

Ahead of Budget, Patel warns against over-lending, pump priming economy

ENS ECONOMIC BUREAU
MUMBAI, JULY 4

FORMER RESERVE Bank Governor Urjit Patel has warned the government against nudging public sector banks to over-lend and pump prime the economy and boost preferred sectors, stating it would lead to higher bad loans and fiscal deficits.

In his first comments after quitting as RBI Governor last December, and coming on the eve of the Union Budget, Patel said as the government's "headroom for running higher fiscal deficits is (virtually) exhausted, government banks are nudged to (over-)lend to pump prime the economy/boost preferred sectors."

According to Patel, who made a presentation at Stanford's Annual Conference on Indian Economic Policy on June 3-4, "this leads to higher non-performing assets (NPAs) over time, which requires equity infusion from the government, and eventually adds to the fiscal deficit and

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BUSINESS AS USUAL

By UNNY



E Warning bells

URJIT PATEL has warned that lack of adequate capital infusion, poor oversight of NBFCs, given the interconnectedness with banks and MFs, and negating RBI decisions will keep alive episodic high-risk perceptions for the sector.

ECONOMIC SURVEY 2018-19

Private investment key, stick to fiscal glide path: Survey

Suggests sunset clause in incentives for MSMEs, tax-payer friendly policy

SUNNY VERMA & AANCHAL MAGAZINE
NEW DELHI, JULY 4

PROJECTING ECONOMIC growth to modestly inch up to 7% this year from a five-year low of 6.8% the previous year, the Economic Survey 2018-19 has underlined that private investment will be the key driver in accelerating and sustaining the GDP growth rate to 8%, and enabling India to turn into a \$5-trillion economy by 2025.

The Survey, tabled in Parliament a day before Finance Minister Nirmala Sitharaman presents her debut Budget, offers some pointers to what may be expected Friday: a prescription to stick to the fiscal glide path, incorporating a sunset clause on incentives for small enterprises, and a suggestion for a taxpayer-friendly approach to tax policy.

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SAVINGS CYCLE TO RETIREMENT AGE

- FY20 GDP growth seen at 7%. For \$5-trillion economy by FY25, India must sustain 8% growth
- Need for 'virtuous cycle' of savings, investment, exports. Private investment to be a key driver
- Incentivise smaller firms to grow big. Suggests a sunset clause of less than 10 years
- Desirable behaviour nudge: from Beti Bachao to Badlav, Swachh Bharat to Sundar Bharat
- Prepare for ageing by investing in healthcare, and increase the retirement age in a phased manner



CEA KV Subramanian presents the Survey. Tashi Tobgyal

Education alert: Population of kids falling, merge schools

EXPRESS NEWS SERVICE
NEW DELHI, JULY 4

GIVEN A projected decline in the population of elementary school-going children, the Economic Survey, while stating that this will have "very important social and economic consequences", has highlighted the need to consolidate or merge

elementary schools to "make them viable".

Recommending a paradigm shift in policy related to the Right to Education, the Survey states that consolidation of elementary schools in the country "is not about reducing investment in elementary education, but an argument for shifting policy emphasis from quantity towards

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International Court will rule July 17 on India appeal against Pak death to Jadhav

SHUBHAJIT ROY
NEW DELHI, JULY 4

NEARLY FIVE months after India urged the International Court of Justice (ICJ) at The Hague to annul the death sentence handed by a Pakistani military court to former Indian Navy officer Kulbhushan Jadhav, and order his immediate release, the court will deliver its judgment on July 17.

"A public sitting will take place at 3 pm (6.30 pm IST) at the Peace Palace in The Hague, during which Judge Abdulqawi Ahmed Yusuf, President of the Court, will read the Court's decision," a statement by the ICJ, which is the UN's principal judicial organ, said Thursday.

India is likely to send its legal and official team, comprising lawyer Harish Salve and Ministry of External Affairs Joint Secretary (Pakistan, Afghanistan and Iran), Deepak Mittal, to the Netherlands for the judgment.

Pakistan claims to have arrested Jadhav, a retired Navy officer, within its borders on March 3, 2016. India was informed of the arrest on March 25, 2016, when the Pakistan Foreign Secretary raised the matter with the Indian High Commissioner



In Pak custody since March 2016, India says abducted

in Islamabad. On that day, India sought consular access to Jadhav at the earliest.

In April 2017, 48-year-old Jadhav was sentenced to death on charges of espionage and terrorism. On May 8 that year, New Delhi moved the ICJ against the "farfetched trial" by Pakistan's military court. It also raised the "egregious violation" of provisions of the Vienna Convention on Consular Relations, 1963, by Pakistan, which repeatedly denied consular access to Jadhav.

A 10-member bench of the ICJ then restrained Pakistan from executing Jadhav until adjudication of the case. It also set a timetable for the public hearing in the high-profile case from February 18 to 21 this year at the

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RUN-UP TO BUDGET 2019-20

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LIFE EXPECTANCY TO CONTINUE RISING, NEED TO RAISE RETIREMENT AGE

FULL STRENGTH IN DISTRICT COURTS WILL ALLOW 100% CLEARANCE OF CASES

WELL-DESIGNED MINIMUM WAGE SYSTEM CAN HELP REDUCE INEQUALITIES



EXPLAINED

SIMPLY PUT HOW FAR WILL SLOW GROWTH INFLUENCE THE BUDGET? PAGE 13

Notice to son, Vijayvargiya says PM is supreme, party can act

LIZ MATHEW
NEW DELHI, JULY 4

IN FIRST remarks after Prime Minister Narendra Modi's strong disapproval of the conduct of his son Akash Vijayvargiya, BJP MLA from Indore who assaulted a municipal officer with a cricket bat, party general secretary Kailash Vijayvargiya Thursday said the BJP should initiate action against his son because the "party is everything" and Modi is their "supreme leader".

BJP sources, meanwhile, said the state unit has served Akash a show-cause notice, seeking an explanation for his behaviour.

Saying he is ready to accept the party decision "whatever it may be and how much ever strong it will be", Vijayvargiya told *The Indian Express*: "I want to end this controversy. We are all servants of our party. We want to accept whatever decision the BJP leadership is taking on this matter. BJP is everything for us and we don't want to inflict more damage to the party." Amid talk in the party that

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Nitesh Rane and his supporters pour buckets of dirt on NHA deputy engineer Prakash Shedekar at Kankavli, in Sindhudurg district of Maharashtra. Express

After bat, the bucket: Rane's Cong MLA-son assaults official

SMITANAIK
PANJIM, JULY 4

DAYS AFTER BJP general secretary Kailash Vijayvargiya's MLA-son Akash assaulted an Indore municipal officer with a cricket bat, Maharashtra Congress MLA Nitesh Rane, son of former Chief

Minister Narayan Rane, assaulted a National Highways Authority of India deputy engineer, tied him to the pillar of a bridge before getting buckets of dirt and mud poured on him.

The incident took place Thursday morning in the town of Kankavli in Sindhudurg district

of Maharashtra. Following a complaint from the engineer, Prakash Shedekar, police arrested Nitesh Rane and will produce him in the local court Friday.

The attack on the engineer continued for more than half an hour, and took place in the presence of town mayor

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Pak to arrest Hafiz Saeed, India says bid to hoodwink

SHUBHAJIT ROY
NEW DELHI, JULY 4

A DAY after Pakistan lodged 23 cases on charges of terrorist financing and facilitation against Jamaat-ud-Dawa (JuD) chief and 26/11 mastermind Hafiz Saeed and a dozen members of the terror group, as well as five banned outfits masquerading as charity organisations, India on Thursday said it would not be "fooled" by Islamabad's "cosmetic steps against terrorist groups" to "hoodwink the international community".

In Lahore, Pakistan's Punjab police said Saeed and the others would be arrested "very soon" since the FIRs have already been registered.

"The Counter-Terrorism Department (CTD) has booked

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THE EDITORIAL PAGE

THE CASE AGAINST HAFIZ SAEED BY KHALED AHMED PAGE 14

WORLD



RUSSIAN SUBMARINE HIT BY FIRE WAS N-POWERED: PUTIN PAGE 16

Late at night, the shout that saved a family in Chiplun: Dam has breached, dam has breached

PAGE 1 ANCHOR

SUSHANT KULKARNI
CHIPLUN, JULY 4

"Dharan futala, dharan futala (The dam has breached, the dam has breached)."

NARAYAN GAIKWAD and his family were having dinner Tuesday night when they heard the warning that changed their lives. "I ran to the cattle shed and cut the ropes holding the cows. Then, we ran up the slope behind the house. We stayed up there the whole night in the rain," he says. With the death toll in the

floods caused by a breach in the Tiwari dam in Ratnagiri's Chiplun taluk rising to 18, and five people still missing, 62-year-old Gaikwad, his wife, son and grandson were among the lucky ones — they survived.

But then, tragedy had struck next door in the Bhendewadi hamlet of Tiwari village, barely 100 metres from the dam wall. "Our family was one of the few that survived because our house was on the edge of the flow. When we came back early in the morning, we saw that the houses of our neighbours, the Chavan families, were not there," he says. "We have lived with them for generations. Fate wiped out these families from their roots. I don't know whether to feel lucky that



Narayan Gaikwad, 62, outside his damaged house in Chiplun, Ratnagiri district, Thursday. Arul Horizon

my family survived or mourn the death of people who were like my own," says Gaikwad.

That was not all. "We also saw that our rice crop on the one-acre farm next to the house

had been washed away," he says.

In Bhendewadi, the deluge washed away 12 of the 17 houses, and a temple — the remaining houses, including that of Gaikwad, suffered heavy damages. The residents are now being sheltered in a school, a few kilometres away.

The dam, which is located off the Karad-Chiplun road and had undergone temporary repairs recently, started overflowing Tuesday evening following heavy rain.

Around 9.30 pm, a part of the wall developed a breach. Soon, a large portion was completely demolished by the water, which surrounded at least six villages or hamlets with a population of

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EVENING BATCH
Time: 5:30 PM

25th JULY

MORNING BATCH
Time: 8:00 AM

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8 जुलाई

बैच प्रारम्भ

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