

BusinessLine

THURSDAY, AUGUST 17, 2017

Sizing it up

Aside from the size of SBI's bad loans, higher slippages across other banks and unbridled growth in retail loans call for attention

There was a sense of unease when State Bank of India — India's largest bank — reported its June quarter results, its first after the merger with five associate banks. The stockpile of bad loans for SBI is now a tenth of its loans, which, given the size of the merged entity, is alarming. True, India's banking system has always been highly fragmented compared to the developed economies, where the top three or four banks account for 70 per cent of the banking activity. But that's not to say that the Indian financial system is devoid of the threat that loomed for other economies due to large and highly interconnected financial institutions. In line with the broad principles of the Basel Committee, the Reserve Bank of India had designated SBI as one of the two domestic systemically important or 'too-big-to-fail' banks — failure could have a cascading impact on the entire financial system and the economy. With the merger, SBI's systemic importance has only risen. The merged entity's assets are about a fourth of the country's GDP and loans are a fourth of the sector's overall lending activity. Given this, the sharp spike in SBI's slippages and bad loans, even seven quarters after the RBI's asset quality review, calls for attention. While poor asset quality of associate banks was expected to drag SBI's performance, the quantum of slippages of a little over ₹26,000 crore and total bad loans at a whopping ₹1.8 lakh crore for the consolidated entity, is disturbing.

The state of affairs at other public sector banks that lack the bandwidth, size and reach of SBI, is far worse. Alarming, many of these banks have bad loans that are a fifth or more of their loan book. Led by two large banks that have relatively higher exposure to stressed sectors, NPAs for private sector banks too have been growing at a worrying pace of 50-100 per cent year-on-year in the last four quarters. For PSBs, after moderating, additions to bad loans jumped 30 per cent in the June quarter. Despite RBI's countless attempts to clean out banks' balance sheets, more skeletons appear to be tumbling out every quarter.

However, aside from stress in large corporate accounts, there is another risk looming. Many banks are reporting increasing slippages in their retail portfolio. After abandoning personal loans and credit cards in 2008, banks have been growing their retail portfolio aggressively in recent times. But just as excessive corporate lending has spelt doom, banks run similar risks from their unsecured retail portfolio. Ensuring that back-end processes of underwriting customers are streamlined and risks mitigated through the proper usage of credit bureaus is critical to avoid a repeat of past mistakes. It is worrisome enough that banks have to carry their legacy corporate bad loans for some time. If retail delinquencies gather steam, banks will find it difficult to drag themselves out of the morass of stressed loans, even if the economic cycle turns.

Imagining India's new data privacy law

India is uniquely positioned to create a law that balances the right to privacy with harnessing the advantages of technology

SUPRATIM CHAKRABORTY
SOUMYADRI CHATTOPADHYAYA
"India has a unique opportunity to draft a very modern data protection and privacy Bill which can be superior to what is happening elsewhere in the world." — Nandan Nilekani

Data is the lifeblood of today's digital economy and is driving new businesses that challenge conventional wisdom about markets. With the proliferation of smartphones, every tap creates a digital footprint: valuable information that can be exploited by companies to generate everything, from customer preferences to consumption patterns.

Critically, the traditional notion of data being merely sensitive personal information is now being challenged as companies are also exploiting real-time data generated from daily activities such as one's route preference whilst booking cab rides using an app. Even the Government's drive to digitise India on the back of initiatives such as JAM (Jan Dhan-Aadhaar-Mobile) and the increased focus on digital payments is fuelled by data. As dependence on data continues to grow, so does the vulnerability of data subjects. Hence, any debate on data privacy must recognise the need for a comprehensive data privacy law, which not only contributes to and complements the constitutional right to privacy but also enables data subjects to harness the benevolence of technological advances.

Recent concern

India's existing data privacy framework dates only to the year 2009, in-

troducted to address growing concern relating to 'data protection' and 'data privacy'. This framework was primarily introduced through Sections 43-A and 72-A of the Information Technology Act 2000. Subsequently, the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules 2011 were issued. These regulate the collection, disclosure, transfer and storage of sensitive personal data and information.

Unfortunately, the above-mentioned legislative framework does not extend to government agencies, and also stops short of imposing an obligation upon the data collector to mandatorily report any data compromises to data subjects. Further, it imposes a stiff requirement to establish intent to cause wrongful gain or loss before an enforceable remedy against a data breach would be available to data subjects.

Setting the rules

A well-functioning data privacy regime should ideally set the rules of the game for all actors, cut out any regulatory uncertainty and strike a balance between protecting the right of privacy of data subjects with the business needs of data collectors.

In 2012, the AP Shah report studied global best practices with a view to rebooting the existing domestic framework; it identified transparency, consent, and accountability as the fundamental building blocks of the ideal data protection regime. The report also observed that any new data privacy framework must aim to harmonise principles such as the principle of notice, choice and consent, limitation on collec-



Key factor A chance to make privacy laws tough and up-to-date SDECORET/SHUTTERSTOCK.COM

tion and purpose, disclosure, openness, security, and accountability. These would also be relevant today.

Moreover, with technology constantly evolving, an approach based on standards would enable the law to keep pace with rapid changes in technology, as against objective rules that would fail to be relevant with constant technological developments.

Perhaps the biggest shift required from the existing regime is with respect to its applicability. It is imperative to bring government agencies within the ambit of the new framework. Although drafting a legislation that is applicable to both the private sector and the Government alike is a daunting task, it may be a streamlined method of ensuring that data subjects are adequately safeguarded.

Debatable

While 'consent' is the cornerstone of any data privacy regime, the ad-

equacy of such consent from the data subjects is sometimes debatable, especially in the context of standard-form contracts such as click wrap agreements. Recent studies show that this problem has been exacerbated manifold; people are often forced to accept unfavourable terms of service since most apps are designed to quit immediately if one does not click on the 'I agree' button.

Behavioural research also points to the inability of data subjects to manage their own data. This is attributed to a combination of lack of understanding and general disinclination.

To counter this, researchers have argued that perhaps regulating only the collection of data may not be enough, its use by data collectors and data processors could also be regulated such that there is a prohibition on using certain data in a manner that is detrimental to data

subjects. This could be a useful supplement to temper the current prior consent-based approach where data subjects often surrender their data without truly understanding the wider ramifications of exploitation of such data.

Several stops and starts and multiple draft privacy Bills later, the Government has now taken the step to constitute a committee under Justice (Retd) BN Srikrishna to suggest and draft a new data protection Bill. While the Supreme Court continues to deliberate whether the right to privacy should be elevated to a separate fundamental right, a robust and well-functioning data privacy legislation will go a long way in complementing the constitutional right to privacy in not only creating the right incentives for all stakeholders but also providing an efficient redress mechanism for data subjects.

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Why 'President Pence' isn't such a bad idea

A drab, conservative mediocrity moving into the Oval office looks like the best chance that America has to rescue itself

FRANCIS WILKINSON

Donald Trump's presidency has produced a proliferation of Eeyores. It's not their (our) fault. However dismal one's view of current American politics, Trump is sure to expose it, with a tweet or the lack of one, as a naive androgyne fantasy. Each day, we adjust our sights down. Each day, the president forces our gaze lower.

Some conservatives might take comfort in the prospect — wish, really — of a President Mike Pence assuming office before the current occupant's term is up. The Indiana Republican is as dull and serviceable a politician as Trump is bizarre and broken.

Pence can recite the social conservative catechism by heart and, until he signed on to the Trump carnival, held conventional conservative views on trade and taxes and decency.

Relative's better

I wouldn't say I'm a big Pence fan. But everything's relative. He doesn't approach each hour as a mortal threat to precarious manhood, and it's hard to imagine Pence groping women, or bragging to others that he did. When Nazis went on a homicidal rampage (in Charlottesville), Pence's response, aside from the requisite media bashing that all



Hello, Goodbye If wishes were horses vvr

Trump White House employees must engage in, seemed both professional and perturbed, suggesting he did not, on the whole, approve of murderous thugs.

Compared with the daily degradation that is President Trump, a Pence White House looks better than good; it looks grand. I'm consistently perplexed when others don't share my enthusiasm for the humdrum Hoosier. Liberal friends recoil when I point out the upsides, including the observation that Pence shows no outward signs of sociopathy — as if our recent experience hasn't taught us what a superb

qualification that is for the presidency.

One of the chief liberal concerns about Pence was voiced in June by Democratic Senator Al Franken of Minnesota, who told the *International Business Times* that Pence, "in terms of a lot of domestic policy" certainly would be worse than Trump. He went on to point out that Pence was instrumental in promoting some of Trump's worst cabinet appointees. If Pence was indeed responsible for dreadful cabinet picks such as the Environmental Protection Agency's Scott Pruitt, then President Pence surely couldn't do any

worse than Vice-President Pence already did.

Likewise, Pence's domestic policy priorities have largely been adopted by Trump, whose political survival may depend on continued support from Christian conservatives. Supreme Court Justice Neil Gorsuch, who was confirmed by the Senate in April, is the kind of smart, rigid conservative Pence would've nominated himself. On social issues such as abortion or transgender rights, it's hard to see where Pence would've differed from Trump, who reinstated restrictions on international abortion funding and tweeted a ban on transgender troops without even consulting the Pentagon.

Pence annoys liberals because he seems like a stock movie character — a pinched little sex-phobic Chamber of Commerce preacher harboring a shocking secret that he can't bear to face. I don't know anything about Pence's soul or his secret longings. But with Trump's sprawling indiscipline and gross appetites perpetually on display, a little self-repression doesn't sound so bad.

On foreign policy, there's little chance Pence would be as dangerous and bumbling as Trump, who is a few decades late to the realisation that China is not much interested in advancing US interests on the Korean peninsula, and last week

ciously handed a weapon to Venezuelan leader Nicolas Maduro. (After Trump foolishly mused about using force in Venezuela, Maduro used the threat of Yanqui imperialism to thrash his democratic opponents.)

A sense of clarity

A Pence presidency would also have a clarifying effect for voters choosing our next president, separating Trumpism from conservatism, and making it impossible for Republicans to distance themselves from the former (Pence) even when it looks like the deranged, identical twin of the latter.

If Trump goes down in a ball of fiery corruption, or if we learn that his abiding admiration for Vladimir Putin stems from an even more unsavoury source than Trump's jackboot reveries, Pence will have difficulty escaping the rubble. He did, after all, aid and abet the catastrophe.

Meanwhile, a transition from Trump to Pence would be like switching to the occasional aspirin after having been force-fed a diet of LSD.

This trip has been too strange and it's already gone on too long. A drab, conservative mediocrity moving into the Oval Office may be our best chance to make America great again. But it's the nearest one at hand. **BLOOMBERG**

OTHER VOICES



Trump's bargaining chip to pressure China

Trump signed a memorandum that directs US trade representative Robert Lighthizer to investigate whether China is involved in forcing foreign companies to transfer technology in exchange for being allowed access to the Chinese market and whether China stole US IPR. A US president has no ability to adjust the global industrial pattern at will. Generally, Trump has kept US pressure on China so he could gain the upper hand. **BEIJING 15 AUGUST 2017**

Los Angeles Times

Trump doubles down on irresponsible comments

Can it be true that Trump doesn't see much difference between Nazis and white supremacists, and their opponents? The core problem in Charlottesville was the underlying hate-filled attitudes of the mob carrying Confederate battle flags and shouting anti-Semitic and racist slogans. The rally was intended to defend a statue of Robert E. Lee that the city plans to remove. The racism displayed by some of Trump's followers is not an issue to be viewed through the usual left-right political prism. **LOS ANGELES 15 AUGUST 2017**



Sri Lanka's support

Sri Lankan cricket chief Thilanga Sumathipala's announcement of the islanders' short tour to Pakistan carried a message. He spoke of improved security and playing conditions. He also asked for support from Asian cricketing nations for Pakistan. It was the Sri Lankan team in 2009 that was the target of a terror attack in Lahore. **KARACHI 16 AUGUST 2017**

LETTERS TO THE EDITOR

Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

Pragmatism called for

With reference to 'What's holding an entrepreneur back?' by Sidharth Birla (August 16), there is no doubt that a robust monsoon will help the economy on the consumption front but that's not enough to call it an economy revival. Yes, there is no dearth of fresh capital for small entrepreneurs in the form of private equity or venture capitalists; large corporates performing well and without a huge debt on their balance sheet are fighting the problem of lack of capacity utilisation. Unless their existing facilities are utilised they will not even think about fresh investment.

It is worth introspecting on the fact that, with banks burning not only their fingers but almost the whole body, how will they perceive new borrowers and how will new credit demand be entertained. Of course, banks would be vary and cautious and borrowers may come

across very tough conditions from lenders in order to follow safe lending. So banks will have to be pragmatic to help revive the economy.

Bal Govind
Noida, Uttar Pradesh

I-Day address

Modi's Independence Day address of 2014 was his most prime ministerial. With a successful election behind him he had the entire nation as his constituency and he could fully shed his campaign robes. In 2015 and 2016, with the gigantic UP elections looming, he had to be back in campaign mode, the party being dependent on his charisma.

The 2017 address was not short on vision. Modi has the genius to set them but perhaps they have been far too variegated and in too quick succession. While vision motivates progress it is perceiving the errors that help set it in the right

direction. Spelling out course corrections gives the speech sincerity and gravitas. Although this time it was free of political overtones, it fell short of 2014.

R Narayanan
Ghaziabad, Uttar Pradesh

Modi once again displayed his exemplary oratorical skills and exhorted his countrymen to contribute towards building a new India by 2022 in which there would exist no casteism, communalism, terrorism, nepotism and corruption.

While he has been unequivocal in condemning violence in the name of faith in the context of rising cow vigilantism and orchestrated violence against Muslim minorities and Dalits, the despicable actions of the BJP-led governments in UP and MP directing madrasas to give videographed proof of their patriotism in the run-up to Independence Day raises serious questions about the

commitment of the BJP leadership to preserving the secular fabric of the country.

Apprehensions being expressed in several quarters over insecurity among minorities and the ascendancy of majoritarianism are not baseless. Modi may have positioned himself as a visionary leader, but he cannot go ahead with his tasks without reining in vested interests within his political constituency who are bent upon sowing seeds of hatred.

M Jeyaram
Sholavandan, Tamil Nadu

What's with the headgear?

Whenever Modi hoists the flag in Red Fort on Independence Day or at other public functions, we find him wearing headgear symbolising a particular clan or state. Isn't it true that he represents not only a particular State, clan or a group but the people of the entire nation? Then why express a special

leaning towards a particular group by wearing the specific headgear?

Tharcius S Fernando
Chennai

Everything takes time

This refers to 'Fight against black money a sham: Cong' (August 16). The mainline party which is in opposition wants to attack the government of the day just for heck of it. Little does these worthies realise that at least the present government has taken up the case with the Swiss Bank requesting the authorities to reveal the names of those who have stashed their illegal money. The Congress party could have brought back black money, improved living conditions and created corpus to help farmers in distress. It is too much to expect the government of the day to do all this in three years.

HP Murali
Bengaluru

Form fatigue

How GSTR return becomes a complex affair

MOHAN R LAVI

Compliance in the GST regime involves filing a bewildering array of forms with unique alphanumeric identities. As the date for filing the first return in the GST era fast approaches – the GSTR-3B is to be filed on or before the August 20 – taxpayers are still not clear on the nitty-gritty of filing the form.

The form itself cannot be filed but can only be downloaded and saved through an off-line utility. If the entire population of GST taxpayers log on to the portal a few days prior to the due date, the portal is going to be tested for its capacity to handle such large traffic – an extension of time looks imminent here.

Form 3B in itself should not pose a problem for taxpayers who have seen more complicated stuff under the Central Excise Act. There are 8 columns to fill which tabulate basic data of outward supplies, inward supplies subject to reverse charge, supplies made to a certain category of persons such as unregistered persons, input tax credit, exempt supplies, tax deducted at source and details of the tax paid.

It is ironical that, as on date, the only act that taxpayers can do without getting stuck on the portal is to pay their taxes though the form to compute the tax cannot be filed online.

Though taxpayers in India normally prefer to pay the taxes at the nth moment, the month of August could prove to be an outlier in that the taxpayer may pay his taxes first since that is the only thing he can do now – he would later ensure that Form 3B matches the tax paid.

At this early stage itself, it is becoming clear that if at all GST implementation has to be a success, a large part of the responsibility would lie in the technology piece – right now, there are no firm

opinions on the technology as only bits and pieces of it are being showcased.

Credit matters

Extension or no extension, filing of 3B is bound to happen at some point in time. More than the filing, it is the contents of the form that raise a few questions. Can existing indirect tax payers including VAT payers claim their carry forward credit in the form? Can taxpayers use the column 4(A)(5) of GSTR 3B and indicate all their carry forward credit as “All other ITC”?

The transitional provisions recommend a Form GST TRAN 1 to carry forward the credit including the credit of duty paid on inventory as on June 30. From which form would the credit be transferred to the electronic credit

ledger-3B or TRAN1?

It should be TRAN1 as it is a specific form for a specific purpose unlike 3B which is a temporary form designed to tide over the inability to mandate filing of the trilogy of forms every month-GSTR 1/2/and 3.

In the absence of any specific guidance, taxpayers have taken refuge in the Twitter handle GST@Goi to seek responses to their questions. Due to the inadequacies of twitter, the answers invariably are ‘Yes’ or ‘No’ and draw reference to the particular sections of the GST Act.

In a response to a question on transitional ITC on June 13, 2017, it has been stated that transitional ITC can be claimed in 3B and modalities would be announced soon. The same day, another response states there will be a fee for late filing.

It may be only a matter of time before all the individual parts of GST implementation come together. Till that time, the GST Council should comfort taxpayers with an assurance that they would not be unnecessarily penalised.

The writer is a chartered accountant

Railways on a difficult track

There are two major obstacles: fall in revenues from coal because of the renewables shift, and the appeal of air travel



Stationary mode Nothing for the wagons to transport

JAGANNARAYAN PADMANABHAN

Indian Railways, which is making concerted efforts to correct its legacy of under-investments – and therefore, the opportunities lost – is facing the law of unintended consequences.

It is up against multiple headwinds, such as:

1. Faster awarding and implementation of national highway projects

2. Decreasing dependency on coal compounded by increasing thrust on renewable energy, and,

3. Airlines weaning away AC class passengers, and the regional connectivity scheme UDAAN.

Here's the potential trouble in perspective:

Indian Railways sustains itself on two businesses – freight and AC class passengers. While freight contributes to two-thirds of revenue (coal transport alone contributes to half of that), nearly a third of passenger revenue comes from AC class passengers (who constitute just 13 per cent of the total number of passengers travelling in a year). In the past four decades, as more highways got built, the share of roads in freight transport has rocketed from 30 per cent to 70 per cent.

Problem is, the pace of highway construction is only accelerating.

In the past three years, there has been a 25 per cent increase in the length of highways constructed, and Nitin Gadkari, the Union Minister for Road, Transport and Highways, wants to expand the network of highways in India by 50 per cent to 200,000 km.

That will have ramifications for the Railways. Financially, it's a pincer move because freight income is used to subsidise passenger tickets, so any shortfall in freight revenue will be detrimental to the operating ratio of railways, which is already wallowing at a decadal low of 96.9 per cent.

Coal losing steam

Another flank of worry is that renewable energy is exploding. Solar power generation is becoming cheaper than thermal, and wind tariffs are heading southwards, too.

That will curb growth in coal freight. And if all that weren't enough, a new law says coal cannot be transported without beneficiation for distances of more than 500 km.

Demand for cement and steel, which, along with coal account for about 70 per cent of annual

railway freight, has been subdued for a while now.

Then comes the attack from the air. India became the third-largest aviation market in the world after China and the US, by overtaking Japan. Domestic passenger traffic has grown 17.7 per cent in the first four months of 2017 on a fairly large base.

If the trend continues – and there's no reason why it shouldn't – India will also see a signal shift this fiscal where flyers will outnumber AC-class rail passengers, with more than a push coming from UDAAN. Contrastingly, the volume of rail passengers has been flattening at 120-125 million for a while now.

Clearly, the railways faces multiple headwinds, and the irony is that many of these emanate from its owner's actions and disproportionate influence.

To wit, the government is a part of all phases of customer engagement by the railways – be it providing core infrastructure and its operation and maintenance, providing vehicles and their operation and maintenance, and lastly, bearing the financial risk that have ultimately given only poor returns. In road and air transport, private entities have a

lot more skin in the game so the financing and risk-sharing is well spread out.

The way out

Given this context, what should Indian Railways do? There is only one way, and that is offer total customer solutions, both in freight and for passengers.

For example, in freight, it can:

1. Offer door-to-door service by tying up with logistics providers. That would require investment in technology to ensure service predictability and cargo control to the last mile.

2. Decrease the freight rate and increase investments in priority projects.

3. Execute route decongestion and laying of new tracks on mission mode.

4. Encourage private sector participation in operation and maintenance, and even running of trains and terminals

5. Get stakeholders involved in the core functioning of the rail network to benefit from optimum utilisation of finance and better management of workforce – a significant contributor to expenses.

6. Operationalise the two Freight corridors and move fast

track the implementation of the others.

Offer differentiators

For passengers, it can:

1. Create more pay-per-use ecosystems. While passengers buying second class tickets are the most by number, about 28 per cent of passenger revenue comes from those that buy sleeper class tickets. The railways can them by offering more facilities, in-train entertainment, station refurbishment and a material leap in punctuality.

2. Better customer experience in all the interfaces starting from ticketing. Station touch points, on board travel engagement (cleanliness, food and beverage, in coach facilities, etc.).

Passengers need convenience, cost-effectiveness, and timeliness. There is enough empirical evidence to suggest people are willing to pay if they get value.

Today's consumer has many choices, so the Railways will have to offer differentiators by reinventing itself rather quickly.

For the frenemy is at the gate.

The writer is practice leader and director-transport & logistics at CRISIL Infrastructure Advisory

5 THINGS to WATCH OUT for TODAY

Leaders from opposition parties are expected to attend an event, hosted by rebel JD(U) leader Sharad Yadav, in Delhi. Top leaders of the Congress, the Left, the SP, the BSP, the TMC and other parties opposed to the BJP have been invited to the programme which is being seen as Yadav's show of strength against Nitish Kumar's decision to ally with the BJP.

The 2008 Malegaon blast case will come up for hearing at the Supreme Court today. The apex court will hear the issue of granting bail to former Lt Colonel Shrikant Prasad Purohit and cancellation of bail of Sadhvi Pragya Singh Thakur, both accused in the case.

The Karnataka Ecotourism Development Board will launch seven trekking trails close to Bengaluru. The controversial Great Canara Trail (covering nearly 100 km near the Kali Tiger Reserve) and the Canopy Walk, which features elevated platforms stretching 500m, are among those that got the go-ahead from the Forest Department.

ASUS will launch the Zenfone 4 in Taiwan today. In July, the Taiwanese company launched the Zenfone AR, which it claimed was the world's first augmented reality and virtual reality smartphone. Other launches today include Acer's gaming laptop Predator Helio 300.

The six-city trophy tour for the FIFA U-17 World Cup will begin in Delhi today. It will cover almost 9,000 km over 40 days between August 17 and September 26. Fans can see the trophy in the six host cities starting with Delhi, where India will be playing their group matches. India will host its first FIFA event from October 6 to 28.

Fossil fuel: A hidden price tag and a sick world

JINOY JOSE P

THE CHEAT SHEET

Ruing a bad buy?

A sad one, to be frank.

Sorry, but why 'a sick world'?

Well, I came across this interesting report last week that made me sit back and think about fossil fuel subsidies and their impact on our collective well-being. The report – *Hidden Price Tags: How Ending Fossil Fuel Subsidies Would Benefit Our Health*, released by European nonprofit Health and Environment Alliance (HEAL) – for the first time tried to compare fossil fuel subsidies (which Bloomberg recently called “the world's dumbest policy”) and health costs from air pollution. Most likely, we don't get to know of this hidden price tag that makes us sick, the report says. It is generally estimated that direct subsidies to dirty fuels stand at around \$450 billion worldwide.

That's a lot of money going up in smoke!

There's more. Just last week, a

study published in the journal *World Development* and authored by folks working at the IMF estimated that in 2013 alone 6.5 per cent of global GDP went to subsidising fossil fuels. That's some \$4.9 trillion. Mind you, India's GDP is just a little over \$2 trillion. Of the nearly \$5 trillion ‘fossil dole’, undercharging for global warming accounted for 22 per cent, air pollution 46 per cent, vehicle ‘externalities’ 13 per cent, supply costs 11 per cent and consumer taxes were 8 per cent.

Oh, strange maths, this!

Yes, but not many know, or have bothered to ponder over the obvious fact that, most of these subsidies end up hurting people, through fossil-fuel induced air pollution. The HEAL report, for instance, clearly shows fossil fuel subsidies support an industry that causes “premature deaths, ill-health and huge health costs”. And the health costs linked with fossil fuels are over six times higher than the direct subsidies doled out by governments. That is according to HEAL's estimates \$2.8 trillion against \$444 billion (that's what G20 governments

spent in subsidies to fossil fuel in 2014). Yes, the HEAL study came much before the IMF researchers made their staggering estimate. Experts believe that the real numbers would be much higher.

This must stop.

Yes. HEAL has urged policymakers to end fossil fuel subsidies for the sake of health, and use the money to support healthcare innovations and renewable energy projects. Every year air pollution from mostly fossil fuel combustion affects the lives of about 6.5 million people worldwide.

Societies across the globe pay for these ailments. In the UK, for example, health costs from fossil-fuel-driven air pollution are almost five times higher than the subsidies paid. This means, not only did the government give away \$6.5 billion of public money to one of the world's wealthiest industries, but that gift cost them another \$30.7 billion in health costs alone from premature deaths from air pollution.

Indeed!

HEAL wants policymakers to

phase out fossil fuel subsidies by 2020 for developed nations and by 2025 for low-income economies. This is important because as another recent study has shown, G20 countries provide four times more public money to fossil fuels than to renewable energy. The public funds warranted include soft loans and guarantees from governments along with huge indirect subsidies on petrol, diesel, coal, etc. This matters a lot in India, which has recently been criticised for exempting dirty fuels such as diesel from the ambit of GST.

Oh, why?

Many fear such moves will end up triggering ecological damage and health problems. The fuel industry's argument that such cuts will affect the poor's access to energy, doesn't hold as most victims are the poor themselves. Governments must scrap fossil doles and focus on renewables, which will benefit the poor and lower-income people much more than dangerous fuels.

A weekly column that helps you ask the right questions

EASY

ACROSS

01. Languished with longing (5)
04. Exiles, expels (7)
08. Old way to forswear alcohol (4,3,6)
10. Sweetener (5)
11. Chinese guild (4)
12. Soft feathers (4)
16. Plant prickly (5)
17. Permanently remembered (13)
19. Food preparation room (7)
20. Large inn (5)

DOWN

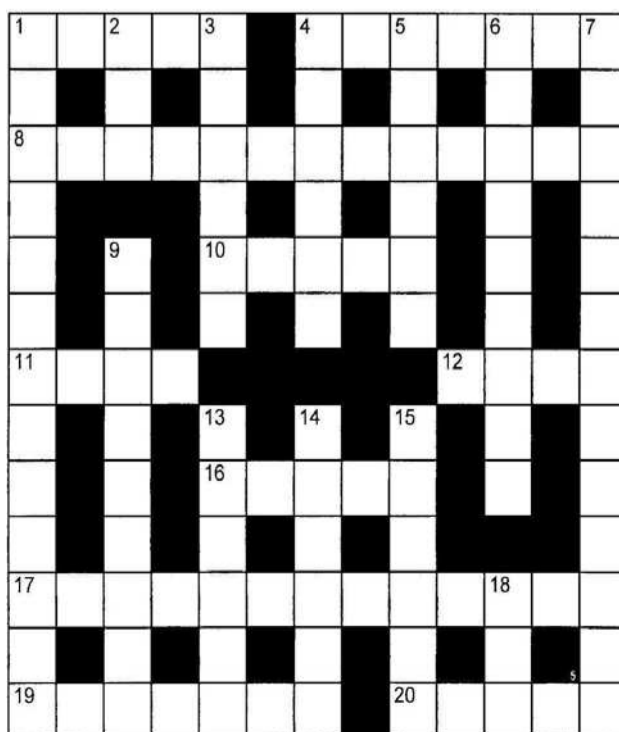
01. Hands on responsibility for (6,3,4)

02. Keep scolding (3)
03. Very much dislike (6)
04. Dig up from the bottom (6)
05. Not worth considering (6)
06. Cooling, heating devices (9)
07. Car direction control (8,5)
09. Tends to become corpulent (4,2,3)
13. Stiffness, formality (6)
14. To direct, control (6)
15. Suddenly take (6)
18. Something staked (3)

SOLUTION: BL Two-way Crossword 916

ACROSS 1. Biped 4. Squalid 8. Supposing 9. Dor 10. Overlay 12. Kepi 14. Angered 17. Amen 18. Despite 20. Lad 21. Alienated 23. Rowlock 24. Lodge
DOWN 1. Bespoke tailor 2. Puppet 3. Doodling 4. Ski 5. Urge 6. Ladder 7. Darning needle 11. Yield 13. Personal 15. Meadow 16. Pitted 19. Halo 22. Irk

BL TWO-WAY CROSSWORD 917



NOT SO EASY

ACROSS

01. Grieved for the pen I'd broken (5)
04. Alternatively appears in the departments one sends back home (7)
08. How one used a written promise to be dry (4,3,6)
10. In order to rag us, use a sweetener (5)
11. One of a lifting pair in secret Asian society (4)
12. What this clue is not is depressed (4)
16. Thunder-god going north: see the point? (5)
17. If it is, it can't be put out of mind (13)
19. This range shows the scope of the cook (7)
20. An accommodating place has a lot he can sort out (5)

DOWN

01. Outstrips the dandy as one relegats responsibility (6,3,4)

02. How the old horse will keep on at one (3)
03. Hate to die without one trial (6)
04. Dig in the channel, or sprinkle it in top (6)
05. It is mean for a friend to attempt it (6)
06. They may blow hot and cold about radio arts (9)
07. Circle on column will take one's directions (8,5)
09. Gets to be corpulent, for taunts to be made of it (4,2,3)
13. It is taken from the charts for use in the laundry (6)
14. Rule that Queen Victoria has gone wrong (6)
15. A bit of a tune one may grasp hold of (6)
18. Wager the second letter one got from Greece wasn't finished (3)