



The Indian EXPRESS

FOUNDED BY

RAMNATH GOENKA

BECAUSE THE TRUTH INVOLVES US ALL

Yeti Sheti

The romance in this alpine adventure keeps the impossible quest alive



STEPHEN ALTER

LISTEN TO HER

Complainant's exit from SC probe against CJI raises troubling questions on due process. Full court must act again

LAST WEEK, THE Supreme Court took the first institutional step to deal with the crisis that has overtaken it after one of its ex-employees levelled charges of sexual harassment against the Chief Justice of India. It appointed a three-member panel to probe the charges. The constitution of the committee signalled a deference to due procedure and raised hopes of a fair hearing. The critical test would, of course, lie in the manner of the committee's functioning. At the very least, the panel needed to assure the complainant of an impartial inquiry. But with the complainant walking out of the investigation expressing fears that "she is not likely to get justice from the committee," the probe raises more questions than answers.

The crux of the complainant's statement pertains to the asymmetry of power equations in a case where a former court junior assistant is ranged against the CJI. She has alleged that the panel did not adopt "a procedure that would ensure fairness and equality in the highly unequal circumstances". She has accused the committee of not informing her about its procedure, denying her a lawyer, not recording its proceedings and not providing her with a copy of her depositions before it. She has also held that the panel "orally instructed" her against disclosing the proceedings to the media and her lawyer as well. The jury is out on these allegations. Moreover, the fact the SC's rules for "in-house procedure" to deal with complaints have no explicit provisions for an inquiry into allegations levelled against the CJI does make the committee's task complicated. But it's also well-known that in a number of judgments the apex court has affirmed the rights of working women under Articles 14, 15, 19 and 21 of the Constitution. Surely jurisprudence for equal, fair and level playing fields for women cannot be impervious to a situation — however rare — which involves the highest functionary of the SC. A fair resolution of the charges against the CJI demanded that the committee invoke the spirit of the SC's past verdicts into institutionalise procedures for such a purpose. If the complainant's allegations are anything to go by, the committee seems to have fallen short of this.

The latest development in the case also invites other questions. How does the panel deal with the three-day testimony of the complainant? It surely can't pass an ex-parte order. Besides the fact that such orders are against the principle of natural justice, the SC itself has noted such orders are temporary and can be set aside under the Code of Civil Procedure. How can it ensure fairness when it insists on "informality"? Much will depend on how the full court, which sanctioned the three-member panel in the first place, reacts to the complainant's exit.

A FEW DAYS ago, an Indian Army mountaineering expedition to Makalu, the 8,485 metre peak in Western Nepal, tweeted sensational news that they had discovered footprints of a Yeti in the snow near Base Camp. With all due respect, I would never question the integrity or motives of India's armed forces, but the announcement, which infected social media like a viral fever as contagious as dengue, has caused a lot of amusement and some derision. Of course, this is not the first time that mountaineers have reported evidence of an abominable snowman in the high Himalaya and it will certainly not be the last. One of the relatively unknown aspects of alpine adventure is that climbers spend a great deal of time sitting around, acclimatising, waiting for the weather to clear and fighting boredom before setting off up a mountain. Base Camps have always provided a fertile environment for active imaginations, heightened anxieties and colourful storytelling.

The truth is, nobody can prove that the Yeti doesn't exist simply because it hasn't been found. Many of us believe in a lot of things for which there is no empirical evidence. And even for a sceptic like myself, there is something appealing about the idea of an undiscovered creature lurking out of sight. I would be the first person to celebrate if somebody came up with hard evidence proving the existence of a Yeti but, at the same time, I have serious doubts, because of so many false leads in the past, many of them based on ambiguous footprints in the snow.

Reports of fabulous creatures inhabiting the Himalaya have been around for a long time. In 300 BCE, Megasthenes, Alexander the Great's ambassador, wrote: "On a mountain called Nulo there live men whose feet are turned backward, who have heads like those of dogs, who are clothed with skins of wild beasts and whose speech is barking." This may be the first known report of a Yeti. One of the earliest modern accounts came from Frank Smythe, a legendary

climber and author of mountain literature. In 1937, accompanied by Wangdi Norbu and three other Sherpas from Darjeeling, Smythe spent two months in the Bhyunder Valley of Garhwal, which he describes in his book, *The Valley of Flowers*. One chapter recounts how Smythe and the Sherpas came upon a set of large footprints in the snow. Wangdi insisted these were the tracks of a "Ban Manshi" or "Mirka," two common names for the Yeti in the Solu-Khumbu region. Smythe describes his companions' terror and their insistence that this bloodthirsty creature preyed on yaks and men. They also told him that its feet point backwards. Taking photographs and tracing an outline of the print on the pages of a copy of the *Spectator* magazine in his rucksack, Smythe followed the tracks, both backwards and forwards, and saw where the creature had crossed a glacier. The route it followed was so expertly traversed that Smythe wrote a piece in the *Times*, noting that, "obviously the 'Snowman' was well qualified for membership of the Himalayan Club". He showed his photographs to scientists at the Zoological Society in London and they determined that these were the tracks of a Himalayan Brown Bear.

Of course, that didn't dissuade those who still wanted to believe in the Yeti. A lively exchange of letters from readers erupted in the *Times*, many demanding that the Royal Geographical Society immediately mount an expedition to find the Yeti. The story was then picked up by Bill Tilman and Eric Sipton, who were Smythe's contemporaries and two of the greatest British mountaineers. Tilman wrote a tongue-in-cheek piece in the *Alpine Journal* titled, "Himalayan Apéry" suggesting the imminent discovery of a "giant anthropoid". Sipton took the joke even further, aided by Sherpa Sen Tenzing. Following the 1951 Everest reconnaissance, Sipton published photographs of Yeti footprints that he claimed to have found on a glacier in the Menlung Basin, between Everest and Makalu. Jim Perrin, who has written a biog-

raphy of Tilman and Sipton, lets most of the air out of this long-standing mystery when he quotes Sir Edmund Hillary, who was a member of the 1951 expedition: "What you've got to understand is that Eric (Sipton) was a joker. He was forever pulling practical jokes. This footprint, see, he's gone round it with his knuckles, shaping the toe. He made it up, and of course he was with Sen Tenzing who was as big a joker as Eric."

Hilary, himself, used the myth of the Yeti to get funding for some of his projects. He also took the famous "Yeti scalp", from Khumjung Monastery, to America, where scientists at the Field Museum of Natural History in Chicago tested the relic and determined that it was a scrap of hide from a serow, a species of goat-antelope. A couple of years ago, on a visit to Khumjung, I paid Rs 250 to view the scalp at the monastery. With a conical shape, it has what looks like a hennaed hairdo and a neat middle part.

Daniel Taylor's recent book *Yeti: The Ecology of a Mystery* provides an exhaustively detailed account of the quest for this incredible beast. Taylor, himself, has explored the remote region near Makalu where the Indian Army reported their sighting of footprints. He also describes the expeditions led by a Texas millionaire, Tom Slick, who pursued the Yeti with blue tick bloodhounds imported to Nepal from America. Taylor admits that most of the evidence still points to bears, though he isn't quite willing to concede that the Yeti will never be found.

Searching for a creature that doesn't exist may seem like a lost cause, though this impossible quest involves appealing elements of romance and the ultimate reward may be that we discover something else instead. In this spirit, I extend my best wishes to the Indian Army climbers who are on their way to the top of Makalu. May they leave their own footprints on the summit!

Alter is the author of 20 books of fiction and non-fiction

CLARITY IN PUDUCHERRY

Madras High Court upholds a first principle of democracy: Elected government must run the administration, not the LG

THE MADRAS HIGH Court on Tuesday settled the question on who ought to run the administration in the Union Territory of Puducherry in favour of the legislature and the elected government. It has ruled that the office of the Lieutenant Governor should not interfere in the day-to-day administration when an elected government is in place. The court also clarified that government secretaries should report to the Council of Ministers headed by the chief minister on all official matters and are not empowered to issue orders on their own or upon the instructions of the administrator, namely the LG. The ungainly confrontation involving Puducherry LG Kiran Bedi and Chief Minister V Narayanaswamy should henceforth cease.

The order has come on a petition filed by K Lakshminarayanan, a Congress MLA, in 2017 which suggested that the LG ran a parallel government in Puducherry by conducting review meetings with officers and giving on-the-spot orders. The LG's office responded by claiming that the law bestowed on it powers to act independently of the government. It also sought to draw a parallel with the National Capital Territory of Delhi. The HC did not accept the claim and clarified that the laws that concern the two regions are different: Puducherry is governed by provisions of Article 239A of the Constitution while Article 239AA pertains to Delhi. Article 239AA has specific provisions that limits the administrative remit of the Delhi government since the NCT of Delhi is also the seat of the central government. Such exceptions are irrelevant in the case of Puducherry. The elected government is entrusted with the task of running the administration and it should be left to the electorate to punish the government if it fails to execute its mandate. The LG, an appointee of the Centre and the representative of the President, ought to exercise powers only in the event of a constitutional breakdown. This is the spirit that underlies parliamentary democracy, which the Madras High Court invoked. The court said: "The Central government as well as the Administrator (the term used in the Constitution to refer to the LG) should be true to the concept of democratic principles. Otherwise, the constitutional scheme of the country of being democratic and republic would be defeated."

The UT Act was formulated in 1963 and much has changed in Puducherry — and Delhi — since. The electorate perceives the legislature as the rightful body for making law and formulating policy and holds the elected government accountable for administration. As the court has said, the LG and the Council of Ministers must "avoid logjam and facilitate the smooth functioning of the government in public interest, leaving political differences apart".

YETI AGAIN

The Indian Army is being trolled for discovering the Abominable Snowman. Where are you, Indiana Jones?

AFTER A LONG and distinguished career spanning the gamut of the human imagination, from mythology to comic books, the Yeti has now reached social media. The abominable snowman was discovered by Twitter when an Indian Army handle with 5.9 million followers posted images of footprints in the snow near the Makalu base camp. They are 32 inches long, look exactly like Yeti footprints in *Tintin in Tibet*, and have fuelled a sharing frenzy, but the army is being mercilessly ridiculed. The army, which must not be criticised in the interest of national security. *Mumkin hai*.

Granted, there are puzzling inconsistencies with the popular image of the Yeti, a shaggy bipedal creature. For example, the prints seen all appear to have been made by one foot, suggesting that hopping is the Yeti's native form of locomotion. Social media is having a ball with that, but classical sources support the army. In *Indika*, the oldest known Greek work on India from the 5th century BC, the physician Ctesias wrote of a race of South Asian monopods who hopped, and also slept with their solitary foot held aloft, shading them from the sun.

Hopping Yetis are par for the course in Indian social media, a highly imaginative space. In recent days, it has featured Madonna singing the *Hanuman Chalisa*. A random guy has taken a video of buildings in Turin and passed them off as Rahul Gandhi's property, put out on rent. One of the buildings is the royal palace, incidentally. Twitter features such incredible discoveries every day, and one would have expected the occasional Yeti to go unnoticed. As it has gone, visually unnoticed, in its furtive existence since its footprints were first discovered in 1899 by Lt Col Laurence Waddell, archaeologist, Assyriologist, chemist, archaeologist, explorer, problematic historian and the Indiana Jones of his times.



C UDAY BHASKAR

MISSING THE NUCLEAR SHERPA

A figure like Senator Richard Lugar is needed to face current challenges

WITH THE PASSING away of Senator Richard Lugar (born 1932) on April 28, the US and the global community have lost a stoic and amazingly effective legislator-cum-sherpa of complex nuclear issues. The greater pity is that even as the world is grappling with more urgent and alarming nuclear-related exigencies, there appears to be nobody in the current generation of US (and global) legislators and policymakers who can envision making the kind of contribution that Lugar and his colleague Senator Sam Nunn did in the 1990s.

The anomalous end of the Cold War occurred in December 1991 when the Soviet Union became "former" and the formidable USSR shrank to a vulnerable Russia. The Cold War that was predicated on the amassing of apocalyptic nuclear weapons to ensure deterrence stability through MAD (mutually assured destruction) resulted in the creation of a huge nuclear and missile arsenal by both superpowers.

However, a weary, materially impoverished Moscow did not have the resources to monitor and safeguard its scattered WMD (weapons of mass destruction) inventory and the possibility of ex-Soviet nuclear warheads and fissile material falling into wrong hands posed a serious challenge. Appreciating the gravity of the situation, the two US senators introduced the radical Nunn-Lugar legislation that conceived of a nuclear arms dismantling programme, under which Washington provided the resources for the destruction of excess WMD inventory in different regions of the former USSR.

This proposal was initially opposed by the White House but the Lugar-Nunn team (a

Republican and Democrat respectively) were able to persuade their colleagues and the US national security establishment. The success of this perseverance is reflected in the fact that in 2011, almost 20 years after it was first mooted, the Nunn-Lugar legislation led to the deactivation of more than 7,500 strategic nuclear warheads and the destruction of more than 1,400 land- and submarine-launched ballistic missiles. This level of consensual nuclear weapons and related threat reduction between the two largest WMD nations remains unprecedented and on current evidence, given the prevailing US-Russia discord, it is unlikely to be repeated any time soon.

In the interim, the global nuclear weapon challenge has become even more intractable and the amber light signalling a breakdown of the wobbly nuclear order is flashing. Regrettably, the slender optimism that was generated in the Barack Obama years is now a distant memory.

In an unintended coincidence, Senator Lugar passed away a day before the global community (excluding India) began the preparatory deliberations for the NPT (nuclear non-proliferation treaty) Review conference of 2020. The 10-day NPT Prepcom 2019 opened in New York on April 29 and the list of global nuclear challenges is daunting.

At the macro-level, the US and Russia, accusing each other of treaty violations, have announced that they are walking away from the 1987 INF (Intermediate-Range Nuclear Forces) Treaty with effect from August 2. What this means is there will be no binding treaty obligations to restrain the US and Russia from either modernising their nuclear inventory or

introducing even more lethal weapons to assuage their strategic insecurities.

Paradoxically, at the height of the Cold War, the two superpowers perceived the other as the "enemy" but their professional arms control negotiators had a robust and regular engagement for treaty compliance that ensured nuclear stability.

At the secondary and tertiary levels, the orientation of the medium nuclear powers and those perceived to be acquiring this capability (Iran) pose unexpected challenges to the global nuclear order. The most complex nuclear nettles are North Korea and Pakistan, given their linkage to terrorism and the umbilical ties with Beijing. Israel, with its opaque nuclear capability, prevents any consensus in the Middle East and this is the tip of the iceberg. The non-state entity and the technology-market trajectory poses an entirely different set of WMD-related security nightmares.

India, it may be recalled, is a non-NPT signatory that has been accorded exceptional status in the global nuclear regime. However, like the Trump reference to the size of the US nuclear button, the Modi Diwali quip adds to the current global discomfiture about leadership sagacity among democracies.

The preliminary deliberations at New York indicate that the NPT cannot deal with the current global nuclear challenge and some radical initiatives in the Richard Lugar mode are urgently called for. Alas, the US and global bench strength of perspicacious and committed nuclear policymakers is very modest.

The writer is director, Society for Policy Studies

MAY 2, 1979, FORTY YEARS AGO

MAY DAY MAGIC

PEKING THREW OFF its stolid gray habit for glowing red lanterns and mile-long necklaces of electric lights to celebrate International Labour Day. On May Day eve, the city glowed and firecrackers popped in the distance. Every building in Tiananmen Square was edged with thousands of white lights. Thousands of Soviet citizens took part in the May Day parade at the decked up Red Square in Moscow, too. The Soviet president, Leonid Brezhnev, took the salute and accepted greetings from workers, peasants and other Soviet people. In Teheran, thousands of jubilant marchers paraded through the city in the first mass celebration of the May

day holiday in Iran in recent times.

SANJAY GANDHI ARREST SANJAY GANDHI WAS arrested today along with about 400 Youth Congress workers, when the procession he was leading, demanding the withdrawal of the Special Courts Bill, turned violent. Others arrested today also included Jagdish Tytler, president of Delhi Pradesh Youth Congress (I), who organised the procession. The DPYC (I) had earlier prepared a memorandum to be presented to the PM with demands including ownership rights to residents of resettlement colonies and enhancement of dearness allowance for workers.

ADOPTION BILL

PRIME MINISTER MORARJI Desai will meet opposition leaders for a consensus on the proposed Bill on adoption of children, Shanti Bhushan, Union law minister, announced. Bhushan said the meeting would "thrash out in what form the Bill would be introduced" so that its passage is smooth. He said the Bill was introduced in the Rajya Sabha in 1972 and referred to a joint select committee which took some years to examine it. After it came back to the Rajya Sabha, the Bill was withdrawn as some parties wanted to oppose it. Now various social welfare organisations were pressing for the Bill as it was the International Year of the Child.



13 THE IDEAS PAGE

WHAT THE OTHERS SAY

“China’s nuclear force must be enough to deter US hawks’ ideas of making strategic threats toward China.” — GLOBAL TIMES, CHINA

The Court’s conscience

Accusations against Chief Justice are a test — and an opportunity — for the Supreme Court. It can set an example of how inquiries ought to be conducted, usher an era of gender equality



MEENAKSHI ARORA AND PAYAL CHAWLA

AS THE WORLD watched with horror the appointment of Brett Kavanaugh to the US Supreme Court, in the face of accusations of sexual assault by the credible and poised Christine Blasey Ford, we, in India, remained quietly proud of our Supreme Court. And then all that changed. On April 20, an aghast nation watched the Saturday morning “mas-sacre” of the Constitution and natural justice in open court.

The allegation against the Chief Justice of India (CJI) was disheartening, but it is the post-allegation conduct, that too by the Supreme Court (SC), that was truly alarming. The criticism that followed, particularly in regard to being a judge in one’s own cause, was sharp and swift. To many, constitutional principles were at risk — but for women, it was personal.

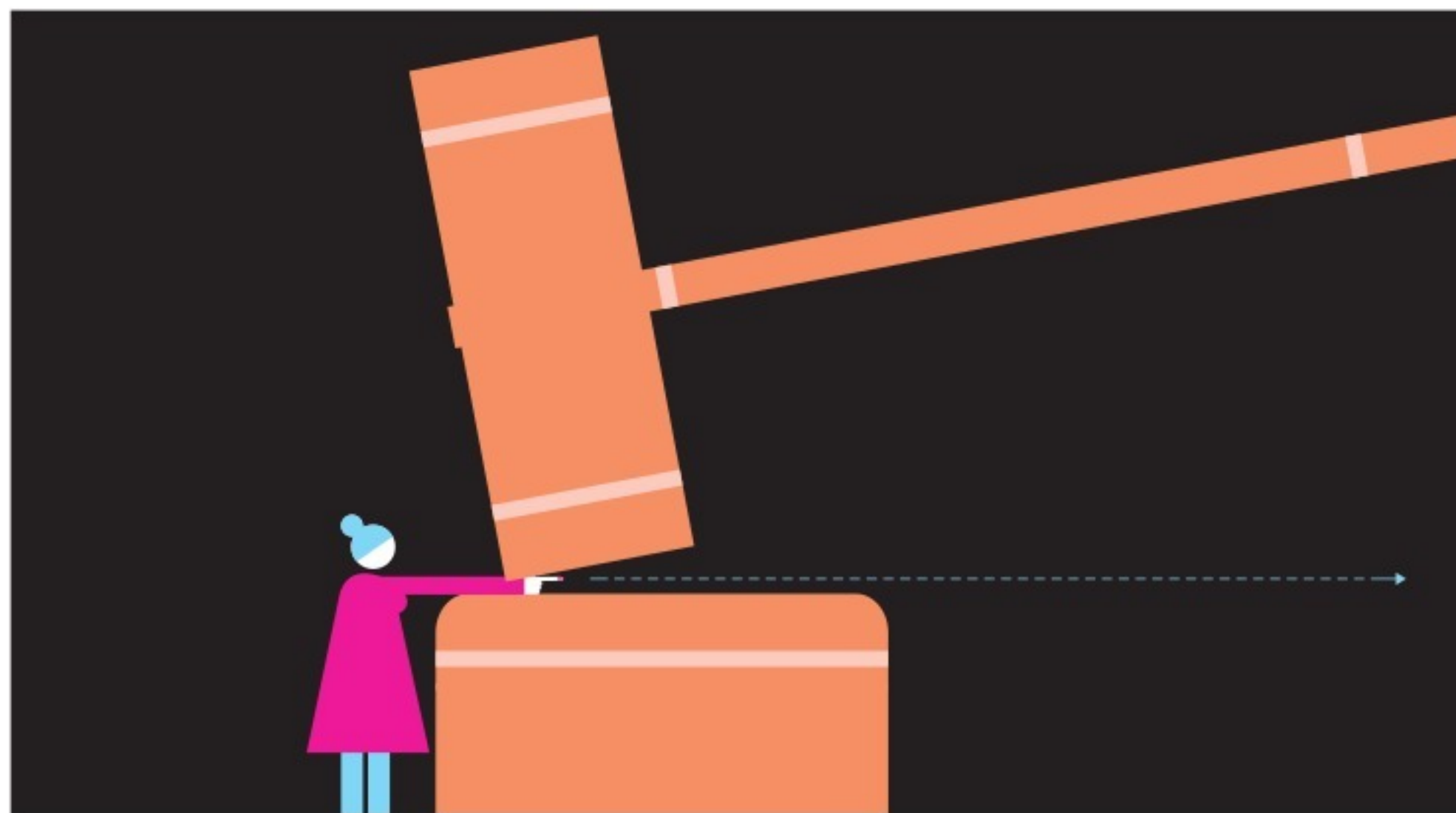
The despondency amongst women grew with each development. The SC said “the independence of the judiciary was under very serious threat and there is a larger conspiracy to destabilise the judiciary”. This serious charge was followed up with the emergence of clumsy stories. Allegations flew fast and loose, at “jaguar” speed. Rumours and conspiracy theories abounded. There were developing allegations, traversing “disgruntled judges” on social media, which finally settled, on affidavit, to a “corporate figure” and “disgruntled employees and former employees of the Supreme Court”.

Curiously, even without the initiation of an inquiry into the allegations by the victim, the government showed its solidarity with the judiciary. A healthy tension between the three arms of the state that marks the separation of powers has been the hallmark of our democracy. To women, it appeared the “big boys” had closed ranks.

With the constitution of the Bobde Panel, it appeared that good sense had prevailed. This panel is not in terms of the Vishakha guidelines or the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”), since neither applies to SC judges. But even before a debate around this issue could begin, another bench was constituted to enquire into the allegations of a “conspiracy” against the CJI. As members of the Bar, we watched the young lawyer’s conduct on full display in open court, which included a refusal to apologise and a protest walk-out. In all fairness, the hearing concluded on a positive note, with the constitution of the Justice A K Patnaik (Retd.) Committee, which brought with it a sense of relief and calm.

However, as the drama continued to unfold, on April 25, the front page of a leading newspaper proclaimed, “many SC judges request all-male staff at their residential offices”.

Here is what we, as women, heard: One, if you are being sexually harassed, stand back and bear with it. Two, if you rebuff an advance, we will go after you, your family, your livelihood and credibility. Three, if you somehow garner the courage to complain, we will



C R Sasikumar

marginalise you, and create the narrative that women have the propensity to make false complaints. Four, we will squash every credible allegation by closing ranks, playing the victim and question your antecedents.

It is imperative to mention that the statements made by judges, if any, are unverified. However, spoken and unspoken words from the SC matter. Even insinuations can adversely impact not only the morale of women, but also their economic rights — leading to denial of equal opportunity at the workplace, inequitable pay — and that continues the cycle of an inequitable domestic balance. Importantly, it legitimises the excesses of men and the disparate treatment of women.

Remember, the road to equality for women has been a long and arduous one. The first major break-through came in 1996, with the landmark judgment of *Vishakhav. State of Rajasthan*, which filled a glaring lacuna in the law. It held fort for 16 long years till the enactment of the POSH Act in 2013.

Vishakha, paradoxically, had both an empowering and debilitating impact. It empowered women to pursue their careers under the protection of law; but debilitated women who took recourse to it, branding them social outcasts. For example, a senior bureaucrat found it impossible to be accepted back at work, even though her allegations against her superior officer were found to be true by the SC. Her male colleagues refused to have closed-door one-on-one meetings with her. Her suffering was belittled, and her credibility undermined, making it impossible for her to continue working. It broke her spirit and ultimately, she resigned.

Fear of false accusations by men are wholly exaggerated, particularly when it comes to the SC. In 69 years, only two former judges have been accused of sexual harassment. Not a single sitting judge has been accused prior to the present allegations. Even with regard to allegations surrounding retired judges, the statements of the victims were distrusted by many and said to be “motivated”. The incidents caused men to close ranks, and their offices, to women. Rumours abounded that no woman lawyer will be allowed to clerk with judges, that practising women lawyers will find it difficult to obtain one-on-one meetings with male colleagues. Members of the Bar were “advised” by “well-wishers” that women

Whatever course the SC takes, its actions will have lasting consequences. The lack of a fair inquiry will lead to deeper divides, greater misogyny and thicker glass ceilings and wider glass walls. As the most powerful court in the world, our Supreme Court still has the unique opportunity to show how free and fair investigations can be conducted, paving the way for a new era of equality and dignity for women, and to leave a lasting legacy for the world to follow.

should a witness to every interaction.

That was 2014. This is 2019. We are on the heels of the #MeToo and #TimesUp movements. But nothing has changed. These movements have been built on the premise that the victim, at the outset, must be believed, and a free and fair investigation must ensue. It is imperative to remember that sexual offences usually take place behind closed doors, where the victim is often the only witness. If a woman is brave enough to make her allegations public, we must at least extend to her the basic courtesy of listening. Disbelieving victims emboldens abusers and dissuades women from taking legitimate recourse to the law. The first attack is still to the credibility and integrity of the victim. She has to first establish her own credibility, before proceeding to establish her case.

In the darkness of these circumstances, there was an opportunity to change the manner in which the credibility of the victims is perceived. And this change could have been driven from the highest judicial office of the land. The CJI could have chosen to lead that change from the front. But alas!

Briefly, hope rested with the Bobde Panel. But in less than six days, the victim withdrew from the proceedings. The future is uncertain.

Whatever course the SC takes, its actions will have lasting consequences. The lack of a fair inquiry will lead to deeper divides, greater misogyny and thicker glass ceilings and wider glass walls. As the most powerful court in the world, our Supreme Court still has the unique opportunity to show how free and fair investigations can be conducted, paving the way for a new era of equality and dignity for women, and to leave a lasting legacy for the world to follow.

We implore our eminent jurists, legal scholars, and judges — both sitting and former, who have so often said that in a democracy institutions are only answerable to the “people” who are supreme, — to come out in support of women. Your silence at the moment is deafening. Let it not reach such a crescendo that you can no longer hear the voice of your conscience.

Arora is a senior advocate at the Supreme Court of India. Chawla is founder of JUSCONTRACTUS, India’s first and only all-women law firm

The Iran conundrum

Washington’s confrontation with Tehran over oil is unlikely to force a regime change



RAMIN JAHANBEGLOO

US SECRETARY OF State Michael R Pompeo recently announced that the Trump administration was ending all the waivers granted to eight countries including Greece, Italy, India, Japan, China, Turkey and South Korea to wean them away from Iranian oil. The US had granted these countries temporary waivers to import Iranian oil when the Trump administration re-imposed sanctions on Tehran in November.

Addressing the media, Pompeo had said, “Today’s announcement builds on the already significant successes of our pressure campaign. We will continue to apply maximum pressure on the Iranian regime until its leaders change their destructive behaviour, respect the rights of the Iranian people, and return to the negotiating table.” The goal of the exercise is to reduce Iranian crude oil exports to zero and deprive the present Iranian regime of all its foreign exchange from oil exports.

However, this move of the Americans could trigger a rise in oil prices on the world market. The prices had risen already when the US announced sanctions on Iranian oil buyers. Global crude prices rose by three per cent in Asia followed by the Brent crude futures climbing to more than \$74/barrel, but remained below their October high of \$86/barrel.

Though Pompeo did say the move was aimed at squeezing Iranian economy, he did not mention the word “embargo”, which needs to be enforced by the US navy and could be interpreted by the Iranians as an act of war. Therefore, the new measure taken by the Trump administration appears to be a threat to impose unilateral sanctions on countries that continue to purchase Iran’s oil. China and India are the biggest buyers of the Iranian crude oil. Until March, India was restricted to daily purchases of some 2,58,000 barrels per day of Iranian oil. As for China and Japan, they imported 6,13,000 and 1,08,000 barrels of Iranian oil per day. Consequently, without foreign capital, Iran will not be able to produce more oil and gas for export. Iran also needs a legal framework that would help to attract foreign investment. Meanwhile, the Trump administration, by escalating its economic warfare against Iran, is hoping to weaken the Islamic Revolutionary Guard Corps (IRGC) and its elite Quds Force and turn ordinary Iranian citizens against the Islamic regime.

Some weeks ago, the US had designated the IRGC as a terrorist organisation. This marked the first time the US administration labeled a branch of a foreign government a terrorist entity. Both Saudi Arabia and Israel

applauded the US move, but Washington’s move will certainly put countries such as Iraq and Lebanon in even more difficult situations as they have no alternative but to deal with the IRGC’s military and financial presence. The designation of the IRGC as a terrorist institution allows the US to prosecute individuals and firms which have provided the IRGC with material support. Once again, this includes European and Asian companies that deal with the affiliates of the IRGC. Meanwhile, the response of Iran’s supreme leader to the US measures has been to replace Major General Mohammad Ali Jafari with General Hossein Salami as the head of the IRGC. Salami is well known for his warmongering against the US. Like many of his generation, he joined the IRGC during the Iran-Iraq war in the 1980s and held a number of posts, including as the in-charge of the institution’s internal affairs. As we can see, Iran’s response to the harsh American sanctions is to play the card of brute force against the US.

This said, while the ideological enmity between Iran and the US is taking irrational dimensions, the EU and the UN need to take a more proactive role in order to ease escalating tensions and dangers of war in the Persian Gulf region. While the Trump administration is running out of ways to demonstrate its hostility toward Iran before the US presidential elections, the harsh reactions of the regime of the Ayatollahs has already helped the re-election of Benjamin Netanyahu in Israel.

Iran has no way to impose economic sanctions on the US and its allies in the Middle East. But its militias and proxies can retaliate to any military provocation from the US or Israel. To be sure, the organic connection between the Lebanese Hezbollah and the IRGC has lasted for over three decades. Moreover, Hezbollah’s ties to Iran constitute a strategic partnership and the Ayatollahs and the IRGC consider Nasrallah and a few other senior Hezbollah officials as reliable allies in an eventual confrontation with Israel or the US.

So, as the US rhetoric against Iran heats up, more arguments will no doubt be made that there will be military limits to Trump’s confrontation with the regime of the Ayatollahs. As a matter of fact, while ratcheting up the pressure on Iran by scrapping sanction exemptions that allowed the Islamic republic to export oil to key allies, in a closed-door meeting with Iranian-American community leaders at the Renaissance Dallas Hotel, Pompeo affirmed that the Trump administration is “not going to do a military exercise inside Iran” to expedite a regime change. This is a significant move coming from the Trump administration, which shows that despite all the enmity shown against Iran, the decision to overthrow militarily the regime in Tehran is not for tomorrow.

The writer is professor and vice-dean, Jindal Global University

Whose right is it anyway?

PepsiCo’s attempt to sue farmers highlights the lacunae in IPR laws



RAJSHREE CHANDRA

THERE COULD NOT have been a better heading for the IE editorial (April 30) on PepsiCo’s infringement suit against the farmers who have been accused of illegally cultivating a licensed variety of potato used for PepsiCo’s chips brand, “Lays”. “Lay off”, it said. It could have been saying, “back off Pepsi, the Indian farmer has rights under the Protection of Plant Variety and Farmers Rights (PPV&FR) Act”. Or, resonating with the boycott Indian brigade on social media, it could have been saying, “lay off the chips and other associated Pepsi products”. However it spoke to us, this should not be just an occasion to take easy sides in this David vs Goliath story. It should also occasion a more serious questioning.

Who is the rightful owner of the potato variety, FL 2027? Is it the farmer who bought, planted, harvested the potatoes from his own farm, or is it the innovator who cross-bred and modified the potato to have a low moisture content for crispier chips? Who should be the rightful bearer of rights is central to the conduct of liberal democracies and free markets.

Once upon a (capitalism) time, transnational corporations were the biggest votaries of a free-market economy (or so we thought). They wanted a level playing field, wanted trade barriers to be removed so that every corporation, irrespective of their country of origin, could participate freely without being discriminated against. This is the ker-

nel of the GATT agreement and the driving logic of the WTO. So, why can’t the farmer be left free to cultivate a variety of potato that he considers as a profitable proposition? In this “free world”, why is it that a PepsiCo India feels emboldened to take away this freedom from nine farmers?

The dominant framework of international intellectual property (IP) law — TRIPS (Trade Related Aspects of Intellectual Property Rights) and the UPOV (Union for the Protection of Plant Varieties) — gives plant breeders exclusive rights over the varieties they develop, and mostly disregards customary rights of indigenous and farming communities to their genetic resources and associated knowledges. This bias has percolated to various national laws, rendering ownership claims of farmers subordinate to corporate breeders’ rights.

Unlike other realms of IP, the biological realm is self-propagating. The technology of propagation is not external but internal to the plant system. Therefore, it is never rational for a farmer, as Berland and Lewontin point out, to pay a second time for something he has already bought and still possesses in

the form of his seed crop. This creates a barrier for full commodification and monopoly profits. So, in order to prevent free replication of seeds, IP law creates enclaves of prohibition and protection, making the farmer’s natural right to save, re-use and sell seeds illegal in many countries.

Recognising the bias in international law, the Indian PPV & FRA law (2001), entitles not just the breeder but also the farmer. The conjoining of the two rights, it was argued, would facilitate the growth of the seed industry, ensure the availability of high-quality seeds, as well as secure the livelihood and plant varieties of the farmers. Accommodating these twin purposes meant granting recognition of the proprietary claims of both the farmers and breeders, more accurately, of farm-ers as breeders (Section 2(c)). It gives the farmer the right to “save, use, sow, re-sow, exchange, share or sell” produce/seeds (S. 39 (1)(iv)). Importantly, the Indian farmer is permitted to even “brown bag seeds” — sell any variety of seed on the condition that they are sold in an unbranded form. This means that the nine farmers were well within their rights to cultivate the potato FL

2027 variety without entering into a licensing or technology agreement with PepsiCo. With the farmers refusing to back down, and with PepsiCo now offering an out-of-court settlement, the latter has effectively withdrawn the threat of the infringement suit. Perhaps it was never about legality, just brute economic might masquerading as legality. That PepsiCo was on weak legal ground may have been a matter well-known to its lawyers. But interestingly, even the worst-case scenario may have held the promise of dividends. How a legal provision plays out is seldom a foregone conclusion. It is contingent on a number of factors coming together — political, legal, financial, media attention, to name just a few — not an easy conjuncture to replicate, especially for the small guys. A precedent like this will always hang like a sword, possibly deterring future farming of these “hot potatoes”.

Indian law grants the farmers and breeders co-equal rights. But the PPV&FRA law is mired in conflicting claims and jurisdictions, may not be able to enact a similar redress in future contests. Beyond legalities, it’s time we, as a society, understood a simple truth — unfettered IP rights will always have the capacity to hurt the small farmers. It’s time we understood that they also serve who only stand and wait. Put contextually, they also innovate who plant and cultivate.

The writer is senior visiting fellow, CPR, Delhi

LETTER TO THE EDITOR

EMERGENCY STEP

THIS REFERS TO the editorial, ‘Wrong step’ (IE, May 1). The editorial seems to be confused in the point it is trying to make. On the one hand, it argues that the Sri Lankan government’s move to ban the niqab is a wrong one and on the other hand, it details the steps taken by Muslim civil society in Sri Lanka, which, in a way, are in consonance with the government’s decision. This is time when Sri Lanka is going through a crisis and Emergency has been imposed. Not all the steps by the country’s government will satisfy everyone’s demand. The Sri Lankan government has announced a broad ban, on face coverings as a whole, and not targeted any specific community, unlike some European countries.

Mohit, via e-mail

A MODEL EC

THIS REFERS TO the report, ‘PM majority-minority speech: EC says does not violate poll code’ (IE, May 1). The Election Commission’s clean chit to Prime Minister Narendra Modi isn’t surprising. But the opposition parties can hardly accuse the Election Commission of partiality. In fact, the Election Commission has ignored blatant violations of the model code of conduct by parties across the board. The recent two-day bans may have impressed TV anchors, but they don’t even qualify as a rap on the knuckles of the culprits. It is imperative that post the election season, the Supreme Court deals firmly with the EC’s total abdication of responsibility. There is a model code of conduct in writing and it will be easy to pinpoint lapses by the EC officials.

SB Bhalerao, Mumbai

LETTER OF THE WEEK AWARD

To encourage quality reader intervention, The Indian Express offers the Letter of the Week award. The letter adjudged the best for the week is published every Saturday. Letters may be e-mailed to editpage@expressindia.com or sent to The Indian Express, B-1/B, Sector 10, Noida-UP 201301. Letter writers should mention their postal address and phone number.

THE WINNER RECEIVES SELECT EXPRESS PUBLICATIONS

ISIS AGAIN

THIS REFERS TO the article, ‘A resurgence foretold’ (IE, May 1). The recent claims about ISIS’s annihilation have fallen flat with the April 21 Easter attacks on Sri Lankan soil. With its defeat in Syria, the ISIS might have been obliterated as a “Caliphate”, but its ideology persists and is spreading. Continuous radical indoctrination through online platforms and networks across borders has sustained the ideology. While the global powers could contain the ISIS in conventional warfare, nipping this evil in the bud requires much more — an evocation of the spirit of inclusion, love and common brotherhood.

Anirudh Parashar, Solan



@ieExplained

#ExpressExplained

If there are questions of current or contemporary relevance that you would like explained, please write to explained@expressindia.com

TELLING NUMBERS

Wimbledon hikes prize money, here's what the Grand Slams pay

ON TUESDAY, the All England Club announced that the total prize money for Wimbledon will be £38 million this year, an increase of 11.8% from 2018. The 2019 total is equivalent to US \$49 million. This surpasses the prize money of Australian \$62.5 million (US \$44 million) given for the Australian Open this year, which was 14% above the 2018 prize money in Melbourne. The Wimbledon total is also more than the €42.6 million (\$48 million) given for the recently concluded French Open, a hike of 8% from 2018. The highest prize money for any of the four Grand Slam events is at the US Open, which handed out \$53 million in August-September 2018, an in-

TOURNAMENT TOTALS

(In US dollar equivalent)

US Open 2018	\$53 mn
Wimbledon 2019	\$49 mn
French Open 2019	\$48 mn
Australian Open 2019	\$44 mn

crease of 5% from the 2017 total.

At Wimbledon, the men's and women's singles champions will receive £2.35 million each, which is £100,000 more than in 2018. Prize money for rounds one to three in singles will rise by 10%, with £45,000 now the compensation for a first-round singles exit.

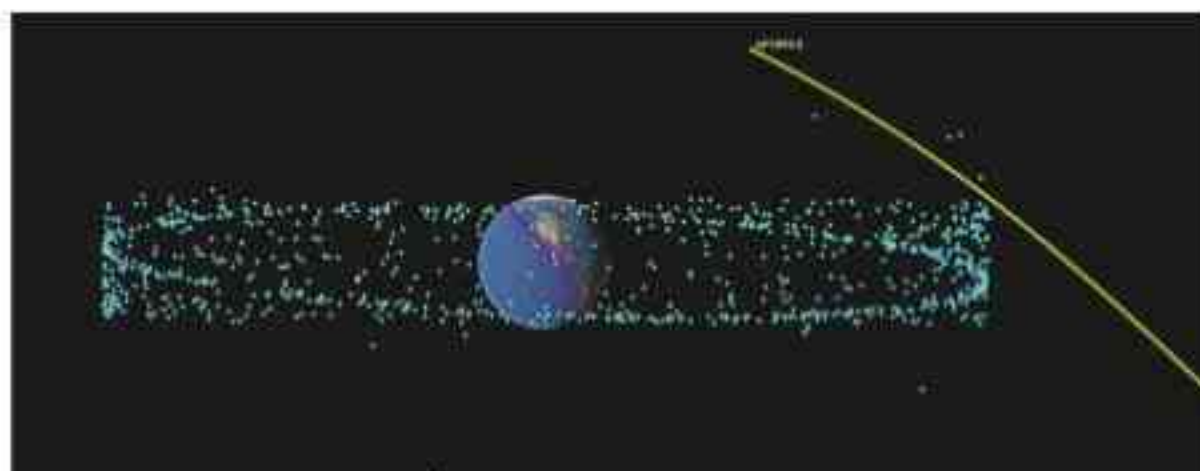
STAGE BY STAGE

	US Open 2018	Australian Open 2019	French Open 2019	Wimbledon 2019
Total prize	\$53 million	Aus \$62.5 mn	€42.6 mn	£38 mn
SINGLES				
Winner	\$3,800,000	Aus \$4,100,000	€2,300,000	£2,350,000
Runner-up	\$1,850,000	Aus \$2,050,000	€1,180,000	£1,175,000
Semifinalist	\$925,000	Aus \$920,000	€590,000	£588,000
Quarterfinalist	\$475,000	Aus \$460,000	€415,000	£294,000
Fourth round	\$266,000	Aus \$260,000	€243,000	£176,000
Third round	\$156,000	Aus \$155,000	€143,000	£111,000
Second round	\$93,000	Aus \$105,000	€87,000	£72,000
First round	\$54,000	Aus \$75,000	€46,000	£45,000
DOUBLES (EACH TEAM)				
Winner	\$700,000	Aus \$750,000	€580,000	£540,000
Runner-up	\$350,000	Aus \$375,000	€290,000	£270,000
Semifinalist	\$166,400	Aus \$190,000	€146,000	£135,000
Quarterfinalist	\$85,275	Aus \$100,000	€79,500	£67,000
Third round	\$46,500	Aus \$55,000	€42,500	£32,000
Second round	\$27,875	Aus \$32,500	€23,000	£19,000
First round	\$16,500	Aus \$21,000	€11,500	£12,000

THIS WORD MEANS

99942 APOPHIS

A large asteroid that is set to cruise by Earth in 2029. What do scientists hope to learn from it?



Artist's representation of the Apophis asteroid at closest approach. The dots denote man-made satellites orbiting Earth. NASA/JPL

ON APRIL 13, 2029, a near-Earth asteroid will cruise by Earth, about 31,000 km above the surface. Although the flyby is expected to be harmless, the international asteroid research community is excited, with scientists drawing up plans 10 years in advance on how they will observe it with optical and radar telescopes, and discussing what they hope to learn.

The asteroid, called 99942 Apophis, is 340 m wide. At one point, it will travel more than the width of the full Moon within a minute and it will get as bright as the stars in the Little Dipper, according to NASA's Jet Propulsion Laboratory. It is

rare for an asteroid this size to pass by Earth so close. Although scientists have spotted small asteroids, on the order of 5-10 metres, flying by Earth at a similar distance, asteroids the size of Apophis are far fewer in number and so do not pass this close to Earth as often. Among potential lessons from Apophis, scientists are hoping they can use its flyby to learn about an asteroid's interior. Apophis is one of about 2,000 currently known Potentially Hazardous Asteroids, and scientists also hope their observations might help gain important scientific knowledge that could one day be used for planetary defence.

As per SBI's formula, the new rate for savings bank deposits above Rs 1 lakh and up to Rs 1 crore will be 2.75% below the current repo rate — which works out to 3.25% per annum, as against the 3.5% offered so far.

For savings bank deposits above Rs 1 crore, the new rate will be 3.75%, down from the earlier rate of 4%.

All cash credit accounts and overdrafts with limits above Rs 1 lakh will be linked to the repo rate (current repo rate of 6% plus a

spread of 2.25%), the bank has said. Risk premiums over and above this floor rate will be based on the risk profile of the borrower, as is the current practice.

How will small depositors and small borrowers be impacted?

Savings account deposits with balances less than Rs 1 lakh will continue to earn 3.5% interest — the same as the old rate fixed for these accounts. This interest rate is also subject to change by the bank as per RBI rules, but it will not be reset automatically as the repo rate moves.

Once the savings bank deposits cross the Rs 1 lakh mark, the lower interest rate will be automatically applicable. There is relief for small borrowers with cash credit or overdraft limits up to Rs 1 lakh, as they will

not be linked to the repo rate.

What is the purpose of linking interest rates to an RBI benchmark rate?

In its December 2018 monetary policy meet, which was also the last policy of former Governor Urjit Patel, the RBI had proposed the benchmarking of fresh floating-rate retail loans and loans to micro and small enterprises to an external benchmark like repo rate or Treasury Bill rate, effective April 1, 2019.

According to the RBI, the spread over the benchmark rate — to be decided at banks' discretion at the inception of the loan — should remain unchanged through the life of the loan, unless the borrower's credit assessment undergoes substantial change.

SIMPLY PUT
Why Fani is an unusual storm

Powerful cyclonic storm heads for Odisha. Cyclones emerging over Bay of Bengal in April-May are usually weaker, and often swerve away from India's east coast. What explains Fani's unusual strength and route?

AMITABH SINHA

PUNE, MAY 1

A POWERFUL cyclonic storm named Fani (pronounced Foni) is headed towards the Odisha coast, with its landfall forecast near Puri Friday. Expected to generate storms with wind speeds as high as 200 km per hour, it has the potential to cause widespread damage in Odisha and neighbouring states. The last time such a powerful cyclonic storm had emerged in the Bay of Bengal at this time of the year, in 2008, it had killed more than 1.25 lakh people in Myanmar. But that was mainly because of the lack of a sophisticated warning system and enough logistical preparedness to evacuate people.

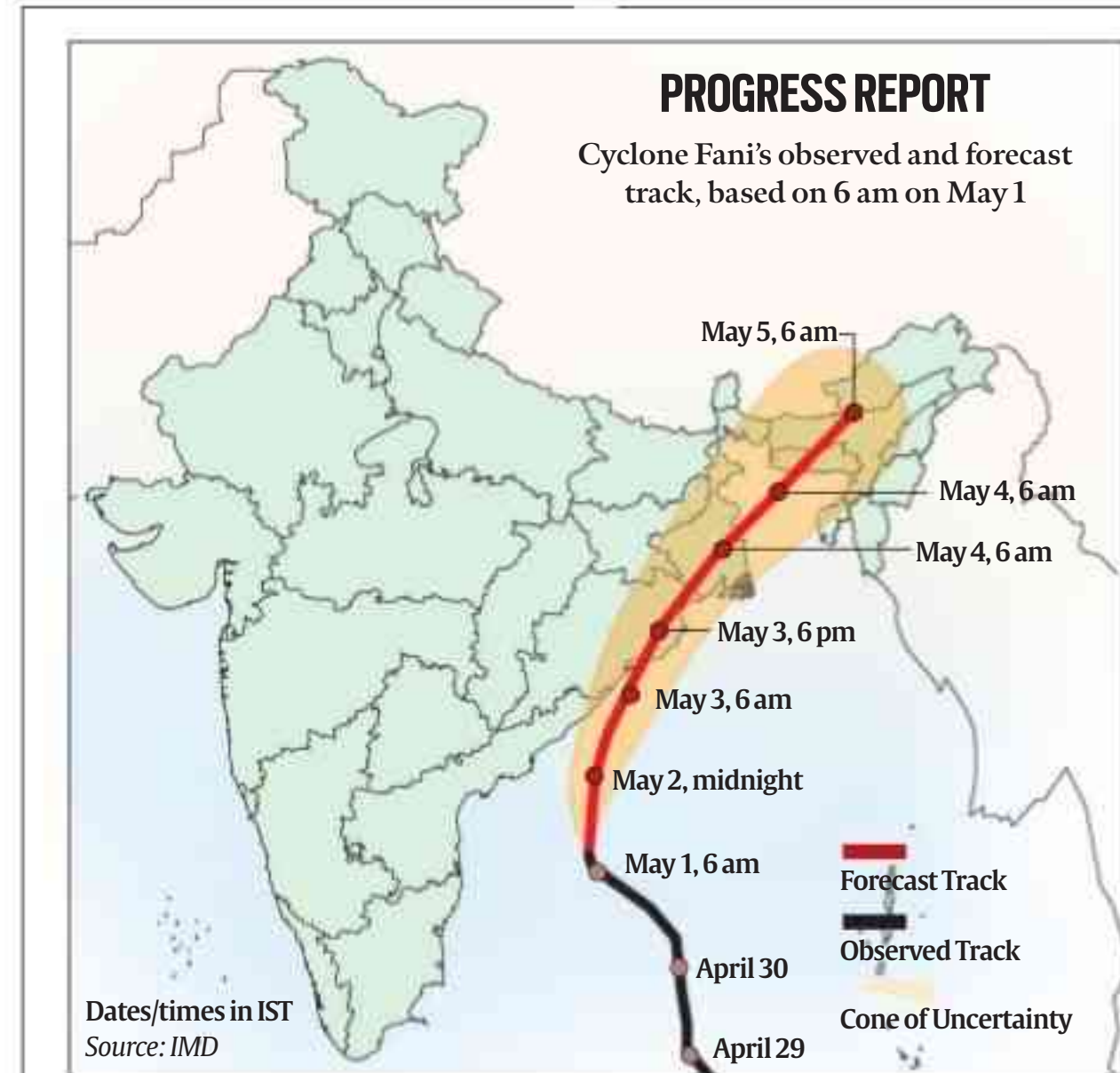
Fani, on the other hand, has been continuously monitored ever since it developed southeast of Sri Lanka about a week ago, warnings have been issued after every few hours to fishermen and people living in coastal regions, and a massive emergency preparedness has been mounted. In the last few years, India has impressively managed disasters caused by cyclones, most remarkably during Cyclone Phailin of 2013, which was even stronger than the approaching Fani.

Fani, the outlier

The eastern coast of India is no stranger to cyclones. On an average, five to six significant cyclonic storms emerge in the Bay of Bengal region every year. The months of April and May just before the start of the monsoon, and then October to December immediately after the end of the monsoon, are the prime seasons for tropical cyclones.

Yet, Fani is a little outlier, mainly on account of its strength, and the route it has taken. Cyclones emerging in April-May usually are much weaker than those during October-December. There have been only 14 instances of a "severe cyclone" forming in the Bay of Bengal region in April since 1891, and only one of them, which formed in 1956, touched the Indian mainland. The others all swerved northeast to hit Bangladesh, Myanmar or other countries in the southeast Asian region. Since 1990, there have been only four such cyclones in April.

Fani is not just a severe cyclone but an "extremely severe cyclone". Tropical cyclones in the Bay of Bengal are graded according to maximum wind speeds at their centre. At the lower end are depressions that generate wind speeds of 30 to 60 km per hour, followed by cyclonic storms (61 to 88 kph), severe cyclonic storms (89 to 117 kph) and very severe cyclonic storms (118 to 166 kph). At the top are extremely severe cyclonic storms (167 to 221 kph) and super cyclones



Fishermen in Odisha return to shore Wednesday after an alert on Fani. ANI

(222 kph or higher).

Fani is, thus, unusual, and that is mainly because of the place it originated, very close to the Equator, and the long route it has taken to reach the landmass.

Strengthening over seas

Cyclones are formed over slightly warm ocean waters. The temperature of the top layer of the sea, up to a depth of about 60 metres, need to be at least 28°C to support the formation of a cyclone. This explains why the April-May and October-December periods are con-

ducive for cyclones. Then, the low level of air above the waters needs to have an 'anticlockwise' rotation (in the northern hemisphere; clockwise in the southern hemisphere). During these periods, there is a zone in the Bay of Bengal region (called the inter-tropical convergence zone that shifts with seasons) whose southern boundary experiences winds from west to east, while the northern boundary has winds flowing east to west. This induces the anticlockwise rotation of air.

Once formed, cyclones in this area usually move northwest. As it travels over the

sea, the cyclone gathers more moist air from the warm sea, and adds to its heft.

A thumb rule for cyclones (or hurricanes and typhoons as they are called in the US and Japan) is that the more time they spend over the seas, the stronger they become. Hurricanes around the US, which originate in the vast open Pacific Ocean, are usually much more stronger than the tropical cyclones in the Bay of Bengal, a relatively narrow and enclosed region. The cyclones originating here, after hitting the landmass, decay rapidly due to friction and absence of moisture.

In situ origins

A big difference between the strengths of cyclones in April-May and October-December is that the former originate *in situ* in the Bay of Bengal itself, barely a few hundred kilometres from the landmass. On the other hand, cyclones in October-December are usually remnants of cyclonic systems that emerge in the Pacific Ocean, but manage to come to the Bay of Bengal, considerably weakened after crossing the southeast Asian landmass near the South China Sea. These systems already have some energy, and gather momentum as they traverse over the Bay of Bengal.

"April-May is not the season for typhoons in the west Pacific Ocean. Most of the typhoons in west Pacific in northern hemisphere form between June and November. That is why almost all the cyclones in the Bay of Bengal in April-May period are *in situ* systems," said P V Joseph, a former director of the India Meteorological Department.

How Fani grew muscle

The *in situ* cyclonic systems in the Bay of Bengal usually originate around latitude 10°, in line with Chennai or Thiruvananthapuram. Fani, on the other hand, originated quite close to the Equator, around latitude 2°, well below the Sri Lankan landmass. The forecast landfall on the Odisha coast is at a latitude of almost 20°. It has traversed a long way on the sea, thus gaining strength that is unusual for cyclones originating in the Bay of Bengal in this season.

It was initially headed northwestwards, towards the Tamil Nadu coast, but changed course midway, and swerved northeast away from the coastline to reach Odisha. That has given it even more time on the sea.

"If it had remained on its original course, and made a landfall over the Tamil Nadu coastline, Fani would only have been a normal cyclone, not the extremely severe cyclone it has now become. The recurve it has taken gave it more time over the sea and has ensured that it has gathered unusual strength," said meteorologist UC Mohanty of IIT Bhubaneswar.

What Facebook's vision of 'privacy' shows

SHRUTI DHAPOLA

NEW DELHI, MAY 1

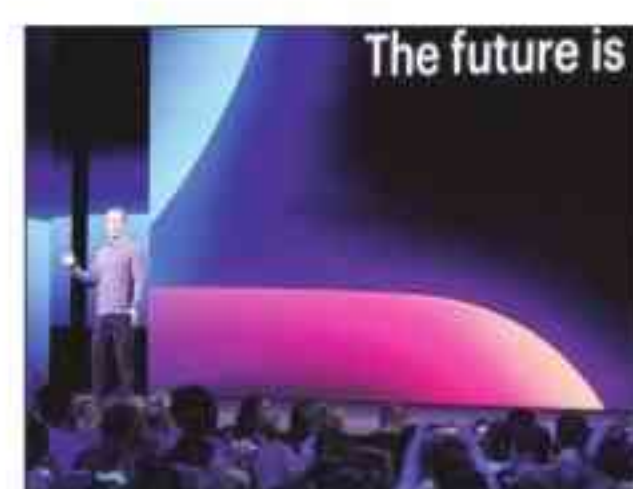
THE "FUTURE is private", Facebook CEO Mark Zuckerberg has declared. At Facebook's F8 Developer Conference that started this week, he laid out an agenda for a privacy-focused social network, besides making several product announcements typical of such events.

Facebook and privacy

Since about the beginning of 2018, Facebook has been under constant fire over its handling of user privacy. The Cambridge Analytica scandal, which broke last March, was just the tip of the iceberg.

Reports have revealed how Facebook tracked users, gave some third-party apps special privileges with regard to user data, collected call record data and contacts of Android users, and generally played fast and loose with user privacy. Most recently it was revealed that millions of Facebook passwords were stored in plain text instead of being encrypted, compromising user privacy and safety.

Facebook knows it is in trouble over privacy. In its earnings calls, Facebook said it ex-



Mark Zuckerberg speaks at Facebook's developer conference Tuesday. AP

pects to be fined \$3 billion-\$5 billion by the US Federal Trade Commission (FTC), which is inquiring into its user data practices.

What Zuckerberg said

Facebook and its core products like Messenger and Instagram will change from being the digital equivalent of a town square to a more private network, according to the vision that Zuckerberg pitched. The six principles of this private social network would

be: private communications, end-to-end encryption, reducing permanence, safety, interoperability among all Facebook's apps, and secure data storage.

The Messenger app will get end-to-end encryption by default, something that WhatsApp, which too, is owned by Facebook, already has. End-to-end encryption would mean that no third party, including Facebook, would be able to read messages sent over the platform. It would also mean that Messenger would no longer store messages. "We would enable more than 2 billion people to have their conversation privately," Zuckerberg said.

Also, Messenger will get a 'Friends' tab, where private updates or Stories from just close friends will be visible, rather than those of all connections. There will be a private video watching feature, where a user would be able to invite their closest friends and family to watch a video together during the chat session.

Facebook will also focus more on Groups on the main app and site, since it views these as more intimate and personal connections for users on the platform.

What Zuckerberg didn't say

Zuckerberg blogged on his grand vision

of privacy earlier this year. During the keynote, smiling broadly, he said they "don't have the strongest reputation on privacy", and his audience laughed.

He gave no timeline for some of the announcements. It is not known when Messenger will get end-to-end encrypted messaging, and it was unclear whether Instagram, which too has an in-built messaging service, would get such a feature in the future, considering that the growth of the app has outpaced even that of Facebook's.

Zuckerberg said Facebook would work with experts to get things right, but exactly when and how this process will work out is not clear.

Following from this privacy focus is the question of what happens to Facebook's business model, which is based on advertising. Facebook's enormous success has been due to the size of its user base, and its ability to use it to grab a major chunk of digital advertising. Internal documents released by a UK parliamentary committee last year showed that Facebook understood the value of this data trove, and used it successfully to bolster its business and defeat the competition.

New SBI rules link savings bank interest to repo rate: what has changed, why

GEORGE MATHEW

MUMBAI, MAY 1

ON WEDNESDAY, State Bank of India (SBI), the country's largest bank with almost a quarter share of the banking business, linked its interest rates on savings bank deposits and short term loans to the repo rate of the Reserve Bank of India (RBI). SBI went ahead even though RBI had deferred the plan to link the rate of interest to external benchmarks like the repo rate or Treasury Bill rate following opposition from other banks.

What does this mean for SBI's customers?

The bank has linked savings bank de-

posits with balances of more than Rs 1 lakh to the repo rate, changing from the practice of linking to the Marginal Cost of Funds based Lending Rate (MCLR).

The repo rate — the interest rate at which the RBI lends funds to banks — is currently 6%.

As per SBI's formula, the new rate for savings bank deposits above Rs 1 lakh and up to Rs 1 crore will be 2.75% below the current repo rate — which works out to 3.25% per annum, as against the 3.5% offered so far.

For savings bank deposits above Rs 1 crore, the new rate will be 3.75%, down from the earlier rate of 4%.

All cash credit accounts and overdrafts with limits above Rs 1 lakh will be linked to the repo rate (current repo rate of 6% plus a

spread of 2.25%), the bank has said. Risk premiums over and above this floor rate will be based on the risk profile of the borrower, as is the current practice.

How will small depositors and small borrowers be impacted?

Savings account deposits with balances less than Rs 1 lakh will continue to earn 3.5% interest — the same as the old rate fixed for these accounts. This interest rate is also subject to change by the bank as per RBI rules, but it will not be reset automatically as the repo rate moves.

Once the savings bank deposits cross the Rs 1 lakh mark, the lower interest rate will be automatically applicable. There is relief for small borrowers with cash credit or overdraft limits up to Rs 1 lakh, as they will

not be linked to the repo rate.

What is the purpose of linking interest rates to an RBI benchmark rate?

In its December 2018 monetary policy meet, which was also the last policy of former Governor Urjit Patel, the RBI had proposed the benchmarking of fresh floating-rate retail loans and loans to micro and small enterprises to an external benchmark like repo rate or Treasury Bill rate, effective April 1, 2019.

According to the RBI, the spread over the benchmark rate — to be decided at banks' discretion at the inception of the loan — should remain unchanged through the life of the loan, unless the borrower's credit assessment undergoes substantial change.

The new system of external benchmark is expected to bring in more transparency in fixing interest rates, and faster transmission of rates. Banks were lagging in these two crucial factors while determining their deposit and lending rates.

Why did RBI defer the plan in its April policy?

On April 4, the RBI announced that it has put on hold its proposal to link interest rates on deposits and short-term loans to an external benchmark like the repo rate or Treasury Bill "taking into account the feedback received during discussions held with stakeholders on issues such as management of interest rate risk by banks from fixed interest rate linked liabilities against floating interest rate linked assets and the