restored UPI on the payment platform
- PhonePe has got ICICI Bank as its new partner. This was already in the works
- The firm is also in talks with various other banks such as HDFC Bank, Axis Bank, SBI and RBL Bank to become a multi-bank platform
- Customers and merchant partners don't need to change the UPI address
- PhonePe is accepted as a payment option at 10 million outlets across 350 cities in India

in India. It has 200 million registered users and does 570 million monthly transactions.

The company witnessed annualised total payments value (TPV) of \$180 billion and has 10 million merchants. Last year, the app, which went live in August 2016, crossed the 5 billion transactions mark.

During the weekend, the PhonePe's offices in Delhi, Mumbai, Pune and Bengaluru were buzzing with engineers and employees, executing the backup plan, which included coding continuously, migrating users and looking at all the touchpoints.

A majority of the firm's 1,200 employees are engineers, and 25 per

cent of them are women. Around half of the employees have been holed up at PhonePe offices since Friday, according to sources. "A lot of coffee, availability of good food and bunk beds arranged by the company kept them going," said a person familiar with the matter. "The mood among the employees was euphoric once the job was done."

Interestingly, on Friday, Noida-based Paytm took a dig at its rival PhonePe by inviting it to the Paytm Bank UPI platform. "It already has huge adoption and can seamlessly scale manifold to handle your business. Let's get you back up, fast!" Paytm Payments Bank tweeted.

"Paytm even started to poach PhonePe's customers by sending messages to its merchant partners that read 'QR code not working? Switch to Paytm All-in-One QR code now and accept unlimited payments'," said a person familiar with the development.

What is remarkable is that a lot of payments start-ups rallied behind PhonePe and offered help. Bipin Preet Singh, co-founder and CEO of MobiKwik, tweeted that at such a time of systemic failure in the UPI ecosystem, "We at MobiKwik extend our full support to our friends Sameer Nigam and Ashneer Grover (BharatPe co-founder) and others who are impacted by YES Bank mess. We are here to help and hope there is a quick resolution".

Hold RBI accountable, bring bank under govt control: AIBEA

The All India Bank Employees' Association (AIBEA) on Saturday said the Reserve Bank of India must be held accountable and the government should start taking all the private sector banks under its fold. The umbrella body of bank unions said lenders deal with public money and hard earned savings, and "If banks mishandle and mismanage..., criminal action should be taken against top officials of the bank who are responsible for the same, and severe punishments should be awarded". "In order to protect the interest of the depositors and bank's clients, YES Bank should be immediately brought under the public sector," said C H Venkatachalam, general secretary, AIBEA. **PTI**

Systems functioning 'without any disruption', says PayNearby

Fintech startup PayNearby, which has a tie-up with YES Bank to offer cardless and pinless ATM services to customers, on Saturday said its systems are running without any disruptions. The statement comes in the wake of disruption of Unified Payment Interface (UPI) offered by fintech players after YES Bank was put under moratorium by the RBI. "Our systems are up and running without any disruption. We are a strong technology backed fintech company and have multiple banking partners," the company said in a statement. "YES Bank has been a very valuable partner in our journey and we are confident that they will soon bounce back," the statement added. **PTI**

Rajkot civic body tells YES Bank to release smart city fund

The Rajkot Municipal Corporation (RMC) has written to the Reserve Bank of India for the release of the Smart City Mission fund of ₹160 crore stuck in the troubled YES Bank, Gujarat deputy chief minister Nitin Patel said. Patel said that apart from the ₹160 crore, the government has no other deposit in the capital-starved bank. "As per information provided to me, around ₹160 crore Smart City Mission fund of RMC is deposited in YES Bank. The money belongs to the Central government and the RMC, and hence the municipal corporation has written to the RBI with the request to release the fund as per its requirement," Patel added. **PTI**

Signs of turnaround visible: Prem Watsa

T E NARASIMHAN
Chennai, 7 March

Canadian billionaire and chairman of Fairfax India Holdings Prem Watsa has observed that though 2019 was a tough year for the Indian economy, there are indications that the downward trend in some key economic indicators has bottomed out. Owing to this, he expects a gradual consumption-driven recovery.

High reservoir levels and soil moisture levels point to a good rabi harvest that could cool inflation and revive consumer demand. A fall in the consumer price index could enable and encourage the Monetary Policy Committee (MPC) to initiate one more policy rate cut, he said in his 19-page letter to shareholders. "The worst may be behind us, and we may see a gradual consumption driven recovery," he said.

From the end of 2016, India has moved up by 67 places to number 63 in the World Bank Business Report's 'ease of doing business' measure.

His letter also said according to a World Bank director, this is the third year in a row that India has made it to the top 10 'improvers' in doing business. This is a success that very few countries have achieved over the last 20 years since the project was started. At this rate, India could soon be among the top 50 countries in which to do business. This is a testament to the economic reforms that Prime Minister Narendra Modi has been undertaking. However, 2019 has been a year of opposites for India, it added.

The Indian stock markets performed well in 2019 with a return of 11.9 per cent for large-caps but economic growth decelerated sharply, during July-September 2019 with growth declining to a 26-quarter low of 4.5 per cent. The economy is now forecast to grow by only five per cent for the year ending March 31, 2020. The economy, in the previous year, had returned to a growth level of 6.8 per cent after it had overcome the twin shocks of demonetisation and implementation of the goods and services tax (GST).

The letter said, slowdown started with the withdrawal of easy credit for consumers, small and medium enterprises and real estate developers after the IL&FS crisis in September 2018.

Funding became difficult for non-banking financial companies (NBFCs) and it fueled a downward spiral.



Fairfax plans to list infra investment arm

Fairfax India is planning to list its subsidiary Anchorage Infrastructure Investments Holdings (AIHL), which has been created in June 2019.

AIHL is Fairfax's flagship investment vehicle for airports and other infrastructure investments in India. The plan is to eventually transfer all of Fairfax's shares in Bangalore International Airport (BIAL) to AIHL.

In December 2019, Fairfax India signed definitive agreements with an investor, whereby it will transfer 43.6 per cent of BIAL out of the 54 per cent that it owns to AIHL. The investor will pay about \$135 million to acquire from Fairfax India 11.5 per cent stake on a fully diluted basis in AIHL. This will result in the investor indirectly owning approximately 5 per cent in BIAL. The transaction values BIAL at \$2.7 billion. **T E NARASIMHAN**

Consumer spending growth slowed and sales in many consumer sectors like automobiles were hit, resulting in production cuts and plant shutdowns. This led to job losses, said Watsa.

He added, the MPC cut policy rates by 135 basis points (bps) over five consecutive meetings, starting February 2019. However, bank lending rates have moderated by only about 45 bps during this period because bank deposit rates did not fall in tandem with the policy rates. This was because of tight liquidity conditions and poor lending as well as falling business confidence.

Genpact looks to ethical artificial intelligence to chart path ahead

NEHA ALAWADHI
New Delhi, 7 March

With artificial intelligence (AI) continuing to play a strong role in 2020, the road ahead will be built on "augmented intelligence" — a mix of human and machine intelligence that will give an edge to companies, says Genpact's chief digital officer Sanjay Srivastava.

Enterprises could see more positions like digital ethics officers and move towards providing transformation as a service, an area Genpact is heavily focused on. Srivastava said the company is in the fourth phase of evolution and will focus on areas like eliminating bias in intelligent systems and digitising newer kinds of work.

"With AI, it's no longer that you have to protect your applications, because I can corrupt your data and then perfect AI will run on wrong data and give you the wrong results. I foresee that corporate boards are going to start thinking about ethical governance very differently. Just like we have audit subcommittees and compensation subcommittees, the world is going to have digital ethics subcommittees as a board-level subcommittee," said Srivastava.

Concerns over bias in AI systems and their efficiency are not new, but there seems to be an increase in board-level recognition of the pitfalls of this. Genpact is using AI in multiple ways, most notable being its AI platform called Cora, which collects and analyses the available data and makes recommendations to clients.

One of the things it is working on is language. "We're big believers in natural language processing. We apply it in invoice processing, contract reconciliation, any place you have to compare two large PDFs and derive information," said Srivastava.

The next big area is computer vision, which works on what are called knowledge graphs, or deep learning. "You can turn your iPhone and say, where's the nearest Starbucks and it will tell you where it is. But if you look at an invoice and on page number 23, (you say) the sales tax you applied for in one state (that) you need to take to another state, there's no in AI in the world today that can solve it, because it's not contextualised," he added. In this context, how do digital officers deal with ethics, which are subjective even offline? The answer, said Srivastava, is not hundred per cent laid out. "But I do think that the parameters are



Srivastava said Genpact is in the fourth phase of evolution and will focus on areas like eliminating bias in intelligent systems and digitising newer kinds of work

now starting to get defined. So I actually work with clients on this. I have them set up a framework...one of the dimensions is an awareness of the intended and non intended usage parameters of the AI that we recommend," he said.

Cognizant plans to hire sales staff with specialised digital skill sets

DEBASIS MOHAPATRA
Bengaluru, 7 March

Cognizant is aggressively hiring sales people proficient in digital technologies in its bid to win more deals in the new technology space.

The company, which is in the process of hiring around 500-strong sales team, has already taken staffers with specialist knowledge of working with SaaS (Software-as-a-Service) players. "Out of the 500 sales people (the company is hiring), a large proportion has digital skill set. So, we have sales specialist, who work with leading SaaS players like Amazon's AWS, Google Cloud, Microsoft Azure," said Malcolm Frank, president of Cognizant Digital Business. "We also have sales specialists with specific knowledge in IoT (Internet of Things)."

Frank also said deals coming in the digital space are not large ones, but are more project-based which grow with time. The Teaneck, New Jersey-based firm currently draws more than 35 per cent of its revenues from digital technologies and is witnessing a year-on-year growth of around 20 per cent in this segment. "We will definitely have a larger



The IT services firm is also rationalising its employee pyramid by hiring more fresh graduates

proportion of digital revenues, but we will still be doing a lot of systems (core revenue) work," said Frank.

He also said the firm plans to hire or re-skill around 25,000 employees for cashing in the opportunities arising in the digital technology segment without divulging specific numbers.

Currently, Cognizant is pursuing its

'fit for growth' plan under which it is taking various cost-optimisation measures through which the company hopes to save around \$150-\$200 million by the end of 2020. The IT services firm is also rationalising its employee pyramid by hiring more fresh graduates. It had earlier said the company would remove 10,000-12,000 mid- to senior-level employees and redeploy about 5,000 of those impacted.

On Cognizant's decision to exit the content moderation business, Frank said though it was a difficult decision, it was a step in the right direction. "While there are a handful of clients in the content (moderation) business, every firm is looking for digital solutions. So, the opportunity is quite big in digital (space)."

The IT firm last year decided to exit the content moderation business, which has an overall revenue impact of \$240-270 million per annum. Cognizant, which beat street estimates with its fourth quarter performance, has projected that its revenues will grow by 2-4 per cent in the current year. Though this is the lowest year projection among its peers, investors believe that the firm's performance may improve.

VIRUS JITTERS

Malls, multiplexes feel the pinch 3 more test positive; total mounts to 34

COVID-19 keeps people away even during Holi weekend

VIVEAT SUSAN PINTO & SOHINI DAS
Mumbai, 7 March

With COVID-19 cases being reported in cities such as Mumbai, Thane, Agra, Noida and Delhi, retailers, multiplex operators, mall developers and eatery owners are bearing the brunt of the coronavirus outbreak ahead of Holi.

"There is a clear business impact. People are avoiding crowded places and gatherings across cities. This is hitting business, both at traditional and modern trade outlets, during the Holi season, which kicked off from Saturday," said Praveen Khandelwal, general secretary, Confederation of All India Traders (CAIT).

On Friday, CAIT announced that it was calling off Holi-based events to be organised by its regional and local chapters across cities in the next three days.

Holi will be celebrated on Tuesday across India. The four-day weekend starting Saturday would have come as a boon for retailers, malls and multiplex operators.

Mukesh Kumar, chief executive officer, Infiniti Mall, which operates prop-



Industry sources said movie theatres have seen footfalls drop sharply in the last few days, hitting collections of films such as *Shubh Mangal Zyada Saavdhan* and *Thappad*, which released last week

erties in Andheri and Malad in Mumbai, said he had not seen a spike in business this weekend. "The Holi weekend normally gives us a spike of about 20-25 per cent in terms of footfalls. People come out in large numbers and the mood is celebratory. This year we are not seeing that spirit of celebration," he said.

Movie theatres, said industry sources, have seen footfalls drop sharply in the last few days, hitting collections of films such

as *Shubh Mangal Zyada Saavdhan* and *Thappad*, which released last week. While Tiger Shroff-starrer *Baaghi 3*, which released on Friday, has raked in ₹17.5 crore on its opening day, trade analysts said the number was less than expected.

Electronics retailers, such as Vijay Sales, which runs stores in Mumbai, Delhi and other cities, are grappling with supply disruptions also. "There are supply issues due to the coronavirus. This is

impacting the business," said Nilesh Gupta, managing director, Vijay Sales.

Officials at Big Bazaar, part of the Future Group, said they are witnessing panic buying at the outlets in Mumbai, Delhi and Bengaluru, in categories such as food and fast moving consumer goods. "People are stocking up on essentials, since there is a fear whether they can step out in the next few days if the virus scare grows," said an executive at Big Bazaar.

Eateries are already seeing a decrease in dine-in sales, though delivery sales remain stable for now, said executives at Westlife Development, which runs McDonald's stores in south and west India.

Samir Kuckreja, founder and chief executive officer, Tasanaya Hospitality, said demand for meat dishes had fallen at restaurants, according to conversations he had with eatery owners across the cities.

Riyaaz Amlani, chief executive officer and managing director, Impresario Entertainment & Hospitality, which runs outlets such as Social, Smoke House Deli and Salt Water Cafe, said his restaurants were taking all the necessary precautions to sanitise dining and kitchen areas. "Yes, there is fear in the minds of people. But this weekend should give us a sense of how bad it is and how long it will last," he said.

PRESS TRUST OF INDIA
New Delhi, 7 March

Three more persons tested positive for coronavirus on Saturday, taking the number of confirmed cases in the country to 34, as the government stepped up efforts to combat it with Prime Minister Narendra Modi directing officials to identify places for sufficient quarantine facilities and make provisions for critical care.

Two of these persons are from Ladakh with travel history to Iran while the other is from Tamil Nadu who had visited Oman, the Union health ministry said, adding all the patients are stable.

It also said more than 150 people, who had come in contact with two US nationals who tested positive for coronavirus in Bhutan and had toured various places in India, have been put under Integrated Disease Surveillance Programme.

Many states cancelled official functions to celebrate Holi and took several preventive measures to check the spread of coronavirus.

India's 2022 FIFA World Cup qualifiers match against Qatar scheduled for March 26 in Bhubaneswar has been postponed while Maharashtra health minister Rajesh Tope said "discussion" is underway on whether the IPL, set to start from March 29 in Mumbai with a match between Mumbai Indians and Chennai Super Kings, should be postponed in view of the coronavirus outbreak.

During the day, Modi reviewed the coronavirus situation in the country at a meeting with officials of all ministries and departments concerned and also directed them to identify locations for sufficient quarantine facilities.



Officials use thermal screening devices to detect infection in wake of the coronavirus outbreak in Bikaner on Saturday

He told them that in view of expert opinion, people should be advised to avoid mass gatherings as much as possible and made aware of the do's and don'ts.

While complimenting all departments for the work done so far, Modi stressed that as the coronavirus scenario evolves, India has to be prepared in its response. He highlighted the need for advanced and adequate planning, and timely response which is critical for managing this infectious disease.

The health ministry in a statement said the officials were instructed to plan for early testing and evacuation of Indians from Iran where, according to reports, 145 people have died so far due to COVID-19.

On Saturday, an aircraft from Tehran brought to Delhi swab samples of Indians in Iran who are suspected of having the coronavirus infection. The flight, operated by Mahan Air, then returned with many Iranian nationals.

These samples are being tested at the laboratory in AIIMS, the ministry said. Also, six scientists from the Indian Council of Medical Research

have been stationed in Iran. Equipment and reagents, worth approximately ₹10 crore have been dispatched to enable them to setup a lab there.

In Goa, two foreign nationals were quarantined in Goa Medical College and Hospital for suspected exposure to the novel coronavirus. Their samples have been sent to National Institute of Virology in Pune.

Barring those of an Italian couple, all the 280 samples collected from suspected coronavirus cases in Rajasthan have tested negative, officials said.

The Odisha government put restrictions on foreign visit of ministers and senior officers and also exempted its employees from using the biometric system to mark their attendance until further orders.

The Union health ministry said a total number of 726,122 people from 7,108 flights have been screened at airports. Since Friday morning, 73,766 passengers from 573 flights have undergone screening at airports.

It also said as many as 52 laboratories are now operational across the country for testing COVID-19 virus.

Say no to handshakes, greet with namaste: PM

PRESS TRUST OF INDIA
New Delhi, 7 March

Prime Minister Narendra Modi on Saturday asked people to not pay attention to rumours regarding coronavirus and emphasised the need to follow the advice of doctors in this regard. He also asked people to avoid handshakes and start greeting others with 'namaste'.

"In such times rumours circulate very rapidly. Some say don't eat this, don't do that. Some people will bring in new things such as eat this to keep coronavirus away. It is my request to all my fellow countrymen, kindly keep away from

these kinds of rumours," he said. "Whatever you do, kindly do it on the advice of your doctor. Let's not become doctors ourselves," the Prime Minister said.

The entire world is taking up the habit of 'namaste', Modi said. If because of some reason we have discontinued this habit, it is the right time to once again take this up instead of handshakes, Modi said.

He was interacting with owners of some Jan Aushadhi Kendras and beneficiaries of the Pradhan Mantri Bhartiya Janaushadhi Pariyojna (PMB-JP) through video conference on the occasion of Jan Aushadhi Diwas.



Prime Minister Narendra Modi also asked people to disregard rumours

"Jan Aushadhi Diwas is not only a day about celebrating a scheme, but it is a day to join with crores of Indians, lakhs of families who have got major

relief through this scheme," Modi said.

It is also a day to reach out to other people to popularise this scheme so that poorest of the poor of the country can also avail the benefits, he added.

Talking about the impact of the PMBJP initiative, he said every month, over one crore families are getting benefits of cheap medicines from these Jan Aushadhi Kendras.

Over 6,000 Jan Aushadhi Kendras across the country have helped people save between ₹2,000-2,500 crore, he added.

The cost of medicines at Jan Aushadhi stores is 50 to 90 per cent cheaper than their average market price. Giving an

example, he said a medicine used for the treatment of cancer is priced at around Rs 6,500 in the market, but the same is available at Jan Aushadhi Kendras for ₹850.

The government has decided to give awards in this field to recognise the efforts of the people who are running these stores. These awards will start a new, healthy competition in the field of Jan Aushadhi, he added.

"I believe the biggest beneficiary of this competition will be poor and middle class," Modi said. He also appealed to state governments to ask doctors to prescribe only generic medicines.

Passengers from 12 nations to be segregated at airports



PRESS TRUST OF INDIA
New Delhi, 7 March

Passengers from 12 countries will be segregated from other passengers till the conveyer belt areas at airports, an official said on Saturday, amid rising concerns over coronavirus infections.

This is part of a series of measures initiated by the Indian authorities to curb spreading of coronavirus, against the backdrop of more than 30 people testing positive for the infection in the country.

An Airport Authority of India (AAI) spokesperson said passengers from 12 countries would be segregated at international airports.

Passengers from arriving from China, South Korea, Japan, Italy, Iran, Singapore, Thailand, Malaysia, Hongkong, Vietnam, Nepal and

Indonesia would be segregated from other arriving passengers, he said.

According to the spokesperson, the passengers from the 12 countries would not be allowed to mix with other passengers during "health screening, immigration and conveyer belt areas".

On Saturday, Civil Aviation Secretary Pradeep Singh Kharola along with AAI Chairman Arvind Singh, DGCA chief Arun Kumar and others reviewed the status of screening activities done at airports to check for coronavirus infections.

It was suggested that sufficient arrangements to be ensured across all international airports.

"Universal screening of passengers, disinfecting of aircraft and airport terminal & safety of ground staff and security personnel to be ensured," AAI said in a tweet.

Indian aviation immune so far, but Air India sale prospects hit

ANJULI BHARGAVA
New Delhi, 7 March

When the SARS virus epidemic broke out in China in 2002, it not only claimed 774 lives, but also took a toll on businesses — among the casualties was also the region's airline industry. Cathay Pacific, Hong Kong's main carrier, was within days of shutting down when the crisis began to abate. However, recovery of airlines and the economy post the containment of the outbreak was quick and strong.

But that was in 2003. Today, China, the airlines of the region, the industry and the linkages amongst countries and carriers are a very different animal. China is soon expected to displace the US as the world's largest aviation market. In the last few years China has seen a proliferation of airlines, including low cost carriers (LCCs) — up to almost 30 carriers.

In 2003, China was not the economic powerhouse it is now, so business travel from other countries to and from the country was far lower. Today, Chinese carriers take traffic from across the globe. Similarly, once China found its feet as a nation, its citizens set out to discover the world. By 2016, Chinese tourists accounted for 21 per cent of the world's international tourism spending.

As China began to discover the



world and vice versa, Hong Kong and Mainland China were discovering each other. By 2016, a majority of the tourists coming into China were from Hong Kong, Macau and Taiwan. For Hong Kong, the numbers are even more dramatic. Of the 60 million visitors to Hong Kong in 2014, 47 million were from the Mainland. In 2019, 28 per cent of tourists into Thailand were from China. With China under lockdown, Vietnam, South Korea, Taiwan and Japan are also likely to see a significant drop in tourist inflows.

But analysts say that the impact of the outbreak may be felt further away as well. Even if flight disruptions and losses due to diminished traffic are not significant, both aircraft manufacturers — Airbus and Boeing — are likely to take a hit as the airlines of the region stop or delay new plane deliveries.

It is, therefore, safe to say that the coronavirus outbreak will have a severe impact on the tourism and aviation industry of both China and that of the wider region.

International Air Transport Association (IATA) data shows a fall in global traffic numbers in January 2020. According to its estimates,

global revenue losses for the passenger business in 2020 will be between \$63 billion and \$113 billion. The first estimate refers to a scenario where Covid-19 is contained in current markets and the higher figure refers to a scenario where the virus has spread widely.

Chinese air traffic has already taken a huge knock. The number of weekly international seats between China and the rest of the world fell by 80 per cent during January and March 2020, according to CAPA data. Flights between Shanghai and Beijing — a bit like India's Delhi and Mumbai — have sharply declined since the outbreak. Outbound, inbound and domestic travel have virtually come to a standstill.

This will impact all hub carriers in the region, several of whom rely substantially on Chinese traffic. Perhaps the only silver lining is the fact that the disruption will be more thinly spread across airlines since there are so many more carriers in the fray since the SARS outbreak nearly two decades ago. A CAPA report argues that recovery post the outbreak may be slower than it was at the time of SARS as the global economic situation is very different now. In 2004, the Chinese economy bounced back quickly as its growth rate was in double digits.

Budget carrier IndiGo on Saturday said it would not charge any fee for rescheduling of domestic and international flights booked for March 12-31, amid coronavirus scare.

There would also be zero change fee for fresh bookings made between March 12 and 31, the airline said in a release.

The fee waiver would only apply to change of dates of flights but not in case of cancellation. The waiver would be applicable for both domestic and international flights.

"We understand that some passengers are concerned about committing to travel, given the current coronavirus issue. "To take this anxiety away and make their travel hassle-free, we are waiving our normal change fee on all travel during the next two weeks and for all new bookings made in that period," IndiGo Chief Commercial Officer William Boulter said.

He also said that whilst the coronavirus is a very serious challenge for us all, "we believe that measures such as this would help alleviate its effect on India's travel".

Multiplexes on overdrive to add screens next FY

SOHINI DAS
Mumbai, 7 March

Multiplex chains are on an overdrive to add screens in the next financial year (FY) to boost revenue. It remains one of the few segments that has not been impacted much by the economic slowdown.

Leading multiplex chain owner PVR Cinemas, which opened 83 screens during 2019-20, has now set a target of 120-130 screens for the next FY. "Every three days a screen comes out from PVR. At this rate, we aim to add 120-130 screens every year," said Pramod Arora, chief growth and strategy officer, PVR.

It now has 841 screens and would end the FY with 858 screens this March. Arora said PVR is careful to only tie up with mall developers that have

achieved financial closures for their projects.

By end of March 2021, PVR aims to be a 1,000-screen network across the country. The screen addition may also come in through the inorganic route. "Around 30 screens could get added through a strategically-structured deal," said Arora.

Multiplexes remain one of the few sectors that continue to deliver a strong performance in the current scenario. In the third quarter of 2019-20 FY, strong content at the theatres led to a 35 per cent growth in box office collections.

"We continue to believe that the multiplex industry is the best placed media segment for growth, driven by traction in content performance. Both PVR and Inox remain key beneficiaries of a flourishing



multiplex business, which is one of the proxies on rising urban discretionary consumption spends," ICICI Direct Securities had said in a report recently.

The cost of adding a screen is around ₹3-3.5 crore. In the lines of PVR, multiplex chain operator Inox Leisure readied a pipeline of 1,118

screens and 148 properties. Once this pipeline is fully implemented, Inox would have around 1,656 screens in about 300 properties. Inox saw a footfall increase of 19 per cent for the first nine months of this FY while its occupancies increased to 29 per cent. It is now present across 68 cities with 146 properties and 614 screens. Alok Tandon, CEO of Inox Leisure, had said after the third quarter results that the company tied up to the extent of 1,118 screens in 148 properties and about 188,000 seats. Inox is adding roughly 80 screens per year.

Another multiplex chain operator Cinépolis said it would add around 80 screens in the next FY. "We currently have a screen count of 390," said Devang Sampat, director, strategic initiatives, Cinépolis India.

Regulatory framework improving: S K Munjal

Hero Enterprise's Chairman Sunil Kant Munjal on Saturday said the regulatory environment in the country was getting better, with regulators promptly stepping in to handle financial crises.

At the launch of his book *The Making of Hero*, Munjal said India is currently experiencing the "pain of transition". "A lot of questions were raised on IBC (Insolvency and Bankruptcy Code) but the way it is functioning, in the next two-three years, it will be a smooth system," Munjal said. IBC, rolled out to address the NPA issue plaguing the banking sector, has been a key aspect in improving the country's financial system, said Munjal.

Previously, lenders and stakeholders had raised concerns as cases dragged on for months and some-

times years in the National Company Law Tribunal and National Company Law Appellate Tribunal and some of the most important cases had to be eventually settled in the Supreme Court.

Industry executives said though the confidence in IBC wasn't shaken, lenders felt the process was time-consuming, lengthy and costly. For example, sources suggested that legal cost for settlement of Binani Cement had crossed ₹30 crore by the time the case entered the Supreme Court.

Asked about the RBI's intervention in YES Bank, Munjal said, "It sends a very mixed signal. On one hand it proves that the regulatory bodies are awake but at the same time it scared a lot of people who couldn't access their deposits."

ANISH KRAISHIT

INTERNATIONAL WOMEN'S DAY

Don't shy away from money matters

Invest aggressively to deal with the challenges posed by a longer average life span and an often-curtailed work span

JIMMY PATEL

While women are known to be diligent savers, they often do not take the lead when it comes to investing for life's key financial goals. This task is often delegated to their husband or father. However, many issues unique to women's lives make it imperative that they become active on this count, and achieve financial independence at the earliest.

Longer life span but shorter career: Women, on an average, have a longer life span than men. It, therefore, becomes necessary that they plan for a bigger retirement corpus. They also need to be hands-on in handling financial matters, and not depend entirely on their husband or father, given the uncertainties of life.

While women live longer than men, they tend to work for a shorter span than men. Taking time off to raise a couple of babies chops off several years from their working lives. Many women are also forced to opt out of regular jobs due to the need to look after ageing parents or in-laws. All this means that every rupee that a woman earns and saves must be deployed in the best possible avenue.

Excessive caution can become a hurdle: Many surveys have also documented the fact that the majority of women tend to play it safe when it comes to investing their hard-earned money. While it is good to be cautious, deploying the entire corpus in fixed-income instruments will mean that the portfolio will not be able to earn inflation-beating returns. Women should invest a part of their portfolio in market-linked instruments to meet their long-term goals. Remember that time is the best antidote to the volatility in equities.

Women need to take control of their personal finances to ensure economic empowerment and financial independence. They need to participate more actively in discussions involving financial matters – household budgets, buying a new house or car, home décor, festival shopping,



HARD TRUTHS ABOUT WOMEN AND FINANCES

■ Fewer women than men take independent investment decisions

■ Many take their own investment decisions only due to circumstances, such as divorce or husband's death

■ Men dominate decisions regarding investing, or buying a car or house

■ Women have a larger say in buying gold or jewellery, day-to-day household purchases, and purchase of durables

■ Very few women decide on their own to invest in market-linked instruments

Source: DSP Winvestor Pulse 2019 Survey

child's future needs, etc. And to accomplish many of life's vital goals, they need to develop a financial plan. Here's a five-step approach that women (and even men) can follow:

Set 'smart' goals: The goals that are set need to be S.M.A.R.T—specific, measurable, adjustable, realistic and time-bound. Goals also need to be segregated into short-, medium- and long-term. Without this exercise, it would be like sailing without a mariner's compass.

Determine the amount you need to invest: You need to put away a portion of your salary every month to achieve your goal. Depending on the corpus required, the time at your disposal, you need to calculate how much you will have to put away every month. Take a realistic rate of return

when doing this calculation. Do factor in the impact of inflation as it tends to erode the purchasing power of money. Investing in an ad hoc manner, or blindly aping what your friends, colleagues, and neighbours are doing will not help.

Invest prudently in productive avenues: While there are a variety of investments avenues available, mutual funds have proven themselves to be a potent avenue for wealth creation, provided the category and the financial well-being of your dependants.

Systematic Investment Plan (SIP) has emerged as a worthwhile mode

as it helps people invest regularly and in a disciplined manner. It enables rupee-cost averaging and helps compound hard-earned money. Currently, Indians invest above ₹8,000 crore every month via SIPs.

When building their mutual fund portfolios, women also need to stick to the basic tenets of diversification and asset allocation.

Don't ignore insurance: Insurance is the first step in financial planning. The objective of insurance is to indemnify the risk to life and health. Hence, holding an optimal insurance cover, both for life and health insurance needs, is essential. If the coverage is inadequate, it could endanger the financial well-being of your dependants.

Review the financial plan: To stay on course, review the financial plan at least once annually. If returns from your portfolio have been lower than expected, you may have to invest more every month. Similarly, new

goals appear from time to time that require a course correction on your part. Your child may have planned to go to a college within the country, but may now want to study abroad. Such changes require a higher monthly investment.

Build an emergency corpus: Life at times throws unpleasant surprises at us. So, around 6-12 months of unavoidable expenses, including EMIs, should be maintained as an emergency fund (also known as contingency fund) in a savings account or a liquid fund. Keep in mind that with a financial plan in place and investments assigned and aligned to every financial goal, gaining financial security is possible. Financial independence is quantifiable and can be achieved if one works diligently towards it.

Invest time in gaining financial knowledge: A lot of times, the lack of awareness about personal finance creates financial insecurity. The financial pinch is felt when women find themselves stranded if they are divorced or widowed. Due to lack of knowledge, they are cheated out of their rightful legacies, or are mis-sold financial instruments.

These hurdles can be overcome by learning more. As Benjamin Franklin said: "An investment in knowledge pays the best interest." Doing this will elevate your morale and self-confidence and ward off many fears that prevent women from investing actively.

In case you need help, do not hesitate to seek professional guidance from a competent financial advisor, who can guide you in an independent, ethical and unbiased manner. Able guidance makes it possible to take the right steps to attain financial independence.

Finally, mothers must act as role models for their children. When the latter see that their mothers are financially independent, they will also be inspired to be self-sufficient in life when they grow up.

The writer is MD and CEO, Quantum Mutual Fund

BS TUTORIAL

Jayant Pal

1. Who is the first woman to be featured on a US dollar note?

- A. Billie Jean King
B. Harriet Tubman
C. Jackie Kennedy Onassis

D. Ayn Rand

2. Who is the first tennis player to earn US \$100 million in prize-money?

- A. Ivan Lendl
B. Roger Federer
C. Novak Djokovic

D. Rod Laver

3. The term Google Tax is a misnomer because _____.

- A. Google is exempt from paying this tax
B. It earns most of its income from 'search', not advertising

C. It has a permanent establishment in India

D. It applies only to hardware companies.

4. The Boston Tea Party was a protest against _____.

- A. Taxation imposed by the British
B. Tax payable by slave-owners in Boston
C. Export duties imposed on tea

D. Zero import duty imposed on coffee.

5. Which global fast-food chain has the maximum number of restaurants?

- A. McDonald's
B. KFC
C. Subway
D. Starbucks

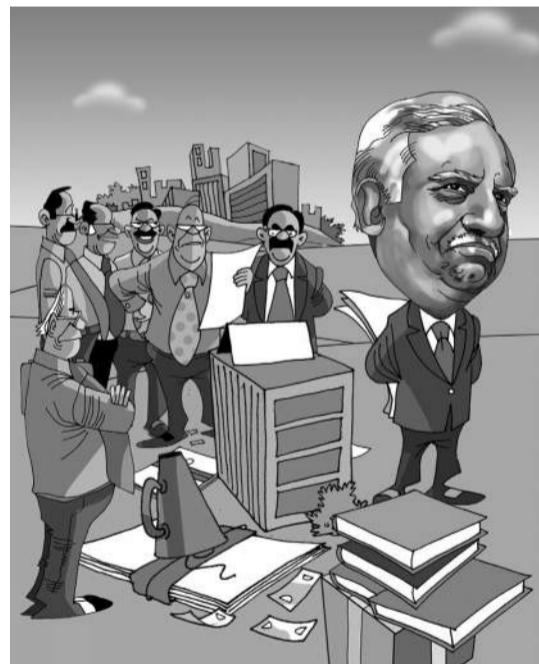
1. B. She was an anti-silver activist, whose image will be featured on the US \$20 note from 2020.
2. C. He achieved this feat in 2016. However, Roger Federer recently became the first tennis player to attain the status of a billionaire.
3. C. This tax is levied on payments made by Indian advisers to companies who do not have a permanent establishment in India.
4. A. The British Parliament raised import duties via the Tea Act in 1773. Protesters boarded three ships in the Boston Harbour and threw 342 chests overboard.
5. D. As of June 2019, Subway operated around 43,000 restaurants.

Solutions

ECONOMY

PEOPLE IN THE NEWS

BINAY SINHA



The Enforcement Directorate has raided the house of Naresh Goyal, former chairman of Jet Airways, and registered a fresh case of money laundering against him



Ritesh Agarwal-led Oyo Hotels is cutting its global workforce by about 5,000 to 25,000 people, with the deepest reductions in China after business there crumbled in the wake of the coronavirus outbreak

Govt removes cap on bids for renewable energy projects

SHREYA JAI
New Delhi, 7 March

There will be no tariff cap on renewable energy project auctions, with the government deciding to do away with the upper ceiling — a move it hopes will boost investment in solar and wind power projects.

The Ministry of New and Renewable Energy (MNRE) has issued a directive to Solar Energy Corporation of India (SECI), NTPC and state government departments.

Business Standard has reviewed the notice, which was issued recently.

The move comes after industry requested the government to remove ceiling on the bidding. Several states and SECI have a capped tariff rate, beyond which companies cannot quote while bidding for solar and wind power projects.

The tariff caps ranged from ₹2.9 per unit by SECI in some solar power tenders in 2019 to ₹3.5 per unit by some states such as Maharashtra, Rajasthan and Uttar Pradesh. This led to a lot of tenders going undersubscribed or drawing no interest from industry which found the caps to be too low. The prevailing market conditions made the projects unviable for companies, said an executive. The lowest bid in solar and wind has been in range of ₹2.4 per unit.

Some industry executives, however, called this decision ill-timed. "Industry had been asking for a cap when market conditions favoured higher tariff. Now when the tariff has come down, the government has removed the cap — killing two birds with one stone," said a senior executive of a leading renewable company.

In a recent tender floated by SECI for 1,200 Mw of solar power plants, the tariff discovered was ₹2.5 per unit, the lowest in past two years. Industry executives said comparatively relaxed norms in the tender was the reason for low tariff.

In the same notice, MNRE also directed SECI, NTPC and the state power departments to procure renewable energy either through single renewable source or various combinations of renewable sources with or without storage as per their procurement policies.

FROM PAGE 1

SBI readies ₹10k-cr war chest for YES

"The interest of SBI shareholders will not be compromised," he said.

He also ruled out merging YES Bank with SBI. Kumar said YES Bank would be treated as any subsidiary or associate bank in the SBI stable. SBI would maintain an arm's length distance with YES Bank and would let its independent board run the bank, he said.

The SBI chairman, however, assured depositors of YES Bank that their money was safe and that once the moratorium was lifted, they would be able to access their funds freely. On a lighter vein, Kumar said he told the same to his nephew also who had an account with YES Bank. "Yesterday, when all this news was there, I received the first call from my nephew. He has an account with YES Bank. I have asked him not to worry".

Gold-silver ratio nears 30-year high

While projecting further rise for gold, the consultancy said, "We are also sceptical that fiscal/monetary stimuli introduced by policymakers will be sufficient to rescue the global economy. Prior to the virus outbreak, not only had nominal interest rates been kept at historically low levels across key reserve currencies, central banks' balance sheets have also ballooned since 2008. As a result, despite some near-term market relief, the boost from additional rate cuts and/or monetary easing on the underlying economy should be limited." On the other side, silver prices are not showing signs of any noteworthy improvement, indicating that the gold-silver ratio in the near term will rise further and silver will underperform gold.

During January and February 2020, the combined silver Eagle sales (coins) totalled just 4.50 million ounces, compared with 6.18 million ounces over the same period in 2019. This indicates that sale of silver coins is weak.

A key challenge concerns the trend in the silver price, which was largely range-bound over the first 5-6 weeks of this calendar year. From an investor standpoint, this price performance was quite unattractive, especially in the light of rally in gold. To some extent, according to an analyst with a global research firm, "This reflected disillusionment with silver's price prospects and concerns that it will suffer as global growth concerns deepen."

Eventually, he expects silver prices to recover when US silver coin and bar demand improved. This, in turn, should lead to an upside break out in silver prices, which in turn will encourage retail buying on two counts. First, some of the gold buying of institutional investors will move to silver. Second, as positive price expectations emerge, some retail investors may buy into a rising market, with a view to gaining exposure to silver before

prices strengthen further. This could be possible only in second half of CY2020 from when the ratio is expected to start falling.

Companies with \$10-bn net worth...



BPCL employees, however, can bid. They will be given the option to match the highest offer if their bid is within the 10 per cent band.

The selected bidder will have to make an open offer to public shareholders for acquiring another 26 per cent. The open offer price (payable in Indian rupee) will be the highest of the negotiated price under the sale, weighted average price paid by the acquirer and persons acting in concert in 52 weeks preceding the public announcement for open offer, highest price paid by the acquirer for any acquisition during 26 weeks preceding the announcement or the weighted average price over 60 trading days prior to the date of announcement. Under the guidelines of the Securities and Exchange Board of India (Sebi), the acquisition of an aggregate of 25 per cent or more shares or voting rights in a listed entity would trigger an open offer.

Unlike the Air India sale, employees would not be given any stock option in the case of BPCL. But they can bid. For that, at least 15 per cent of the employees should participate in the bidding process. They can form a consortium with companies or financiers, but such partners cannot bid separately.

The strategic disinvestment includes sale of the government's entire stake in BPCL comprising 1.14 billion equity shares and 52.98 per cent of BPCL's equity share capital. The divestment will also mean transfer of management control. BPCL's equity of 61.65 per cent in Numaligarh Refinery will be sold separately to a state-run oil and gas company, the bidding for which will be conducted in two stages. For the BPCL sale, bids will be allowed from consortiums of maximum four players, with the lead member having at least 40 per cent holding in the partnership. Each member in a consortium must also have a minimum net worth of \$1 billion. The transaction adviser for the deal is Deloitte Touche Tohmatsu India.

The investor will get access to diversified business areas of the company — including refinery, retail, lubricants, aviation, gas and liquefied petroleum gas (LPG). BPCL's share of the country's refining capacity is pegged at 15 per cent, while it has 25.77 per cent in the retail market, 25.67 per cent in LPG, 24.94 per cent in aviation and 22.29 per cent in lubricants. With more than 50 LNG consumers, BPCL's total refining capacity stands at 38.3 million tonne per annum (MTPA). According

to the data available with the Petroleum Planning and Analysis Cell, BPCL has 15,184 fuel retail outlets and 58 ATF stations across the country. The company has investments in upstream sector too with participating interests in 25 blocks. While 13 of these are located in India, another 12 are overseas.

Empty offices, full homes: Internet...

They'll vary by region and time of day, depending on traffic patterns, unlike single events that we all experience, for example the disruptions caused by the recent launch of Walt Disney Co's Disney+ or glitches on Amazon Prime Day.

Even if home connections are robust, not every company is ready to handle a sudden surge of employees trying to log in to the office network from outside. Many employers use virtual private networks, or VPNs, as secure, dedicated channels for remote users to access the same network they normally have at work.

Typically businesses allocate enough network capacity to accommodate the everyday needs of a small number of employees working remotely, but a large-scale shift could cause temporary trouble. Adding VPN capacity could take hours or days or maybe even weeks for some companies, according to networking experts. Preparation can help. For a decade or more, big employers have been developing contingency plans and business-continuity strategies. Information-technology departments have developed checklists or backup procedures and employees have been briefed, or even participated in mock emergencies, to test remote connections at home or in temporary offices.

"We're in a far better place than we were five or 10 years ago, in terms of network preparedness," Pierce said.

ED expands probe against Rana Kapoor

The private lender's debt exposure was to the tune of ₹3,700 crore in DHFL debenture between April 2018 and June 2018, and also in July 2018. The ED is also examining the loan documents of YES Bank and the terms on which it sanctioned ₹750 crore to Dheeraj Wadhawan's RKW Developers for a project near Mumbai's Bandra Reclamation. The agency came across this transaction during its probe into the DHFL promoters' role in financing funds to gangster Iqbal Memon (alias Iqbal Mirchi), in a money-laundering case registered against the housing finance firm and many others.

Sources said the agency might also register a separate case against Rana Kapoor, depending on the outcome of the search operation. However, for a separate case, a police complaint has to be registered for predicate offence to probe the matter under the Prevention of Money Laundering Act (PMLA).

Trade deals should be backed by calculations: Jaishankar

Says moving out of the RCEP was in the interest of India's business

PRESS TRUST OF INDIA
New Delhi, 7 March

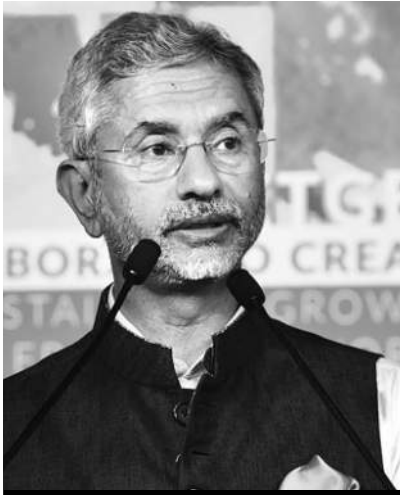
No country in the world says everybody is welcome, External Affairs Minister S Jaishankar said on Saturday, hitting out at those criticising India over the Citizenship (Amendment) Act.

Jaishankar flayed the United Nations Human Rights Council (UNHRC) for its criticism on the situation in Jammu and Kashmir, saying its director had been wrong earlier too and one should look at the UN body's past record on handling the Kashmir issue.

"We have tried to reduce the number of stateless people through this legislation. That should be appreciated," he said when asked about the CAA at the ET Global Business Summit. "We have done it in a way that we do not create a bigger problem for ourselves." "Everybody when they look at citizenship has a context and has a criterion. Show me a country in the world which says everybody in the world is welcome. Nobody does that. Look at America. Look at the Europeans. I can give you example of every European country. There is some social criterion," he noted.

The external affairs minister said moving out of the Regional Comprehensive Economic Partnership (RCEP) was in the interest of India's business.

Asked about the UNHRC director not agreeing with India on the Kashmir issue, Jaishankar said, "UNHRC director has been wrong before. How carefully they (UNHRC) skirt around the cross-border terrorism problem, as if it has nothing to do with country next door. Please understand where they are coming from; look at UNHRC's record how they handled the issue earlier." Asked if India was losing its friends, Jaishankar said, "Maybe we are getting to know who our



"THE POINT WE MAKE ON CAA IS THAT IT CANNOT BE ANYBODY'S CASE THAT A GOVERNMENT OR PARLIAMENT DOESN'T HAVE THE RIGHT TO SET THE TERMS OF NATURALISATION OR CITIZENSHIP... WE HAVE TRIED TO REDUCE THE LARGE NUMBER OF STATELESS PEOPLE WE HAVE IN THIS COUNTRY THROUGH THIS LEGISLATION"

S JAISHANKAR, EXTERNAL AFFAIRS MINISTER, AT ET GLOBAL BUSINESS SUMMIT

friends really are." He said it is a kind of geo-political assessment as there was a time when India was very defensive, its capabilities were less, threats were more and risks were higher.

"We adopted a policy of managing the world but kind of staying away. We can't do that any more. We are the 5th largest economy of the world and will be the third largest. We have to engage everybody and find solutions," he said.

"In a sense you would have geopolitical constituency out there in the world. There will be people who understand the changes of India, who agree with it, there are people who may not agree with it. I would not mix the two. I would not mix apples and oranges. I think these are two different processes at work. But, I will come out ahead at the end of it," the minister said.

On opposition to the CAA and whether India has not been able to convince the world enough, he said, "There are sections of the world outside of the media." He noted that he has engaged with governments and cited the example when in Brussels, he had 27 foreign ministers in a room to whom

he was talking.

"The point we make on CAA is that it cannot be anybody's case that a government or Parliament doesn't have the right to set the terms of naturalisation or citizenship. Every government does that, every parliament does that. What we have tried to do is we have a large number of stateless people. We have tried to reduce the large number of stateless people we have in this country through this legislation. That should be appreciated. We have done it in a way that we do not create a bigger problem for ourselves. Everybody when they look at citizenship have a context and has a criterion," he said.

"We can't let governance challenges go unaddressed. It's not the mindset of this government to just let important issues pass without decisively addressing them, which should have been addressed earlier. When you address that you disturb the status quo," he said.

The minister added that some people had proclaimed themselves arbiters of public policy, and they might get ruffled. "Obviously there will be public debates and those debates are legitimate and are hap-

pening in India as well as outside," the minister noted.

The external affairs minister said technology has always been the driver of global politics and never more so than now.

"Its promise, especially of a society for India with a natural interest in leapfrogging, is enormous. We are seeing that unfold most of all in the digital domain. "As we all know, this has created its own issues of data protection and data security. But from the vantage point of foreign policy, there are some aspects that need greater deliberation as a national approach," he said.

"In a world that is more narrowly economic, trade negotiations have acquired a higher profile in international affairs. Much of that arises from the behaviour of America, the strategy of China, the approach of Japan and the focus of Europe. As a nation that is still to integrate itself into global supply chains, develop its infrastructure and scale up its capabilities, these are not easy times," Jaishankar said, adding that obviously in a globalised world, no economy could be an island unto itself.

"But the exercise of engagement — and its terms — must be very objectively assessed. Trade outcomes must be primarily justified by trade calculations, not by political correctness. Their gains must be visible, probable and practical; not just hypothetical scenarios," he said.

"The rise of India is underway. And it is based, amongst others, on the rise of Indian businesses. Many of them operate abroad and as per global norms, expect the support of their government. They are entitled to it and our obligation is to provide it. Their quest to expand market share and penetrate new markets is entirely understandable. Here too, they deserve full backing and I can assure you, will get it," he added.

Indigenous defence production key to \$5-trn economy: Rajnath

PRESS TRUST OF INDIA
New Delhi, 7 March

The government has set a target of \$26 billion turnover in aerospace and military manufacturing in next five years, Defence Minister Rajnath Singh said, noting that indigenous defence production was key to achieving the country's aim to be a \$5 trillion economy by 2024.

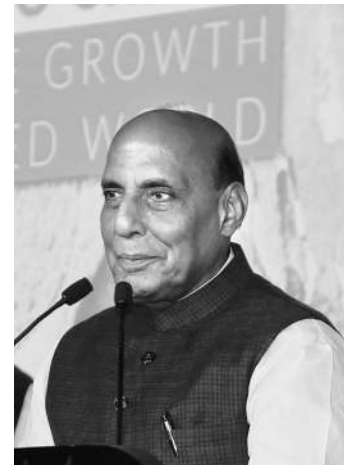
He said adequate thrust is being given on enhancing defence exports though the primary aim of indigenous defence production is to cater to the needs of the armed forces.

In an address at the ET Global Business Summit, urged the private sector to increase its participation in defence manufacturing to realise the government's vision of making India a \$5 trillion economy by 2024.

Last year, Prime Minister Narendra Modi set an ambitious target of making India's economy a \$5 trillion one by 2024. The current size of the Indian economy is around \$2.8 trillion.

In his address, Singh said the manufacturing sector has the potential to reach \$1 trillion by 2025 and that the government is striving to achieve the goal by implementing key flagship programmes like 'Make in India'.

"In our envisaged Defence



Defence Minister Rajnath Singh, at ET Global Business Summit 2020, said that the government aims to double the size of aeronautics industry from ₹30,000 crore to ₹60,000 crore by 2024

PHOTO: PTI

Production Policy, we have clearly spelt out our goal to achieve a turnover of \$26 billion in aerospace and defence goods and services by 2025. This will have huge implications for India's endeavours to promote R&D, innovation and its efforts to secure a place in global supply chains," he said.

Asking the defence industry to

make best use of the opportunities, he said a slew of structural reforms has been initiated by the government to ensure synergy among key stakeholders.

Singh said the government accorded approval to more than 200 proposals worth ₹4 lakh crore in defence manufacturing in the last five years.

He also said the government's aim is to double the size of aeronautics industry from ₹30,000 crore to ₹60,000 crore by 2024.

He said a number of major platforms are envisaged in defence aerospace sector including India's 90-seater civil aircraft, developing civil helicopter industry of \$5 billion in public-private-partnership model.

He listed out several reform measures including simplification of the industrial licensing process, hike in FDI cap, making defence export less stringent, streamlining the defence offset policy and opening the government-owned trial and testing facilities for the private sector.

Singh said defence public sector undertakings have been encouraged to increase their export portfolio to 25 per cent of their turnover and the government is willing to extend Lines of Credit and grants to friendly foreign countries over the next five years.

BJP questions CM Uddhav's silence on Muslim quota

The BJP on Saturday hit out at Maharashtra Chief Minister Uddhav Thackeray over his claim that his party, the Shiv Sena, had walked away from the NDA but not from the ideology of Hindutva.

Visiting Ayodhya for the first time after he became chief minister, Thackeray said earlier in the day that he might have parted ways with the BJP (but) not with Hindutva, and "BJP and Hindutva are different". The BJP asked why he and his party were silent on certain issues such as comments of Congress leaders berating Vinayak Damodar Savarkar.

PTI

Dilshad grew up in the alleys of Shiv Vihar, where he moved in when he was six. Now, 32, he has never felt more alienated in the community he has known forever.

He was lucky to be away at work on February 25, when a mob armed with petrol bombs, knives, sticks and guns started rampaging through the narrow lanes of his colony, burning down houses and killing people.

On March 5, more than a week after the communal riots in India's capital broke out, Dilshad, who works as a mason, returned for the first time with his 11-year-old nephew and two friends — only to vacate his rented house. His cramped accommodation in gali (street) number 11, nestled amidst Hindu households, didn't feel like home anymore.

"My landlord, who doesn't belong to my community, told me that there is no reason to fear and I should stay back. But abman bhargaya hainyahase (I have no desire to be here)," he says as he moves his furniture into a tempo.

Shiv Vihar, a locality in north-east Delhi, which was the epicentre of the riots, has mixed inhabitants belonging to both Hindu and Muslim communities. Residents say that they have lived together peacefully for as long as they can remember. Geographically, it is located in the intersection of Hindu-majority Karawal Nagar and Muslim-majority Mustafabad, with an open sewer acting as a natural divider.

Ever since the violence, thousands of Muslims have fled Shiv Vihar leaving their homes built with their life savings and taken refuge in shelter homes or relief camps built in Muslim-dominated areas.

Conversations with them reflect the paranoia and fear that has engulfed them. "My heart is still pounding. I will not go back and instead stay in Mustafabad," says Shiv Vihar resident Ahmed (name withheld), who now lives in Eidgah, which was converted into a relief camp in Mustafabad last week. The fear and weariness in his voice was palpable. He refused to reveal his name, saying "if I do that, they will come for me." Five years ago, Ahmed had borrowed money from his relatives to purchase an autorickshaw, the source of his livelihood. With his daily earning of ₹800 to ₹1000, he supported his family comprising his wife and a son.

While recollecting the horror of the day, when he saw a mob armed with weapons chanting religious slogans that made him flee the locality, Ahmed wanted to be reassured that that he was indeed talking to journalists and not to rioters.

Two days after the violence of February 25, when he returned home from a relative's place where he had sought refuge, he found his one-room flat, which also had an autorickshaw parked outside charred beyond recognition. Only the shells of crumbling iron remained of his vehicle. His neighbours, with whom he shared a cordial relation, were safe — their house unscathed.

"Once when their daughter fell sick late night, I rushed her to the hospital in my autorickshaw without charging them any money. Today, they haven't even checked on me," Ahmed says, with a sense of remorse.

Ahmed's neighbour, Amit, too, hasn't resumed work as a sales man for a global retail chain since the violence. He has been keeping a vigil outside his house to protect his family. He puts the blames for the violence on sit-in protests



After riots, exodus

Distrust among communities may lead to permanent displacement for thousands, write **ARINDAM MAJUMDER** and **SOMESH JHA**



against the Citizenship (Amendment) Act, or the CAA, which seeks to grant citizenship to non-Muslim victims of religious persecution from Pakistan, Bangladesh and Afghanistan. Before the riots, the Seelampur-Jaffrabad road, used by Amit to commute to work, was blocked by the anti-CAA protesters.

"If you have a grievance against the politicians, block the roads in front of the prime minister's or (home minister) Amit Shah's residence. Why are you creating inconvenience to us and inviting troubles?" he says, pointing to

the houses belonging to the Hindu community that were also vandalised. But he refuses to mention Ahmed in his conversation, only acknowledging that his neighbour lived in a rented accommodation.

In the lanes of Shiv Vihar the fault lines between the two communities have widened. While most contend that the riot was led by "outsiders", the way the homes were targeted fuels their suspicion that it wouldn't have been possible without the help of the locals. "We left our homes with lives in hands.



(Clockwise from top) Rajesh Kapoor at his shop in Brijpuri; Naresh Chand and his wife in front of what remains of their house in Shiv Vihar; Charred remains of Ahmed's autorickshaw; Dilshad's friend helps move his belongings

After that, our Hindu neighbours must have pointed out the Muslim households," says Mohammad Nazar, a school teacher.

Anti-CAA protests had been taking place in Seelampur and Mustafabad peacefully since the middle of January. In Brijpuri area, adjoining Mustafabad, Rajesh Kapoor's 37-year-old shop was vandalised and goods worth ₹10 lakh were thrown into the drain. The wall fence opposite his shop, which is a boundary to a water treatment plant, is plastered with slogans and graffiti

against the anti-CAA protests. The most prominently visible slogan from his shop says: "Tere guru ko jalaegi, woh aag hu, aakar dekh mujhe mai mustafabad hun (I am the one who will ignite your pride, I am Mustafabad)."

Adjoining the Kapoor stores, many other shops and houses were burnt down. One such belonged to Virender Chudhary, a 69-year-old doctor who has moved to his village in Meerut after his house, a three-storey building, was set on fire.

But there were some who lost more than a roof over their head. When Nizamuddin and Jamaluddin decided to come back to Shiv Vihar on their motorbike to check on their house, they were stopped meters away and beaten up by a mob, their vehicle torched. Nizamuddin is hospitalised in GTB Hospital with multiple fractures along with stitches to his head, while Jamaluddin succumbed to injuries on the evening of March 3. Driven by anger and grief, his brother Kamaluddin decided to visit the house in Shiv Vihar on Thursday after the burial to see what his family members couldn't.

At first glance of what had remained of their house, Kamaluddin shrieked in horror. His friends, who were waiting downstairs, rushed inside the house and found him sobbing uncontrollably. The room was vandalised, lockers broken, jewellery box emptied and lakhs in cash stolen. It is now a matter of time before, he says, he will move out of the locality.

A Srivathsan, academic director at the CEPT University, Ahmedabad, who has done extensive research on housing policies, says that besides religious animosity, it's the fight over resources in low-income colonies that make them so prone to riots.

"Keeping aside the political and religious reasons, one also needs to remember that residents of poor colonies have limited access to resources and livelihood. For example, the migrant labourers of a particular community have the option of getting employed in limited number of construction sites. Such fights become a flashpoint where the stronger group pushes out the weaker group for greater control over resources," he explains.

On the face of it, Srivathsan's words ring true. North-east Delhi is the most densely populated district in the national capital, with, according to Census 2011, 36,155 people per square kilometer, compared with the state average of 11,320 and the national average of 382. Poverty is rampant with the area having among the highest number of ration-card holders in the state, and the most number of fair price shops.

The riots may only sink the area deeper into the vortex. Shiv Vihar resident Mohammad Zaid, a street vendor, who has moved to the Mustafabad shelter home after living with his relatives in Chaman Park immediately after the riots, had stocked goods worth ₹12,000 for the summer. Now, he is left with nothing.

He would go and set up shop in predominately Hindu areas of Johripur and Jagdamba three times a week. "We ate from the same plate. Now some of them do not even reply to my text messages. How will I go back and do business in these areas?" he says.

In the country today, about 62 per cent of the 110 million unorganised workers in the non-farm sector are counted as "own account enterprises." These are people like Zaid who are mostly street vendors.

The only glimmer of hope is the resilience shown by some residents who are reluctant to uproot themselves. Looking at the rubble-strewn roads across his house, Nazar, the school teacher, says: "Aagse nahi dare toh kya raakh se darenge (if fire couldn't scare me, what can the ashes do?)"

IMO

Rahul Gandhi@RahulGandhi
No Yes Bank. Modi and his ideas have destroyed India's economy. #NoBank

RIOTS IN DELHI
R Jagannathan@TheJaggi
Without in anyway whitewashing the communal riots in Delhi, this is suppressio veri suggestion falsi. Does not do you credit Dhume. Let's have an honest conversation on this in any public forum not dominated by Hinduphobes.

Sadanand Dhume@dhume
The most important divide in India is not between Hindus and Muslims. It's between Hindus who welcome religious pluralism and Hindus who abhor it.

Anshul Saxena@AskAnshul
Delhi riots, HMO must tell whether these were involved: 1) PFI 2) Bangladeshis, as they were involved in Seemapuri violence 3) 'Pinjra Tod' 4) Nasir & Chenu gangs 5) Did Muslim families pick up their kids from schools before riot? 6) Did Feroz supply acid from his factory?

Shashi Tharoor@ShashiTharoor
How on earth can Malayalam channels inflame communal passions in Delhi? Whereas the truly vicious propaganda channels like Ré-public & TimesCov continue their brazen distortions w/impunity. @asianetnews& @MediaOneTVLive are fine independent media. #LiRTheBan now.

THE CORONAVIRUS SCARE
Stulsi Gabbard Hibiscus@TulsiGabbard @realDonaldTrump @Mike_Pence
a little constructive criticism: your administration still hasn't stopped flights from South Korea & Japan. Huge mistake. At the very least, every passenger should be tested for virus/cleared before boarding. We need common sense. #Coronavirus

Joe Lockhart@joelockhart
Wouldn't it be ironic if Mexico closed its border with the U.S. because we've mishandled the Coronavirus? And we're paying for it?

Swati Chaturvedi@bainjal
Remember @PMIndia did not renew Raghuram Ranjan's term sacked Ujit Patel & destroyed RBI's reputation for autonomy with nutty demon. Modi appointed Das as RBI governor the result is Yes bank crisis

Rajdeep Sardesai@sardesairajdeep
Guess it helps to be an influential bank depositor from Gujarat in stressed times!

Sanju Verma@Sanju_Verma_#YesBank, 4th largest private sector lender, has deposits in excess of 2 lakh Cr As on Sep2019, deposits of retail & small businesses stood @ 80000 Cr, with barely 7% linked to salary account Rs 75000 Cr is in savings account or FDs, so no need to panic. There is no liquidity crisis!

Prashant Bhushan@pbbhushan
Yes Bank's huge loans were to Cos that had already gamed the PSU banking system & run up a massive debt which they were struggling to repay. They had enough clout to further game the system by using new bank loans to prevent old loans from being declared NPAs

Saill Tripathi@sailltripathi
Question - as Nirmala Sitharaman names the Anil Ambani group as among the stressed companies with Yes exposure, why is her PM so keen to have that businessman as one of the partners of a major defence contract? Wasn't she a defence minister once?

Baboons enlisted in humankind's war on coronavirus

Scientists rush to experiment on primates: 'It's the only way to understand it'

SUSAN WARREN

To cure the humans, first you get the monkeys sick.

Finding the right animal as a research model for the new and deadly coronavirus is crucial for learning how to treat it. The ideal subject is a non-human primate that shows similar symptoms: coughing, sneezing, fever and chest congestion. The hunt is on in the US, tightly coordinated among a small coalition of labs authorised to raise monkeys for research. High hopes are riding on a troop of Texas baboons.

Covid-19 has infected at least 101,000 people and killed almost 3,500 since the world began keeping track in December, and academics, companies and governments are racing to arrest its rapid spread. Officials have said finding a therapy or vaccine could take months or years, and cost more than \$1 billion. Animal experiments can discover how the virus functions and which treatments are most effective.

"It's the only way to understand it," said Jean Patterson, a virologist at Texas BioMedical Research Institute, a private nonprofit in San Antonio devoted to eliminating infectious diseases.

Study animals are scarce, so labs avoid duplicating efforts on the same species. The University of Wisconsin's primate centre is starting with marmosets. Rocky Mountain Laboratories in Montana is working with rhesus



Animal experiments can discover how the virus functions and which treatments are most effective

macaques. Then there is the unique colony of baboons at Texas BioMedical. After eight generations of breeding, they number near 1,000, housed in zoo-like cages and a 6-acre indoor/outdoor habitat on the research campus. It's outfitted with swings, tunnels, rock features and toys to keep the animals occupied. Baby baboons are raised by their mothers in separate harems. Twelve veterinarians and nine animal behavior experts tend to them.

No animals leave the premises, but the center's researchers regularly partner on projects with colleagues elsewhere. Its animals were used to test Ebola medicines now being deployed in the People's Republic of Congo.

"Any scientist from around the world can call us," said spokeswoman Lisa Cruz.

For researchers hunting a coronavirus cure, the first, most difficult challenge is to find a creature that gets

sick like humans do when infected. Labs launched a similar urgent effort for the Severe Acute Respiratory Syndrome outbreak in 2003, inoculating rhesus macaques, marmosets and howler, green and squirrel monkeys. None got consistently sick enough with human-like symptoms, Patterson said.

Patterson first heard about the new virus spreading in China like anyone else -- in December news reports. By mid-January, Texas BioMedical researchers were discussing how they could help. "It's basically why we exist," said Chief Executive Officer Larry Schlesinger.

As an independent nonprofit, Texas BioMedical is a rarity in U.S. research, which is dominated by university and government labs. Established by a science-minded philanthropist in 1941, the centre has a Biosafety Level 4 lab — required for working with lethal pathogens that have no cure — and

three active BSL3 rated labs, which is the level required for the new virus. It gets 80 per cent of its annual \$60 million budget from the federal National Institutes of Health.

Animal studies are an essential — but fraught — part of scientists' campaign against human disease. Labs are frequently targeted by animal-rights activists and the work can take an emotional toll on everyone who works with the primates, Cruz said. Federal law governs the research, mandating that primates be spared undue suffering and that veterinarians oversee all procedures. Scientists must consider the physical and psychological well-being of their charges. Detailed proposals laying out every experiment are reviewed by federal panels. One primary consideration: to make sure the fewest animals as possible are used to get meaningful data.

"Animal research has played a critical role in virtually every medical advance over the last century," said Matthew R Bailey, president of the Foundation for Biomedical Research. Scientists can only get so much information from studying a virus in a petri dish, said John Schoggins, a researcher and microbiology professor at University of Texas Southwestern Medical Center in Dallas. "You can't recreate the disease in the dish," said Schoggins, who uses mice to study mammals' immune response to viruses such as influenza and zika.

Primates can tell researchers even more, since with 98 per cent genetic similarity, they are closely related to humans. Texas BioMedical began breeding baboons on the western fringes of San Antonio in the 1950s. The center also has macaques and marmosets, whose frailty and shorter lives make them ideal for studying age-related disease such as arthritis. But baboons, which can grow as big as 75 pounds and live into their early 20s, are vulnerable to the same kind of "lifestyle" diseases experienced by humans, such as arteriosclerosis, osteoporosis and diabetes.

CORONAVIRUS OUTBREAK

China Jan-Feb exports tumble

Trade report likely to reinforce fears that economic growth halved in the 1st quarter to the weakest since 1990

REUTERS
Beijing, 7 March

China's exports contracted sharply in the first two months of the year, and imports slowed, as the health crisis triggered by the coronavirus outbreak caused massive disruptions to business operations, global supply chains and economic activity.

The gloomy trade report is likely to reinforce fears that China's economic growth halved in the first quarter to the weakest since 1990 as the epidemic and strict government containment measures crippled factory production and led to a sharp slump in demand.

Overseas shipments fell 17.2 per cent in January-February from the same period a year earlier, customs data showed on Saturday, marking the steepest fall since February 2019. That compared with a 14 per cent drop tipped by a Reuters poll of analysts and a 79 per cent gain in December. Imports sank four per cent from a year earlier, but were better than market expectations of a 15 per cent drop. They had jumped 16.5 per cent in December, buoyed in part by a preliminary Sino-US trade deal. China ran a trade deficit of \$7.09 billion for the period, reversing an expected \$24.6 billion surplus in the poll.

Factory activity contracted at the fastest pace ever in February, even worse than during the global financial crisis, an official manufacturing gauge showed last weekend, with a sharp slump in new orders. A private survey highlighted similarly dire conditions.

The epidemic has killed over 3,000 and infected more than 80,000 in China. Though the number of new infections in China is falling, and local governments are



Analysts at Nomura estimate only 44 per cent of the businesses worst affected by the outbreak had resumed operation as of March 1, and 62.1 per cent across the economy as a whole

PHOTO: REUTERS

slowly relaxing emergency measures, analysts say many businesses are taking longer to reopen than expected, and may not return to normal production till April.

Those delays threaten an even longer and costlier spillover into the economies of China's major trading partners, many of which rely heavily on Chinese-made parts and components.

China's trade surplus with the United States for the first two months of the year stood at \$25.37 billion, Reuters calculation based on Chinese customs data showed, much narrower than a surplus of \$42.16 billion in the same period last year.

Soybean imports in the first two months of 2020 rose by 14.2 per cent year-on-year as cargoes from the US booked during a trade truce at the end of 2019 cleared customs. After months of tensions and tariff hikes that dragged on bilateral trade, the world's two biggest economies agreed an interim trade deal in January that cut some US tariffs

on Chinese goods in exchange for Chinese pledges to massively increase purchases of US goods and services.

The US expects China to honour these commitments despite the coronavirus outbreak, a senior US official said in February.

Virus threatens global recession

The supply and demand shocks in

The virus outbreak escalated in late January just as many businesses were winding down operations or closing for the long Lunar New Year holidays

China are likely to reverberate through global supply chains for months, and the rising number of virus cases and business disruptions in other countries is raising fears of a prolonged global slowdown or even recession.

In response, global policymakers have stepped up efforts to cushion the economic blow of the epidemic, with the US Federal Reserve delivering an emergency rate cut last week. Shortages of vital parts and components from China last month cost other countries and their industries \$50 billion, a UN agency said on Wednesday.

The virus outbreak escalated in late January just as many businesses were winding down operations or closing for the long Lunar New Year holidays, and as hundreds of millions of Chinese were returning to their hometowns.

China customs said last month it would not release separate figures for January and February instead, in line with how some of the country's other major indicators are released early in the year, which is intended to smooth distortions created by the holidays.

Tough public measures such as restrictions on travel and quarantines meant many of these people were unable to return to their jobs in offices, factories and ports until only recently.

Some firms which have reopened have faced shortages of parts and other raw materials as well as labour, while others report inventories of finished goods such as steel are piling up as downstream customers like car plants slowly crank up production again.

Iron ore imports rose 1.5 per cent over the first two months, supported by firm demand at steel

mills even though the coronavirus outbreak had disrupted downstream sectors.

Parts of central Hubei province, the epicentre of the outbreak and a major transport and manufacturing centre, are expected to remain under lockdown well into March.

Analysts at Nomura estimate only 44 per cent of the businesses worst affected by the outbreak had resumed operation as of March 1, and 62.1 per cent across the economy as a whole. As such, they forecast economic growth will slump to two per cent in the first quarter year-on-year, from six per cent in the previous quarter.

Beijing has already stepped up support measures, including offering cheap loans to affected businesses, and policy sources have told Reuters that more steps are expected as authorities try to cushion the epidemic's impact on the economy. China's commerce ministry said on Thursday that more than 70 per cent of foreign trade companies in the coastal provinces have resumed work.

But financial magazine *Caixin* reported this week that some companies were keeping machines running and lights open throughout the day even though they have no goods to produce, in a bid to allow managers and local officials to inflate the official work resumption rate. Reuters wasn't able to verify this report.

Workers return to work

A total of 78 million Chinese migrant rural workers have already returned to work, accounting for 60 per cent of the total who left for home for the Chinese New Year holiday, a government official said on Saturday, as Beijing steps up measures to limit the disruption to businesses from the coronavirus outbreak.

But officials told a press briefing that the risk of contagion from increased population flows is rising, and the country will continue efforts to contain the virus spread.



CONTAGION COUNT

About 102,000 people have been infected by the coronavirus across the world and more than 3,480 people have died from it, according to a Reuters tally of government announcements

	Deaths	Confirmed cases		Deaths	Confirmed cases
China	3,070	80,651	Taiwan	1	45
South Korea	42	6,767	UAE	0	45
Iran	124	4,747	Iraq	2	40
Italy	197	4,636	Iceland	0	43
Japan	12	1,116	India	0	31
Germany	0	639	Denmark	0	23
France	7	613	Lebanon	0	22
Spain	3	374	Israel	0	21
US	14	301	San Marino	1	21
Switzerland	1	214	Ireland	0	18
UK	1	163	Czech Republic	0	18
Singapore	0	130	Algeria	0	17
Netherlands	1	128	Vietnam	0	16
Norway	0	113	Israel	0	16
Belgium	0	109	Oman	0	16
Hong Kong	2	106	Finland	0	15
Sweden	0	101	Egypt	0	15
Malaysia	0	83	Palestine	0	16
Australia	2	60	Brazil	0	13
Bahrain	0	60	Russia	0	13
Kuwait	0	58	Slovenia	0	13
Austria	0	55	Ecuador	0	13
Canada	0	49	Croatia	0	11
Thailand	1	48	Macau	0	10
Greece	0	45	Philippines	1	5

The table shows countries/regions that have reported deaths due to the coronavirus and/or more than 10 confirmed cases. It was last updated at 0200 GMT on March 7

Source: Reuters

Ethiopian draft report blames Boeing for airplane crash

DAVID SHEPARDSON
Washington, 7 March

A draft interim report from Ethiopian crash investigators circulated to US government agencies concludes the March 2019 crash of a Boeing 737 MAX was caused by the plane's design, two people briefed on the matter said Friday.

Unlike most interim reports, this one includes a probable cause determination, conclusions and recommendations, which are typically not made until a final report is issued.

The US National Transportation Safety Board has been given a chance to lodge concerns or propose changes, the people said, declining to be identified because the report is not yet public.

NTSB spokesman Eric Weiss confirmed the agency had received the draft interim report, but declined to comment on whether the agency would suggest changes. Boeing on Friday declined to comment to Reuters about the report.

According to Bloomberg



Ethiopian Airlines flight 302 crashed in an open field after take-off from Addis Ababa, killing 157

PHOTO: REUTERS

News, which first reported the contents of the interim draft, the conclusions say little or nothing about the performance of Ethiopian Airlines or its flight crew and that has raised concern with some participants in the investigation.

The Ethiopian interim report contrasts with a final report into the Lion Air crash released last October by Indonesia which faulted Boeing's design of cockpit software on the 737 MAX but also cited errors by the airline's workers and crew.

Ethiopian Airlines flight 302 crashed in an open field six

minutes after take-off from Addis Ababa, the Ethiopian capital, killing 157 passengers and crew. The Boeing 737 MAX has been grounded worldwide for nearly a year after the two fatal crashes.

Under rules overseen by the United Nations' Montreal-based aviation agency, ICAO, Ethiopia should publish a final report by the first anniversary of the crash on March 10 but now looks set to release an interim report with elements that would normally be included in the final report.

Ethiopian Airlines did not respond to a request for comment. Ethiopia's Transport Ministry could not immediately be reached for comment.

A preliminary accident report by the Ethiopian Civil Aviation Authority released in April last year said faulty sensor readings and multiple automatic commands to push down the nose of a Boeing plane contributed to the fatal crash and left the crew struggling to regain control.

REUTERS

BREAKING SILENCE



A woman wears a scarf with the feminist symbol during a protest against gender violence and femicide in Mexico City, Mexico, on Friday

PHOTO: REUTERS

Weinstein prosecutor urges stiff sentence

BLOOMBERG
7 March

Harvey Weinstein's prosecutor said the movie producer deserves a stiff prison sentence for his conviction on sexual assault and rape charges, saying he's engaged in a series of "frighteningly similar" attacks upon women dating back to the 1970s.

In a memo to the sentencing judge describing a "lifetime of abuse," prosecutor Joan Illuzzi cited at least 16 alleged rapes and sexual assaults by the producer that aren't part of the case. Illuzzi didn't recommend a specific prison term but asked the judge to consider the defendant's "history of misconduct."

Weinstein, who was convicted February 24 after a jury trial, is set for sentencing on March 11. He faces at least five years and as long as 25 years behind bars for first-degree sexual assault of "Project Runway" assistant Mimi Halley in his SoHo loft in 2006. He was also found guilty of third-degree rape, which carries a maximum of four years in prison, for assaulting aspiring actor Jessica Mann in 2013. Weinstein was cleared of two counts of predatory sexual assault.

Illuzzi urged New York State Supreme Court Justice James Burke to take into account Weinstein's "abusive behaviour in the workplace" that included "bullying, screaming" of employees and subordinates, along with punching his brother, Bob, in the face so hard that he knocked him out during a business meeting. Illuzzi also pointed to other "bad acts" that included hiring the private security firm Black Cube to probe those who Weinstein feared would report him to authorities.

"Throughout his entire adult professional life, defendant has displayed a staggering lack of empathy, treating others with disdain and inhumanity," Illuzzi wrote in an 11-page memo. "He has consistently advanced his own sordid desires and fixations over the well-being of others. He has destroyed people's lives and livelihoods or threatened to do so on whim."

Mask or no mask? What the virus experts have to say

JOHN LAUERMAN
7 March

Public health officials have been clear about it: There's no need for healthy people to go around wearing face masks to protect themselves from the novel coronavirus. That hasn't stopped a run on supplies, which has led to a shortage of face masks for medical personnel coping with the epidemic, who do need them. That news, in turn, has led many people to wonder why a mask that's vital for protecting a nurse or a doctor wouldn't help them too. Here's what's behind the confusion.

What do health officials say?

In its COVID-19 guidance, the World Health Organization says healthy people need to wear masks only when taking care of those who are sick or suspected of infection. The US Centers for Disease Control and Prevention "does not recommend" people who are well wear them, except in that circumstance. US Surgeon General Jerome Adams went further, tweeting, "Seriously people — STOP BUYING MASKS!"

Health-care providers who can't get masks are at risk, he said, and that in turn raises the overall risk to the community. Infected providers can spread the virus to the uninfected and once sick can't look after patients. The *Journal of the American Medical Association* made the same point in an article aimed at the public. It added that there's no evidence masks protect ordinary people going about their daily business.

Is that true?

A few small studies have suggested that widespread use of face masks by the public may have reduced transmission in outbreaks of two other respiratory diseases, influenza and severe acute respiratory syndrome, or SARS. However, the evidence is not generally considered conclusive. And with masks in short supply, the argument is that everyone is better off if they are reserved for those who actually require them and who can't avoid exposure to people who are infected or might be.

When are regular people advised to wear masks?

If they are coughing or sneezing. A



With masks in short supply, the argument is that everyone is better off if they are reserved for those who actually require them

REUTERS

cough is a common symptom of infection with the COVID-19 virus, and the virus spreads in respiratory droplets — spatters of liquid forcefully expelled with an infected person's cough or sneeze. These droplets are usually heavy enough to fall immediately to the ground or surrounding surfaces. Infection can occur if the droplets reach the mouth, nose or possibly the eye of someone nearby, either directly or from an unwashed hand that's

touched a contaminated object or surface. When a patient diagnosed with COVID-19 is recovering at home, they and their caregivers are advised to wear masks when they are in the same room.

What's the guidance for health-care workers?

Medical protocols prescribe that patients suspected of infection with the COVID-19 virus be isolated and given a mask to wear. This will usu-

ally be the type worn by surgeons — the sometimes-pleated, loose-fitting, one-size-fits-all kind that's rectangular when flat. This is to protect other people by trapping virus-containing respiratory droplets. Health-care providers who deal with such patients or with confirmed cases are directed to wear a more sophisticated mask called a respirator. These are designed to protect the user.

How are respirators different?

They come in different sizes so they can be fit to the wearer's face to provide a tight seal. That forces the user to pull air through the device's filter rather than through gaps on the sides. They are designed to keep out not only respiratory droplets but also smaller aerosolised particles that can carry infectious agents and float for a time through the air. Airborne transmission has not been reported for COVID-19, but there is a risk that certain medical procedures, such as tracheotomy and airway suction, can generate aerosols. Respirators are uncomfortable to wear for a long period of time. They generate heat and exert pressure on the face, and some people find they make it

difficult to breathe, which can make them unsuitable for those with cardiac and respiratory conditions.

Are there downsides to wearing a mask?

Adams said that people who aren't trained in how to use them tend to touch their faces a lot, which could increase their chances of becoming infected with the coronavirus. The WHO emphasises that if you're going to use a mask, it's vital to do so correctly: put them on with clean hands, remove them from behind without touching the front and washing hands afterward, never reuse single-use masks, dispose of them properly.

The reference shelf

Guidance on masks from the World Health Organization, the US Centers for Disease Control and Prevention and the *Journal of the American Medical Association*.

The US Food and Drug Administration's primer on surgical masks and medical respirators.

An analysis by the digital magazine *Sapiens* on why so many people are wearing masks. **BLOOMBERG**

Saudi Arabia detains 3 senior royals

Crown Prince Mohammed bin Salman has moved to consolidate power since ousting Mohammed bin Nayef as heir

REUTERS
Dubai, 7 March

Saudi Arabia has detained three senior Saudi princes including Prince Ahmed bin Abdulaziz, the younger brother of King Salman, and Prince Mohammed bin Nayef, the king's nephew, for allegedly planning a coup, sources with knowledge of the matter said.

Crown Prince Mohammed bin Salman, King Salman's son and de facto ruler of the country, which is the world's top oil exporter and a key US ally, has moved to consolidate power since ousting Mohammed bin Nayef as heir to the throne in a 2017 palace coup.

Later that year, he arrested several royals and other prominent Saudis, holding them for months at Riyadh's Ritz Carlton hotel, in an anti-corruption campaign that caused shockwaves at home and abroad.

Four sources told *Reuters* that Prince Ahmed and Mohammed bin Nayef were detained in the latest operation. Two sources, including a regional source, said Mohammed bin Nayef and his half-brother, Nawaf, were detained while at a private desert camp on Friday.

Crown Prince Mohammed, who is also referred to as MbS, "accused them (the princes) of conducting contacts with foreign powers, including the Americans and others, to carry out a coup d'état," the

regional source said.

"With these arrests, MbS consolidated his full grip on power. It's over with this purge," the source added, indicating that no rivals remain to challenge his succession to the throne.

Another source said the princes were accused of "treason".

The Saudi government media office did not respond to a *Reuters* request for comment on the detentions, which were first reported by *The Wall Street Journal*.

The regional source said King Salman had approved the latest detentions. "The king signed off on the arrests," the source said, adding that the king is in a mental and physically sound state.

The king met British Foreign Secretary Dominic Raab on Thursday in the Saudi capital Riyadh. Both King Salman and the crown prince attended a cabinet meeting on Tuesday.

Crown Prince Mohammed, 34, has fuelled resentment among some prominent branches of the ruling family by tightening his grip on power. Some critics have questioned his ability to lead after the 2018 murder of a prominent journalist by Saudi agents and the largest-ever attack on Saudi oil infrastructure last year, sources have said.

They said royals seeking to change the line of succession view Prince Ahmed, King Salman's only surviving full brother, as a possible



Mohammed bin Nayef's movements have been restricted and monitored since Mohammed bin Salman became the crown prince in 2017

choice who would have support of family members, the security apparatus, and some Western powers.

Saudi authorities have not commented on issues of succession or criticism of the crown prince's leadership. Prince Mohammed is popular among Saudi youth and also has staunch supporters within the royal Al Saud family, which numbers around 10,000 members.

King supports son

Saudi insiders and Western diplo-

appeared to criticise the Saudi leadership while responding to protesters outside a London residence chanting for the downfall of the Al Saud dynasty.

Ahmed was one of only three people on the Allegiance Council, made up of the ruling Al Saud family's senior members, who opposed Mohammed bin Salman becoming crown prince in 2017, sources have earlier said.

Mohammed bin Nayef's movements have been restricted and monitored since then, sources have previously said.

The latest detentions come at a time of heightened tension with rival Iran and as the crown prince implements social and economic reforms, including an initial public offering by oil giant Saudi Aramco on the domestic bourse last December.

Saudi Arabia is also the current chair for the Group of 20 major economies.

The crown prince has been lauded at home for easing social restrictions in the conservative Muslim kingdom and trying to diversify the economy away from oil.

But he has come under international criticism over a devastating war in Yemen, the murder of journalist Jamal Khashoggi in the kingdom's Istanbul consulate, and the detention of women's rights activists seen as part of a crackdown on dissent.

Prince Ahmed has largely kept a low profile since returning to Riyadh in October 2018 after 2-1/2 months abroad and Saudi watchers have said there is no evidence he is willing to take the throne.

During that trip abroad, he

IN BRIEF

N Korea slams European nations



North Korea accused European nations of "illogical thinking" on Saturday after they called a closed-door UN Security Council meeting to condemn missile launches by the reclusive state earlier this week.

Britain, Germany, France, Estonia and Belgium raised North Korea's latest missile firings at the UN Security Council on Thursday, calling them a provocative action that violated UN resolutions. North Korea fired two short-range missiles off the east coast into the sea on Monday after a three-month halt. The launches, which officials have said were routine military drills, were personally overseen by its leader Kim Jong Un.

"The illogical thinking and sophism of these countries are just gradually bearing a close resemblance to the United States, which is hostile to us," a North Korean Foreign Ministry spokesperson said in a statement to the state-run KCNA news agency. The unnamed spokesperson described the European action as "reckless behaviour ... instigated by the United States."

REUTERS

Bayer investor sues top officials

A Bayer investor sued the board and other top company officials, claiming the "disastrous" 2018 acquisition of Monsanto eroded the company's share value by saddling it with potentially billions of dollars in liability from Roundup lawsuits. Bayer's board and other top officials were sued by an investor who claims the "disastrous" 2018 acquisition of Monsanto saddled the company with potentially billions of dollars in costly lawsuits over Roundup herbicide. Bayer last month estimated it faces about 48,600 US plaintiffs in Roundup cases, up from 18,400 in July. **BLOOMBERG**

Saudi Aramco puts off oil pricing

Saudi Aramco may announce its monthly crude-pricing as late as Monday after delaying the announcement on Thursday, an exceptional step by the biggest oil exporter, as the fallout from the breakup of the Opec alliance in Vienna continues. While the state producer — which typically publishes its monthly pricing on the 5th of each month — finalised numbers on Saturday, according to a buyer familiar with the process, it's planning to wait until Monday to release the figures. It hasn't missed that target for at least a decade, according to *Bloomberg's* stories on pricing decisions. **BLOOMBERG**

Oil's breakup in Vienna is leaving market scars

CATHERINE NGAI
7 March

The Opec+ alliance's dramatic failure to reach an output deal is most obviously being felt in oil futures, which plunged the most since 2008 in London. A look at the less-conspicuous corners of the market reveal the scale of the impact.

The potential collapse of the group led by Saudi Arabia and Russia is the latest blow to a market that was already dragged down by fears over the economic damage from the spread of the coronavirus. Global benchmark Brent crude, which was already down 24 per cent through March 5, dropped 9.4 per cent on Friday after the talks between members of the alliance collapsed in Vienna.

With Russia refusing to bend to Saudi Arabia's wish for further output cuts, the producer group's supply reductions of 2.1 million barrels a day will not continue beyond the end of this month. They will be free to pump at will.

Here are some of the ways the event is playing out in the market:

Spreads hammered

Weakness in the crude market is being perhaps best illustrated in the spread between the nearest two December futures contracts. The discount of Brent for the final month of this year versus 2021 widened by almost \$2 Friday. It's now at near \$3 in contango — a market structure where prices in the near term are cheaper than those for later.

This spread, which is often used as a gauge for market health, was trading in positive territory — the opposite of contango, backwardation — until last week. It closed at as high as \$4.05 earlier this year.

So long, shale

US shale companies that put American oil on the global map may be reeling the most from the sell-off. Independent explorers already in a pinch after burning through cash and piling on debt in pursuit of endless growth are now faced with the



A group of journalists gather around Iranian Oil Minister Bijan Zanganeh as he arrives to attend meetings of Opec earlier this week in Vienna

reality that drilling costs may be as much as oil's price, if not more.

The companies had to cut capital budgets and show they had the discipline to act financially responsible in their attempt to win back investors. The oil price collapse makes that effort much harder.

"US shale producers were hoping to be thrown a lifeline from the Opec+ talks, but instead many were left questioning their chances of survival," Rabobank analyst Ryan Fitzmaurice said in a report. "Share prices across the exploration and production sector currently sit at or near all-time lows as a result of high debt levels, lack of free cash flow generation, and extremely poor investor sentiment."

Price swings

As uncertainty over the future of the partnership between the Organization of Petroleum Exporting Countries and its allies, and the economic fallout from the coronavirus rise, US oil volatility has skyrocketed to the highest level since 2016.

In the options market, put skews for both Brent and US benchmark

West Texas Intermediate crude have jumped, with WTI's the most bearish since at least 2010. The second-month Brent put skew is at the highest since at least 2013.

Gold easing

It's not just oil that's being affected, but also gold. As crude prices slide, fund managers will be looking for ways to manage their portfolios to cover losses, which could mean a short-term liquidation of the precious metal.

"All the people invested in energy are losing money, which is a whole lot in the commodity world," said George Gero, a managing director at RBC Wealth Management. "That affects the price of gold because when commodity accounts have margin calls suddenly, they'll sell what is the most liquid, and one of the most liquid that's been up and giving people profits has been gold."

Still, the rush to sell gold to raise cash may be only a short-term phenomenon, as fears about inflation and bullion's reputation as a safe haven is likely to bring investors back. **BLOOMBERG**



Lebanon's President Michel Aoun heads a financial meeting at the presidential palace in Baabda, Lebanon, on Saturday

Lebanon set for debt default

REUTERS
Beirut, 7 March

Lebanon's top leadership opposes repaying the country's debt, the presidency said on Saturday, setting the heavily indebted state on course for a sovereign default as it grapples with a major financial crisis.

Prime Minister Hassan Diab will announce the decision not to pay and call for negotiations with creditors to restructure the debt in a speech to the nation at 6.30 pm, a senior politician involved in the Eurobond discussions said.

Diab's office could not immediately be reached for comment.

A default on Lebanon's foreign currency debt will mark a new phase in a crisis that has hammered the economy since October, slicing around 40 per cent off the value of the local currency, denying savers full access to their deposits and fuelling unrest.

The crisis is seen as the biggest risk to Lebanon's stability since the end of the 1975-90 civil war.

Lebanon has a \$1.2 billion Eurobond due on March 9, part of a portfolio of some \$31 billion in dollar bonds that sources told *Reuters* on Friday the government would seek to restructure in negotiations with its creditors.

The announcement from the presidency followed a meeting attended by the president, prime minister, parliament speaker, central bank governor and head of the country's banking association.

"The attendees decided unanimously to stand by the government in any choice it makes in terms of managing the debt, except paying the debt maturities," the presidency said in a statement.

Sources told *Reuters* on Friday Lebanon was set to announce on Saturday that it cannot make upcoming dollar bond payments and wants to restructure \$31 billion of foreign currency debt unless a last-minute deal with creditors could be found to avoid a disorderly default.

Lebanon hired US investment bank Lazard and law firm Cleary Gottlieb Steen & Hamilton LLP last week as advisers. The financial crisis came to a head last year as capital inflows slowed and protests erupted over decades of state corruption and bad governance — the root causes of the crisis.

The import-dependent economy has shed jobs and inflation has risen as the pound has slumped, adding to grievances that have fuelled protests.

Lebanon has never before defaulted on its sovereign debt.

Asia's fried-chicken king takes \$2-bn hit with US gamble

IAN SAYSON
7 March

If 2019 was a bad year for Tony Tan Caktiong, the Philippine tycoon who built a fast-food empire that trounced McDonald's in his home market, 2020 is shaping out to be worse for his company's stock.

After wooing millions of Filipinos for decades with its signature fried chicken, Tan's Jollibee Foods set out on an expansion in the US, spending \$540 million buying Smashburger and Coffee Bean & Tea Leaf. Even as the two money-losing chains turn out to be a drag on earnings, the coronavirus is now threatening to hit its sales.

Fuelled by concerns the spread of the disease will weigh on consumer spending, Jollibee shares have dived more than 18 per cent this year, adding to losses in 2019, their worst in two decades. The slide has wiped \$2.22 billion off the company's market value since the end of 2018.

Long a bellwether for the Philippine consumer growth story, the headwinds have come as a reality check for Tan — a son of poor Chinese immigrants — who chased rapid growth abroad with acquisitions. Although that strategy helped

widen the group's footprint to almost 6,000 stores in 35 countries, investors have remained unimpressed by the pay-off as Smashburger and Coffee Bean continue to burn cash.

"The impact of the virus is not yet fully quantified," said Noel Reyes, who helps manage 58 billion pesos (\$1.15 billion) as chief investment officer at Security Bank in Manila. "Even if the drag from its acquisitions has plateaued, sentiment will remain bearish until we are certain that the impact of the virus has peaked."

In China, the Jollibee group — encompassing 15 brands — operates 389 restaurants that account for 7.4 per cent of its sales. The country, where the outbreak started, is one of the company's major markets outside the Philippines and is home to 15 per cent of its overseas outlets.

In Hubei, the epicentre of the outbreak, Jollibee has closed all of its 14 Yonghe King stores. Though the shut stores account for only about one per cent of its sales, its remaining establishments are facing fewer footfalls and a dip in revenue. As part of containment measures, Chinese customers have been avoiding crowded places for safety reasons, and many provinces have banned banquets and group meals at restaurants.



To narrow losses, Jollibee is shutting unprofitable stores and opening new ones in locations with stronger traffic and visibility

Other restaurant firms that have been hit by the health crisis include Yum China Holdings and Haidilao International Holding, China's largest hotpot chain.

Jollibee said on February 4 that it was too early to determine the impact of the virus on its business in China, but said it will press ahead with plans to have over 1,000 outlets there in

the next few years. A representative for the company referred to that statement and declined to comment further.

The origins of Jollibee date back to 1975, when Tan and his family opened an ice cream parlour in Quezon City. Later, the store started offering meals and sandwiches to customers on request, transforming into the first Jollibee restaurant in 1978.

Its rapid growth faced the first challenge in 1981, when McDonald's entered the Southeast Asian country. The local firm managed to hold its own against the global giant, offering items tailored specifically for the Filipino palate.

With a menu that includes the unconventional sweet spaghetti with hot dog slices and the popular fried dish, Chickenjoy, Jollibee now controls about 56 per cent of the \$5 billion Philippine fast-food market.

The net worth of Tan and his family now is at least \$1 billion.

After branching out to other countries, including China, Tan pursued acquisitions in the US. The ambition was to become one of the world's top five restaurant operators and cut dependence on the Philippines. President Ernesto Tanmantiong said in 2017.

Jollibee completed the \$210-million purchase of Denver-based Smashburger in 2018, and paid \$330 million for California-based Coffee Bean in 2019. The losses at Smashburger, attributed to poor store locations and inconsistent quality, were partly behind an almost 25 per cent drop in Jollibee's 2019 net income. Coffee Bean, expected to be unprofitable in the first nine months of 2020, was consolidated into Jollibee's financial accounts last quarter.

In a bid to narrow losses at Smashburger, Jollibee is shutting unprofitable stores and opening new ones in locations with stronger traffic and visibility. Smashburger is expected to break even in 2021. At Coffee Bean, Jollibee is starting to address high administrative costs to reverse losses.

Those initiatives are winning some investors over. Julian Tarrobag, who manages \$2.6 billion as head of equities at ATR Asset Management in Manila, said the measures will start bearing fruit later this year. The market is "under appreciating" the firm's efforts to create wealth and a valuable brand, he added.

"There is value for Jollibee at these levels," Tarrobag said. "I'd look at the long term than focus on the short-term noise." **BLOOMBERG**

Tharoor's wretched autocorrect

At a recent public lecture, Congress leader Shashi Tharoor made the audience laugh about his experiences with the autocorrect facility in his smartphone in the context of a discussion on artificial intelligence (AI). He referred to one of his tweets in which he had "carefully and accurately" typed the Hindi word *ghoonghat* (veil). The phone corrected it and launched it in cyberspace as "Go Hang Hat", leaving Tharoor's Twitter followers mystified. "On other occasions, I have driven readers to the dictionary, convinced that some auto-corrected typo of mine must be a word, since I had used it," he said referring to his predilection for rarely-used words. "I've had to apologise so often to people that the AI in my smartphone has caught on, because every time I write the word 'wretched', the word projected on my iPhone is 'autocorrect'...my 'wretched autocorrect' is something I constantly have to apologise for," he said.

Unrest brewing

The appointment of Sabarimala poster boy K Surendran as the president of the Bharatiya Janata Party's (BJP's) Kerala unit has brought out its differences with the Rashtriya Swayamsewak Sangh (RSS). Surendran, one of the four general secretaries in the state, belongs to the faction led by Union minister V Muraliedharan, a known Modi-Amit Shah acolyte. The other faction, led by P K Krishna Das, a former state president, has the blessings of the RSS. Just a day after the announcement, general secretaries A N Radhakrishnan and M T Ramesh requested the central leadership to relieve them.

**OPINION**

S JAISHANKAR

'Our capabilities have grown significantly'

If the head table stands seriously disturbed, then it is only to be expected that the rest of the room will be in even greater flux. And that is the state today with the global order as we struggle to absorb a nationalistic America, a rising China, a divided Europe, a re-emerging Russia, a normalising Japan, an insecure Asean, and an even more disturbed Middle-East. Other continents and regions are not without their own challenges, including ours. Economic rebalancing has now started to translate into its political manifestation. And that means a fundamental overhaul of the global architecture. For a nation like India that till now has had to manoeuvre against binary or unilateral dominance of other powers, this calls for a much more complex and nuanced strategy. At the same time, our own capabilities and stakes in the world outside have grown significantly. Others have started treating us as a player — and sometimes as a competitor — in a manner for which there is little recent precedent. How to increase our likes and minimise our dislikes is today a diplomatic objective, even as we seek to secure our interests and enhance our influence.

This rebalancing of the world takes place accompanied by growing nationalism across vast geographies. There is no question that the overall mood is more competitive; some would say more selfish. The very nature of politics has changed in different societies and the disapproval of those who lost out does not make it less legitimate. Obviously, every region and probably every nation has its own individual explanation. The causes can be as different as the effect. The net result, however, is a weaker collective and a greater dispersal of power. Multilateralism is one of the casualties as big powers disregard rules in pursuit of national objectives. Quite independently, alliance cultures have also eroded visibly due to the changed demeanour of the United States. Overall, global consideration and decision-making is much less coagulated than before. This not only reduces the salience of the great powers but gives more room to the middle ones, especially in the exercise of regional influence. We see that very visibly for example in the Gulf and North Africa. As players behave more nationally and agendas become more complex, plurilaterals have emerged as the mechanism to fill the gap left by weaker multilateralism and eroding alliance cultures. Convergence emerges as an adequacy standard for nations to work together. Given its history of independence and flexibility, perhaps it is only logical that India should emerge as an industry leader in this regard, whether it is the RIC, SCO, Quad or JAI.

The impact on the global commons of these changes has been profound. At one level, there is the reality of global supply chains and transnational capabilities that transcend Westphalian lines. But at a time when the challenges of climate change, terrorism, connectivity, maritime security, pandemics and digital vulnerability extend beyond borders, the inclination and ability to work together is paradoxically declining. The prospect of addressing new domains of concern such as cyber or space is less now when it should be more. The implications of the change in American posture on international commitments cannot be overstated, given that this was a key element of the post-1945 order. That other major powers have not moved beyond their national objectives indicates that the resulting deficit will remain unfilled. For its part, India has stood out as a country willing to do much more, even with its limited though growing resources. But the problem remains for the world in the foreseeable future.

Economic challenges offer even less ground for complacency. In the last many years, the world trading system has felt the pressure of gains that some accrued from structural advantages. At a stage, it had to turn political; it finally did. But today, this argument extends beyond to non-trade domains like connectivity projects, technology choices, data protection and security as well as IPR adherence. All of them have strategic connotations and to pretend otherwise is only to delude ourselves. In fact, for that very reason we have started a Technology Division in MEA. Therefore, navigating the economic world will be no less complex than the political one. Here too, nations will strive to optimise outcomes and bridge divides as they pursue their national objectives. For India, there will be the additional challenge in a more digitised world — to create the new partnerships and foster greater mobility to service a knowledge economy. Fashioning an appropriate diplomacy for tackling this set of issues is clearly a priority.

The world has a growing interest in India becoming an additional engine of growth. It is also amenable to harnessing the reservoir of talent that India could provide with the passage of time. Particularly so as it is democratic talent that is sensitive to the culture of rules. Our strong commitment to realising Sustainable Development Goals is deeply appreciated, including for its global significance. Whether it is in terms of technology, best practices or resources, there is a proclivity to partner with a nation whose prospects are clearly so assured. Our challenge is to enhance the pull factor by undertaking deep reforms and addressing long-standing governance issues. Our economic engagement with the world also requires careful deliberation and effective preparation lest we end up eroding our own capacities. How to do that best in this emerging geopolitical landscape is a complex exercise that deserves serious strategising.

The last few years have demonstrated a growing Indian capacity to contribute to the global discourse and make a difference to international outcomes. We have significantly shaped the connectivity debate at a time when the world was still confused. And backed that up with a plethora of projects, including in our immediate neighbourhood. Our single-minded campaign against terrorism has brought that issue into sharp focus in key world forums, including the G-20.

Edited excerpts from Foreign Minister S Jaishankar's inaugural address at CPR Dialogues hosted by the Centre for Policy Research, New Delhi on March 2

DID THEY REALLY SAY THAT?

"LAW MAKING IS THE MOST SACROSANCT JOB IN DEMOCRACY. AND YOU ARE THE ENFORCERS OF THAT LAW. IF YOU FAIL TO ENFORCE LAWS, DEMOCRACY FAILS."

National Security Advisor A K Doval while addressing police officers in Gurugram, March 4



MAIA DARUWALA has been working to advocate for rights and social justice for over 40 years. For 20 years, she was director of Commonwealth Human Rights Initiative (CHRI), a body that advises Commonwealth countries in Asia and Africa, on police and prison reform. She tells **Aditi Phadnis** police inaction in the Delhi riots was criminally negligent

"India needs to re-envision its policing"

Now that some semblance of calm has returned to Delhi, what do you think went wrong in its policing during the riots?

It is obvious to the simplest mind what went wrong; and the evidence is everywhere before the most doubting eye that the police were often complicit and certainly inactive otherwise this level of death and devastation could not have happened. There are government of India protocols and Standard Operating Procedures that have detailed instructions about what to do to prevent riots when there is tension in a neighbourhood. Similarly what to do during a disturbance. Its all very commonsense. Here, the inaction was deliberate or if not, then criminally negligent. In my view the leadership has to be called to account.

Is the problem structural? Or organisational (ie, in the way Delhi Police is organised)?

The problem today is both structural and organisational. The police establishment retains the same classist hierarchical, status-oriented structure it has always had. It was designed to be partial and to suppress and it continues in that vein. It is no good to keep blaming the British. The defenders of bad policing always do that. That does not absolve the many governments that have come and gone from being comfortable with the policing as it is.

In my view, every policeman should join

the force as a constable and rise up through merit to the top. But that is just too radical a thought to be entertained in our milieu. Organisationally, there needs to be more specialisation, much more training in orienting the police out of their social norms and moulding them into a constitutional mind set. And more than all this there needs to be accountability for both everyday performance, inaction and wrongdoing. This is not there at all.

You've done extensive research on India's police forces. Are police forces really so short in number that they can say: "Sorry we were busy in VIP duties so we couldn't respond to ordinary citizens' complaints?"

First, I would say that however short of manpower you are, it does not lie in the mouth of the leadership that is well paid, well trained and has great power and privilege to say they cannot manage the primary duty they have, which is to ensure that the peace of any locality holds.

Second, what are they saying really? That overkill toward security of a few trumps the lives and property of the many? Isn't that coming out of a clear bias? How well is the north east and outer Delhi policed as compared to say, South Delhi?

If there is to be VIP security there are paramilitaries special forces and all sorts; the

CHECKLIST**AFTER THE US-TALIBAN PEACE DEAL, THE QUESTIONS**

- **In September 2019**, the US struck a peace deal with the Taliban after many rounds of negotiations following the death of a US soldier in a suicide-bomb attack in Kabul. Both sides returned to talks in December with US Secretary of State Mike Pompeo announcing last week that the deal with the Taliban would be signed on 29 February — which it was.
- **According to the terms of the agreement**, the US will start withdrawing its 10,000 troops to wind down Washington's longest war launched after the September 2001 terrorist attacks. This was a key election promise of US President Donald Trump.
- **India was opposed to the talks with the Taliban**, given its links to Pakistan, as well as any dialogue with the group that bypasses the Afghan government. New Delhi was also critical of any deal that gives away the gains made in the past 18 years

since the ouster of the Taliban from Kabul. This position changed slightly in 2018 when New Delhi had sent retired diplomats to a conference hosted by Moscow, where representatives of the Taliban were present

- **However, India attended the signing of the peace deal in Doha** and an Indian diplomat was present "at the invitation of the government of Qatar". Before that, Indian foreign secretary paid a visit to Kabul to see the political dynamic for himself.
- **How will Pakistan react to the reset in relations?** There is one faction in the Taliban that does not recognise the Durand Line (which divides Afghanistan and Pakistan). Will refugees again start pouring into Pakistan?
- **How will the Taliban see the goal of "liberating" Kashmir?**

police leadership has to take all that into account and still provide complete security for people — especially when there is obvious tension as there was in Delhi. Also, while in other places shortfall of personnel may be a problem, it is not so in Delhi. Relatively, Delhi is very privileged in manpower money equipment. You saw on the streets that the police had helmets, shields, lathis, everything but just lacked leadership and had little understanding of their job and clear antipathy for certain parts of the population.

Lack of response to pleas of police intervention was one problem in Delhi. But much more serious was the way the police just stood by as watched as people looted. Worse, in some cases there was a clear anti-minority bias when it acted.

Yes, the evidence is plain to the meanest intelligence and the most doubting eye. The police have spent millions on help lines, control rooms, women's safety, PCA vans and advertising them in image building exercises. But when it came right down to the wire they did not respond to emergency calls. So what is their use? These

questions must be asked and there must be consequences. There is no getting away from the partiality that the police showed. But it has happened and it will in my view happen again and again, because little or no consequence flow for either the whole cohort or for each individual. Political opportunism has taken over the discourse. And the simple questions are being lost. The public must know right now and not later, whether those policemen seen beating (to death) that young lad have been booked for murder; why they didn't book those making inflammatory speeches and why they are not doing it even now. Similarly where a whole cohort stood by in the face of rioting, their commander must be in the public dock for allowing loot, arson and assault to go forward in their presence. There must be direct questions about why there was so little preparedness when clearly tension was brewing; was there sufficient deployment and direction. GOI has several times issued standard operating procedures to be followed when communal tension is perceived. Were the constabulary rehearsed in these?

There have been large numbers of fatalities, huge economic loss directly because the police did not do its job and were even complicit. The leadership must be held to account. Merely changing the leadership is papering over the problem. No one is fooled or satisfied by this. There is a huge loss of trust. Surely it must matter to those who have the control of the police?

It is quite clear that in all these instances the police behaved abominably without regard for their duty, their uniform and their oath to act to protect our countrymen. It is not the first time. But will it be the last time or is this a pattern that we are condemned to see again and again? If those who were on the ground and did not act, go unpunished and those who were in command and had the responsibility to order their constabulary to do the right thing but did not, go unpunished then the signal is clear: it's okay to be biased and selective in who you protect and who you harm. It is vindication for behaviour that is disloyal to the uniform they wear.

Elsewhere in India, there are complaints of a similar nature. In UP, the police are charged with being trigger happy. In Bengal, they are seen as an extension of the ruling party, whichever it might be. Should India set up an autonomous police commission which investigates and addresses policing issues including training for race and gender sensitivity?

Let me elaborate a little before I get to the question of an autonomous police commission. Police in each state is a state subject. That is part of our quasi-federal arrangement. I feel that is a good thing. The supervision and the control of the police is with that state's political executive which in turn is responsible to people of the state. So all of it is closer to the ground and the community than if the police were centrally controlled. Local communities should be much more consulted about what their expectations from policing are and surveyed regularly district by district about whether they are satisfied with police performance. Dissatisfaction with performance should have consequences for both constabulary and officers.

But this does not happen at all. The people have to put up the police force they get locally and not with the service they need. As for an autonomous police commission — the Prakash Singh Judgement of 2006 sets out a state-based bipartisan body that can lay out policy, assure the police provisioning, and judge performance. It also provides for police complaints authorities. Some states have legislated themselves out of these provisions, some have followed them partially, none has really complied in spirit and policing remains the same or worse. We have a way of creating institutions and then ensuring that they don't work as they really should. So another autonomous policing commission would not, at this stage have my vote.

There is an argument that police in India have more responsibilities today than ever before. On the one hand, traffic police is charged with the responsibility of implementing the Motor Vehicles Act; on the other, cyber crime and economic offences are getting more and more sophisticated. And yet, year after year, state governments' budget for policing remains underutilised. What seems to be the problem?

I don't think it's a question of the police having ever more responsibilities. Policing always has had evolving responsibilities from colonial times, past independence to now. It is the duty of governments and the leadership within to plan for and create suitable policing establishments that can meet the challenge.

I don't think it's a question of money. But a question of how rational its use is, priorities process, specialisation. There are really obstacles within the system for rational spending. Also it's a question of what kind of policing you want. Democratic countries need democratic policing, not oppressive enforcement like we are seeing now. I think we need to re-envision the police entirely, especially the leadership which has not shown itself to be as responsible as democracy demands it be. A democratic country needs democratic policing. A police that is not a force, but a service. A police that does not only enforce the law but upholds it.

Women's day out

Over 300 women from 10 villages in Uttarakhand were treated with "Khushi Ka Ek Din", writes Anjuli Bhargava

Many got their eyebrows threaded for the very first time, many had their first make-up, many tasted *momos* for the first time, while several had their first multiplex-like experience — it was a women's day out on February 15 in the remote, mountainous village of Seem in Uttarakhand where life is anything, but exciting.

Around 300 women from 10 villages had their "Khushi Ka Ek Din" — they pampered themselves, played games, laughed, watched films and sang their hearts out together — all thanks to Udhyan, a unique initiative to help entrepreneurs in Kumaon hills, Metores Family Trust and Happy Children's Library.

Usually, these women start their monotonous days with lighting *chulhas* soon after getting up in the morning and pass it looking after their family — cooking, washing and tending to animals, if the household owns any. Creases line their faces well before age dictates them.

Only respite these womenfolk in the hills get when they trudge up the long hilly terrain to pick cooking wood from forest and down carrying the back-breaking load of logs. Yet, they look forward to this as it is their only me-time, when they can share their stories with other women and be with nature, away from the daily drudgery of their lives.

It is with this idea of offering the local women a day's respite from the usual drudgery that the event was organised last month.

Although this effort was aimed at just offering a break to the womenfolk, Udhyan was also keen to spread its wider message: Hill women can too become entrepreneurs, at times more successfully than men, in a society that is aggressively male-dominated. The programme already has 18, out of a total of 108 women entrepreneurs, who have broken the traditional mould.

There were many others firsts too at the event. The main attraction was a Picture Time digiplex (theatre at their doorstep) showing Irfan Khan's *Karwaan*, with a multiplex-like experience of surround sound and large screen that several women had never witnessed. Then there were games like hoopla, pasting *bindi* blind-folded, knocking down pins and many others they had only seen their husbands or children play.

A resident of Seem village, 45-year-old Janaki Devi, was overjoyed to find herself unmatched hitting pyramids of tumblers — thanks to her years of practice of warding off monkeys from her fields.

One of the most popular draws was a stand-up by Pawan Pahadi. Then there was a beauty makeover corner where many women were



A woman getting her eyebrows threaded at the event.

seen not just getting their eyebrows threaded or make-up done, but their hair styled as well.

Apart from Bollywood, Kumaoni karaoke allowed them to voice their innermost desires, albeit in tune!

Besides, there were stalls offering diverse variety of food like chowmein — the local favourite — and how can one forget to give women an opportunity to shop — from stalls run and managed by Udhyan women entrepreneurs. This gave the local women a chance to interact with the entrepreneurs as well.

Founder of the project, Pankaj Wadhwa, also one of the sponsors of the event, hopes that this exposure could end up being an

"invaluable seed" sown in many other minds. The event also sought to break convention in the area, so there was a special lucky draw with prizes for *saas-bahus*, if they came together. "The idea was to allow the *bahu* to enjoy the company of the saas and go home together," explains Wadhwa.

The impact was visible within days when a woman got her 24-year-old daughter-in-law enrolled for a computer course at the Happy Children's library in Seem.

Meanwhile, the women had requested the menfolk to stay home for that "*ek din* (one day)" to take care of the children and animals, again a first in the region.

Hard-sell on Women's Day

The anniversary has become a commercialised event

The celebration of International Women's Day, which falls today, started over a century ago, building on a commemoration of a national women's day in the US when garment workers struck work to protest their working conditions. About 40 years ago, the United Nations put it on the annual calendar as a means of fostering awareness about gender equality and women's empowerment. The idea is well meaning, but the hard fact is that the commemoration has not sparked genuine social change. A recent UN report acknowledges that not only has progress towards gender equality been slow but no country — not even uber-progres-

sive Scandinavian countries — has achieved it. If anything, says the UN report, growing inequality, climate change, and exclusionary politics are rapidly reversing any hard-won advances. Worse, sexism pervades both sexes: A survey showed that 90 per cent of people — both men and women — are prejudiced against women.

These inconvenient truths would be evident to anyone with a minimum awareness of public affairs. Less acknowledged is the insidious undermining of the import of International Women's Day by the corporate sector and its vast public relations machine. For companies, this day is no different from Valentine's Day, Diwali,

Mother's Day, or all those other special "Days" that Hallmark invented to sell its cards and cutesy bric-a-brac. In the weeks leading up to March 8, women's mailboxes will be stuffed with commercial "offers" — new brands of cosmetics to discover the "woman in you", discounts on shoes, garments, and, to complete the stereotype, home appliances. At its best, this overt commercialisation can be considered a benign form of sexism. What harm can it do when it offers women an opportunity to take advantage of marketing offers, or so this line of argument runs. The issue is more subtle: It reinforces the sum of formulaic clichés imposed on women by society at large and feeds into standard prejudices about women, which range from their image as airhead fashionistas to the sole executors of domestic/household work.

There are two other opportunistic elements to this process. The first is the pro-

motion of "women achievers". This is the time of the year when it is possible to discover all manner of women in all walks of life who, their PR outfits insist, have "broken the glass ceiling" and/or "succeeded against the odds in a man's world". No one should undermine these achievements, but singling women out in this way only serves to underline gender differences rather than mainstream women in the workplace. Such gender-based self-promotion runs the risk of reducing the approach to women's issues to tokenism. The company law stipulation that all companies above a certain listing threshold have at least one woman as board director is a case in point. The intent behind this rule is sincere but the impact has been negligible as far as expanding the ranks of women in senior corporate positions is concerned.

Tokenism has also spilled over into the second element of Women's Day oppor-

tunism. This comes from the world of corporate social responsibility (CSR), which has expanded ever since the CSR mandate was introduced. Every Women's Day offers an opportunity for corporations to showcase programmes to "empower" women, mostly poor women, through various "livelihood" schemes. The intensity of CSR promotion on this head has not been matched, however, by any significant alteration in the plight of India's poorer women. Ironically, it is women who have taken the brunt of rising unemployment, with their participation rate falling from a low of 35 per cent in 2005 to 24 per cent after demonetisation and the crash timetable for goods and services tax. There is perhaps little that companies can do about such unique, policy-driven disempowerment. But in marketing their own empowerment programmes, they end up making a mockery of a very real crisis.

How LIC should be valued

The Life Insurance Corporation differs from its listed peers in a number of ways, and these should be factored into its valuation prior to its proposed initial public offering

SANTOSH N

India's finance minister, Nirmala Sitharaman, recently made a groundbreaking announcement proposing the listing of the Life Insurance Corporation of India (LIC) through an initial public offering (IPO). LIC is the country's largest insurer, controlling more than 70 per cent of the market share in terms of the number of policies sold and first-year premiums. Based on media reports, the stake sale is unlikely to be more than 10 per cent, which itself could be divested in multiple tranches considering the expected size.

The proposed listing could prove to be one of the largest IPOs in the Asia-Pacific region; it would be keenly followed not only in India, but also globally from an industry and investor perspective. Since LIC is an unlisted company currently with no publicly available value indication, the value of divestment is poised to attract significant attention.

Companies, typically, are valued in two ways: First, using an income approach which is basically the present value of future cash flows expected to be generated from business operations; or second, using a market approach which provides an indication of value by relating the equity or invested capital of comparable companies to various financial metrics such as earnings, cash flow, and book value and various operating metrics. These multiples are then applied to the subject entity's corresponding metrics.

Similar methods are applied to value an insurance company. However, what differs is the nature and computation of underlying cash flows (income approach) or metrics to arrive at multiples (market approach), which are industry-specific. In this article, we discuss commonly used multiples that can be used to value the Indian insurance behemoth. We will also discuss various factors that should be considered to adjust those multiples to account for differences in size, profitability, risk profile and growth.

Understanding the multiples in practice

We can look at the market capitalisation to embedded value ratio (MCap/EV) for the three biggest listed players in India — HDFC Life, ICICI Prudential Life and SBI Life. The multiples range from 3x to 6x, which appear significantly higher than their Asian insurance counterparts, valued at under 2x. Such rich valuations underline the growth opportunity in the underpenetrated Indian market and the confidence of the market in the sector.

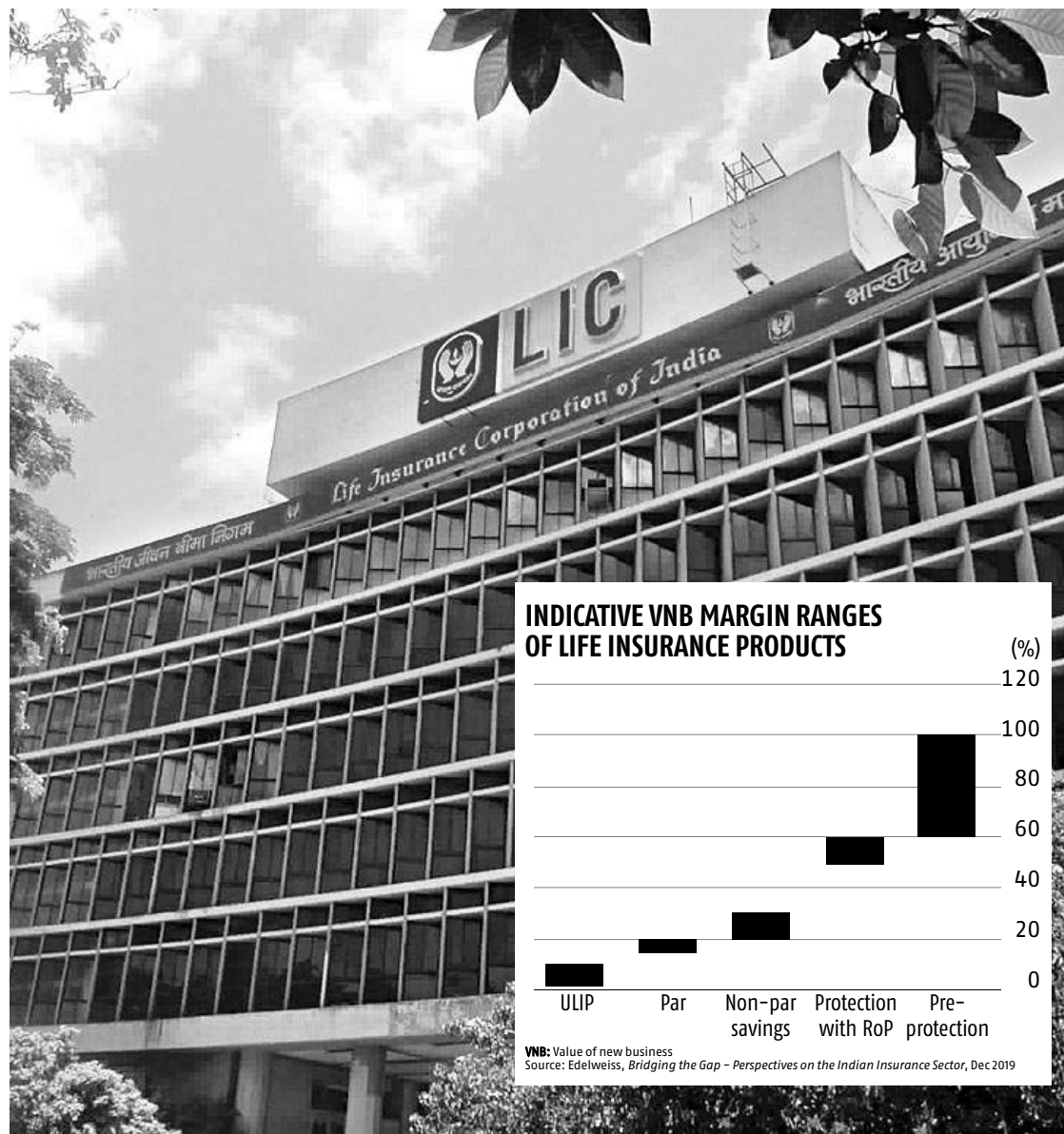
Similarly, another approach that can be considered includes a ratio derived from the assets under management (AUM) of the insurance provider. For the above three companies, the MCap/AUM ratio ranges from 40 per cent to 90 per cent. As of September 2019, the total AUM of LIC is more than ₹30 trillion.

The raw multiples arrived at using the above approaches should be further adjusted as discussed in the next section.

Analysis of the multiples

Once the comparable companies' multiples are derived, the next step should be to adjust the multiples based on characteristics of the subject company (LIC). Simply applying the peer group multiple will lead to an erroneous conclusion, since LIC is starkly different from its comparable peers in terms of size, profitability, ownership and growth profile. The valuation should account for the following factors:

Product portfolio: There is great divergence between life insurance products sold by LIC and private insurers. While LIC's product mix contains largely traditional products (of which participating products are significant), private players have moved away from participating prod-



ucts and are selling unit-linked, non-participating savings, protection and annuity products. Protection policies have higher profitability than savings products. The accompanying chart illustrates the indicative VNB margin ranges of a range of life insurance products.

Listed players like HDFC Life and SBI Life are shifting their product mix towards higher-margin products like term life, credit life, group life and non-participating guaranteed products, resulting in higher multiples.

Persistency: This is important as it is a key driver of profitability for an insurer. A persistency book — where customers pay renewal premiums every year — also helps insurers reduce costs through economies of scale. The insurance regulator reports persistency ratios of all companies by the number of policies. It's very important to compare persistency of policies of LIC with its listed peers.

Distribution model: Commissions paid by listed private insurers have come under 5 per cent of total premiums paid. Considering that LIC is an agent-driven business, it incurs substantially higher commission costs and, accordingly, the applied multiple would have to take this into account.

Quasi-sovereign wealth fund: With its huge corpus, LIC functions partially as a quasi-sovereign wealth fund through its prior subscription to the power sector's Ujwal Discom Assurance Yojana (UDAY) bonds, investments in the National Investment and Infrastructure Fund (NIIF), capitalisation of state-run banks, and active participation in the government's disinvestment agenda. As such, there is a risk of its investments being driven to further the social and political agenda rather than purely for business reasons. Hence, an appropriate discount should be applied.

Having said that, LIC's valuation metrics could be at a discount to the listed private insurers in India, the quantum of discount could be reduced if not eliminated, if the government can give an assurance to investors that the management would be given a free hand in taking investment decisions, without any social and political agenda. LIC's IPO will be a historic event in the history of capital markets due to sheer size and scale. It is expected to unlock massive value and help the government to tackle the rising fiscal deficit.

The writer is managing partner, D and P India Advisory LLP, and external advisor, Duff & Phelps India

Shared mobility can unclog India's cities

PRADEEP PARAMESWARAN

Since the 1990s, polluted and foul-smelling air was a condition typically attributed to Chinese industrial towns. Fast forward to the winter of 2017, when New Delhi superseded several Chinese cities in terms of particulate matter in the air. Smell and sound familiar?

A study by the United Nations shows India will add another 415 million people to its urban centres by 2050. That's over and above the already clogged urban centres in the country, which move far slower than other neighbouring countries. A report by the Boston Consulting Group shows that the average commuter in Indian cities spends 1.5 hours more than his Asian counterparts just to get to and from work.

A study conducted by IIT Madras showed that New Delhi alone loses ₹60,000 crore owing to traffic (this includes fuel costs, road accident costs, productivity lost and air pollution), and this number is expected to skyrocket to ₹98,000 crore by 2030. To put these figures in perspective, the Indian government's entire health budget earmarked for the ongoing financial year is ₹62,398 crore.

India has a total of over 30 million passenger vehicles. Shockingly, only 1.5 per cent of those, or 500,000, are commercial registrations. Data shows private vehicles in India carry only 1.15 passengers on an average, and are lying idle for 96 per cent of their serviceable life. This needs to change. Asset utilisation needs to be better, in order to meet the needs of India's expanding population.

That the government needs to be an enabler in every step of this change is a given, but the role of the private sector is also critical. Public private partnerships are the key in this scenario, where multimodal transit systems combine shared and electric first/last mile commute with mass transit options such as electric buses and metro networks for the longer leg.

Most developed cities in the world that lead growth and change have one common aspect tightened to clockwork levels — their transport systems, or in other words, how their people move. Helsinki was one of the first cities in the world to adapt to the concept of MaaS, or Mobility as a Service, where mass transit systems were married to the micro mobility options in the city, enabling planning and booking a multimodal travel seamlessly through one transaction. An analysis of travel patterns

in the city showed that MaaS replaced up to 38 per cent of daily car trips, and even though commuters made the same number of trips daily, they were way more likely to use multimodal options.

The concept of organised mass transit systems is only catching up in India now, with metro networks being made available to 11 of its larger towns recently, and work for some other towns in various stages of implementation, with timelines running up to 2025. This is a phase when India will truly unlock the concept of multimodal transport.

One realises that multiple transit options tucked into one mega app alone can't do that. We realise the need to give back to the public agencies by means of collaborating. We have gathered terabytes of data and intelligence on how cities move, and have leveraged technology towards journey planning.

In 2018-19, China sold a total of 1.1 million electric passenger vehicles to combat pollution levels; India sold 3,600. How did India's next-door neighbour find such quick solutions to its problems? Are there lessons to be learnt here for India and its clogged streets?

It's encouraging to see the government's scheme to subsidise electric mobility, FAME-II (Faster Adoption and Manufacturing of Electric Vehicles), giving a pass to benefits for privately-owned passenger vehicles, thereby lending direction on the future of mobility. The intention of the government, too, seems to be one of prodding the urban citizen to make use of multimodal transport options, and more importantly, use shared resources to reduce the load on both our roads and the environment.

A solution to this unsustainable situation must be grounded in a few principles that we all agree on:

- Efficient use of cars on the roads
- Much greater use of public transport along with robust first and last mile connectivity options
- We need to build a strong electric and sustainable mobility ecosystem in the long term.

We need to assess on the double where we want our cities to be in the future; more needs to be done, much more quickly. It's only together, as collective stakeholders, that the dream of smarter cities, and the future of transportation that is multimodal, shared and electric, can be achieved.

The writer is vice chairman, CII National committee on eCommerce, and president, Uber India & South Asia

OTHER VIEWS

Right regulatory balance needed on cryptocurrencies

Supreme Court is right in overturning the illogical ban on them

That the Supreme Court struck down as "disproportionate" a 2018 circular by the Reserve Bank of India (RBI) that directed entities not to provide services to those trading in "virtual currencies" (cryptocurrencies) is understandable. After all, despite ministerial committee recommendations, and warnings by institutions such as the RBI about the problematic nature of their payment and exchange methods, the use of virtual currencies over the Internet continues to remain legal in India. But the immediate effect of the RBI circular was to choke the agencies that sought to provide a platform to facilitate trading in cryptocurrencies by cutting them off from banks.

From humble beginnings, the cryptocurrency traded at a peak of \$20,000 in mid-2018 before crashing to \$3,000 by the end of the year, signalling the volatility that came to be associated with this instrument. This limited its original purpose of becoming an alternative and stable currency that is not backed by any central institution but derives trust from its intricate blockchain ledger system. Cryptocurrencies have now been adopted by international trading firms for use in lending, raising funds for other cryptoprojects besides facilitating easier cross-border payments. It is for these utilities that the Indian



government should err on the side of jurisdictions such as the European Union, which have not outright banned the instrument and have sought to regulate its functioning. It is now imperative on authorities to find the right "regulatory balance" on cryptocurrencies, a task that is easier thought than done, considering their ever-evolving nature due to technological innovation.

The Hindu, March 7

Contain the virus first

Then stimulate the economy

The coronavirus has quickly morphed into a global public health crisis. While there continues to be uncertainty surrounding the extent of its spread, the fear and panic it has induced across the world is evident. So far, the policy response to alleviate its impact on economic activity has largely relied on conventional tools. On Tuesday, the US Federal Reserve cut interest rates by 50 basis points. Central banks of other countries such as Indonesia, Malaysia, Philippines, Thailand, and Australia have also cut rates, though of a lower magnitude. While such moves signal a willingness on the part of policymakers to take measures to prevent the slowdown in economic activity from deepening, these

measures by themselves are unlikely to offset short-run supply-side disruptions and fear-induced lower household discretionary spending. For India, which is in the midst of a slowdown, the crisis could not have come at a worse time. While sectors such as pharmaceuticals, electronics such as mobiles, gems and jewelry and textiles, are expected to fare the worst, the government must undertake a comprehensive assessment of the fallout of the disruptions in supply. The top priority, however, should be to contain the virus. Monetary easing, fiscal stimulus, and other measures will only stimulate economic activity once that happens.

The Indian Express, March 6

Unemployment a time bomb

Govt must concede it is a problem

The latest data from the Centre for Monitoring Indian Economy show the unemployment rate in the Indian economy to be 7.78 per cent in February 2020, up from 7.16 per cent in January 2020. The unemployment rate has been hovering around 7 per cent for quite some time now. According to the CMIE's report, urban unemployment has declined marginally, while rural unemployment has increased significantly, leading to the overall rise from 7.16 per cent to 7.78 per cent. Rural incomes have been declining because of the lack of new employment opportunities. This has led to a fall in demand for many consumer goods, thereby adversely affecting industrial output and employment. The

problem is that the Bharatiya Janata Party-led Central government refuses to admit the severity of the problem.

It is very rare that when the data show a continuous worsening of economic conditions for the majority of citizens, there has been no sign of concern on the part of an elected government. Indeed, the finance minister has recently claimed that the economy is stable. There is no reason to be happy with the economic situation but nobody seems to have the courage to criticise the government. However, rising unemployment and falling incomes can combine to constitute a politically volatile cocktail.

The Telegraph, March 6

Women's Day: India Inc vows to promote gender diversity

BS REPORTERS
Mumbai, 7 March

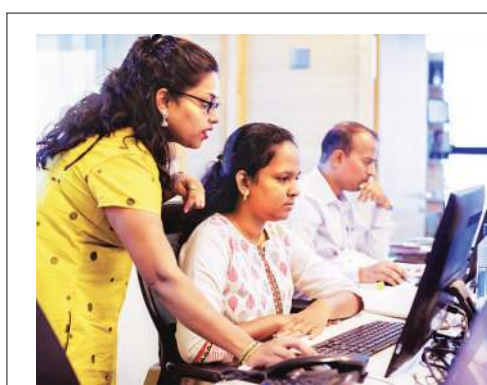
Even as employment of women in the formal sector shows a marked decline in recent years, top Indian companies are going out of their way to celebrate International Women's Day by offering special offers and organising events for women. The long-term goal of many well-run companies is to hire more women and empower them.

From financial services to manufacturing firms, corporate leaders are taking steps to ensure diversity and inclusiveness. "In line with the values of Tata, Indian Hotels Company has created a culture that promotes diversity and inclusion. We are committed to creating equal opportunities for women and encouraging them to undertake various roles across the company," said Puneet Chhatwal, managing director and chief executive officer of Indian Hotels.

Tobacco-to-hotel conglomerate ITC is also encouraging participation of women in the manufacturing sector. For example, some of ITC's state-of-the-art food manufacturing units have witnessed an increasing number of women engaged on the shop floor. ITC's Pudukkottai (Trichy) unit in Tamil Nadu is one of the largest factories in India, and deploys close to 85 per cent women as workforce.

Similarly, ITC's food unit at Mysuru in Karnataka is the first FMCG factory in the region to deploy women workforce across all shifts — taking the ratio of women in the unit to around 60 per cent.

To encourage participation of women in the workforce, ITC's food business has been carrying out several other initiatives at its factory locations, and providing food and creche facilities. "As a confidence-building measure, family members of women employees are invited to the factory to show them the work environment and culture, and the factory



THE GOOD, THE BAD & THE UGLY

2277 is the year the economic gap between genders will be finally closed, i.e. we still have 257 years to wait

The rate at which the economic gap is closing is slowing — last estimate was 202 years

Women are accumulating

financial assets 1.5x faster than men. By 2025, they could hold \$110 trn in financial assets, 3.3x 2010 levels

Labour force participation rates have stalled at 55% for women...

...but only 22% of AI professionals are women. Female participation in the

tech industry is 20%, less than half of the overall rate

Only 8 countries have given men and women equal legal work rights

Motherhood penalty: In 12 years after having her first child, a woman's hourly pay rate falls steadily to 33% behind a man's

Millennial women still do twice as much housework as millennial men in the UK

In India, there was a drop in female employment in the overall job space, it fell from 129.1 mn in 2011-12 to 108.5 mn in 2017-18

Sources: BofA Global Research, Economic Survey 2020

leadership team engages with them to address their concerns regarding safety, food, transportation etc," said an ITC official.



INTERNATIONAL WOMEN'S DAY

The Anil Agarwal-owned Vedanta Group has decided not only to meet its diversity targets, but to also change the mindset of people. "We, at Vedanta Aluminium & Power Business, believe in hiring women professionals for roles that involve critical job responsibilities at the shop floor, as well as strategic decision making.

Currently, we have a gender diversity at 12 per cent against our goal of 30 per cent, out of which 20 per cent will be in operations & maintenance," said

Dilip Ranjan Sahoo, CHRO of Vedanta's aluminium & power business.

The Group is looking at every role, no matter how non-traditional, as absolutely 'gender-agnostic', "Meaning women can, and should, preferably be hired for every role from plant operations, security, R&D, marketing, maintenance, right up to fire-fighters, literally — there are no holy cows in terms of roles being gender-specific," he said.

The technology sector is also not leaving any stone unturned to make Women's Day a success story. Google is hosting a series of interactive events this International Women's Week from March 2-13 across India.

Organised by Women@Google, the employee resource group is committed to helping women Googlers achieve their full potential by conducting an allyship workshop for Googlers. The

workshop is designed to help employees understand how awareness, involvement, and positive changes can help build allyship at the workplace. Mid-sized IT firm Hewaware is also conducting a series of workshops that focus on women's health.

In the aviation sector, Emirates airlines said women constitute more than 40 per cent of its total workforce, with the majority working as cabin crew. To celebrate International Women's Day on March 8, Emirates is highlighting critically-acclaimed movies by women directors on the airline's in-flight entertainment system. Interestingly, women should not only be hired for inclusiveness, but it may also help in increasing profits. In a report, BoFA Global Research says Asia Pacific stocks with at least two female board members have exhibited a price-to-earnings premium, and higher net profit margins. "A tremendous amount of work remains to be done to close the gender gap, but progress is being made in tertiary education and laws to support equal pay and government-supported childcare. Industry sources value the potential uplift at \$3.2 trillion to \$4.5 trillion of incremental GDP," it said.

BoFA's proprietary database shows that 66 per cent of Asian companies have less than two females on the board. The lack of gender diversity is most acute in infotech, industrials, and consumer discretionary sectors.

There is still a long way to go, as gender gaps in labour force participation and economic participation have stagnated, or even increased, meaning that women are only set to reach equal economic participation in 257 years. "Pay gaps are exacerbated by an unequal share of unpaid domestic work and childcare, which has seen limited transferral to men. Governments and companies are now experimenting with solutions from 'use-it-or-lose-it' paternity leave, to egg-freezing benefits for female employees," BoFA Global Research said.

(Dev Chatterjee with Pavan Lall, Avishk Rakshit, Aditi Divekar, and Aneesh Phadnis)

WOMEN AND SOCIAL SCHEMES

As the world celebrates Women's Day on Sunday, the finance ministry has come up with a list of social welfare schemes it has launched during the Modi government. However, Micro Save Consulting also came out with a study on financial inclusion, which says 65 per cent of women either did not have access to formal financial services or were dormant users of these services in 2017. It says a blanket approach to financial inclusion does not work, because it overlooks variation among women

INDIVJALDHASMANA



What FinMin claims Schemes and women beneficiaries as % of total

STAND-UP INDIA SCHEME

81 in terms of account holders as on February 17, 2020

MUDRA YOJANA

70 in terms of loan borrowers as on January 31, 2020

JAN DHAN YOJANA

53 as on February 19, 2020

ATAL PENSION YOJANA

43 in terms of subscribers as on February 22

PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA

40.70 in terms of enrolments and 58.21 in terms of claim beneficiaries as on January 31, 2020

PRADHAN MANTRI SURAKSHA BIMA YOJANA

41.50 in terms of enrolments and 61.29 in terms of claim beneficiaries as on January 31, 2020

Source: Finance ministry

What other research says

Micro Save Consulting, a global firm providing advisory services, says there's a need to dig deeper

23% women in India do not have access to formal financial services

77% have access to formal financial services

42% are dormant in using financial services

35% are non-dormant in using financial services

2017 data; Source: Micro Save Consulting study

PMO: Modi to interact with Nari Shakti awardees today

PRESS TRUST OF INDIA
New Delhi, 7 March

Prime Minister Narendra Modi will interact with Nari Shakti awardees and his Twitter account will be handled by women achievers to mark International Women's Day on Sunday, the Prime Minister's Office has said.

The interaction will take place after President Ram Nath Kovind gives away the Nari Shakti awards at the Rashtrapati Bhavan on Sunday morning.

On the eve of women's day, the president extended his hearty congratulations and best wishes to all women, and said this was the occasion to show respect to women for their crucial role and untiring efforts in building a better society, nation and world. This is an occasion to highlight those exceptional accomplishments through which women have made a mark in every walk of life and displayed their efficiency, dedication and commitment, he said.

"Prime minister's Twitter account will be handled by

Centenarian wins Nari Shakti award

Centenarian sprinter Man Kaur, 104, will be conferred the prestigious Nari Shakti Puraskar for 2019 on March 8 for her exceptional contribution towards women empowerment.



PTI

women achievers tomorrow on the occasion of International Women's Day," the statement said on Saturday. The Nari Shakti awards are given annually to individuals, groups, institutions in recognition of their exceptional work towards the cause of women empowerment, especially for vulnerable and marginalised women. Modi had on Tuesday said he would be handing over his accounts on various social media platforms to women who inspire.

"This Women's Day (March 8), I will give away my social media accounts to women whose life & work inspire us. This will help them ignite motivation in millions," he had

tweeted. The prime minister has accounts on Facebook, Twitter, Instagram, and YouTube. The prime minister is one of the most-followed world leaders on social media with 53.3 million followers on Twitter, 44 million on Facebook, and 35.2 million on Instagram. The Twitter handle of the prime minister's office has 32 million followers.

In September 2019, PM Modi was the third-most followed world leader on the microblogging site, behind only US President Donald Trump and his predecessor Barack Obama. The Prime Minister was the first Indian to cross the 50-million follower mark on Twitter.

WOMEN IN INDIA INC

Representation remains poor despite regulatory push

Gender diversity in the corporate world remains a pipe dream. At present, women occupy only 17 per cent of India Inc's board seats. Globally, around 20 per cent directorships at listed companies were held by women. Asian and emerging markets are below the global average, while Europe and North America fare well. France and Italy have over 40 per cent women directorships.

At the end of 2013, women directors accounted for only 5.3 per cent of total directorships at domestically listed firms. The jump has come on the back of a regulatory diktat in 2016, mandating listed firms to have at least one woman director. This helped India close the gap with the global average, at least on paper. Most companies have resorted to appointing a family member to fulfill this requirement. To overcome this issue, Sebi last year mandated the top 500 listed companies to

have at least one independent female director.

Currently, about 43 companies in the top 500 are yet to appoint women independent directors—about 80 per cent of these defaulters are state-owned companies, data provided by PRIME Database shows.

The theme of this year's International Women's Day is 'I am generation equality'. However, a World Economic Forum (WEF) study shows that it will take another 55 years to close the gender economic gap.

Bank of America says closing the gap would bring in huge economic gains. "The potential gains from gender parity are huge: Full economic equality could increase global GDP by up to \$28 trillion, or by 31 per cent, by 2025 — equivalent to the current GDP of the US and China combined," said the brokerage in a note this week.

SAMIE MODAK

THE GLASS CEILING

Female representation has stagnated at mid-teens

Director positions at India Inc

Held by women

Year	Director positions at India Inc	Held by women	% of total
2013	619	11,784	5
2014	1,095	11,638	9
2015	1,669	12,208	13
2016	1,798	12,654	14
2017	1,985	13,262	15
2018	2,161	13,656	16
2019	2,328	13,604	17
2020*	2,374	13,706	17

Source: PRIME Database; Note: *As on March 4; Universe: NSE listed firms

4.4% Only 80 companies out of 1,826 listed firms have a women chief

45% is the pay differential between female and male executive directors

150 firms in the top 1,000 don't have a female director, despite the regulatory mandate

Changing trends in women's commute

JYOTI MUKUL
New Delhi, 7 March

In December 2012, twenty-three-year-old Nirbhaya was gang-raped and fatally injured in a Delhi bus meant for chartered services. This not only led to questioning of sexual assault laws in the country but many Indian families also started to worry about the way a woman commutes, especially if she is in a different city.

In these eight years, concerns surrounding their commuting may still be there in the minds of dear ones, but working women have changed the way they travel about. Increasingly, women have started using pooling services for private cars, taxis and buses. They are even offering their own cars for pooling not just to other women but also men. Use of technology has brought about the change in safety perception, primarily because app-based services allow verification of co-passengers that helps in building trust and friendships, and even facilitate networking.

A survey of 5,465 women car poolers in 10 cities revealed 60 per cent riders associate carpooling as an option that is relatively safer than public transport, subject to who their co-passengers are. Eighty four per cent of women feel that car-



CAR POOL: FREQUENT TALK

75% Networking /work related

58% Current affairs

44% Pop culture

Source: sRide survey; *Preferences overlap

WHO MENTORED THEM

65% Mother

30% Woman Manager/Boss

5% Others

pooling eases the commute and reduces confinement to public transport. Their carpooling experience provides them with the freedom to easily travel to work and back, without any hassle of public transportation.

The survey was undertaken by Pune-based start-up sRide that offers car pool services. Sixty per cent of the two million registered users of sRide are women but only around 15 per cent registered car owners are women since ownership of cars among women is low, Lakshna Chadha Jha, chief executive officer and co-founder, sRide, told Business Standard.

The survey found that "freedom" was the key for commut-

ing choices among women. Amit Singh, CEO and co-founder, Shuttl, a bus aggregation service, also says women inherently seek both safety and personal space while making transport choices. "Freedom to move is essential to access economic opportunities. At times, inadequate mobility alternative forces them to settle for lesser opportunities that eventually affects their career progression," said Singh.

Shuttl, in fact, has seen the number of women users rising more than three times in two years to 27,750 in 2019. The percentage of women in their overall customer base also rose to 41 per cent from 37 per cent in 2017.

Jha said 70 per cent of the rides that are arranged through sRide platform are repeat carpooling. "Women, in fact, felt more comfortable with persons from their own industry." Forty four per cent of the women surveyed by them use pre-paid cabs less than 10 times a month, signifying the increasing preference for a more cost-effective and convenient commute.

The quality of conversations and not getting bored during the journey is important to many women riders, but not a majority of them. "However, in some cities like Mumbai and Kolkata, those who use a cab service more frequently (more than 10 times a month), conversations tend to become a more important aspect of carpooling (for more than 60 per cent of this segment of riders). We could infer that there is a positive relation between the quality of conversations and frequency of cab rides taken, as a desire to evade boredom becomes stronger when one has to take more rides," said the survey. The survey was conducted across 10 cities including Delhi, Mumbai, Bangalore, and Pune. Most of the trends were similar across all the cities surveyed, implying that sentiment towards carpooling, conversations, and gender equality were largely geography agnostic.