

Courageous Kalanick for the Greater Good

Other founders must learn from Uber CEO's exit

Travis Kalanick has resigned as CEO of Uber, the company he founded in the US, expanded to many lands and made into the world's most valuable startup — worth about \$70 billion. Yet, if he had not resigned, he might well have been sacked by shareholders. This has valuable lessons for entrepreneurs and entrepreneurship around the world, including in India. Just because someone founded a company and made it worth something, it does not mean that he will be deemed necessary or sufficient for its subsequent growth. The powerful early-stage rockets that lift a satellite out of earth's gravitational field and bring it near the desired orbit will not do when it comes to the final positioning of the satellite in its intended orbit; for that, small, but precise, thrusters are called for.

Of course, the tale of Steve Jobs' legendary return to a flailing Apple that he had co-founded and had been ejected from, to make it into a powerhouse of technology, design and consumer delight that would eventually become the world's most valuable company, serves to reinforce the narrative of companies being closely attached to its founding leadership. But that, we must realise, was an exception, not the rule. Successful companies outgrow, more often than not, their founders' managerial talents. The distinctive insight around which the business is formed, the fierce passion of the founder without which the business might not have taken hold and grown, and the loyalty of the founding team of employees — these are the stuff of legend, in successful companies, not what a business needs after having established itself. If those founding passions turn out to have negative side effects, the business is possibly better off shedding them. It might sound unkind to compare brilliant but flawed founders with spent rockets or the sloughed-off skin of snakes, but the truth can sometimes be harsh.

We must congratulate Kalanick for recognising his continued presence at Uber's helm would be a liability for the further prosperity of the company. And hope that similarly placed others would show similar courage.

Bankruptcy Code No Magic Wand

It is a good thing the RBI and the banks have started identifying big loan defaulters, to resolve these bad loans. True, the new bankruptcy code offers a finite window for the resolution of bad loans, far swifter than under the erstwhile Board for Industrial and Financial Reconstruction. However, it would be naive to expect solutions overnight. Under the code, an insolvency petition can be filed after a single default without giving any notice, and within 180 days, lenders and borrowers have to find a way to revive the company, failing which the process for auctioning of assets begins.

A quicker way is for the banks to sell their bad loans to asset reconstruction companies (ARCs), who could then undertake the tedious task of resolving bad loans. This way, the banks get their debt burden off their back and can resume lending. Of course, they would have to take a haircut and sell their bad assets to ARCs at a discount, and get additional capital to underwrite the impact. ARCs can then decide how to restructure the companies underlying the assets that they buy. The options include providing funds to run the company or putting the insolvency code to use.

Many benches need to be set up quickly for the adjudicating authority — debt recovery tribunals for individuals and unlimited liability partnership firms, and the National Company Law Tribunal for companies and limited liabilities — as they have to take a final decision to accept or reject the insolvency resolution plan. Insolvency professionals must be mobilised and deployed. And the legal infrastructure must be made functional, to thwart attempts to stymie resolution through stays. If all these things are done, we can see some rapid progress in resolving the bad loan problem. The crucial step is to let banks take a haircut without that leading to a witch hunt.

The PM could change and reprise our first PM's speech on another midnight

Words for the Imminent Tryst with the GST

With the goods and services tax set to be launched at midnight of June 30, 2017, in Parliament with the President and Prime Minister in attendance, it may be fitting to reprise the eloquent words of our first PM at another midnight session 60 years ago, with some alterations. Our humble suggestion: "Long years ago, we made a tryst with GST. And now the time comes when we shall redeem our pledge, not wholly or in full measure, but very substantially. At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom from dual levies. A moment comes, which comes but rarely in history, when we step out from the old to the new, when an age ends, and when the taxed soul of a nation, long suppressed, finds utterance.... Freedom and power bring responsibility. The responsibility rests upon this Assembly. The past is over and it is the future that beckons to us now. Peace has been said to be indivisible; so is freedom, so is prosperity...now in this one country that can no longer be split into isolated tax fragments.... To the people of India, we appeal to join us with faith and confidence in this great adventure. This is no time for petty and destructive criticism, no time for ill-will or blaming others. We have to build the noble mansion of a tax ambiguity-free India where all her children may dwell."

Don't allow rabble-rousers to make sport the last refuge of the scoundrel. It's embarrassing for India

No Mauka, No Mauka



Dileep Premachandran

In June 1983, as India beat England in a World Cup semi-final at Old Trafford, thousands of supporters, inside the ground and across Britain, gloriously failed what would later come to be known as the Tebbitt test for cricket 'patriotism'. Had those fans, who hailed from places as far removed as Amritsar and Trivandrum, been subject to sedition laws, as applied by the Madhya Pradesh police on Monday against 15 people for celebrating Pakistan's win against India on Sunday in the ICC Champions Trophy final, they would have been rounded up and been Her Majesty's guests for the best part of two decades. Fortunately for them, even Margaret Thatcher's Britain wasn't that silly.

That Indian cricket team, which went on to beat West Indies in the final, was one to be proud of. All these years later, India has another one that folk from all backgrounds can rally around. How do we know this? Here are some clues.

If the most rabble-rousing TV channels in the land are targeting them, that is a sign that this is a group of players to cherish. If the most morose fans, those who don't have a clue about the essence of sport, are accusing them of having sold the country

out, that's an even better indicator. First, some facts. In four global 50-over tournaments dating back to 2011, India has won 22 matches and lost only four. If we define failure as the inability to make the semi-finals, then India are the only team to not have a smudge in the copybook. Two of those tournaments have been won. If you want comparisons, mighty Australia's win-loss record in the same period is 11-6. Pakistan's is 14-9.

These are the men labelled 'ornamental patriots' by dimwit news channels without a hazy idea of how these tournaments work. Apparently, India's cricketers should have worn black armbands, or asked for a minute's silence, in tribute to service personnel who had lost their lives in Kashmir.

There's just one small problem. The Champions Trophy was a global event, not some invitation tournament in Nagpur. The International Cricket Council (ICC) has extensive rules, which go into such minutiae that you'll age a year by the time you're done reading them.

Band Banned This is what section G of the Clothing and Equipment Rules and Regulations has to say: "Players and team officials shall not be permitted to wear, display or otherwise convey messages through armbands or other items affixed to clothing or equipment ('Personal Messages') unless approved in advance by both the player or team official's Board and the ICC Cricket Operations Department. Approval shall not be granted for messages which relate to political, religious or racial activities or causes. The ICC shall have the final say in determining whether any such message is approved."



Spot the seditionists: (From left) Yuvraj Singh and Virat Kohli share a joke with Pakistan's Azhar Mahmood and Shoaib Malik after Sunday's final

Even if India had put in the request ahead of the final, what were the chances of the ICC sanctioning it ahead of a game against Pakistan, the other party in the dispute over Kashmir? Three years ago, when India played England in a Test match in Southampton, Moeen Ali was hauled up for wearing a wristband in support of the Palestinian struggle in Gaza. He shouted slogans and made no gestures. But the tiny lettering on the wristband was enough to attract the ICC's ire. The same goes for the minute's silence. With half the crowd at the Oval supporting Pakistan, you can imagine what kind of inflammatory atmosphere would have been created if such a gesture had been considered to 'shame' Pakistan. Instead, we got a match that was played in wonderful spirit, both on and off the field.

Two of the most memorable images from the day were of Virat Kohli and Yuvraj Singh cracking up at a Shoaib Malik joke after the game was over; and of an Indian fan taking a picture for some celebrating Pakistanis. That, you see, is what sport is about. It's supposed to represent the best of us, not the worst. The players got that. Kohli was fulsome in his praise

for Pakistan's remarkable performance, and there was nothing other than respect from the Pakistani side. Even two days after the game, Azhar Ali tweeted a picture thanking M S Dhoni, Kohli and Yuvraj for spending time with his kids.

Sound Hound Chasing a player down a London street and thrusting a camera in his face while asking leading questions isn't journalism. It's trolling. Unfortunately, that's what much of the news reporting in this country has come down to. We all know that this wouldn't have happened if India had beaten Pakistan on Sunday. Instead of #Cricketers ForgetBraves, it's #WeForgotJournalism101 that should be trending.

Some fans are no better. The bonhomie between the players is taken as evidence of the match having been fixed, of the Indians not caring enough. At its best, as on Sunday, sport is a metaphor for a life less ordinary. To recognise that though, you can't be living in hate-filled echo chambers where you get off to the sound of your own rants.

The writer was editor-in-chief, Wisden India

Chasing a player down a London street and thrusting a camera in his face while asking leading questions isn't journalism. It's trolling

STATE FINANCES

Tighten Belts, Loosen Strings



Dharmakirti Joshi & Adhish Verma

Fiscal prudence has been a major pre-occupation of this central government. The current refrain, however, is that state governments have swung the other way. But a closer look at data shows only a few states have been profligate. This augurs well for the overall growth story.

To be sure, the consolidated fiscal deficit of states has worsened from 1.9% in 2011-12 to 3.6% and 3.4% in 2015-16 and 2016-17 respectively. This is primarily because of the takeover of debt under the Ujwal Discom Assurance Yojana (UDAY). So much so, states have breached the fiscal target of 3% of GDP for the first time since 2004-05.

But a deeper look at the spending patterns of states reveals that not all are in the red. The impact of UDAY has not been pervasive. A large chunk of discom debt is with fewer states — Rajasthan, Uttar Pradesh, Haryana and Madhya Pradesh — where obviously fiscal deficits have shot up.

For Tamil Nadu, another state with high discom debt, this phenomenon is yet to play out, since it joined UDAY only this year.

Also, in the absence of UDAY, fiscal deficit of states would still have worsened. But it remained not only below the Fiscal Responsibility and Budget Management (FRBM) limit of 3% of GDP, but also below that of the Centre: at 2.9% in 2015-16 and 2.3% in 2016-17.

But there are encouraging trends that suggest that not all is wrong with the higher fiscal deficits of states. Data suggests that the quality of sub-national public expenditure has improved in most states. The rise in expenditure seems to have been channelled in the right direction. In the last few fiscals, the share of development expenditure in the total expenditure of states — barring a few — has risen significantly. And not because of increased grants or loans under UDAY, which get categorised as development expenditure.

Barring Punjab and Jharkhand, other states analysed have upped their share of development expenditure in social (education, health, etc) and infrastructure (roads, energy, communication) sectors. Bihar, for instance, has significantly raised expenditure in education, medical and public health as well as in farm and rural development infrastructure. Similar trends emerge among other states. What gives? Two developments in



Spoke-hub distribution

Centre-state fiscal relations under the present NDA regime, actually. First, the dismantling of the Planning Commission has meant fiscal transfers from the Centre to the states, earlier the remit of implementing agencies, is now the job of the states. Second, the acceptance of the 14th Finance Commission recommendations has led to increased devolution of the central divisible pool of taxes — from 32% to 42% — from 2015-16. Both moves have meant greater flexibility for states on the money's usage. Interestingly, this period is also when development expenditure of states started rising. This suggests that states haven't splurged, but they have rather directed it for productive use. The seed of competitive federalism sowed by Gol has pushed states to raise growth-enabling expenditure,

and, in turn, their own attractiveness as investment destinations. To be sure, this is not to suggest that states should pull out all stops, especially at a time when another large revenue expenditure looms on account of the incumbent Seventh Pay Commission hikes at the state level, and the rising interest servicing burden due to UDAY. True, the implementation of the goods and services tax should usher in greater tax buoyancy and help states improve their own tax-to-revenue ratio. However, the best strategy would be to up-productive expenditure, while staying on the fiscal consolidation path.

To ensure that the impact of UDAY on state fiscal health is one-off, discoms would need to diligently pursue reforms agreed to in the tripartite agreement under UDAY, to reduce the gap between cost and sale price of electricity. While some discoms have done so through tariff increases and reduction in efficiency losses, much more needs to be done.

Finally, it is important to transit states to a system of risk-based pricing of their debt. Yields do not diverge much between states, and Centre and states. Investors perceive a strong implicit guarantee from the Centre. Market-based pricing of state debt will promote fiscal prudence.

Joshi and Verma are chief economist and economist, respectively, Crisis

FUNNY BUSINESS

Listening In on Office Cons



Anuvab Pal

It's been a while since I've been inside a bustling large workplace. So I had forgotten the many strands of bewildering conversations that take place, unique to our offices. A recent one went like this, "Did you bring Rajiv up to speed?" "No," came the reply, in a guilty, sheepish fashion. "We have scheduled 3pm for that with Shefali."

"Ya, but I haven't brought Shefali up to speed yet," said the speaker, worried. "I need to schedule that." "Sir, but Shefali was supposed to also bring Neha in marketing up to speed. So if she's not up to speed, then who will bring Neha up to speed?" "I'll bring them up to speed," said the speaker confidently. "But before that, could you bring me up to speed?" I concluded two things. One, that a lot of people have to be brought up to speed. And two, that every office has a Neha in marketing.

There was another chat: an hour-long video conference call on an ur-

gent client issue, "Is Ramesh dialling in?" "No, he's in the US." "Hello Bangalore. Can you hear us?" "Bangalore can only see us. They can't hear us." "Hi all, this is the Delhi team. We can hear you but we can't see you." "Who is veg here? I'm ordering." "Avoid gluten for me please. And baby corn."

"Suresh just WhatsApp-ed. He thought this meeting got shifted to the evening." "He knows it's now. I was with him in Pune yesterday."

"You mean Ops Suresh or Suresh Suresh?" "That Suresh, ya." "Can we get that chowmein from that place?" "Amit can't eat any of this. Plus, I don't even know if he's joining," says someone, referring to Amit, the boss. "Hi all, this is Ramesh from the US. Why are we having this call?" "Dammit, we just lost Delhi."



An internal memo

"Send Aarti's team the dial-in details please. They are in Europe." "Amit said salad." "Hi all, Nayana 2 emailed. The dial-in details sent to Girish's team is missing one digit." "Girish put in his papers yesterday." "Oh, I just ordered his poha." "Hi, this is Aarti, hello? Hello? What call is this?" "This is the IT all-hands call on Project Zuma." "Oh sorry, wrong call. I have a different call in my calendar." "Aarti, we need you on this call also." "Guys, Amit's salad is not there." "Which Aarti is this?" "This is Aarti Dua in sales." "Wrong Aarti." "Hi guys. This is Ramesh in the US. Did I just hear 'wrong Aarti'? I need her one sec on Project Zulu. Wrong Aarti, can I call you offline?" "Sometimes, it isn't even the people. It is the place." "But we had Conference Room 3 from 2 to 5, ya." "No, my team is bigger. We'd booked in, na. Ask Govind. I'd told Govind." "Govind didn't tell me." "Ghatke or Rane. I mean the taller Govind." "Ya, him only? Lower Parel Govind, the cigarette-wala Govind."

"Ya, same one. He didn't tell me." "Oh, wait, wait, cigarette-wala Govind is not Rane." "He is." "No, cigarette-wala Govind is Ghatke. Promotion Govind." "Oh ya ya, I forgot. Ya, no, him I did-

n't talk to about this room." "By the way, Lower Parel Govind now lives in Hyderabad." "Oh... Anyway we need this room, ya." "Ok." Modern Indian office language is an invented glorious world. When one enters it, like Charlie and the Chocolate Factory, one could come out either alive or totally submerged in chocolate. The chocolate being a language that only those colleagues understand at that specific point in time. And more than doing the actual work for the client, the real work is getting the people together — for that work.

In theory, employees can be anywhere and jump into a meeting through Skype, video chat, what have you. In practice, of course, none of these work in sync when you need them to. The great office comedy, WIA, about the workings of the BBC, has a scene where a new internal software is launched to book meeting rooms, send call details, attachments needed for the meeting — a one-stop shop for all internal office coordination issues. The software was called Sympatico.

In one scene, the person from HR, in a big flourish to a room full of people, says, "Ladies and gentlemen, I present to you, Sympatico." On screen, we see a black screen with a box reading, "Internal Server Error".



Spiritual Atheism

DARSHNIK VYAS

The last verse of Chapter 8 in Gita perhaps contains the kernel of all Vedantic thought. The chapter, as is well known, begins with Arjun asking Krishna about the nature of Brahm, adhyatma and karma, and how they might be interrelated. Having explained the first two — albeit in the aphoristic way typical of the Vedantic spiritual tradition — Krishna focuses on the third element of the triad.

Karma, or action, he says, is the real-life bridge that links the two. The ontological or transcendental realm of Brahm (or absolute), on the one hand, and adhyatma, or individuated consciousness rooted in the here and now, on the other: It is not easy to see this link in a logical or material sense — how does one associate that which exists in time and space with that which is both beyond time (without beginning) and space (boundless)?

The true being of atma, attached to the corporeal body, is of course clouded by desire. In a paradigmatic sense, this desire is the desire for the rewards of action. The Gita makes no categorical distinction between different kinds of action. Depending on one's worldly calling, or svadharma, going to war is on the same footing as going to a temple or pursuing politics.

The key then is not what you do but with what intent or motivation you do it. The true yogi, as the Gita declares, is one who goes beyond "whatever fruit or merit is declared to accrue from the Vedas, sacrifices austerities, gifts". The path to moksha lies in overcoming desire and is described as liberation from the inexorable law of karma.

Chat Room

Selecting Our President

Even the most politically aware asked "Who?" when the NDA announced its presidential choice. Another Pratibha Patil déjà vu. An E Sridharan or Ratan Tata would have had a Kalam-like effect and made the world notice. Lofty ideals are mouthed: he should be above politics, religion, caste considerations, etc. But these are the considerations that ultimately decide the candidate. Enough proof, since his caste is the only thing being trumpeted.

The presidential choice is influenced by the fact that he will sit in judgement on the general elections to be held in 2019, should a majority elude any party. So, the ruling party would want an amicus curiae in the seat. There has been a demand that Centre-state elections must be held simultaneously, and a case for coinciding the President's term with the Centre's. So, presidential elections within three months of the combined Centre-state elections would make him the choice of the new legislatures and indirectly the choice of the people.

TR RAMASWAMI Mumbai

Our Traders are All e-Literate

'Brush Up for Teething Troubles' by Anjana Menon (Jun 21) is based on a lot of presumptions that are far from the truth. First, the writer mentions that some tax assesses have never seen an e-filing in their life. Today, 99% of four crore income-tax assesses file their annual income-tax return on the e-filing website. In comparison, there are 70-80 lakh dealers in GST. Most of them also have been filing their VAT and service tax and excise returns online in the major states.

Second, Menon mentions that every single assessee (out of 70-80 lakh) will have to give their invoice-wise details. This is not true. A large number of traders are B-to-C traders and shopkeepers who do not have to give invoice-wise details in the return, but only the details of total turnover. Only B-to-B suppliers need to give invoice-wise details for which an off-line software tool is being given by GSTN.

HASMUKH ADHIA Revenue Secretary, GoI

Letters to the editor may be addressed to editet@timesgroup.com