



SoftBank's \$108b Vision Fund 2 Ropes in MS, Apple

AROUND THE WORLD >>> 9

Yediyurappa Back as Karnataka CM

PURE POLITICS >>> 2

ON Saturday

Inside story

Future Fashion to Raise ₹300 Crore from Aion

Kishore Blyani's Future Lifestyle Fashion will raise ₹300 crore from Aion Capital Partners through a preferential allotment of shares. The owner of stores like Central and Brand Factory will issue 6.47 million shares at ₹463 apiece to Apollo India Private Equity, an affiliate of Aion, the company said in a statement. >>> 4

INS Seeks Withdrawal of Customs Duty on Newsprint

The Indian Newspaper Society (INS) has appealed to the government to withdraw the 10% customs duty on newsprint and paper used to print newspapers and magazines, calling it an "unbearable burden" on the industry. INS said domestic newsprint mills had a production capacity of 1.1 MT a year, short of the 2.5 MT used in the country. Besides, domestically produced newsprint was less suitable for modern printing presses. >>> 4

Market Tracker

	LAST	% CHANGE
Nifty	11,284.30	0.29
Sensex	37,882.79	0.14
BSE Midcap	13,856.19	0.53
BSE Smallcap	13,060.34	0.22
Re/US \$	68.91	0.20
Gold Std*	34,500.00	0
Silver (₹/kg)	40,500.00	-0.74
Brent (\$)	63.26	0.88

* (₹/10gms) Compiled by ETIG Database

ET MAGAZINE ON SUNDAY



ET WEALTH ON MONDAY



ET INSTA POLL

Do you think India's worries over slowdown are exaggerated?

49% YES, 48% NO, 3% CAN'T SAY

TODAY'S QUESTION: Do you think India should take up China's offer to collaborate on space? www.economicstimes.com

RIGHT OF FIRST REFUSAL ON EACH OTHER'S SHARES AND 'TAG-ALONG' CLAUSE COULD GO

End of Shareholder Pact may Set IndiGo Owners 'Free'



Shareholders' agreement between Rakesh Gangwal and Rahul Bhatia expires in October

Articles of Association will override the shareholders' agreement

Bhatia and Gangwal have both said they do not plan to exit IndiGo as of now

RAKESH GANGWAL CAMP SAYS

Corporate governance issues at IndiGo parent InterGlobe Aviation; related-party transactions between the company and Bhatia's IGE; probe will reveal truth

RAHUL BHATIA CAMP SAYS

Gangwal's real intent is to get Bhatia's controlling rights diluted. This could raise the value of Gangwal's stake in case he ever decides to exit

Bhatia & Gangwal could sell their shares to any suitor; AoA needs to be tweaked to reflect expiry of agreement: Experts

Satish John & Mihir Mishra

Mumbai | New Delhi: The warring founders of InterGlobe Aviation, the company that runs IndiGo, could have the freedom to sell their shares to any suitor after the shareholders' agreement (SHA) between them expires in October. The shareholders' agreement between Rakesh Gangwal and Ra-

hul Bhatia — which is to remain valid for four years after the company's initial public offering (IPO) in 2015 — conferred on the founders the right of first refusal (RoFR) for each other's shares in case one of them wanted to sell. The agreement also contains a 'tag-along' clause, which stipulates that the other promoter has the right to join any share-sale

transaction and sell his stake along with the one who is exiting. The RoFR and 'tag-along' clause are also enshrined in the company's Articles of Association (AoA). However, the SHA says the provisions of the agreement will 'expire on the fourth anniversary of the company's IPO' except the clause that gives Bhatia controlling rights over the airline. This

clause will survive in the AoA. Legal experts said the AoA will need to be amended to reflect the expiry of the shareholders' agreement. A person close to Bhatia said no thought has been given to this matter yet. "Not aware of how it will work. The articles have specified clauses, but we will have to look into it," said the source, who did not want to be identified. Gangwal declined to comment. Both the founders have, on many occasions, insisted that they have no plans to sell stakes. But after the SHA expires, they will have the option of selling stakes to a third party. The Bhatia family and InterGlobe Enterprises (IGE) together own 38.23%, while Gangwal, his wife and a trust hold 36.65%.

NOOYI AMONG FIVE CORPORATE BIGWIGS APPROACHED IndiGo Searches for Woman Director

IndiGo has approached former PepsiCo chief Indra Nooyi, ICRIER chairperson Isher Judge Ahluwalia, former MD of Britannia Industries Vinita Bali, HP India's ex-head Neelam Dhawan and HSBC India's former country head Naina Lal Kidwai to join as its first independent woman director, report Mihir Mishra & Satish John. >>> 5

Policymakers a Divided Lot on Personal Data Bill Provisions

Fresh talks likely as most departments express concerns over provisions; only Indian experts to be involved

Deepshikha Sikarwar & Anandita Singh Mankotia

New Delhi: The government is looking to hold fresh consultations on the proposed Personal Data Protection bill after differences emerged among policymakers over the legislation, said officials with knowledge of the matter.

"There is wide divergence on the proposed bill," one of them said. "Most ministries have expressed concerns and want a thorough examination."

Stakeholder ministries and departments made clear their reservations about proceeding with the bill in its present form

Fresh Call WHY THE RETHINK

- Govt to initiate fresh consultations on data protection bill
- Ministries have questioned the urgency
- Melty to hold discussions on bill with 'Indian' experts
- It lacks provisions to anonymise public data
- They favour handling data protection with caution
- Absence of provisions to deal with public data

WhatsApp to Take Prompt Action

WhatsApp has assured India of 'prompt action' on the issue of traceability of messages that trigger unlawful activities, telecom minister RS Prasad said. >>> 4

At a meeting called by the Prime Minister's Office last week, a detailed presentation on the legislation was made at the me-

eting attended by Prime Minister's principal secretary Nripendra Misra, Niti Aayog chief executive officer Amitabh Kant, Department for Promotion of Industry & Internal Trade (DPIIT) secretary Ramesh Abhishek, telecom secretary Aruna Sundararajan and IT secretary Ajay Sawhney. The official said there is a growing view that data protection needed to be handled with caution given rapidly changing technology dynamics.

No Foreign Representation >>> 6

RBI to Ease Priority Sector Lending Norms for Exports

Boost for strapped export sector comes amid slow global trade growth

Kirtika Suneja @timesgroup.com

New Delhi: The Reserve Bank of India (RBI) has agreed to relax priority sector lending norms for exports by removing the turnover condition of ₹100 crore and enhancing the maximum sanctioned limit to ₹40 crore from ₹25 crore now. This boost for the credit-strap-

ped export sector comes amid slow global trade growth.

The central bank will also review the threshold for export credit, which is capped at 2% of the total credit forwarded by banks, known as adjusted net bank credit (ANBC), to further ease the flow of credit.

"We propose to remove the turnover condition and enhance the maximum limit to ₹40 crore," RBI governor Shaktikanta Das said in a letter to commerce and industry minister Piyush Goyal. ET has seen the letter.

Joint Responsibility >>> 4

Easing the Squeeze

₹100 CRORE TURNOVER CLAUSE TO GO

Sanctioned limit to rise to ₹40 cr, from ₹25 cr now

Export credit cap of banks to be reviewed

RBI may place funds in PSB branches abroad to give credit at concessional terms

EFFECT: Easing to release extra ₹35,000-68,000 crore export credit

AUTO WOES CONTINUE Maruti Still in Slow Lane, Profit Skids to Lowest in More Than 3 Years

Our Bureau

Mumbai: Maruti Suzuki's profit fell for the fourth consecutive quarter to its lowest in three-and-a-half years, as the slowdown in the automobile market got worse and the nation's largest carmaker had to spend more to entice buyers.

At ₹1,435.50 crore, the net profit for the April-June quarter fell more than 27% from a year earlier, but topped the ₹1,340 crore average estimate of analysts tracked by Bloomberg.

Auto co said it will restrict stocks at dealerships to equivalent of 30 days' sales despite the upcoming festive season

Revenue at the local unit of Japan's Suzuki Motor dropped more than 14% to ₹18,735.2 crore, the steepest decline since December 2011, even as vehicle sales slid 18%. "We don't see any positive signal in the marketplace that will give a sense of optimism in the future. We will wait and watch," senior executive director RS Kalsi told analysts at a post-results conference call.

Weak Demand in Coming Months >>> 6

Voda Idea Net Loss at ₹4,874 Crore

Vodafone Idea's net loss dropped to ₹4,873.9 cr for April-June quarter, helped by a change in accounting standard and lower operating costs. >>> 5

DESPITE JUST 1% Q1 PROFIT RISE, BAJAJ AUTO PROMISES TO OUTPERFORM >>> 5

POWER SHIFT



I am grateful to the prime minister and the system for posting me here in the power ministry, which is an extremely important infrastructure ministry

SUBHASH CHANDRA GARG Power Secretary

Garg Discussed Retirement Plan with PMO on Jul 18

Decision has no connection with transfer order, says former finance secy

Our Bureau

New Delhi: Subhash Chandra Garg sought to refute speculation that he put in for early retirement because he'd been removed as finance secretary and reassigned as power secretary. Garg said he had discussed his retirement from the Indian Administrative Service (IAS) with the Prime Minister's Office (PMO) on July 18 and submitted a formal application on July 24, the day the transfer order was issued.

He declined to say why he wanted to retire a year ahead of superannuation. "Let us rest that matter at that," he said, declaring his thankfulness at being posted as power secretary and adding that he is "perfectly happy" to take up the role. He had not mentioned the July 18 discussion when he tweeted on

Thursday that he had sought voluntary retirement and that he would retire by October 31.

"I must tell you that the proposal I would take VRS (voluntary retirement scheme) was discussed on July 18, much before the orders came. It has no connection with that (transfer)," he said on Friday evening. "I am in fact grateful to the prime minister and the system for posting me here in the power ministry, which is an extremely important infrastructure ministry. The dream of \$10 trillion economy by 2030 expressed in the last budget speech and \$5 trillion economy by 2024-25, which was expressed in this budget, will not be achieved unless power sector performs."

The VRS process involves a three-month notice period with the final call taken by the state to which the officer is attached. Garg belongs to the Rajasthan cadre.

Plan for Power Sector >>> 4

GARG SAYS NO QUESTIONS RAISED OVER PROPOSAL 'Sovereign Bonds Thought Out'

Former finance secretary SC Garg has hailed the announcement on the proposed sovereign bond issuance and said India has a perfectly legitimate case with 19 of the G20 countries carrying out such borrowings. "Overseas sovereign bond was a well considered decision... During the time I was there (in the finance ministry) I had not heard anyone in the government questioning the move," he said. >>> 11

Weatherman Rings Alarm Bells, Warns of Flash Floods

Short bursts of heavy rains new norm, cities not equipped to deal with deluge: IMD head

Shashwat Mohanty @timesgroup.com

Mumbai: Urban India faces an increasing risk of flash floods as the old pattern of evenly spread rainfall is being replaced by short bursts of extremely heavy rains, and cities are not fully equipped to deal with the deluge, India's top weatherman said.

"Whenever it is raining, it is raining heavily. Whenever it is not raining, it is not raining at all. There is an increased number of days with heavy rainfall activity, therefore chances of flash floods are increasing," the head of the India Meteorological Department (IMD), M Mohapatra, told ET in an interview.

The problem is compounded by inadequate civic infrastructure, he said. "At the same time, we have increase in population, increase in human activities, the water bodies are shrinking within the city, and so is the drainage system. We should take care of the drainage system, so that the water can easily drain out, keeping the city safe," he said. India has seen several instances of sudden downpours, including the rains that caused the recent flooding of Mumbai after relatively dry weather in the first month of this year's southwest monsoon. The flood overwhelmed the city and authorities struggled to restore normalcy.

"The general public should act on the forecasts. There are many agencies which need to act on them too, like transport, schools, government bodies," Mohapatra said.

Cyclical Pattern >>> 4

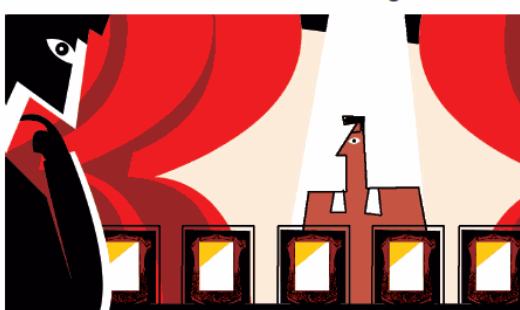
FLOOD RELIEF EFFORTS

China Helps With Satellite Data

China has provided India with satellite data on the country's flood-hit regions to assist Delhi's relief efforts, reports Dipanjan Roy Chaudhury. The data was shared following ISRO's request for international disaster relief support. This will act as a confidence building measure ahead of the informal summit between PM Modi and Xi Jinping in India in the final quarter of 2019. >>> 3

Sangeet Natak Awards Suspense Ends Without Much Drama

List comes out unaltered after some general council members threatened to resign in case of any change under pressure



Vasudha Venugopal @timesgroup.com

New Delhi: The Sangeet Natak Akademi, the national academy for music, dance and drama, refused to reconsider its list for the 2018 Akademi Puraskar, with some members of its general council threatening to resign if the list was altered, ET has learnt.

This followed a move, allegedly by the Ministry of Culture—which has oversight of the Akademi—to review the antecedents of the 44 artists chosen for the awards, which were announced on July 16.

This may have been aimed at preventing the recurrence of 2015's 'award waps' campaign, said people with knowledge of the matter. Officials in the culture ministry, however, said it only sought to ensure there were no "technical errors" in the selection process.

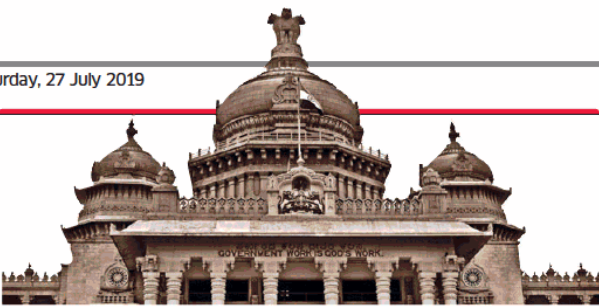
Top ministry officials enquired about "certain names" on the list and asked if the Akademi could consider looking at a few others for possible inclusion instead, said one of two general council members. The general council of more than 70 members deliberates on and decides the list of awardees.

"We had made it clear that not a single name should be different on the list, otherwise we might need to resign," said a member who didn't want to be named. Those involved in the selection process said ministry officials checked for political alignments or views supporting movements against the government.

Winners Announced after 20 Days >>> 11



Amit Shah, BJP PRESIDENT
I am sure under his (Yediyurappa's) leadership and under the guidance of PM Modi, BJP will give a stable, pro-farmer and development-oriented govt in the State.



Dinesh Gundu Rao, KPCC PRESIDENT
I refuse to participate in this unholy event and instruct all Karnataka leaders not to participate either. The BJP forming the next government in the state is a blot on democracy



FILE PHOTOS

WORK MILESTONES
Nadda Hails 50 Days of Modi Govt

Our Political Bureau

New Delhi: The BJP's working president, JP Nadda hailed the achievements of the Narendra Modi-led NDA government in the first 50 days of assuming power in its second term and enumerated the schemes aimed at welfare of the poor, villagers, farmers, oppressed and small shopkeepers.

Addressing his maiden press conference after assuming charge as the party's working chief, Nadda said the milestones crossed by the Modi government in 50 days show that the trajectory and momentum of this dispensation is different from those that ruled India for the first 50 years.

The achievements cover a vast canvas from water conservation to reaching the moon, and bringing the weaker sections into the mainstream, he said.

"The Modi government has laid the foundation of a new age of politics - one of performance in place of politics based on caste, appeasement, dynasty and vote bank. By 2022, when India celebrates 75 years of Independence, 1.95 crore affordable homes with power, clean drinking water, toilet and gas connection will be delivered. These are revolutionary measures which had not been thought of before," said Nadda.

Modi govt's achievements cover a vast canvas from water conservation to reaching the moon, and bringing the weaker sections into mainstream



JP Nadda
BJP Working President

Drinking water through taps in homes and improving connectivity between villages through roads under the Pradhan Mantri Gram Sadak Yojana will be achieved by the government which has decided to make or repair 125,000 km of roads, said the BJP's working president.

Corrupt officers have been compulsorily retired by the government which practices zero tolerance towards corruption, he said. Nadda said the government has reduced 44 labour laws to four codes to protect the rights of the working class. Similarly, 14 interventions have been made for welfare of farmers, from providing the right minimum support price to reducing cost of production through farmers' producer organisations and zero budget farming, he said.

Parliament has passed or is in the process of passing several bills to strengthen laws such as NIA Act, Unlawful Activities Prevention Act, POCSO Act, said Nadda.

Episode IV: Return of Yedi

CM will move a trust vote in Assembly and table the Appropriation Bill on Monday

KR. Balasubramanyam
@timesgroup.com

Bengaluru: Karnataka's new chief minister, BS Yediyurappa, on Friday announced an additional payment of ₹2,000 each in two instalments to the beneficiaries of the PM Kisan Samman scheme, and waiver of outstanding loans taken by weavers.

The first cabinet meeting, which was attended by Yediyurappa and chief secretary TM Vijay Bhaskar, took these decisions soon after the 76-year-old BJP leader took over as the new CM.

Earlier in the evening, governor VR Vala administered the oath of office at an event in the Raj Bhavan, which brought the curtains down on the 20-day political drama that saw the fall of the 14-month Janata Dal(S)-Congress regime in a floor test.

No other BJP member took oath on Friday. The CM will move a trust vote in the assembly on Monday, and on the same day will table the appropriation Bill, a critical necessity to enable the government to draw funds from August 1. The cabinet formation will follow the floor test.

Yediyurappa, who has changed the spelling of his name from Yediyurappa, participated in the ceremony wearing a green shawl amid slogan-shouting by BJP workers.

Former chief minister HD Kumaraswamy and Congress Legislature Party leader Siddaramaiah did not attend. Karnataka Congress president Dinesh Gundu Rao had asked party leaders and workers to stay away.

Expelled Congress MLA R Roshan Baig and former Congress MLA from Tumakuru district KN Rajanna showed up. BJP national general secretary P Muralidhar Rao, and former CM SM Krishna also attended.

"I assure the opposition parties that I am not going to do politics of vendetta. I will take opposition parties into confidence," Yediyurappa said in his first

25TH CM OF KARNATAKA



BS Yediyurappa taking oath as Karnataka CM on Friday, three days after the collapse of HD Kumaraswamy-led Congress-JDS government

BSY on his way to pay tribute to Kargil martyrs at the National Military Memorial ahead of taking oath as CM

media conference as the CM. "I will show the difference between the previous government and our government in three months."

Number Theory: With Yediyurappa assuming office, the challenge before the BJP now is to ensure the attendance in the Karnataka assembly does not exceed 208 at the time of the floor test. The BJP has 105 MLAs of its own and has the support of an independent MLA, H Nagesh.

After the disqualification of three MLAs, the number of elected members in the assembly has dropped to 221, and the party is still short of five members to have a majority. In view of this predicament, the party has asked rebel Congress and JDS MLAs to stay away from Karnataka until the trust vote was over, said a BJP member.

The news of BJP staking claim to form the government broke out only on Friday morning, after BJP national president Amit Shah gave the green signal.

I will show the difference between the previous regime and our government in three months," says Yediyurappa

YEDIYURAPPA AND SHIVAKUMAR OPPOSE REVIVAL OF CORRUPTION CASE

Karnataka political rivals, BJP's BS Yediyurappa and DK Shivakumar of Congress, were seen on the same side in the Supreme Court on Friday -- opposing an application seeking to revive an alleged corruption case relating to denotification of land in Bengaluru. —PTI



NO TOP OPPOSITION LEADER

Former CM HD Kumaraswamy and Congress Legislature Party leader Siddaramaiah did not attend the event



It's BS Yediyurappa Now

BS Yediyurappa has reverted to the earlier English spelling of his name BS Yediyurappa, apparently influenced by numerology. The change became public on Friday in his letter to Governor Vajubhai Vala, staking claim to form the government, and later, in the official invitation for the swearing-in ceremony of the BJP leader as Karnataka chief minister. The BJP strongman, who has become CM for the fourth time, has gone in for the change based on numerology. —OPB

BS YEDIYURAPPA Rising from the Ashes, Now With a Name Tweak

Akshatha.M@timesgroup.com

Bengaluru: It was August 2011 and BS Yediyurappa was at the peak of his political career. In the fourth year of his term as the chief minister of Karnataka, he was relishing the fruits of decades of hard work he had put in to take the BJP to power in the state.

It was then the Karnataka Lokayukta indicted him in a report on illegal mining in Ballari district. In damage control mode, the BJP's central leadership asked Yediyurappa to step down as the CM. Two months later, in another case of illegal denotification of land to develop sites, he was sent to jail for 23 days. Many perceived this as an end of his political career. But the 76-year-old Lingayat proved everyone wrong.

Just before the 2013 assembly elections, he exited the BJP to form the Karnataka Janata Paksha. The result of the polls proved that the BJP in Karnataka could not rise without BSY, as he is popularly known. From 110 seats in the 2008 elections, the BJP's seats reduced to 40. Before the Lok Sabha elections in 2014, Yediyurappa was welcomed back to the BJP. After his two-day tenure as the chief minister was thwarted in 2018 by the Congress and Janata Dal(S) by forming a post-poll coalition, BSY has now returned to take charge as the CM for the fourth time.

Though he hailed from a village in Mandya district, Yediyurappa made Shikaripura in Shimoga district the base of his political activities. In Shikaripura, he started as a rice mill worker and went on to serve as a first division clerk in the Social Welfare Department, even as he also dab-



FILE PHOTO

Operation Safed Sagar: Unsung Valour in Kargil War



PS Ahluwalia Air Marshal (RET)

The Pakistani intrusion in Kargil was one more bid in a series of failed attempts since 1947 to gain possession of territory in Kashmir. Unfortunately, the 47-day Operation 'Safed Sagar' conducted by the Indian Air Force at the highest battlefield in the world has not been officially recorded.

In any operation it is essential to draw lessons — both good and bad — to be applied in any future conflict. A few stand out.

Air power was inducted only on May 26, 1999 though the Army commenced operations on May 5. This 21-day delay cost lives and also gave intruders more time to consolidate. The delayed decision to induct air power could be attributed to the conflicting and varied inputs provided to the political leadership by different agencies.

The inference that involving the third dimension could lead to a full-fledged war has been proved incorrect. Closer to date the Balakot air strike has also broken the myth. The question that needs to be addressed is whether the use of air power in our own territory allows Pakistan to initiate a full-fledged war.

The bold decision of the present political leadership to strike Balakot was indeed a paradigm shift from the previous policy of restraint. Through the use of air power, the leadership achieved in 45 minutes what could not be done in seven months after the Parliament attack with Operation Parakram.

In addition there has been a drop of 43% in terrorist activities post Balakot. Such is the effectiveness of air power, and the political leadership

must be sensitised of this capability.

The Kargil intrusions could well have been detected if we had strategic ISR (intelligence, surveillance and reconnaissance) capability. In spite of the Chinese intrusion during 1962 and the Pakistani intrusion during 1999 which went undetected, we still do not have a strategic ISR capability with the services. It is imperative that this deficiency is addressed swiftly.

In 1999, the IAF had limited capability for mountain air operations. The Mig-27 and Jaguar aircraft were handicapped due to high altitude. The Mig-21 had an obsolete sighting and delivery system. Finally it was the Mirage 2000 aircraft that was effective, reliable and was instrumental in evicting the intruders from Kargil heights in coordination with the Army.

At the beginning of operations, the Mirage 2000 did not have the requisite strike capability. However, ingenuity, innovative approach and determination to find solutions at Gwalior (home base of the aircraft) is indeed noteworthy. The 1000 lb bomb matting with laser kit and adaptation of a MK 52 pistol detonator for the weapon was creditable.

The imported kits had a problem of fitment due to the front shape of the bomb. The bombs were shaved with a chisel to make the kit fit correctly. None of the pilots had delivered laser weapons or done high altitude delivery of weapons. In a record time the training was completed. The team at Gwalior consisting of pilots, engineers and technicians did the job with a "just do it" attitude.

At the operational end the innovative approach continued. Non-availability

of target location and photos were a hindrance to effective strike planning. The Mirage 2000 pilots utilised the Laser Designator Pod (LDP) for target location. The LDP, which is only meant for laser designation, was also used by the pilots to assess the damage after strikes and carry out live recording of weapon delivery.

It must be accepted that it was the highest courage, valour and determination displayed by the junior echelons of the Army that won the day and professional and innovative approach of field personnel of the air force contributed significantly to our victory at Kargil. However, it must also be recognised that there was a failure of the military leadership to correctly assess the threat and prevent the intrusion in the first place.

The writer is former chief of Western & Southern Air Commands of Indian Air Force



KARGIL



President Pays Tribute to Kargil Martyrs in Srinagar

Hakeemirfan.Rashid
@timesgroup.com

Srinagar: Commemorating 20 years of Kargil victory, President Ram Nath Kovind and PM Narendra Modi led the nation in paying tributes to the war heroes. President Kovind had to cancel his visit to Kargil due to bad weather and the ceremony was held at Badami Bagh headquarters of Chinara Corps of the Army here in Srinagar.

Army chief General Bipin Rawat, Navy chief Marshal BS Dhanoo and IAF chief Admiral Karambir Singh paid tributes to the war heroes at the

Kargil War Memorial at Dras in Jammu and Kashmir. For the first time, J&K police along with the ITBP, IRP and CRPF celebrated the 20th anniversary of Kargil Vijay Diwas and functions and parades were held at district police lines across the state.

The Army chief appealed to Kashmiri youth to shun weapons and look after their families for a better and peaceful future.

Dhanoo, who was the commanding officer of the 17 Squadron at the time of the war, said deploying Mirage-2000 jets and air support to ground forces had turned the tide of the 1999 war in favour of India.

Pak Can't Fight Full-Fledged or Limited War: Rajnath

Our Political Bureau

New Delhi: Pakistan can neither fight a full fledged war nor a limited one with India and is instead waging a proxy war, said defence minister Rajnath Singh on Friday.

The minister was speaking in the Lok Sabha on the 20th anniversary of the 1999 Kargil war between India and Pakistan. "Our neighbouring country

(Pakistan) cannot fight a full-fledged war or a limited war with India. It is fighting a proxy war," Singh said. He said the bravery and sacrifices of the soldiers cannot be forgotten. PM Narendra Modi and Home Minister Amit Shah were present in the House. Members stood in silence to pay tribute to the soldiers who laid down their lives during the war.

At the National War Memorial in Delhi, Singh paid homage to the mar-

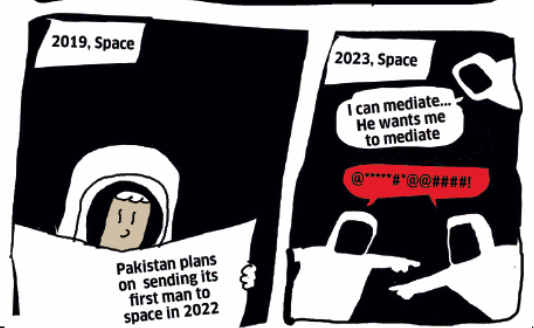
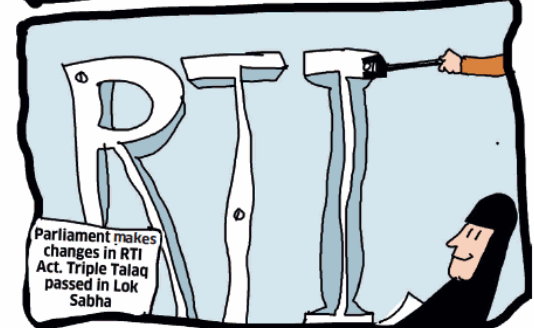
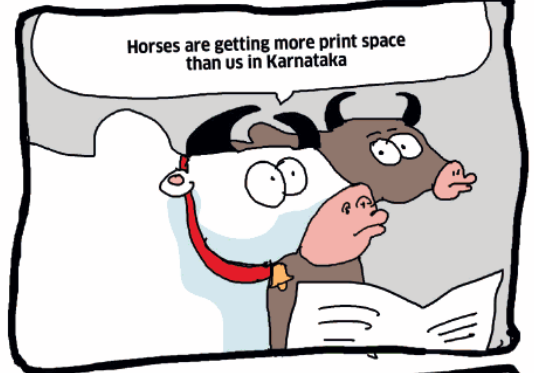
Rajnath in Mozambique from July 28-30

In his first overseas visit as the defence minister, Rajnath Singh will be in Mozambique from July 28-30 and will have meetings with the President, defence minister, foreign minister and interior minister. Singh will be taking forward the SAGAR initiative in the Indian Ocean Region with the signing of three critical agreements with the strategically located nation of Mozambique. —OPB

Week's a Long Time

ET takes a look at events that shaped national and state politics over the past seven days

ANIRBAN BORA



UNDER PROPOSED LEGISLATION Biographic & financial information of Indians designated as "terrorists" will be shared with western agencies; those individuals can at first appeal before Union home secretary

Saeed & Azhar to be Among First to be Listed Terrorists After UAPA Changes

Rahul.Tripathi@timesgroup.com

New Delhi: Under the country's newly proposed anti-terror law, biographic and financial information of individuals designated as "terrorists" will be shared with Western agencies, officials said. They maintained that 26/11 mastermind Hafiz Saeed and JeM chief Masood Azhar would be among the first individuals to be designated as terrorists once the proposed amendments come into effect.

Both Saeed and Azhar have been designated as "global terrorists" by the United States (US), United Nations (UN) and European Union (EU). Allaying fears about misuse of the new provisions of the law, a home ministry official said, the individual designated as "terrorist" can at first appeal to the Union home secretary within 45 days. "If not satisfied with the decision of the government, the individual can approach a review committee headed by a sitting or retired judge of a high court with at least two retired secretaries of the government of India as members," said a home ministry official, adding that in the last 15 years, only one organisation - Deendar Anjuman - has appealed against the decision of the government.



GLOBAL STAMP



Both Saeed and Azhar have been designated as "global terrorists" by US, UN & EU

led against the decision of the government among 42 organisations, which were declared unlawful, according to ministry of home affairs. According to the existing Unlawful Activities Prevention Act (UAPA) provisions, the review committee is constituted by the home ministry, which is also responsible for implementation of the law. The details of the action once an individual is designated as terrorist is not clear under the proposed amendment. Officials said an agency or state police can take action

Blueprint

Bill is likely to be taken up by the Rajya Sabha next week

Procedures will be in conformity with the standards in US and UN

Once an individual is designated as terrorist, an agency or state police can take action against him/her which may include seizure of passport, confiscation of assets or a travel embargo

In the last 15 years, only one organisation - Deendar Anjuman - has appealed against the decision of the government



taken up by the Rajya Sabha next week. Home minister Amit Shah during the discussion on the bill reiterated the zero tolerance policy against terrorism. He said the objective of the proposed amendments is to facilitate speedy investigation and prosecution of terrorist offences and designating an individual as a terrorist in line with the international practices.

The proposed legislation official said, will be "sparsely" used in case of dreaded militants like Yasin Bhatkai and Masood Azhar, among others. It will also put a check on terror masterminds who move and set up a new group once the previous organisation is banned, according to officials. "It (the law) is in conformity with the international standards and UN convention. Our checks and balances are robust in case of organisations and similar will be put in place in case of individuals too. In countries like US, EU, China and Israel, similar provisions into the anti-terror laws already exist," the official said.

UN sanction against an individual is used by the Security Council to apply pressure on a state or entity to comply with the objectives set by it without resorting to the use of force. The designation offers Security Council an important instrument to enforce its decisions.

USE WITH CARE



Proposed legislation will be used only in case of dreaded militants

Bills Passed Without Scrutiny: Oppn MPs to Naidu

SOME CONCERNS Members not being given enough time to study draft legislations and long session breaking all precedents

Nidhi.Sharma@timesgroup.com

New Delhi: A day after the government pushed through stiff opposition to pass the Right to Information (Amendment) Bill in the Rajya Sabha, 17 political parties have written to its chairman complaining about the way the Centre is conducting business in the Upper House.

Rajya Sabha members from 17 Opposition political parties have accused the BJP government of flouting "healthy traditions of enacting legislations". The letter to M Venkaiah Naidu has been signed by MPs from Congress, Trinamool Congress, NCP, Samajwadi Party, DMK, CPI (M), CPI, TRS, TDP, RJD, BSP,

AAP, PDP, Janata Dal (S), Kerala Congress, IUML and MDMK. The MPs have expressed concern over four main points—lack of scrutiny of bills by parliamentary committees, members not being given enough time to study draft legislations and move amendments, long session breaking all precedents, and no short-duration discussions on issues of national importance. "While we understand our responsibility and the need to enact legislation, any attempt by the government to undermine the privilege of member, the rules and established conventions will diminish the role of the council of states as envisaged by our founding fathers," the letter said. The MPs pointed out that 14 bills

In the 14th LS, 60% of the bills were sent for scrutiny to parliamentary committees. In the 15th LS, 71% of bills were sent for scrutiny. In 16th LS, only 26% of bills were sent: Letter to Naidu



have been passed in the current session of parliament without any parliamentary scrutiny. "In the 14th Lok Sabha, 60% of the bills were sent for scrutiny to parliamentary committees. In the 15th Lok Sabha, 71% of bills were sent for scrutiny. In 16th Lok Sabha, only 26% of bills were sent," the letter said. Parliamentarians have also pointed

out that the first session of a new Lok Sabha is 8-10 sittings long and passes a handful of bills. "The first session of the 17th Lok Sabha has had 30 sittings. In this period, a dubious record has been set up: 14 bills have been passed and none have been scrutinised by any parliamentary committee," Trinamool Congress MP Derek O'Brien said.

The MPs took a serious exception to the dip in the number of short-duration discussions and the time being given to them to study legislations. "There is a convention of having one short-duration discussion each week. In the four weeks of the budget session, only two short-duration discussions have been allowed," said O'Brien.

Allegations

ED alleges that Talwar received kickbacks worth ₹272 cr while acting as a middleman

CBI sought Talwar's remand on the ground that he needs to be confronted with "voluminous documents" to "unearth the conspiracy"

Aviation Scam: CBI Arrests Deepak Talwar

Our Political Bureau

New Delhi: The Central Bureau of Investigation (CBI) on Friday arrested corporate lobbyist Deepak Talwar immediately after a local court dismissed his anticipatory bail.

The court has remanded him to seven days custody for questioning as the CBI had sought 14 days of police custody. Talwar will be produced before the court on August 2. The agency sought Talwar's remand on the grounds that he needs to be confronted with "voluminous documents" to "unearth the conspiracy" in an aviation scandal in which Talwar allegedly acted as a middleman to illegally secure favourable air traffic rights for foreign private airlines in 2008-09 at the cost of national carrier Air India by liaising with several government functionaries. The Enforcement Directorate (ED) in its charge sheet, filed on May 1, had alleged that Talwar received kickbacks worth ₹272 crore while acting as a middleman. Talwar had "close proximity" to "various government agencies, including ministries of finance, law, corporate affairs, technology, the then Foreign Investment

Promotion Board (FIPP), banking, media and public relations". Talwar, ED alleged in the charge sheet, exploited his relationship with "senior functionaries in administration, politicians, ministers and other officials" to illegally obtain "favourable air traffic rights for UAE, Air Arabia and Qatar Airways"; ED

CUSTODY PERIOD

Court remands Talwar to 7 days custody; he will be produced before the court on August 2

ans, ministers and other officials" to illegally obtain "favourable air traffic rights for UAE, Air Arabia and Qatar Airways". The agency had described the then civil aviation minister Praful Patel as a "dear friend" of Talwar and said the minister used to meet Talwar "socially". Patel was questioned by the ED for several hours last month. Advocate Tanveer Ahmed Mir, counsel for Talwar, opposed the custody contending that none of those involved in the aviation scandal have been questioned so far by the CBI. The premier agency had registered an FIR on May 29, 2017, in the aviation scam.

FOR SEXIST REMARKS IN LOK SABHA AGAINST PRESIDING OFFICER

Azam Will be Asked to Apologise

If he doesn't apologise, Speaker has been authorised to take action against him: Pralhad Joshi

Our Political Bureau

New Delhi: Samajwadi Party MP Azam Khan will be asked to furnish an unconditional apology in Parliament on Monday for his sexist remarks on BJP MP Rama Devi, who was presiding over Lok Sabha proceedings on Thursday.

"If he doesn't apologise, the Speaker has been authorised to take action against him," parliamentary affairs minister Pralhad Joshi said after the Speaker held a meeting with the leaders of all parties on Friday.

The meeting came after members of the Lok Sabha cutting across party lines demanded "exemplary action" against Khan. After the entire two-hour of the Lok Sabha on Friday was devoted to members condemning Khan's conduct, Speaker Om Birla assured the House that he would soon take a decision on the action in consultation with



the floor leaders of different parties. With the Speaker saying "this is zero hour and you are free to express your views", the House witnessed members, including many women MPs and ministers, condemning Khan's conduct, expressing solidarity with Rama Devi and telling the Speaker that he was fully empowered, especially since privileges and ethics committees have not yet been formed, to take action against Khan—who was not present in the House then. The issue was first raised by BJP member Sanghmitra Maurya, who said if a woman member can be insulted in Parliament, that will send a very wrong message across the country and, therefore, Khan should be punished to send a "loud and clear" message. Union ministers Nirmala Sitharaman and Smriti Irani led the BJP members in condemning Khan, and Ravi Shankar Prasad joined in. "Let us not reduce this to a pro-

2019 LOK SABHA ELECTIONS

Accounts Claim Parties Cut Funds for Candidates

Anubhuti.Vishnoi@timesgroup.com

New Delhi: West Bengal Chief Minister Mamata Banerjee shot off a letter to Prime Minister Narendra Modi this week lamenting the staggering amounts being spent by political parties in the recently concluded Lok Sabha elections in the absence of any fixed outer limits—unlike for candidates.

The latest paperwork submitted by political parties to the Election Commission seems to reflect this trend—while all accounts so far indicate massive election spending by political parties in 2019, they all seem to be cutting funding for their candidates.

At least, that's what is reflected in the first expenditure details on Lok Sabha 2019 elections filed with the Election Commission of India. Almost all parties—Congress and BJP have yet to file statements—seem to have trimmed down candidate funding except for friends and family.

Samajwadi Party had been generous to its candidates in 2014, and more so to the family. But this time around, the cut has affected the family as well.

Party patriarch Mulyam Sungh Yadav, who led with a ₹67 lakh funding for Mainpuri in 2014, had to make do with ₹35 lakh in this election. While most candidates got ₹8 lakh to ₹15 lakh, the family has done better than the average SP candidate—son Akhilesh Yadav, daughter-in-law Dimple Yadav, Ram Gopal Yadav's son Akshay Yadav and the controversial Azam Khan bagged ₹35 lakh each.

Shalini Yadav, who took on PM Modi in Varanasi, was given ₹25 lakh to contest the polls, while Poonam Shatrughan Sinha, who took on BJP veteran Rajnath Singh in Lucknow, was handed out ₹15 lakh by the party. In 2014, SP gave ₹70 lakh to Sudeep Sen in West Bengal and Dimple Yadav and Dharmendra Yadav contested with ₹40 lakh party funding in their kitty.

Aam Aadmi Party, which generated considerable buzz in the last Lok Sabha elections and spent ₹7.7 crore in 2014 on its candidates, reported a steep decline in its election

Cut Corners

While 2019 elections saw unprecedented cash flow, parties cut funding for candidates

SP cut down average candidate funding with hits even at family

BSP GAVE 'NIL' AMOUNTS TO ITS CANDIDATES

AAP's total candidate funding down from ₹7.7 cr in 2014 to ₹1.1 cr

JDS shaved off funds for all but party chief

Trinamool & NCP exceptions with increased/sustained high candidate funding

Implications: Candidates mostly need to raise funds on their own opening gateway for more 'moneys' politicians

Political parties divert funding to 'party propaganda' and 'publicity heads' instead as there is no party spending limit fixed by EC

expenditure this time with ₹1.3 crore spent on candidates. The party, in fact, showed no money given to its sole winning candidate and Lok Sabha MP Bhagwan Mann, who represented Sangur in Punjab. AAP opened up its purse strings for its Delhi candidates, giving out the maximum amount to its East Delhi candidate Atishi Marlena (₹35 lakh), ₹28 lakh to Brajesh Goyal in New Delhi, ₹27 lakh to Raghav Chadha, ₹21 lakh to Pankaj Gupta for the Chandni Chowk contest. JDS, which has just suffered a toppled government in Karnataka, spent ₹4.55 crore in 2019—down from well over ₹6 crore in 2014. The party patriarch HD Deve Gowda predictably bagged the maximum amount, ₹66 lakh. The rest got ₹3-20 lakh. In 2014, the party spent up to ₹50 lakh on several candidates with HD Kumaraswamy, G Shekhar, C Putteraraj and Mathew P Thamound getting the highest amount—₹50 lakh each.

Iran Offers One-year Multiple-entry Visas to Indians

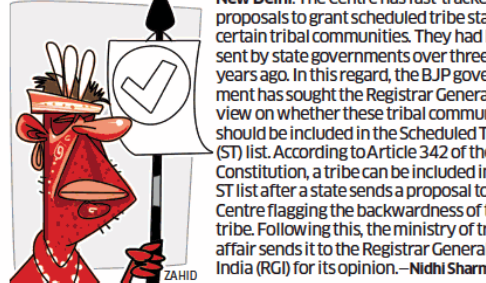


Dipjan Roy Chaudhury @timesgroup.com

New Delhi: Iran-India ties have received a boost in recent weeks with Tehran offering one-year multiple-entry visas to Indians despite New Delhi's decision to stop import of oil from its old ally and reduce the budget for Chabahar Port expansion under the shadow of US sanctions.

Besides multiple-entry visa facility, which aims to boost bilateral trade and people-to-people contact, Iran has also extended the visa on arrival facility for Indian nationals to 90 days from 30. The two nations are also negotiating a Mutual Legal Assistance Treaty to strengthen cooperation in legal matters involving their citizens. An Agreement on Mutual Legal Assistance on Civil and Commercial Matters is currently being negotiated with Iran, minister of state for external affairs V Muraleedharan told Parliament on Thursday. The proposed agreement was discussed during the India-Iran Joint Consular Committee Meeting (JCCM), held in New Delhi on May 14, with a view to its expeditious conclusion, the minister said.

Centre Fast-tracks 21 Proposals to Grant Scheduled Tribe Tag to Certain Communities



New Delhi: The Centre has fast-tracked 21 proposals to grant scheduled tribe status to certain tribal communities. They had been sent by state governments over three years ago. In this regard, the BJP government has sought the Registrar General's view on whether these tribal communities should be included in the Scheduled Tribes (ST) list. According to Article 342 of the Constitution, a tribe can be included in the ST list after a state sends a proposal to the Centre flagging the backwardness of the tribe. Following this, the ministry of tribal affairs sends it to the Registrar General of India (RGI) for its opinion.—Nidhi Sharma

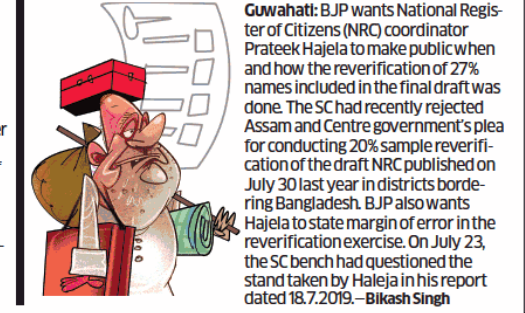
OTHER NEWS OF THE DAY

China Provides Satellite Data on India's Flood-hit Regions to Aid Relief Efforts



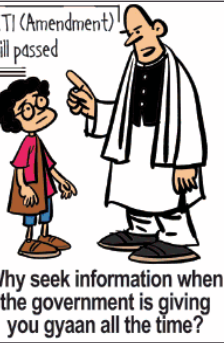
New Delhi: China has provided India with satellite data on the country's flood-hit regions to assist Delhi's relief efforts. The data was shared following ISRO's request for international disaster relief support. "Following ISRO's request for international disaster relief support, China has provided India with satellite data on India's flood-hit regions to assist its flood relief efforts. Hope all gets well soon," tweeted Chinese Ambassador to India Sun Weidong, who had arrived here on July 21.—Dipjan Roy Chaudhury

BJP Wants NRC Coordinator to Make Public Details of Reverification Exercise



Guwahati: BJP wants National Register of Citizens (NRC) coordinator Prateek Hajela to make public when and how the reverification of 27 names included in the final draft was done. The SC had recently rejected Assam and Centre government's plea for conducting 20% sample reverification of the draft NRC published on July 30 last year in districts bordering Bangladesh. BJP also wants Hajela to state margin of error in the reverification exercise. On July 23, the SC bench had questioned the stand taken by Hajela in his report dated 18.7.2019.—Bikash Singh

Poliloquy R PRASAD



R.T.I (Amendment) Bill passed

Why seek information when the government is giving you gyaan all the time?

INS Urges Govt to Withdraw Customs Duty on Newsprint

Says 10% levy will add to the financial burden of publishers of newspapers and magazines

Our Bureau

New Delhi: The Indian Newspaper Society (INS) has appealed to the government to withdraw the 10% customs duty levied in the budget on newsprint and paper used to print newspapers and magazines, calling it an "unbearable burden" on the industry.

Besides, domestically produced newsprint was less suitable than imported newsprint for modern printing presses. "The tearing of paper reels of domestic newsprint on presses is more than three times as compared to imported. This leads to excessive wastage and loss of productivity," INS said.

The domestic newsprint industry exported only 12,726 tonnes of newsprint in the previous financial year when there was a global shortage of the commodity, reflecting the lack of their production capacity, it said.

INS also raised questions on the reliability of domestic newsprint supplies, saying many of them have received show-cause notices from the Central Pollution Board, which may hamper their ability to increase production.

Cyclical Pattern: Mohapatra

"There is a standard operating procedure, there are dos and don'ts, so that each individual and organisation is better placed to deal with heavy rainfall," he said. The change in the rainfall pattern may be attributed to climate change, but the monsoon also has a cyclical pattern over decades, he said.



dry beginning, with a 33% shortfall in the first month, monsoon gathered momentum in July. July is likely to get 95% of normal rainfall, helped by a surge in the week ahead, and August will get good rainfall, he said.

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WhatsApp to Take Prompt Action on Message Traceability: Prasad

INDIA GETS BLUE TICK Co's global head Will Cathcart assures India cooperation on tracking messages in case of any unlawful activities, and promises to appoint a local grievance officer

Our Bureau

New Delhi: Free messaging company WhatsApp assured "prompt action" on traceability of messages known to have triggered mob lynchings and terrorist acts in India and promised to appoint a grievance officer in India as it prepares to launch its widely-anticipated payments service in the country.

After a meeting with the company's global head Will Cathcart on Friday, telecom minister Ravi Shankar Prasad said that he had flagged two concerns; regarding "traceability of messages" and appointing an India grievance officer.

"WhatsApp global head has assured me of prompt action on their part on both the measures," Prasad told reporters after the meeting. While agreeing to cooperate with India's law enforcement agencies, Cathcart stressed the importance of encryption for the messaging app with 400 million users in India; a stance the company has used in the past to stall demands on traceability.

"On the issue of traceability, I have conveyed to them traceability shall be their job and they need to find the mechanism to do so," Prasad said. Prasad explained that while WhatsApp will develop the mechanism, the government would request for information on tracing messages on



STRONG MESSAGE On issue of traceability, I have conveyed to them traceability shall be their job and they need to find the mechanism to do so RAVI SHANKAR PRASAD Telecom Minister

when the platform is misused by rogue elements, terrorists and extremist elements by repeating and recirculating messages. "In such an event, there must be a mechanism where those could be traced to enforce law and order, safety and security of the country. And request for that will also come from appropriately high level so that there is no tinkering in between," the minister said.

Cathcart said WhatsApp is focused on making changes to its product to deal with virality like forward limits that it had set on its messages. "We talked about the work we are doing to cooperate with law enforcement, put in place training and handle requests," Cathcart said.

The issue of traceability of messages on its platform has been a thorny one between India and WhatsApp for over a year now, with officials in the IT department voicing their frustration at WhatsApp's alleged stalling tactics. The government is banking on the pending amendments to the

intermediary guidelines, which will make social media platforms responsible for ensuring traceability of messages and also mandate the setting up of a grievance officer in the country or be liable to face even jail terms for some violations. WhatsApp, though, acceded to the government's other request on ensuring explicit user consent before a user is added to any groups on the social media platform. Also, the company has set up an India office, which was another key demand from New Delhi.

Prasad welcomed the company's move to start a payments service in the country as far it adhered to the guidelines of the Reserve Bank of India and the NPCI and said he supported the company in its endeavour to make India-specific products.

WhatsApp has been testing its payments service in the country since last year, but could not launch full-fledged services awaiting regulatory approvals, especially around local storage of data rules. The company said that an audit is under way

Enterprises Test WhatsApp's Payment App

New Delhi: A handful of companies have joined a million users in testing the beta version of WhatsApp's yet-to-be-launched payments system, which is meant for peer-to-peer transactions, two months ago, officials working with the company said. WhatsApp's payment service has been in the beta mode since last year. The company didn't respond to an email seeking comments till press time on Friday. "A handful of enterprises are testing it as well. Payments for enterprises is relatively new. This doesn't mean it will go live," said one of the sources, refusing to be identified.

The messaging app needs a third-party auditor to validate that all its data involving payments will be stored only on Indian servers. On Thursday, Cathcart said the company plans to roll out its much-awaited payments service in the country later this year and that its vision is to make sending money as easy as sending messages on the platform.

Future Lifestyle Fashion to Raise ₹300 crore from Aion

Co to issue 64.79 lakh shares at ₹463 apiece to Aion arm Apollo India

Our Bureau

Mumbai: Future Lifestyle Fashion (FLF), owner of department store formats including Central and Brand Factory, will raise ₹300 crore from AION Capital Partners through preferential allotment of shares.

Retailer Kishore Bivani's FLF will issue 64.79 lakh shares at ₹463 apiece to Apollo India Private Equity, an affiliate of AION, it said in a statement. Following the news, FLF stock rose 0.88% to close at ₹464.8 per share on the Bombay Stock Exchange on Friday. AION is an India-focused equity fund jointly promoted by US private equity fund Apollo Global Management with ICICI Venture Fund Management.

While Future Group generates its biggest chunk from food and grocery retailing, apparel and lifestyle segment is a higher margin business. FLF grew 27% last fiscal with revenues of ₹5,728 crore. The firm also runs nearly 30 brands, including Indigo Nation and Lee Cooper, through 330 stores across 7.2 million square feet of retail space. Last year, L.Catterton bought a 10% in FLF.

Retail Therapy FLF to raise funds via preferential allotment of shares Aion is jointly promoted by US PE fund Apollo Global with ICICI Venture Fund ₹1,400 cr Aion had invested in Future Group's family holding cos late last year Future Group generates its biggest chunk from food & grocery retailing But apparel & lifestyle segment is a higher margin business

Bivani has been spearheading the company to be the country's biggest clothing retailer by volume and the group sold about 30 crore garments last year. In its latest annual report, the company said it aims to increase market share by 450-500 basis points in India's lifestyle fashion segment that is increasingly cluttered. Last month, Trent Ltd that runs Westside and Star Bazaar, said it will raise ₹1,550 crore through issue of shares to promoter Tata Sons and other investors. "Power brands are margin accretive as they gain scale and garner operating leverage. Investee brands, on the other hand, provide an opportunity for stake sale. On account of having an integrated model, FLF is a much better bet than other retailers," Edelweiss wrote in a recent investor note. India is an attractive market for US and European brands and has, over the past few years, attracted a clutch of the world's largest apparel brands including H&M, Gap and Uniqlo that are banking on young consumers increasingly embracing western-style clothing.

All Big AAI-run Airports Likely to Go into Private Hands

Our Bureau

New Delhi: The government plans to put almost all large profit-making airports owned and operated by the Airports Authority of India (AAI) under private management, in what will be the second wave of airport privatisation in the country. As part of the plan, AAI will begin focussing on upgrading the smaller airports.

AAI chairman GP Mohapatra said, "As part of the second phase of privatisation, 20-25 major airports may be privatised. The list is being prepared so we do not know the airports that will be in the list, but it will be large and profit-making airports, as smaller airports may not find takers in the private sector." The first phase of privatisation saw Adani Enterprises bid successfully for management of six airports. Mohapatra, who is joining as secretary, Department of Industrial Policy and Promotion (DIPP), said he expects "significant participation" from foreign airports in the second round. He said the list of airports to be privatised will be sent to the aviation ministry, which will take the process forward and it will end with the cabinet giving its nod for the successful bidders.

Plan for Power Sector

From Page 1

He took charge as power secretary in the morning after handing over charge of the finance ministry to Atanu Chakraborty on Thursday. Garg said living standards can't improve unless power is available to everyone. "This ministry not only is the policy making ministry for this extremely important sector but it is also overseeing several initiatives to expand the distribution network as well as make power reach every family in the country," he said. "I am very grateful and perfectly happy to be here and do my best in the time I am here to strengthen the power sector."

Gard told reporters that the posting of bureaucrats is the government's prerogative and all secretary positions are equal. On his priorities for the power ministry Garg said some reforms recommended by the committee on stressed assets led by the cabinet secretary are yet to be implemented. Private sector participation in power distribution needs to be encouraged, he said, adding that the July 5 budget had announced proposals to allow greater inflow of foreign direct investment (FDI), including foreign bonds in infrastructure. Other issues such as improving the finances of the power sector, getting generation going and power purchase agreements (PPAs) being questioned in several states have to be addressed to bring stability to the sector, he said. Garg's departure from the finance ministry followed criticism of the July 5 budget over the enhanced surcharge on the super-rich and a proposal for overseas sovereign borrowings.

Mindtree to Maintain Double-digit Growth: L&T Head Subrahmanyam

Says management's priority is to drive profitability; new CEO to join on August 2

Our Bureau

Bengaluru: Larsen and Toubro said Mindtree would maintain its industry leading double-digit growth rate, amid a leadership transition at the Bengaluru-based company after promoters quit earlier this month. The engineering conglomerate is the majority owner of the mid-tier technology services company, after it acquired 60.06% stake. Although L&T acquired the stake at 980 per share, Mindtree's shares have dropped

A CALL TO CLIENTS AM Naik (L&T chairman) has written to each and every client of Mindtree, and assured them of full cooperation.... And, we have got replies from some of the clients

ked out", said SN Subrahmanyam, director of Mindtree and chief executive of L&T. Mindtree has done well among mid-tier IT firms and would be professionally run, Subrahmanyam told analysts in a call. "Having now gained control, L&T will provide full protection to Mindtree from any future attempt to destabilise the management. The network of L&T is worldwide and we will provide this kind of network to Mindtree," he said. The L&T management has received positive feedback from clients of the \$1 billion software services exporter, he said. "AM Naik (L&T chairman) has written to each and every client of Mindtree, and assured them of full cooperation and the benefits of the services. And, we have got replies from some of the clients," Subrahmanyam said. Last week, Naik became Mindtree's non-executive chairman.

Joint Responsibility

credit squeeze facing exporters. He emphasised that it was the joint responsibility of banks and the government to ensure that export credit at competitive rates was available to businesses. "We expect more easing for export financing," said an official aware of the details. The Reserve Bank of India could also park funds with overseas branches of Indian banks to give credit at concessional terms. The relaxation in financing has come amid a slowdown in India's exports which shrank for the first time in nine months in June as shipments to the key markets of Hong Kong, the United Arab Emirates (UAE) and China declined. Moreover, global trade is projected to grow at 2.6% this year, a full percentage point below the previous forecast. Exporters and industry said the easing is piecemeal and not sufficient for a country aiming at \$1 trillion of merchandise exports. "Whatever relaxation comes is welcome but this is a small amount for exporters," said a leather exporter on condition of anonymity. "There are certain banks which are close to that limit of 2% ANBC and may not get a huge encouragement from this move," said the representative of an exporters' group. Priority sector lending requires banks to set aside a proportion of their loans to sectors such as farming, small enterprises, housing for the poor and education.

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CORPORATE SCORECARD

Jubilant Life Sciences Q1 Net Silps 7.68% to ₹185 Crore

NEW DELHI Drug firm Jubilant Life Sciences on Friday reported 7.68% decline in its consolidated net profit to ₹184.98 crore for the quarter ended June, mainly due to higher expenses. Net profit was ₹200.37 crore for the same period in the previous fiscal. Total consolidated revenue from operations, however, rose to ₹2,181.8 crore (₹2,078.6 crore). Total expenses stood at ₹1,922.5 crore (₹1,779.8 crore). In life science ingredients segment, revenues have been 5% lower on-year, mainly due to decline in input prices that affected selling prices.

Blocon First Quarter Net Gallops 72% to ₹206 Crore

BENGALURU Biopharmaceutical major Blocon has reported 72% jump in its consolidated net profit at ₹206 crore (₹120 crore) during the quarter ended June 30. Revenue from operations increased by over 30% to ₹1,466 crore, against ₹1,124 crore on-year. Total revenue was ₹1,490 crore (₹1,193 crore) while total income on a consolidated basis grew 25% to ₹1,490 crore (₹1,193 crore), backed by the performance in biologics and small molecules business. Net profit excluding exceptional item stood at ₹223 crore, marking a growth of 86%.

PNB Posts Net of ₹1,019 Crore

NEW DELHI Punjab National Bank posted ₹1,018.63 crore net profit in the first quarter on the back of improved recoveries. The state-owned lender had reduced its bad loans and improved systems and processes, managing director Sunil Mehta said. "We expect our bad loans to be 10-12% by year end," he said, adding that this financial year has been termed the year of profitability and creating value for banks. The bank had registered a net loss of ₹940 crore a year earlier and ₹4,749.64 crore in the quarter ended March. PNB shares gained 2.95% to ₹68 at the close on the BSE on Friday, when the banking sector barometer, the Bankex, advanced 1.03%. The bank's gross bad loans stood at 16.49% of gross advances compared with 18.26% a year ago. Its net bad loans were at 7.17% as against 10.58% a year ago. **OUR BUREAU**

Mahindra Lifespace Q1 Net Down 52% to ₹13 Crore

NEW DELHI Realty firm Mahindra Lifespace Developers on Friday reported 52% on-year decline in its consolidated net profit at ₹12.92 crore for the first quarter, from ₹26.70 crore, it said in a regulatory filing. Total income declined to ₹120.3 crore (₹175.8 crore). Mahindra Lifespace is the real estate and infrastructure development arm of the Mahindra Group.

TeamLease Services Q1 Net Falls 14% to ₹19 Crore

NEW DELHI Staffing company TeamLease Services on Friday reported a 13.76% decline in its consolidated net profit to ₹18.8 crore for the June quarter, against net profit of ₹21.8 crore a year ago, said a regulatory filing. Total income from operations stood at ₹1,251.2 crore, as against ₹1,021.3 crore. "Overall revenue grew 23% and Ebitda (earnings before interest, taxes, depreciation, and amortisation) grew 13% in Q1FY20. Unallocated net expenses were brought down substantially on-quarter and on-year," the filing said.

Puravankara Q1 Profit Zooms 63% to ₹43.24 Crore

NEW DELHI Realty firm Puravankara on Friday reported a 63% rise in consolidated net profit at ₹43.24 crore for the June quarter, against net of ₹26.46 crore in the year-ago period, noted a regulatory filing. Total income rose 64% to ₹645.55 crore from ₹394.70 crore. "We have begun the new fiscal on a strong note with robust sales, cash flows and net profits. The budget has provided further impetus to the sector," said MD Ashish R Puravankara.

Correction

In the July 26 story on CEO pay, the annual salary of Deepak Nitrate executive director Umesh Asalkar should have been cited as ₹5.9 crore. The error is regretted.

Bajaj Auto Q1 Net at ₹1,126 cr on Back of Bike Sales

BAD ROADS Executive director Rakesh Sharma calls June the worst month of quarter, says two-wheeler market is seeing a structural change

Our Bureau
Mumbai: Bajaj Auto, the country's largest premium motorcycle maker, bucked the trend to post a profit of ₹1,125.7 crore for April-June at a time of persistent slide in demand. Led by launches planned for the year, the company set a target of continuing to outpace the market for the financial year in terms of volumes and maintain positive growth trajectory. The Pune-based two-wheeler maker reported a marginal 1% rise in profit as decent motorcycle sales growth compensated for the falling three-wheeler sales in India and overseas. Revenues grew 3.9% to ₹7,755.8 crore on the back of a 2% rise in sales to 1.25 million units, whereas Ebitda margin shrank 2.2 percentage points to 16.1% on weaker product mix and lower contribution of the high margin three-wheeler business. Rakesh Sharma, executive director, Bajaj Auto, told ET the two-wheeler market was in the midst of a structural change and would take three to six months to recover. "For the industry, the first quarter was worse than the fourth quarter of the previous fiscal. June was probably the worst month of Q1 and July, so far, has been difficult. Given the environment, we have still recorded growth and kept volumes steady. The overall outlook is of a decline for the market," said Sharma. Bajaj Auto's performance was cheered as its shares closed up 2.92% on Friday at the Bombay Stock Exchange.

On company strategy, Sharma assured that despite the difficult environment, there were pockets of growth – both geographically and segment-wise. "We have launched four products in four months, both at entry level and in the premium segment and they have helped us grow volumes. There are pockets where we can have new product action in the coming months (in the 125cc executive segment), which will help us stay ahead." In the two-wheeler space, Bajaj Auto outpaced the overall market breadth by 8-10%. Domestic two-wheeler sales and exports improved 3% and 8%, respectively. Meanwhile, commercial vehicles sales, which include three-wheelers and quadricycles, were down 9% in the domestic market and 23% in the export market. Three-wheeler exports to Egypt were affected due to new regulation for licences being enforced. Sharma said the situation in Egypt should improve in the forthcoming quarters. Sharma said he believes margins were bottomed out and things should improve to about 16-17%, but asserted that it is unclear to expect 20% margins in the current difficult environment.

Riding Pillion


Revenues grow 3.9% to ₹7,755.8 cr

Sales increase 2% to 1.25m units

Two-wheeler exports up 8%

“We have launched four products in four months and they have helped us grow volumes”

RAKESH SHARMA
Executive director
Bajaj Auto



Voda Idea Net Loss Down at ₹4,874 cr in Q1 on Lower Costs

Loss of subscribers, shift to lower tariff plans see telco's revenue fall below Jio's for the first time

Our Bureau
Mumbai: Vodafone Idea's net loss narrowed marginally to ₹4,873.9 crore for the April-June period from the preceding quarter, helped by a change in accounting standard and less operating costs. Revenue fell below that of rival Reliance Jio Infocomm for the first time. Revenue declined 4.3% on-quarter to ₹11,269.9 crore as subscribers left due to the telco's minimum recharge plans and "continued down trading of high ARPU (average revenue per user) customers," Vodafone Idea said on Friday. Comparatively, Jio posted a 46% increase in profit to ₹991 crore on revenue of ₹11,679 crore. Results of Bharti Airtel, whose India mobile revenue had already slipped below Jio's, are expected on August 1.

The Right Path

Changed accounting standard and less operating costs help VIL



Impact of lower revenue partially offset by cost savings derived from merged networks and operations

Subscriber base falls to 320 million from 334 m, excluding inactive users

Revenue silps 4.3% on-quarter to ₹11,267 crore

ARPU grows to ₹108

The impact of lower revenue was partially offset by cost savings derived from integration of Vodafone India and Idea Cellular's networks and operations. The combined entity reached about 70% of its operating expenditure synergy target of ₹8,400 crore, Vodafone Idea said. "We are delivering on our stated strategy, although the benefits are not yet visible in our topline," said chief executive Balesh Sharma. "We are well on track to deliver our synergy targets by Q1 of FY21. We expect these factors to contribute to our financial performance."

Minimum recharge plans, to be renewed every 28 days, meant subscriber base fell to 320 million from 334.1 million, excluding inactive users. However, it helped ARPU grow for the second successive quarter to ₹108 from ₹104. ARPU of Jio, with a user base of over 331 million – including inactive users – was ₹122 at June end. VIL said its high-revenue customers were "broadly stable," as reflected in the churn, which eased to 3.7% from 7.2%. But its 4G subscriber base – typically high-paying users – grew at its slowest pace sequentially in at least a year, to touch 85 million at June end.

Experts said Vodafone Idea's results suggested the telecom industry still had some way to go before overcoming the stress caused by the entry of Jio and high debt levels. Vodafone Idea's 4.3% on-quarter revenue decline and a 6% wireless service revenue decline "will (and should) take away the illusion of stability and hopes of a quick revival in the sector," brokerage Kotak Institutional Equities said in a note to clients. "The upside from minimum recharge construct that supported Q4 FY19 revenue stability did not sustain for even a quarter; down-trading at top and top-middle segments continued as well." Quarterly earnings before interest, taxes, depreciation and amortisation (Ebitda) more than doubled to ₹3,650 crore from ₹1,790 crore. "The sharp increase in the company's Ebitda is artificial as it's not driven by business growth but a change in the accounting standard," said Rohan Dhamija, partner & head of India & Middle East at Analysys Mason, adding that the net loss was wider than expected. Shares of Vodafone Idea fell 4.8% to ₹9.25 at Friday's close on BSE. Results were declared after markets closed.

Airtel Africa Q1 Net Dips 12% to \$125m on Higher Costs

KOLKATA Bharti Airtel's Africa unit suffered a 12% on-year fall in net profit to \$125 million (about ₹862.5 crore) in the quarter to June, stung by higher net finance, depreciation and amortisation costs, and adverse forex swings, even as the company is considering selling towers, besides monetising its data centres and fibre network to raise further funds. In its quarterly earnings report issued on Friday, Airtel Africa said the "growth in operating profit was partially offset by higher finance costs and lower gains on exceptional items." Revenue rose 7% on-year. **OUR BUREAU**

Plan to Scrap 15-yr-old Vehicles

NEW DELHI The government on Friday proposed amendments to motor vehicle norms to allow scrapping of vehicles older than 15 years in a bid to spur adoption of electrical vehicles. In a draft notification, the government proposed renewal of fitness certificates for vehicles older than 15 years every six months instead of the current time frame of one year. "The Ministry has issued a draft notification for amendments to the CMVR (Central Motor Vehicles Rules) for providing a boost to the Electric Vehicles, ensuring divyang friendly features in buses, and providing an enabling mechanism for scrapping of vehicles older than 15 years," said a road transport and highways ministry statement. For conducting test and the grant and renewal of fitness certificate for motor vehicles older than 15 years, the fees have also been increased. Battery-operated vehicles will be exempted fee for issue or renewal of registration certificate. **PTI**

LOW INFRA SPEND, AUTO DEMAND JSW Steel Net Plummets 57% to ₹1,008 Crore

Mumbai: JSW Steel's net profit more than halved in the first quarter, as sales dropped on softer public spending on infrastructure and demand from the auto and consumer durables sectors weakened. Consolidated net profit fell 57% to ₹1,008 crore as inventory rose due to weaker sales in a quarter also marked by subdued steel prices. This is the second consecutive quarter in which net profit has taken a steep hit. In the fourth quarter of the previous financial year, net profit fell 48% compared to the year-ago period, on higher raw material costs. Inventory – both finished and work-in-progress goods – increased 300,000 tonnes during the quarter. Losses due to piled up inventory – an accounting principle reflecting that the company produced more steel than it was able to sell – widened by 127% to ₹1,053 crore. Consolidated earnings before interest, taxes, depreciation and amortisation (Ebitda) fell 27% to ₹3,716 crore. Sales volume declined by 3% to 3.66 million tonnes. Revenue from operations slipped about 3.4% to ₹19,812 crore, even as it tried to make up for weak domestic demand by focusing more on exports. Exports volume increased by 34% during the quarter. The company's board also approved an up to ₹10,000 crore fundraising plan through non-convertible debentures in the domestic market. It has also approved a further \$1 billion fundraising from overseas markets through foreign currency or rupee denominated bonds. These are proposed to be used for capital expenditure and to repay outstanding loans or to refinance short-term loans. **OUR BUREAU**

IndiGo Looking for a Woman Director

Approaches Indra Nooyi, Neelam Dhawan, Isher Judge Ahluwalia, Naina Lal Kidwai, Vinita Bali

Mihir Mishra & Satish John



New Delhi | Mumbai: IndiGo has sounded out five prominent personalities to join the board as the airline's first independent woman director. The carrier has approached former PepsiCo chief Indra Nooyi, Indian Council for Research on International Economic Relations chairperson Isher Judge Ahluwalia, ex-MD of Britannia Vinita Bali, former HP India head Neelam Dhawan and ex-HSBC India head Naina Lal Kidwai. "The airline board will decide on the candidate very soon," said a person familiar with the development, who did not want to be identified. The appointment of an independent woman member on the airline's board is part of an agreement reached after co-promoter Rakesh Gangwal complained to the market regulator that IndiGo was not following corporate governance norms. "We would like to fill this position with a person of high integrity," the person said, adding that the individuals shortlisted individuals reflect the airline's endeavour to have independent and professional members on the board. To address the concerns raised by Gangwal, IndiGo is expanding the composition of its board to 10 from six. The board will include four independent directors including a woman, five nominees of co-founder Rahul Bhatia's InterGlobe Enterprises, including the CEO, and one from the Gangwal group. After Gangwal had red-flagged the issue of related-party transactions between IndiGo and Bhatia's IGE, the airline has decided to change the practice. IndiGo will now follow a competitive bidding process for all such transactions over a certain value, a person aware of the development said. External consultants will be hired to deal with technical issues and transactions. While the Bhatia family and IGE together own 38.23% of the airline, Gangwal, his wife and a trust own 36.65%.

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“ The moment I registered my property, started getting response. ”

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BSNL, MTNL Still Prominent: MoS

Sanjay Dhotre says both must show operational proficiency amid their revival

Muntazir.Abbas@timesinternet.in
New Delhi: State-owned Bharat Sanchar Nigam Ltd (BSNL) and Mahanagar Telephone Nigam Ltd (MTNL) would continue to be prominent players in the telecom sector, but they have to demonstrate proficiency in their operations, said minister of state for telecommunications Sanjay Shmarao Dhotre. The minister told ET the two telcos offer competitively priced services. Besides, he said, "State-owned operators, particularly BSNL, venture into rural and far-flung areas, enabling people to stay digitally connected, whereas private telcos do not apparently find the business lucrative in those areas." Dhotre's comments hold significance amid the ongoing revival process for the two companies undertaken by the government, which recently formed a group of ministers (GoM) headed by



voluntary retirement scheme (VRS) for the workforce; monetisation of real estate, towers and fibre assets; and allocation of 4G airwaves. The VRS package to employees attaining 50 years of age would entail an expense of ₹6,365 crore for BSNL and ₹2,120 crore for MTNL, while the proposed land and telecom infrastructure monetisation is expected to bring in an estimated ₹1.75 lakh crore. BSNL and MTNL have been financially stressed owing to high revenue-to-wage ratio. BSNL's loss is estimated to have widened to ₹14,202 crore in 2018-19, from ₹7,993 crore in the previous year, owing mainly to the brutal price competition and high wage costs. The company has more than 165,000 employees. Dhotre said BSNL has a significant role also because it remains at the forefront in situations of natural calamities and is quick to offer free services to consumers impacted by cyclones or floods.

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Rough Trade: Customs Cracks Down, Diamond Industry Cries Foul

Shallesh Menon

A packet of stones bearing the label 'rough diamonds' recently found its way to the customs department in Mumbai. It was part of a consignment for a city-based diamondaire, one of many similar packages. The accompanying shipping bill pegged its value as high as any high-yielding, rough-cut diamond lode. But the stones in this particular packet were quartz—they weren't diamonds. It wasn't a packing error, or a case of wrongful disclosure. What it represented, according to the customs department, was evidence of a scam that's been brewing in the Indian diamond industry over the past few years.

The trade, which imports roughs for polishing, acknowledges the presence of bad apples but alleges that the customs department is harassing them indiscriminately. India processes close to 70% of the world's polished diamonds in terms of value and 92% in terms of number of pieces. "There are a few dishonest diamondaires and they should be punished. But what's the point harassing 7,000-odd genuine diamond traders?" said one trader who didn't want to be named.

The Mumbai customs crackdown began with an office note to all assessors clearing consignments of roughs in the first week of May. It listed a set of "declaration/disclosure rules" that importers have to comply with. They had to specify origin by country and mine, size, shape, type, colour and other key details. This would allow the customs department to assess their value and not just waste the consignment through as had been the practice. "This diktat, asking rough diamond importers to make very specific declaration, is not helping any cause whatsoever—it's only adding to our existing challenges," said Colin Shah, vice chairman of the Gems & Jewellery Export Promotion Council (GJEPC).

Customs department officials say that fake roughs are being sent to India to generate bank credit, which is then sent overseas. Over the past few years, several diamond traders have opened offices in tax-friendly jurisdictions such as Dubai, Singapore, Tel Aviv and Antwerp. Many of these are manned by close relatives or trusted employees of diamond manufacturers in India.



A pile of white grey uncut and rough diamonds on birch wood

These foreign offices buy roughs from mining companies directly, empty the packets and refill them with spurious roughs, half-baked lab diamonds and even stones, according to the customs officials. The refilled packets are sent to India with shipping bills generated by the overseas offices of the Indian diamondaires. These bills are then used to raise bank credit and the money is siphoned off through the overseas offices, according to the officials. "The money, received by way of bank funding for 90-180 days, is sent overseas," said another customs official. "This money will then be diverted for other purposes such as investing in the stock market or real estate. They may even bet on horses or on IPL (Indian Premier League) matches with that money." Bharat Diamond Bourse sources say the new rules have helped corrupt customs officials demand bigger bribes. Some diamond import-

Customs officials say foreign offices buy roughs, refill the packets with spurious roughs and send to India with shipping bills. These are used to raise bank credit and the money is siphoned off through the overseas offices

ers said they have been forced to pay to get their parcels released. Customs officials retort that raising revenue isn't the reason for the move. "The idea is not to increase import duty collections," said one. "At 0.25% IGST (integrated goods and services tax), these collections are negligible anyway. We're more concerned about the hawala racket that is going around import of roughs."

The traders see the "additional declarations" as being antithetical to the much-touted ease-of-doing-business policy, one of them said. The move will reduce imports of roughs, hurting the diamond cutting and polishing industry, according to traders. Many are looking to route roughs through Surat, Kolkata, Delhi and Chennai, where customs clearance is regarded as relatively less onerous.

Various industry bodies are said to be lobbying the government at the top levels, seeking an immediate intervention in the matter. But for now, most importers are adhering to the specifications sought by the customs department. "We're fine with any number of packets coming to us from a miner," said one of the officials cited above. "Miners give clear details of packet content on their shipping

bills. Our problem is when we don't know where the packets are coming from, and what quality of roughs are there in the packet."

According to diamond traders, ascribing a precise valuation to roughs is next to impossible and such a practice is not followed in centres such as Antwerp or Tel Aviv. Besides that, even in the Kimberley Process manuals, there has never been any attempt to describe roughs in the manner that the customs department has sought. The Kimberley Process is a certification scheme that was put in place to stop conflict diamonds from being trafficked through regular channels.

"Valuing rough diamonds is a very subjective matter," said Sanjay Shah, a senior partner at KBS Diamonds, India's largest diamond-studded jewellery exporter. "Roughs that come to India are often 'run-of-the-mine' parcels—they're not sorted for quality or yield. These are packed in smaller packets after doing preliminary mine-level assortment. These are then shipped to polishing hubs like India. Many a time, these are shipped at gross wholesale prices—for example from \$5 to \$500. Nobody can tell the exact value or nature of roughs inside the packet."

Traders add that miners such as Alrosa, Dominion, Rio Tinto and DeBeers have their own set of classifications for roughs. Grading parameters and terminologies also vary for mines located in different countries.

"If we mention the mine specification in the shipping bill, and if the customs appraiser evaluates (or) grades the packet differently, traders may be held for custom misdeclaration, which is a serious charge," Shah said.

One customs official said he found it hard to believe that importers would have little idea about the value or provenance of the stones. "Do you believe these traders would pay money for roughs without ascertaining their yield potential?" he said.

Many traders view the declaration rules as a fallout of the scam that Nirav Modi and Mehul Choksi allegedly perpetrated at Punjab National Bank. They point to the industry's substantial contribution to the economy—exports worth \$25 billion annually and providing employment for more than 1 million people. That should persuade the customs department to be more lenient, they feel.

Managing the Boss in India

In front of their superior many appear to be in agreement, but at a systemic level, there is often complete disregard of the hierarchy



DEVDUPT PATTANAİK Author of Business Sutra

A friend from Southeast Asia once told me that the Chinese have had a civil service and bureaucracy for over a thousand years, complete with a civil service exam. The success of this bureaucracy is based on respect for hierarchy. It is not based on the individual, but the position the people acquire. This hierarchy was highly respected in keeping with Confucian traditions.

People often see that India, too, is hierarchal and bureaucratic; however, compared to Chinese culture, Indian bureaucracy seems highly inefficient. The reason for this is a very unique aspect of Indian culture. There may be a superficial adherence to the hierarchy in India; but at a systemic level, there is complete disregard for it. This means that, while in China, the role of a decision-maker and implementer is very clear, with the senior authority taking the decision and the junior authority implementing it, in India, at every node, decisions are taken by every member of the bureaucracy, using what limited power each has, to delay the process, either by withholding the file, or the signature, or, in a worse case, by misplacing an entire file. He can also bypass the system and make things happen.

The Indian ability to align superficially, but remain disaligned at the core is the reason why many Europeans and Americans consider Indians to be hypocrites and difficult to handle, far more than the Chinese. In Chinese culture, the resentment towards authority is well masked. In fact, a Chinese person is celebrated, or is considered dignified, for not showing expressions. Even Chinese and Japanese dance forms, like Kabuki, thrive on the idea of not showing emotions. It is a sign of being cultured.

In India, with its dance traditions inculcating Abhinaya or expression, expressiveness is ingrained. Indians nod, or move vigorously, like dancers, to express points. This is performance, for the delight of the audience. It is neither transparent nor authentic. This makes Indians exasperating to someone used to a transparent system. One of the most

powerful body gestures is the Indian headshake, which is not binary, but fuzzy and leaves the observer clueless, as to if we are in agreement or disagreement.

There is a very famous local proverb: that the elephant's teeth for chewing and the elephant's teeth for show are different (nathi ke khane wale daant aur dikhane wale daant alag hotay hain). In other words, we see the tusks and not the real teeth. In the same way, many Indians, in teams, show the 'tusk of deference' and appear to be in agreement with the boss, however, when the boss turns away, they do exactly what they want, in other words, they display teeth of freedom. So, while there is a hierarchy in China and India, the hierarchy takes a very different form.

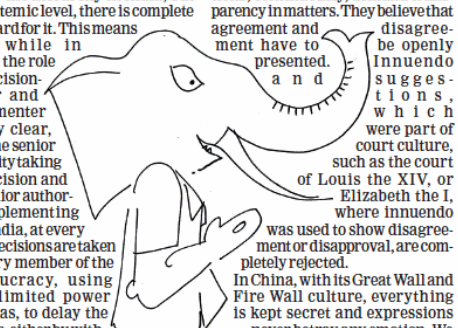
In western culture, as long as there were Colonial powers, hierarchy, authority and bureaucracy were highly respected. Over time, as societies moved into more egalitarian roles, people are expected to do their roles objectively and hierarchy is not required to create a system or a process. However, western organizations, continuously, demand transparency in matters. They believe that agreement and

disagreement have to be openly presented. Innuendo suggestions, which were part of court culture, such as the court of Louis the XIV, or Elizabeth the I, where innuendo was used to show disagreement or disapproval, are completely rejected.

In China, with its Great Wall and Fire Wall culture, everything is kept secret and expressions never betray any emotion. We see a complete opposition to the transparent culture and we really do not know what we are getting. In India, we get the illusion of transparency, perhaps due to our love for Natya Shastra and the concept of maya (delusion).

Loyalty is a much-prized commodity in India. Family businesses prefer loyal staff to transparent staff, who are open about their views and do not respect authority or value so much, but try to be western in their outlook. Indian feudal families, at one level, appear very much like Chinese feudal families, with a clear hierarchy being established based on the duration of their service. However, the elephant syndrome must not be forgotten.

Every employer, in India, knows the idea of Bagula Bhagat (crane devotee), the crane who appears like a holy man praying on one foot, but is actually there to catch fish, or the phrase 'Mum mein Ram, bagal mein churi' (the potential back stabber who always chants God's name to appear holy), indicating a person whose word cannot be trusted. This makes Indian leaders highly insecure with their followers.



In China, the resentment towards authority is well masked. Indians express themselves through nods, which could leave an observer clueless

India Needs Both Informal and Formal Innovation

Focus on economic growth stimulated by investments in R&D may help it move higher on GII ranking. Hari Pulakkat reports

India has moved up in the Global Innovation Index (GI) rankings announced on July 24 to No. 52 from No. 57. However, experts say the real story is not the advance made by India but the divergence in performance with China. When the GI rankings - co-published by Cornell University, INSEAD and the World Intellectual Property Organization - were introduced in 2009, China was ranked 37 and India 41. This year, China is at No. 14 compared with India's 52. The deviation in the progress of the two countries is the result of the different methods they use to generate economic growth, according to those involved in the creation of GI, which measures an economy's innovation performance. For the past three decades, China had been investing heavily in science

and technology. In 2006, the Chinese government announced a 15-year Medium and Long-Term Plan, which set a goal of increasing R&D investment from 1.34% of GDP to 2.5% of GDP by 2020. Last year, China's R&D intensity was 2.18% of GDP. During this period, the Chinese economy grew six-fold. "The brand of innovation that China has chosen for itself is good for global leadership," says Soumitra Dutta, professor management at Cornell University and the creator of GI. In India, prime ministers have been

promising since 1989 to increase R&D intensity to 2% of GDP. It is now roughly 0.7% of GDP and has remained stagnant for two decades. India's improvement on the Innovation Index is due to good performances in technology clusters, market sophistication and software exports. Unlike China, India has not focused on economic growth stimulated by

investments in R&D. Experts say that India's innovation is at an informal level and not easily measurable. "India's brand of innovation is good for getting products and services to the masses and not for global leadership," says Dutta. India has done well in its lower middle-income group as it has been ranked second after Georgia. However, it performed poorly on fronts such as student-teacher ratio, inbound mobility for tertiary education, access and use of technology, and environmental performance. In all of

these, India was ranked above 100 in the world. India's investment on public R&D is itself deceptive, as it spends a disproportionate amount on space, defence and atomic energy, leaving little for universities. "A large country like India needs both informal innovation and formal innovation through investments in science and technology," says RA Mashelkar, former director-general of the Council of Scientific and Industrial Research and an advisory board member to GI.

EASTERN RAILWAY

Tender Notice No. 04CPOHKPA of 2019-20 (Open) for e-tendering, dated 19.07.2019. e-Tender is invited by Dy Chief Engineer/TMC/HQ, 2nd Floor, GM Office, Eastern Railway, 17, N. S. Road, Fairlie Place, Kolkata-700001 from reputed and eligible contractors with sufficient experience, financial capability and having proper and requisite resources and experience for the following work: **Name of Work:** Repair and reconditioning work of track machines in connection with overhauling of track machine at CPOH Depot, Kanchrapara, Eastern Railway. **Tender Value:** Rs. 40,19,710/-. **Earnest Money:** Rs. 80,400/-. **Date of Opening:** 13.08.2019 at 15.00 hrs. Details of tender notice, documents and corrigendum issued from time to time alongwith required eligibility criteria are available at website: www.irps.gov.in Manual offers are not allowed against this tender.

MISC-122/2019-20
Tender Notice is also available at websites: www.ir.in and www.irps.gov.in

Open e-Tender Notice No.: F/Mfg/Air Brake/400 BOXN HL, dated 22.07.2019. Open e-tender is invited by Dy CME (Mfg), Eastern Railway, Jamalpur for the following work. Bidders will be able to submit their bids upto closing date and time only. Manual offers are not allowed against this tender and any such manual offer received shall be ignored. **Name of Work:** Supply, fitment and commissioning of air brake pipe & pipe fittings along with brake gear (BMBS) for 400 BOXN HL. **Location of Work:** Eastern Railway Workshop, Jamalpur, Munger (Bihar), Pin-811214. **Advertised Value:** Rs. 2,06,34,000/-. **Earnest Money:** Rs. 2,53,200/-. **Tender Closing Date and Time:** 20.08.2019 upto 15.00 hrs. **Date and Time for uploading tender:** 29.07.2019 at 15.00 hrs. **Bidding Start Date:** 07.08.2019. **Website particulars and Notice Board location where complete details of tender can be seen etc.:** www.irps.gov.in hyperlinked with www.ir.in and Dy CME (Mfg) office, Eastern Railway Locomotive Workshop, Jamalpur on any working day. MISC-125/2019-20
Tender Notice is also available at websites: www.ir.in and www.irps.gov.in

BAJAJ HOLDINGS & INVESTMENT LIMITED

Performance Highlights Q1 FY20
Consolidated profit after tax: ₹ 669 crore

Consolidated Results		₹ In Crore		
Particulars	Q1 FY20	Q1 FY19	FY19	
Total income	89	106	431	
Share of profits of associates and joint venture	645	654	2,827	
Profit before tax	690	744	3,170	
Profit after tax	669	711	3,048	

Standalone Results		₹ In Crore		
Particulars	Q1 FY20	Q1 FY19	FY19	
Total income	83	106	998	
Profit before tax	43	90	910	
Profit after tax	23	57	788	
Investments (at cost)	8,271	7,875	7,987	
Investments (at market value)	91,007	71,466	80,864	

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Registered Office: Mumbai-Pune Road, Akurdi, Pune 411 035

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BAJAJ



QUICK HITS

Britain Fines Russia's RT £200,000 for Breaking Broadcast Rules
London: Britain's media regulator fined Russia's RT £200,000 (\$248,740) for breaching broadcasting impartiality rules in its coverage of the poisoning of former spy Sergei Skripal, Ukraine and the conflict in Syria.

Disney, Fox Settle Dispute over Malaysian Theme Park
Kuala Lumpur: Malaysian casino operator Genting, Walt Disney and 21st Century Fox have settled a legal battle that centred on allegations the US companies abandoned a project to build a theme park. The Malaysian firm filed a \$1-billion lawsuit in a US court in November, alleging that Disney and Fox failed to honour a 2013 deal to license intellectual property for the park outside Kuala Lumpur.

Sweden Rebuffs Trump over US Rapper Charges
Stockholm: Sweden on Friday dismissed an angry outburst from US President Donald Trump after prosecutors charged US rapper A\$AP Rocky with assault, saying the country's judicial system was independent of political interference.

115 Feared Dead after Mediterranean Shipwreck
Tripoli | Geneva: About 115 people are missing and feared to have drowned and another 134 were rescued by Libyan coast guards and local fishermen after a wooden boat carrying migrants capsized off Libya, a Libyan navy official said on Thursday.

SoftBank's \$108b Vision Fund 2 Draws in Microsoft and Apple

Tokyo: SoftBank Group has secured pledges from Microsoft and other investors of around \$108 billion for a second Vision Fund aimed at investing in technology firms. The Japanese conglomerate itself plans to invest \$38 billion in the fund, it said in a statement. Others set to join include Apple and Taiwan's Hon Hai Precision Industry Co (Foxconn) — both investors in the first fund. Notable by their absence on the list of state and corporate backers were the sovereign wealth funds of the two countries which formed the cornerstone of its first fund: Saudi Arabia and Abu Dhabi, as well as investment bank Goldman Sachs.

Going for Seconds

SOFTBANK has committed \$38 billion to second fund
SAUDI ARABIA, Abu Dhabi not listed among investors
THE NEW fund has broad backing from Japan's financial industry
SOFTBANK has not provided concrete details on kind of investments it is targeting



SoftBank founder Masayoshi Son

dis would wait for a formal proposal before deciding whether to invest in the new fund, a source familiar with the matter said.

The Vision

"Given the track record achieved over the last two years, Vision Fund 2 has been substantially derisked," said Sanford C Bernstein analyst Chris Lane. On Friday, it said other participants in the second fund will include the National Investment Corporation of National Bank of Kazakhstan, Standard Chartered Bank, undisclosed parties from Taiwan and the fund's own managers. The new fund has broad backing from Japan's financial industry including units of the three mega banks, Mitsubishi UFJ Financial Group, Sumitomo Mitsui Financial Group and Mizuho Financial Gro-

up, SoftBank's statement showed. "The objective of the fund is to facilitate the continued acceleration of the AI revolution through investment in market-leading, tech-enabled growth companies," SoftBank said in its statement. Masayoshi Son uses artificial intelligence (AI) as a catch-all term to characterise SoftBank's investment portfolio, which features businesses as varied as ride-hailing and autonomous driving, insurance and healthcare. SoftBank has not provided concrete details on the kind of investments it is targeting, said a senior executive at one Japanese bank listed as a participant in the new fund. "The fund itself is of course attractive, but what matters is the overall balance of the portfolio," the banker said, declining to be identified further. Reuters

Australian Watchdog Calls for Controls on Facebook and Google

Government to announce response to inquiry by the end of the year

Angus Whitley & Jason Scott Sydney | Canberra: Google and Facebook are facing a regulatory crackdown in Australia after an inquiry highlighted concerns about their market power and impact on the media industry, adding to a barrage of global action against the technology giants. A final report from Australia's competition watchdog released on Friday called for greater antitrust scrutiny of the dominant US tech companies, recommending penalties and deterrents be imposed for inappropriate storage and use of personal data and breaches of consumer and competition laws. "The world has never before seen so much commercially sensitive and personal data collected and aggregated in just two companies," treasurer Josh Frydenberg told reporters in Sydney. The government will announce what recommendations in the Australian Competition and Consumer Commission (ACCC) report that it will support through new regulation by the end of the year, he said. The recommendations continue years-long attempts by regulators worldwide to loosen the companies' grip on everything from advertising and search engines, to news, data and elections. The European Union has fined Google €8.2 billion (\$9.1 billion) over the past two years for anti-

trust violations while on Wednesday Facebook agreed to a \$5-billion settlement in the US over privacy concerns.

The ACCC's report released on Friday lays bare the control that Alphabet-owned Google and Facebook, the country's most-visited websites, exert over Australia's 25 million-strong population. The 23 recommendations delivered in the ACCC's final report include making unfair contract terms illegal, updating merger laws to recognize the importance of data and creating code-of-conduct laws for media companies. "Our legislative and regulatory framework could not and did not anticipate such a new paradigm," Frydenberg said, adding that the government accepts the report's conclusion on the need of industry reform and will hold a 12-week consultation process before announcing its response. The watchdog has expressed concern about a lack of transparency in how key algorithms function at Google and Facebook, and said a new or existing watchdog should investigate how large digital platforms rank and display adverts and news. The regulator said the companies' advertising dominance had led to cuts at traditional publishers, and fewer journalists working to expose corruption and hold governments and institutions to account. Bloomberg



ACCC has expressed concern about lack of transparency in how key algorithms function at Google and Facebook

US Economic Growth Slows in Q2

Washington: The American economy hit the brakes in the second quarter, as activity declined in an increasingly skittish industrial sector and exports fell, but the US continues to outperform other advanced economies, according to government data released on Friday.

Officials also slashed growth for last year using newly available data — cutting a crucial 2018 GDP measure to 2.5%, undercutting President Donald Trump's frequent boasts about beating 3%.

The new data covering the past five years now show the world's largest economy actually slowed in the year after Trump pushed through a sweeping tax overhaul. The updated data also highlight how momentum deteriorated in the final months of 2018, when the Federal Reserve raised interest rates in defiance of intense pressure from Trump. The central bank next week is widely expected to cut its benchmark lending rate, reversing December's increase. The commerce department reported that GDP in the April-June quarter slowed to 2.1% from the first three months of the year, slowing sharply from 3.1% growth in the first quarter, but that was better than expected, helped by strong consumer spending. Taken together, the new data portrayed an economy that enjoys robust strength in some quarters but has begun to sputter worryingly in others, even while the US outshines sluggish economies. AFP

China Accuses FedEx of 'Holding Up' Huawei Parcels

Beijing: China accused FedEx of deliberately "holding up" the delivery of more than 100 Huawei packages after the US firm misrouted some parcels from the telecom giant, state media said on Friday. The ongoing tussle between the two firms comes as Beijing and Washington face off in a trade war in which both sides have exchanged steep tariffs on hundreds of billions of exports. FedEx apologised in May for "misrouting" what it said was a "small number" of Huawei packages. Huawei said at the time it would review its ties with the package service over the incident. But a Chinese government probe, launched last month, accused FedEx of "holding up" more than 100 packages from Huawei, according to the official Chinese state news agency Xinhua. "During the investigation, other leads of FedEx violating regulations were also discovered," it said. In June, another Huawei package meant for the United States went undelivered by FedEx — an incident FedEx called an "operational error". But Chinese investigators said this explanation "does not agree with the facts", Xinhua reported. Huawei is facing moves from Washington to blacklist the Chinese tech firm, cutting it off from American-made components it needs for products — though it was issued a 90-day reprieve in May. AFP

'Education' on Arrival



Hundreds of Hong Kong protesters, including flight attendants, held a rally in the airport's arrival hall on Friday in a bid to "educate" visitors about the unprecedented demonstrations roiling the city. Visitors were greeted with protesters chanting anti-government slogans, holding banners and handing out flyers. The protests were triggered by a controversial bill which would have allowed extraditions to mainland China, but they have evolved into a call for wider democratic reforms. Organisers billed the airport rally as an opportunity to brief arrivals on the political unrest, particularly visitors from mainland China where the news is state-controlled and heavily censored. AFP

Tulsi Gabbard Sues Google for \$50 Million

Dalsuke Wakabayashi Representative Tulsi Gabbard, the long-shot presidential candidate from Hawaii, said in a federal lawsuit that Google infringed on her free speech when it briefly suspended her campaign's advertising account after the first Democratic debate in June. The lawsuit, filed on Thursday in a federal court in Los Angeles, is believed to be the first time a presidential candidate has sued a major technology firm. Gabbard and her campaign are seeking an injunction against Google from further meddling in the election and damages of at least \$50 million. In a twist that reflects Gabbard's unorthodox political views, the claim that her speech was stifled by Google is similar to complaints



She claims Google infringed on her free speech when it briefly suspended her campaign's advertising account

raised similar concerns. Tulsi Now, the campaign committee for Gabbard, said Google suspended the campaign's advertising account for six hours on June 27-28, obstructing its ability to raise money and spread her message to potential voters. After the first Democratic debate, Gabbard was briefly the most searched-for candidate on Google. Her campaign wanted to capitalise on the attention she was receiving by buying ads that would have placed its website at the top of search results for her name. The lawsuit also said the Gabbard campaign believed its emails were being placed in spam folders on Gmail at "a disproportionately high rate" when compared with emails from other Democratic candidates. NYT

British PM Eyes Key Appointment: A Downing Street Dog

London: British Prime Minister Boris Johnson has suggested getting a dog for his Downing Street office to join current resident Larry the Cat. Johnson took office earlier this week, walking through the black front door of Number 10 Downing Street for the first time after setting out a desire to

defy his critics over Brexit and bring a decisive new leadership style to Britain's top job. During an address to staff, he asked whether they would like a dog, a source with knowledge of the meeting said on Friday. The staff replied with an enthusiastic "Yes". Downing Street, the nerve centre of British government

for nearly 300 years, is already home to a brown and white tabby cat who carries the official title "Chief Mouser to the Cabinet Office". Appointed in 2011, Larry has outlasted two former prime ministers: David Cameron and Theresa May. He has become a celebrity in his own right, with an unofficial Twitter account

which uses some of the thousands of pictures taken by press photographers documenting his comings, goings, and territorial scraps with other departmental cats. The source said no firm decisions on a dog had been taken and declined to comment on possible living arrangements alongside Larry. "You can

consider it a longer-term project," the source said. Larry appears to be taking the news in his stride. He was seen lying on a window ledge in Downing Street for most of the morning, according to a Reuters witness. Reuters Johnson with a homeless dog at an animal shelter



TIPS, TRIVIA & TRENDS YOUR DAILY DIET OF FUN AND FACTS

Model Cries Incessantly after 'Likes' Disappear on Instagram

An Australia-based Instagram model Mikaela Testa had a major meltdown after she realised that the Facebook-owned photo messaging app was not showing the 'like' count on her posts. Confessing that Instagram was like a "mental problem", she posted a video on her "Scandalous X" account, crying incessantly while uttering that she was going to quit social media for a while. She claimed to earn \$693 (Australian \$1,000) for every 1,000 likes her posts collect, web portal Ladbible reported on Thursday. In a Facebook post, Testa wrote: "Regardless of what you may think, Instagram is a REAL job and those in the industry have worked hard to get where they're at. I've put my blood, sweat and tears into this for it to be ripped away, it's not just me suffering too, it's every brand and business I know." IANS

Toddler Goes on a Wild Ride on Airport Bag Belt

A dramatic video shows a toddler who climbed onto a conveyor belt scrambling over suitcases during his wild ride on a luggage chute that took him underground inside the world's busiest airport. Edith Vega's son Lorenzo, 2, climbed aboard the belt when he briefly set him down to print a boarding pass at Hartsfield-Jackson Atlanta International Airport on Monday, she told police. Security video later released by the airport shows some of what happened next. One camera recorded Lorenzo disappearing feet first through a rubber curtain, beyond the reach of his mother and an airport worker. Video then shows him crawling over bags, trying to avoid being pulled through a large screening machine that resembles a darkened cave above the conveyor belt. But the conveyor is too fast, and it pulls him inside. He pops out on the other side, only to tumble down into another room where startled security workers pull him from the belt and give him hugs. The screening machine had detected a problem, and diverted the child on a path for bags in need of more checks, TSA spokesman Mark Howell said on Thursday. That's when workers rushed to help, the video shows. AP



Four Teens Charged over London Bus Attack on Lesbians

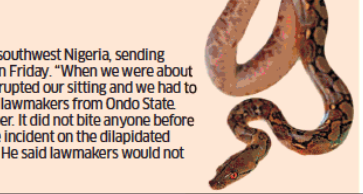
British police on Thursday charged four teenage boys over an alleged homophobic attack on a lesbian couple who refused to kiss in front of them on a London night bus. Melania Geymonat, 28, said she and her girlfriend Chris were robbed and left covered in blood after the incident in the trendy Camden Town area on May 30. The four boys, aged between 15 and 17, were all charged with committing "an aggravated hate crime". London's Metropolitan Police said in a statement. Some of the group also face other charges including theft, handling stolen goods and possession of cannabis, the force added. They are all set to appear in a London youth court on August 21. AFP

Australian Ambulance to Grant Patients' Dying Wishes

Inspired by an Australian ambulance crew who took a dying woman to the beach on her way to hospital, officials have announced a dedicated vehicle to grant final wishes to terminally ill patients. In late 2017, ambulance officers in the northern state of Queensland took a detour on the way to hospital as per the wishes of a dying patient who wanted to see the ocean one last time. The touching gesture was captured by a photo showing a paramedic beside a stretcher facing the ocean at Hervey Bay, on Australia's northeast coast. This week the Queensland state government announced it was dedicating a decommissioned ambulance to granting dying wishes of terminally ill patients, such as visiting their pets, their children, their grandchildren or visiting an art gallery or museum. "Fulfilling the final wishes of people can be challenging as you could be transporting someone who can't walk, or sit in a chair, or who might require continuous oxygen or other medical appliances and support," Queensland health minister Steven Miles said in a statement. "With the Ambulance Wish Queensland programme, medically trained volunteers, adapted ambulances and necessary equipment will transport people to fulfil their wish successfully and safely," Miles added. AFP

Snake Chases Nigerian Lawmakers

A snake burst onto the chamber floor of a state parliament building in southwest Nigeria, sending lawmakers scurrying and forcing an indefinite recess, officials said on Friday. "When we were about to enter into plenary, a big snake just ran out of the chamber which disrupted our sitting and we had to hurriedly leave the chamber," said Oluwubenga Omole, a spokesman for lawmakers from Ondo State. The snake appears to have fallen from the roof into the plenary chamber. It did not bite anyone before it was caught and killed by parliament staff, said Omole. He blamed the incident on the dilapidated state of the assembly due to a lack of funds and overdue maintenance. He said lawmakers would not return until a proper fumigation of the complex was done. AFP



Crossword 7470

Crossword puzzle grid with clues for Across and Down.

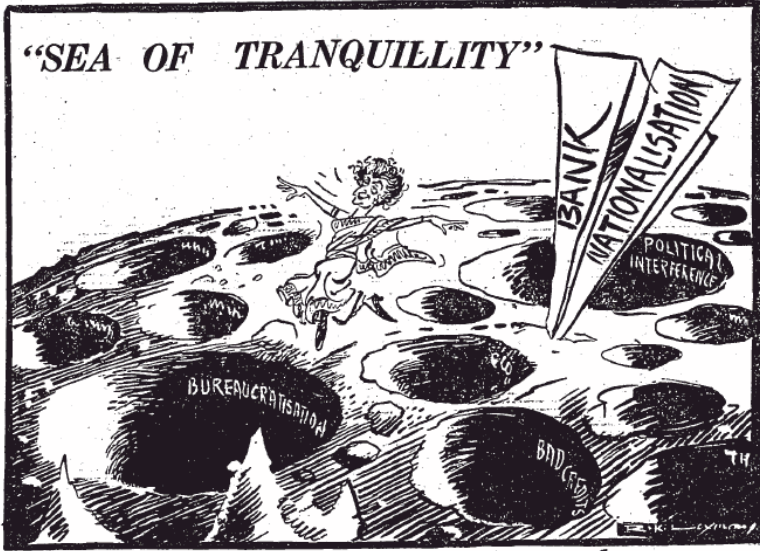
SOLUTION TO No. 7469: 1 Gorilla. 5 Nod off. 9 Niobium. 10 Rubella. 11 Hat. 12 Sitting room. 13 Mamba. 14 Last-ditch. 16 Ice creams. 17 Leave. 19 Anaesthesia. 22 Emu. 23 In utero. 24 Vivaldi. 25 Settle. 27 Remorse. DOWN: 1 Gingham. 2 Room temperature. 3 Lei. 4 Admit. 5 Narcissus. 6 Debug. 7 Fellow traveller. 8 Warmth. 12 Stair. 14 Loathsome. 15 Delta. 16 Italic. 18 Elusive. 20 Spent. 21 Sever. 25 Vim.

Dilbert by S Adams



Our Leap to Nationalisation as World Jumped Over the Moon

Neil Armstrong's moon landing on July 20th overshadowed then Prime Minister Indira Gandhi announcing the nationalisation of banks the night before. **Vikram Doctor** reports



The Times of India, July 22, 1969

© Bennett, Coleman & Co. Ltd.

It is odd to note how India's launch into bank nationalisation was mixed up with the Apollo 11 moon landings. Prime Minister Indira Gandhi announced nationalisation of 14 leading banks late on July 19, 1969, so basic reports came in the newspapers on July 20th - the day the moon landing took place.

This meant that detailed news of nationalisation, including reactions from politicians and the business community, was crowded among news of Neil Armstrong on the moon. The cartoonist RKLaxman showed the PM happily skipping on the moon, while Mario Miranda made her into a wickedly grinning woman-in-the-moon ejecting a lunar module with the face of Morarji Desai, the finance minister who had just been fired, partly because of his opposition to bank nationalisation.

In a public meeting in Lucknow on September 7th, Mrs Gandhi spoke of how US President Richard Nixon had said the moon landing had dissipated frustration in the US. "Mrs Gandhi said that taking over the banks had similarly raised hopes and generated enthusiasm in the country," reported the Times of India. To also reported a sycophantic Congress politician evoking Armstrong's words of his step on the moon being "a mighty leap for mankind. Similarly, the bold step which the Prime Minister had taken constituted a mighty leap for the nation."

The analyses that have come out of the event 50 years on have been as divided as reactions were at that time, but one particular strain of criticism focuses on the short term political reasons that lead to banks being nationalised "at the whim of a Prime Minister," as YV Reddy, the former RBI governor put it. What such arguments gloss over is the fact that the attempts to control banks, across the world, have always been driven by immediate political concerns. Most notably the 'Bank War' that convulsed the US in the tenure of President Andrew Jackson (1828-1837) was driven by Jackson's playing the populist vote against 'elites' embodied in Nicholas Biddle, president of the Bank of the United States.

Demands for nationalisation of all Indian banks came just months after independence in 1947, from the group that was, for its own reasons, most consistently in support of government control - the employees of the banks. On October 27th, 1947 a conference of employees of the Imperial Bank (later to become the State Bank of India) called on the government "to nationalise forthwith all Banks and Financial Corporations in the country."

In 1964, the All India Bank Employees Association launched a campaign to collect a million signatures for nationalisation. AIBEA was careful to explain this demand was "so that the vast resources lying at the disposal of private commercial banks are available to provide rural credit for agricultural development, to render financial help to small and medium-scale industries and to regulate industrial development in a balanced way."

The other drumbeat for nationalisation came from the Left. Bank nationalisation was a constant demand of the socialist and communist parties, but by the 1960s it was also being made by the younger, more left-wing members of the Congress. In the earlier decade, parliamentary debates on bank nationalisation were instigated by other parties, like the Praja Socialist Party, but by the 1960s it was Congress MPs like Mohan Dharma, Bhagwat Jha Azad and Subhadra Joshi who were pushing for bank nationalisation as a solution to a range of economic ills, from tax evasion to resource mobilisation for farmers. These views received increasingly irritable pushback from seniors like Desai and TT Krishnamachari, both who served as finance ministers. These ministers questioned the logic of assuming that bringing banks under government control would suddenly solve all these problems, and they pointed out that the government already had means, through Reserve Bank of India directives, to shape bank policy. But Krishnamachari at least considered the matter serious enough to direct the bureaucrat and economist IG Patel to draw up a draft for nationalisation, something that would become important later on.

One compromise that the seniors suggested was 'social control'. This somewhat nebulous concept was that banks would respond to government nudging to increase credit to farmers, open banks in remote areas and perform a range of other possibly profit-losing ventures all in the national interest. And if they failed to do so they could, in theory, be taken over by the government. Social control, Desai, declared in 1967, would work "because those who want nationalisation want it not for itself but for seeing our goals are achieved and social purposes are served properly."

Those who wanted nationalisation wanted it very much as a symbol in itself as for anything it could achieve. They hated the fact that, as Azad said in 1966 at a meeting of the Congress Parliamentary Party that "a handful of families virtually controlled Rs2000 crores of investment." Increasingly they linked this with another example of elites profiting due to state policy - the princes, erstwhile rulers of kingdoms in India, who got 'privy purses', promised to them at the time of independence to induce them to join the new country.

The results of the 1967 General Election brought all this into focus.

In July 1969, economic secretary IG Patel was summoned to the PM's office and told to prepare in 24 hours a bill for bank nationalisation, a note for the cabinet and a speech for her to make to the public

Congress came back to power, but with heavy losses to parties across the board. The Opposition included parties, like the economically right-wing Swatantra, and the nationalist right-wing Jan Sangh, that both opposed nationalisation, but it was clearly the opposition from the Left that worried the new PM more. Perhaps it was the influence of her advisers, like PN Haksar, who came from the Left themselves, or perhaps she feared the Left's potential for grass roots political activism.

Above all, the PM was increasingly frustrated by the influence of the senior Congress ministers, called the Syndicate, who had helped her to gain power and who presumed they could control her. They were also the group most opposed to bank nationalisation and she saw how pushing them into a corner might help her gain control of the party, end disputes and focus on rebuilding Congress power.

So in July 1969 IG Patel, now economic secretary, was summoned to her office and told to prepare in 24 hours a bill for bank nationalisation, a note for the cabinet and a speech for her to make. As he wrote in his memoir Glimpses of Indian Economic Policy, "there was no pretence this was not a political decision and the message was clear that no argument from me was required."

Patel writes that he did make two suggestions - to leave out foreign banks, to avoid antagonising other countries, and to focus on just the major banks, which would achieve her purpose and avoid having to deal with the many small ones. Mrs. Gandhi agreed, and left him to get on with the job, just emphasising the need for strict secrecy. Patel could only tell LK Jha, the RBI Governor, asking him to come once to Delhi along with RK Seshadri, the RBI officer who had helped Patel prepare

the earlier draft for Krishnamachari on nationalisation, and who had kept the only copy of it.

That draft now became the basis for the Bill, which the three of them worked at overnight, Patel in his home and Jha and Seshadri in the RBI Governor's flat in Delhi. "There was no question of using the office or collecting references or consulting others," Patel writes they chose 14 banks for nationalisation since they accounted for 80-90% of deposits.

The event happened much as Mrs Gandhi must have hoped. The sudden news of nationalisation came as a surprise, blindsiding the Syndicate and gaining strong support from both left-wing Congress members and the left-wing parties. The Swatantra and Jan Sangh parties were opposed, but could be ignored - especially when some on the left called for nationalisation of all banks, allowing the PM to appear as a more moderate voice.

In the months to come Mrs Gandhi moved to further isolate the Syndicate, using their opposition to bank nationalisation as proof of their anti-people politics. This battle came to a head with the election for President, which was narrowly won by her candidate VV Giri. But a loss also appeared in the Supreme Court which, in a case against nationalisation brought by RC Cooper, a chartered account and shareholder in Central Bank, held that the rights of shareholders of the banks had to be respected.

In practice this defeat was got around by agreeing to higher compensation for the shareholders. But Mrs Gandhi clearly saw that the court could be a hindrance in her plans - and she noted the only justice, AN Ray, who had voted in her favour. In 1973, in the wake of a further loss in the Kesavananda Bharati case, Ray was appointed chief justice, superseding three more senior judges. Bank nationalisation had given her a taste for decisive, if controversial, action, and that set her path.

It is harder to judge how effective bank nationalisation really was. On every major anniversary it has been debated and the same points come up: it helped expand the reach of banking, but also made the nationalised banks into inefficient behemoths, saddled with bad loans and inefficient services. Beyond these generally accepted points everything else seems eternally up for debate.

Perhaps there is a parallel here with the event with which the announcement of bank nationalisation was entwined. At the time of the moon landing there were wild predictions of how soon it would lead to colonies on the moon and manned trips to further planets. As we now know the major promises of the Apollo programme were never fulfilled. India's Chandrayaan, being remedied. Yet the moon mission did have benefits in the way it focussed scientific research on a huge range of areas, from materials development and rocketry - leading to the satellites that now control so much of our lives - to new ways to preserve food and much more. Perhaps this is how progress always happens, with an explosive event, and then decades in which to figure out what it changed.

Jai Shri Ram: Greeting or War Cry

Let war cries be a raison d'etre-not just a proxy cry for petty politics

Silk Stalkings



Reshmi Dasgupta

A spate of stories has come out featuring families of the 500-plus soldiers killed during the Kargil War in the summer of 1999. Not only the parents and spouses but children too young to remember their soldier-fathers (or even born soon after they passed away) remember them with pride, and a resolute matter-of-factness that the rest of us Indians would do well to emulate.

Instead, 20 years after that war, the latest battle - being fought over electronic, print and social media only, of course - is whether 'Jai Shri Ram' has now garnered aggressive (read violent) overtones rather than being a benign assertion of the goodness of the revered king of Ayodhya. Some decry the commandeering of the cry/greeting while others quote sources to defend it.

Some insist 'Jai Shri Ram' is what Hanuman chanted as he set fire to Ravana's Lanka, others resort to Tulsi Das's Ramcharitmanas to highlight more peaceful origins. But this discomfited skirmish misses the point that battle cries have been an integral part of Indian history, and the antecedents and intentions of the latest lot to use it should not discredit the tradition itself.

The invocation, 'Jai Shri Ram' surely embodies the many diverse virtues and attributes of the king of Ayodhya, not the least of which is Rama's victory over Ravana in an epic battle that forms the crux of Valmiki's Ramayana. That the Bhakti era poet-saint Tulsi Das decided to highlight Lord Rama's non-warrior points does not detract or diminish the other aspects of his character.

Righteous war is an underlying theme of human history. Today leaders are no longer battle-warriors but speech-warriors. Which could explain the quibbling over 'Jai Shri Ram' and the differing values attached to its benevolent and belligerent intonations. Regardless of the intentions of current followers of the term's combative avatar, war cries themselves should not be devalued or disrespected.

Those with no connections to our armed forces (beyond what moves churn out, perhaps) may not be aware of the regimental war cries seared into the hearts of soldiers and officers alike. Not only do they serve as links to their past, they are acknowledgements of the age-old custom of warriors charging into battle with no fear of death with only invocations of a greater glory on their lips.

Interestingly, the battle cry of the armies of Alexander the Great (born this month 2,375 years ago) was the ululating 'Alala! Alala!', or the cry of the owl traditionally associated with

Athena the Greek goddess of war. Yet, more recently, the Brigade of the Guards, created after independence, has taken another mythical bird Garuda as its symbol, with the battle cry, 'Garud Ka Hun, Bol Pyare'. Birds, animals, monarchs, countries, gods and goddesses have been invoked for as long as battles have been fought, with even new ones coined during practically every conflict. Some of the cries are just that - piercing sounds, not unlike the shriek of a wild animal on some jungle combat of its own. Such inanimate war cries are evidence that battles predate history and even language.

A practical purpose of war cries, of course, has always been to strike fear in the hearts of opponents in the days when battles literally meant two armies charging towards each other, not electronically despatching weapons of mass destruction. Those were also times when people were closer to armies and the terrible aftermath of such combats. Today wars for us are reality TV rather than reality.

Which is why it is important to know that our Army has many battle cries, to stand as evidence of the human aspect of war, beyond weapons and geopolitics. Even when they are not reverberating on a battlefield, they stand as a sort of raison d'etre (reason for being) not a raison d'guerre (reason for war). And the sheer variety of the Indian

Celebrating regimental war cries that seared the hearts of soldiers, officers alike and put dread into enemy hearts

Army's battlecries reflects its long and rich history.

From Birsa Munda Ki Jai (Bihar Regiment) and Jat Balwan, Jai Bhagwan (Jat Regt) to Bola Chhatrapati Shivaji Maharaj Ki Jai (Maratha Regt) and Bolo Hindustan Ki Jai (Mahar Regt), not to mention Jo Bole So Nihal, Sat Sri Akal (Sikh Regt) and Veera Madrassi, Adi Kollu, Adi Kollu (Madras Regt), there's a regimental, regional and national aspect to our Army's war cries.

But they must be seen as more than just literal evocations of a king, a god or country. War cries are a link to the history of war itself, without being dragged into the reasons for any single war. The battle cries of the Rajput Regiment and Rajputana Rifles are particularly relevant in the current context. While the former's cry is Bol Bajrang Balli Ki Jai, the latter's is Raja Ramchandra Ki Jai.

When Raja Ramchandra's army battled with Ravana's, mythologically speaking or otherwise, his soldiers surely must have chanted something, just as Alexander's men did 2,300 years ago? The families of Kargil's departed warriors will probably agree Jai Shri Ram should always be a raison d'etre - aggressive or peaceful as situations demand - but never just a proxy cry for petty politics.

indica gastronomica

Where Have All the Hilsas Gone?

With almost no hilsa in the market the time has come to look back and understand where we have gone wrong and what we can do now

By Anirban Bora

A July Sunday for Jodubabu starts with the sound of rain

Hey it is raining finally

Khichuri hilsa for lunch.

You ask any Bengali, khichuri (Bengali khichdi) with fried hilsa on a rainy day is his comfort food

But today, Jodubabu was in for a shock at the market

The cost of the hilsa was sky high and only a few very small ones (khoka) are available

But where have all the fish gone?

Being an anadromous fish, hilsa lives most of its life in the sea. But the adult fish swims back to the river and travels upstream during the rainy season in order to reproduce in fresh water

With the capacity to swim 70 km in an hour, schools of hilsa reach the sweetwaters of Padma, Yamuna, Ganges, Brahmaputra, Narmada, Mahanadi, Chilka, Godavari, Cauvery and Indus from the sea. The juvenile fish stay in freshwater for a few months before they return to the sea

In Hooghly river, the school of Hilsa faces an army of trawler boats using very low mesh illegal nets capable of catching shrimps. In reality, they end up catching the very small sized hilsas

The once mighty Kolkata's Gonger Illish (hilsa) has almost died out thanks to the pollution levels in the Hooghly River and the delayed onset of the monsoon

An adult hilsa reaches the length of 30-32 cm and weighs roughly one kg. The bigger ones can be upto 50 cm and 3 kg. In their five years lifecycle, the fish can spawn three times

Before Farakka Barrage was built, hilsas were found even in the waters of Prayagraj and Agra. Since the barrage became operational, none in UP got a glimpse of them

In the last few years we have spoken less of the Padma Hilsa as the Myanmar Hilsa enters our vocabulary

Last year again rain was late and hilsas started to arrive in Hooghly in September

May be we are all overreacting and the Govt is trying to breed hilsa in ponds

Makhon Ghosh (name changed) the eternal optimist I met in Ghazipur

I hope the hilsas arrive soon in East but I would like to look at south and west India for more options

In Andhra, hilsa is known as pulasa and in Gujarat, Modern or palva. (female - modern, male-palva.) In Tamilnadu, Hilsa is Ullam Meen. In Sindhi cuisine, Hilsa is called Pallo. The fish roe is called 'aanf' and when fried is considered a delicacy

Indrajit Lahiri, food enthusiast and blogger

Today with new modification to the Barrage, people hope to see them in the waters of Prayagraj again

The trawlers will keep fishing as you buy the baby hilsas killing their chance of reproduction

Fewer fish means buying a small hilsa which actually means contributing in the destruction of a species. Rather try west-indian varietes available online

What is life without hilsa? At least small hilsa's price is not out of our price range yet.

Britishers were in love with Hilsa. They used to debone the fish and Tamarind Pickled Hilsa was born. It was usually stored and even enjoyed in the off-season. And if we need to talk about the long feud between Bengal Club and Dhaka Club on who invented smoked hilsa, that would be a separate story

If by a stroke of luck, a full grown fish arrives in a Bengali kitchen, hardly anything of this fish is wasted and tasty delicacies are made with mustard oil

Few Hilsa Delicacies

BHAPA
The fish is coated with mustard and spices then the fish is cooked in steam and flavoured with green chilly

POSTO ILLISH
Poppy seed paste along with mustard paste creates an unique and delicate taste in this type of cooking

PATURI
The fish is coated with layers of mustard and spices wrapped in banana or pumpkin leaf and then roasted or deep fried

JHAL
Perhaps the most iconic dish with the Fish. Here the fish is cooked in mustard paste in mustard oil and gains lovely aroma with fresh green chilli

TOK
The crispy fish or head of the fish is cooked with tamarind pulp to make a delicious chatney

PULASU PULASA
In Andhra Hilsa is Pulasa. The Godavari hilsa is cooked in a spicy red curry with assorted vegetables and called pulsu pulasa

And of course there is Tel Bhajra (innerds of the fish without the gallbladder) cooked with assorted vegetables and just hilsa fried in mustard oil

Most people are surprised to hear that I am a Parsi but I adore this fish. Summer holidays, full of childhood fun and frolic were spent in Mumbai and the sleepy hamlet of Devlali where my maternal grandparents settled. The Ocean Hilsa, locally called Bhing was served fried in my Granny's house but with a twist

And I finish today with an appeal to my dear readers to stop buying baby hilsas ever again so our next generation can enjoy the delicacy

Ruksana A. Kapadia, hospitality consultant and gourmand

BIRYANI with long grain basmati rice hilsa biryani is a flavourful experience

