

Government Must Step Up Investment

If not directly, by projects such as DMIC

What explains the incredible run up in the country's equity market — which has gained nearly 13% in value in one year — as the economy struggles? Optimism about bright long-term prospects, sustained by reforms such as the goods and services tax, is one explanation. It could be a part of a global bubble, as well. The MSCI Asia Pacific Index is up nearly 14%, led by Japan with a near-18% year-on-year gain; America's Dow Jones has climbed more than 18% and western Europe as a whole has shot up more than 16%, in one year. There is a lot of liquidity looking for returns and lifting stock values worldwide.

But India's corporate and macroeconomic fundamentals hardly merit this kind of market exuberance. For the US, Europe and the Asia Pacific, the grinding pain of 2008's global crisis seems to be getting over. The International Monetary Fund reckons the world economy will grow a healthy 3.5% this year. In India, the Sensex price-to-earnings ratio, at nearly 24, shows that stock prices have run up faster than corporate earnings. For the first quarter this year, which ended in June, corporate revenues have inched up, but profit margins have fallen sharply. Only a part of this is attributable to the liquidity crunch affecting all sectors after demonetisation.

India's banks, loaded with unprecedented amounts of bad debt, are now so risk-averse, they would rather not lend for new projects. This has caused private investment to dry up: in the first half of 2016-17, the net fixed assets of all listed companies tracked by CMIE saw assets contract by 9%, the first time this has happened. The government has boosted investment within its fiscal deficit constraints, but this has not prevented contraction of the investment rate, at its lowest level since 2004-05. Projects like the Delhi-Mumbai Industrial Corridor (DMIC), which would build cities, highways, rail corridors and ports, are needed to step up investment and growth. DMIC has not progressed much. The government must clear up the banking mess, and invest aggressively to give private players the cue to follow suit. Vigorous investment must underpin a market boom.

R&D Investment in e-Cars, Not Imports

The Centre has invited global bids for 10,000 electric cars for use by government departments in the national capital region. We certainly need to accelerate usage of electric vehicles. However, the best way to spend money to this end is in solid research in battery technology, new materials to make car bodies lighter and stronger, self-driving technology and other sub-systems, with the aim of securing for Indian industry a sizeable presence in the new breed of automobiles that would replace the traditional car. Policy is needed to speedily replace the internal combustion engine, given to energy-wasting environmental damage, besides to breakdowns. For India, the petroleum fuel in such engines is mostly imported, at huge and rising costs. Their replacement with electricity, even if generated with coal, would both save foreign exchange and use up less energy overall.

However, e-vehicles would mean massive societal and business dislocation, and total transformation of the huge auto ancillary sector. What's required is proactive policy that enables the thriving auto ancillary clusters pan-India to have the chance to reconfigure their products and services for e-vehicles, or find entirely new niches of demand. The conventional automobile engine has umpteen parts and ancillaries, which need to be regularly serviced, overhauled and repaired, providing a large employment opportunity. e-Vehicles, with far fewer parts, would disrupt today's auto sector.

The projection is that e-vehicle usage will see exponential growth early in the next decade. Already, one global auto major has announced that two-thirds of its cars would be electric or hybrids by 2020. The auto industry here needs gearing up as well. And the change must be driven by indigenous capacity, built through research.

Interactive content has its allure — but also its limitations

Not Knowing Whodunit or Why is Half the Fun

It is indeed frustrating when a character in a movie or TV serial does something that the viewer knows is foolhardy or just plain wrong. But is the solution to those moments of extreme irritation and anxiety an app that lets the viewer decide what happens next? At least in some types of storylines, the mystery of not knowing is most of the fun, unless the viewer or reader is in the habit of going to the end to learn what happens — or whodunit — and then work backwards. Deciding the way a character will react has elements of a video game, no doubt, but frustration, anger, disappointment and exhilaration (when the character's actions are deemed correct) are all as much intended by the writers of potboilers as the twists and turns of the plot. Interactive content with "branching narratives" has its allure but also its limitations.

Given that all readers and viewers do not display the same perspicacity when it comes to foreseeing where certain storylines may lead — to a dead end, perhaps — current technology only provides them with a series of options to choose from at every step, not really decide something new. Once the latter becomes possible, though, with a feature to give instant solutions to the changes wrought by viewers' original interventions, successors to nail-biters like the Game of Thrones may encounter competition.

N R Narayana Murthy is a role model for India Inc. He should repose confidence in new leadership

Why Can't We Let Go?



G R Gopinath

N R Narayana Murthy is a legend in his own lifetime, an icon whose leadership qualities are hard to emulate for the best among us.

Held through personal example with an austere lifestyle and built a great information technology (IT) company. He remains a role model for so many like him coming from middle- and lower-middle-class backgrounds.

Once asked his wife, Sudha, what was it about Murthy that she found extraordinary. She said he is a great visionary. As writer Jonathan Swift had noted, vision is the art of seeing the invisible. The future, the shape of things to come, is invisible. Murthy saw a great future for Indian IT when IT didn't exist in India, when it took years to get a licence to import a computer, when the licence raj reigned.

Murthy and Infosys, v1.0

He created and scripted the future of India's IT industry by steadfastly holding on to his dream without losing hope or enthusiasm. Murthy was not only a leader but he groomed a galaxy of leaders who were his founder partners.

Most businesses fail because of differences of opinion and, often, because of ego and personality clashes between partners. My financial adviser once told me, "Remember, it's easier to divorce your wife than your partner in business." It's his extraordinary credit that Murthy chose prudently and his seven partners follow-

ed him unquestioningly and believed in his dream and leadership implicitly. Nandan Nilekani, Kris Gopalakrishnan, S D Shibulal, K Dinesh, N S Raghavan, Ashok Arora — along with T V Mohandas Pai later — were all good leaders in their own right.

Though Murthy appeared gentle and unassuming to the point of self-effacement and was an embodiment of humility, within Infosys, he was known to be an autocrat and ruled with an iron fist.

Mohandas Pai had told me how Murthy once called him late at night and asked him to bring down the water consumption in the Infosys training campus he had built at Mysore, which could house 10,000 people at a time. Pai tried to argue him out of it, but Murthy had all the data. "Mohandas, the water consumption per head is in excess of 50 litres per day, and you should bring it down to 20 litres. In fact, I use only 15 litres. I use a bucket."

According to Pai, everyone acquiesced because Murthy's integrity and commitment were beyond reproach and he was a much-loved father figure. He demanded the same rigour from others and he did not spare himself either.

One day, however, we all have to hand over the reins and make way for a new generation. The original founders cannot be replaced or replicated. Vishal Sikka cannot become Narayana Murthy. To the Infosys board and its shareholders, Sikka had acquitted himself creditably. Murthy and a few of his erstwhile colleagues argued that the Infosys CEO-MD who resigned this weekend, fell short of the ethical standards they envisioned.

Murthy relinquished his post of executive chairman three years ago. He chose Sikka as his successor. The Infosys board was also hand-picked and appointed by Murthy. And therein rests the matter.

Murthy must let go and, like other



But, but, Uncle...

shareholders, bring to bear his influence or express his dissent in board meetings and annual general meetings (AGMs). If he has no confidence in the board, he must work with other shareholders and try to replace the board through democratic means. When you are a minority shareholder — which Murthy is — you cannot run a company like a family-controlled listed firm.

Murthy and Infosys, v2.0

Murthy invited himself back from retirement to lead Infosys once again in 2013 when Infosys' performance was relatively lacklustre, especially in comparison to TCS. Shibulal was then the CEO, and graciously accepted the decision.

Sikka, on the other hand, is a professional of the 'new generation' with a differing worldview. Murthy did an outstanding job on his return to Infosys, but he handed over the mantle to Sikka amid murmurs and unsavoury comments that were sadly uncharitable to him. The robust leadership

he had created, however, was strong enough to weather the storm.

This is not an attempt to analyse who was at fault: Sikka, or the Infosys board, which was perceived as lax in enforcing corporate governance by the old guard, or Murthy himself. This is about letting go and abdicating gracefully. It's about reposing confidence and trusting the new generation. It's about allowing it to make its own mistakes and learn from them.

It is about encouraging the new leadership to discover its vision and blaze a new trail and learn how to build enduring institutions with changing times. It's about realising that we can't be there forever and that one's time is over at the helm.

We will all do well to remember what essayist Ralph Waldo Emerson said, "Is the acorn better than the oak which is its fullness and completion? Is the parent better than the child into whom he has cast his ripened being? Whence then this worship of the past?"

The writer is founder, Air Deccan



Burglar-Proof Your Home

SANT RAJINDER SINGH

Mystics and saints through the ages have stressed the importance of leading an ethical life. We want to protect our homes from intruders. But how many of us worry about the intruders that enter our real home, our body and mind? We have inadvertently allowed some thieves to enter, and they are causing havoc. These are the thieves of anger, greed, attachment and ego. They have snuck into our very being and are causing chaos within us.

We are so careful about keeping thieves out of our homes. Have we ever taken the same amount of care to keep the thieves of negative qualities from our inner home? They have silently and sneakily crept into our being. They cause us to be angry. They make us tell lies and be deceitful. They incite impure thoughts within us. They make us greedy and selfish. They cause us to be intolerant and filled with hatred towards others. They make us egotistical. The result is that they are robbing us of our true gifts: our spirituality.

Our soul is a drop of the Lord. The soul is filled with goodness and noble virtues such as non-violence, truthfulness, purity, humility, love for all and selfless service. In the presence of the police, the thieves would run away on their own. Who is the police officer who can help rid us of the thieves who have taken possession of our being? The Masters have given us the police officer of meditation.

When we meditate, the thieves who want to rob us of our union with God fly away and we reach our spiritual goal of reuniting the soul with God.

Chat Room

No Option But to Build More

Apropos the Edit, 'How to Help Bankrupt Realtor's Customers' (Aug 18), leaders of a housing project do not derive any comfort by holding the project land as collateral. The usage of project land is restricted as per the sale agreements with home buyers, and this contractual obligation is binding on the interim resolution professional appointed by the NCLT. Sale of land with incomplete construction is not commercially feasible and recovery of bank loans seems doubtful. The only way out is to raise the floor space index and allow construction of additional flats, as suggested in the editorial.

PRAMOD PATIL

Nashik

Secure Online Transactions

This refers to 'Digits Before Going Digital' by Kala S Sridhar and V Sridhar (Aug 19). Lack of digital infrastructure with limited spread in urban areas together with security concerns such as ATM frauds, cyber hacking, ransomware attacks and Dark Web can undermine the gains of digital transactions. The solution lies in creating a robust digital ecosystem. Early diagnosis, safety measures, financial literacy and mandatory security guidelines to be followed by service providers are panacea for the long run.

MOLISHREE

By email

Unite Against Global Terror

Apropos the Edit, 'Terror Calls for Coordinated Combat' (Aug 19), the ideology of terrorists is based on the misinterpretation of holy religious scriptures. They are brainwashed and the venom of hatred, bigotry and communalism is injected in their minds. They have just one mission: kill everyone who doesn't think alike and the gates of heaven are wide open for you. The expanding links of terror outfits must be effectively combated and wiped out at the grassroots level through united action across the world.

RAAJASH KULMI

Ujjain

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

It is about encouraging the new leadership to discover its vision and blaze a new trail and learn how to build enduring institutions with changing times

WIT & WISDOM

"If you aren't fired with enthusiasm, you will be fired with enthusiasm."

Vince Lombardi
Football coach

Top Global Threats

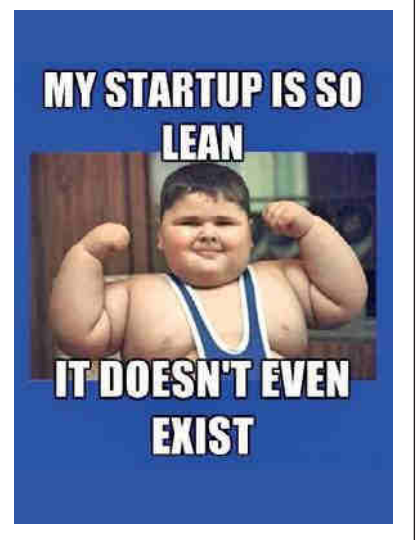
People around the globe identify ISIS and climate change as the leading threats to national security, according to a Pew Research Center survey. ISIS is named as the top threat in as many as 18 countries (including India) of the total 38 surveyed. Many of these countries have endured deadly attacks claimed by the Islamic militant group...

ISIS & climate change seen as top threats worldwide
...is a major threat to our country

Islamic militant group ISIS	62.0%
Global climate change	60.5%
Cyberattacks from other countries	51.0%
Condition of the global economy	50.5%
Large no. of refugees (from Iraq & Syria)	38.5%
US power and influence	35.0%
Russia's power and influence	31.0%
China's power and influence	30.5%

Figures represent global medians across 38 countries, ISIS not asked in Turkey; similarly, questions regarding US, Russia and China not asked in those countries

MEME'S THE WORD



OPPOSITIONAL POLITICS

He Who Holds the Strings



Neeraj Chowdhury

Sharad Yadav's convention last week, 'Sanjhi Virasat', to preserve the 'composite culture of India', was better attended than expected. Interestingly, many opposition leaders who attended the meeting referred to Yadav as the new 'sutrathar' (the one who holds the threads) of opposition unity. Looking at his long-standing experience in public life, understanding of caste politics and of Machiavellian back-room manoeuvres, he is probably best-suited to play that role.

It was Yadav who had nudged VP Singh in 1990 to suggest the implementation of the Mandal Commission's report, giving 27% reservation to OBCs in government jobs, thereby bringing about a paradigm shift in north Indian politics. Today, the Opposition is looking at Yadav once again to catalyse a new front to take on Narendra Modi in 2019.

It is going to be a long haul. The BJP has already rubbished Yadav's convention as an effort by scared men. While there were 16 parties present, none came from the Dravida Munnetra Kazhagam (DMK). Lalu Yadav, who has otherwise championed Opposition unity, sent a spokesperson. Surprisingly, the Aam Aadmi Party (AAP) was not invited.

But the meeting saw new terminologies come to the fore. For starters, speakers at the convention avoided words such as 'secularism' that created a backlash in the past from among a section of Hindus, which had otherwise brought Opposition parties together before. Second, speakers made a distinction between 'Hindutva' and 'Manuvad'.

Grandson of BR Ambedkar and Bharipa Bahujan Mahasangh leader Prakash Ambedkar emphasised that their battle was against the imposition of 'Manuvad', which the BJP wants to impose, ultimately giving primacy to the upper castes.

Third, and taking this theme forward, Yadav said it was not a question about 'minorities, but about the majority', which was made up of Dalits, tribals, the backward classes, all the 'vanchit' (deprived classes) "who add up to 80% of the country's population". It was about their share in the power set-up. Interestingly, the only picture at the entrance of the convention and inside the hall was that of BR Ambedkar.

Yadav especially lauded Chhotubhai Vasava, the six times JD(U) tribal MLA from Gujarat, who despite allurements, voted for Ahmed Patel in the recent Rajya Sabha elections, his vote ensuring the Congress leader's victory. Yadav also applauded the 'moral fibre' of the tribals who were taking care of "our jal, jungle, zameen". Vasava has recently launched his own party with a view to fighting the Gujarat elections in December.

There was also a subtle change in the language used by opposition leaders at the meeting. Ali Anwar, JD(U) Rajya Sabha MP, who has been suspended by Nitish Kumar and was anchoring the

meeting, repeatedly referred to CPI (M) leader Sitaram Yechury as 'Sita and Ram rolled into one', and Bihar leader Ramai Ram as a fusion of 'two Rams'.

Sharad Yadav's eyes are now set on moving towards Mandal 2.0 to bring together tribals, Dalits, OBCs and minorities, even though he did not mention anything about Muslims. But this is not going to be easy going. The BJP under Modi and Amit Shah has assiduously wooed — and won over — large sections of Dalits, tribals, OBCs, extremely backward castes and a section of the poor. The attempt has been to marry caste identity with Hindutva.

The 'Kamandal versus Mandal' conundrum of the 1990s, which spawned backward-class leaders like Lalu Yadav, Nitish Kumar and Mulayam Singh Yadav — and also led to the rise of the BJP — is now giving way to a 'Mandal plus Kamandal' politics pursued by the 'new BJP' under Modi-Shah.

Even as many a leader, including the Congress' Rahul Gandhi, spoke of the need to forge an opposition unity, the real challenge for Sharad Yadav will not just be to get the opposition parties on a common platform but to create one-on-one contests between the NDA and the Opposition in constituency after constituency in states where the Opposition parties have a presence.

The wheel has come full circle for Sharad Yadav personally. He started off as being the United Janata candidate from Jabalpur in 1974, the first test of Opposition unity, which prefaced the popular movements in Bihar and Gujarat, leading to an upsurge led by Jayaprakash Narayan, which had dethroned Indira Gandhi in 1977.

Will he choose to be 2017's Harkishen Singh Surjeet, the late CPI(M) leader who brought the opposition together time and again? Like Surjeet, it is Yadav's strength that he has the potential of being the sutradhar without becoming the Opposition's face, leaving it to popular sentiment — or events — to determine the choice of the leader.



Is that Nitish in the second row?

Citings

Building Smartly

ABHISHEK LODHA

India is among the fastest-growing major economies, but organised real estate has a small base. Any projections on India's population and likely GDP growth over the next 10-15 years imply growth for real estate. No major economy has grown without this happening.

Real estate is a feeder to the consumption cycle because it allows wealth to grow on the asset side. As people become affluent, one of the most important things they want to upgrade is where they live and work. There residential and commercial are the largest segments now. I see growth across sectors because we lack good supply everywhere. Retail, hospitality, education and healthcare are all growing fast....

A smart city is not just about technology. This misinterpretation has often led cities to make investments that are doomed to fail. Cities can be governed using technology but have to be designed with vision. I say that to make a place good to live, you need "CCTV" to work: citizens, community, technology and vision. Probably because technology is more tangible than community or vision....

When we started building Palava, we began with the classical definition of 5-10-15, which means everything you require daily should be within five minutes of walking, what you need every three to four days should be within a 10-minute walk, and things you use within a week to a month should be within a 15- to 20-minute walk.

From "Creating a 'Smart City' From the Ground Up in India"