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Cover Story

# DRAGON'S TRAP

How China penetrated into India's telecom sector to dominate it?



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## Superpower dogfight, Indian Response

The Goldman Sach report in 2007/8 predicted the Chinese economy will be almost the same size as the US economy by 2025, with Indian economy the fourth largest after Japan. By 2050, they projected the largest economy in the world will be China, which will be almost twice the size of US economy, with Indian economy almost following the US economy at number two or at par with it. The new century dawned round two decades was forced to accept overwhelming American power, after the dismantling of soviet era. The overwhelming military superiority enjoyed by the United States and its economic might has established a uni-polar world order.



Military and political power rests on the economic strength of any country. American present superpower status is a product of its rapid economic growth between 1870 and 1950 and the fact that during the second half of the twentieth century it was the world's largest and often most dynamic economy. Today, it enjoys 22% of the world's total nominal GDP share with a population of less than 5% of the world's population. However the financial crisis of 2008 marked the end of American international domination and the emergence of China. The United States has lost considerable ground as a major manufacturer and as a large exporter of manufactured goods having steadily ceded that position to East Asia and especially China. Gradually, American domination in institutions likes IMF, World Bank, WHO has declined significantly.

Although we are witnessing the Chinese rise as a growing super power that is the bearer and driver of the new world, its tentacles having stretched across East Asia, Central Asia, South Asia, Latin America and Africa yet it is authoritarian state with a dictator in command having an imperial ambition to expand its influence globally. President Xi Jinping is highly insecure within CCP. He is an aristocrat as well as poor man's poster boy in a confused Chinese system wherein officially it proclaims itself to be a communist state but de-facto it is a capitalist state. Xi has installed himself as the commander of PLA, he has become President till eternity, he has wiped out dissenters from the country, he has purged several PLA commanders on the charges of corruption, and he has jailed potential rivals in the garb of fight against corruption. His plan for global domination resulted in PRC pushing for trillion dollar ONE BELT ONE ROAD initiative to connect China with rest of the world. Xi Jinping use PLA as a tool to frame his foreign policy. He has opened confrontation with all his neighbors namely Taiwan, Vietnam, Japan, South Korea, India and the his list includes bordering Russia and Kazakhstan, he claims ownership over the south China sea that is fiercely disputed by Brunei, Vietnam, Philippines, Malaysia & Taiwan. Xi Jinping lust for power is driving him crazy in the most difficult times that humanity has faced due to the Chinese manufactured and exported corona virus.

It is a serious reason to worry for 1.3 billion Indian. Already, we were facing economic downtrend since last three years, the GDP growth rate is gradually slipping towards 5% mark and Covid 19 has destroyed the large section of economy permanently. Xi Jinping has taken Chinese virus as an opportunity to attack its neighbors to distract world's attention from the pandemic. Now it is India's turn to return the gesture to China. This crisis offers tremendous long term strategic advantage for policy makers to deal with Chinese threat permanently. India must immediately recognize Tibet and Taiwan as sovereign countries and allow them to run official embassies in India and vice versa, this will open floodgate for several countries to follow the footsteps of India in shaking up Chinese hegemony globally. Secondly, India must supplying subsidized arms and military technology to Vietnam and Philippines to create multiple fronts for China and its PLA in response to what China is doing by arming Pakistan to be used for India in a proxy war. Thirdly, India should take a lead in Indo pacific command with USA, Japan, and Australia to choke Chinese trade route; it will hurt PRC and its ambition to be a global economic leader. Fourth, India must use weapon and army on regular basis when it is spending billions of dollars on armed forces and weapon procurement. The country like Pakistan, Nepal and others must be fearful of the consequences, if they plan to go against the interest of India. Lastly, restrict Chinese import of non essential goods by imposing tariff and focus our attention in building formidable self reliant economy with a target of \$10 trillion by 2030 to face hostile China, this threat is permanent and China should be treated as permanent adversary even when the times are good.

—Prashant Tewari, Editor-in-Chief

JULY 2020

COVER STORY

## Chinese Checkers

How China penetrated into India's Telecom sector? Who were all behind this Chinese incursion?

**P 5-12**



**13** Taming the Dragon

**21** Ready to take on traitors

**27** A long walk to redemption

**32** No Middle Path

**36** Needed, Caution

**40** Bankrupt Rules



**48**

Caribbean Desi Girl knocks Bollywood



# CHINESE CHECKERS

How China penetrated into India's Telecom sector? Who were all behind this Chinese incursion?

J Gopikrishnan

**N**ow after the violent clashes with India and China leading to death of soldiers, "Boycott Chinese Goods" clarion got momentum. How practical this is a big question. Recently, Department of Telecom (DoT) on July 1, 2020 directed PSUs BSNL and MTNL to avoid Chinese equipments from 4G network upgrading process. The DoT officials also said that private telecom operators would also directed to stop using Chinese equipments. Being a Journalist covered



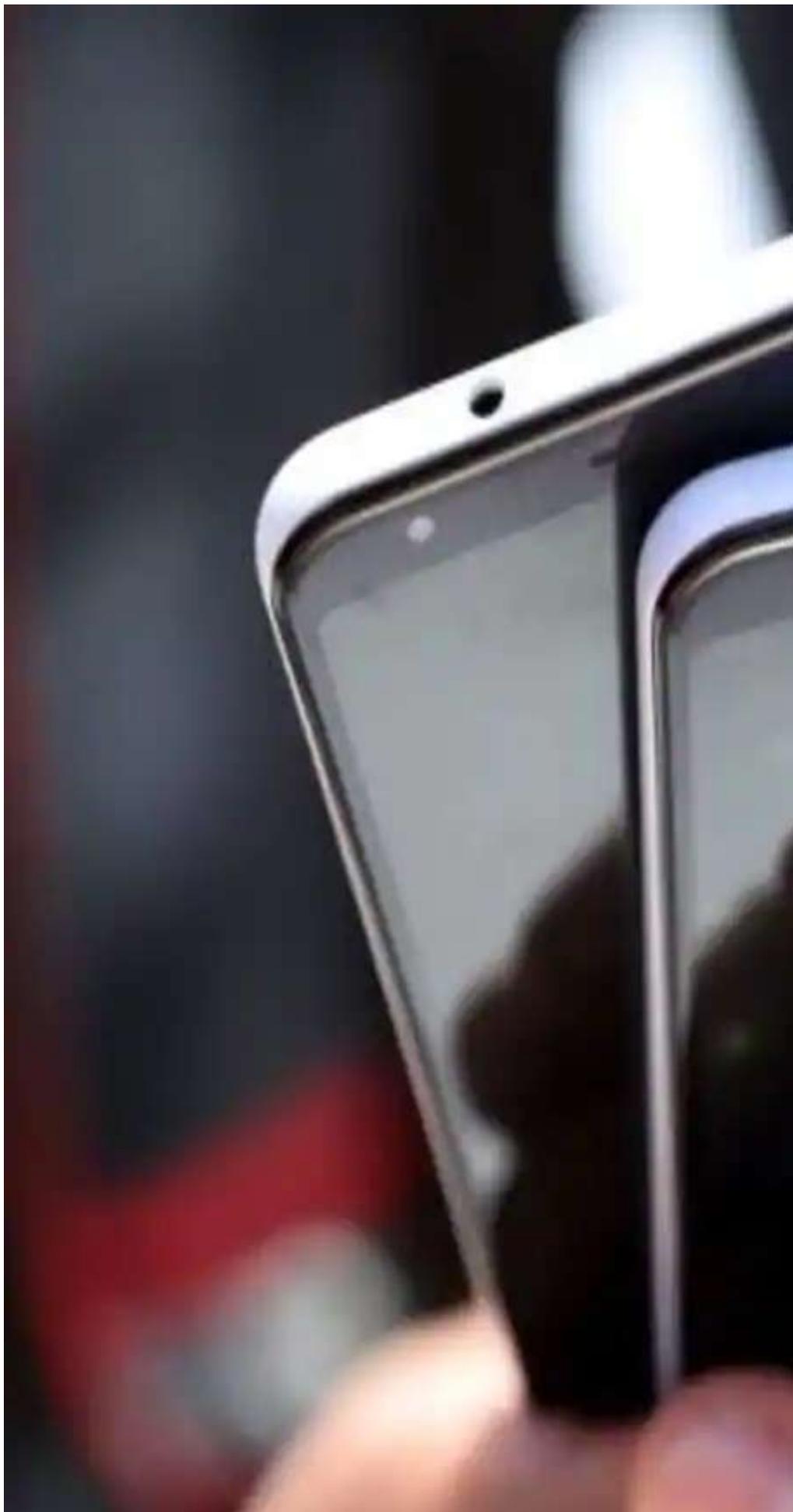
so many telecom scams and murky tales in the telecom sector, this newsflash has taken me to the history of Chinese entry in the Indian telecom sector.

Many Chinese products entered Indian market from mid 70s like cycles, automobile parts etc due to its low price and its more finishing touches compared to the then Indian products. Then came entry in pharmacy sector and hardware machinery sector and then in computers. But entry in telecom sector by 2007 (not individual mobile phones but in telecom networks) was controversial due to the inbuilt software (spywares) became problematic on country's security point of view. But these concerns were gone to wind due to the corrupt political leadership, bureaucracy and many unscrupulous private telecom operators who just interested in money making, ignoring the security concerns.

### **Flashback:**

India's mobile phone sector witnessed a total change when Dhirubhai Ambani landed in Telecom sector by giving mobile phone and connection for just Rs.500 in mid 2002. That time Reliance mobile phone operations were headed by elder son Mukesh Ambani and later went to Anil Ambani after family partition in 2006. All the mobile phones given to public with just Rs.500 with connection were fully imported from China. Indian public that time paying around Rs.9,000 to Rs.15,000 average for a mobile phone with exorbitant call charges were overnight rallying in queue before Reliance shops to get a mobile phone and connection for Rs.500. After getting connection, Reliance used to charge the price of the mobile phone in installments along with monthly bill, which ultimately lead to lot of displeasure from customers on the hidden pricing. "Kar lo duniya mutti mein" was the Reliance advertisement for this package with smiling Dhirubhai Ambani's photo. Actually, these Chinese phones were not durable ones like European, Korean and Japanese makes. But due to low pricing large number of public preferred Chinese due to its cheap price.

This great magic of pumping cheap Chinese phones by Reliance outsmarted other European mobile companies like Nokia, Siemens, Erickson, Motorola and Korean brand Samsung and Japanese brands like Sony, Mitsubishi along with other mobile operators like Airtel, Idea, Essar etc. So soon all the mobile operators were also forced to go for low





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cost Chinese phones while giving connection.

Here come the typical Indian problems. Why India never thought of manufacturing mobile phone in India? Answer is simple. Our system is always slow in decision making process and we started manufacturing mobile phones only in 2005 by inviting Nokia to start a manufacturing unit in Chennai and within few years we created hell to them by taxation issues, leading to shut the shop. India allowed mobile phones in 1994, started mobile phone manufacturing only in 2005. That is 11 years later, allowing other countries to pump their phones here. That is India's policy making whoever rule the country. Thankfully now Korean brand Samsung and Apple iPhones started manufacturing facility in India in 2018 and many firms have started mobile phone and accessories business. Still we have to go long way in archaic taxation to boost this sector.

#### **Problem in Chinese mobile phones and silence of Indian authorities:**

Meanwhile by 2006, so many Chinese phones started manufacturing and assembling in India. There were fake Indian brands also like Micromax etc. They were just importing raw material and just assembling or importing with Indian names from China. But there was a problem in Chinese phones. These mobile phones, with internet connectivity and little known funny brand names, were sold at anything between Rs 3,000 and Rs 6,000 when established companies like Nokia, Sony-Ericsson, and Motorola were selling handsets between Rs 15,000 and Rs 25,000. Why the Chinese were allowed to sell handsets at such throw-away price remains mystery. Within three years, by 2009, more than five crore Chinese mobile phones were sold in Indian market. By 2009, Indian authorities found out that these phones were illegal because they were violating basic security norms.

This is the blatant violation: In 2003, in order to track mobile phones, the International Telecom Union (ITU), had insisted that all manufacturers provide a unique number for each mobile set called the International Mobile Equipment Identity (IMEI) number. Every mobile user can get this 15-17 digit IMEI number by pressing \*#06# on his or her handset. According to the ITU, service providers must not provide connection to a mobile phone without this IMEI number because this number helps security agencies track a subscriber.

The question is: Why did the Commerce Ministry under Kamal Nath and his deputy Jairam Ramesh, back in 2006, allow illegal Chinese mobile phones, that clearly violated international standards, into the Indian market? Why Telecom Ministry that time headed by Dayanidhi Maran and A.Raja gave connection to these Chinese mobiles without IMEI number? Woken up in 2010 with a rude shock, Indian intelligence agencies, in a rather delayed intervention, alerted the Department of Telecom which then ordered service providers to disconnect all service to Chinese mobile phones operating without the IMEI number. The damage, however, had been done with more five crore unaccounted for Chinese handsets already out in the market. And more than Rs.25,000 crore had flown to China by this. All these mobile phones without IMEI numbers gone to dustbin.

#### **Entry of Chinese equipments in Indian telecom networks:**

Allowing Chinese companies into India's telecom networks by 2007 was the worst. The political leadership, corrupt officials and certain uncouth mobile phone operating Corporates were behind this. It is intriguing that despite repeated alerts from the Government's intelligence and technical units, Chinese telecom giants Huawei and Zhong Xing Telecommuni-



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communication Equipment (ZTE) were allowed into the Indian telecom sector by 2007. That time India's Telecom Minister was none other than controversial A.Raja. No need to say further on this.

It is still a mystery as to how, back in 2007, Huawei was entertained in India, when all knew that the company is headed by officers of the People's Liberation Army (PLA) of China and that it was founded in 1987 by Brigadier Ren Zhengfei and other ex-PLA officers. In fact, much before R&AW and Intelligence Bureau raised an alarm over this company's presence here, the credentials of Huawei were questioned by junior telecom officials at the Sanchar Bhawan.

According to Indian telecom engineers familiar with the case, Huawei's first presentation to the Department of Telecommunication (DoT) for empanelling them as vendors, after they had crossed certain "political barriers," sowed the first seeds of doubt. They say, "Huawei engineers boasted about having the unique advantage of a Remote Access Servicing System. When asked to explain, they said that their equipment,

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in case of any faults, can be repaired or serviced from their headquarters in China. Our engineers, out of curiosity, asked what kind of technology this was and how could they repair equipment installed in India by sitting in China."

Clearly unconvinced, India's telecom engineers decided to probe further. "When we consulted our technical counterparts in the security agencies,

they also found something fishy in this technology. Back then, the entire world was researching to decode the method behind this Chinese technology. Within days we found out that the company was installing some bugging software or chip in its equipment which enables the company's Chinese headquarters to enter into our network without our knowledge," say India's smart telecom

engineers. Despite the obvious seriousness of this alert, it was not entertained either by the DoT bureaucrats or their political masters; worse, those who raised these concerns were asked to keep quiet.

It soon became apparent that Chinese brokers had slowly but surely begun to dominate the power corridors in India, virtually kicking out existing European giants like Nokia, Ericsson, Siemens etc. It is an open secret now that most Chinese brokers in India are Hawala agents operating in New Delhi, Mumbai and Chennai and whose instant and speedy delivery of strategies alongside their ability to please the bureaucracy and politicians outwitted the tactics employed by the European vendors. Fact is all gave kickbacks because India is big market. But Chinese give it smarter and faster ways.

Following Huawei, Indian authorities allowed yet another Chinese company, the ZTE, into the telecom sector in 2008. By that time Anil Ambani's Reliance was mainly using ZTE and helping them to lobby in India. This company, founded in 1985, is a listed company

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**Huawei bagged several contracts in the BSNL's southern networks, amounting to more than Rs 2000 crore during tainted A.Raja's tenure. As R&AW and IB were putting pressures against Chinese equipments due to inbuilt spywares, the Indian political leadership came with a great compromise deal.**

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in the Shanghai Stock Exchange and is a strategic partner to many Chinese defense establishments. In fact, a major stake in this company is still controlled by Chinese Government units connected

with defense and aero space. Between the two of them these telecom giants managed to corner plenty of business in the Indian telecom sector.

Huawei bagged several contracts in the BSNL's southern networks, amounting to more than Rs 2000 crore during tainted A.Raja's tenure. As R&AW and IB were putting pressures against Chinese equipments due to inbuilt spywares, the Indian political leadership came with a great compromise deal. The deal was don't use Chinese equipments in North Indian telecom networks and decided to use in South Indian telecom networks. What an Idea!!!!

Given the stiff competition and the Chinese vendors' cheap pricing policy, private mobile operators too started getting drawn to these companies. It is a well-known fact that the Chinese Government reimburses losses, in the form of subsidy, in several ways, to their companies for bagging international contracts. Things went largely undisturbed till Indian intelligence agencies alerted in 2010 by their American and British counterparts about the exact nature of the bugging software/chip hidden in-



side the Chinese telecom equipment.

“The bugging software or chip is now widely known as the Manchurian Micro Chip. This is an advanced, spy software developed by Chinese hackers with the help of the Call-Home Technology. As soon as anyone installs a Chinese equipment, it is reported to its master server in China. That means, at any given time they can infiltrate our network and jam it as and when they wish to. The technology also helps them enter our network and access sensitive data. Still, it took months for our Government to take action and ban them,” say telecom engineers.

The first official international alarm against Chinese telecom operators was sounded in September 2009 by the

Commission and the Advisor to Prime Minister Sam Pitroda, cancellation of the entire tendering procedure was ordered. Then Huawei and ZTE used Indian media with tall claims about “huge investments and huge employment” they plan in India.

In ‘The Pioneer’ newspaper on May 16, 2010, I wrote a full page article on this incident. The article was based on the mid 2010 fight between then Home Minister P Chidambaram and Environmental Minister Jairam Ramesh on Chinese entry on India’s telecom networks. Jairam Ramesh was caught in a controversy for supporting Chinese companies and later Chidambaram flexed muscles and I feel after flexing muscles Chidambaram must have satisfied with

ing of then Telecom Minister A.Raja and then Finance Minister P Chidambaram.

In December 2010, the Chinese Development Bank with other Chinese banks’ consortium funded a big loan of 1.93 Billion Dollars to Anil Ambani’s now-defunct Reliance Communications. This was used for short term refinancing and to buy controversial Chinese equipment from Huawei and ZTE, which was always objected to by India’s Intelligence Bureau. Though IB sleuths objected, Anil Ambani always managed to get clearances from Home Ministry and Telecom Ministry, who was always seen in all Ministers’ offices or homes including Prime Minister’s office or home on every Wednesdays during Congress led UPA regime.

Now Anil Ambani is bankrupt and still getting favours from BJP Government also. On May 23, 2020, the London Court ordered to pay immediately 717 million dollars in 21 days in the demands raised by Chinese banks. As per the London Court’s Order, Anil Ambani was supposed to pay this 717 million dollar (Rs. 5400 crore) by June 13, 2020. As per the information this payment is not yet paid. How bankrupt Anil Ambani going to pay all these huge dues is a multi-billion dollar question.

Now dear readers, what is the point in current propaganda of boycotting Chinese products? We have seen how our Intelligence agencies and telecom engineers’ warning were ignored by India’s political leadership, officials and certain Corporates. Now, the Department of Telecom directed PSUs BSNL and MTNL to avoid Chinese firms from telecom networks. The DoT officials say private telecom operators will also be directed to do so. Mukesh Ambani’s Reliance Jio, which has already pumped Millions Chinese phones in Indian market and other operators too. Sensing the atmosphere, Mukesh Ambani declared that Chinese equipments are not used in his networks. Now he is in the good book of United States by avoiding Chinese equipments from network, while dumping all low cost Chinese phones in India. Only time will tell on the changing market equations subject to changing geo-political equations and its ups and downs.

***(J Gopikrishnan is a Journalist working with ‘The Pioneer’ newspaper, credited for reporting many telecom scams.)***

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## The first official international alarm against Chinese telecom operators was sounded in September 2009 by the Australian intelligence agency, Australian Security Intelligence Organisation (ASIO) that officially started investigations into Chinese telecom equipment installed in their country.

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Australian intelligence agency, Australian Security Intelligence Organisation (ASIO) that officially started investigations into Chinese telecom equipment installed in their country. Following investigations, Huawei was promptly asked to replace all Chinese engineers in Australia and the ASIO ordered the insulation of their network by de-bugging the devilish Manchurian Micro Chip. Predictably, amid allegations pouring thick and fast against this bugging software, Chinese diplomats chose to term the entire matter, “American pulp fiction”. Playing the aggrieved party, they said investigations on Chinese cyber infiltrations worldwide amounted to denial of a level playing field.

Back in India, the Telecom Ministry’s plan to grant a Rs 36,000 crore GSM line tender to Huawei in 2010 was cancelled by the Prime Minister’s Office after security agencies confirmed the presence of bugging software in their equipment. In a shocking move, however, the Telecom Ministry then under A.Raja, advocating Huawei’s cause, said that while border areas can be avoided, the company must be allowed access to the rest of the country. Fortunately, on the intervention of the Central Vigilance

Commission and the Advisor to Prime Minister Sam Pitroda, cancellation of the entire tendering procedure was ordered. Then Huawei and ZTE representatives and Chinese diplomats were always seen in the Home Ministry’s office corridors waiting for Chidambaram. Later ‘Mogambo khush hua.’ And Indian media too kept silence as Chinese telecom companies’ advertisements were pumped.

### **The latest info**

Now it is exposed that Anil Ambani’s Reliance was using full Chinese equipments and he had bagged Rs.15 billion dollar from Chinese Banks from 2008 to 2010. According to Chinese Banks’ cases (now with interest dues Chinese banks demand 18 billion dollar) filed before the London Court, this huge loan was given to install Chinese equipments in India’s telecom and power sectors. According to Aid Data’s research paper on China’s Global Footprints, in May 2008, first Reliance Communications got 750 Million Dollar to purchase Chinese telecom equipment from Huawei. This loan was given by China Development Bank when Anil Ambani’s Telecom firm bagged the controversial GSM license in November 2007 with bless-

# TAMING THE DRAGON

Avant-Garde Indian Defence Initiatives to Counter  
Chinese Pretensions in Oceanic Regions

**Dr. Siddharth Singh & Dr. KunwarAlkendraPratap Singh**

The United States of America has kept a strict vigilance on the People's Republic of China and there are news coming in (mid of June-2020) where the USA has deployed more than 10 nuclear-powered aircraft carriers in the pacific during the COVID-19 pandemic. During the leadership of Xi Jinping, the Chinese have become even more aggressive and the deployment of aircraft carriers by the USA is seen as an antidote to the Chinese aggression. India — China relationships in the year 2020 are witnessing unprecedented, nasty and nefarious moves by Chinese side, the re-



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The defence allocation by the Indian government is a sensitive subject. The Chief of Defence Staff (CDS) of India has been vocal on variety of issues of management of defence budget and staggering of procurement, increasing the age of retirement of soldiers which in turn reduces the pension bill for the forces, adding value (monetization) to the defence land and the manner of induction (in the Indian Air force) and procurement of India Navy's third aircraft carrier Vishal.

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cent one being, where the Xi Jinping's PLA martyred so many Indian soldiers in Ladakh region of India between 15th-16th of June 2020, therefore, Indian Government's top brass should make sure that the Himalayan blunder of the past don't get repeated in the future.

The defence allocation by the Indian government is a sensitive subject. The Chief of Defence Staff (CDS) of India has been vocal on variety of issues of management of defence budget and staggering of procurement, increasing the age of retirement of soldiers which in turn reduces the pension bill for the forces, adding value (monetization) to the defence land and the manner of induction (in the Indian Air force) and procurement of India Navy's third aircraft carrier Vishal.

The emphasis of the CDS on Indian force being a 'non expeditionary' force and restrictions of deployment of its personnel around the globe has raised a new debate. In an interview, CDS said Indian forces have 'to guard and fight only along our borders and, of course, dominate the Indian Ocean Region'. He also added that large imports through 'misrepresentation of our operational requirements' should not be the practice. He advised the Indian Navy to invest more in submarines as Navy carriers can be 'knocked off by missiles'. The CDS was of the view that the present day satellites can detect anything on surface therefore the options of submarines should be the way forward. These have opened a perennial debate in Indian security and strategic circle. The CDS proposed developing submarines over aircraft carriers and developing the 'un-sinkable' Andaman and Nicobar Islands (ANI) as an alternative. The argument between the choice of aircraft carriers and submarines is rather a complicated one and the entire discussion or debate cannot be seen in isolation because the real situation in the Indian Ocean Region and South China is much more complex in nature.

Adversaries like China and its coadjutor Pakistan are developing its naval capabilities and in next ten years from now, the Chinese have decided to induct more aircraft carriers into PLA navy, if they will succeed, the number of aircraft carriers that China will have in next 20 years will be more than what the Indian side would have. This is also because the Indian military leadership is a bit skeptical about developing the aircraft

carriers, and this, in turn, due to the lack of a firm decision, will naturally hamper the overall progress. Therefore, it is important to understand the complicated issues with a variety of perspectives and develop multi-level responses to curb the adversaries in the IOR, South China Sea and other oceanic regions of strategic importance.

The CDS's statement has raised questions about the Indian Navy's and Air force's acquisition plan, adversaries continuously putting pressure on the border and misadventure of venturing into Indian Ocean. The statement has also been viewed as Indian Military supremacy over Air force and Navy and chances of possible inter-services rivalry. The statement by the CDS has raised concerns that the purpose of establishing synergy within the services (for which the post of CDS was created) could be at risk.

Similar statement by the CDS was made in February 2020 when he said that the Navy's request for procurement of a third aircraft carrier may not be approved because of the focus on strengthening the submarine fleet. However, the Navy is citing the need for a third aircraft carrier as an operational necessity. The induction of an aircraft carrier takes around 15 years so even if any decision is reached now it's going to take a long time for the actual procurement. The country needs at least two operational aircraft carriers at any time. If two aircraft carriers are deployed one would always be in docks for service while the other is operated in the sea. Currently, INS Vikramaditya (which has a hosting capacity of 30 aircrafts) and Russian made Akula class nuclear-powered submarines (SSN) INS Chakra being the only operational carriers. The indigenous INS Vikrant is being built at Cochin shipyard. By the most optimistic estimates INS Vikrant is not going to be operational at any time before 2022.

The last two years have seen slashing in the defence budget. In fact the allocation of the defence budget has been lowest since the 1960s. The pandemic of Covid-19 is further going to impact the defence budget. The Air force and Navy require intensive capital-intensive equipment when compared to the Army. The constraints on the budget may affect the procurement and acquisition plans of the two forces.

China never loses an opportunity to embark on its expansionist agenda. The pandemic of Wuhan virus is another such opportunity for China. When the world is fighting the coronavirus, China is engaged on its expansionist agenda in the maritime domain especially the South China sea with Vietnam, Indonesia, Philippines and Malaysia. The main protagonist of China, the USA is vulnerable with the outbreak of coronavirus. China has the same intentions for the Indo-Pacific region as well. India is fully committed to maintaining a free and open pacific Indo-Pacific region fully adhering to the international laws. The Indian Ocean Region (IOR) has some of the poorest nations in the world and China has seen the pandemic situation as extending help to these countries and China will leverage this at consolidating its presence and power in the IOR.

The emphasis on the dominance in the Indian Ocean Region also cannot be addressed with the lack of aircraft carriers. India has a very ambitious agenda for the Indian Ocean but the reduction in naval budget will hamper it. The budget has been a major constraint. India has the largest land force followed by North Korea and China. China's defence budget has been almost four times that of India. In order to modernize its Army China has reduced its size to half and put more emphasis on the Navy and Air force. The call of budget prioritizing by the CDS may lead to calls for downsizing the





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It has only 13 operational submarines with many of them being old. In this situation it becomes difficult to match the highly updated Navies of Japan and China in the Indian Ocean. India has to add new submarines to its fleet otherwise soon it will reach the level of Pakistan (with 8 operational submarines).

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Army. India's fleet of submarines is also dwindling. It has only 13 operational submarines with many of them being old. In this situation it becomes difficult to match the highly updated Navies of Japan and China in the Indian Ocean. India has to add new submarines to its fleet otherwise soon it will reach the level of Pakistan (with 8 operational submarines). To put the facts straight, China on one hand is aiming at increasing its fleet of aircraft carriers to 10 by

2049, India on the other is struggling to add a third aircraft carrier.

Indian Ocean Region has significance not only to the Littoral nations, island countries of IOR, but the Quadrilateral Security Dialogue (QSD, also known as the QUAD is an informal strategic dialogue between the United States, Japan, Australia and India) group as well. The situation inside China is not very good as there are issues related with human rights and indepen-

dence of Chinese people and quality of life. One of the strong factors why China is united is because a large Chinese population has a job therefore any serious attack on the Chinese economy can lead to conflicts and destabilizations inside China, and especially, during the time of a real, war-like crisis between China and India, the Straits of Malacca will play a crucial role because if this region is choked by India then it can put China into a severe problem. The Andaman



and Nicobar Island has to be developed from the strategic viewpoint and it can lead to significant advantage over China around the Straits of Malacca. The cooperation between QUAD countries has increased now and the Indian side is very much interested in developing strategic cooperation with the island countries of IOR.

The south-China sea is another area of strategic interest for India. This is the region where the Chinese navy is quite

strong, and, along with the strong naval capabilities that China possesses in the south-China sea, it can counter the USA very efficiently. This is where India could pitch in and strike a balance with the help of Vietnam, Taiwan, Japan and USA. To counter the Chinese fleets in the south-China sea, India has to develop missile systems and air force strike units in the Vietnam region.

Aircraft carriers should be used with a long term strategy. The theatre

command (joint command of Army, Navy and Air force) can also be an important initiative. Currently, India has 2 tri services command- the Andaman and Nicobar Command (ANC) and the Strategic Forces Command are the only operational commands. Out of the two ANC is the only theatre command operational since 2001. The development of theatre command will help in integrating the components of the three forces and placing it under a single military commander. The theatre command is different from the model of service specific commands which India currently follows. The service chiefs control the forces through the in charge of theatre commands. The logistic support necessary for the operations of the forces is also placed with the theatre commander. The operational feasibility and the location of 17 commands may pose a challenge in creation of a theatre command.

The recent induction of the first BrahMos-capable Sukhoi Su-30 MKI squadron in Southern Air Command's newly developed air base at Thanjavur would add lethal powers to India in the IOR. Through it India can keep a strategic eye over the Indian Ocean. The deployment at Thanjavur is also seen as India's response to China building a 'String of Pearls' around India.

The government's reluctance to back the Navy plans of acquisition can be due to the high maintenance cost associated with aircraft carriers. The utility of defence equipment is measured not only by its lethal power but also by its maintenance cost. An aircraft carrier normally has a fleet of 5 to 15 other ships designed to do the tasks which the carrier can't. By some estimates the maintenance cost of a single US carrier costs \$7 million a day. However, the data for the Indian carriers are not available. The government's nod to acquire a third carrier may stop the acquisition of other defence equipment for the Army and Air force for many years to come.

Other alternatives may be long range armed drones. They can be launched from small carriers providing greater agility and manoeuvrability. They also don't have chances of human casualty. The use of unmanned combat aircraft vehicles reduces the cost as well act as a lethal power in the seas and in counter terrorism activities. Although the submarines have the same (as carriers) manufacturing and procurement cost their operative cost is much lower. Submarines are capable of destroying



carriers from a distance and can be used in covert operations conveniently. However, submarines have scientific challenges of connectivity under the sea which aircraft carriers don't face. The carriers can launch a large amount of warfare within seconds. The carriers also remain relevant and potent for years. The current INS Vikramaditya was commissioned in 2013 and it has longevity of 40 years with no major overhaul needed for over a decade.

The Chinese deception, false propaganda and the "art of war" has to be decoded properly. The decision on the nature and type of strategy should be based on the specific requirements of the Indian defence forces. The counter strategy to the aggressive steps of China in the Oceanic regions should be well thought of. A "separate" defence budget should be projected before the Indian citizens and it should focus also on the defence equipment procurements. The collaborations within QUAD and around it should be developed and if India can develop a complex network in the IOR and South China Sea, it would forestall the Chinese very well, so the strategy has to be contextual and play

hard ball as needed in the maritime regions around India. India can collaborate with the defence forces of the friendly nations to frame joint strategies in the Indian Ocean. Till now India's strategies in the waters is limited to continental borders aiming at countering China and Pakistan. India is now on the path of becoming one of the world's leading economies. The need of the hour is to shift the gravity towards the IOR, which is an important route for the world's oil, cargo and container traffic. It is crucial for India to adopt a slightly aggressive posture in IOR, deploy suitable version of LCA Tejas, missile strike capabilities (Brahmos type versions) and strengthen the Indian coast guards with much improved surveillance, command and control capabilities, apart from developing military's technological capabilities. Diplomatic relations should be developed and strengthened so that India can start patrolling in the Malacca Strait. On one hand developing aggressive military capabilities is important, on the other hand, the diplomatic channels has to be made unsurpassable, amidst all of these, the "benign character" of

India's foreign or external intelligence agency has to be expunged. The peace and stability in the region is needed for the Economic Growth of the India. The 'Blue Economy' (Naval Might, Merchant Marine, Marine Construction, and Maritime Diplomacy) is needed to be integrated with the larger economic planning; the weaknesses and the sore points of Chinese and PLA-Navy have to be exploited with avant-garde strategies by the Indians and a well charted, multi-level, multi-dimensional thought processes and initiatives will appear momentous for India.

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# READY TO TAKE ON TRAITORS

INDIA AND CHINA GOVERNMENTS MUST PEACEFULLY  
RESOLVE THE GALWAN VALLEY ISSUE AND NOT  
ALLOW ANY WESTERN INTERFERENCES!

**Joginder (Jo) Singh Biring**

**M**any in the West (and some in India) are quick to point fingers at the PM Narendra Modi and Indian government's handling of the Covid19 virus responses and time delayed actions however many western countries governments and their many in the MSM news were the ones who were fanning the false fears of covid19 virus to the rest of the World leaders/governments who then had no options but to take hasty steps in protecting their people/countries by going into Lockdown mode thanks to the western lies! Do NOT blame Eastern Leaders/Eastern Governments as many of the Western Governments have been instrumental in killing more of their own people with their so-called healthy smart steps, fear mongering media lies, forced lockdowns and where their countries populations are not over 1.3 billion people! They cannot even deal with a few hundred million people in their so-called advanced 1st World Countries! Even Africa labelled as a 3rd World Country by the many racist westerners, has less Covid19 Deaths! They in the West, miserably failed and have also plunged their people into more debts, business bankruptcies, lost jobs and lost homes with their lame sick laws! They have triggered the greatest global recession and destroyed millions of children's education, social skills, future prosperity and happier human interacting lives! The stupidity of many western



politicians is the real virus spreading across the World! 1st they have everyone in lockdown mode and then they decide to re-open without having a single new medicine or any extra precautions apart from the same “wear mask, wash hands, two metres apart” rubbish! The same politicians then decide to re-open schools! The politicians and so-called medical professionals should send their own children 1st to these schools and see if they survive! They should also inject their own children and family relatives 1st with any new medicine they introduce so that the general public can see the side effects and wonders of their new medicine against covid19 virus! Only western fools will believe their politicians and it will be the fools who elected them!

The dilemma created with the Covid-19 Virus breakout was fuelled by a lack of intellectual integrity within the mainstream media and inherent conflicts of interest in parties directly or indirectly involved. These included companies vested in looking for a scapegoat to divert attention from their responsibility, something which becomes evident as more of the information becomes disclosed.

Blaming the Chinese Government or Chinese people is wrong and extremely racist! China does not owe anything to the West and the West, thanks to their many stupid western people who elected their present politicians, can continue begging and lying as much as they all want as they continue sinking into more debts/people with lost jobs & racial riots!

We at the WHS Group Of Companies have our C8I IND Meta modules software and input the evidenced facts with the exact timings of this Covid19 virus scam created in the West and unleashed in Wuhan, China/across the World.

#### **DENYING THE TRUTH DOES NOT CHANGE THE FACTS:**

The fact that ground zero of the Novel Coronavirus is Wuhan, home of China’s newest and most sophisticated microbiology laboratory, naturally casts a shadow of doubt over narratives minimizing the role of human agency in creating the new strain of Coronavirus. Wuhan’s important role as a major Chinese research center, much of it secret and covert, has to be taken into account. Moreover, Wuhan just happens also to be the medical headquarters of the People’s Liberation Army. The possible bioweapon was originally labelled 2019-nCoV. Then the UN’s World Health Organization changed the formal name to COVID-19. High possibility is that the Wuhan Coronavirus epidemic is part of some agenda of “hybrid warfare” by the US government against China. Speculation surrounding this scenario emphasizes that hundreds of US soldiers were in Wuhan in late October of 2019 for the World Military Games.

Many in the West wish to spark a war between two strong stable Superpowers...China and India so that these Western War Mongers/Politician Pigs can create more profits, more jobs in making military arms and steal more natural resources for their countries to richly benefit them/their majority of white skinned people and not the coloured immigrants living in their western countries!

#### **HOW THE COVID19 VIRUS IS CHANGING LAW ENFORCEMENT PRACTICES BY POLICE AND BY CRIMINAL GROUPS**

The worldwide COVID-19 lockdowns have/likely to trigger more significant, if temporary, changes in patrol allocations, as police and supplementary forces are called upon to ensure that residents do not violate stay-at-home ordinances. In particular, police and other law enforcement forces are likely to be redeployed to cities from rural areas, further slimming policing there. Globally, police forces are predominantly lo-





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The dilemma created with the Covid-19 Virus breakout was fuelled by a lack of intellectual integrity within the mainstream media and inherent conflicts of interest in parties directly or indirectly involved.

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cated in cities, since places with high concentrations of people are frequent crime locations. In some cities, police are concentrated in crime hotspots. In large parts of the world, however, they predominantly service upper-class and middle-class neighbourhoods. In Italy, the Carabinieri, normally tasked principally with patrolling rural spaces, have been sent to cities to patrol shops and cafes to during the COVID-19 lockdown. In Spain, the government has deployed the military for similar quarantine enforcement. In large parts of Africa and Central America, the militaries may also be called upon, as they were during the 2013 Ebola outbreak in West Africa. The United States is considering mobilizing the National Guard, as police forces and other first responders become infected with COVID-19. The policing redeployment to cities will leave rural areas vulnerable to crimes of opportunity and crimes of desperation. The exact manifestations of rural criminality will differ in different regions of the world. In parts of Africa and Asia, it is likely to exacerbate poaching — both for personal subsistence consumption, as COVID-19 significantly compounds economic immiseration, and in preparation for a future surge of international wildlife trafficking. Many of the poorest people in rural areas depend on wildlife consumption for basic subsistence,

even as such consumption enables the emergence of zoonotic diseases. Unfortunately and terrifyingly, COVID-19 is unlikely to result in robust and lasting measures to suppress poaching and wildlife trafficking to avoid another pandemic.

A global recession may also exacerbate pre-existing and intensifying rural crime and conflict, such as between farmers and herders that is playing out across Africa and often is very deadly, even deadlier than local militancy and terrorism.

In developed countries, shifting patrolling to urban spaces may worsen certain behaviours, such as water theft for agricultural production in Australia and the United States (specifically, California and Colorado). That could imperil access to water for all. In the most water-deprived countries, such as Yemen, Jordan, Pakistan, and parts of India, upstream water theft may not leave enough water for drinking, despite coronavirus-induced high fevers and dehydration, let alone for hand-washing for the poor or for entire cities.

Some rural spaces, most obviously in Mexico, may also see an upswing in drug-crop cultivation. That is both because the police do not patrol there, and because some parts of the world, such as the United States, may experience short-term and limited synthetic

opioid droughts. But as long as marine shipping persists or recovers despite COVID-19, so will the flow of synthetic opioids. Rural U.S. areas could also experience an increase of methamphetamine production. If Colombia intensifies aerial spraying by planes or drones, it can maintain eradication, but it will dangerously and counter productively imperil peace-building in Colombia.

The ocean is the least patrolled physical domain on the planet. A tremendous amount of illegal fishing takes place on the world's seas, as does a good deal of piracy as well as contraband smuggling and slavery. Much of the unsustainable, including outright illegal, fishing is perpetrated by the world's large legal fishing fleets. In China, Japan, Russia, and Europe, these fishing fleets are politically powerful enough to warp public policy to permit unsustainable levels of fishing and dissuade enforcement of existing regulations. With the global economy in a critical downturn, their governments will be even less motivated to regulate their nefarious behaviour. As the U.S. opioid epidemic and logging around the world show, legal — but unscrupulous — industries have a far greater capacity to inflict damage on people and the planet than do even notorious criminal groups. With COVID-19, many countries' sea patrols will likely focus on aggressively,





even brutally pushing away unfortunate migrants escaping wars, hunger, and perhaps soon-to-be-seen, out-of-control-COVID-19 infections and devastation in Africa, Central America, and parts of Southeast Asia.

As criminals migrate online to chase illicit profits, so too are law enforcement officials to chase them. The online shift preceded COVID-19, but has new relevance. CCTV systems, facial recognition technologies, crowd sourcing, artificial intelligence, and big-data mining have been an increasing feature of both the anti-crime world and the authoritarian world. Sometimes, such virtual and/or remote technologies can play a vital, positive role for enforcing domains where direct physical policing is scant or impossible, such as in the dangerous case of water theft. Other times, they are a tool of unprecedented spying on society and repression.

It is most advanced in China, where government authorities scan cell phones at will, tracks people outside and inside their homes, and identify faces in the crowd. COVID-19 may make citizens of countries that have prioritized online privacy and data protections, such as in Europe, willing to sacrifice civil liberties for health protection.

The coronavirus has the potential to alter not only global strategic balances of power, but also balances of power within the criminal underworld, terrorist groups and between states.

The United States should respond to the COVID-19 reordering moment and stop deterioration in the balance of power with China, Russia bolster

relations with India and Europe, and reform the way it deals with allies and partners. For the United States to “preserve its national interests and its own notion of international order” in the wake of COVID-19 it should:

Create a persuasive model of competent U.S. governance, which will in turn reinforce America’s international leadership;

- Revitalize North American collaboration;
- Fundamentally reform the way the United States deals with its treaty;
- Allies and partners;
- Increase ambitions with Europe;
- Strengthen relations With India;
- Invest in international institutions;
- Condition engagement with Russia;
- Reduce involvement in the Middle East;
- Stop deterioration in the balance of power with China;
- Compete with China but “compartmentalize transnational challenges such as climate change, pandemics, and international terrorism;” and
- Work with other countries so that the rebuilding of national economies is consistent with maintaining an open and mutually beneficial global economy.

With COVID-19, the reordering moment is here. Avoiding dangerous confrontations with rivals is possible, but only if the United States is up to that diplomatic challenge, based on U.S. national interests and democratic values. Through wise and steady international

leadership, Washington can also implement adroit and consistent policies that substantially shape international order in line with its preferences. Please view Occupy Peace ([www.occupypeace.com](http://www.occupypeace.com)) AND Trends Research Institute ([www.trendsresearch.com](http://www.trendsresearch.com)) led by Mr.Gerald Celente which is a positive must for all true USA Citizens/Patriots and for peaceful people around the world who wish to see more truth peaceful action steps in their Countries which need to be taken so that we make a safer World.

India presently under PM Modi and his ministers must remain peaceful negotiators with China in regards to the Galwan Valley and focused towards delivering the solutions that are desperately required by all citizens as the Covid19 virus must be halted from spreading. All political parties in India need to unite in regards to solving these serious issues as political point scoring is only damaging and dividing India. India should NOT side or support any Western trade wars/Country until it heals and solves its internal problems as a peacefully united is much more strongly balanced.

As the BK (Broken Kingdom) Little Island British continue with their Brexit out of Europe (which will plunge them deeper into more debts/bankruptcies, job losses), India/Indian companies should stop all their investments/trade and should increase investments into good European/USA/Canada/Latin American companies. We at The WHS Group of Companies conduct full detailed pre-transaction, risk monitoring investigations so that companies/individuals are not defrauded and their investments/trade remains safe.

World Policing and the World public will be facing many more dangerous frictions as the World Opens up after the Covid19 virus Lockdowns. Only with real time evidenced intelligence, elite conflict resolutions training can peaceful solutions be served so that law and order is maintained without any discrimination or racial profiling. Our smart techno R.I.C.A./SCO policing c8i conflicts resolution training & products peacefully uniting/protecting people in india and the world! It is not hard to make a decision when you know what your “True” Values are!

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# A LONG WALK TO REDEMPTION

The pall of gloom on our economy is deftly camouflaged by a stubborn stock market that refuses to reveal the catastrophe around us

**Sanjit Pal Singh**

**T**he Indian workforce is over 500 million strong, 75-80% of which comes from the unorganized sector. Of this total, nearly 50% have been without work for the last two months. A bulk of them are daily wage earners that do not have staying power to last more than a week. Naturally, to sustain themselves they attempted to flee to the safety of their villages – that too without any means of transport. The response of the Central and State governments in comprehending, acknowledging and taking action to this man-made crisis has been even more distressing. To make matters worse, muddled communication relayed by state governments has now set the Indian economy back

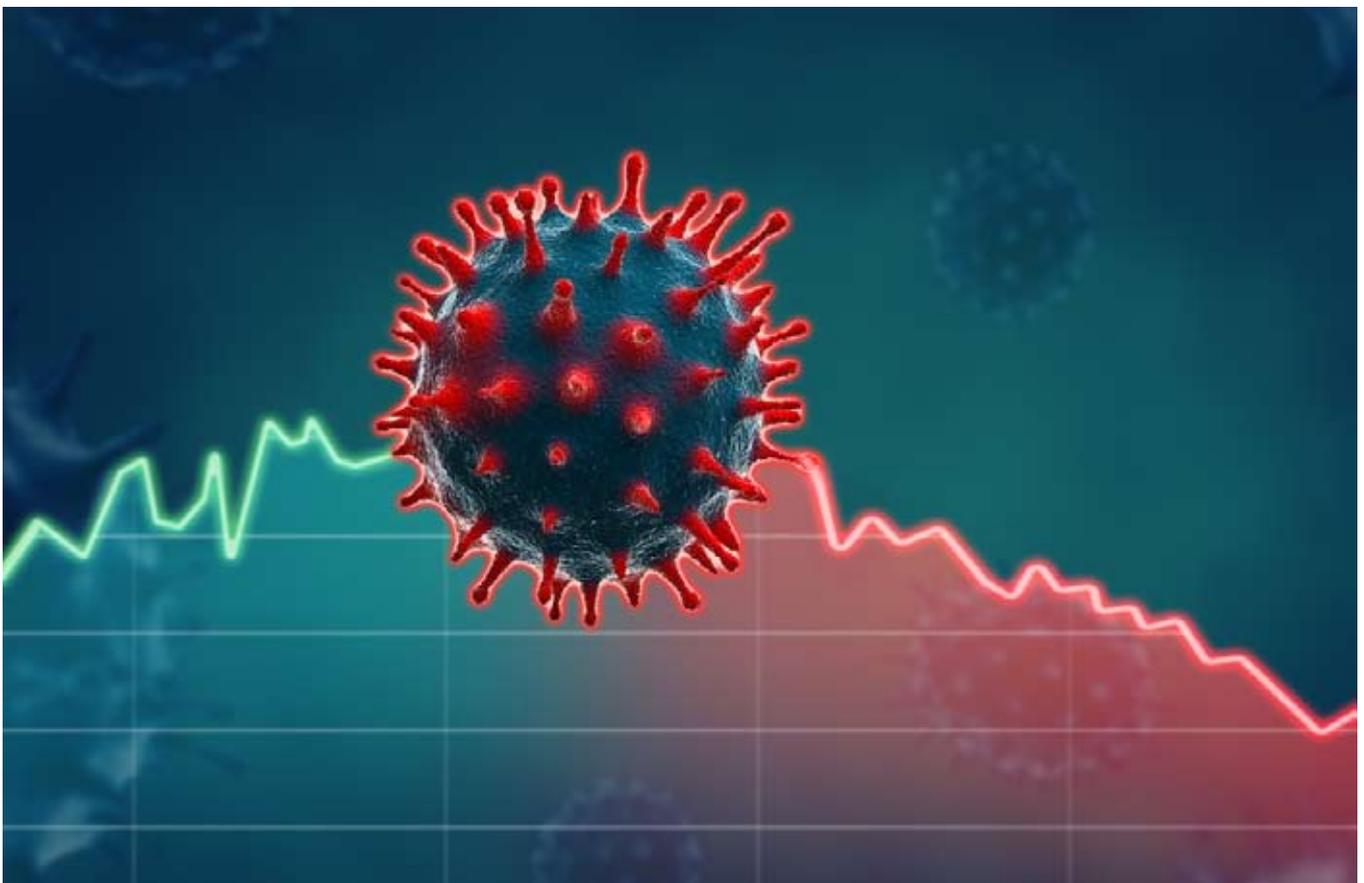
by a minimum of five years.

Acknowledging a crisis is the first step in solving it. Although leadership requires instilling confidence by making credible and deliverable commitments, the actions of our government, especially the finance ministry seem anything but that.

Our Government has been in a state of denial for the last 24 months (since mid-2018) that there is a demand collapse crisis brewing in India, and that is why corporates despite being given massive corporate tax cuts will not undertake fresh capacity creation. All our policy responses have been supply-side actions including the latest ones announced. When consumption falls due to a lack of purchasing power, how does giving sops and bailouts to suppliers

solve the situation? An SME facing an existential threat is not going to take more debt on its pad unless it sees potential in the future.

The gravity of the situation begins to sink in as Banks declare 30% of their total loans under moratorium. This is the first in a stress test situation. Nine million trucks in the country (80% on financing) have been sitting idle for two months, and face serious cargo challenges in the remaining year. Leading NBFCs have conceded that 50% of retail collections have challenges for the same period. The response of our regulator is to turn a blind eye to it for six months. It would be better to recognize the NPA and for the regulator to say that we underwrite for a six-month default risk. With at least 25% of the Indian work-







force (110-150 million people) looking at a bleak future of re-employment, the risks in the consumer sector have escalated rapidly, and we could have asset repossessions happening in the last quarter of this calendar year. The irony is that a six-month delay in paying housing loan EMIs could lead to adding between 9/30 more additional installments dependent on the tenor of loan and interest rate. No one however is telling the poor borrower the truth.

It is a little known fact that in the US there are only two AAA-rated companies i.e. Microsoft and Johnson & Johnson. Even the US government does not get a AAA rating by its rating agencies. In India, 276 companies get AAAs which makes our rating standards a mockery.

It is no surprise that we saw a serious crisis in debt mutual funds with Templeton defaulting on INR 26,000 crores redemptions. Caveat Emptor prevails and its time mutual fund subscribers became aware of real risks as opposed to meekly following the advice of their wealth advisors.

We have multiple agencies; both inside and outside the government who refuse to come to terms with the elephant in the room—a falling GDP. The US accepted that its April-June GDP would fall by 35-40% while a segment of the country did not go into lockdown. It would be a fair assessment to make that the Indian economy will also tank by at least 25% within the same period. It is unlikely that the next three quarters will see the economy match the preceding year's GDP. A best-case scenario is thus, a 10% fall in GDP. Strangely however, we still have agencies clinging to a +/- 2% forecast, which reduces a percentage point per month, perhaps in fear of annoying the ruling dispensation. This is a great disservice to the nation as policy responses remain significantly mismatched.

A similar occurrence appears within the national budget and fiscal deficit predictions. As stated on 1/02/2020, a projected deficit of 8 lac crores and a borrowing of 5.5 lac crores will come to pass. In reality, we can assume that post the COVID impact:

- Direct tax collections will be lower than the previous year by 3 lac crores (against a growth assumption of 3 lac crores by the government)

- GST will go down by 5 lac crores (50% states)

- The proposed divestment of 1 lac crores will not transpire

Essentially, it is a 10 lac crores revenue shortfall against the drawn budget. The forecasted hike in borrowings will rise by 10 lac crores at least before any stimulus can occur.

A glass jar filled with coins and some banknotes on a wooden surface. The jar is in the foreground, and the background is blurred, showing more coins and banknotes scattered on the wooden surface.

With a dramatic fall in global trade and a likely relocation of supply chains from China, the question that arises is how does India maximize the opportunity? The tax cuts announced earlier coupled with the most recent announcement of the labour and land changes are all good steps, however grossly inadequate to gain a major advantage

**The challenge put before policy makers can be broken down into simple statements:**

250 million unemployed daily wagers will have to be provided with work under the MNREGA/ similar schemes for the next 200 days to keep the peace. This could be the largest exercise of building infrastructure since China in the 1980s. The government will have no choice but to take the spend on its pad.

People need to be fed. The country has enough of a stock to last 18 months. To further resolve this, we need to administer a “free staples” (wheat and rice) program on a war footing that has strict penalties for non-implementation. The last thing we need as a nation is certain

death from hunger versus a low probability of death from COVID 19. As the food stocks are considered to be a sunk cost, no fresh cash has to be spent.

The aggregate cases of infections worldwide are beginning to stabilize. The case count has been steadily increasing as 4% of people tested are infected, and the mortality rate is roughly 2% of those infected. The statistics are remarkably lower in number than the mortality rates of other infectious diseases that impact our population perennially. In spite of that, we have never shut down our economy before. Government policy whilst being caring in implementation needs to respond to reality.

With a dramatic fall in global trade and a likely relocation of supply chains from China, the question that arises is how does India maximize the opportunity? The tax cuts announced earlier coupled with the most recent announcement of the labour and land changes are all good steps, however grossly inadequate to gain a major advantage. Industries relocate when complete supply chains relocate. The electronics industry in India is a last mile assembly shop with low skill, low value-added workforce. It is imperative for us to attract the semiconductor makers, the touch-screen manufacturers, the battery manufacturers to set up mega projects in India. Tax incentives need to be tailored for key in-



ing upon a generation of young people that earning a profit and generating cash flow is essential in business, and salaries will have to rapidly realign with the brick and mortar sector.

The devastation in commercial real estate prospects caused by COVID 19 is very real. Work from home is a success, and organizations are already planning to reduce space requirements sharply. Between stressed retail housing with large unsold inventory, and now a declining demand for commercial too, the Indian services story is crashing down like a house of cards.

IT Services, Pharma and Healthcare sectors seem to be the only ones who have not seen major dents. The IT industry was prepared with outstanding contingency planning and Pharma has come out as a beneficiary of the crisis. However, hospitals, especially the new ones are facing the brunt with a decline in non-COVID patient revenue. A segment of OPD patients may have been experiencing the placebo effect.

The response from the Finance Ministry has been faint. The heavy lifting has shifted to the Reserve Bank of India. About 55 % of the PM's package of INR 20 .9 lac crores acts as a liquidity alleviation exercise by the RBI. However, this entire input by RBI is only an incremental/ replacement debt input.

The fiscal side funded contribution lies under 15% of the 20 lac crores, while the rest serves as credit enhancement activity. Suddenly the Mudra Miracle of advancing nearly INR 4.5 lac crores to nearly 3 crore plus micro borrowers is off the front page. Perhaps, the realization that the lockdown has dented the livelihood of the entrepreneurs has resulted in a major write off and needs to be recognized. Will it require another large lending program to revive these fledgling entrepreneurs? It is a real tragedy that a Black Swan event such as this hit a great idea so early in its inception.

There have been heroic stories of our Healthcare warriors who have bravely stood up to these stressful times. Civil society and religious organizations have tirelessly worked to partially alleviate the needs of the hungry.

### **A Cry for Action**

Our economy is contracting rapidly as macroeconomic inter-linkages are sharply coming into play and there is a crying need to shake off this slumber. The problem simply is demand. The answer lies in creating purchasing power in the hands of the retail consumer to

get a working capital cycle restarted. Long term solutions will not work in this scenario. A change in government think-tanks and policy makers is desperately needed. Their thinking is steering us toward disaster, and as a country, we have worked far too hard to go down this path. A leader is effective when he gets unfiltered market feedback. The PM has been outstanding on foreign relations and taking tough domestic decisions, but now he needs to zero in on the economy and the poor on his radar.

Now let's address the anomaly that is the Indian Stock Market. With the economy having been shut for over 70 days, cash flows of major industries are down, many looking at their first-in-a-lifetime-losses, demand contractions, mounting NPAs being camouflaged by the RBI declaring a 6-month moratorium recognizing bad loans, Banks refusing to lend and parking nearly 8 lac crores with the RBI (earning approx 3.5% on this money). And yet the indices rebounded 35% from the lows made on March 18, 2020! It is clear that the Sensex and Nifty no longer represent the real economy. 5 Private Banks are nearly 25% weightage of the Nifty, and 5 IT companies another 15%, add HUL and ITC another nearly 10%, Reliance 10% and Airtel 3%. Equity mutual funds have to invest 65% of the money in equity at all times and cannot sit on cash. They will never refund money to investors out of greed, as the belief is that suckers can be found at will. To manage the price of 15 companies, Nifty will be in a determined range. If policymakers look at this range to determine their success or failure in public discourses, it spells doom for the wider economy.

Despite the many announcements of commencement of phase 3 clinical trials on multiple vaccines globally for the coronavirus, a product that can be made available to the masses is still 12 months away in usage terms. So is the world going to stay shut down for that long? Can crude at \$30 a barrel save the oil-producing economies?

Will the US-led coalition forming on taking action against China have serious economic repercussions on world trade? With China taking over the reins of Hong Kong directly, will Hong Kong survive as a regional finalization?

We shall be watching these developments very carefully.

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sanjitpaulsingh/](https://www.linkedin.com/in/sanjitpaulsingh/)**

dustries than for geographic locations. Responses from the fiscal policy need to be opportunity specific.

Lastly, the bubble around the start-up sphere in India and the world over, funded by irrational valuations and cash injections has burst. Soft bank declared a \$17 Billion loss having paid to the valuation model, the same model that valued Uber at nearly \$100 Billion pre-IPO. Every day there are news reports of large Indian internet companies shedding employees. Around 15 unicorns will shut down within 6- months globally. This will also tangibly destroy the Private investment bandwagon that a lot of Indian business leaders and CXOs had climbed upon. It is suddenly dawn-

# No Middle Path

## India's Middle Class-Despondent, Ignored, Irrelevant and Dumped?

Sanjit Paul Singh

India's middle income segment has been described by our Finance Minister Nirmala Sitaraman as those with income below Rs. 18 lacs per annum (\$2000 per month) and above the poverty line. This would correspond to approximately 20% (excluding farmers) of rural and urban populations, and cut across religion, caste and gender. However, the representative income in this category is closer to Rs. 6 lacs per annum (\$700 per month). Multiple studies have spent more time trying to clas-

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Educated, graduate or post-graduate for the white collar job holders and high school or at least class 8 for most blue collar jobs. Can speak, read and write at least two, often three languages. Has a reasonably good numerical skill. Has a view on most subjects, often preferring talk to action, and tends to be risk averse in general.

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sify and less on their behavior patterns and how to respond to them.

The classical representative of the Middle Class before the mid-1990s would perhaps meet the following characteristics:

- Educated, graduate or post-graduate for the white collar job holders and high school or at least class 8 for most blue collar jobs. Can speak, read and write at least two, often three languages. Has a reasonably good numerical skill. Has a view on most subjects, often

preferring talk to action, and tends to be risk averse in general.

- Is reasonably religious, and celebrates festivals with gusto. Births, marriages and deaths tend to be important mandatory social connection events, and complying with norms is a high point in his life. Is highly verbose on patriotic issues, religious issues, and tends to respond emotionally, often displaying herd behavior.

- Is great at compressing lifestyle and saving is a strong inherited habit. Purchase of TV, washing machine, air-conditioners, motor-cycle or entry-level car are important personal milestones. Purchase of a dwelling unit is a lifetime dream, and will spend his entire life paying EMIs for his home. Many carry on living with their parents as the above income makes it nightmarish to buy and pay for a new dwelling unit.

- Is a law abiding citizen, except when it comes to personal hygiene and road sense.

- Is committed to providing his children the best of education, though the obsession with having a male offspring often overtakes his thinking of capping family size to two children.

- Will religiously listen to news channels and watching TV is a major addiction.

However, post Economic Liberalization that started in the early 1990s, new services segments opened up which created an entirely new set of young entrants. Their behavior and expectations radically different from their predecessors. Let's trace this evolution:

- The IT and ITES sectors started the gold rush by changing the dynamics of introducing "3-shift working" in the Services space. Demand for engineers and graduates galloped leading to an expansion of engineering colleges to meet the demand.

- Rapid expansion in Consumer Banking driven by the entry of the Private Sector banks. Hired youngsters who were technology friendly, relationship oriented, and had just about adequate communication skills.

- Opening of the Insurance sector and in a decade tripling of the manpower in this space much like Consumer

Banking.

- The big change came post 1995 when the Telecom sector opened up, and created a goldrush for middle income youngsters in Sales, Operations, Distribution and handset sales.

- We then had a period of ten years of organic growth, and then post 2010 started the era of Internet Enabled Businesses and E-commerce startups funded by Private Equity which again



expanded the entry level market mainly for school dropouts and pass outs, to a lesser extent for graduates, and even lesser for the more qualified in numerical terms.

**The new entrants in these sectors have displayed significantly different behavior patterns:**

- Are more influenced by Western culture, and fueled the consumption momentum in India.
- Prefer to spend on current consumption rather than worry about saving for the future.
- Attention span on a subject is low, and the need to source entertainment, most often digital, is paramount.
- Still live with parents in most cases, and have succeeded in partially chang-

ing parental habits too.

- Interest in religion as an important factor in life is peripheral, often limited to compliance to keep parents happy.

- Are articulate, app friendly, and easily influenced by the last mile effect. Easily impacted by social media.

Now we have a mix of entrants post the 1990s- some in the new economy and plenty in the traditional one. This generation has brought about the most significant change to Indian election outcomes at the Centre and State levels resulting in clear mandates in the last decade. They vote heavily, withhold their opinions and send psephologists on a tailspin, vote like a herd, not influenced by parental opinion, and have compelled political parties to learn to

communicate in their medium or face extinction.

Understanding the mental and emotional make-up of most middle income people is important:

- A large proportion are academic underachievers, have dented dreams but high aspirations, and often an inherent underdog mindset.

- They have careers that if they had a choice they would dump, but often stick to due to lack of opportunity, or mobility. Going to work is achore.

- Moments of happiness in their lives are few and fleeting, and need strong internal motivation to overcome a defeatist environment.

- Compromise tends to become their second nature, as every disap-



pointment in life is to be rationalized.

- They have learnt from childhood to eschew risk and look for safety and continuity, to be content withless.

- Their children are the ones they pin their dreams on, so children's education, healthcare and safety need sareissues they will leave their comfort zones for and also take up second jobs for.

The Middle Income cohort tends to become a statistical/ economic classification as it cuts across all religions, castes and genders. Since it is politically amorphous, and has not organized itself into a pressure group, even political leaders who have emerged from this segment have not focused on it. As a thumb rule most of India's politicians who achieved success either came from the wealthy/dominant classes or conversely the poorest of poor - with the exception of Mahatma Gandhi and Dr. Manmohan Singh.

An interesting phenomenon has been the emergence of the political party AAP - perhaps the first to arrive from the Middle Income cohort. They have a relatively young, articulate, educated leadership, mostly self-made. They put together a lethal combination of focusing on issues of 55% of Delhi's population that lives in the slums, provided them with a middle Income leadership and swept the elections demolishing the Modi-Shah juggernaut in its wake. They delivered emulate-able success in Healthcare and Education, Water and Power distribution. And not surprisingly were re-elected with a thumping majority for a second full term. AAP has the opportunity of awakening and organizing the aspirational needs of their mother Cohort, as others continue to ignore this segment.

Perhaps unwittingly, Arvind Kejriwal has sown the seeds of a complete ignoring of the Middle segment by other political parties. The BJP being quick learners realised that Kejriwal's AAP theme would always win as poverty overrides religion and caste. Within weeks, the Central Government did a 180 degree course correction and ran some outstanding programs in Financial inclusion by opening over 300 million new bank accounts for those deprived of access to banking, in Housing- 15 million new units delivered, 60 million new gas connections for below poverty line households, unprecedented construction of 90 million Toilets, Hospitalisation insurance for 500 million, Mudra Loans without collateral for nearly 30 million self-employed

service providers/traders, making sure that last mile delivery succeeded. The bottom line was that they rode the wave of success in the 2019 election in style. The Middle Income group gave an overwhelming vote to the BJP, hoping that their time would have come now that the Income Cohort below them was taken care of. However, there is a strong sense of anger that they have been taken for granted and let down.

Every political party has paid lip service to this category of the Middle Income group. When demonetization happened they came forward and willingly took the pain on the premise that it would support a cleaner India. When GST came, they supported it silently hoping that it would herald a better future. If in 2019 the PM said that the Nation's defence overrides not meeting employment generation commitments, they again supported him with the faith that they were supporting an honest, hardworking man, who would empathize with their plight in time. They paid their taxes religiously, paid the GST on their consumption of goods and services without demur, and what was the reward?? A big zero ... and that too in the backdrop of a Rs.1.8 lac crores tax cut for the Corporate sector. Massive NPA write offs for the large and medium sized corporates and no relief for the small borrowers. In fact, in her latest budget the FM signaled that in future deductions given as incentives for savings may be withdrawn. Finally, out of their limited monthly earnings these individuals save to provide a future safety net or meet commitments. And what do they find-successive rate cuts in interest, leading to their Fixed Deposits in banks earning less than 6% per annum. Suddenly they are looking at a bleak future. Do our great RBI Monetary policy members ever think and record how many incremental years of grind, insecurity and despair they consign nearly 275 million people to. The irony is that many of the policy makers and bureaucrats in India owe their origins to the "Middle Class themselves", but now stamp on its very existence.

Central governments have taken pride in having made annual incomes up to RS. 5 lacs totally tax free. In urban centres the cost of a dwelling unit of 500 SFT would be at least Rs. 25 lacs and could go upto Rs.50 lacs or higher in the metropolitan cities. The EMI itself would be Rs.25,000 per month at a minimum. So mandatorily both spouses necessarily have to work and one



income over 20 years goes towards the repayment of this EMI. Then they save for children's education, assisting a parent for a sibling wedding, their own kids' weddings, and saving some for retirement. We as a country have minimal safety nets. It can be a life of drudgery, and this segment desperately needed some morale boosting. Sure we need to take up farmer issues, unorganized labour issues, but can we forget 20% of the country that slogged to lift itself marginally out of poverty. In times of economic crises when there is nothing called job security, they are emotionally battered, can we dump them into ignominy because they have no organized voice. It does not bother us because we have dubbed them as perpetual whiners.



### **The Covid 19 Aftermath:**

The lockdown has devastated the Middle Income segment outside those who work for Government or the large organized sector. The self-employed have been crushed as they have no income. They have EMI commitments on assets that funded their existence. Many fear that their businesses may never revive. Small shopkeepers running in lacs may have lost part/bulk of their inventories to rodents/theft/obsolescence and have loans to repay. The wage earner in the unorganized sector has not been paid by most employers who have gone under themselves. Maybe 20-30% of the migrant workforce that had to vacate dwelling units due to inability to pay rent is from this cohort and doing the long march home hun-

dreds of miles away.

For weeks the Middle Income Group looked hopefully at the Finance Minister and hoped she would recognize their existence and their role in the economy. Throughout the six days of the Finance Minister's detailed Financial package announcements - they waited with anticipation, but their hopes were dashed when they were ignored totally. Eventually a litigant has knocked on the doors of the Supreme Court for equality in law. It is a fair call that all income earners below Rs. 10 lacs p.a. who have housing and vehicle loans should get the same interest subventions as given to agriculturists. These assets are as critical to the sustenance of their livelihoods as crop loans are to farmers. I would sincerely appeal to the government that in the

face of the COVID crisis, they should come forward and meet this demand. It will send a very positive message that all citizens matter.

The moot point however will always remain that can the Middle Income Group ever become top of mind for policy planners in India? When will there ever be a white paper on what constitutes a minimum standard of living that every citizen of India deserves, and therefore taxation should be on income above that level? These are difficult questions to answer at a time when the revenues of the government are collapsing.

We shall look forward to a timely policy response in this space.

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# NEEDED, CAUTION

## Approval of favipiravir, the first COVID-19 Drug, Highlights the Weaknesses of Indian Drug Regulatory System

**P**andemic has forced us to break the existing paths of regulations for finding a treatment at earliest. Whether the ongoing vaccine programs around the world or the drug developments, processes everywhere are well justifiably accelerated and this is the need of time. Even moving ahead with above assumption, the favipiravir approval in India is perplexing. There are serious reasons to believe that this approval is 'not so clean'.

The drug was first hyped by Japanese Prime Minister Shinjo Abe, as potential treatment for COVID-19 and human trials were started in Japan with an aim to approve it by end of May. However, based on clinical findings so far, it seems to be keeps on delaying and approval is now anticipated around October in best case scenario.

Indian regulators have shown some extra enthusiasm and it was approved as a 'special case' on June 19th. The three most compelling points emphasized in favor of its approval are – it is clinically effective, it has an exciting mechanism of action, and it is approved in Japan for a long time for Influenza. Let's have a closer look at all these points one by one and also at some other important aspects which are not much discussed but important to be brought under perspective.

Much Awaited Japanese Approval in May Keeps on Delaying Due to Lack of Clinical Evidences:

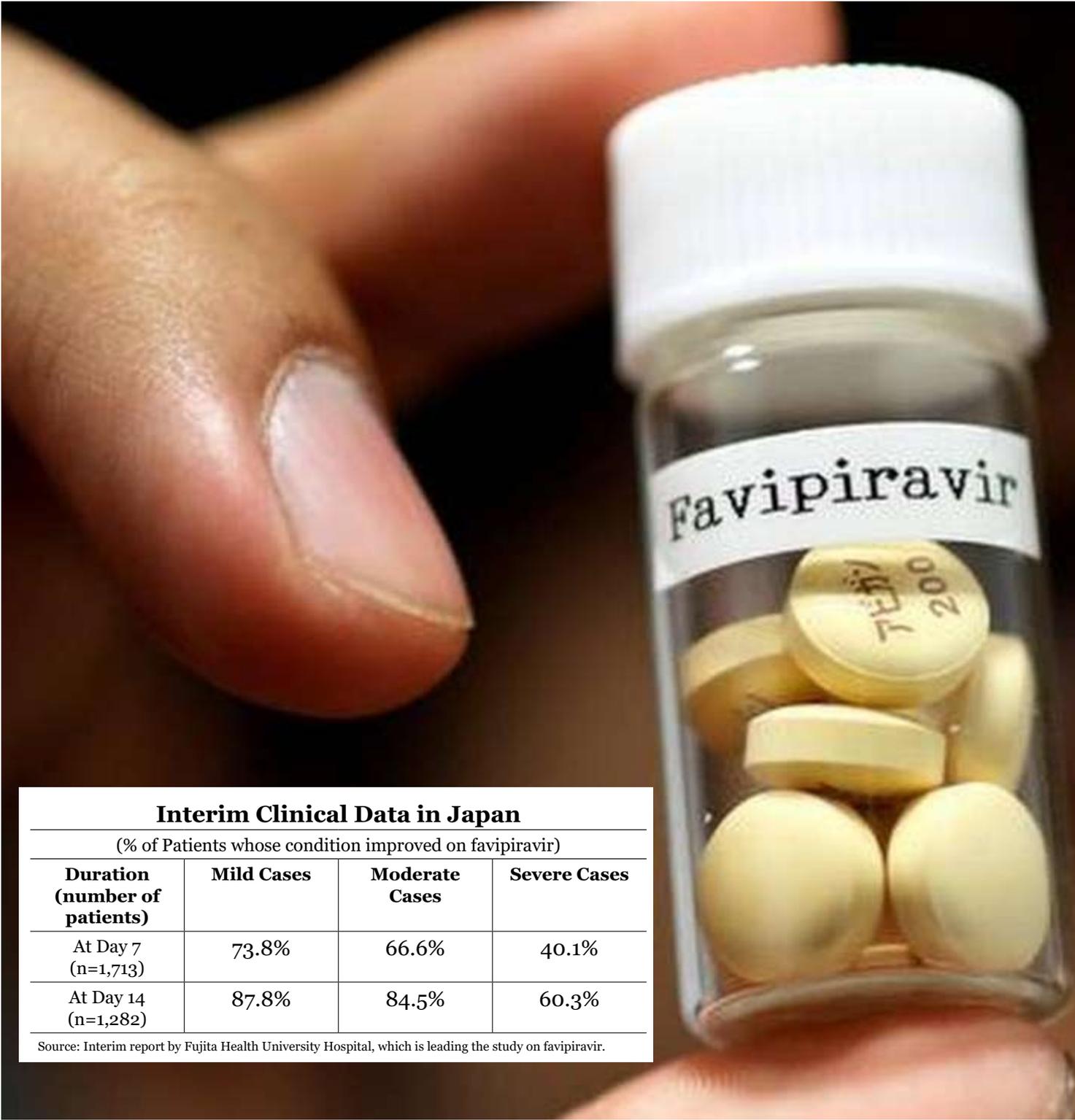
The May-end targeted approval in Japan keeps on delaying. This is partially due to lack of patients and largely due to failure to accumulate substantial clinical evidences so far. Currently it is

under Phase 3 trials, which is expected to be finished by end of July in best case scenario. After that an accelerated review and approval process can be anticipated.

On May 15th, an interim report by Fujita Health University Hospital, which is leading the study, released some data from 2,158 patients from 407 medical institutions. As per the report, it was found effective only in 73.8% of 'MILD to MODERATE' cases on DAY 7 (shown in the table). The rate for severe cases was only 40%. Such findings might have considered exciting in February or March but not anymore. Currently we have substantial information that suggests that over 70% mild to moderate patients anyway get recovered in 7 days without any treatment. Most importantly, this study had NO comparator







### Interim Clinical Data in Japan

(% of Patients whose condition improved on favipiravir)

Duration (number of patients)	Mild Cases	Moderate Cases	Severe Cases
At Day 7 (n=1,713)	73.8%	66.6%	40.1%
At Day 14 (n=1,282)	87.8%	84.5%	60.3%

Source: Interim report by Fujita Health University Hospital, which is leading the study on favipiravir.

arm to measure its effectiveness against placebo. Now, if we assume recovery rate of patients without any treatment for mild to moderate cases as placebo effect – this drug may appear ‘nearly not effective’, but on other hand it do brings serious side effects.

The above interim report also stated in its conclusion that “this research shows that while most of mildly ill patients recovered when given favipiravir, the progress of treatment was not favorable for severely ill patients. In

addition, the mortality rate was significantly higher in elderly patients, as seen in reports from other countries’. Also, elevated levels of uric acid and liver function enzyme were observed in blood tests, which were similar to the past clinical trials conducted for the treatment of influenza.

Another study on favipiravir, which has a comparator arm, is also ongoing in Japan. This open-label, randomized, multicenter trial is being conducted with the target enrollment of 100 not

severe patients of COVID-19. This study is designed to compare favipiravir plus standard of care (SOC) for pneumonia versus SOC alone. The results of this significant study would be able to establish some reliable effectiveness of favipiravir.

The Story around the Mechanism of Action (MOA): Its MOA (selective inhibitor of the RNA-dependent RNA polymerase (RdRp) of RNA) is one strong point often highlighted. However, the significance of molecular struc-

had an exciting MOA but failed to prove their efficacy and safety is even longer.

It is Approved in Japan: has been highlighted in India – it is half-truth and a misleading fact!

Japan has a Universal Healthcare System and all drugs and services are reimbursed by the government (at a small co-pay). All the drugs first get approval to sell and then they get their reimbursement price (under 'National Health Insurance' 'NHI price' approval or listing). Japan ethical drugs market is around ~USD 90 Billion and about 97% of this market is covered under reimbursement. Government refuses to reimburse certain drugs which fail to compel that they are really needed to be reimbursed by the government. Such drugs include – some cosmetic and dental related drugs, certain non-mandatory vaccines, erectile dysfunction drugs etc.

Favipiravir is also one of such drug - It was initially approved in Japan in 2014 for 'special cases' of Influenza but it is not listed under 'reimbursed drugs' in Japan. While at the same time, Influenza being very common health challenge in Japan, Japan has maximum number of reimbursed drug available for influenza – a total of five!

Back of Envelop Commercial Equations: The dose schedule of favipiravir for COVID-19 mild-to-moderate patients is said to be 1,800 mg twice daily on the first day followed by 800 mg twice daily for next 13 days. One tablet (of 200 mg) costs INR 103, which translates into the total cost of therapy per patient INR 12,566.

At 100,000 patients, the sponsor will make business of over INR 125 carors. The way the cases are increasing and the target group being mild to moderate patients – the drug should be able to be sold to a minimum of 400,000 patients via making tie ups with hospitals and promotion through the help of hospitals and health agencies. The sponsors shall generate a top line revenue of over INR 500 carors in next six months and may pocket about 70-80% of it as profit. Since announcement of its approval on June 19th, the sponsor Glenmark share price jumped over 25% in just three days on June 22nd. This may be linked to the eagerness and excitement of all 'engaged parties' for a prompt approval of favipiravir in India.

And all these efforts are made for a drug whose effectiveness is yet to be

proven AND the worst thing is that the patients have to take the responsibility for the treatment. Note, the approval is granted under 'restricted use', meaning the hospitals and the government will not take the risks associated with it and patient has to bear it by signing a 'consent form'. Hospitals will only 'recommend' patients to use the drug.

It is also important to note here that under the current circumstanc-

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The dose schedule of favipiravir for COVID-19 mild-to-moderate patients is said to be 1,800 mg twice daily on the first day followed by 800 mg twice daily for next 13 days. One tablet (of 200 mg) costs INR 103, which translates into the total cost of therapy per patient INR 12,566.

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es, it is unlikely that the originator company the Fujifilm of Japan would have taken any significant licensing-fee. Instead they might have invested additional funds to run human studies in India and gather data for them.

Fujifilm of Japan, who own, developed and raised early enthusiasm around the favipiravir for COVID-19 is struggling to accumulate evidences and the Japanese regulators appear hesitant at this stage to approve it. The approval in India is a hasty decision and it severely lacks scientific basis. Overall, the approval at this stage appears to be backed by sole commercial objectives and may (wishfully may not) end up benefiting its sponsors only.

**About the Author: Devesh Singh, is a pharmaceutical industry expert and brings over 15 years of experience as analyst, investment banker and managements' advisor for pharmaceutical industry. He worked in the USA, Germany, and India earlier and currently based in Japan as Head of Research at Encise Research Center in Tokyo**

ture and MOA are largely limited to the initial stages of discovery and development of a drug. Once the drug enters the human trials or reaches the market, they have almost no meaning and the only thing that matter is the drug's efficacy and safety. Everything else becomes secondary from clinical perspectives. As a matter of fact, the books of pharmacology are full of many lifesaving and widely used drugs where MOA is termed as 'non known' or 'not well understood'. The list of drugs which

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The journey of passion continues with your blessings as we enter our 20s

# Innovative tools of Marketing in COVID 19

**B**romide Entertainment Pvt Ltd organized an online event that focused completely about impact of COVID on Marketing. As a Digital Marketing Start-up firm that aims at offering affordable digital solutions to all Marketing needs had hosted the event on the 19th of June 2020 via Zoom to which there were participants from all over the world. Key Speakers were chosen from different business verticals and hence the event was a great success. Filatex India Ltd, In-base [Sunshine], Joy & Ash Calligraphy, Device Next, FrinZap- an Education Aggregator where some of the main sponsors of the show, alongside participating as dignitaries. Tête-à-Têteon transformation of marketing during COVID became an instant hit attracting many inspiring participants globally addressing the major pain areas such as future of fusion marketing, lifespan of digital marketing, life of a marketer, upskilling and cross training to suit the need of the hour etc.

## Excerpts from the panel discussion:

1. *Is there a possibility that traditional marketing/conventional methods and digital marketing will continue to coexist in the coming days?*

**Madhav Bhageria-** Promoter of Filatex India Ltd; New Delhi

There is certainly a huge difference in the way businesses are conducted in the given time and the uncertainty is well accepted. Being in the commodity business it was unpredictable up-to the first 60 days if we will resume working at all. But the digital world has made this a reliable, trustable and only futuristic method to depend on for organization such as ours too, to resume business and make it feel as usual. While the whole life of Filatex has been pretty conventional in its marketing methods, we are sure that Digital is the new way to go to market.

**Ashish Kumbhat-** Managing Director of Inbase [Sunshine]; Hyderabad

We work with preset customer base. There is little or less impact on the business in truth and our customers have continued to work with us just like it used to be pre-COVID. Having said that it is definitely true that digital marketing is the need of the hour and we have well equipped team that switched to various digital platforms for marketing.

**Anish Noor-** FrinZap- Education Aggregator; New Delhi

I am a strong believer in conventional marketing and I still think that this is incidental that we have Digital Marketing rule the world. But this is also something I have to tread on as we are an online platform for Digital education. Therefore, the methods I would chose will be a good blend of Digital, along with traditional methods.

**Ashok Giri-** Founder- Joy & Ash Calligraphy

With 20 years of experience in the media industry I understand that the marketing is the backbone for any brand, product or just services too. But



I look at the topic differently. Digital marketing is not another vertical, it is just new method of marketing that is bound to happen. As an international Calligrapher, I switched to Digital method pretty early, but this is not to rule out conventional marketing. As a media person, I still do same things for digital marketing clients as to what I do for a regular advertisement client.

*2. Which one tactic of conventional marketing will sustain?*

**Madhav Bhageria:** We have set of fixed customers that will not change or impact business greatly. However, it has always been word of mouth and good customer relationship that has motivated us in growth. We still believe that good customer service is important. This is our key to success and will stay for long.

**Ashish Kumbhat:** As Mr. Bhageria, we believe Customer service and good client engagement is here to a long way.

**Anish Noor-** Banners, hoardings and adverts are still the most preferred conventional methods to use. Word of mouth marketing will remain with us for all the coming years.

**Ashok Giri:** Believe in the message than the medium of marketing. As long as the message is clear and the Brand is retaining its connectivity with the consumer, it hardly matters what path one choses to market.

*3. What is the new strategy that in-base has adopted to?*

At Sunshine (the parent company) there is B2B and B2C verticals. B2B is pretty easy and simply as we work with closed group of customers. However for B2C we had to switch to Digital media and Digital methods that include everything Bromide does for their customers. Get on Digital Platforms, create inhouse content and spread it on all networks. We have also trained a few old staff to digital methods. WhatsApp marketing has turned out really useful and handy.

Filatex India Limited had limited requirement to switch immediately, however we have just started paving ways into new or digital methods. We appreciate what Bromide is doing as their business offerings and there are plans to switch to the trending methods of marketing.

*4. Is marketing and media marketing bleeding- Ashok Giri?*

Laughs and says, Yes the traditional

media marketeers are bleeding but definitely digital space is the new way. It is time that these media houses switch to digital methods and adapt to changing trends in the world over. That way Bromide's method to new age marketing is apt and I am glad we are associated in brand building and digital marketing space. It was just in time to launch Bromide. COVID seems to be blessing in disguise for marketeers only if it understood the right way.

*5. FrinZap is an online platform in the space of education, how important is it to rely on tech savvy resources?*

Although FrinZap is an education platform, we are completely agile in our methods of marketing. We are underway for a new launch and but that say, we are also planning a completely fusion marketing strategy. B2B needs more word of mouth whilst B2C will be working on its own as a platform with free registration for affordable study material.

*6. QnA- Audience. Will we lose human touch completely as we switch gears into digital space?*

**Ashok:** Not at all. Human touch is not physical, but it shall remain. COVID has brought a new way of caring, that is by not meeting your loved ones. This is the new methods of exhibiting human touch and the same applies to marketing. As long as the Brand markets the value with "Care" and "Love for each other" in the marketing methods, whether it is text, image or video content the Human aspect in marketing will not disappear.

Before the meeting could end, it was concluded that Bromide has enabled a great tête-à-tête for business owners, and it is established that marketing will remain the backbone of any organization. Methods might be changing world over but existing brands, new brands and many upcoming brands will continue to market.

The leverage that Digital marketing has brought in is much more realistic, economical and result oriented. The flip side to this method of marketing is- this is true globalization. It is agreed that marketing means- different strokes to different folks.

**Inputs and the online session is conducted by Shakila Mankandar Founder Director [www.bromide.in](http://www.bromide.in).**





# BANKRUPT RULES

Does the IBC still owe its allegiance to its stakeholders?

**Karn Bhardwaj**



**T**he ongoing COVID-19 pandemic has uprooted the lives and livelihoods, routines, structures and fundamental ecosystems of many across the globe. While those with resources – financial and otherwise – have been able to weather the storm of uncertainty brought on by the pandemic,

there are many left to fend for themselves in cut-throat and ruthless situations.

With due sensitivity and deference to the difficulties faced by individuals of various means, one cannot lose sight of the fact that many businesses and corporates are now faced with dilemmas of survival. Businesses, especially industrial and supply chain oriented businesses, have faced the brunt of closed factory floors, voluminous lay-offs and retrenchment of employees, closed borders, dishonoured contracts and tenancies and contentious insurance claims. The Insolvency and Bankruptcy Code, 2016 (“IBC”) introduced as a mechanism for prompt and timely resolution, and a potent sword to prevent defaults on payments, has been sheathed away, in a time when businesses are in dire need of financial security and stability.

The IBC, 2016 as amended to date, oft referred to as a ‘game changer’ for debt restructuring and resolution of ailing businesses, has been rendered toothless in the face of two developments. The first, is an amendment notified by the Central Government on 24th March, 2020, amending Section 4 of the Code, by raising the pecuniary jurisdiction for filing insolvency and bankruptcy petitions, from Rs. 1 lac, to Rs. 1 Crore, meaning that the threshold for filing fresh cases has been increased 100-fold, and is also the highest possible enhancement permissible under the existing Code. Although the notification itself is silent on the reasons, various press reports claim the rationale behind it as protecting Micro, Medium and Small Enterprises (MSME’s) by prohibiting initiation of petitions against these enterprises, unless the threshold limit is satisfied. The actual notification, however, is neither limited to MSME’s, de-facto according the same treatment and protection to even the largest conglomerates,

and nor does it set any time limit for restoration of the earlier threshold, preventing petitions against corporate debtors of any stature, unless the default reaches the threshold of Rs. 1 Crore.

The second, is the Ordinance promulgated by the President of India on 5th June, 2020 suspending the initiation of corporate resolution proceedings, by the insertion of Section 10A into the Code, which prohibits the filing of petitions by financial creditors, operational creditors, and even the corporate debtor itself, on account of any default arising on or after 25th March, 2020,

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The second, is the Ordinance promulgated by the President of India on 5th June, 2020 suspending the initiation of corporate resolution proceedings, by the insertion of Section 10A into the Code, which prohibits the filing of petitions by financial creditors, operational creditors, and even the corporate debtor itself, on account of any default arising on or after 25th March, 2020, for a period of 6 months.

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for a period of 6 months. The ordinance further mandates that no application “shall ever be filed” for default occurring in this 6 month period, and is extendable by another 6 months, by appropriate notification. Again, if one is to review the factors mentioned in the notification, one sees reference made to uncertainty and stress on business on account of the COVID-19 pandemic, and a perceived difficulty in finding adequate number of resolution applicants to rescue corporate debtors.

Looking at the spectrum of business arrangements – transactions, supply chains, payments, credit facilities, guarantees, letters of credit, and countless other business arrangements that are possible and entered into on a daily basis, the rationale behind the neutralizing of the IBC, 2016 appears myopic at best, while the consequences of these changes are overarching and accord blanket protection to all across the board.

The Preamble to the IBC, 2016 lays out its objects as “reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time-bound manner for maximization of value of assets of such persons, to promote entrepreneurship, availability of credit and balance

the interests of all stakeholders [...]”. In a recent Supreme Court judgment, related to the Essar group, an enunciated and comprehensive approach to the IBC, 2016 has fallen from their Lordships, focusing squarely on resolution by value maximization and a consideration of balancing the interests of the breadth of relevant stakeholders. The law, therefore, is undeniably value oriented and requires accounting for all stakeholders, rather than a binary approach of “do or die”.

According blanket immunity to defaulters and turning off the IBC, 2016 regime appears contrary to this legal policy, and comes across as a knee-jerk reaction, without accounting for genuine cases in which businesses, but for enforcing debts, run the risk of running under and succumbing to COVID-19. While the law aspires for equal treatment in all cases, the approach to suspend the IBC, 2016, even temporarily, takes away the need and opportunity to separate the wheat from the chaff and can prevent even those meritorious claims where default was on the horizon and protects the defaulters, at the expense of the creditors. This is especially so in view of the Ordinance, which states that no cases in this time period shall ever be filed and is the very antithesis of a stakeholder and creditor oriented approach. A planned, comprehensive stakeholder oriented approach would have been preferable, to strike a balance between protecting businesses suffering genuine difficulty on account of COVID-19 as against preventing abuse by people by re-structuring corporate debts and liabilities to take advantage of the lockdown and the reprieve now granted, by deploying corporate ingenuity.

The developments also seem to disregard the fact that a limitation of



3 years generally applies to such proceedings, and peremptorily prohibiting initiation of proceedings appears prima facie premature, as nobody can conclusively predict the economic and commercial scenario three years ante. If the idea was solely to protect MSME's, an additional layer of protection could have been accorded without diluting the core of the Code, in a manner akin to requiring a report from an Information Utility (IU) in cases under Section 7 of the IBC, but not under Sections 9 or 10.

On the issue of a perceived dearth of adequate number of prospective resolution applicants, there are many factors that may have missed deliberation. First, there are many entities engaged in the very industry resolving and turning around ailing enterprises, deploying vast financial, expert and consultancy resources which even enables them to churn profits from the process. Second, preempting a lack of prospective resolution applicants, cannot possibly justify a refusal to even grant an opportunity to seek resolution, in a situation where a depressed valuation may actually be more attractive to investors and

more mutually beneficial schemes may be introduced. Third, the Hon'ble Supreme Court has already held that the timelines under the IBC, 2016 are not mandatory, especially when the possibility of resolution is real, which is the primary purpose of the Code, and as already stated, even defaults occurring now have a 3 year gestation period, over which a lot can transpire, both economically and commercially.

On a conspectus of the above, the shutting down of the IBC, 2016 is ill-advised and comprehensive, in-depth analysis and implementation of appropriate safeguards could have been undertaken to protect the interests of the breadth of stakeholders involved. The suspension of the IBC, 2016, coupled with the increased pecuniary jurisdiction which for now remains applicable even if the suspension is lifted, can be counter-intuitive even for MSME's who would have been entitled to relief under the regime of the IBC. To discard the IBC, 2016 is tantamount to giving a licence to default to corporate debtors, which is to the prejudice of all stakeholders in the economy.

Of course, the above does not com-

ment on the current limited, virtual functioning of the Courts, if at all that was a factor in the incorporation of the changes discussed above. As proactive as our Hon'ble Courts have been, there are logistical and practical challenges in taking up the full range of matters as in the pre-COVID era, in view of social distancing and lockdown protocols. This may lead one to argue that remedies against defaulters survive in other statutes, and before other legal fora. However, relegating such creditors and businesses to alternate legal remedies, which are not as specialized as the IBC and may involve lengthier processes and more burdened legal fora, cannot possibly be consistent with the regime that was propounded under the IBC, 2016. At the very least, with the continued existence of the IBC, there would have been hope on the horizon that defaulters would not have been able to go scotfree without even stepping into the arena with impunity.

***(Writer is an Advocate practicing before various courts in Delhi and enrolled as Attorney-at-Law in the State of New York, USA. The views expressed are personal)***

# SLICES OF LIFE

An urban housewife looking for a suitable cook, a thieving maid, a bride-to-be planning her marriage, an adulterous husband, a woman whose talent has been buried and a marginalized family affected by the lockdown during a pandemic...

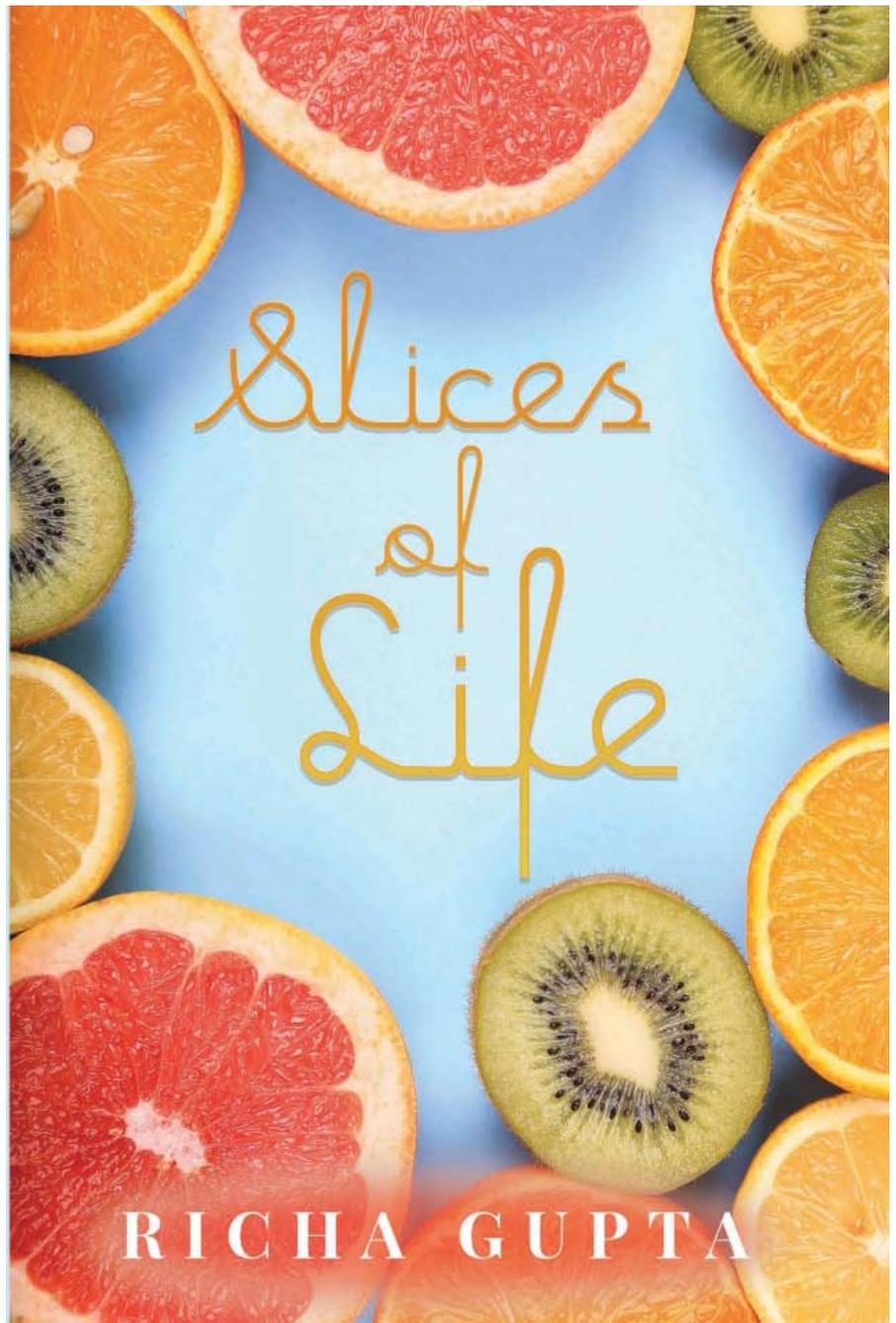
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**S**lices of Life (Hesten) consists of vignettes of life in motion that provide an immersive and entertaining experience of diverse scenarios. They are slivers of existence with the ingredients of plot and character, sprinkled with human emotion, spiced by human dilemmas and served in the platter of language. Sometimes searing with agony and often pervaded with beauty and yearning in the midst of travails in a contemporary or futuristic reality, they explore relationships and the human struggle to find meaning amidst chaos. They describe the consequences of our choices and characters who are at the threshold of a discovery or have reached the zenith of tolerance.

The universal themes depicted in the compendium leave us with enduring images of common place individuals in the swirl of life, for example, an urban housewife's hilarious search for a suitable cook, a lover's yearning in a dystopian world, a mother's defense of her daughter's idealism and a to-be-bride's planning of her bridal couture. These portraiture have been embedded in a mixed bag of genres ranging from bathos and futuristic Sci-Fi to grim Realistic fiction and a suspenseful Whodunit.

## More on the Author

After an academic and professional career, Richa Gupta has devoted herself to writing and published her second novel 'Skeins' in 2018. A senior teaching professional with over 19 years of academic teaching experience, Richa is also an Instructional Designer for training and e-learning in the corporate sector. She lives in New Delhi. Richa Gupta's Slices of Life is a collection of stories on women from various walks of life set in the current chaotic times ranging from grim Realism ('Disclosure', 'Theft' and



'Dusk') to futuristic Sci-fi where lovers meet with screens between them ('Future Love Story') and a suspenseful Whodunit ('Knots') to bathos ('The Young Visitor').

Some heartwarming and others heartbreaking, Richa's stories in Slices of Life will make you laugh and cry, hope and yearn and seek justice.

# CARIBBEAN DESI GIRL KNOCKS BOLLYWOOD

**K**hatija Iqbal is an original Indian girl born & brought up in the Caribbean islands. An island named, Grenada, with bollywood dreams from childhood has led her to this fantastic city Mumbai. KI explains “this city has given me a lot, the best

experiences one can ever learn. I have been working in this entertainment industry since 2015 onwards. I began my career as an anchor and I have hosted many live events”.

In 2017 she has learnt Hindi, took up acting workshops and began giving

audition, and got her first show Ragini MMS returns on alt Balaji where she gained popularity from a character she played, went on to Vikram Bhatt’s Tantra for YouTube, a cameo in Namaste England, then jamai raja 2.0 for Zee5. Khatija did a small cameo in inside edge season 3 for amazon prime which hasn’t yet released and a very big show named, Cartel for ALT Balaji which is also in the shooting process.

She was first known by name of “Katie Iqbal” and later changed it to khatija as it’s my real & birth name. Why did she decide to change it? It’s because, she realise how beautiful it was... and felt the desire to be known by her real name. As it is the industry wears a mask I didn’t wanna wear that mask to begin my career with.

As of 2020 Khatija’s work is still yet to be released, just before lockdown she was suppose to shoot her debut film named, “ ILA “ it’s a festival film directed by Nitin.

Apart from bollywood, she love horse riding, like reading books mainly thrillers and psychological books on human behaviour – the mind, body -metaphysics. She is extremely spiritual and love yoga. Khatija is a very curious person and love learning especially ancient yogic science, she strongly believes that a human being can heal him/ herself naturally if he believes and pursues it. Besides She love watching movies & currently studying screen writing.

**Q. What motivated you to travel across the globe to join the Bollywood, where the art and culture is appreciated but the competition and nepotism blocks scalability in terms of success?**

A. Well, I think it’s a matter of perspective, if one is willing to work hard and polish their craft then one can break all barriers and I decided to do so, work extremely hard and I have seen many outsiders breaking barriers in this industry. Also, cinema and the kinds of films which are being made these days has evolved drastically filmmaker’s are actually looking for real talent. Rest is luck & your hard work.

**Khatija Iqbal**



**Q. What challenges are faced by you when you landed in Mumbai in the show business?**

A. My language has been my biggest weak point, but it has also made me realise that it is one of my strength also as it's part of my personality although Hindi is well polished now since I'm learning Indian classical music.

**Q. Your real name Khatija has historical relevance, pushing it in the glamour world can be a deterrent but you don't want to wear a mask in the industry, explain?**

A. Yes! I've been trolled many times by mainly the Muslim community and have been told to change my name also, I've been trolled for my bikini videos & photographs not that they are vulgar of any sort. But, I love my name it's beautiful, it's sounds amassing and it is very special, because father named me after my great grand mother as he was very close to her. So I'm happy with will live with it despite the odds.

**Q. Covid 19 Lock down has challenged the most resolute minds, how have you spent your isolation period and since you are spiritual in nature, tell us what you have discovered in the last few months?**

A. Oh! I loved it I had a long list of movies to watch which I completed, discovered writing for screen, even shot a small film from my phone, decluttered unnecessary things, completed my reading list and I discovered that I can make my own melodies on my piano simply by following tutorials online. So I really enjoyed lockdown.

**Q. India and Caribbean are united by cricket, how Khatija will further consolidate the bilateral and cultural relationship between the two nations?**

A. Firstly, I was never into cricket... funny though I posed with all the cricketers from different teams for pictures when I was a child. I would always remain a Caribbean girl by heart, but I look completely daisy which means I am very faithful to my roots so I am going to be here for a very long time as bollywood is my first love residing in my Caribbean heart.

**Article & Interview is complied by Nithya Ramesh**



# Humility in enterprise

## Fashion Gypsy

OECEL News Bureau

The ongoing phase of life has taught us two vital lessons. We have to live with corona virus in the years to come and many of us have to wear mask for the life-long. If we step out of the house even for a minute without wearing mask, the corona virus will jump like a hidden cheetah and we will go to the laps of the end of lives. The entire human race is on the verge of their last breath. Every person infected with deadly pandemic corona virus is a courier of death for other people. No one knows who is infected. Masks are the only protective shields that can protect us from this unprecedented, unknown global threat. It is good that several Indian states had made mandatory to wear mask whenever anyone is stepping out of one's home.

Responsible and sensitive citizen, known philanthropist, Delhi based Priya Jain, a wealthy successful entrepreneur, owner of online global venture Fashion Gypsy and champion of Save Girls and Make In India campaigns was worried since the day corona virus broke out in China. A well read person Priya Jain knew that India would have to face this global crisis sooner or later. As soon as Prime Minister Narendra Modi announced lockdown to break the chain of corona virus in India, she went on providing meal and money to needy. She also made available masks, procuring from market, to common people. But it was not possible for her to donate masks to each and everyone. She made a mission to aware all to wear masks. She could understand that high price of masks is a major obstacle. She became restless. On 11 April, 2019 Prime Minister urged people to use homemade cotton masks instead of branded one. It showed her way. She patronizes an N.G.O and instructed them to manufacture cotton made masks in collaboration with Fashion Gypsy. She provided them required raw materials in bulk.

Talking exclusively about her initiative, Priya Jain quoted an international



study, "Masks made out of cotton fabric is enough to stop 99 percent of droplets from falling on others while sneezing or coughing." She further said, "Such masks are economically affordable to common people.... Our N.G.O is manufacturing designer and colourful printed masks. College going youth and working people love to wear. Moreover these masks are useful and effective for the prevention of COVID-19 from the kitchen use. We got positive feedback from elderly people, children, doctors and nurses in the hospitals/ nursing homes, private offices and houses."

Rejoicing the success she revealed

her larger goal. She said, "I am promoting Indian cotton. Each penny earned from this project has been utilising in 'Save Girls' Campaign. And ultimately farmers are beneficiaries as they are producers of cotton seeds."

Society acknowledged and acclaimed her endeavors. Her philanthropic way to serve and save the lives of people during lockdown drew national attention. She was bestowed upon a prestigious award, "Corona Warrior Honour" by World Book of Records for her outstanding dedication and service to the nation for fighting against COVID-19 epidemic during lockdown.



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