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Important News in the field of:

National
Economy
India and World
International
Science & Environment
Miscellaneous News

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: Aspirant Forum :

AN INITIATIVE BY UPSC ASPIRANTS
Contents

National News............4
Economy News..........24
International News....46
India and the World..53
Science and Technology + Environment..............59
Miscellaneous News and Events..........................73
About the ‘CRUX’

Introducing a new and convenient product, to help the aspirants for the various public services examinations.

The knowledge of the Current Affairs constitute an indispensable tool for all the recruitment examinations today. However, an aspirant often finds it difficult to read and memorize all the current affairs, from an exam perspective. The Newspapers and magazines are full of information, that may or may not be useful for the exams. Thus, an candidate is forced to spend a substantial amount of his time in selecting and maintaining notes for the current affairs.

Another problem is that it is difficult to get every bit of information, relevant from the exam perspective at one place. Thus, candidates are often found wasting their time in search of current affairs material.

It is with this problem in mind that we have come up with the GIST of The Hindu and Press Information Bureau (PIB).

The whole concept of the CRUX is to provide you with a summary of the important news and current affairs, from an exam point of view. By reading the CRUX, you will be able to save your precious time and effort, as you get all the relevant matter in a summarized and convenient form.

The Crux is particularly helpful for the Civil Services, Banking, SSC and other exams that have a current affairs section.

The material is being provided in such a manner that it is helpful for both- objective and descriptive sections. Our aim is to help the candidates in their effort to get through the examinations. Your efforts and dedication inspire us to keep going. It is our sincere effort to make your journey easier.

Best Wishes
Editorial Board
Team Aspirant Forum

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The Hindu
Press Information Bureau (PIB)
National

2017 saw SC upholding right of expression of filmmakers
The year saw an increasing number of petitions regarding film censorship reach the Supreme Court. It began with actor Amol Palekar challenging pre-censorship laws, to the court upholding free speech in Indu Sarkar, to adopting a policy of non-interference in the functioning of the Central Board of Film Certification in Padmavati.

The court prima facie agreed with Mr. Palekar that pre-censorship of films was a violation of the fundamental right to freedom of speech and expression of film makers and the public. It asked the government and the CBFC to respond to the petition which contended that it was time to act on a recommendation made by a panel led by filmmaker ShyamBenegal that the CBFC’s role should be confined to film certification.

Mr. Palekar argued that the provisions of the Cinematograph Act, 1952 and the Cinematograph (Certification) Rules, 1983 imposed pre-censorship on the freedom of speech and expression of the artistes and the audience. The cine veteran said he was aggrieved by the provisions granting the power of ordering cuts, deletions, alterations in a film along with the abuse of power while exercising those given by the said Act and Rules while certifying and/or denying certification to any applicant film. The petition said pre-censorship of films was irrelevant in the Internet era.

A series of decisions which followed the petition gave reason to cheer for free speech activists. Refusing to stay MadhurBhandarkar’s InduSarkar, the court held that it would not curb artistic licence to dramatise historical facts. The film portrays the Emergency days of 1975-1977. It was opposed by a woman, who claimed to be the biological daughter of Sanjay Gandhi. The court held that the “national interest and right to know is more important than individual’s reputation”.

Chief Justice of India Dipak Misra took a significant stand in a petition to delete certain scenes in the documentary An Insignificant Man on Delhi Chief Minister Arvind Kejral. “Every artist, be it a filmmaker or dramatist, has an individual perception of history and it is not up to the courts to gag them. Freedom of speech and expression is sacrosanct. Creative rights cannot be curbed or gagged on the whims and fancies,” the Chief Justice noted.

The court’s intervention against the “verbal directions” issued by the Uttar Pradesh government in the release of Muzaffarnagar the Burning Love, a love story of a Hindu boy and a Muslim girl and set in the backdrop of the 2013 Muzaffarnagar riots, saw the State clarify on record that it had no objection to its release. But the judicial intervention came only after the court found that the CBFC had already certified the movie.

The Supreme Court defined its policy on films when Justice Misra observed that the court did not want to step on the toes of the CBFC and wanted the statutory body to come to an independent and considered decision on certifying Padmavati. The court said the judiciary cannot and should not stop a statutory body like the CBFC from doing its duty by “prematurely” ordering a stay on its release.

Real Estate Act yet to show teeth
Only 20,000 housing projects have been registered under the Real Estate (Regulation and Development) Act, 2016, six months after the legislation seeking to protect the interests of homebuyers came into force last May. This is just a fraction of the under-construction and proposed housing projects promoted by private developers.

Six months on
The Act was initiated by the previous United Progressive Alliance government and passed by Parliament in 2016 and notified in May 2017. The developer has to declare to buyers detailed information such as dates on which various government clearances are secured, floor plans, carpet area, progress in construction, and so on.

All real estate projects have to be registered with the Real Estate Regulatory Authority (RERA). However, the Housing and Urban Affairs Ministry says only six States have set up permanent authorities, while 23 have set up interim ones.

The low registration of projects can be explained by the fact that many States have rules that favour private developers. For example, Gujarat, Haryana and Uttar Pradesh have exempted ongoing projects from RERA. Similarly, in Karnataka, projects that are 60% complete have been kept out of RERA. In Maharashtra, the rules say that if any building in a project is completed, then it need not be registered.

“The real estate market is in a slump. The low registration of the projects can be partially explained by the twin factors,” an official said.

Rajya Sabha passes Bankruptcy Code Bill
The Rajya Sabha passed the Insolvency and Bankruptcy Code (Amendment) Bill, 2017, which bars unscrupulous persons from misusing the provisions of the code. The Bill, which replaces an ordinance promulgated last November, was cleared by the Lok Sabha last week.

Concurring with Congress leader Jairam Ramesh, Finance Minister ArunJaitely said it was only in recent years that the government had charted into the bankruptcy and insolvency area. “Therefore, for all of us, it is a learning experience. We encounter situations that we had not anticipated earlier, and as we move further, we will certainly require evolution as far as our laws and procedures are concerned,” he said.

Addressing another issue flagged by Opposition members, including Mr. Ramesh, about the code’s application vis-à-vis Micro, Small, and Medium Enterprises (MSME), Mr. Jaitley said the Insolvency Legal Committee was examining if separate regulations were required for the sector.

Another major concern was the huge “haircut [loss on account of auction of assets of defaulting companies],” to the extent of 75%, being taken by public sector creditors. To this, Mr. Jaitley said it was for the creditors to decide how much haircut they wanted to settle for.

Initiating the debate, former Finance Minister P. Chidambaram said there were flaws in several clauses. “One should have kept exclusion to a very, very small number which definitely must be excluded. By making clauses so broad, so over-inclusive, practically everybody in the financial world is likely to be excluded.”

Govt. caught on wrong foot as Opposition unites
With the numbers favouring the Opposition in Rajya Sabha, the government can either accept the Opposition demand to send the triple talaq legislation to a select committee, or to let the impasse continue given that there are just two more working days in the Winter Session of Parliament.

The government was caught on the wrong foot, after the Congress and Trinamool Congress (TMC), who till recently have been giving each other the cold shoulder, moved in sync. Both parties moved an identical resolution to constitute a select committee, with a list of members for such a committee. Leader of the House and Finance Minister ArunJaitely, too, noted that the notices took them [the government] by “surprise”.

The Opposition had another ace up its sleeve in having BJP ally the Telugu Desam Party (TDP) join it on the resolution for the select committee list as well. The Opposition has over 140 members on its side in the Rajya Sabha. The BJP, on the other hand, has only 65 members, which includes 57 of its own MPs.

“They need to bow to the numbers. In the Lok Sabha, they bulldoze on the strength of numbers and in the Rajya Sabha, they refuse to recognise the numerical majority of the Opposition,” said Leader of Opposition and Congress MP Ghulam Nabi Azad. The other option for the government is to allow the impasse to continue and to maintain that the Opposition is anti-Muslim women.

Centre approves Rs. 5,369 cr. for waterway project
The Cabinet Committee on Economic Affairs approved the more than Rs. 5,369 crore Jal Marg Vikas Project for development of fairway on National Waterway-1 with the technical and investment support of the World Bank.

The project will extend over Uttar Pradesh, Bihar, Jharkhand and West Bengal. It will cover major districts, including Varanasi, Ghazipur, Vaishali, Patna, Begusarai, Muzhidadabad, Pakur, Hoogly and Kolkata, according to an official statement.

The project, which is expected to be completed by March 2023, will provide alternative mode of transport that will be environment friendly and cost effective, the government said, adding that the project would contribute in bringing down the logistics cost in the country while providing a boost to infrastructure development.

Job creation
“NW-1 development and operations will lead to direct employment generation to the tune of 46,000 and indirect employment of 84,000 will be generated by vessel construction industry,” the government added.

The government said that the IBRD loan component would be Rs. 2,512 crore, while the Centre’s counterpart funding of Rs. 2,556 crore would be sourced from budgetary allocation and the proceeds from a bond issue.

Private sector participation under PPP mode would be Rs. 301 crore.

The project will include construction of multi-modal terminals at Varanasi, Sahibganj, Haldia, Kalughat, Ghazipur and Farakka, five pairs of roll-on roll-off terminals, integrated ship repair and maintenance complexes, bank protection works, and provision of navigation aids.

Govt. refuses to list triple talaq Bill changes
first
Earlier, Leader of the Opposition Ghulam Nabi Azad sought to break the deadlock, stating that the Opposition members were not against the Bill. However, they had issues with its provisions as they would destroy the lives of Muslim women.

Financial support
Wondering who would take care of the women and their children after the husbands were sent to jail, Mr. Azad said the government should also bring in a provision extending financial support to them till the time the husbands remained in jail. The Opposition pressed for further proceedings on the amendment motions moved by Congress leader Anand Sharma and TMC's Sukhendu Sekhar Roy, but Leader of the House Arun Jaitley, for the second consecutive day, raised objections stating that the amendments were not valid and sought a ruling from the Chair.

Mr. Jaitley reiterated that notices for a resolution on the select panel had to be given 24 hours in advance. He said a resolution, in which names of committee members were given orally and which did not have a proportionate representation of various parties and groups of the House, was not valid. He also quoted a 1958 parliamentary ruling, stating: “A saboteur of a Bill cannot be part of the Select Committee.”
The Deputy Chairman said the two amendments had already been accepted by the Chairman. “If there is any technical defect in an amendment, the Secretariat should have seen to it. The Chairman has accepted, so for me it is an admitted resolution,” he said.

Mr. Kurien said the amendments moved by Mr. Sharma and Mr. Roy were motions moved in the House. “Once a motion is moved, it is the property of the House,” he said, adding that the Chair could not give a ruling on the issue.

Why no human rights courts yet, SC asks States
Noting the rampant problem of orphanages trafficking children under their care, the Supreme Court decided to step in to protect the dignity of child.

“The dignity of child needs to be protected. A child cannot be bartered away at the whims and fancies of the persons in charge of an orphanage,” a Supreme Court Bench led by Chief Justice of India Dipak Misra observed in its order.

‘Violation of rights’
The Supreme Court said a person found guilty of trafficking children, apart from the punishment, is also liable for violation of human rights. The court highlighted how the Human Rights Law of 1993 makes States responsible for setting up exclusive human rights courts with special public prosecutors in every district. “But till now not a single State has done it,” the Chief Justice said.

25-year-old lapse
The court has included all the States as parties in the litigation and ordered them to respond on this 25-year-old lapse within the next two weeks.

“The future of the country depends on our children. States have a great role to play... it is necessary to have a comprehensive view regarding the running of orphanages, mode and method of adoptions, care given to children in these institutions, treatment meted out to the children,” the Supreme Court observed.

Issuing notices to all the States, the Supreme Court stayed an order passed by the Calcutta High Court against an investigation launched by the National Commission for Protection of Child Rights (NCPCR), represented by Additional Solicitor General Tushar Mehta and advocate Anindita Pujari, into the trafficking of children lodged in orphanages. The Supreme Court also stayed proceedings before the High Court, which had stopped the Commission’s probe.

The Bench posted the hearing on January 22.

Constitution Bench to look at adultery law
Terming the penal provision as archaic, a three-judge Bench led by Chief Justice of India Dipak Misra said it was time to reconsider its past decisions and consistent view from 1954 onwards that the penal provision was necessary to uphold family ties.

Section 497 mandates that if a man has sexual intercourse with another’s wife without the husband’s “consent or connivance”, he is “guilty of the offence of adultery and shall be punished.”

The court had issued notice on December 8, 2017 on a petition filed by Joseph Shine, represented by advocates Kaleeswaram Raj and Suvidutt M.S. The Bench observed in the order that the provision raised a question mark on social progress, outlook, gender equality and gender sensitivity.

Focus on women’s rights
It was time to bring to the forefront a different view with
focus on the rights of women, Chief Justice Misra observed. The Constitution Bench would likely consider whether Section 497 would treat the man as the adulterer and the married woman as always a victim.

Now, Citizenship Bill hangs fire
Even as the National Register of Citizens (NRC) is being updated in Assam, the Citizenship Bill, 2016 has been in limbo. The Bill, which seeks to amend the existing Citizenship Act, 1955, aims to grant citizenship to religious minorities, barring Muslims, from neighbouring countries. It was referred to a Joint Select Committee of Parliament in August 2016.

This needs to be seen in the context of the recent debate on the updating of the NRC with West Bengal Chief Minister Mamata Banerjee calling it an exercise to drive Bengalis out of Assam. Sources said the BJP’s Assam leadership was uncomfortable with the Citizenship Bill as they felt it was against the spirit of the NRC updating exercise. In the past 17 months, the joint select committee has held eight sittings but is far from finalising its report. The last meeting of the committee was held last Wednesday after a gap of over six months. “It [the meeting] was merely to welcome the new chairperson of the committee, Rajendra Agarwal, who replaced Satyapal Singh. Mr. Singh was elevated as a Minister in September. Regardless of the change, the government has lost interest in the Bill,” said an MP who attended the meeting.

The Bill was sent to select a committee after vehement protests from members in the Opposition, who alleged the Narendra Modi government is trying to convert India into a Hindu nation. The Bill amends the Citizenship Act, 1955, to make undocumented Hindu, Sikh, Buddhist, Jain, Parsi and Christian migrants from Afghanistan, Bangladesh and Pakistan eligible for citizenship. The Opposition also said the Bill violated Article 14 of the Constitution which guarantees the right to equality. “The government promised something during the elections which was entirely unconstitutional. Later their own people, especially in Assam have opposed it. So now they have put it on the backburner occasionally,” said CPI (M) MP Mohammed Salim, a committee member.

A blueprint for India’s ‘Smart Villages’
Sometime in early 2015, Prime Minister Narendra Modi’s Cabinet put forth a plan for upgrading a cluster of 300 villages to ‘Smart Villages’. Christened as the Shyama Prasad MukherjiRurban Mission, after the founder of the Jan Sangh, the project aimed to develop the first phase by 2019. A sound plan, considering that at least 833 million, about 68%, of Indians are living in rural areas. And one that can be easily realised in a developing setting such as India’s, according to Yousef Khalili, head of Smart City Digital Transformation Consulting Unit at NXN Group.

For Mr. Khalili, one of the architects of the Smart Dubai projects, Smart Villages is an idea that’s close to his heart. “The baseline for smart communities is always constant, whether it is a city or a village. It’s how you use technology to better the lives of people,” he explains in an interview.

For India, Mr. Khalili recommends starting with the challenges that are presented for such a project. “The stress points of a city are very different from that of a village; and the quality of their life is perhaps the most prominent challenge in rural areas. Here, we are talking about demands of basic decent life conditions — education, health care, environment and employment among others,” he elaborates.

Mr. Khalili says one should not look for the typical solutions that government often resorts to which have had little success over decades. “If a government aspires to focus on education, instead of budgeting for an expensive school infrastructure, they could create units for smart learning in digital classrooms.”

When pointed to the obvious drawback that most villages lack the kind of Internet connectivity required, Mr. Khalili strikes back with complementary solutions. “I feel it is much more scalable as a solution to offer remote education within villages if the governments were to collaborate with private investors.” In India, he believes, the private sector is not assured of return on investments. “The government here needs to step up [its part], and implement a national programme whereby they take their infrastructure to the villages in exchange for subsidised markets and revenue shares,” he recommends.

[The] same framework would apply for health care,” he says, adding that access to technologies in health care needn’t affect the budget set aside for emergencies. “The government can offer tele-medicine and mobile clinics in the village.” Since India is an agrarian economy, Mr. Khalili recommends services aimed at farmers. “Apart from the consultation and support services, an exchange or an online platform could be set up at village a centre that allows the farmers to sell their crops at the best prices,”
he suggests. “It will bring transparency.”

**Business model**

However, even with pragmatic, yet lofty ideas, Mr. Khalili is aware that realising them would require more than just good intentions. At his previous position with Cisco as well, Mr. Khalili had worked extensively on a project focussing on India as a landscape to launch Smart Villages. “After six months of study, I realised why such a project was unable to take off in the real world,” he explains. “I believe that despite all the wishful thinking and good intentions, the business model or the lack of one was not cracked.” The government alone cannot bear the financial costs of the project, and the private sector doesn’t see the revenues for them, he says.

**Jaitley bats for electoral bonds**

He said the conventional system is to rely on donations. Big or small, these come from a range of sources from political workers, sympathisers, small business people and even large industrialists.

“The conventional practice of funding the political system was to take donations in cash and undertake these expenditures in cash. The sources are anonymous or pseudonymous. The quantum of money was never disclosed. The present system ensures unclean money coming from unidentifiable sources. It is a wholly non-transparent system,” he said.

“I do believe that donations made online or through cheques remain an ideal method of donating to political parties. However, these have not become very popular in India since they involve disclosure of donor’s identity,” he said.

The electoral bond scheme, Mr. Jaitley said, envisages total clean money.

A donor can purchase electoral bonds from a specified bank only by a banking instrument. He would have to disclose in his accounts the amount of political bonds that he has purchased. The life of the bond would be only 15 days and it can be encashed only in a pre-declared account of a political party. Every party in its returns will have to disclose the amount of donations it has received through electoral bonds to the Election Commission.

As against total non-transparency in the present system of cash donations where the donor, the donee, the quantum of donations and the nature of expenditure are all undisclosed, some element of transparency would be introduced.

**Centre to review rules on anthem**

The court had justified the playing of the anthem in cinema halls, seeing it as an opportunity for the public to express their “love for the motherland.”

The Bench had observed that the protocol of showing respect and honour to the anthem was rooted in “our national identity, national integrity and constitutional patriotism.”

But the order had attracted criticism from within the highest judiciary itself. Justice D.Y. Chandrachud, while sharing a Supreme Court Bench with Justice Misra (now Chief Justice) in October 2017, had doubted the logic behind the order, saying there was no need for an Indian to “wear his patriotism on his sleeves.”

“The next thing will be that people should not wear T-shirts and shorts to the movies because it will amount to disrespect to the National Anthem... where do we stop this moral policing?” Justice Chandrachud had observed.

The Bench was hearing a petition filed by the Kodungalloor Film Society, Kerala, to recall the order. The apex court had then left it to the government to “take a call” and issue a notification describing the circumstances and occasions for showing respect to the National Anthem.

On November 30, 2016, a Supreme Court Bench led by Justice Dipak Misra, before he became the CJI, had directed that “all cinema halls shall play the National Anthem before the feature film starts and all present are obliged to stand to show respect...”. The November 2016 order had come on a writ petition filed by Shyam Narayan Chourkey.

**Supreme Court set to review 2013 verdict criminalizing homosexuality**

The Supreme Court agreed to revisit its 2013 ruling criminalizing consensual sex between same sex adults, clearing the way for a fresh round of debate on a controversial colonial-era law governing homosexuality in India.

This follows the apex court’s August judgement which held privacy to be a fundamental right, extending its scope to the sexual orientation of a person as an essential attribute.

A three-judge bench comprising Chief Justice Dipak Misra and justices D.Y. Chandrachud and A.M. Khanwilkar, in response to a plea by representatives of the lesbian, gay, bisexual and transgender (LGBT) community, agreed that there was a need to consider the implication of the privacy judgement on the issue and take another look at the constitutional validity of Section 377 of the Indian Penal Code (IPC), which criminalizes same sex intercourse,
The court held that a review of the 2013 ruling and constitutional validity of Section 377 would be considered by a larger bench that is still to be constituted.

The apex court is also considering a curative petition filed by Naz Foundation Trust, the non-governmental organization that had originally filed a lawsuit in the Delhi High Court in 2001. In 2009, the high court had ruled that Section 377 of the IPC, which prohibits "carnal intercourse against the order of nature with any man, woman or animal", was unconstitutional.

The apex court is also considering a curative petition filed by Naz Foundation Trust, the non-governmental organization that had originally filed a lawsuit in the Delhi High Court in 2001. In 2009, the high court had ruled that Section 377 of the IPC, which prohibits "carnal intercourse against the order of nature with any man, woman or animal", was unconstitutional.

The curative petition filed before the top court argues that the court has incorrectly held that a "minuscule fraction of population cannot claim fundamental rights". The petition also alleged an issue bias by the court against the LGBT community through its references, such as "the so-called rights of LGBT persons" in its 2013 judgement.

Army satisfied with Akash missile

The Army is fully satisfied with the performance of the indigenously developed Akash short-range surface-to-air missile (SR SAM) system and is looking for further performance enhancements in future, Lt. Gen. Parminder Singh S. Jaggi, Director-General, Army Air Defence (AAD), said here.

Last month, the Army carried out the first user trial of the missile system.

Biggest advantage

"We are happy with the Akash system. It is a watershed as far as indigenous systems are concerned. The biggest advantage is it is a home grown system," Lt. Gen. Jaggi said.

The Army’s AAD celebrated its 25th year of raising.

The Army currently has two Akash regiments which it began inducting in 2015. Last year, the Defence Ministry cancelled a global tender for additional SR SAMs and approved procurement of two more regiments. Each regiment consists of six launchers with each launcher having three missiles. Officials say Akash has an indigenous content of 96%.

"The first user trial by AAD crew was fully successful. Akash has been validated as it has been conceptualized," Lt. Gen. Jaggi said.

25-km range

Akash has a range of 25 km and can simultaneously engage multiple targets in all weather conditions and has a large operational envelope from a low altitude of 30 metres to a maximum of up to 20 km.

The Army is likely to order more Akash regiments as it is in the process of replacing its legacy systems in service. Lt. Gen. Jaggi said as more regiments were ordered, there would be additional enhancements in the system as well in performance.

He noted that as AAD celebrated its silver jubilee, there had been a modernisation drive under way with the induction of a medium-range surface-to-air missile for which contracts had been signed and other deals in progress.

Akash was developed by the Defence Research and Development Organisation (DRDO) as part of the Integrated Guided Missile Development Programme initiated in 1984 and is manufactured by Bharat Dynamics Ltd. (BDL).

India confirms NSAs met in Bangkok

The National Security Advisers (NSAs) of India and Pakistan met for the first time in six years in Bangkok on 5 January. The meeting took place under the aegis of the Bi-Annual Defence Review Conference.
Farmers argue that their villages, which are in Guntur district, have very fertile lands and that they see no point in accepting the benefits being offered by the state in return for giving up their land.

“We get water here at just 20 feet under the ground. Ours is one of the greenest multi-crop farmlands in the state. So why should we give it up?” said K. Shiva Reddy, 62, a land-owning farmer from Penumaka who attended the 12 January meeting. Reddy, who owns six acres of land, added fruit and vegetable crops from his village fetch good prices on the market.

His views were echoed by A. Sambi Reddy, 60, a tenant farmer, who pointed out that in spite of an investment of over Rs60,000 per acre in Penumaka, he easily makes profits every year with his farm produce. Both said the village usually has a good yield of bananas, ladies’ fingers, turmeric, maize, etc.

The two villages account for most of the remaining land that has to be acquired by the AP Capital Region Development Authority (CRDA), the body overseeing the building of Amaravati, said a CRDA official, who requested not to be identified.

Like Sambi and Shiva Reddy, a 32-year-old land-owning farmer from Undavalli village DattuBalaji Reddy, has no need for the CRDA’s offer of 1,000 sq. ft of residential land and 250-450 sq. ft of commercial land in the new capital to those who give up their farms under the land-pooling scheme. Neither does he want the additional financial compensation ranging from Rs30,000 per acre (of dry land) to Rs50,000 per acre (fertile land) per year for 10 years, (with 10% appreciation every year).

“Apart from the fertile farms here, the market value of land in Penumaka and Undavalli is very high because of their proximity to Vijayawada. An acre of land here fetches more than Rs2 crore today,” Balaji Reddy said, just before the meeting on 12 January. He claimed that farmers had approached the high court last year after the state government failed to conduct the environmental assessment impact and follow other stipulations of the LARR 2013 Act.

When asked about the issue, the CRDA official said that about half of the farmers in both villages have already given up their lands under the land-pooling scheme for Amaravati, adding the due process will be followed as per the LARR 2013 Act for the rest.

Amaravati: farmers refuse to give up land in two villages

On 12 January, farmers began gathering at noon at Penumaka village, about 12km from Vijayawada, in Andhra Pradesh. After several of them had come together, all of them then went further into the fields nearby to congregate and hold a meeting on the issue of their lands being acquired by the state government for upcoming capital Amaravati.

Last week’s meeting was significant, as more than fifty of the farmers from the village had approached the High Court of Judicature for the states of Andhra Pradesh and Telangana earlier and managed to get an interim stay order on the process. The next hearing on the matter is scheduled for 19 January.

While over 33,000 of the roughly 36,000 acres of farmland required for Amaravati have been acquired by the AP government through its land-pooling scheme, Penumaka and nearby Undavalli are the only two villages out of 29 where farmers are unwilling to give up their lands, forcing the government to take the legal route by invoking the Land Acquisition, Rehabilitation and Resettlement (LARR) Act, 2013.

Farmers argue that their villages, which are in Guntur district, have very fertile lands and that they see no point in accepting the benefits being offered by the state in return for giving up their land.

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Farmers argue that their villages, which are in Guntur district, have very fertile lands and that they see no point in accepting the benefits being offered by the state in return for giving up their land.

“We get water here at just 20 feet under the ground. Ours is one of the greenest multi-crop farmlands in the state. So why should we give it up?” said K. Shiva Reddy, 62, a land-owning farmer from Penumaka who attended the 12 January meeting. Reddy, who owns six acres of land, added fruit and vegetable crops from his village fetch good prices on the market.

His views were echoed by A. Sambi Reddy, 60, a tenant farmer, who pointed out that in spite of an investment of over Rs60,000 per acre in Penumaka, he easily makes profits every year with his farm produce. Both said the village usually has a good yield of bananas, ladies’ fingers, turmeric, maize, etc.

The two villages account for most of the remaining land that has to be acquired by the AP Capital Region Development Authority (CRDA), the body overseeing the building of Amaravati, said a CRDA official, who requested not to be identified.

Like Sambi and Shiva Reddy, a 32-year-old land-owning farmer from Undavalli village DattuBalaji Reddy, has no need for the CRDA’s offer of 1,000 sq. ft of residential land and 250-450 sq. ft of commercial land in the new capital to those who give up their farms under the land-pooling scheme. Neither does he want the additional financial compensation ranging from Rs30,000 per acre (of dry land) to Rs50,000 per acre (fertile land) per year for 10 years, (with 10% appreciation every year).

“Apart from the fertile farms here, the market value of land in Penumaka and Undavalli is very high because of their proximity to Vijayawada. An acre of land here fetches more than Rs2 crore today,” Balaji Reddy said, just before the meeting on 12 January. He claimed that farmers had approached the high court last year after the state government failed to conduct the environmental assessment impact and follow other stipulations of the LARR 2013 Act.

When asked about the issue, the CRDA official said that about half of the farmers in both villages have already given up their lands under the land-pooling scheme for Amaravati, adding the due process will be followed as per the LARR 2013 Act for the rest.
He cited the Polavaram project as an example of where water was being transferred from the Godavari to the Krishna river and how parts of it going into the sea could be diverted to water-deficit regions. “I have learnt that nearly 2,500 tmcft water from the Godavari is emptying out into the sea. If suitably used, it can go a long way to solve the water availability in Tamil Nadu, Telangana, Andhra Pradesh and Karnataka,” he told a gathering of officers discussing interlinking projects.

Polavaram is a major irrigation project being constructed on the Godavari River across Andhra, Odisha and Chhattisgarh. “While projects concerning Himalayan Rivers such as the Ganga and the Brahmaputra ought to be first completed, we should look at other rivers too,” he said.

‘Aadhaar contradicts the role of the state’
The Aadhaar scheme contradicts the role of the state as the custodian of the citizens’ fundamental right of privacy. A duty is cast on the government and its agencies to protect the citizen’s crucial personal data from commercial exploitation by private corporates, petitioners challenging the scheme submitted in the Supreme Court.

Referring to the nine-judge Bench judgment which upheld privacy as a fundamental right, senior advocate Shyam Divan and advocate Vipin Nair submitted before a Constitution Bench led by Chief Justice of India Dipak Misra that Aadhaar enrolment and subsequent leakages of personal mass data how that the state itself is exploiting personal rights of individuals by giving it to private corporates who use it for commercial ends. In a case where the private rights of an individual are exploited, it is the duty of the state to protect him from private enterprises, Mr. Divan argued.

“The state is empowered with a ‘switch’ by which it can cause the civil death of an individual. Where every basic facility is linked to Aadhaar and one cannot live in society without an Aadhaar number, the switching off of Aadhaar completely destroys the individual,” Mr. Divan submitted for the petitioners.

The Aadhaar enrolment has seen the state delegate “sensitive and exclusive sovereign” functions to private contractors and agencies. None of these private agencies which enrol citizens and collect their personal data have any agreement with the UIDAI, Mr. Divan submitted. When Justice A.M. Khanwilkar observed that the Aadhaar Act of 2016 would protect fundamental rights, Mr. Divan responded that crores of citizens had already been enrolled between 2009 and 2016, when the Act came into existence, and fundamental rights could not be protected retrospectively. He said there was no audit check of these private collection agents to whom the UIDAI had outsourced the work of personal data collection for years prior to the Act.

In an illustration of how Aadhaar has become an instrument of exclusion, Mr. Divan related how a couple could not register their marriage under the Special Marriage Act as the authorities insisted on Aadhaar.

Scientists ‘deeply pained’ by Minister’s claim
Scientists have come out against the comment of Union Minister of State for Human Resource Development Subrat Pani that Charles Darwin’s theory of evolution is a myth and should be taken off school textbooks.

Talking to The Hindu over phone, Sandhya S. Visweswarah, Chairperson of the Department of Molecular Reproduction, Development and Genetics at the Indian Institute of Science, Bengaluru, said: “Evolution is such a fundamental aspect of all biological processes. The time scales that it occurs in are not comprehensible to the human mind.”

Minister: I’m a Ph.D.
This happened on a day Mr. Singh stood by his comment, telling a television channel: “Darwin’s theory is being challenged the world over. Darwinism is a myth. If I’m making a statement I can’t make it without a basis ... I am a man of science, I’m not coming from an arts background ... I have completed my Ph.D. in Chemistry from Delhi University.”

A letter to Mr. Singh with at least 1,800 signatories, shared on social media, questioned his claim.

“We, the scientists, science communicators and scientifically oriented members of public, are deeply pained by your claim. It is factually incorrect to state that the evolutionary principle has been rejected by the scientific community. On the contrary, every new discovery adds support to Darwin’s insights,” the letter said.

While BJP spokespersons The Hindu contacted refused to comment, Congress leader Abhishek Manu Singhvi said: “The problem with the ruling party’s arrogance is that each member is a self-proclaimed, self-appointed sociologist in one case, historian in another, scientist in a third and psephologist in a fourth.”

Kiran Mazumdar Shaw, chairperson and managing director of Biocon, tweeted, “Darwin Wrong. Nobody Saw Ape Turn Into Human’: Junior Education Minister — this is not just an embarrassment but an insult to the high office of education.”
Office of profit: AAP to file fresh plea

The Aam Aadmi Party (AAP) will challenge the decision of the Election Commission (EC) to disqualify 20 party MLAs in an office-of-profit case, a party leader said. The move came after the disqualified AAP MLAs withdrew their plea from the Delhi High Court challenging the poll panel’s recommendation to disqualify them in the case.

Plea become infructuous

Justice Rekha Palli said the plea moved by the disqualified AAP legislators had become infructuous or rendered ineffective as the President has already issued a circular to disqualify the MLAs.

The High Court was informed by the counsel representing the Election Commission that it had already sent the opinion to the President on January 19, before the former legislators moved the court.

The Election Commission sent its opinion to the President saying that by being parliamentary secretaries, the AAP legislators held office of profit and must be disqualified from the Delhi Assembly.

Acting on the opinion, President Ram Nath Kovind gave his assent for the disqualification of the MLAs.

President is bound

The President is bound by the recommendation of the poll panel.

If the President receives a petition seeking disqualification of lawmakers, he refers it to the EC. The poll panel takes a decision and sends its recommendation to the Rashtrapati Bhavan which is accepted.

The Delhi government, led by Chief Minister Arvind Kejriwal, had appointed the parliamentary secretaries attached to government Ministries after coming to power in February 2015.

Constitutional clause

However, a constitutional clause prohibits legislators or parliamentarians from holding any position with monetary or other benefits. Known as office of profit, the clause is aimed at reducing conflict-of-interest situations for public representatives.

The Delhi government had claimed the appointments will facilitate smooth functioning.

It claimed that the secretaries would not receive any remuneration or perks from the government, so that the exchequer would face no additional burden.

UDAN 2 to link 73 airports, helipads

The Centre said 73 underserved and unserved airports and helipads would be connected under the phase 2 of the regional connectivity scheme UDAN.

Of the 90 proposals awarded to provide flight connectivity to more than 300 regional routes, Interglobe Aviation, the parent firm of IndiGo, was awarded a maximum of 20 proposals followed by SpiceJet with 17. Jet Airways won 4 proposals.

“The scheme will provide around 26.5 lakh seats per annum that will be covered with [an] airfare cap of Rs. 2,500/hr of flying,” said R. N. Choubey Secretary, Ministry of Civil Aviation.

“In addition, around two lakh RCS (regional connectivity scheme) seats per annum are expected to be provided through helicopter operations,” he said.

The States with maximum number of airports and helipads which will see activation under UDAN 2 scheme include Uttarakhand (15), Uttar Pradesh (9), Arunachal Pradesh (8), Himachal Pradesh (6), Assam (5) and Manipur (5).

Some of the cities that would now be connected include Kargil, Darbhanga, Kasauni, Bokaro, Dumka, Hubli, Kannur and Pakyong, among others.

This was the first time bids were received from helicopter operators under the scheme.

Viability gap funding

These proposals would require a viability gap funding (VGF) of Rs. 487 crore per annum for fixed wing operations and Rs. 130 crore per annum for helicopter operations in the priority areas — which include the north-eastern and hill States, taking the total funding need for the scheme in phase 2 to Rs. 617 crore. In the first phase, this amount stood at Rs. 213 crore per annum.

The Centre said it had decided not to increase the Rs. 5,000 regional air connectivity levy charged from airlines flying on major routes to fund the UDAN scheme. It would now be partly funded by the dividend that AAI (Airports Authority of India) paid to the Government of India. “The Finance Ministry has agreed to fund the UDAN scheme through the dividend that AAI pays to the government every year,” said Mr. Choubey.

“We already have got Rs. 200 crore from AAI as dividend share for this year. Next year also, a similar exercise will be done,” he said.

Under the first round of RCS, which concluded in March last year, a total of 128 routes were awarded to five airline operators.

Centre determined to stabilize population growth

The UN’s World Population Prospect report may state...
that India’s population will equal China’s in the next seven years, but the government seems determined to slow down the growth before that deadline.

“According to our figures, 24 States and Union Territories in the country have achieved the total fertility rate (TFR) of 2.1%. That accounts for a large chunk and we felt that if we came up with a micro plan for specific districts where the TFR rates have been consistently high, then we could achieve a stabilisation rate for population growth much earlier than is predicted for the country,” said Union minister for Health and Family Welfare J.P. Nadda.

The TFR is defined as the total number of children born or likely to be born to a woman in her lifetime at the prevailing rate of age-specific fertility. Population stabilisation is said to be achieved at a TFR of 2.1 because a population just replaces itself at that rate.

“We have identified 146 districts across seven states — Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Rajasthan and Uttar Pradesh — that have high TFR, for this project,” said Mr. Nadda.

“Among the things that are part of the plan is a range of contraceptive devices, medicines, counselling, special classes for family planning and in cases where there are social barriers, to work with institutions to dispel doubts,” Mr. Nadda added.

Multiple chief guests, a first for Republic Day

From a single leader gracing Republic Day, India has pulled off a diplomatic coup of sorts by having as many as 10 leaders from the Association of Southeast Asian Nations (ASEAN), for January 26 this year.

The presence of the entire ASEAN leadership for Republic Day is a sign that the decades-old bond between India and the regional grouping has reached a new strategic level.

Just as the presence of U.S. President Barack Obama as the chief guest at Republic Day in 2015 sent a signal to the rest of the world, the ASEAN leaders’ participation has a resonance of its own.

“As far as India is concerned, we have a tradition to invite a guest of honour as chief guest for the Republic Day parade of 26 January. But so far we have not done something like inviting 10 leaders for a diplomatic engagement on this day,” said former ambassador K. Shankar Bajpai.

Unique event

Former External Affairs Minister Natwar Singh also maintains that hosting 10 chief guests at the Republic Day parade is a unique event. “We have hosted multiple heads of states as in 1983 when we hosted the NAM summit and more recently in the India-Africa Summit. But this event is unique as it comes in the context of major changes in the regional order,” Mr. Singh said.

Interestingly, an India-ASEAN tableau will also form part of the Republic Day parade, which will have several firsts on display this time.

**Nirbhay to be showcased**

Other than the all-woman BSF contingent on motorcycles, India’s long-range sub-sonic cruise missile Nirbhay will be showcased for the first time. The weaponised Advanced Light Helicopters (ALH), Rudra, will also be part of the fly-past for the first time.

Nirbhay, with a range of over 1,000 km, is being developed by the Defence Research and Development Organisation and was successfully test-fired last November after some initial failures.

An important aspect of the R-Day parade this year is the focus on showcasing indigenousy developed military platforms for the visiting heads of state. This is significant as India is now trying to significantly beef up its military sales as part of its defence diplomacy and wants to showcase these platforms to ASEAN countries.

**BrahMos missiles**

In line with this, BrahMos supersonic missiles, Akash Surface to Air Missile (SAM), and Netra Airborne Early Warning and Control System (AEW&C) are part of the military component of the parade.

The 90-minute parade has 16 marching contingents, 23 tableaux from 14 States and four ministries. For the first time, there is tableau from the Indo-Tibetan Border Police and from All India Radio.

**Delhi Declaration calls for joint fight against terror**

Counter-terrorism, identity security, military cooperation, and bilateral financial support were discussed in official level talks with leaders from ASEAN countries held on the sidelines of the ASEAN-India Commemorative Summit held to celebrate the 25th anniversary of the establishment of sectoral dialogue between two sides.

The ASEAN-India Commemorative Summit also came out with a comprehensive statement targeting terrorism and agreed to uphold freedom in the maritime domain. A common topic at all the discussions that Prime Minister Modi participated was counter-terrorism.

**Disrupting radicalism**

Focusing on the presence of the Islamic State and other forms of radicalism in the region, a joint statement, titled Delhi Declaration, issued after the plenary session, supported a common approach to counter terrorism and...
sought a “comprehensive approach to combat terrorism through close cooperation by disrupting and countering terrorists, terrorist groups and networks, including by countering cross border movement of terrorists and foreign terrorist fighters and misuse of Internet including social media by terror entities.”

Out of all the countries of ASEAN region, Philippines had the most serious threat from the Islamic State in the last few years and the bilateral discussion focused on this aspect.

“President Duterte conveyed his deepest appreciation for the $500,000 assistance that was provided by India to resettle victims of the Marawi siege,” said Preeti Saran, Secretary in Charge of Eastern Affairs, highlighting the support that Philippines received from India to counter the Islamic State (IS) terrorists who had taken over the city of Marawi in Philippines where a battle was waged by the Philippines’ military forces.

**Working with Manila**

A Joint Working Group meeting is likely to be held between the two countries to finalise details of counterterrorism cooperation between Delhi and Manila. Mr. Modi also held a discussion with Vietnamese Prime Minister Nguyen Xuan Phuc.

“Defence and maritime cooperation in the Indo-Pacific region was discussed which involves manufacturing of offshore vessels which has been contracted to Larsen and Toubro,” said Ms. Saran explaining that both sides are likely to operationalise $100 million line of credit for the same.

The official also said that direct flights would soon connect India with Vietnam.

The issue of security identity cards for the citizens, on the line of the Aadhaar card of India also came up during the bilateral discussion with Philippines. “A team from Philippines was here last week to study the Aadhaar card of India, said Ms. Saran.

The security scenario in the Rakhine province was also discussed between Prime Minister Modi and Aung San Suu Kyi, the State Counsellor of Myanmar. Both sides discussed the housing project that India would build to rehabilitate the Rohingyas.

**What might a Gandhian constitution have looked like?**

What if NathuramGodse had missed? What if Gandhi had survived, and cast his immeasurable influence on the Constitution of India? The answers to some of these questions may lie in the unique events that transpired in a corner of Maharashtra in 1938.

In the summer of that year, a procession of 6,000 peasants living in the town of Atpadi, in present-day Maharashtra, began marching the 160km to Aundh, the capital of their microscopic princely state. Intelligence officers working for the ruler of Aundh, Raja Bhawanoor Pant Pratinidhi, sent alarming reports of an angry crowd, led by fiery leaders, shouting revolutionary slogans. These spies were entirely right to be alarmed. The procession accounted for more than 10% of the entire population of Atpadi taluka. Two days later, and with no sign of enthusiasm abating, the procession was camped just 5km outside the gates of Aundh. Writing about the events some five decades later, the late Apa Sahib Pant, son and heir of the raja of Aundh, recalled the state of alarm in the palace. The prince prayed to the royal family’s deity, Jagadamba. “Oh goddess,” he thought, “can this be the end of Aundh, and Baba’s dreams of a model state?”

As the procession camped for the night, the ministers, advisers and the prince himself were running helter skelter at the palace preparing for the inevitable showdown. The protesters were expected to arrive at the palace and demand an audience with the raja the next day. Yet no one at the palace, it appeared, had sought to consult with the raja. A meeting of high-ranking officials was called hastily in a palace called the “RangachiKholi”. This was where the raja liked to paint. Almost every day, up to 2 hours at a time, Bhawanrao would paint scenes from the Ramayan, Mahabharat, or the life of Shivaji, whom he adored.

Much to the astonishment of his ministers, the king appeared unperturbed about the revolution that seemed to have gathered at his doorstep. After listening to his advisers, he turned to his son. Apa Pant, later to become a stellar diplomat in the service of the Republic of India, suggested a gentle response. Let us offer them a lunch of dal and rice, the prince claims to have said, and then let us ask these citizens of Aundh what they are protesting about. “Let it be so,” said the king.

The next day, placated by a warm welcome and lunch, the protesters sat down to talk. A variety of leaders spoke to and for the crowds, and, as the day passed, the audience swelled as villagers began to pour in from surrounding hamlets, most not even part of Aundh’s jurisdiction.

Two issues appeared paramount: lower taxation and better administration. The government of Aundh agreed to review taxation rates. And two Congress leaders—ShankaraoDeo and B.V. Shikhare—were appointed to review the state of administration in Aundh and suggest reforms.

But the events of that summer led to something much more than just two promises of reform and a free lunch. They began to make the ruling disposition of Aundh think.
How did things get to this point? What if, next time, rice and dal didn’t placate a crowd of thousands? What if, next time, as one minister had feared, the crowd burnt down the palace? Something had to be done. The people needed a better deal. And thus it came to pass that some six months later, on 23 November 1938, on the 70th birthday of the raja, Aundh did something unprecedented, perhaps, in the history of kingship in India. That morning, Bhawanrao Pant Pratinidhi, the ruler of Aundh, relinquished his throne. The government of Aundh had passed on to his people. “My children,” the raja declared, were now capable of managing their own affairs. He would now just watch and guide them.

There was just one problem. How would Aundh actually manage its own affairs? The leaders of Aundh turned to the one man they knew could help: Mahatma Gandhi.

To understand the “Aundh experiment”, as the 10-year-long implementation of a Gandhian constitution in Aundh is known, and to fully appreciate the strengths and weaknesses of that remarkable project, one must first get to grips with three stories: that of Aundh itself, the story of its ruler, and the story of Maurice Frydman, a Polish Jew.

Aundh was one of several princely states that were formed following the collapse of the Maratha kingdom in 1818. Due to a combination of historical factors, Aundh in 1938 was a small patchwork quilt of a state, comprising 72 villages scattered across what are today the districts of Satara and Sangli in Maharashtra and Bijapur in Karnataka. All of Aundh accounted for an area of just over 500 sq. miles, broken up into pieces (for a sense of scale, compare that to Mysore’s 30,000 sq. miles).

Despite his diminutive domain, however, the raja of Aundh was something of a celebrity. And that was because by the 1930s he had become synonymous with the Surya Namaskar. Bhawanrao was a fanatic of the mystical exercise. Exactly at 7:10 each morning, in every school in Aundh, children of every religious denomination would assemble and perform the exercise, complete with Sanskrit mantras. In 1923, the raja wrote a book in Marathi on the exercise. Then, some years later, during a tour of Europe, the raja carried with him a 16mm film of the exercises, enthusiastically putting up shows for anyone interested in his daily regimen. Coverage in the British press made him something of a local celebrity.

And then he wrote a book titled The Ten Point Way To Health in 1938, which became a British best-seller. The book, which features photographs of the Surya Namaskar being demonstrated by none other than the prince himself, is still available online.

Raja Bhawanrao, then, hardly appears to be the type of despot who would have opposed any attempt to transform his little kingdom into a constitutional republic of sorts. Indeed, as historian and Gandhian Indira Rothermund describes in one of the few standalone books on the subject, The Aundh Experiment, the raja had already started delegating powers to his people in various forms from 1917. That was the year in which Aundh established representative bodies at the state and village levels. Iterations and refinements followed.

But to motivate the raja, his prince, and their advisers to take the ultimate plunge, and delegate all power to the people, took the involvement of the type of personality that today seems peculiar, but was quite common in those waning years of the empire in India. Without Maurice Frydman, Apa Pant writes, Aundh would have always remained a small, drought-prone state, perennially in debt to bankers.

Born into crushing poverty in the Polish city of Kraków, Frydman possessed a precocious capacity for languages. By the time he was a teenager, Frydman could speak Russian, Polish, French, English and Hebrew. Educated as an electrical engineer, Frydman was appointed, several jobs later, as the managing director of a factory in Paris. Spotted by the prime minister of Mysore during a state visit to France, Frydman needed little persuasion to move to Bangalore where, two years later, he not only set up the Government Electrical Factory, but also transformed into a disciple of Shri Ramana Maharishi, taking the name Bharatananda.

Apa Pant met Frydman during a trip to Bengaluru and struck up a friendship that would last for decades. Frydman, Pant recalled, was buzzing with ideas to integrate Western notions of revolution and democracy with ideas and plans for the improvement of the Indian village. Eventually, in March 1938, Frydman moved to Aundh, and, in return for food and a roof over his head, began to work to improve the lives of the people of Aundh.

In November 1938, when the raja relinquished his throne, it was Frydman who had drawn up the declaration. And the next month, as Apa Pant sat in a “1929 Ford 'A' model, complete with rattling mudguards and a leaking, boiling radiator”, bouncing over the rutted road to Mahatma Gandhi’s ashram in Sevagram, Frydman was at his side again.

Gandhi told the prince he would be happy to help, on three conditions. First, the prince must live and work in
Aundh for 10 years and not rush off to live in some big city. Second, the prince was to wear cloth spun in Aundh, consume only what the commoners of Aundh could afford, and spend no more than Rs50 a month on himself. And third, the prince was to live in a hut like the poorest citizen of Aundh.

Contrary to all impressions of the ‘despot from the Orient’, here was an Indian raja handing over power to a new state with a new constitution. And that too a constitution crafted by that greatest of all Indian rebels: Gandhi. Shaken, but meek, the prince agreed. And then Gandhi began to outline his vision of a government. Apa Pant quotes Gandhi:

“In my dreams of a model state, power will not be concentrated in a few hands. Centralized power has always created great problems for society. A centralized government becomes expensive, unwieldy, inefficient, corrupt, often ruthless, and is always heartless. All centralized governments attract power-seekers who capture power, and then maintain it by force.”

Instead, Gandhi wanted a system of government that was built from the village panchayat upwards. Throughout December 1938, the delegation from Aundh and Gandhi worked on a draft “Swaraj Constitution”.

Two things stand out from both Pants recollections of those meetings and Rothermund’s later analysis. First is Gandhi’s insistence that all aspects of government must arise from the grass roots. Thus each village was to elect a panchayat of five. The five would either unanimously agree on a president, or directly conduct elections to elect one. The village panchayat presidents formed a taluk, which chose its own president. The four taluks thus formed would each send three members to the legislative assembly of Aundh. One of them would then become prime minister. In Gandhi’s vision then, the prime minister of Aundh was, by definition, a member of a village panchayat. Power trickled up, and not down.

The second, perhaps more striking, thing about Gandhi’s constitution for Aundh was his insistence that only literate citizens vote. This caused great consternation in the prince and others. After all, Aundh had less than 10% literacy in 1938. No problem, said Gandhi, teach every man and woman to read and write.

And thus it was that on 21 January 1939, Aundh passed legislation affirming the new Swaraj Constitution. A constitution that was dictated to a surprising extent by Mahatma Gandhi. It was an event that sent shockwaves through India, the empire and the wider world. Contrary to all impressions of the “despot from the Orient”, here was an Indian raja handing over power to a new state with a new constitution. And that too a constitution crafted by that greatest of all Indian rebels: Gandhi. Indeed, both the raja and his son spent substantial time in this period fending off British suspicions and displeasure.

From the perspective of the broader Indian politics of the time, there is an element of self-preservation in the Aundh experiment. Buffeted between the twin forces of British intervention and an exploding nationalist movement, Aundh found a third path in its transformation into a constitutional democratic state.

Did the Aundh experiment work? Reading both Pants memoirs and Rothermund’s analysis, this is actually difficult to say. In some areas, such as education, state finances and social cohesion, there is no doubt that the Swaraj Constitution improved the lives of people. The number of schools, the number of teachers and state spending on education grew rapidly in the years following 1938. The state was even able to handle a devastating famine in 1942 without falling apart. But eventually, the small state’s vulnerability to broader economic forces—for instance, it had no means of dealing with food prices; most of it was imported—and the turbulence of Indian politics, were insurmountable problems. Regardless, Aundh soldiered along till 1948, when it eventually folded into the Indian union, along with most other princely states.

On every anniversary of Gandhi’s death, one is tempted to ask what would have happened to India had Gandhi not been subject to the assassin’s gun. Would his undeniable influence have swayed members of the constituent assembly? Would India have a constitution that was spiritually, if not materially, wary of excessive centralization and less dismissive of local government and grass-roots democracy? And would Gandhi have insisted on votes only for the literate, in seemingly blatant violation of the egalitarianism he espoused in all his work and writings? One good place to look for an answer, perhaps, is in the small town of Aundh in Maharashtra.

Sources for these events are hard to come by. Rothermund herself depends considerably on Apa Pants volumes of memoirs, especially his An Unusual Raja: Mahatma Gandhi and the Aundh Experiment published in 1989.

Gandhi’s politics is impossible to classify: Ramachandra Guha

Ramachandra Guha has spent well over a decade in the pursuit of Mohandas Karamchand Gandhi, a quest that will culminate in the second volume of his magisterial bi-
ography, which will be published later this year by Penguin Random House (the first part, Gandhi Before India, appeared in 2013).

On the 70th anniversary of Gandhi’s death, he tells Lounge about the shifts in his own perspective as a researcher and the surprises he has encountered while grappling with the Mahatma’s complicated legacy. In spite of his staunch principles, Gandhi was vulnerable to conflicts and contradictions, which resulted in a misreading of his philosophy but also made him inimitably human. Edited excerpts:

For how many years have you been working on Gandhi?
I’ve been interested in Gandhi all my professional life, for over 30 years now. Over time, I’ve only got closer to him. I thought of the two-volume biography, in a focused way, maybe 15 years ago. My earlier work was on environment, and most of the environmentalists I met, or the Chipko movement I wrote about, had a connection with Gandhi. Then I wrote a biography of anthropologist Verrier Elwin, who had a complicated father-son, love-hate, antagonistic relationship with Gandhi. After that, I did a book about the social history of cricket and Gandhi was everywhere there too, because of the politics of caste and religion on the cricket field. I feel I’ve been shadowed by him all my life.

How has your perception of Gandhi changed since the time you started working on the biography?
Essentially, I’ve got to know Gandhi—his ideas, relationships and politics—in much richer detail. It’s not as if I’ve fundamentally changed my views of him or have had an epiphanic moment. My understanding of his life became much more nuanced in texture. I’ve learnt more about the characters who shaped him and who have now been practically written out of history, like his Jewish friends in South Africa. In India, Mahadev Desai, his secretary, who is a major presence in the second volume, was much more important to Gandhi than (Jawaharlal) Nehru, (Vallabhbhai) Patel, Rajaji (C. Rajagopalachari) or Rajendra Prasad.

The one striking aspect of Gandhi that came to me during my research is his phenomenal global impact during his lifetime. The interest he evoked in countries he never visited, in places he probably never knew about, in writings about him in different languages, was staggering in a pre-internet, pre-television world. Take, for example, the humorous ads by a suiting company in The New York Times in the 1930s, joking about the fact that he wore no clothes: “Gandhi doesn’t need our suits, and that’s his choice. But you need them for these reasons,” etc.

More seriously, while we know of French thinker Romain Rolland’s book on Gandhi, I found the Peruvian left-wing radical José Carlos Mariátegui also wrote about him in an unusual way. I came upon his correspondence with a radical German priest, Dietrich Bonhoeffer, who rebelled against Hitler and was executed. He wanted to come to India and apprentice with Gandhi to learn non-violent resistance, after Hitler came to power in the 1930s. Even small European countries like Czechoslovakia, Finland were inviting Gandhi to visit, writing and staging plays about him.

The first part of Guha’s biography was published in 2013. Were there many surprises about Gandhi as a human being?
However democratic he was in his dealings with the party and however courteous he was to his opponents, in his ashram Gandhi was a tyrant. The meticulous organization of the life of the ashram bears this out as well as the bizarre letters he would write from jail—on diet, health, clothing, how to spin and, of course, on brahmacharya (celibacy). There’s quite a bit in my book about his asceticism as an ashramite, the demands he made on himself as well as his disciples.

Among the other characters that I have discovered more details about is the early Bengali feminist Sarala Devi Chaudhurani (Rabindranath Tagore’s niece). Gandhi wrote some of his most passionate letters to her. He was, in fact, dreaming about her. But he was advised to aban-
don the relationship and she felt betrayed by his decision to withdraw, which was linked to his later experiments with brahmacharya.

**What does it mean to be a Gandhian now, 70 years after his death?**

Four aspects of his life and thought are of contemporary, and possibly enduring, significance. They speak to us 70 years after he’s gone.

The first is the efficacy of non-violence, not just the moral legitimacy but also the political efficacy of non-violence as a strategy of protest. If you want to settle a dispute within a country—say, between peasants and landlords—non-violence is always more effective in the long run. Gandhi was prophetic about it. He told Bhagat Singh, if he used violence, the government would come back with more violence. And that’s exactly what’s happening in the Naxalite areas now. Non-violence is in between being a supplicant—appealing to your master—and shooting him; using, instead, the moral force of non-violence to shame him.

The second is his work on inter-religious relations. Gandhi was in between a radical atheist and a fundamentalist. He didn’t say all religions are wrong, nor did he claim his religion was totally right. He tried to negotiate a way in which people of different faiths could see their imperfections mirrored in others, a practice that enables tolerance and understanding.

Third: Gandhi’s environmental precociousness. He warns early that if India industrializes like the West, it will strip the world like locusts.

And finally, the personal openness of Gandhi’s life: We know all about his eccentricities, mistakes and choices because he wrote about them in his own magazine. And what he left out, the editors of the collected works put back together.

Wasn’t he also a moral custodian? As Sheela Reddy writes in her book on Ruttie Jinnah’s marriage to M.A. Jinnah, boys and girls of different religions falling in love with each other were sent to Gandhi’s ashram to be reformed by him.

When we look at Gandhi’s views on caste or inter-religious marriage, we impose the common sense of the 21st century on the early 20th century. That’s a problem. Gandhi forbade his own son Manilal from marrying a Muslim. To get Hindus and Muslims on the same platform was the most radical act possible in the early years of the 20th century. So supposing Manilal had married a Muslim girl, what would have happened when Gandhi had just started to bring Hindus and Muslims together in a compact against foreign colonial rule? He would have been accused of what we now call “love jihad”. Women were not even out in public life then. We couldn’t possibly expect him to have allowed them at the time to choose their romantic partners irrespective of caste and religion. The whole movement for independence would have collapsed.

**Why is Gandhi so susceptible to being appropriated both by the left and the right?**

Gandhi is impossible to classify in terms of conventional political categories. Was he a socialist, conservative, liberal or all of these? He was a true original. The left came to a belated recognition of the moral greatness of Gandhi, especially because of what he did for Hindu-Muslim harmony. For a long time, the left claimed that non-violence was a devious way to wean the masses away from the revolutionary path, but its attitude changed after what Gandhi did in 1947 for communal harmony. The right essentially dislikes Gandhi. It is profoundly ambivalent about him but instrumentally knows it cannot reject him outright. So it tries to make him more of a Hindu, assimilate him into a line of Hindu saints, but anyone on social media would know the Hindu right detests Gandhi.

Compared to the way he’s perceived in India, it would seem Gandhi has remained frozen in his saint-like status in the West.

The complexity of Gandhi is more or less flattened in the West, unless we are talking about extreme right-wing denunciation. (American folk singer and activist) Joan Baez tells a great story in her autobiography about her daughter, who, at 11, asked her father if Gandhi had a vagina. When he tells her no, he had a penis, she goes, “I know that but I thought he may have had both, since he was so nice.” This story shows that to the West, Gandhi transcends national, religious and gender differences and remains someone who spread peace and harmony. In India, he’s much more intensely debated on specific issues of caste, gender, religion and non-violence.

**So who was Gandhi—a cosmopolitan thinker, a Hindu, a shrewd politician?**

All of them. He was a heterodox Hindu, a freedom-loving Indian, a citizen of this country, but with an interest in the whole wide world, a patriot who was not a jingoist and willing to learn from other nations. He often changed his mind if he found criticism just. The two great examples of this are his exchanges with (B.R.) Ambedkar and Tagore. While Tagore turned him into a true cosmopolitan, 20 years of debate with Ambedkar made him more critical of the caste system. He nurtured disciples, made lead-
ers out of followers—Nehru, Patel, Rajaji, J.B. Kripalani. Whereas Tagore, Nehru and Ambedkar had either disciples and acolytes or critics and adversaries, Gandhi left behind able successors. He was an astute team-builder.

Budget 2018 and education: Restoring the balance

Budget 2018: Arun Jaitley will aim for balance between populism and fiscal prudence

On 23 January, eight days before finance minister Arun Jaitley unveils the last full budget of the National Democratic Alliance (NDA) government, India’s benchmark stock indices soared to new heights. For the first time ever, the Bombay Stock Exchange’s 30-stock Sensex closed above 36,000 points at 36,139.98, and the National Stock Exchange’s Nifty above 11,000 points at 11,083.70 points, lifted by a tide of liquidity.

The budget that Jaitley unveils on 1 February will determine, at least partly, whether the stock rally, which has seen the Sensex gain more than 6% since the start of the year, on top of a 28% rise in 2017, has more legs. A key concern is the likely introduction of a long-term capital gains tax on equities.

Bank of America-Merrill Lynch (BoFA-ML) wrote in a note that the rapid rise in equity markets seems to have reinforced arguments in favour of such a tax. Noting that capital gains on other asset classes—debt and real estate—are subject to tax, BoFA-ML analysts wrote: “One of the key arguments in favour of taxing equities is to establish some sort of equality amongst asset classes.”

“We see little possibility that Budget 2018 delivers reasons for material upside to an already inflated market,” the note said, predicting that the Sensex would fall to 32,000 levels by the end of the year.

Market participants expect the budget to boost spending on housing and rural welfare to lift the rural economy, with an eye on the general election next year, which will be preceded by a string of state polls.

“Ahead of the general election, undoubtedly, the budget will be a populist one. At the same time, one needs to remember good economics can also result in a populist budget,” said Nilesh Shah, managing director, Kotak Mahindra Asset Management Co. Ltd.

The scope of the budget has narrowed significantly this year, said Manishi Raychaudhuri, head of Asia (ex-Japan), equity strategy, BNP Paribas Securities. There are usually three aspects to the budget—expenditures, direct taxes and indirect taxes. The new indirect tax regime, the goods and services tax (GST), is now overseen by the GST Council, which is composed of state finance ministers and headed by Jaitley.

“So the ministry of finance has only two variables to really deal with—expenditures and direct taxes... The leeway to tinker with personal income tax slabs looks quite limited. Hence expenditure will likely be the most crucial element this year,” Raychaudhuri said.

Market participants will keep a close eye on the extent of divergence from the planned fiscal consolidation path. The government had aimed at limiting the fiscal deficit to 3.2% of GDP this fiscal year and 3% in the next. The deficit had already reached 112% of this year’s target by November.

“A fiscal deficit of ~3.5% is foreseeable. This can rise further if GST collections don’t pick up meaningfully over FY19 (fiscal 2019),” said Dipen Sheth, head of institutional research at HDFC Securities Ltd. “Also, states will
have to be compensated for shortfalls arising from this transition. The increased effective incidence of tax on services may provide some counter relief," added Sheth. Analysts at Morgan Stanley expect a fiscal deficit of 3.4-3.5% of GDP in FY18 and FY19, respectively. "The overarching issue that we/investors are watching for is the extent of divergence from the planned fiscal consolidation path or, more specifically, whether policymakers will be increasing the spending in the form of transfers to households, which would have an impact on macro stability," Morgan Stanley analysts wrote in a report on 12 January. The government is expected to increase asset sales to raise revenue, given the ambiguity surrounding GST collections.

"I am hoping to see a lot of assets sales. Instead of raising tax revenues, government should raise non-tax revenue," said Rashesh Shah, chairman of Edelweiss Group. "I hope there is no change in the capital gains taxation, because ideally government should not tinker with that." Market participants also expect the budget to reveal details of a Rs2.12 trillion recapitalization plan for state-run banks. This year will be the one in which debt-laden public sector banks will move towards better health as their capital is topped up and bad loan resolution accelerates, Axis Capital said in a note on 15 January.

Budget 2018: A tightrope walk for Arun Jaitley
It was in December that finance minister Arun Jaitley gave the first inkling of his priorities in the budget for the next financial year starting April. Last year was one of "tectonic changes", Jaitley said, in an implicit reference to the landmark goods and services tax (GST) that took effect in July, a Rs2.2 trillion bank recapitalisation plan and moves to resolve the Rs10 trillion of toxic assets choking the banking system. In addition, the ripples of the government's November 2016 invalidation of high-value banknotes, which took out 86% of the currency in circulation by value, continued to be felt in 2017. "...now is the time really to concentrate," Jaitley said in a speech at the Hindustan Times Leadership Summit. "And the two areas to be concentrated on are infrastructure and rural India. And, therefore, whatever additional resources we have, a lot is going to be spent in these areas."

The budget that Jaitley will present on 1 February is critical for the National Democratic Alliance (NDA) government that assumed office in May 2014. For one thing, it will be its last full-fledged budget before the general election due in 2019, which will be preceded by assembly elections in eight states this year. The budget will be an opportunity for the Narendra Modi government to give a much-needed fillip to economic growth and alleviate widespread agrarian distress that was blamed for the ruling Bharatiya Janata Party's (BJP's) poor performance in rural constituencies of his home state, Gujarat, which went to the polls in December.

The pressure on the government is to present a populist, please-all budget, but faltering revenue collections after implementation of GST, and rising oil prices could mess up the finance ministry's budget math.

Economic backdrop
The Indian economy, Asia's third largest, is forecast to expand 6.5% in the year to March, the slowest pace in four years, partly the result of demonetisation and GST-related implementation issues.

The forecast released by the Central Statistics Office (CSO) assumes that the economy is on a recovery path. The economy grew 6% in the six months to September, indicating that it will accelerate to 7% in the year's second half ending 31 March, if the forecast is to come true. The World Bank and the International Monetary Fund project India's growth to accelerate in 2018-19 to 7.3% and 7.4%, respectively, which will reposition India as the fastest growing major economy, a position it ceded to China for a year.

But the government can't afford to be complacent. The finance ministry's worries have increased significantly on
the fiscal front, and it is staring at the imminent possibility of breaching its target of containing the fiscal deficit at 3.2% of gross domestic product (GDP) in the year ending March. The government exceeded its Rs5.5 trillion full-year fiscal deficit target by November end because of lower-than-expected revenue collections and higher revenue expenditure.

Government revenues have been under pressure due to a shortfall in indirect tax collections under the GST regime, prompting it to announce an additional borrowing of Rs50,000 crore in December to fund spending in key sectors of the economy. It subsequently reduced additional borrowing to Rs20,000 crore after surprise gains from asset sales. The government has already garnered Rs91,253 crore by divesting stakes in state-owned firms, exceeding the budget target of Rs72,500 crore for 2017-18.

Suspected tax evasion and a cut in tax rates on many items have seen GST collections fall progressively since the tax was implemented on 1 July. In December, GST revenue (for the month of November) came in at Rs80,808 crore, falling from Rs94,063 crore in August. The government is hoping to arrest the decline by plugging loopholes. From 1 February, all interstate movement of goods worth more than Rs50,000 will require securing an e-way bill—an electronic permit—through prior online registration of the consignment.

"Once the e-way bill system and invoice matching (two self-policing features of GST) are implemented, tax compliance will improve," said a tax official, who asked not to be named.

To shore up revenue, the federal indirect tax body, GST Council, decided on 16 December to advance the introduction of e-way bills by two months. The authorities are now working on a simpler tax return filing system that will reduce evasion.

Direct tax collections, meanwhile, grew faster than estimated at 18.7% this fiscal, up to 15 January, representing 70.3% of the full-year budget estimate, providing a breather to the government. Most economists now think the fiscal slippage, if any, in 2017-18 will be relatively smaller than expected earlier, in the range of 3.3-3.4% of GDP.

**Budget expectations**

State Bank of India chief economist Soumyakanti Ghosh, in a report released on 22 January, said he believes the budget will ultimately be a balance between pragmatism and fiscal consolidation.

“We expect the government to continue on its fiscal consolidation path. However, this may not be construed as the overarching criterion and should not come in the way of growth,” he said.

The finance ministry has signalled that it may defer implementing the new fiscal consolidation road map recommended by a high-level panel by two years after it tasked the 15th Finance Commission, which deals with resource allocation to states, to dwell on the matter. The panel had suggested a medium-term fiscal framework under which the government is supposed to reduce its fiscal deficit to 3% of GDP in 2018-19.

The committee’s recommendations on fiscal discipline were supposed to come into force in the fiscal year starting April this year; the 15th Finance Commission’s recommendations will be implemented starting April 2020. Jaitley has hinted at a recalibration of the fiscal consolidation road map. “No pause (on fiscal consolidation) but challenges arising from structural reforms...could change the glide path,” Jaitley said at the annual Asia-Pacific summit organized by Morgan Stanley in Singapore in November.

To be sure, most analysts do not expect the government to be fiscally imprudent even under electoral pressure. D.K. Srivastava, chief policy adviser at the Indian unit of EY, the consulting firm previously known as Ernst and Young, said while elections are often preceded by a proliferation of fiscal giveaways, the present government has been very cautious about taking up costly welfare programmes.

“Given the difficult fiscal situation, it is quite likely that the programmes designed for job creation and for uplifting the rural economy would be aimed at maximizing the welfare augmenting and growth supporting effects without imposing heavy costs on the exchequer,” he said.

**Push for rural economy**

The expectation that the budget may not be a populist one was reinforced by an interview Prime Minister Modi gave to Times Now television news channel on 22 January. “The common man expects honesty; he expects to get what he deserves. He doesn’t demand sops and freebies. It is our myth. And I trust the common man of the country. We run the government, take a decision to fulfil their needs and aspirations,” he said, when asked whether the next budget will be populist.

Given the fact that agriculture continues to be a drag on overall GDP growth and the government’s ambition of doubling farm incomes by 2022, Jaitley can’t afford to neglect the rural sector. In a report released on 17 January, securities house Angel Broking Ltd said it expects a big push for rural employment generation programmes and a sharp thrust on rural infrastructure.
Axis Capital, in a report on 15 January, said the government would bump up spending on rural employment schemes and expand subsidies for affordable housing so that construction picks up. It cautioned that the central government has limited levers for actionable rural stimulus plans. “The key problem the government needs to address this time is fall in farm sector realization; for this, increasing credit availability or investment in marketing infrastructure would not help. A direct intervention into the market like increasing MSP and raising procurement is the only way to get quick results,” it added. MSP is short for minimum support price, the price assured by the government for procuring foodgrain for sale through the subsidized public distribution system.

Srivastava said that in order to ensure farmers’ incomes do not fall below a defined minimum threshold, a suitable farmers’ income insurance scheme may be designed, financed through subscriptions by farmers, insurance companies and the government. “This would be fiscally far more feasible than a universal basic income programme,” he added.

The government may also incentivize logistics, including industrial parks, cold chains and warehousing facilities and significantly raise allocations for projects such as Bharatmala that is already off the ground. Bharatmala is a new umbrella programme for the highways sector that focuses on optimizing efficiency of road traffic movement across the country by bridging critical infrastructure gaps through economic corridors, inter corridors and feeder routes.

Angel Broking, in its 17 January report, said the coming budget will continue its thrust on infrastructure although the focus could be predominantly on rural infrastructure. “Rural roads, post-harvest infrastructure, last-mile connectivity, massive irrigation projects could all be a part of the budget package. The theme of the budget could be infrastructure with a big focus on rural infrastructure,” it added. While addressing rural distress, job creation through infrastructure building is likely to remain high on Jaitley’s priority list, big business is keen to receive the benefit of a lower 25% corporate tax rate now available to new manufacturers that do not claim tax breaks and to small companies with sales of up to Rs50 crore. Big business now pays a corporate tax of 30%.

Weak indirect tax receipts in the GST regime may restrain the government from making major concessions although, globally, governments including those of France, China, the UK and the US are slashing corporate taxes to encourage businesses to create jobs.

**The risks**

Apart from a fiscal slippage, if the government chooses to adopt a populist stance in the budget, the biggest risks the economy and the budget calculations may face are rising crude oil prices.

India was a major beneficiary of a sharp fall in oil prices starting in 2014 to $28 per barrel in 2016; the government shored up its revenues by significantly increasing excise duties on petroleum products without fully passing on the benefits of lower crude prices to consumers. The Indian basket of crude, which cost $46.56 a barrel in June 2017, rose to $77.22 on 22 January as the Organization of the Petroleum Exporting Countries, or Opec, and Russia cut supplies. A further rise in oil prices could force the government to reduce excise duties in what already portends to be a fiscally uncertain year. Already the central government has slashed taxes on petrol and diesel, which remain outside of GST, by Rs2 a litre in October. High oil prices will also lead to increased spending on cooking gas subsidy. The immediate worry is the inflationary impact. Retail inflation surged to a 17-month high of 5.21% in December from 4.88% in October, after remaining below 4% for 12 consecutive months, on higher food and fuel prices. Most economists say the Reserve Bank of India will keep its policy rates unchanged, but don’t rule out a rate hike if retail inflation remains above 5% for two consecutive quar-
ters in 2018.
Higher interest rates at a time of tepid investment demand and weak consumer sentiment will put the onus of reviving
the economy on fiscal policy, which may make the job of the finance minister tougher.
Economy

Busting the myths on tax evasion
The Income Tax department has just released new data on its direct tax mop-ups for assessment year 2015-16. Every time new data becomes available on the subject, it is used to reinforce the impression that Indians love to skip their taxes. But an objective analysis suggests that the despondency is overdone.

If filing an income tax return is a sign of voluntary compliance with the country’s tax laws, then India has been registering very material improvement in this metric in recent years. The tax administration has recently begun sharing data on ‘Income Tax Return Statistics’ for each assessment year. The series flagged off in financial year FY12 (equating to assessment year 2012-13) and is updated until FY15 (assessment year 2015-16).

Rising numbers
It shows that the number of valid income tax returns filed rose by a good 40% from 3.11 crore to 4.36 crore between FY12 and FY15. Those return filers comprise individuals as well as other taxable entities such as Hindu Undivided Families, firms, companies and non-profit organisations. The number of individuals filing a tax return showed equally impressive growth from 2.87 crore to 4.07 crore.

In effect, the number of I-T return filers in this period grew far faster (12% a year) than India’s population (estimated at 1.2%). This could partly reflect the demographic shift which is underway, where the working age population is expanding faster than other demographic segments. But it also reflects a culture of improving tax compliance.

Talking of compliance, there’s brisk growth in the income that assesses are declaring to the taxman too. The total income reported in these returns (Returned Income) vaulted from Rs. 15.6 lakh crore in FY12 to Rs. 29.5 lakh crore in FY15, an 89% jump. Has demonetisation improved these metrics? Difficult to say. While many piece-meal data points on tax filings have been bandied about by the government this past year, official CBDT data that is comparable isn’t available beyond FY15.

Low income, not evasion
Sceptics point out that while the number of tax returns filed may be growing, a good number of those return filers don’t cough up any tax. True, of the 4.36 crore return filers for FY15, as many as 1 crore declared income below the taxable threshold of Rs. 2.5 lakh. But this doesn’t necessarily prove deliberate evasion. It may only go to show that a majority of Indian workers don’t yet earn an income reasonable enough to fall into the tax net.

The Economic Survey 2015-16 made the point that India’s tax slabs are set rather high because individuals earning Rs. 2 lakh-plus make up the top 5.8% sliver of the population. A recent Credit Suisse Global Wealth Report calculated that the median wealth of Indians stood at just Rs. 84,175 ($1,295) in 2017. Given that an individual’s wealth is expected to be many times his annual income, this data supports the view that a majority of Indians don’t pay income tax simply because they don’t earn enough to do so. As India’s economic prospects improve and lift aggregate income levels, a larger slice of the population may graduate to paying income tax. In fact, this trend is already underway. Between FY12 and FY15, the number of returns with income below Rs. 2.5 lakh shrank from 1.55 crore to 1 crore and those in the Rs. 2.5- Rs. 10 lakh bracket jumped from 2.08 crore to 3.02 crore.

Not-so-narrow tax base
Commentators complain that India’s direct tax base is woefully narrow, with just 2-3% of the population filing returns. But to correctly assess India’s direct tax base, the ‘number of effective assesses’ is a better measure than I-T filings data.

What’s the difference? Well, in India, a large number of citizens contribute to the tax kitty by way of Tax Deducted at Source (TDS), but skip filing their IT returns. This could be because TDS is compulsorily deducted without an actual tax liability.

Or it could be that people find the paperwork too cumbersome. Including the TDS and other direct tax payers, the ‘number of effective assesses’ has jumped from 4.72 crore in FY12 to 6.26 crore in FY16, CBDT data shows. So, if you consider anybody who forks out a direct tax as a part of the tax base, it would stand at 6.26 crore. That’s not a bad number.

In India, a straight-forward comparison of the number of taxpayers with the total population count is a flawed measure of tax compliance, because only workers who earn income from taxable economic activities, are legally liable for income tax.

Census 2011 data tells us that only about 40% of the Indian population was employed for whole or part of the year. It is estimated that agriculture, income from which is tax-exempt, accounts for nearly half of the workforce.
Therefore, if one attempts a ballpark calculation and excludes agriculturists and the unemployed from the total population count (estimated 132 crore for 2016), there would be roughly 26 crore taxable income-earners in the economy.

Of these, 6.26 crore pay direct taxes in one form or another. The number could still do with improvement. But it is certainly not cause to brand India as a nation of tax evaders!

Why is the fiscal deficit widening?
The government’s fiscal deficit up to November came in at 112% of the amount budgeted for the entire financial year ending in March, prompting a number of commentators to predict that the government would miss its target for the year.

What does it mean?
The government missing its fiscal deficit target for the year means that either the revenue it collected fell short of projections, or that its expenditure was higher than planned. The data from the Controller General of Accounts shows that the government’s expenditure seems to be on track. That is, it has spent 68.9% of the amount budgeted for the year, with four months remaining. In other words, it has 31% of its budgeted expenditure left for the remaining 25% of the year.

The revenue side, however, seems to be where the issue is, at only 53% of the full-year target. Looking deeper, the data shows that the government’s non-tax revenue, at only 36.5% of the year’s target, is lagging behind last year’s performance, where it had earned 54.2% of that year’s non-tax revenue target by November.

Are there any other factors at play?
A few days ago, the government announced that it would be borrowing an additional Rs. 50,000 crore during the remaining part of the financial year. While it was assumed that this would lead to a slippage in the fiscal deficit, the government was quick to explain that this would not happen. In its statement, it explained that the additional borrowing would be offset by trimming down the collections from its Treasury Bills.

So, what was the actual effect?
While the effect of this extra borrowing on the fiscal deficit is yet to be determined, the news certainly had an effect on the bond market. According to news reports, the benchmark 10-year bond price fell to a nearly 17-month low, pushing its yield up by as much as 17 basis points. According to analysts, the bond market is still uncertain about the quantum of borrowing the government will do by the end of the financial year.

What is the government’s view on this?
Following the release of the October data, which showed the fiscal deficit at 96% of the full year’s target, the Chief Statistician of India, TCA Anant, had said that there was no need to worry and that the fiscal deficit was bound to go up during the year before coming down again towards the end. The main reason for this, he said, was the fact that the government had brought forward the date for the presentation of the Budget. Because of this, the government has been able to smoothen out its expenditure across the year, with more being spent in the first half of the year than was previously possible. At the same time, the revenue profile of the government in terms of direct tax has remained more or less the same.

Is a slippage such a bad thing?
According to former Chief Statistician Pronab Sen, even a 0.5% slippage in the fiscal deficit would be okay as long as it is being driven by an increase in expenditure on developmental activities such as rural roads, irrigation, and low-cost housing.

Even though ratings agency Moody’s recently upgraded India, it did say that it would be tracking the fiscal situation, so any significant slippages could result in a downgrade in the future.

Four ‘shell companies’ identified
The Enforcement Directorate has identified four companies allegedly incorporated at the instance of Gagan Dhawan, who has been arrested for his role in the Rs. 5,383-crore bank loan cheating case against Gujarat-based Sterling Biotech and others. The agency suspects that they are all shell companies.

The agency alleges that the account of one of these companies, Sturdy Infrastructure Private Limited and Orion Green Energy Private Limited.

The Directorate alleges that the accused misused loans received from an Andhra Bank-led consortium of public sector banks.

Norms for rectifying GST returns relaxed
The Finance Ministry has permitted businesses to rectify mistakes in their monthly returns — GSTR-3B — and adjust tax liability, a move that will help them file correct
returns without fear of penalty. This relaxation will give an opportunity to businesses to claim tax credit correctly by rectifying the mistakes made initially while computing GST liability. Businesses have been finding it difficult to assess tax liability correctly after India moved to the Goods and Services Tax (GST) regime with effect from July 1. Industry bodies have been demanding relaxation of norms and easier compliance provisions to help businesses adapt to the new system of filing tax returns online.

The CBEC, in a recent communication to field officers, has said “as return in Form GSTR-3B does not contain provisions for reporting of differential figures for past month(s), the said figures may be reported on net basis along with the values for current month itself in appropriate tables...”.

PNB exits JV with Principal Group
Less than a week after the Securities and Exchange Board of India (SEBI) announced restrictions on entities holding stakes in more than one mutual fund entity, Punjab National Bank (PNB) announced that it had signed a share purchase agreement to give Principal Financial Group full ownership of the Principal-PNB Asset Management Company and Principal Trustee Company Private Limited in India.

The Principal Group and PNB were joint venture partners in the mutual fund entity, which has assets under management of about Rs. 6,800 crore, according to data from Value Research.

As per the latest annual report of the fund house, Principal had a stake of 78.62% while the balance 21.38% was held by PNB.

“Punjab National Bank has been a valuable partner in helping us to grow and establish a presence in the market,” said Pedro Borda, president, Principal Southeast Asia and India. “Principal has been assuming increased ownership in the asset management company over time, and we are excited to continue to invest and grow in India,” he added.

This assumes significance as the development closely follows the capital market regulator’s decision that bars one entity from holding over 10% in more than one asset Management Company.

PNB, along with State Bank of India (SBI), Life Insurance Corporation (LIC) and Bank of Baroda (BoB), is one of the sponsor entities of UTI Mutual Fund. Each of the four entities has a stake of 18.29% in UTI MF.

Others may follow

Incidentally, the other three sponsors of UTI MF — SBI, LIC and BoB — have their own respective asset management companies and will have to dilute their holdings in either their own fund houses or in UTI Mutual Fund in the coming months to comply with the new regulatory framework.

While UTI Mutual Fund has been working on its public issue for a while now, it has not been able to finalise it yet. A public issue will give its existing sponsors an exit option to help them comply with the SEBI norms.

The decision to introduce cross-holding restrictions on sponsors of mutual funds was taken by the board of the capital markets regulator on December 28. Though SEBI’s statement had said “any existing non-conformity with the aforesaid requirements may be aligned within a reasonable time”, SEBI chairman Ajay Tyagi, had later said that such entities would be given one year to resolve the shareholding issues.

Govt. nod for revised PPP port concessions
The government approved a revised model concession pact for projects based on public private partnership (PPP) design at major ports to make the investment climate more investor-friendly.

The revised Model Concession Agreement (MCA) includes providing an exit route to developers by way of divesting their equity up to 100% after completion of two years from the Commercial Operation Date (COD), similar to the MCA provisions of the highways sector.

“The Union Cabinet chaired by Prime Minister Narendra Modi has approved amendments in the Model Concession Agreement to make the port projects more investor-friendly and make investment climate in the port sector more attractive,” the Ministry of Shipping said in a statement.

The amendments in the MCA envisage constitution of the Society for Affordable Redressal of Disputes - Ports (SAROD-PORTS) as a disputes resolution mechanism similar to the provision available in the highways sector. The government said under provision of additional land to the concessionaire, land rent had been reduced from 200% to 120% of the applicable scale of rates for the proposed additional land.

“Concessionaire would pay royalty on “per MT of cargo/TEU handled” basis, which would be indexed to the variations in the WPI annually,” the statement said.

This would replace the present procedure of charging royalty which is equal to the percentage of gross revenue, quoted during bidding, calculated on the basis of upfront normative tariff ceiling prescribed by Tariff Author-
ity for Major Ports (TAMP).

**Operator grievances**
The government said this would help to resolve the long-pending grievances of public private participation (PPP) operators that revenue share was payable on ceiling tariff and price discounts are ignored.
The problems associated with fixing storage charges by TAMP and collection of revenue share on storage charges, which had plagued many projects, would also get eliminated.

**Centre introduces 7.75% taxable savings bonds**
The Centre announced the introduction of 7.75% savings bonds designed to help citizens invest in a taxable instrument, without any monetary ceiling.
The instruments would be available for sale from January 10, 2018.
The bonds are open to investment by individuals, including joint holdings and Hindu Undivided Families (HUFs). Non-resident Indians are not eligible to invest in these bonds.
The bonds will be issued at par, that is, at Rs. 100 and would be issued for a minimum amount of and in multiples of Rs. 1,000.
“The bonds will be on tap till further notice and issued in cumulative and non-cumulative forms,” according to a statement from the Centre. “There will be no maximum limit for investment in the bonds. Interest on the bonds will be taxable under the Income-tax Act, 1961 as applicable according to the relevant tax status of the bond holder.”

**Wealth tax exemption**
The bonds will, however, be exempt from wealth tax under the Wealth Tax Act, 1957. “The bonds will have a maturity of seven years carrying interest at 7.75% per annum payable half-yearly,” according to the statement.
“The cumulative value of Rs. 1,000 at the end of seven years will be Rs 1,703. The bonds are not transferable,” it said. “The bonds are not tradeable in the secondary market and are not eligible as collateral for loans from banking institutions, non-banking financial companies or financial institutions.”

**New India to unveil title cover for realty developers**
New India Assurance shortly plans to introduce title insurance cover for property developers, a top official said.
The product would insure the property developer against any defect in the title deeds, said G. Srinivasan, CMD, New India Assurance.

**International insurers**
“We are taking the help of international insurers for this product,” Mr. Srinivasan told the media here. “It is to ensure the title is free of defects.”
The firm recently introduced an insurance product for insolvency professionals. Many banks were initiating insolvency proceedings and they had to complete proceedings and transactions. This product would provide professional indemnity.
Mr. Srinivasan said that New India, which was adding about 10,000 agents this year, was investing almost Rs. 500 crore this fiscal to upgrade technology.
“The company is focusing on digital in a big way. About 15% of the business is secured through digital means and the company expects this to grow at a high pace in the coming period,” he said.
In five to seven years, 40% to 45% of the business may come through digital means. Investments in technology were aimed at attracting more customers through the digital mode and to make payment of premium easier, he said.
New India also plans to open 250 micro offices this year and has tied up with five banks for bancassurance, Mr. Srinivasan added.

**FRDI: depositor trust is key to banking**
The banking system of any country is built on an edifice of trust that depositors have in their banks. The confidence that money is safe, keeps depositors away from withdrawing their funds unless they really need it. Meanwhile, it allows banks to lend out the money to a borrower which generates interest income for the depositor, profit for the bank and larger economic growth.
However, the ‘bail-in’ clause in the government’s Financial Resolution and Deposit Insurance (FRDI) Bill has created confusion. Section 52 of the Bill allows the proposed Resolution Corporation to cancel the liability owed by a failed bank. Since the main liability of a bank is the ordinary depositor’s money, it naturally causes concern whether depositors stand to lose their money beyond what is insured in the event of a bank failure. Unless nipped in the bud, a panic reaction could destabilise the banking system.
Why should depositor liability be cancelled at all? When a failed bank does not have any assets left to pay its creditors, it is natural that depositors will not get back all
or part of their money.

‘Guard against signals’
The government can never commit to pay out all depositors in such an event. “Such a commitment would signal to banks that it is acceptable to take more risks because, in case they go belly-up, the government will pay out depositors; the level of risk in the banking system would simply explode,” said Dr. Rudra Sensarma, Professor of Economics, Indian Institute of Management, Kozhikode. Hence, “depositors have to take some hit if a bank fails.” This is formalised in the Bill’s bail-in clause.

“The intentions are good,” said Dr. K. Cherian Varghese, former CMD of Union Bank of India and Corporation Bank. “The new provision of ‘bail-in’ is welcome. However, when the banking system is struggling with the larger issue of non-performing assets, it is better to concentrate on recovery and also encourage bankers grant fresh loans for that the economy grows at faster pace.

“The proposed law may be taken up later when there are no apprehensions in the minds of depositors,” he said. Yet, it is important for the depositor to believe that the need for a bail-in will never arise. Here lies the role of trust in the banking system. How can banks convince depositors that their money is safe? One way is through prudential regulations such as capital requirements and supervision. The other way is to guarantee through an insurance scheme that the insured part of deposits will be paid out to depositors by an insurance company.

Comparison with income
In India, up to Rs. 1 lakh of a depositor’s money is protected by insurance provided by the Deposit Insurance and Credit Guarantee Corporation (DICGC), a subsidiary of the Reserve Bank of India. However, this insurance limit has not been changed since 1993 even while income and deposit levels have grown substantially.

Many countries revised their deposit insurance limits after the global financial crisis of 2008 but India did not do so. Deposits up to $250,000 are protected by insurance in the U.S. while the figure is $1,15,000 in the U.K. But the accurate comparison should take into account the average income in a country. Deposit insurance limit is 3-4 times the average income levels in the U.K. and the U.S. In the case of emerging countries like Brazil and China, the insurance limit is 9 times the per capita income. Compare that with India where the insurance limit is actually a little less than its per capita income.

Perhaps the government may review the present limit of insurance cover for deposits and enhance it,” said Dr. Varghese, who was also former Chairman of the Board for Industrial & Financial Reconstruction. Anil Gupta, vice president, Sector Head - Financial Sector Ratings, ICRA, said that the government should increase the deposit insurance limit under the Bill, considering that at about $1,600, it is at a much lower level than some of the other developing or larger economies.

Further, there should be provision for a periodic review to raise the quantum of deposits covered by insurance. “With private sector banks gaining market share in loans and deposits, a higher deposit insurance amount in the Bill goes in favour of depositors; otherwise the precedent reflects that the failure of a private bank has put the onus of bail-out on the regulator rather than the shareholders.”

Banking supervision
The current elevated level of non-performing assets and mounting losses of banks indicate that the RBI could have been more proactive in its supervision, said Mr. Gupta. “More frequent audits with public disclosure of audit findings would improve transparency... Further, depositors should also evaluate performance of banks at least on a yearly basis and take informed decisions.”

So far, it has been up to the RBI to act in the instance of a bank failure as it deemed fit. The FRDI is meant to formalise the existing process and improve it further. “But tactless wording in the Bill and inadequate clarifications have created confusion in the minds of depositors,” said Dr. Sensarma.

People were taken by surprise at the explicit recognition of a bail-in process which was thus far implicitly present. The government tried to soothe nerves by talking about implicit guarantees for deposits in PSU banks. There are two problems with this clarification. First, the implicit guarantee cannot be emphasised beyond a point lest it creates a moral hazard in the form of risky behaviour by banks and lazy monitoring of banks by depositors. Second, what about private banks who hold 25% share of total deposits in the country? Are their customers not deserving of the same protection from the government? “The government must increase deposit insurance limits immediately or at least give a firm commitment that it will happen,” he said, adding that deposit insurance can also generate moral hazard by creating a false sense of security among banks and depositors as in the case of a government guarantee.

One option, he said, was to make riskier banks pay a higher insurance. Premium. But the aim must be to ensure that the relatively less affluent have 100% insurance coverage and the affluent investors diversify across as-
set classes. However, Mr. Gupta disagrees with this suggestion. “It’s not [the point] about affluent or less affluent which needs to drive the deposit protection; rather it’s the faith which needs to be built in the system about the safety of the deposits. Else, the financialisation of our savings will be impacted and the savings will get channelised to less productive assets like gold, real estate etc and as a country we will remain starved of capital for investment.”

On way to insolvency, firms scout for fronts
A number of insolvency-bound companies, reeling under huge unsecured loans, are scouting for front entities to buy them out in a distress sale under an ‘asset reconstruction’ model with the help of ‘friendly’ IRPs, but have landed themselves under the regulator’s scanner.

‘ARC start-ups’
According to top regulatory officials, some of these firms are approaching senior NBFC executives, with a good reputation in the market, with a novel idea of setting up their own ‘asset reconstruction (ARC) start-ups’ and then bidding for the assets being sold under the insolvency process.
They are also trying to rope in some ‘friendly’ IRPs (Insolvency Resolution Professionals) to help achieve their motive of a ‘front entity’ acquiring the assets on sale, but the regulators and the government agencies have got a whiff of the whole design, including with the help of some whistle-blowers, a senior official said.
The companies which are currently under the scanner include those from the steel, power and textile sectors, the official said, but refused to divulge the names as an investigation is currently underway.

Centre mulls incentives for States promoting exports
Commerce Minister Suresh Prabhu said the government was looking into ways to incentivise States that promote exports, adding that a strategy was being prepared to increase the share of international trade in India’s GDP.
“We have discussed ideas to incentivise States that will promote exports,” Mr. Prabhu said at a press conference following the third meeting of the Council for Trade Development and Promotion.

‘Experts needed’
“We will have to work with NITI Aayog for this. We had also asked States to appoint at least one nodal officer in charge of exports. They said for this, they would need experts, not bureaucrats. So, we are looking into that.”

“We are in the process of preparing a strategy for at least 40% of India’s GDP which will happen in next 7-8 years to come from global trade, and at least half of that should be from exports,” he added. “So, [we are looking at] strategies for promoting that. We are also looking at strategies for Make in India..., to take our manufacturing share to more than what it is today.”
Trade bodies that attended the meeting sought steps to raise the awareness of officers who handle refunds under the Goods and Services Tax, and also asked for an exemption from GST for all inputs used for export production.
“A refund mechanism, however efficient, affects the liquidity and competitiveness of exports... we request you all to provide exemption from GST on inputs required for export production as [in] many countries where GST or VAT is in operation,” Ganesh Kumar Gupta, president, Federation of Indian Export Organisations, said in a note.

New industrial policy in a few months:

Commerce Minister
The new industrial policy, which seeks to promote emerging sectors, will be released within a few months, Commerce and Industry Minister Suresh Prabhu said.
“The new industrial policy should be [released] in the next few months,” he told reporters. The proposed policy, a draft of which has been prepared by the Ministry, will completely revamp the Industrial Policy of 1991. Among other things, it would endeavour to reduce regulations and widen the purview to new industries currently in focus.
In August, the Department of Industrial Policy and Promotion had floated a draft industrial policy whose aim is to create jobs over the next two decades, promote foreign technology transfer and attract $100 billion in FDI annually.

AI task force
Mr. Prabhu also said that, he had chaired a meeting of the task force on artificial intelligence (AI). The 18-member panel was constituted to explore possibilities to leverage AI for economic transformation.
The Ministry said in a statement that the members drafted preliminary proposals that were discussed at the meeting. Mr. Prabhu said WTO’s mini-ministerial meet to be organised by India would be held in March.

PM meets economists at NITI Aayog session
Prime Minister Narendra Modi brainstormed with econo-
mists and experts on the state of the economy as the government looks to revive growth which is set to hit a four-year low.

**Fifth budget**
The meeting with over 40 economists and sectoral experts came weeks before the NDA government presents its fifth and final full budget that would look to address pain points and boost growth to 7-8%.

The interactive session, organised by the NITI Aayog, was on the theme “Economic policy — the road ahead”. It had participants express their views on macro-economy, agriculture, rural development, employment, health, education, manufacturing, exports, urban development, infrastructure and connectivity.

“In his intervention, the Prime Minister thanked various participants for their suggestions and observations, on various aspects of the economy. In particular, he appreciated the quality of suggestions that had come from various subject experts,” the Prime Minister’s Office said in a statement.

It did not provide details about the deliberations. The meeting was attended by several Union Ministers, including Finance Minister Arun Jaitley. Vice-Chairman NITI Aayog Rajiv Kumar and senior officers from the Centre and the NITI Aayog were also present.

The Central Statistics Office (CSO) has projected India’s growth to slow to a four-year low of 6.5 per cent in the current fiscal against the backdrop of the introduction of Goods and Services Tax (GST) regime.

**Centre opens arms to single brand retail FDI**
The Union government liberalised and simplified the Foreign Direct Investment (FDI) regime in a host of sectors, including Single Brand Retail Trading (SBRT) and construction development.

The Union Cabinet, chaired by Prime Minister Narendra Modi, gave its approval to a proposal permitting 100% FDI under the automatic route for SBRT.

**Five-year window**
The Centre also eased ‘sourcing norms’ in SBRT by permitting companies to set off their incremental sourcing of goods from India for global operations in the initial five years — beginning April 1 of the year of the opening of the firm’s first store — against the mandatory sourcing requirement of 30% of purchases from India.

After the completion of the five-year period, SBRT entities would be required to meet the 30% sourcing norms directly towards its India’s operation, on an annual basis, the government said in an official statement.

The relaxation in sourcing norms could help companies like Apple, which had been seeking exemption from the 30% local sourcing norm, according to Pankaj Mohindroo, national president, Indian Cellular Association (ICA). However, the ICA is keen that companies should source entirely from India, he said.

Apple is learnt to have sought the waiver on the ground that it manufactures ‘cutting-edge technology’ products for which it is not possible to source as much from India due to the absence of or low capacity of the requisite supply-chain items.

‘Make in India’ gets fillip

“The move will not only attract additional foreign capital into the country, but will also provide an impetus to the retail industry growth, at a time when organised retail is already seeing strong growth over the last 12 months,” Rajat Wahi, Partner, Deloitte Touche Tohmatsu India, said in a statement.

He added, “Global brands across different categories, from apparel to electronics to accessories will be aided through this, providing further options to Indian consumers and improving India’s ranking in ease of doing business.”

The relaxation in local sourcing norms would allow the SBRT entity adequate time to set up their supply chain for local sourcing in India, Mr. Wahi said, adding that it would also provide an impetus to the government’s “Make In India” initiative.

On its impact on consumers, Mr. Wahi said the move would open up the Indian retail markets, leading to greater number of brands entering the Indian retail space and thus increasing competition.

“This would provide more options to the consumers as well as competitive pricing,” he said, adding that the move would also indirectly support omni-channel approach for companies who wish to enter both online and offline trade.

Goldie Dhama, Partner - Regulatory, PwC India, said the easier sourcing norms “will provide the single brand retail trading companies the flexibility and time to align their retail and sourcing businesses.”

**Break for broking**

In construction development, the Centre said that real estate broking service did not amount to ‘real estate business’ and was, therefore, eligible for 100% FDI under the automatic route.

Bhairav Dalal, partner, Real Estate Tax, PwC India, said the clarification on real estate broking services was a welcome move “given the number of start-ups in this
India, U.K. hold trade talks in Brexit’s shadow, eye FTA
Commerce and Industry Minister Suresh Prabhu held talks with his British counterpart, International Trade Secretary Liam Fox, as the two countries look for opportunities to boost trade and investment, including via a potential Free Trade Agreement, as Britain prepares to leave the European Union.

As part of its efforts to strengthen trade, Britain’s export credit agency U.K. Export Finance has doubled financial support for British firms that export to India.

£4.5 billion support
The UKEF has now made £4.5 billion available to British companies exporting to India and Indian firms buying British goods and services.

While Britain is unable to hold formal trade talks with countries outside the EU till it leaves the union (at the end of March 2019), the 12th meeting of the U.K.-India Joint Economic and Trade Committee (JETCO), being held this week provides an opportunity for the countries to build on the U.K.-India trade working group established last year.

Liam Fox, a vocal campaigner for Brexit, said expanding bilateral trade and investment with India, and breaking down trade barriers, would be central to the task of Britain preparing for its independent trade policy.

“It’s in our shared interest to boost prosperity, generate jobs, develop skills, and enhance the competitiveness of both our countries,” Mr. Fox said.

Mr. Prabhu is on a four-day visit to London, as part of which he is set to attend JETCO. His visit comes ahead of the Commonwealth Heads of Government Meeting in April, which Prime Minister Narendra Modi is expected to attend.

Benefits of global trade due to WTO, says Prabhu
Minister for Commerce and Industry Suresh Prabhu made a strong defence of the World Trade Organisation and the multilateral trading system, and expressed his optimism about tackling the issue of food security, following the impasse at the Buenos Aires WTO meeting in December.

“The benefits of global trade expansion have happened largely because of the WTO,” said Mr. Prabhu, speaking at the London School of Economics during an official visit to the U.K. this week. The WTO was “democratic, rule-based, transparent and something more unique — no decision can be taken without consensus,” he said contrasting it with the United Nations, and the limited ability of countries to exercise their veto to those within the Security Council. This veto was coming under increasing scrutiny globally, he added.

The WTO, by contrast, gave all members an equally strong voice, which offered the best choice for taking forward the “expansion of global trade” and “bringing more economic prosperity for people at large” as well as dealing with the issues of poverty and the need for inclusive growth.

‘Easy whipping boy’
Those who questioned the WTO itself had turned it into an ‘easy whipping boy’, he said. “We need to make sure that this organisation is promoted, protected and taken forward.” This did not mean reforms were not necessary to make it more transparent and effective, he said. Moreover, the WTO and constituent countries had to address the issues of economic development and inclusivity, according to him.

‘Need to make our farmers a part of higher value addition’
As part of measures to double farmers’ income by 2022, the NITI Aayog will undertake 10 pilot projects in different agro-climatic regions says Vice Chairman Rajiv Kumar. Mr. Kumar, who took charge four months ago, also talks about the current loopholes in job creation. Edited excerpts:

What is your reaction to comments that doubling of farmers’ incomes by 2022 is all talk?
One should not underestimate the importance of talking. At least we are talking now. And the farmers’ welfare is the focus of attention. When did that last happen? Now, we have set up a task force which is committed to setting up 10 pilot projects in different agro-climatic regions to prove that this can be done.

We should look at finding innovative ways to get over the problem of land fragmentation and bring farmers together... give them the option of producing high value crops. We need to make them a participant in higher value addition by completing the value chain which will extend beyond the farm, to the market and then maybe to the agro-processing units. We also need to shift them from traditional crops to crops which are of higher value and in sync with the emerging demand patterns of our country. The demand for wheat, rice and maize is going down as
incomes rise.

**What is happening on the new data on employment?**
There was a task force chaired by my predecessor, and its recommendations had been accepted by the PM and now they are being implemented by the Ministry of Labour and MoSPI. By September, we are hopeful that we will get very good household data on employment. And you will get this now every year. The second part is that we may also look at employer-based data generation, like what the U.S. does.

**Will this cover the informal sector?**
Probably not... Not at this stage. This it will be a very big start; once we get started we will see. There is a huge blurring of distinction between organised and unorganised.

For example, where would you put an Ola or an Uber driver? He is not registered anywhere, but gets his income through a bank credit. They also get loans on the basis of income track. There’s an outdated discussion that is going on which does not look at new economy jobs. With the large volumes of contract fixed term labour, is it even relevant to talk about organised and unorganised? That is a question that I am asking. What may be useful is talking about areas where working conditions may not be as you would expect.

**Amid all the discussion over lack of employment, what are the current loopholes in employment generation?**
One is of course growth. The other, in my view, is this continued emphasis on giving people capital subsidy, rather than labour subsidy. Being a highly-priced and highly-valuable democracy, giving the right to the workers that they have, we may have converted into a high labour economy from a surplus labour economy.

Given that our labour costs have increased, which is not in line in with our labour availability, I think it’s high time we thought of giving labour subsidies in some form or the other.

All our major competitors and in developed economies, the amount of worker consumption basket that they provide as public goods is much much higher than us. For example, in Germany, Vietnam and China, every worker’s healthcare is taken care of. Our healthcare, 82% is out of pocket expenses. So, the worker must be given more income as he/she does not have access to public health or housing.

In Germany, I think 85% of the workers are housed in public housing. My thought is that as long as you are not able to increase the share of public goods and services in the workers consumption basket, you need to compensate them for the higher cost of living. And that I think is the basic problem today in employment. And the government must rethink this.

The other, of course, is the much focussed attention on your labour intensive, employment intensive industries, including services. That is rather simple, can be done. It just requires good governance. This government is about that.

**But won't labour subsidy put additional pressure?**
Of course it will. But that will require you to improve the government’s efficiency of expenditure. It is not as if the government does not spend money on all this, it does.

Through DBT and increase in efficiency, this can be done. It does not necessarily need to translate into higher revenue deficit.

And hopefully in any case, if you have this in your focus, then as revenue increases with GST, transfer it there rather than on some other things... rather than giving capital subsidies which you give every time so far.

**Centre analyses FDI data to boost tech transfer**
The Centre is analysing foreign direct investment (FDI) inflows to introduce specific provisions in the new industrial policy and the FDI Policy for ensuring such funds result in enhanced technology transfer, local value-addition and innovation.

The discussion paper on a future-ready industrial policy had already recommended a review of the current FDI regime.

“It is a little preliminary, but we are analysing the (FDI) inflows sector-wise, region-wise (within India) and country-wise,” a source, privy to the development, told The Hindu.

“We are also looking at global practices, including regulations in countries such as Israel and China regarding transfer of technology, domestic value addition and promotion of innovation. The inputs will be fed into the concerned policies,” the source added.

The analysis is being done with the help of ‘Invest India’ — the government’s investment promotion and facilitation agency.

According to the August 2017 discussion paper by the Department of Industrial Policy and Promotion, while the FDI policy had largely aimed at attracting investment, “benefits of retaining investments and accessing technology have not been harnessed to the extent possible.” It
said the “FDI policy requires a review to ensure that it facilitates greater technology transfer, leverages strategic linkages and innovation.” As a long-term measure, the paper pitched for an FDI regime that balances short-term and long-term benefits of inward and outward investments. It said in the medium-term, what should be looked at is, “How can the FDI policy channelise investments into the potential sectors to increase domestic value addition, strengthen (global) linkages and enable brand building?”

In the current FDI policy, the explicit condition specifying that “value addition facilities are set up within India along with transfer of technology” is limited to ‘mining and mineral separation of titanium bearing minerals and ores’ where 100% FDI is allowed through the government-approval route.

**Capacity addition**

There have been concerns regarding an overweening emphasis on the quantum of FDI and not as much focus on the quality of the funds. A recent study initiated by the Institute for Studies in Industrial Development found that “it was acquisitions which provided the sustenance for the rise in (FDI) flows during 2016-17,” raising doubts about capacity addition.

India received record FDI inflows of $60.1 billion during 2016-17. Referring to (the Centre’s) ‘Make In India’ sectoral achievement reports, the study said they were “lacking close scrutiny of the reported (FDI) inflows or the nature of foreign investments” — including whether the inflows were for greenfield projects, mergers and acquisitions or for other purposes.

The study said “companies have been allowed to not disclose crucial information on foreign exchange transactions, capacities, production, etc., which limits the ability to analyse corporate performance.” Instead, the potential of various filings by the corporates to different official agencies should be exploited fully, it said.

A report in 2016 by the National Council of Applied Economic Research observed that “Judging by ministries’ responses, the principal data gaps appear to be the lack of information on FDI inflows into individual states, on the universe of foreign firms in particular states and sectors, and their contribution in terms of employment, trade, and overall economic value-addition.”

**Boosting job creation across all sectors**

The Union Budget 2018-19 comes at a time when slowing growth and subdued investment sentiment have emerged as major concerns for the economy. The slowdown in growth has had an impact on job creation as well. In such a scenario, the macro backdrop of the Budget calls for stepping up public investment in specific infrastructure segments which would revive investment and create employment.

At the current critical juncture of India’s development journey, the Finance Minister is faced with the daunting task of providing an impetus to growth and reviving the investment climate. Equally important for him is to retain the focus on redistributive strategies which would boost job creation and address expectations nurtured by the social and demographic profile of our populace. The questions doing the rounds are: to what extent would the Union Budget contain measures that would restore the growth momentum of the economy? What is being envisaged to improve the quality of jobs and facilitate a switch from the informal segment to the formal and from agriculture to the non-agriculture sector? It would be useful to take a sectoral approach to open more avenues for job creation. Capacity creation across key sectors such as infrastructure, commodities, manufacturing, consumer goods and services would facilitate growth and each of them would create jobs.

The agriculture sector is the base of the economy, given the large numbers of citizens dependent on it for livelihood. However, low agricultural productivity and low farmer income remain a challenge. Investment in agricultural infrastructure such as cold storage, warehousing, road, irrigation and the like needs to be stepped up. MNREGA should be used to create the much-needed rural assets which would rejuvenate the rural economy.

Government support for public housing projects in clusters as well as a fillip to affordable housing is crucial to revive construction activity which, in turn, would create growth and jobs. To boost construction activity, the government would do well to extend the interest subvention scheme of 1% to total housing cost of up to Rs. 35 lakh. Currently, the government offers interest subvention of 1% for low-cost housing loans up to Rs. 15 lakh, provided the housing cost does not exceed Rs. 25 lakh.

**Vocational skills**

The Finance Minister had earlier unveiled a labour reform package for the textile and apparel industry which provides for fixed term employment. The government had announced a leather package similar to the one on apparel in the last Budget. This provision should be extended to all industries. We need a flexible employment policy that protects the interests of both the employer and the employee. Lastly, there is need to focus on skill development. Currently less than 5% of total workforce has...
formal vocational skills. The Skill India Programme needs to provide job-oriented vocational training that suits industry requirements. A Budget aimed at growth with inclusion would go a long way in keeping sentiments high and spreading prosperity.

A budget for India’s rural economy
Despite falling contribution to GDP, agriculture and the rural economy remain the foundation for India’s overall growth story. With two of three citizens living in villages, their incomes and consumption patterns are critical to increase demand for industry. As per the advance estimates of growth in gross value added for 2017-18, output will expand 2.1% compared with 4.9% the previous year. Budget 2018-19 can be expected to have a strong focus on rural India. India is already the largest producer of milk and the second-largest of grains, fruits and vegetables and fish. However, productivity of crops is often below the global average and much of the farm produce is wasted in the absence of a robust cold chain and warehousing facilities. The government has introduced a seven-point strategy for doubling farmer incomes by 2023 and the upcoming budget is likely to action these. For industry, policy priorities relate to building rural infrastructure, addressing pricing of major agricultural crops, amending farm policies and inducing greater corporate participation and linkages with industry.

Direct sale
While minimum support prices are provided for 23 crops, the main procurement takes place for wheat, rice and cotton. Farmers, who suffer from myriad risks, must get remunerative prices which can be done through strengthening and expanding e-NAM (electronic markets) in all States. A single levy of APMC fees across the country can encourage investments. Farmers should be permitted to sell their produce directly to food processing firms, aggregators and retailers. A mechanism to involve the private sector in procurement, storage and distribution of food grains at MSP rates may be considered for the Public Distribution System, which can result in huge savings for the Centre. Under infrastructure, irrigation is a key gap, covering less than half of net sown area. The Accelerated Irrigation Benefit Program received a major thrust in the last Budget. This should be continued to ensure that AIBP projects are completed at the earliest. Further, drip irrigation and micro irrigation too need focus. A chain of post-harvest infrastructure of cold storage and warehouses can effectively link agri-produce with markets and with food processing facilities. Currently, less than 10% of produce is processed. The government has initiated mega food parks and provided incentives for creating post-harvest facilities. It may consider setting up cold chains in all districts and leasing them out to food processing and logistics firms. One way to encourage greater connect with industry is to boost contract farming and long-term land leasing, as has been done by certain States, without giving tenancy or ownership rights. This would aggregate small land holdings and add to productivity resulting in higher income for the farmers. Another way is to create more farmer producer organisations that will augment collective bargaining and help link with processing clusters for direct offtake of produce. The Budget could incentivise this with easier credit availability or subsidised inputs for FPOs.

Budget making in the GST era: paradigm shift
The Union Budget is a tool which government has long used to make a statement of fiscal policy. Taxation has been one instrument of fiscal policy by which the Central government could determine flows of income, consumption and investment. The introduction of the Goods and Services Tax (GST) has brought in a paradigm shift in the manner in which the government can now wield the instrument of taxation. As per Article 279A (4), the GST Council has the power to make recommendations to the Union and the States on, inter alia, the GST laws and the rates of goods and services tax. There is a corresponding duty cast on the government to consult the Council on all key matters relating to GST, including rates and exemptions, making consultation with the Council mandatory. At the core of GST Council functioning is the need for a harmonised structure of GST. Consequently, the Central government’s ability to unilaterally decide rates is severely curtailed. It is clear, therefore, that the changes in GST laws or rates that the Union Budget can introduce will have to be as per the recommendations of the GST Council. It is in the light of this that the meeting of the GST Council preceding the Union Budget assumes importance as it will likely shape the proposals in the budget document. Notwithstanding this, several pre-budget memorandums have been submitted to the government highlighting the need for changes, both in the law and in the rates of the GST. The Central government has, therefore, the unenviable task of getting the acceptable proposals consented to
by the GST Council. The council deliberations and decisions, for once, may not be as transparent and available in public domain as has been the case hitherto. Alternatively, the changes in rates may be left out of the Union Budget and the cloud of secrecy that is synonymous with budget presentation may remain undiluted.

Traditional influencer

However, such a turn of events means taxation as the traditional influencer of fiscal policy will take a back seat and put immense pressure on the government to balance tax and expenditure and at the same time moderate inflation without sacrificing growth.

Also, as the changes in law will have to be simultaneously carried out both by the Centre and the States, they would be effective not from the day of budget or the date of Presidential assent, but from a date to be notified thereafter so as to allow the States to legislate their own changes in SGST laws.

The constraints on the Central government’s ability to dictate the changes do not, however, extend to the areas of Customs and Direct Taxes. It is to be expected, therefore, that most changes in indirect tax law and rates would pertain to the area of Customs. Most of these changes would be structural changes that flow in line with the free trade agreements and direction that the government wishes to follow for protecting Indian industry or setting the ‘Make in India’ agenda on its path.

India assures Israeli firms of easier environment to do business

Even as Israel sought the relaunch of the negotiations on the proposed Free Trade Agreement (FTA) with India to boost ties, New Delhi promised Israeli companies that it would address their concerns and make it easier for them to do business here.

Speaking at the India-Israel Business Innovation Forum, organised by the industry body CII, Ramesh Abhishek, Secretary, Department of Industrial Policy and Promotion, said: “I assure you [that we will] resolve all problems and make things easier and better for Israeli companies to do business in India.” He said the reform process would continue, so that India could attract investments from countries including Israel. As part of it, he said, incubators and research parks were being established, and Israeli companies could take advantage of them.

FTA talks

Ohad Cohen, Trade Commissioner and Director of Foreign Trade Administration, Israel’s Ministry of Economy, said Israel’s focus, among others, was on exploring the possibility of restarting the proposed India-Israel FTA talks (on goods) and the operationalisation of the joint research and development fund created last year. The FTA talks had begun a decade ago and missed the 2014 deadline.

Shraga Brosh, president of the Manufacturers Association of Israel, said Israeli firms were looking to expand cooperation in India in agriculture, smart cities, clean energy and water management.

Deepak Bagla, Managing Director and CEO, Invest India (the Indian government’s investment promotion and fa-
cilitation agency), said that in the past six months, there had been a 16-fold increase in enquiries from Israeli firms looking to invest in India.

Centre signs pact with CII for logistics
The Logistics Division of the Commerce Ministry signed an agreement with industry body CII to address challenges facing the country’s logistics sector and help take measures to bring down costs.

Logistics costs in India, at 13-14% of GDP, are higher than those in developed countries. The Ministry said it aimed to establish a Logistics Working Group with a co-chairperson from the CII Institute of Logistics, a centre of excellence working on logistics and supply chain management.

GAIL, Gazprom amend LNG pact
GAIL India and Russian firm Gazprom have renegotiated their long term LNG sale and purchase agreement that was originally signed in 2012, the companies announced.

A long-term LNG Sale & Purchase Agreement building up to 2.5 MMTPA of LNG on DES (Discharge-ex-Ship) basis was executed by GAIL with Gazprom Marketing & Trading Singapore (GMTS) in the year 2012, the supplies under which are scheduled to start in Q2 2018, GAIL said in a release.

Price adjustment
“The two parties have agreed to an adjustment to the price and volume of LNG supply thus enabling GAIL to develop incremental gas markets to offtake these volumes thereby mitigating volume risk.” The companies, however, did not divulge the new price and volume.

“I am excited to announce that we agreed to deliver on our original promise and begin LNG supplies in 2018,” VitalyVasiliev, CEO of Gazprom Marketing & Trading said. “We look forward to strengthening a mutually beneficial partnership with GAIL going forward.”

The original agreement signed in 2012 was a 20-year LNG sales and purchase agreement following the signing of an earlier Basic Framework Agreement by the two companies on May 18, 2011.

India mulls ‘mini meet’ of 40 WTO members
India is considering holding a mini-ministerial meeting of about 40 World Trade Organization (WTO) members to discuss ways to increase global trade, Commerce Minister Suresh Prabhu said.

These are days of partnership as working with all trade partners will benefit the world, he said.

“"We are thinking of organising a mini-ministerial in India sometime in March, wherein we would like to invite friends like the U.S., Africa and Latin America, about 30-40 of them, and try to find out how we can actually create new big trade volumes in the world," he said.

Mr. Prabhu was speaking at the third edition of the geopolitical conference ‘Raisina Dialogue’ here.

He said the idea of the meeting was to deliberate on ways to “create bigger markets,” rather than finding out ground of contentious issues.

‘Govt. to help diversify export basket further’
The government is working on a marketing strategy to further diversify India’s overall export basket, Commerce Minister Suresh Prabhusaid.

He also said that the government was planning to introduce specific measures to ensure that India became the Food and Beverages (F&B) trading hub in South East Asia.

He was speaking after inaugurating ‘Indus Food’, a mega international F&B trade show held in Greater Noida in the national capital region. “We are in the process of adopting a new strategy to diversify our exports. We want to ensure that India exports new products and to new markets. We are preparing a marketing strategy based on market research. We will support private sector... we will identify roadblocks and address them,” he said.

More than 400 exhibitors, including 12 states as well as global buyers from 43 nations are taking part in the event that is aimed at providing a robust platform to Indian exporters to access global market.

Mr. Prabhu said, “My ministry has plans to introduce measures with a view to further facilitate the trade in this (F&B) sector’s products.”

SEBI banned Price Waterhouse
In January 2009, Satyam Computer Services’ chairman B. Ramalinga Raju wrote a letter admitting that the company’s balance sheet was fudged and included inflated and non-existent cash and bank balances. Price Waterhouse (PW) was the auditor. Satyam Computer Services was later acquired by Tech Mahindra.

The letter led to the Securities and Exchange Board of India (SEBI) initiating an investigation. Price Waterhouse, among the top four consultancies and audit firms known as the ‘Big Four’ in industry parlance, was issued the first show cause notice in February 2009.
On January 10 this year, nine years after the fraud came to light, the capital market regulator issued a 108-page order, barring Price Waterhouse from auditing any Indian-listed company for two years. Further, the regulator directed the firm and its two former partners, S. Gopalakrishnan and Srinivas Talluri, to pay up Rs. 13.09 crore along with 12% interest a year since January 2009.

How did the audit go wrong?
While Mr. Gopalakrishnan signed the Satyam accounts between April 2000 and March 2007, Mr. Talluri did it between April 2007 and September 2008. According to the regulator, Price Waterhouse based its audit on documents (such as bank account statements and fixed deposits) sourced from the company without trying to get direct confirmation from the banks. The regulator felt that if the auditor had sought confirmation from the banks, the accounting fraud could have been unearthed much earlier. “A common investor’s reliance on the audit certifications of Satyam Computers at the relevant point of time was dependent on the fact that it was attested by one of the internationally reputed firms called Price Waterhouse. The public had no reason to believe that the audit reports were false and misleading,” the SEBI order said.

“The impact of accounting frauds is far more adverse in dimension that the investors feel cheated on realising that they were led along the garden path all along. It strikes at the very root of the regulatory fabric which ensures protection of their interest and secures market integrity,” the order said.

What is Price Waterhouse’s record?
SEBI is not the first regulator to act against Price Waterhouse in the Satyam matter. The order by the Indian regulator comes almost seven years after the U.S. Securities and Exchange Commission (SEC) agreed to a $6 million settlement over charges against the Indian affiliates of Price Waterhouse related to deficient auditing of Satyam. Incidentally, in 2011, it was the then largest-ever penalty levied on a foreign-based accounting firm in an SEC enforcement action. The Price Waterhouse affiliates had also agreed to refrain from accepting any U.S.-based clients for six months and revise audit policies and procedures. In a related development, Satyam Computer also agreed to settle fraud charges by paying $10 million in penalty and undertake a series of internal reforms.

What happens now?
Price Waterhouse has filed an appeal against the SEBI order at the Securities Appellate Tribunal (SAT), which heard the matter, but refused to stay the two-year ban. It, however, allowed it to continue servicing clients whose financial year started on January 1, 2018. The tribunal has posted the matter for February. If Price Waterhouse loses its appeal, it can file a writ petition in the High Court on the grounds that the capital market regulator exercised jurisdiction beyond its powers. Incidentally, the auditing major has appealed to the SAT on similar grounds.

In the past, during the investigation and in a petition filed at the Bombay High Court, Price Waterhouse said SEBI did not have the power to act against auditors since auditing firms were regulated by the Institute of Chartered Accountants of India (ICAI). Price Waterhouse said in a statement that it was “disappointed with the findings of the SEBI investigations and the adjudication order and the order relates to a fraud that took place nearly a decade ago in which we played no part and had no knowledge of.” It said it was “confident of getting a stay...”

Federal govt. shutdown may affect India’s exports to U.S.
Indian shipments to the U.S. are likely to get affected following the shutdown of that country’s Federal Government, exporters said.

“The shutdown of the U.S. Federal Government is certainly a bad news for the Indian exporters since the American economy is among the largest destinations for (India’s) exports,” said Ravi P Sehgal, chairman, EEPC India — the apex body for Indian engineering exporters.

“For the (India’s) engineering sector, the U.S. is the number one export destination, giving a robust growth in the current financial year. Between April-December periods of the current fiscal, (India’s) engineering exports to the U.S. grew by over 50% to $7.5 billion,” Mr. Sehgal said in a statement. With as many as 60,000 employees of the U.S. Commerce and Transportation Departments being furloughed (placing an employee in a temporary non-duty, non-pay status in this case because of lack of funds),
The shutdown, the first since October 2013, followed U.S. lawmakers not being able to come to an agreement on immigration and border security-related issues.

Funding approval
According to reports, Federal government employees had been asked to work without salary or stay home till new funding was approved. India’s exports to the U.S. in April-October this fiscal were $27.09 billion or 16.27% of the total exports of $166.46 billion in the period. In 2016-17, exports to the U.S. were $42.2 billion, or 15.3% of the overall exports of $275.85 billion.

Visa work unaffected by shutdown: U.S. Embassy
Visa services will be operational at the U.S. Embassy here and the consulates, though the American centres functioning in a few cities will be closed because of the U.S. government shutdown.

“If you have a scheduled visa interview or American Citizen Services appointment, please arrive at the embassy at your designated time,” said the U.S. Embassy spokesperson evening, confirming that services will “continue to function during the lapse in Congressional appropriations”.

The Trump administration, which marked one year in office, was paralysed from Friday midnight after the U.S. Senate failed to clear a funding Bill to finance the government, after a bitter standoff between Republicans and Democrats over immigration and spending could not be resolved in time.

Shortly after the shutdown was declared, the American centre in Delhi and those in Chennai, Kolkata, Hyderabad and Mumbai, which host cultural events and operate libraries, put out statements announcing that they would “remain closed until further notice”.

Flights not affected
Officials set a rest speculation that consular and visas services were also affected. Flights to and from the U.S. will also not be affected, but travellers may face longer visa processing time if the shutdown were to be prolonged.

During the shutdown, essential U.S. federal services and military operations will continue, but thousands of workers will be suspended from government jobs, until the government is able to reach a deal with the Opposition.

Rooftop solar is still out in the cold
When your achievement is 8-9% of your target, things are not quite all right. That is the reality of the rooftop solar business in India today. Against a target of 10,000 MW for March 31, 2018, the achievement as of the last day of 2017 was 923 MW.

While India’s track record in large-scale solar installations is respectable — the country had 16,070 MW by December-end, 2017 and is set to add another 6,500 MW by March — the rooftop part of the solar story has not been good.

Why it is so, is no mystery. For individual house owners, rooftop solar is still not an attractive alternative to the subsidised power supplied by the electricity distribution companies (discoms) — such as Tata Power Delhi Distribution Ltd. in Delhi, MSEDCL in Mumbai and BESCOM in Bengaluru.

As for others, such as shopping malls and factory buildings, they are the customers that the discoms — which are monopolies in the areas allotted to them — derive their sustenance from. So, the discoms find ways of preventing them from putting up rooftop solar plants and generating their own power.

Refusing surplus power
One of the effective ways has been to refuse to buy surplus power from the rooftop plants. As such, a factory that has roof space for 2 MW but can self-use only 1 MW, will restrict itself to its needs. Even the 1 MW may not be viable if any unutilised power or power generated on holidays is not sold. Since the rooftop plant owner cannot find a customer for off-and-on surplus power, he has to sell it only to the discoms — and the discoms are not buying.

Many states, like Tamil Nadu, disallow ‘net metering’, which measures the power put into the grid by the rooftop plants. Others impose a cap on the capacity allowed for net metering.

If the cap is, say, 1 MW, and if the shopping mall installs a 1.5 MW solar plant on its roof, only the 1 MW will be connected to a net-meter, which means all additional power would either need to be either self-consumed or un consumed. “The most common challenge according to rooftop installers is the restriction of net-metering policies that put an upper ceiling of 1 MW on rooftop solar projects,” said Mercom India, a solar research and consulting firm.

“This is restricting the growth of rooftop according to many in the industry,” the note from the research firm added.

The government of India wants the country to have 100,000 MW of solar capacity by March 2022 — 60,000 MW from large plants and 40,000 MW from rooftops. It...
is not inconceivable that in the next four years the target of 60,000 MW would be achieved. However, the target for rooftop plants appears unattainable. At a time when the Secretary of the renewable energy ministry admits rooftop solar is going nowhere, the Ministry of Commerce has recommended safeguard duty of 70% on imported solar panels, a move that might cripple the entire solar industry, especially the rooftop segment.

Duly concerned, the government wants a new deal for rooftop solar. Last month, it put out a ‘concept note’ in this regard for public comments. The essence of the new proposals is to put the discoms in the driver’s seat, giving them incentives for rooftop solar capacity created by them in their operating areas. The government-owned SECI, a renewable energy facilitating company, would come out with tenders on behalf of interested discoms; the bidders who quote the least tariff will put up the rooftop plants and sell power to the discom. The government would give the discom incentives, worth Rs. 23,450 crore, for rooftop capacities created. This, the Centre hopes, would propel the discoms to create an ‘enabling ecosystem’ for rooftop plants in their areas. As many experts have pointed out, the idea of giving an incentive for capacity created is anachronistic. With an eye on the incentives, discoms would get cheap capacity installed, disregarding quality. Second, by offering discoms incentives for capacities ‘added by them’, the proposed policy ignores a growing trend — the ‘opex model’. Energy companies put up plants on leased roofs and sell power directly to consumers.

“There is no provision for a third party developer like us,” said Manu Karan, vice president, Business Development, at the Warburg Pincus-backed solar energy company, CleanMax Solar.

**Bias for size**

Third, by selecting the rooftop plants only through competitive bidding, the proposed policy comes with a bias for large size.

A factory with roof space for 500 kW will be edged out because it cannot quote a price that is competitive with another energy company that might want to build a 5 MW unit. The proposed policy also leaves a lot to chance. What if the competitive bidding process does not discover a price attractive enough for the discom to buy? Such a scenario is not unlikely. In a tender for solar plants on the roofs of government-owned buildings with a subsidy of Rs. 1.5 crore a MW, the tariffs quoted were Rs. 4.17 a kWhr for plants in Tamil Nadu, Rs. 3.94 in A.P. and Gujarat, and Rs. 3.83 in Karnataka.

Remove the subsidy, the tariff goes up by a rupee. And this, for government-owned buildings, with little risk of property disputes.

**Replicating GBI**

The prices may not be attractive unless the discom passes on the incentives to the plant developer — which is effectively no different from the situation today. Will the discom use the incentives to create “an enabling ecosystem” or pass it on to the bidders to lower the prices?

A better approach would be generation-based incentives (GBI), say, ‘50 paise for every kWhr generated, perhaps capped at Rs. 1 lakh for a MW of capacity’.

A similar scheme served the wind industry well until it was scrapped last year. The GBI could be limited to, say, the first 10 years, by which time the firm would have serviced its debt. A suitably structured GBI would lower the prices for the discoms to be attracted to it. The need of the hour is not to put the discoms in the driver’s seat, but to get them out of the way.

**Less nationalism, more connectivity: ASEAN leader**

Connectivity projects can grow in the region only if there is a “political atmosphere”, and “nationalist rhetoric” is reduced, Chutintorn Sam Gongsakdi, Thailand’s Ambassador to India and a key official convening the ASEAN-India summit this week here, says in reference to the challenges of free trade negotiations, border trade logistics and the infrastructure in the north-eastern States.

“Connectivity is important, but we are also at a point across the region when nationalism and populism are on the rise. To have connectivity work to its full potential, it is necessary to dial down the nationalist rhetoric,” Mr. Gongsakdi told The Hindu in an interview ahead of the summit, which will see all 10 leaders of the Association of Southeast Asian Nations assemble in Delhi for the 25-year commemorative summit on January 25 and as chief guests of the Republic Day parade.

An ASEAN-India Business and Investment Meet and Expo brought Trade and Economy Ministers along with business delegations from ASEAN including Myanmar, Thailand, Cambodia, Singapore, Indonesia, Laos, Vietnam, Malaysia, Brunei and the Philippines. Several officials will travel to Assam and other northeastern States to inspect the possibilities for industry and trade, which would connect to Southeast Asia through projects in the pipeline like the India-Myanmar-Thailand trilateral highway and the Kaladan multi-modal transport corridor expected to be completed in the next few years. However, Mr. Gongsakdi warned that unless India and
ASEAN work out their reservations on free trade, including the Regional Comprehensive Economic Partnership (RCEP) agreement, they would not benefit from the infrastructure.

Looking at the long term
“Building of roads, that just needs engineering and money. But the other part, convincing all the parties that there will be more costs is the difficult one. In the end, regional integration and liberalisation can be good for your country, and make the leadership more popular, but people need to have patience to see the long-term benefits,” he said.

India’s worry
Over the past few years, the RCEP negotiations have floundered largely over Indian concerns on unfettered Chinese entry into Indian markets through free trade with the ASEAN countries.

Countries in the negotiations, which also include Australia, New Zealand, China, Japan and South Korea, besides those of ASEAN and India, are now calling for a hard deadline to end talks by the end of 2018.

The failure to forge an agreement could also cost bilateral trade between ASEAN countries and India, which is at present $76 billion, well short of a projected $200 billion, and is likely to be a major issue for discussion during the Summit.

“We have to find a solution to India’s concerns about [the RCEP opening the door for] China trade as well ... we have to stop the lip service to ASEAN India ties and actually negotiate this through,” Mr. Gongsakdi said.

Maritime security, terrorism and cybersecurity will be highlighted in the joint statement, along with the “3Cs” of commerce, connectivity and culture, officials said.

Prabhu urges better India-ASEAN connect
Commerce and Industry Minister Suresh Prabhu called for greater trade and investment engagement between India and the ten-member ASEAN bloc, especially in agriculture as well as minerals and ocean resources, and suggested the creation of India-ASEAN regional value chains in these segments.

Speaking at the ASEAN-India Business and Investment Meet and Expo, Mr. Prabhu also pitched for easier movement of professionals and skilled workers between India and ASEAN countries to boost services trade as well as investment. The Minister also sought an improvement in India-ASEAN physical connectivity through better infrastructure.

Mr. Prabhu added that India would work closely with ASEAN nations to successfully conclude negotiations on the Regional Comprehensive Economic Partnership, a proposed mega-Free Trade Agreement between ASEAN and six of its FTA partner nations.

Asian meet to focus on producing greener steel
Making steel a better-looking and a more environment-friendly product will be among the focus areas at the three-day Asian Steel Conference starting February 6.


Tata Steel is the main sponsor of the event, which will be held in Bhubaneswar. About 70 keynote speakers, half of them from countries such as China, Korea, Japan, Netherlands, U.K., U.S., Germany, Belgium, and Canada are expected to address the meet.

They will represent major producers such as Nippon Steel, POSCO, Baosteel, SMSPaulwurth Germany/Luxembourg besides Indian firms.

‘Lagging West’
Noting that the Asian steel industry lagged the West in many respects, Mr. Sen said there was a lot of catching up to do. “Steel needs to become better-looking at a lower cost, and more environment-friendly.”

“Academics from the University of Cambridge, and Chongqing University, China, heads of research labs at Nippon Steel and Sumitomo Metal, Japan and POSCO, Korea will address issues such as surface treatment and corrosion, steel products and applications and environmental engineering and waste utilisation,” he added.

Japan for greater ties with India in food processing
Japanese Ambassador to India Kenji Hiramatsu said there was plenty of room to expand India-Japan ties, especially in food processing, urban development, environment and sanitation as well as medicine. However, he wanted the Indian government to address the concerns of Japanese firms including on taxation, financial regulation and infrastructure.

Mr. Hiramatsu was addressing the joint meeting of the India-Japan Business Cooperation Committee organised by industry bodies FICCI and the Japan Chamber
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News and Events of Jan. 2018

of Commerce and Industry. The Ambassador said in the area of urban development, Japan was helping India in developing Chennai, Ahmedabad and Varanasi as smart cities.

Priority areas
He said the other priority areas for cooperation included water supply, sewage treatment, natural disaster management techniques, internet of things, artificial intelligence, robotics, start-ups and industrial corridors. Japanese firms have been pitching, among other things, for improved infrastructure in India, uninterrupted power supply, reduction of Goods and Services Tax on hybrid and electric cars, easing foreign currency norms, including on external commercial borrowings.

A FICCI report released on the occasion cited the areas of cooperation between India and Japan, including high speed railways (linking Mumbai and Ahmedabad) and building Japanese Industrial Townships.

IRDAI to set new norms for brokers
IRDAI will soon announce a new set of regulations to govern insurance brokers.

“[New] broker regulations will be coming any time... we have sent the gazette for publication,” Insurance Regulatory and Development Authority of India Chairman T.S.Vijayan told the 14th annual summit of Insurance Brokers Association of India here.

The regulations, he added, would answer several “questions brokers had placed before us”. The norms would cover issues concerning ownership and partnership, he said. The Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013, are to be replaced by the new regulations.

Mr. Vijayan said this while highlighting the role of brokers in improving insurance penetration. People had to be made aware of the benefits of insurance. The policies have to be bought as opposed to being sold, he emphasised.

Wider acceptance
To queries from the media, he said insurance business was growing very well, across life, non-life and even health verticals. The Centre's initiatives such as crop insurance and Pradhan Mantri Suraksha Yojana had also “generated positive attitude in the people towards insurance.”

‘Eventful tenure’
Mr. Vijayan, who will demit office on February 21, said his tenure was quite “eventful” mainly because of changes to the Insurance Act, especially those allowing up to 49% foreign participation in the companies and according nod for reinsurance branches.

The latter had given a boost to the reinsurance scenario, he said, mentioning how previously a lot of the business was going outside India. With 7-8 reinsurers setting up branches in the country, “I believe it will be retained within India,” he added. The challenges for the regulator, he said, would be about adopting technology and digitisation of the insurance process for the benefit of the customers. Digitisation would allow for a reduction in cost, improving the reach to the customer and usher in custom-made products using analytic tools, he said.

On whether there was any unfinished agenda, he said, “A person should always be dissatisfied with the growth he has [achieved], that’s [the] unfinished agenda.”

Insurance Brokers Association of India president Sanjay Kedia said the gross domestic premium (non-life) contribution by insurance brokers was Rs. 30,442 crore in 2016-17. There were 428 insurance brokers in the country.

GST stabilised in a short time, says Jaitley
Finance Minister ArunJaitley said the Goods and Service Tax (GST) had stabilised in a ‘very short’ time and that it provided an opportunity to widen its base and further rationalise the rates in the future.

Also, he said the GST had brought about an entire change in the country’s indirect tax system. Mr. Jaitley added GST had “stabilised in a very short time in India” as compared with various other countries.

“Therefore, it gives us an opportunity, in time to come, to increase its base and rationalise the structure as it continues to evolve,” he said at an event to mark International Customs Day.

At present, the GST has four rates — 5%, 12%, 18% and 28%. In November, the GST Council had decided to keep only ‘sin’ goods and white goods under the 28% tax bracket and moved 178 items from the highest tax bracket to 18%.

Thirteen items were moved from the 18% to the 12% bracket; eight items from the 12% to the 5% bracket; six items from the 18% to the 5% category, while six other items moved from the 5% to the 0% slab.

Following the reduction on more than 200 items, collections hit their lowest in November from Rs. 80,808 crore in the previous month.

Change in trend
Halting two months of decline, collections in December rose to Rs. 86,703 crore. Total GST collections in October were more than Rs. 83,000 crore. However, in September, the GST mop-up had exceeded Rs. 92,150 crore.

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Tax incentives for insurance can help widen coverage

India is a country where social security measures are negligible and penetration of insurance products is low. Hence, its people need incentives to opt for insurance according to their financial capacity.

Investments and insurance have been marketed purely as tax-saving instruments and the terminology such as ‘80C’, ‘80D’ are better understood than the real reason for the insurance is.

“Investment is thus fragmented without proper planning across different categories under section 80C of the Income Tax Act and insurance premium / plan is generally the balancing figure within the Rs. 1.5 lakh limit for tax purposes,” said Parag Mathur, general counsel and head of compliance, BankBazaar.com, an online financial marketplace. So, “whatever is possible [within those limits] is what people buy or rather, are sold by investment advisors.”

K.G. Krishnamoorthy Rao, MD and CEO, Future Generali India Insurance said in India, insurance was still considered an expense rather than a necessity to secure financial stability.

With the increase in financial literacy, there is some increase in awareness levels and of late, people are beginning to realise the significance of insurance products, across protection, savings and investment, for themselves and their families. “However, most still don’t know the difference among endowment, ULIPs, term cover or annuity. The new generation is still learning to design its insurance portfolio,” said Mr. Mathur.

Like any other investment option, there is no one-size-fits-all insurance product for all events and life stages. A person will require different insurance products to cover different risk at different life stages which necessitates careful planning and enough scope to buy products.

Having a separate category for insurance product for tax saving (other than Section 80C) will do justice in promoting the right life-stage planning and purchase of the right product rather than a forced buy for adjustments in the same category as PF, PPF and the like.

Mr. Mathur said the separate Rs. 50,000 exemption for National Pension Scheme (NPS) investments under Section 80CCD(1) has made people consider retirement planning from the “right perspective.” Over the years, the investment in NPS has grown from Rs. 231 crore in March 2013 to Rs. 1,838 crore in September 2016, highlighting how a separate category of investment which is over and above the deduction of Rs 1.5 lakh available under section 80C of Income Tax Act can influence better financial decision-making and planning, he said.

“Doing something similar for insurance can help insurance companies sell need-based insurance and manage life stage needs for covers and savings much better,” Mr. Mathur added.

“With rising inflation over time, it may make sense to increase the limits as also motivate people to insure their lives at an early age — like a separate limit was inserted under section 80CCD to save for retirement under NPS”, said Sudhakar Shanbhag, chief investment officer, Kotak Life Insurance.

Home, health insurance

Two areas where Mr. Rao expects some focus from the government are home insurance and health insurance. This year, various States in India had been flood-stricken. Data on the frequency of floods in the country has revealed significant losses to property, assets and lives.

In India, a concerted effort, including from the Centre, is needed to make home insurance pervasive. To reduce the burden of losses from disasters, there is an urgent need to increase home insurance penetration in the country. It is a well-recognised fact that natural disasters are a major hurdle for economic development of the country.

“Making home insurance mandatory and incentivising homebuyers with income tax benefits for premium paid towards a home insurance policy will encourage people to protect their house,” said Mr. Rao. “It will not only ensure protection against financial losses from natural calamities but also help deepen insurance penetration in the country.”

‘Trans-pacific pact could hurt India’

If India were to join the mega-regional Free Trade Agreement (FTA) called the Trans-Pacific Partnership (TPP) and adopt its norms, they would severely hurt the country’s agriculture, manufacturing, services and the generic pharma industry, according to a new book.

Titled “Trans-Pacific Partnership Agreement: A framework for future trade rules?” the book — co-edited by Abhijit Das, Professor and Head, Centre for WTO Studies (CWS), Indian Institute of Foreign Trade (IIFT) and Shailja Singh, Legal Consultant, CWS — has done an analysis of almost the 5,544 pages of the TPP text. Released on January 27, the book comes in the backdrop of U.S. President Donald Trump’s statement at the World Economic Forum that he was open to the pact provided it
Govt. may alter insolvency law

The insolvency law might be amended depending on recommendations of the panel reviewing issues related to the legislation, including those pertaining to homebuyers, a senior government official said.

While everything is time-bound under the Insolvency and Bankruptcy Code (IBC), Corporate Affairs Secretary Injeti Srinivas said the issue is how the interests of stakeholders are to be balanced.

A 14-member panel, also chaired by Mr. Srinivas, is working to identify and suggest ways to address issues faced in the implementation of the IBC, which came into force in December 2016.

"There is a feeling that this law is skewed a little too much in favour of financial creditors. It is not adequately addressing the requirements or expectations of other stakeholders. It is a serious area we have to look at. The committee is looking at all the issues," he said.

Competition, regulatory clearances, tax liabilities and other aspects would also be looked at, he said. "It was felt that there was enough reason to have a comprehensive stock taking even though it is a one-year old law... Based on recommendations of the Insolvency Law Committee, in the future there may be changes in the IBC," Mr. Srinivas said.

A large number of cases have been filed under the IBC, which provides for a market-determined and time-bound insolvency resolution process. "There are also apprehensions on whether this system [insolvency law] can be abused. Can somebody trigger this system for some sort of wrongful intent?" the secretary said.

Valuation debate

Among others, issues such as whether the insolvency process should be governed by liquidation value or enterprise value would also be looked into. "What are the rights of homebuyers? What is the capacity of insolvency professionals? These are among the issue that has to be seen," he said.

In recent months, there have been concerns about incomplete realty projects and consequent hardships faced by home buyers. Some real estate firms are also facing insolvency proceedings.

There have also been suggestions from certain quarters about having provisions that would help provide relief to home buyers.

Responding to a query about home buyers’ rights in the context of the insolvency law, Sriniivas said, "whatever you do, it has to be calibrated in a way that public interest is not affected. You maximise benefits and minimise losses".

Where intent overrides impact

The e-way bill, set to be introduced across India from February 1 as part of the Goods and Services Tax (GST) regime, could lead to ‘large scale’ disruption in the transportation of goods, transporters caution.

While the bill is intended as a mechanism to prevent leakages of GST by tracking the movement of goods from one party (and place) to another, transport industry officials said it would have been better to have addressed ‘several key issues’ before migrating to the new system.

Lack of preparedness and possible harassment by tax officials citing compliance issues could hinder movement of trucks. They cited the initial confusion witnessed after demonetisation and more recently the introduction of GST.

"The Central Goods and Services Tax (Sixth Amendment) Rules, 2017, requires every person causing the movement of goods worth more than Rs. 50,000 from one State to the other to generate an e-Way or electronic waybill for each such movement," said RohitChaturvedi, CEO, Transport Hub.

Though e-way bill forms are easy and intuitive and could be generated through a variety of platforms including a...
mobile app, SMS, web platform and API-based integration, multiple issues have been raised by the industry. "There are several practical and operational problems that have not been addressed," said Abhishek Gupta, treasurer, Bombay Goods Transport Association. "The transportation industry is predominantly an offline industry. Expecting them to go online suddenly is difficult to cope with. The general feeling in the industry is that it will be impractical to roll out the e-way bill from February 1," he said.

"At a recent meeting, 450 members of the BGTA raised 25 issues with GST officials who did not have answers for half of the issues," Mr. Gupta said. "The government is adamant [on going ahead] and the decision will adversely impact the industry even as it is coping with GST," he added. Transporters fear that unintended lapses on their part could lead to the imposition of heavy penalties. Also, consignments could end up getting stranded mid-way due to drivers' inability to pay the fine at remote locations.

"Transporters and other taxpayers will not be required to visit any tax office or checkpost under this system and the e-way bill can be generated electronically," said Prakash Kumar, CEO, Goods & Services Tax Network. The transporters can manage sub-users and allocate roles to them. Large transporters can declare their various offices as sub-users. There is provision for cancellation of an e-way bill within 72 hours of generation. The validity of an e-way bill is fixed as one day for every 100 km or part thereof.

**Slow moving cargo**

Movement of project cargo or heavy cargo, which takes months to reach the destination, could suffer as a result of the e-way bill rule that mandates 100 km per day movement. Such cargo generally does not travel more than 20 km a day, transporters said. "We are expecting the return of the Inspector Raj as the RTO and sales tax check posts are still there," said Nitesh Bagadia, director, Premier Logistics, a leading heavy lift project cargo firm. "The e-way bill will create documentation problems and harassment citing non-compliance."

"In our type of business, it takes a long time to transport heavy lift cargo due to logistics issues and requirement of multiple permissions while in transit. If, for some reason, the e-way bill would lapse, it would invite penalty. The government must issue a blanket order to officials not to harass truck drivers in transit. If the driver has an e-way bill then [it is clear] there is no intention to cheat," Mr. Bagadia said. Transporters have urged the government to ensure officials differentiate between errors in the e-way bill and intentional tax evasion.

"Eighty lakh trucks transport goods across India," said Ramesh Agarwal, chairman, Agarwal Packers & Movers. "It is not possible to make everyone understand the way the e-way bill works. There will be errors and the government will levy penalty. So we need a platform that should address the errors and establish evasion."

**Plugging evasion**

M.S. Mani, senior director, Deloitte India, said while it would have been ideal not to have had an additional document in the form of an e-way bill, the government was keen on introducing it in order to plug suspected evasion of GST.

"The lower revenue collections encountered during the past few months despite an enhancement of the taxpayer base could possibly be due to the fact that some taxpayers are not paying the appropriate tax," Mr. Mani said. "While the e-way bill existed in some States even earlier, the countrywide introduction across all sectors is likely to pose documentation and system challenges initially to smaller businesses," he added. Low literacy levels and poor technology awareness among a majority of truck owners could also create stumbling blocks.

"One major issue highlighted by transporters is increased financial burden due to filing of e-way bills," said Mr. Chaturvedi of Transport Hub. "A majority of the small transporters who are driver-owners will find it difficult to generate e-way bills as the process requires comfort with using electronic medium such as apps," Mr. Chaturvedi said. Seeking professional help would only cost them more, he added. The stipulated time limit for delivery of goods is also causing jitters.

In case of a breakdown in hilly areas or remote villages with no mobile connectivity, the e-way bill will not be easily updated. There is no clarity on the resolution of such issues in the rules, he said. "There is lack of clarity on the issue of vehicle detention in the case of misrepresentation of details such as price of goods. The responsibility should lie with either the consignee or the consignor without detaining the vehicle," Mr Chaturvedi said. Moreover, rules also give the right to inspect the vehicles at random (138 B) which increases the chances of harassment by inspectors, transporters fear. Inspectors have the right to unload the entire consignment to check compliance. There is no guidance provided for genuine randomness as against "targeted" checks, industry players said.

However, the rules provide for redressal against any such
harassment. Still, implementation would be the key. “Going by historical antecedents, discretion leads to harassment and corruption, and rules could have done better by defining discretionary measures more tightly,” Mr. Chaturvedi said.
Pirojshaw Sarkari, CEO Mahindra Logistics, said, “With just the e-way bill number, all transactions can now be tracked and average waiting time for vehicles will now reduce, as verification processes will be online. The compulsory introduction of e-way bill may face initial glitches, but in the long-term, it will benefit not only the logistics industry, but the country as a whole.”
**International**

**Sushma to go on tri-nation tour**

Beginning the groundwork for the ASEAN-India Commemorative Summit later this month, External Affairs Minister Sushma Swaraj will visit Thailand, Indonesia and Singapore from January 4 to 8. The three-nation visit is likely to cover India’s annual plans for the region and include the launch of the Regional PravasiBharatiya Divas for the ASEAN countries.

“On all three legs of her visit, the External Affairs Minister will share with her interlocutors relevant information about the forthcoming ASEAN-India Commemorative Summit, which marks 25 years since the establishment of dialogue partnership between India and ASEAN,” said a statement from the External Affairs Ministry announcing the January 25 summit in New Delhi, which is likely to be attended by the heads of governments of all the 10 ASEAN member states.

The visit to Thailand on January 4 and 5 is significant as that nation will assume charge of India-ASEAN relations in mid-2018.

Ms. Swaraj will discuss defence, political and economic issues with her counterpart, Don Pramudwinai, in Bangkok.

**PravasiBharatiya Divas**

The visiting Minister will inaugurate the Regional PravasiBharatiya Divas of ASEAN countries in Singapore on January 7 on the theme “Ancient route, new journey: diaspora in the dynamic ASEAN-India partnership”.

“The Regional PBD is a large-scale event covering a wide range of sectors such as political relations, culture, connectivity, start-ups and science & technology. PIO delegations from all ASEAN countries, including Ministers, eminent personalities, business and socio-economic leaders, are participating in the event,” the Ministry said.

In Indonesia, Ms. Swaraj and her counterpart, Retno Marsudi, will jointly inaugurate the second meeting of the ASEAN-India Network of Think Tanks.

Ms. Swaraj is expected to discuss the modalities of the ASEAN-India Commemorative Summit with Lim Jock Hoi, the new Secretary-General of ASEAN, on January 5 and 6.

She will preside over the fifth meeting of the India-Indonesia Joint Commission.

Following the summit, the visiting leaders are expected to attend the Republic Day parade in the capital.

**Nod for Myanmar border pact**

Days before the ASEAN-India Commemorative Summit, India cleared the agreement on land border crossing with Myanmar. The decision was taken at the Union Cabinet meeting chaired by Prime Minister Narendra Modi.

“The agreement will facilitate regulation and harmonisation of already existing free movement rights for people ordinarily residing in the border areas of both countries. It will also facilitate movement of people ordinarily residing in the border areas of other countries. It will also facilitate movement of people on the basis of valid passports and visas which will enhance economic and social interaction between the countries,” a statement said.

**Lawmakers oppose H-1B curb plan**

Some U.S. lawmakers and advocacy groups have criticised the Donald Trump administration’s reported plan to curb H-1B visa extensions that could result in self-deportation of an estimated 5,00,000-7,50,000 Indian Americans, saying the move would drain the U.S. of talent.

The proposal, which was part of President Donald Trump’s “Buy American, Hire American” initiative that he vowed to launch on the campaign trail, is being drafted by Department of Homeland Security leaders, according to reports.

**Denial of extension**

The H-1B programme offers temporary U.S. visas that allow companies to hire highly skilled foreign professionals working in areas with shortages of qualified American workers. But since taking office last January, the Trump administration has been cracking down on the scheme.

Influential Democratic Congresswoman Tulsi Gabbard said: “Imposing these draconian restrictions on H-1B visa holders will tear families apart, drain our society of talent and expertise, and damage our relationship with an important partner, India....

“This proposal could lead to the deportation of an estimated 5,00,000 to 7,50,000 Indian H-1B visa holders, many of whom are small business owners and job creators who are helping to build and strengthen our U.S. economy. This brain drain will stifle innovation and decrease our ability to compete in the global 21st century economy.”

In a statement the Hindu American Foundation (HAF) sounded alarm over the Trump administration’s proposal to deny extensions of H-1B visas to green card applicants and leaving them with no choice but to return to the country of origin or be deported.
Indian-American Congressman Raja Krishnamoorthi said that while priority must continue to be given to improving advanced training for domestic workforce, ending H-1B visa extensions would kneecap American economy and encourage companies to further offshore jobs, instead of making those investments here. “I hope the administration immediately rejects this proposal,” he said. Congressman Ro Khanna said the proposal was “anti-immigrant”. “My parents came here on green cards. So did @sundarpichai, @elonmusk, @satyanadella. Trump is saying to immigrants and their kids we don’t have a place in America. It’s not just wrong. It’s dumb. Mr. President, would America really be greater without us?” he asked in a tweet.

According to Aman Kapoor, from the group Immigration Voice, H-1B extension change would be just wrong at every level. “It will be a catastrophe of epic proportion for Indian-American community leading to mass exodus of close to 1.5 million people (around 7,50,000 primary applicants on H-1B visa and another 7,50,000+ spouses and children),” he said.

TzionChudnovsky, an immigration and business lawyer in California said: “Given the dramatic effect this proposal could have on the Technology industry, it doesn’t seem likely it could garner enough support to be enacted as stated.”

‘Reports on H-1B visa curbs are inaccurate’
Recent reports about the possibility of the Donald Trump administration ending the extension of H-1B visas beyond six years, as applicants wait for green cards, are alarmist and inaccurate, immigration experts say. It is impossible for the executive branch of the government to overturn the provisions that are written in a law passed by the U.S. Congress and effective for the last 17 years, multiple legal experts familiar with the subject told The Hindu. The Trump administration is currently reviewing the H-1B visa programme used largely by Indian employees.

Speculations on change
The speculations began a week ago after news portal McClatchy DC Bureau quoted an anonymous government source who said, “the idea is to create a sort of ‘self-deportation’ of hundreds of thousands of Indian tech workers in the United States to open up those jobs for Americans”, by stopping the practice of H-1B visa extensions beyond six years. The temporary work visa is usually granted for two three-year terms, extendable beyond six years only when a permanent residency, or green card, application is in process.

The White House and the U.S. Citizenship and Immigration Services (USICS) did not respond to requests from The Hindu for a comment on the report even as it has triggered panic among Indian Americans and protests from Indian-American lawmakers.

“Only what was done by executive action can be undone by executive action. This ‘no H-1B extension policy’ being floated cannot really be changed by executive action because it was part of the Act that made it,” said Navneet S. Chugh, who heads law firm Chugh LLP that has 15 offices across the U.S., India and Brazil. ‘American Competitiveness in the Twenty First Century Act’, the law enacted in 2000 by Congress that governs these questions at hand, has two provisions related to H-1B extensions, pointed out Christopher Drinan, an attorney with Murthy Law Firm in Maryland — “under 104(c), an individual may be granted an extension of status in three-year increments based on an approved immigrant petition or form I-140, and under section 106(b), an extension of H-1B status in one-year increments beyond the six-year maximum, based on a labor certification or I-140 petition filed at least 365 days prior.” I-140 is the first step in seeking permanent residency in the U.S.

Reinterpreting phrases
The reports over the last week have been about the executive reinterpreting the words “may be granted” in 104 (C) and using executive discretion to deny extensions. But that is not easy, because there is a 17-year precedent of how that provision has been implemented. “...they will not be able to change. They can, but the courts would quickly reverse it,” said Mr. Chugh. “It is possible that the administration can invoke discretion, but the fact that it has not done it in the last 17 years will go against it in the court. And discretion also has to be based on some objective criteria and cannot be a blanket denial. In any case, such a move will lead to a barrage of suits, and the government will likely lose it immediately.”

Now, even if the government begins to deny three year extensions, “mass deportations”, are out of question. “The one year extension is here to stay unless the administration convinces Congress to change it as part of a bigger immigration deal, and the the Democrats agree to it as part of a deal,” said Mr. Chugh. “The section that governs three-year extensions has the word ‘may’ — the Attorney General may grant... Three year extensions have been the norm. But the other section that governs one
Rival Koreas agree to talk on art troupe’s visit to Olympics

The two Koreas will hold talks next week to discuss the North’s plan to send a performing art troupe to the Pyeongchang Winter Olympics, Seoul’s Unification Ministry said.

The North confirmed it would attend next month’s Olympics in the South at a rare inter-Korean meeting last week, following months of tensions over its nuclear weapons programme.

The Ministry said the North was apparently keen to discuss logistics of the performers’ trip to the South before planning its athletes and supporters’ attendance at the Games.

“The government informed the North that our delegation will come to Panmunjom on January 15,” the Ministry said in a statement.

Both sides will each dispatch four delegates including art officials to the talks.

Hyon Song-Wol, leader of the popular Moranbong band, is one of four North Korean delegates to attend the talks in the truce village of Panmunjom.

The Moranbong band is an all-female music group performing pop, rock and fusion styles, whose members are reportedly selected by the leader Kim Jong-Un himself.

The development comes a day after South Korea’s Vice Sports Minister Roh Tae-Kang said the South had proposed marching with the North at the Olympics’ opening ceremony and also forming a joint women’s ice hockey team during the high-level talks which took place.

Peace Olympics

A joint march at the opening ceremony would be a stunning statement for the Games dubbed the “Peace Olympics”, which will open about 80 km from the heavily fortified Korean border on February 9.

North Korea boycotted the 1988 Summer Games in Seoul, meaning Pyeongchang will be the first Olympics they have attended in the South. Separately, the International Olympic Committee has proposed a meeting on January 20 in Lausanne, Switzerland, involving the two Koreas to discuss the North’s participation in Pyeongchang.

The world’s new academic bazaar

Lakes in some of the famous university campuses in Beijing — Peking and Tsinghua among them — have frozen as sub-zero temperatures are now routine in the Chinese capital. Yet, soon after daybreak, the campuses come alive as young scholars, braving the cold, rush to the classrooms. Many of these students are foreigners, as some of the top universities, mainly in Beijing’s Haidian district, are beginning to acquire a distinct international flavour.

At the Beijing Language and Culture University, China’s premier language university, many from various global destinations — Spain, Italy, Indonesia, Brazil and India — have descended for a short-duration course in the Chinese language. Many of them are taking advantage of the holiday season back home to do a one-month elementary stint in Mandarin.

Some others are staying longer for advanced courses. “I am learning the language because I want to work in China. Jobs in Europe are drying up but China appears to be a different story,” says Andreas, a student from Spain.

In tune with China’s opening up to the world, Indian students are also making their presence felt on Chinese campuses. “I have an electronics engineering degree from New Delhi but I decided to explore other fields outside science and engineering. Peking University offered me the Yenching scholarship,” says Ravish Bhatia.

Students qualifying for the Yenching scholarship — a Rhodes-like scholarship with Chinese characteristics — become part of Peking University’s well-known Yenching Academy. During their stay in China, they pursue an interdisciplinary Master’s programme on the country — its past, present and future direction.

Scholars availing the fully-funded scholarship can design their own academic path, choosing from six academic clusters and a range of extracurricular activities.

Among foreign students, South Koreans comprise the highest numbers followed by the Americans. Indians are among the top five foreign nationalities pursuing higher studies in China.

With jobs drying up in the West and getting a work visa becoming bothersome, a large number of Indian students are heading to China’s shores. Apparently, there are now 18,171 Indian students in China, 156 more than those residing in the U.K. A study conducted by the Center for China and Globalization (CCG), concluded that India was among the top countries sending students to China in 2016-17.

Rising deglobalisation

China seems to have benefited from the growing “populism”, especially in the U.S. and Britain, which makes these countries appear less foreigner-friendly. The CCG
study, released last month, highlights that “the rising deglobalisation represented by U.S. President Donald Trump’s election victory”, along with the concerns over “Brexit”, are among the reasons that explain the outbound drop among international students in the traditional academic bazaars of the U.S. and the U.K.

“I think people prefer China more nowadays because the cost of education is cheaper here than the U.K. or the U.S. Many of the Chinese universities are now ranked in the top 150 globally. The infrastructure and facilities in China are wonderful. It’s very safe and as an Asian country, people value and respect each other’s culture,” CGTN Digital quoted Ashwini Deshpande, an Indian student from Pune who is currently pursuing a language degree at Ningbo University, in China’s Zhejiang Province, as saying.

Benjamin Netanyahu begins landmark tour, calls India a global power

Israeli Prime Minister Benjamin Netanyahu arrived in New Delhi on a landmark visit to India that will see emphasis given to forging technology and innovation partnerships to elevate ties as the two countries mark 25 years of diplomatic relations.

Receiving the Israeli Prime Minister at the airport in New Delhi was Prime Minister Narendra Modi, reciprocating a gesture extended to him by Netanyahu when Modi visited Israel in July—the first ever by an Indian PM to the Jewish nation. Modi’s stand-alone 4-6 July 2017 visit to Israel—after trips to the UAE, Saudi Arabia and Iran on separate occasions—was seen as bringing ties “out of the closet”.

“We have landed in India. Thank you to my good friend Narendra Modi for the warm welcome!” said a Twitter post by Netanyahu soon after his arrival. This was in response to Modi’s post which said “Welcome to India, my friend PM @netanyahu! Your visit to India is historic and special. It will further cement the close friendship between our nations.”

Netanyahu is only the second Israeli PM to visit India—the first such visit took place in 2003 when Ariel Sharon was in New Delhi at the invitation of then prime minister Atal Bihari Vajpayee. The visit marks the close of celebrations marking 25 years of India establishing diplomatic ties with Israel.

Once seen as a strong backer of Palestine, New Delhi announced the opening of diplomatic ties with Israel in January 1992 after Israeli and Palestinian delegations began peace talks that culminated in an accord between the two in 1993. India-Israel ties have soared since then with defence, agriculture, water conservation, high technology and innovation being the focus areas for cooperation. In particular the past three years—since the Modi government took office—have seen a flurry of visits. Apart from Modi’s own visit to Israel, then President Pranab Mukherjee and Indian foreign minister Sushma Swaraj have also travelled to Israel, signifying an upscaling both in terms of visibility and focus.

But a reminder of the complicated geopolitical reality in West Asia as well as the need for India to do a balancing act between ties with Israel and its Arab neighbours came when India voted against the US recognition of Jerusalem as the capital of Israel at the UN General Assembly last month. The move was criticized by some sections in India but the government defended it position citing traditional policy on the two-state solution to the Israel-Palestinian conflict.

While India has good relations with Israel and would like to better those ties, “there cannot be full convergence in the interests of any two countries,” former Indian ambassador to Israel Arun K. Singh said at a seminar on India-Israel relations last week. “We have stakes in the Arab countries with more than 8 million expatriate Indians in the Gulf region, a large portion of our energy supplies are coming from the Arab countries, remittances from our workers there. Israel sees Iran as an existential threat whereas we don’t view Iran as such,” he said.

Netanyahu’s delegation comprises a large business delegation of 130—a clear sign that Israel wants to upgrade economic linkages with Asia’s third largest economy. “We are strengthening ties between Israel and this important global power. This serves our security, economic, trade and tourism interests,” Netanyahu said before leaving for India, a PTI report said.

“On this visit I intend to strengthen bilateral relations even more. This visit is an opportunity to enhance cooperation with a global economic, security, technology and tourism power,” he added. Bilateral trade is currently at $4 billion excluding defence purchases by India, according to Indian government figures.

Soon after his arrival in New Delhi, Netanyahu and Modi paid respects to Indian soldiers who were killed in a victorious assault on the fortified city of Haifa during World War I in 1918. A roundabout in New Delhi was renamed Teen Murti Haifa Chowk in memory of the event. Modi hosted a private dinner for Netanyahu at his residence. Monday is one of the main days of the visit with Netanyahu and Modi holding official talks and signing bilateral pacts. the Israeli PM is to deliver the inaugural speech
Spike missile deal back on the table?

India will buy Israel's Spike anti-tank guided missiles, the Israeli media quoted Prime Minister Benjamin Netanyahu as saying, weeks after New Delhi scrapped the $500-million defence deal.

The deal was cancelled a few weeks ahead of Mr. Netanyahu’s visit to India and its renewal is considered a “major strategic achievement”, the Jerusalem Post reported.

“India will buy Israel’s anti-tank spike missiles,” the paper quoted Mr. Netanyahu as saying after spending the day with his Indian counterpart, Narendra Modi. Mr. Netanyahu said the final details and scope of the deal were still in the process of being worked out, the paper said.

Another leading Israeli daily, Haaretz, reported that the deal was “back on the table.”

Quoting Israel’s National Security Adviser Meir Ben-Shabbat, the paper said that current talks were trending in a positive direction, and more details would be disclosed later.

The Israeli arms firm Rafael Advance Defence Systems Ltd. had earlier this month confirmed that India cancelled the deal and expressed “regret” over the decision.

The Defence Ministry has been pushing for transfer of technology in procuring various weapons and other platforms.

North and South Korea resume Olympics talks amid new signs of strain

Delegates from the two Koreas are meeting Monday morning to discuss North Korea's participation in next month's Winter Olympics in South Korea, even as Pyongyang takes umbrage with Seoul's attempts to raise the issue of denuclearization.

The meeting, on the north side of the truce village of Panmunjom, started at 10:11 am Seoul time, according to South Korea's unification ministry. Discussions will be on issues including the artist troupe that North Korea plans to send to the Pyeongchang Games, the route that delegates will take south and details of performance schedules, according to Yonhap News Agency.

“The art troupe’s planned visit is drawing a lot of interest and expectations internally and externally,” Lee Woo-sung, a senior official at South Korea’s ministry of culture, sports and tourism, said in televised comments Monday. “We will coordinate calmly to yield a good agreement.”

The meeting comes after North Korea's state-run Korean Central News Agency warned Sunday that South Korean President Moon Jae-in’s attempts to link reconciliation and denuclearization were “ill-boding” and risked “chilling the atmosphere.”

In the first round of high-level talks between the countries in more than two years, North Korea said last week it would send a delegation to the Olympics. The regime plans to have officials, athletes, a cheering squad, art performers, observers, martial artists and reporters attend the Games in the ski resort not far from the border.

North Korea’s planned participation in the Winter Games starting 9 February brings potential benefits to the troubled Korean peninsula, which has been divided for about 70 years. Kim Jong Un gets the opportunity to ease the global pressure on his isolated regime, while Moon can bet on a more peaceful Olympics and claim a victory in his push for dialogue.

The two nations, which are still technically at war, agreed in a joint statement to hold military talks and further high-level dialogues. North Korea took issue with South Korea raising the issue of denuclearization during the meeting, with its top delegate issuing a “strong complaint” to his counterparts from Seoul.

‘SAARC can learn from ASEAN experience’

One of Singapore's best-known diplomats and now an academic, Kishore Mahbubani advocates a Nobel Peace Prize for ASEAN in his latest book, The ASEAN miracle. Ahead of the ASEAN-India 25th year commemorative summit to be held this week, with all 10 leaders of the regional grouping to be chief guests at the Republic Day parade, Professor Mahbubani says SAARC has much to learn from ASEAN's success.

You have recommended the Nobel Peace Prize for ASEAN. Why?

Regional organisations are designed to fail. Because you are getting together a group of neighbouring countries, so it’s not a grouping of choice, but an accident of geog-
raphy. Most neighbours have a long history of feuds and problems, so they have to overcome the challenges of history to come together, and hence don’t do well. At the same time, there is no other region on Planet Earth that is so diverse as the ASEAN region. When it was born in 1967, Southeast Asia was also by far the most troubled place on earth. If you could achieve this level of prosperity in South Asia, with India and Pakistan’s problems, or in the Middle East with the Saudi Arabia-Iran rivalry, people would say, what a miracle, you should get a Nobel Peace Prize. ASEAN has achieved that.

**What should ASEAN and Indian leaders commit to do when they meet this week?**
The ASEAN-India relationship is not just 25 years, it’s a few thousand years old, and it is important that the leaders draw from the deep well of history to build ties. Nine out of the 10 ASEAN countries, all except Vietnam, have an Indian cultural base. Most Indians are ignorant and unaware of these links, however.

**How important is the Regional Comprehensive Economic Partnership (RCEP) to improving ASEAN-India trade ties, especially given the Indian government’s misgivings on the free trade agreement?**
I think India now needs to make a careful calculation. It will have to pay a short-term economic price for joining RCEP, but at the same time, if RCEP were formed without India, then the Indo-Pacific idea would be dead. There is a desire for the other countries to go ahead with RCEP, as there is a need for integration within the region, and they may just tell India they are going ahead.

**You spoke of the ASEAN miracle. How can South Asia emulate its success, given that the SAARC countries haven’t even been able to meet for years?**
I think the one big lesson from ASEAN is that having regular meetings makes a huge difference to trust levels. I attended the initial ASEAN meetings with five countries in 1971, and the level of distrust was very high. Twenty years of meetings later, there was a world of difference.

SAARC should consciously study ASEAN and build a habit of regular meetings at all levels.

**India says SAARC cannot meet until Pakistan addresses the most common problem of the region: terrorism. How does one get beyond that?**
ASEAN’s biggest strength is its culture of pragmatism. We look for solutions. Many said we should not have admitted Myanmar as it was ruled by the military. But we admitted Myanmar, and over time, it changed. So countries can change their behaviour because they become part of a regional coalition.

**Another challenge to SAARC has come from China’s Belt and Road Initiative (BRI), where except for India and Bhutan, every South Asian country has joined. How can India counter China’s money power in the region?**
The best way for India to counter China’s influence in South Asia is to increase India’s influence in the region. In theory, India should be in a much better position to have better relations with every SAARC country than China has. Even if you leave aside Pakistan, which is a dysfunctional relationship, there is so much in common with every country in the region. What India must do with Bangladesh, Sri Lanka, Maldives, etc. is to integrate them so closely economically, that they will always have to consider India’s views. It is also important for leaders and officials of countries to spend time together, because that is an important way to understand our commonalities and to break down the animosities that two countries feel. In addition, as the biggest country in the region, India should study Indonesia’s role in ASEAN. President Suharto was wise enough to say, we will let the smaller countries of ASEAN run the group, and took a back seat, and that is something India could try to do. Maybe sometimes that group will take decisions you don’t like, but eventually the group will come closer together.

**Merkel warns of rising anti-Semitism**
German Chancellor Angela Merkel warned of rising anti-Semitism in her country on International Holocaust Remembrance Day, calling the need to protect Jewish buildings "shameful".

It is important to remember the millions of Holocaust victims because “anti-Semitism, racism and the hatred of others are more relevant” recently, Ms. Merkel said in her weekly podcast.

"It is inconceivable and shameful that no Jewish institution can exist without police protection," she said.
She also reaffirmed her support of creating the position of anti-Semitism commissioner in the next German government, if her party can finalise forge a coalition. The UN in 2007 designated January 27 as International Holocaust Remembrance Day to mark the 1945 liberation of Auschwitz-Birkenau, the largest of the Nazi death camps.
India calls off missile deal with Israel

An Indian Defence Ministry spokesman declined comment on the cancellation.
Local media reported that India’s Defence Research and Development Organisation were developing a domestic anti-tank missile the government was keen to support.
“Rafael regrets the decision and remained committed to cooperating with the Indian Ministry of Defence and to its strategy of continuing to work in India, an important market, as it has for more than two decades, to provide India with the most advanced and innovative systems,” the firm said in a statement.
However, India’s Defence Ministry said separately it had cleared a plan to buy 131 Barak missiles.
The 4.6-billion-rupee ($72 million) order follows up an earlier purchase of Barak missiles, meant to protect Navy vessels against sea-skimming missiles and aerial threats.
The two countries have grown closer since Prime Minister Narendra Modi took office in 2014, widening commercial cooperation beyond their longstanding defence ties.
Mr. Modi became the first sitting Indian Prime Minister to visit Israel last summer, and Mr. Netanyahu will fly to India on Jan. 14.
Rafael, whose CEO will join Mr. Netanyahu on his trip, said the cancellation was made prior to the signing of the final supply contract and despite its compliance with all of India’s wishes.

India-U.K. MoU on illegal migrants

Minister of State for Home Kiren Rijiju will lead a delegation to the U.K. this week. The team is expected to ask Westminster to “spell out” its position in court on businessman Vijay Mallya’s extradition.
Mr. Modi’s visit to the U.K. coincides with the hearing in Mr. Mallya’s case when the court takes up the “admissibility of evidence.”
A senior Home Ministry official said, “Till now U.K has assured us of all possible help in the extradition requests placed by India, but we would like to know the stand they are going to take in court in Mallya’s case.”
A senior official said the MoU will streamline the return of illegal migrants to India.

Maritime focus for India, ASEAN

The ASEAN-India Commemorative Summit to be held here on January 25 is likely to focus on maritime security for the region, a senior ASEAN diplomat said.
Speaking to The Hindu, Ambassador of Thailand Chutintorn Sam Gongsakdi said that ASEAN expected India to highlight maritime security during the summit, even as the External Affairs Ministry said that discussion on a “very important” MoU on maritime cooperation was ongoing alongside plans for enhancement of air connectivity.
“We expect India to highlight maritime security [in the Commemorative Summit]. This meeting is important and we hope that there will be serious discussions on maritime security, including freedom of navigation, piracy, keeping sea trading lanes clear. India attaches a lot of importance to maritime security and ASEAN countries are preparing for an intense discussion on that,” Mr. Gongsakdi said.
The envoy’s comment is significant as Thailand will be the coordinating country in charge of ASEAN-India ties from the middle of the year. In view of Thailand’s importance, External Affairs Minister Sushma Swaraj visited the country last week.
Preeti Saran, Secretary in charge of Eastern Affairs in the Ministry, said that connectivity and maritime cooperation would form the backdrop for the summit.
“We are discussing a very important agreement on how to enhance maritime connectivity with the ASEAN countries. We will also hold a Working Group meeting of the Civil Aviation Ministries before the summit to discuss air connectivity,” said Ms. Saran in a special briefing on India’s plans for the commemorative summit-related celebrations on January 25 and 26.

Landmark meet

Ms. Saran described the summit as ‘unprecedented’ and a ‘landmark’, and said that all the 10 heads of states of the ASEAN countries will be hosted as guests of honour for the Republic Day parade. The ASEAN leaders will also hold bilateral discussion with Prime Minister Narendra Modi and other dignitaries.
“We expect the ASEAN leaders will start arriving by January 24. The summit itself will begin with a banquet to be hosted by President Ram Nath Kovind followed by the Leaders’ Retreat for which our Prime Minister has invited all leaders. Thereafter, the leaders will move on to the plenary of the summit followed by a gala dinner to be hosted by our Prime Minister,” Ms. Saran said.
The summit comes days after Ms. Swaraj returned from a three-nation trip to Southeast Asia where she took stock of the ties and connectivity projects between India and
the ASEAN region. The ASEAN-India Commemorative Summit follows a year-long series of activities that marked the 25th anniversary of ASEAN-India relationship, 15th anniversary of summit partnership and five years of strategic partnership.

‘India’s vote at UN not an issue’
Not disheartened by India’s vote against Israel at the UN General Assembly on the issue of Jerusalem, Prime Minister Benjamin Netanyahu has expressed hope that bilateral ties would receive a further boost during his milestone visit to the country.

India in December voted in favour of the UN General Assembly resolution, condemning the U.S. for its decision to recognise Jerusalem as the capital of Israel.
Mr. Netanyahu, who would be leaving for India on January 14, said: “Well I would have preferred a different vote to be frank but I don’t think it materially changes the tremendous flowering of relations between India and Israel.”
Prime Minister Narendra Modi had also visited the Jewish state in July, becoming the first Indian premier to do so.
“I think everybody can see that. Prime Minister Modi’s visit was a very important milestone in that. My visit to India is the other one,” Mr. Netanyahu said addressing the Government Press Office’s annual end-of-year reception for the foreign press corps.

When asked about the impact of India’s recent decision to cancel a half a billion dollars defence deal related to development of Spike Anti-Tank Guided Missile, the Israeli leader said, “I think you are going to see an expansion of economic and other ties regardless of this or that deal”.

Pointing towards the tremendous strengthening of ties on all fronts, Mr. Netanyahu expressed optimism saying, “overtime I hope I will see a reflection of that more often in the voting of India in international forums.
"It does not nullify the fact that with India, with other countries in Latin America and Africa there is a tremendous increase of relations on all fronts," the Israeli Prime Minister noted.
“It just takes longer on the international front," he stressed.

India makes push for U.K. immigration reform
Commerce and Industry Minister Suresh Prabhu and Minister of State for Home Affairs Kiren Rijiju, both on visits to the U.K., have pressed the need for Britain to review immigration policies relating to India, including on student visas and the extension of a visa system introduced for Chinese visitors to the U.K. The visit comes amid the official confirmation that Prime Minister Narendra Modi will attend the Commonwealth Heads of Government Meeting (CHOGM) in London in April.
The meetings came as India and Britain agreed to the terms of a memorandum of understanding on the swift return of Indian illegal immigrants from the U.K. — an issue that has been repeatedly raised by the British government and cited as an obstacle to immigration reform on the British side.

Ties with India intact, says Israeli Ambassador
Israel said that India’s vote at the United Nations General Assembly against the American recognition of Jerusalem as its capital would not affect its ties with India.
Speaking to the media, Ambassador of Israel Daniel Carmon indicated that Israel and India maintained an “all-weather friendship” and that discussion on a bilateral Free Trade Agreement was under way.
“Our relationship is richer and wider in terms of collaboration and complementarity. It [the issue of India’s negative vote at the UN General Assembly] is being talked about through diplomatic channels between our countries. We always want the international community to vote for us. Of course we are not happy when some do not support us,” said Mr. Carmon, reminding that Israel had recently supported India’s candidate for the International Court of Justice, Judge Dalveer Bhandari.

Netanyahu’s visit
The envoy spoke about his country’s position on India’s UNGA vote while sharing details of the January 14-19 visit by Prime Minister Benjamin Netanyahu.
Mr. Netanyahu, who will visit Delhi, Gujarat, and Mumbai, will be accompanied by a 130-member business delegation and Baby Moshe, an Israeli survivor of the 26/11 terror attacks in Mumbai.
in 2016. Mr. Prabhu said he raised issues both around the ease of getting visas and the costs which could prove prohibitive for the services sector. Costs have been rising amid a toughening of the U.K. policy regime in this area. Mr. Rijiju raised issues relating to the two-year visa, as well as students and the treatment of women on spousal visas. The last is a growing issue of concern, amid fears that women who had accompanied partners on spousal visas would be deserted in India, had their visas been cancelled.

Both Ministers expressed their satisfaction with the progress of talks on these issues. “Their response was very positive,” Mr. Rijiju said. He added that another issue raised was the need for visa-free travel for Indian diplomats in the U.K. Britain remained the only major European country not to bring in this policy, he said.

**Trade opportunities**

During the course of his visit, Mr. Prabhu held a number of discussions, including taking part in the 12th India-U.K. Joint Economic and Trade Committee (JETCO) meeting, in which the recommendations of the Joint Working Group on trade were discussed. With Britain unable to commence formal discussions on a trade deal with India till it leaves the EU, the two countries have begun informal talks on the scope of potential trade opportunities through this working group.

Mr. Prabhu welcomed the progress that had been made in this area, highlighting Britain’s more than doubling of the export finance support to U.K. companies trading with India, and also extending it to Indian buyers of goods and services. He also highlighted progress made on cooperation on advanced manufacturing, SMEs, and energy. He said India would be working with Britain on cooperation around new technical innovation when it came to the use of wind, tidal and solar energy, as well as the potential for British firms in this area to set up manufacturing facilities in industrial corridors in India.

The forthcoming CHOGM meeting also played a big part in discussions, as they sought to infuse the Commonwealth with dynamism. “We must first create wealth otherwise what is common?” he said, arguing there had to be a much greater push for intra-Commonwealth trade, which was about new wealth and opportunities. “India is the right candidate we must take leadership in doing that along with our host, the U.K.,” he said. He also highlighted the importance of defending the multilateral trading system. “We now want to take stock and revive the spirit of the WTO,” he said warning against the rise of protectionism globally. “we strongly believe we need to promote trade to bring in economic development.”

**India says Israel has taken U.N. vote in its stride**

India’s recent vote at the United Nations General Assembly, opposing U.S. recognition of Jerusalem as the Israeli capital, did not dent ties as the scope of the bilateral relations is “much larger” and it could not be determined by just one issue, the External Affairs Ministry said here. Speaking to presspersons, Vijay Gokhale, Secretary in charge of Economic Relations in the Ministry, said both sides viewed ties “holistically” and they sought an early resumption of peace talks between Israel and the Palestinians.

“Our side expressed our position on both the status of Jerusalem and Palestine. Both sides agreed that our relationship is much larger and our relationship is not determined by this [vote],” Mr. Gokhale said.

The Palestine issue was discussed by the delegations led by Prime Ministers Modi and Netanyahu and sources said the Israelis were aware that Mr. Modi was likely to visit the West Asian region soon, which may include a trip to the Palestinian capital of Ramallah. Both sides also discussed possibilities of resuming the stalled peace talks between the Israel and Palestine.

**Peace discussions**

“The two Prime Ministers discussed the developments pertaining to the Israeli-Palestinian peace process. They reaffirmed their support for an early resumption of peace talks between Israelis and Palestinians for arriving at a comprehensive negotiated solution on all outstanding issues, based on mutual recognition and effective security arrangements, for establishing a just and durable peace in the region,” a joint statement released after the bilateral meeting mentioned.

The Hindu reported earlier that Israeli Ambassador Daniel Carmon had said the talks about India’s vote at the General Assembly were continuing through bilateral “diplomatic channels”.

Official sources said the discussion on India’s traditional position was held in a frank manner and both sides agreed that this one issue should not become an impediment given the widespread convergence of a number of issues in the bilateral relations.

“Israelis understand that there are several factors that determine our position over Palestine,” another official said.

**Israel seeks ‘big data’ from India, signs 4 agreements**

Boosting measures to counter cyber threats and to “revo-
lutionise” Indian farm production, Israel has proposed to access India’s “big data,” the Ministry of External Affairs said at the end of the bilateral discussions, when both sides concluded four agreements.

Speaking to journalists about the ongoing visit of Prime Minister Benjamin Netanyahu, Vijay Gokhale, Secretary in charge of economic relations in the MEA, said Israel proposed to track individual Indian farmers, even as both sides joined hands to use a similar data-driven method to fight cybercrimes. “The idea of big data was brought into the discussion by the Israeli side in the context of emphasising how technology can now be used to agglomerate vast amounts of information and then bear on individual field and individual [Indian] farmer’s efforts, to improve the yield. This was the idea that was discussed today, the specifics will be discussed with the Agriculture Ministry and we will plan that soon,” Mr. Gokhale said. Minister for Agriculture Radhamohan Singh participated in the delegation-level talks on agriculture collaboration using Indian population’s big database, he said.

The official refused to elaborate whether India had safeguards in place to share Aadhaar-based data with Israel, but indicated that the data under consideration would be of a magnitude to facilitate monitoring of “individual farmers’ and ‘water utilisation, cutting of crop, plantation, soil condition.”

Netanyahu to gift PM a desalination jeep
Israeli Prime Minister Benjamin Netanyahu will present his Indian counterpart, Narendra Modi, the Gal-Mobile water desalination and purification jeep the two leaders rode on Israel’s Olga beach last year. The jeep is on its way to Bhuj, sources said.

“There will be a live demonstration of desalination of seawater that the two Prime Ministers will witness through video conferencing from the iCreate centre on January 17,” they said.

Buggy Jeep
Mr. Netanyahu and Mr. Modi waded into the Mediterranean Sea and rode the “buggy” jeep on the coast in Israel last July. The jeep is said to cost around 390,000 shekels (approximately Rs. 70 lakh).

Gal-Mobile is an independent, integrated water purification vehicle, designed to produce high-quality drinking water. It can be useful during natural disasters such as floods and earthquakes, for military use in difficult terrain and in rural areas to provide potable water. It can purify up to 20,000 litres per day of seawater and 80,000 litres per day of brackish/muddy or contaminated river water and bring it to WHO standards.

Mr. Modi and Mr. Netanyahu had witnessed the demonstration of seawater purification technology on the Olga Beach.

“When you and I walked shoeless along the Mediterranean shore, we drank seawater that was purified before our eyes using technology that will save untold lives. India and Israel are working together to provide clean water, to increase crop yields, to keep our people safe from terrorism and other challenges to the future we both seek,” Mr. Netanyahu said in New Delhi.

India admitted to Australia Group
India joined the Australia Group, saying the membership will be mutually beneficial. The Ministry of External Affairs (MEA) said India’s entry into the group, which aims to prevent proliferation of biological and chemical weapons, would ensure a more secure world.

“The Australia Group decided to admit India as its 43rd participant. India would like to thank each of the participants. Its entry would be mutually beneficial and further contribute to international security and non-proliferation objectives,” MEA spokesperson Raveesh Kumar said, praising the role of the former head of the group Jane Hardy. Earlier, in a separate statement, the Australia Group said India’s membership would help to counter the “spread of materials, equipment and technologies that could contribute to the development or acquisition of chemical/biological weapons.”

Diplomats said the entry is a show of support from the international community for India’s non-proliferation records.

“India’s entry into the Australia Group shows our export controls and safeguards for biological and chemical agents, equipment’s and technologies meet the benchmarks established by the international community,” said Rakesh Sood, a former Special Envoy of the Prime Minister for Disarmament and Non-Proliferation. India joined the Missile Technology Control Regime (MTCR) in 2016 and the Wassenaar Arrangement (WA) last year.

Navy confident of commissioning aircraft carrier Vikrant in two years
After several delays, the Indian Navy is confident of commissioning Indigenous Aircraft Carrier (IAC-1) Vikrant, currently under construction at Kochi, by October 2020, a senior officer said.
Infrastructure and connectivity are among the major challenges facing India and ASEAN-member countries that are looking to further boost trade ties, Minister of State for Commerce and Industry C.R. Chaudhary said.

**Trilateral highway**

In the works are construction of a trilateral highway — India-Myanmar-Thailand — and extending that project to Cambodia, Laos and Vietnam, the Kaladan Multi Modal Transit Transport Project to improve links between India’s eastern ports and Myanmar’s Sittwe port, as well as the ASEAN-India maritime transport cooperation pact to eliminate barriers that trouble maritime trade, he said. He was speaking at the ASEAN-India Business and Investment Meet and Expo. Besides, there is also the proposed rail link Vietnam and India.

India, ASEAN cultural ties a living link: Sushma Swaraj

India’s cultural relation with Southeast Asia is centuries old and serves as a living link between the two regions, said the External Affairs Minister Sushma Swaraj. Ms. Swaraj made this reference as she launched the final phase of events leading to the ASEAN-India Commemorative Summit, scheduled to begin on 25 January, 2018. “We are in South Asia and they are in Southeast Asia. So we cannot become part of their region geographically. But we have common cultural link that is not just a mere connection, but a living link. Buddhism and Ramayana connect us with the region. Indonesia, which is the biggest Muslim nation in terms of population, has the most famous Ramayana,” said Ms. Swaraj.

Earlier in the day, Ms. Swaraj welcomed the first of the ASEAN dignitaries for the summit, Foreign Minister of Brunei Pehin Lim Jock Seng. This meeting is expected to be followed by a series of bilateral meetings that will begin.

The meetings are held in preparation for the summit which celebrates 25th anniversary of the ASEAN-India Dialogue Partnership. The Dialogue Partnership was formed on 28 January 1992 when a Sectoral Dialogue Partnership with India was launched by ASEAN in its fourth summit in Singapore.

“Our ties, however, are not just 25 years old. Our ties stretch long back in history,” said Ms. Swaraj in her speech which was attended by several dignitaries from the region who have begun to arrive in the capital for the summit.

**Stage set**

Top leaders from the ten ASEAN countries will begin arriving from 11 a.m. onwards.

“IAC-I is expected to join the Navy in October 2020. All trial schedules have been worked out. We are going to sign advanced contracts with Cochin Shipyard Limited very soon,” said Commodore J. Chowdhary, principal director of naval design. He was speaking at a media briefing on the Navy’s Republic Day contingents. The theme of this year’s Navy tableau is centered on a model of Vikrant being built at the shipyard.

The IAC-I project has been delayed due to hold-ups in procurement, especially of 18 major equipment related to aviation complex, including the arrestor and the withstanding gear, from Russia, Cdre. Chowdhary said. “There were licencing issues which have been resolved.”

**Sea trials**

The carrier is likely to be handed over to the Navy by December 2018 after which it will be put through harbour and sea trials before commissioning.

Vikrant borrows its name from India’s first aircraft carrier, the 20,000-tonne INS Vikrant purchased from the U.K. India currently operates the 44,500-tonne INS Vikramaditya procured from Russia. Like INS Vikramaditya, Vikrant too would employ the STOBAR (Short Take-Off But Arrested Recovery) mechanism with a ski-jump and arrestor cables to launch and recover aircraft.

It can operate 20 fighter jets and 10 other aircraft. The Mig-29K fighters currently in service with the Navy would also be on the deck of Vikrant.

Initially the plan was to have a mix of Mig-29K and the naval variant of the indigenous Light Combat Aircraft, Tejas. The IAC-I project was approved by the Cabinet Committee on Security (CCS) in 2003 and the keel for the 260-metre ship was laid in 2009. The CCS had initially sanctioned Rs. 3,200 crore, which was subsequently revised to Rs. 19,341 crore.

In a 2016 report, the Comptroller and Auditor-General (CAG) said that the “delivery of the carrier with completion of all activities is likely to be achieved only by 2023.” But Navy officials stated that all issues have now been resolved and the ship would join the Navy in 2020.

The Navy has already set sights on the IAC-II, which it envisages to be conventionally powered and to displace 65,000 tonnes with an advanced Catapult-based Aircraft Launch Mechanism (CATOBAR) similar to the U.S. Electro-Magnetic Aircraft Launch System (EMALS) for aircraft launch and recovery.
President of Vietnam Nguyen Xuan Phuc will be the first to hold bilateral talks with President Ramnath Kovind and Prime Minister Narendra Modi evening. PM Modi will also hold discussions with the President of Philippines Rodrigo Duterte and the State Counsellor of Myanmar Aung San Suu Kyi.

‘India-ASEAN to focus on freedom of navigation’
The statement on the maritime mechanism is significant as it is the first time that India has taken up forming of a special maritime mechanism with all the ASEAN heads of states at a single summit. Maritime security and freedom of navigation featured prominently in the ‘Delhi Declaration,’ a joint statement that was issued after the plenary session of the Commemorative Summit.

The declaration indicated at common concern regarding the South China Sea and reaffirmed the “importance of maintaining and promoting peace, stability, maritime safety and security, freedom of navigation and overflight in the region, and other lawful uses of the seas and unimpeded lawful maritime commerce.”

Ms Saran also said that an agreement on maritime transport is under discussion as The Hindu had reported earlier. “A maritime transport MoU is being discussed and hope it will be finalised (in due course),” she said to the media.

The maritime domain has been in the centre of India’s Act East diplomacy which aims to firm up India’s position in the ASEAN and Asia Pacific region.

In recent public statements, the government of PM Narendra Modi has expressed support to ‘rule of law’ in the maritime sphere hinting at the growing military footprint of China in the South China Sea. Welcoming the heads of states at the Rashtrapati Bhavan, President Ram Nath Kovind also urged for upholding rule of law.
Crossings: tigers in 26 reserves under threat

The team found that if unplanned development continued, it could result in a 56% higher average extinction probability for tigers within protected areas, due to lack of genetic connectivity.

“If the same rate of landscape change as we have seen for the past 12 years continues, small tiger populations like the ones in Bor and Tipeshwar Wildlife Sanctuary are unlikely to survive into the next century,” says author Prachi Thatte from NCBS. “Isolated populations – like the one in Panna – are also likely to go extinct.”

But new roads in protected areas affect and road widening attract more traffic. In 2001, scientists studying a 9-km stretch of NH 7 which passes through Pench Tiger Reserve in Madhya Pradesh recorded 490 snakes killed in just two years.

In the south, wildlife biologist Sanjay Gubbi and his colleagues studied the impact of vehicular traffic on the use of road edges by large mammals along the Mysore-Mananthavadi highway, which passes through Nagarhole Tiger Reserve seven years ago. Camera traps kept on two consecutive sections of the same highway – one closed to vehicular traffic and the other open to vehicles only during the day – the team found that spotted deer, Indian gaur and elephants frequented the segment with higher vehicular traffic density far less, suggesting that they avoid busy highways.

Rituals and roadkills

Scientists found some years ago that religious tourism, which is concentrated across a few months of the year, also killed 56 species on roads passing through the Kalakad-Mundanthurai Tiger Reserve; they recorded a 299% increase in roadkills and a 648% increase in deaths of nocturnal species during this period over the baseline.

Conservationists also write about how poachers in south India confessed to illegally hunting deer – including tiger prey like spotted deer – in Bandipur, Bhadra and Bilirangaswamy Tiger Reserves by driving on roads at night.

In 2008, night traffic was stopped on a 27-km stretch of the Mysore-Mananthavadi Highway within Nagarhole National Park; in a first for India, authorities also realigned the highway out of the protected area, and invested in repairing the alternative route in 2012. Now, Tamil Nadu’s Mudumalai Tiger Reserve and Gujarat’s Gir National Park and Velavadar Wildlife Sanctuary have also either diverted roads or implemented night closure. “Closing roads at night will certainly ensure lower casualties,” says Mr. Gubbi. However, options for emergency commuters have to be provided, he adds. “Some compromises are necessary, along with science, outreach and logic.”

Roads and widening projects in wild habitats exacerbate what scientists call ‘edge effects’: this alters plant communities (such as aiding the spread of invasive exotic species like Lantana camara) due to the disturbance along road edges. It can also change animal behaviour.

In Tamil Nadu’s Valparai, the endangered Lion-tailed macaque was a frequent victim of roadkills on the narrow hill roads weaving through coffee and tea states, till 2011. Today, they cross the roads overhead, using seven canopy bridges installed by the Nature Conservation Foundation and the Forest Department in the Puduthotham and Varattupari estates. Speed breakers also slow down speeding vehicles.

States like Maharashtra, where Bajirao was killed, need other remedial measures: NH-6 and NH-7 intersect at least six tiger corridors in the Vidarbha region alone. In 2016, WII charted out guidelines for mitigation — such as creating underpasses and planting vegetation — to be followed while implementing new road projects. The National Tiger Conservation Authority has already prescribed the implementation of some of these on NH-6 and NH-7 to the NHAI, says Debabrata Swain, Director, NTCA.

“On NH-7, flyovers for traffic to facilitate underpasses for wildlife are under construction and will be ready soon,” he says. “Measures on NH-6 are also being implemented.” However, these will not offer relief on existing roads; they can be added only to new roads or those that are widened, says Maharashtra Forest Department’s Chief Wildlife Warden A.K. Mishra.

Orkut to return to India in ‘Hello’ avatar

Orkut Buyukkokten, the creator of Orkut.com, one of the early and most famous social media platforms, is planning to unveil his new social media network ‘Hello’ in In-
dia in the next two months.
Mr. Buyukkokten, 42, who is already running the beta version of ‘Hello’ in the country, said his new venture connects people who share the same interests and passions and provides a place for authentic communication.

‘Sense of togetherness’
If you look at the Indian culture, people are so connected,” said Mr. Buyukkokten, founder of Hello Network, Inc., in a phone interview. “There is a sense of togetherness and we are bringing that togetherness that we see in our daily lives on Hello.”

Unlike other social networks, the firm said it was trying to create these connections in a non-judgmental environment.

A Turkish engineer, Mr. Buyukkokten had unveiled Orkut in 2004 as part of an independent project while working at Google.

A decade later, the Internet giant shut down the social networking service, which, at its peak, had gathered more than 300 million users worldwide.

Facebook, which was also founded in 2004, is now the leading social network in the world with more than two billion monthly active users.

“I see Orkut.com as a start of a wonderful journey. Social networks have evolved over time...I see ‘Hello’ as a continuation of this journey,” said Mr. Buyukkokten.

An alumnus of Stanford University, Mr. Buyukkokten founded Hello in 2016 with a small group of ex-Google engineers.

The San Francisco-based firm is now present in 12 countries including Canada, New Zealand and Brazil, and is available for Android and iOS devices.

Backed by a group of investors including Google, the firm has grown to a team of 20.

Hello said that social networking today is about broadcasting content, privately messaging, and anonymously having a say on discussion threads.

Bridging the gap
It said there is a gap that does not provide an environment where one can easily connect and make friends with like-minded people who share the same interests.

The firm said it is trying to bridge this gap. For instance, it has a feature called ‘personas’ which will allow users to pick the five most relatable traits that define them, such as an animal lover, cricket fan, dancer or a fashion enthusiast.

Hello said that communities were also created by the members letting the user be a part of something unique and specific to his or her interests like sci-fi movies.

‘Exchange ideas’
These communities give the user an opportunity to chat and exchange experiences with others who share those deep interests.

“We are trying to create happier life online,” said Mr. Buyukkokten. “We are creating a new type of experience that is welcoming and accepting (and) where people share their genuine feelings and passions,” he said.

India will have more than 850 million online users by 2025, more than the combined populations of the G7 countries, according to a report from Boston Consulting Group.

IICB uncovers molecular mechanism of stress-induced gastric ulcer
Researchers at Kolkata’s CSIR-Indian Institute of Chemical Biology (CSIR-IICB) have for the first time identified the molecular mechanism by which acute mental stress affects the stomach causing gastric ulcer or stress-related mucosal disease. Using a rat model subjected to cold-restrained stress, the research team led by UdayBandyopadhyay from the Division of Infectious Diseases and Immunology at IICB has used drugs that can act specifically on mitochondria present in the stomach to prevent gastric ulcer caused by stress.

When subjected to stress, the mitochondrial respiratory capacity was disrupted, ATP production was reduced and oxidative stress increased. Stress also causes morphological changes to the mitochondria such as increased fragmentation. The results of the study were published in the journal Free Radical Biology and Medicine.

“Due to oxidative stress and fragmentation, the mitochondria in the gastric mucosal lining cannot behave in a normal fashion and ATP production gets further compromised. In the absence of ATP production, cells cannot proliferate and the gastric lining gets thinner due-to mucosal cell death. All these cause stress-induced gastric ulcer,” explains Dr.Bandyopadhyay. “This is the first time we could find a link between the mind and mitochondria in the stomach. It is very exciting and fascinating.”

Second brain
The stomach is one of the organs most severely affected by stress and this is due to the link between the stomach and the brain. Moreover, the stomach is also known as the body’s second brain with a specialised neural network, repository of neurotransmitters and different kinds of nerve cells innervating the organ, though fewer in number.

Plenty of corticosterone was released into the blood when
the animals were subjected to stress. Once corticosterone gets inside mitochondria it reduces ATP production and respiration capacity. By using a drug that prevents corticosterone from binding to the receptor found inside the cell, the researchers were able to significantly prevent stomach injury in the animals. Interestingly, some common psychoactive drugs used in the study helped in preventing the pathological manifestations — gastric ulcer. “So we can say that it is indeed the acute mental stress which is causing gastric complications,” says Rudranil De from IICB and first author of the paper.

**Role of mitochondria**

“We delved deeper to find out the involvement of mitochondria in stress-induced gastric damage,” says De. A compound that scavenges harmful free radicals released from the malfunctioning mitochondria and another compound that inhibits mitochondrial fragmentation significantly prevented the injury and intra-gastric bleeding; although the drugs don’t reportedly act on the brain. “Although stress is present, we could still prevent the damage caused to the stomach by targeting the mitochondria,” says De. “The use of these two compounds acting directly on the mitochondria confirmed that acute mental stress damages the mitochondria of the stomach ultimately leading to tissue injury and haemorrhage.”

The use of tranquillisers and barbiturates, often prescribed to patients suffering from mental stress and disorders, are associated with inherent problems including withdrawal effects and long-term side effects. “Our study proposes an alternative line of therapeutic strategy which relies on salvaging mitochondrial damage, thereby providing significant protection from stress. This will help avoid the use of existing psychoactive drugs while keeping the subjects alert,” says Somnath Mazumder from IICB, one of the authors.

If further research and human trials confirm the results seen in animal studies, it would lead to a new generation of anti-stress medications with minimal side effects which would aim at targeting the mitochondrial pathology to take care of a bigger psychosomatic health complication.

### CFC ban helped ozone hole heal, says study

An international ban on chlorine-containing man-made chemicals called chlorofluorocarbons (CFCs), has resulted in about 20% less ozone depletion, NASA said. CFCs are long-lived chemical compounds that eventually rise into the stratosphere; where they are broken apart by the Sun’s ultraviolet radiation, releasing chlorine atoms that go on to destroy ozone molecules.

Stratospheric ozone protects life on the planet by absorbing potentially harmful ultraviolet radiation that can cause skin cancer and cataracts, suppress immune systems and damage plant life.

By comparing the Microwave Limb Sounder (MLS) measurements of hydrochloric acid and nitrous oxide each year, the scientists determined that the total chlorine levels were declining on average by about 0.8% annually. The study was published in the journal Geophysical Research Letters.

To determine how ozone and other chemicals have changed year to year, scientists used data from the MLS aboard the Aura satellite, which has been making measurements continuously around the globe since mid-2004. The change in ozone levels above Antarctica from the beginning to the end of southern winter — early July to mid-September — was computed daily from MLS measurements every year from 2005 to 2016.

When ozone destruction happens, chlorine is found in many molecular forms. But after chlorine has destroyed nearly all the available ozone, it reacts instead with methane to form hydrochloric acid, a gas measured by MLS. According to the study, the Antarctic ozone hole should continue to recover gradually as CFCs leave the atmosphere, but complete recovery will take decades.

### How H. pylori bacteria survive in the stomach

An international group of over 50 scientists including three Indians have found out how the bacteria Helicobacter pylori survive in highly acidic environment of the human stomach. H. pylori causes’ peptic ulcer, and chronic infection can also lead to gastric cancer. For the first time, scientists have found that the binding of the bacteria to the stomach mucosal layer is acid-sensitive, allowing it to attach and detach when needed. The bacteria bind to the mildly acidic (pH 6) mucous layer of the stomach and when the mucous is shed into the highly acidic (pH 2) stomach, the bacteria quickly unbinds and moves to a fresh mucous layer site. The results were published in Cell Host & Microbe.

**Breakable binding**

Previous studies have shown that the bacteria tightly attach to the epithelial cells and mucous of the stomach with the help of an adhesin called BabA. But now the researchers found that though tightly bound to the mucous, the binding affinity reduces once the bacteria sense more acidic pH (2-4 pH). The mucous lining of the stomach is...
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ISRO mulls launching 65 satellites for a slew of uses
The Indian Space Research Organisation (ISRO) has set itself an ambitious to-do list of making and launching around 65 satellites for a slew of uses. They are planned to be realised over the period from 2017 to 2021, according to a top official. This post-12th Five-Year Plan pace is stupendous as the number of satellites made in India over the last 40-odd years hit a century only a few days ago. The last three, including two small ones, were rolled out of its Bengaluru centre in late December and are slated to be launched this month.

Jump in output
M. Annadurai, Director of ISRO Satellite Centre (ISAC), where spacecraft are assembled, told The Hindu that the new goal puts ISAC’s annual asking rate at around 18 satellites a year: ISAC would now need to come out with three satellites every two months.

Boost to gravitational wave study
India’s role in studying gravitational waves — touted as one of the most important discoveries of the recent past — will increase once the proposed gravitational wave observatory is set up in the country, said David Reitze, executive director of Laser Interferometer Gravitational-Wave Observatory (LIGO). The observatory is expected to start functioning by 2025. “The more detectors we have and depending on where they are, the more accurately we are able to point in the direction in the sky. India having a detector improves that dramatically and that’s going to be a big mission,” said Mr. Reitze.

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Since ISAC was set up in 1972 and until a few years ago, this used to be its average yearly output. Dr. Annadurai said ISAC’s 45-year tally peaked in 2017 with a record 12 spacecraft. “We rolled out Cartosat-2F, Microsat and INS-1C on December 20 [and shipped them out to Sriharikota for launch.] With these three satellites, we have made the maiden century of rolling out spacecraft from this centre,” he said in a New Year’s Day address to ISAC employees. “We can be counted in the league of Tendulkars and Virat Kohlis,” he said.

ISAC’s spacecraft are meant for communication, navigation and Earth observation (EO), for both general and strategic purposes, while new emerging applications are getting added. In the four-year list, ISAC counts 26 for communication, 28 for EO and seven for navigation besides the scientific missions Aditya-L1 and XPoSat, apart from a few small experimental satellites.

Awaiting approval
A few proposals that were made during 2017 are awaiting approval. A satellite launch costs Rs. 200-Rs. 300 crore depending on its size and the level of technology. Dr. Annadurai said the centre was ready to rise to the challenge; its staff was routinely working almost 24/7. Last year, ISAC started to outsource some of the large and critical activities of satellite assembly and testing to Indian industry. The second such project for the ninth navigation satellite, IRNSS-1I, is under way at an ISAC campus.

He said ISRO expected industry to give them the additional six satellites a year beyond the 12 that they would build.

PSLV all set to ferry 31 satellites tomorrow
The PSLV rocket, after a shocking falter four months ago, will return to the launch pad at Sriharikota.

A successful flight of PSLV-C40 is expected to put behind the Indian light lift rocket’s freak failure on August 31. During the forced hiatus, the Indian Space Research Organisation diagnosed why the nose cone of the previous C-39 rocket did not release the satellite; it took necessary corrective steps, officials said.

The launch is slated for 9.28 a.m. from the Satish Dha-\nwan Space Centre in Andhra Pradesh. The countdown is set to begin Thursday morning.

Now among the world’s favourite and reliable commercial launchers for small satellites, the upcoming 42nd PSLV will carry a total of 31 satellites including 28 paid riders. The main payload, the 710-kg Cartosat-2F, is the seventh in the Cartosat-2 series and is built to work for five years. Said to have a high, sub-metre resolution, it is unofficially said to serve military surveillance purposes.

**Small satellites**

ISRO is putting up two of its own small satellites — a 100 kg micro satellite and the 11-kg nano satellite INS-1C. There are also 28 smaller customers. The commercial satellites include three 100-kg class micro satellites and 25 nanosats (1-10 kg) from Canada, Finland, France, Korea the U.K. and the U.S. The PSLV has so far launched 209 small and medium satellites for foreign countries and earned revenue for the commercial arm, Antrix Corporation Ltd.

ISRO will be trying a two-orbit feat with the PSLV for the second time. Just after 17 minutes from take-off, the main satellite will be released first into a 505-km orbit, followed by 29 others. Almost 1.5 hours later, microsat will be released into a lower 359 km orbit. Between the two orbits, the engine in the fourth stage of the rocket will be re-started twice during the course. The flight lasting 2 hours and 21 minutes will be the longest of the PSLV, about six minutes longer than C-35 which was launched in September 2016.

**Space companies bet big on PSLV**

At least three overseas space companies have bet big on the PSLV-C40 launch of Friday. They each have put a 100-kg-class microsatellite on it as a testbed of their potential future constellations.

Also, at least two older constellation operators have brought new batches to be put in space by the Indian light-lifting launcher.

The PSLV, resuming after a failure in August, is placing these and 25 nanosatellites (up to 10 kg) in orbits 505 km away from Earth. The nanosats also carry experiments of companies and universities from multiple countries.

Rakesh Sasibhushan, CMD of Antrix Corporation, which markets the PSLV (and other ISRO services) to global satellite operators, said, “We have three important proof-of-concept microsats in C40. It is for the first time that such technology demonstrators have come together as customers on a single PSLV vehicle.” There had been one or two before but in singles.

**New business**

“Once the technologies are proven, they may lead to their operators’ firming up new constellations and the requirements for launching them in future. Hopefully they bring
in more business to Antrix."
Mixed luck
On its 42nd flight and 209 foreign customers behind it, the PSLV’s onus seems to be getting as big as the brand; a few of the current customers have tried other launchers but with mixed luck.
Antrix, the business arm of the Indian Space Research Organisation, earns Rs. 95 crore from arranging the PSLV-C40 flights for 28 customer payloads, which together weigh 503 kg.
ISRO workhorse PSLV-C40 puts 31 satellites in space
The Indian Space Research Organisation (ISRO) launched its 42nd Polar Satellite Launch Vehicle (PSLV) from the Satish Dhawan Space Centre in Sriharikota.
The PSLV-C40, which took off at 9.29 a.m, placed 31 satellites, originating from seven countries, in two orbits. ISRO termed the successful launch a New Year’s gift to the nation.
The rocket was only briefly visible to onlookers on a foggy morning. Its primary payload was the fourth satellite in the advanced remote sensing Cartosat-2 series.
The Cartosat-2, whose imagery will be used to develop land and geographical information system applications, weighs 710 kg and was placed in a circular polar synchronous orbit 505 km from Earth. The satellite’s design life is five years. The 30 co-passenger satellites together weigh 613 kg.
It was, however, the two other Indian satellites in the C40’s payload that generated the most excitement. Called technology demonstrators, the microsatellite and the nanosatellite showed big strides towards miniaturisation.
The ISRO also used them to send a message to potential commercial customers, placing its microsatellite in an orbit different from the other 30. After deploying all the other satellites, the fourth stage of the rocket restarted twice to move from the 505 km orbit to a 359 km orbit to inject the microsat.
A.S. Kiran Kumar, for whom C40 was the last launch as ISRO Chairman, said the agency was utilising excess capacity to attempt a recovery of mission costs.
“We don’t want to get into the specifics of money. We are not trying to build systems today for commercial launchers. We are trying to build capacity for the demands of our own communication, navigation, observation,” he said at a press conference.
Vikram Sarabhai Space Centre Director K. Sivan, chosen to succeed him was present.
The remote sensing microsatellite is of the 100 kg class with a mission life is 10 months. The nanosatellite, named Indian Nano Satellite-1C, is the third in its series. The INS-1C, whose mission life is six months, carries the Miniature Multispectral Technology Demonstration payload. The ISRO Chairman said the Chandrayaan-2 was on schedule but did not commit to a March 2018 deadline.

Cyclone Ockhi takes a toll on Olive Ridleys too
Cyclone Ockhi which battered coastal Kerala has adversely affected the nesting of the endangered Olive Ridley turtles along the Thottapally coast, one of the prime locations for egg-laying turtles in the State.
Secretary of the Green Roots Nature Conservation Forum Saji Jayamohanthold The Hindu that 800 metres of the Thottapally coast used by Olive Ridleys to lay eggs had been destroyed following sea erosion.
“The turtles used to generally nest in an area of around 800 metres north of the estuary at Thottapally but its natural habitat had almost completely vanished in the cyclone. Last year, we stumbled upon four nests on the Thottapally coast. However, not a single nest has been found in the area after the cyclone. The long seawall is also preventing the turtle from nesting in the area,” Mr. Jayamohan said.
He said the turtles seemed to be moving to the nearby Pallana beach, south of the estuary. “The real impact of the cyclone on turtle nesting will be known in the coming months,” he said.

Nests found
Mr. Jayamohan said three nests had been found, all at Pallana, this season. The first batch of 70 hatchlings had already been let into sea. Two clutches, with 140 and 142 eggs, were in hatching stage.
He said the lack of a permanent hatchery and rescue centre was hampering conservation efforts. “It is important to relocate eggs from areas with tidal fluctuations and guard it from stray dogs and other dangers,” Mr. Jayamohan said.
“In the initial years it was about preventing people from stealing and eating the eggs. With awareness campaigns and participatory efforts we were able to stop the practice. However, the other threat still lingers on. In a temporary protected hatchery, there is always a chance that the soil above the eggs will become compact. In such a case, hatchlings will get trapped under the sand. Another threat is from the roots of Ipomoea pes-caprae (beach morning glory) plant, the growth of which will destroy the nests,” Mr. Jayamohan said.
Sumi Joseph, Assistant Conservator of Forest (Social
IGIB discovers a protein regulating melanoma growth, pigmentation

Researchers at Delhi’s CSIR-Institute of Genomics and Integrative Biology (IGIB) have for the first time identified a calcium sensor protein (STIM1) that independently regulates both skin cancer and pigmentation. The STIM1 protein does so by activating two independent signalling pathways.

Interestingly, different parts of the STIM1 protein activate the two independent signalling pathways that control melanoma growth and pigmentation. This opens up the possibility of developing drug molecules that target specific sites in the STIM1 protein to control tumour growth and regulate pigmentation.

While skin cancers account for third highest number of cancer associated deaths worldwide, perturbations in pigmentation pathways result in pigmentation disorders such as solar lentigo, melasma, vitiligo, and pityriasis alba. Current therapeutic regimes are not efficient in alleviating pigmentation disorders.

Role of STIM1

“The role of STIM1 in breast cancer and prostate cancer is already known. Based on this, we hypothesised that STIM1 might have a role in melanoma growth as well,” says Dr. Rajender K Motiani from the Systems Biology Group at IGIB who led the team of researchers.

To study the role of STIM1 protein in melanoma growth in vitro, the researchers used STIM1 knockdown mouse cells and injected them into mouse models and observed the growth of melanoma. Compared with controls, melanoma growth was reduced by as much as 75% in mice that were injected with STIM1 knockdown cells.

While trying to find novel players that could potentially regulate pigmentation, the researchers identified a few signalling pathways which were differently regulated with change in pigmentation level. When chemicals were used to change the levels of pigmentation of melanocytes, the researchers found that along with changes in melanin levels, other signalling modules were also changing. Similarly, melanin level reduced when pigmentation decreased. A surprising finding was that when pigmentation was decreasing, the calcium signalling pathway was also decreasing. “We got a hint that the STIM1 protein, which is a key regulator of calcium signalling pathway, would be regulating pigmentation too,” says Jyoti Tanwar from IGIB and one of the authors of the paper published in The EMBO Journal.

Zebrafish embryos

To confirm the role of STIM1 protein in pigmentation, the researchers knocked down the protein in melanocytes. This resulted in a reduction in pigmentation levels. “We further validated the role of STIM1 in regulating pigmentation in zebrafish models,” Dr. Motiani says. “The knockdown of STIM1 significantly decreased pigmentation in zebrafish embryos. Both in vitro and zebrafish studies established the critical role of STIM1 protein in pigmentation.”

The protein mediates calcium entry into cells and this leads to melanoma growth. “So calcium entry into cells can be an attractive chemotherapy target for melanoma,” says Dr. Motiani.

“We will next be studying biopsy samples of human pigmentation disorders. Our research has led to identification of a novel molecular target with high translational value,” says Tanwar.

Early menopause a risk: study

A recent UK study published in Heart, an international cardiology journal, has indicated that women who start their menstruation cycle at the age of 11 or earlier, or enter menopause before 47, have a higher risk of heart disease and stroke.

According to the study, some other factors that were associated with elevated odds of heart problems in later years were miscarriage, stillbirth, undergoing a hysterectomy, and bearing children at a young age. The findings of the study led by Sanne A E Peters from the George Institute for Global Health, University of Oxford, have suggested that women who had premature reproductive cycles or a history of adverse events should be screened for heart problems.

In an email interview, Dr. Peters told The Hindu that the study included 2,67,440 women and 2,15,088 men without a history of cardiovascular disease (CVD) at baseline. Between 2006 and 2010, the UK Biobank recruited over 5,00,000 participants aged 40–69 years across the UK. Participants filled in questionnaires on their lifestyle, environment, and medical history, which included their reproductive history.

They were monitored up to March 2016 or until they suffered a first heart attack. The study found a strong link between women’s reproductive health and her risk of cardiovascular problems. Women who began their periods early, or who had preg-
nancy complications such as stillbirth or who needed a hysterectomy were also more likely to develop heart issues. Women who went through menopause before the age of 47 had a 33% heightened risk of cardiovascular disease, rising to 42% for their risk of stroke, according to the study. Those who entered puberty before the age of 12 were at 10% greater risk of cardiovascular disease than those who had been 13 or older when they started, the study said. Previous miscarriages were associated with a higher risk of heart disease, with each miscarriage increasing the risk by 6%. Having a stillbirth was associated with a higher risk of cardiovascular disease in general (22%) and of stroke in particular (44%). During seven years of follow-up, a total of 9,054 incident cases of CVD (34% women), 5,782 cases of coronary heart disease (CHD) (20% women), and 3,489 cases of stroke (43% women) were recorded among the participants. The study was conducted primarily among white British women. Although possible, further studies are needed to establish whether these findings also apply to women in India,” said Dr. Peters.

Frequent screening
The research has suggested that policymakers should consider implementing more frequent screening for cardiovascular disease among women with one or more of the risk factors highlighted here in order to put in place measures that can help delay or prevent the development of heart disease and stroke. Cardiovascular disease, a general term for conditions affecting the heart or blood vessels, remains the leading cause of death worldwide. Previous research has suggested that the early onset of puberty is linked to obesity, a known risk factor for heart disease in later life. However the findings of this study showed that the risk of developing cardiovascular disease increased for women even if they had a healthy weight. The researchers also ruled out smoking, diabetes and high blood pressure as possible causes. Dr. Peters pointed out the need for more research to understand the association between an early first menstrual cycle and a greater risk of heart disease and stroke in later life.

Agni-V extends its reach
India successfully tested Agni-V, validating the long range surface-to-surface ballistic missile’s reliability. “This was the fifth test of the missile and the third consecutive one from a canister on a road mobile launcher. All the five missions have been successful,” the Defence Ministry said in a statement. The missile was tested for its full range at 9.53 a.m. from the Dr. Abdul Kalam Island in Odisha. The launch was supervised by project director G. Ramaguru and programme director M.R.M. Babu. The flight performance of the missile was tracked and monitored by radars, range stations and tracking systems all through the mission. “All objectives of the mission have been successfully met,” the Defence Ministry statement added.

A cornerstone
Agni-V, with a range of over 5,000 km, is India’s longest range ballistic missile and can reach most parts of China, making it the mainstay of India’s triad to deliver nuclear weapons. The user associate test-flight of the missile has further boosted indigenous missile capabilities and deterrence strength of the country. Describing the trial as “fully successful,” the sources said, the sophisticated missile travelled for 19 minutes and covered 4,900 km. Agni-V is the most advanced missile in the Agni series with new technologies incorporated in it in terms of navigation and guidance, warhead and engine. “The navigation systems, very high accuracy Ring Laser Gyro based Inertial Navigation System (RINS) and the most modern and accurate Micro Navigation System (MINS) had ensured the missile reached the target point within few metres of accuracy. The high speed on-board computer and fault-tolerant software along with robust and reliable bus guided the missile flawlessly,” said an official of the Defence Research and Development Organisation.

The missile is so programmed that after reaching the peak of its trajectory, it will turn towards the Earth to continue its journey towards the intended target with an increased speed due to the attraction of the Earth’s gravitational pull, he said. Its path is precisely directed by the advanced on-board computer and inertial navigation system, the official added.

Short preparation time
The first two successful flights of Agni-V in 2012 and 2013 were in open configuration. The third, fourth and Thursday’s launch from a canister, integrated with a mobile sophisticated launcher, were in its deliverable configuration that enables launch of the
Report highlights India’s digital divide

The southern State of Kerala seems far ahead of all Indian States in breaching the digital divide, if the data generated by Pratham’s Annual Status of Education Report, 2017, for its sample district of Ernakulam are to be believed. And the eastern State of West Bengal seems right at the bottom in terms of the rural youth’s access to the Internet, computers and mobiles, as per data generated from its South 24 Parganas district.

Even as the government looks at ushering in a Digital India, ASER 2017 offers a snapshot into how different States are faring in breaching the digital divide, by focusing on rural youth in the 14-18 age group in 28 rural districts across 24 States in India.

A pointer

The patterns may not hold true or all districts in particular States, but may be a pointer to the south’s lead and the eastern States’ backwardness in rural digital access. Significantly, 69.8% of the rural youth surveyed in Kerala’s Ernakulam district had used the Internet in the week before the survey. Similarly, 92% had used mobile phones and 60% had used computers in the week leading to the survey. It was also the only district among those surveyed across India where a third of the rural youth had used an ATM.

The surveyed districts of Amritsar and Bhatinda and Maharashtra’s Satara and Ahmednagar also showed decent digital access, though well below Kerala. West Bengal lay at the other end of the spectrum, faring worst in breaching the digital divide. Just 17.1% of the rural youth between 14 and 18 in West Bengal’s South 24 Parganas district had used the Internet in the week leading to the survey. Just 21.2% had used a computer and 65.5% had used a mobile phone.

Never used

In Kerala’s Ernakulam, just 10.5% of the surveyed rural youth had never used the Internet and 0.4% had never used a mobile phone. The situation was much worse in eastern States, however. While nationally, 63.7% of the rural youth surveyed had never used the Internet, the figures were much higher in districts in West Bengal, Bihar, Odisha, Jharkhand and Assam.

In West Bengal’s South 24 Parganas district 74.4% rural youth in the age group of 14 to 18 years had never had access to Internet while in Odisha’s Khordha district, the number was 65.8%. In Jharkhand’s PurbiSinghbhum the figure stood at 68.6% and in Bihar’s Muzaffarpur district 67.5%. In Assam’s Kamrup district the number was 64.1%.

Centre urged to check spread of BG-III cotton

Telangana government has requested the Centre to formulate protocols and guidelines at the earliest to take steps to check the spread of herbicide tolerant variety cotton seed, popularly known as BG-III, which is not cleared by the Genetic Engineering Approval Committee (GEAC), and is harming the biodiversity in the country. A detailed presentation was made on the unauthorised spread of the unapproved cotton variety by Director of Telangana State Seed and Organic Certification Authority K. Keshavulu here before the visiting team of Field-level Inspection and Scientific Evaluation Committee (FISEC) appointed by the Centre on the issue of BG-III. He also explained the initiatives taken by the State government in bringing the issue to the Centre’s notice constantly.

The high-level team comprising officials from the Indian Agricultural Research Institute (IARI), Department of Biotechnology (DBT), Central Institute for Cotton Research (CICR), Ministry of Environment, Forests and Climate Change (MoEF&CC) and Prof. Jayashankar Telangana State Agricultural University visited Jogulamba-Gadwal and Vikarabad districts and Mancherial district before meeting the stakeholders, including seed growers, dealers, national and State seed associations at a meeting here.

Leader of the visiting team, chief scientific officer in DBT, V.S. Reddy, complimented the efforts of Telangana government in highlighting the issue at national-level. The team arrived in Telangana after studying the issue in Gujarat and would be in Andhra Pradesh for the next two days.

Agriculture Production Commissioner C. Parthasarathi said all the stakeholders are in total confusion on the issue of BG-III in the absence of any guidelines from the Centre since the seed was unapproved.

Artificial small intestine to study food, drug absorption

Scientists from Central Food Technological Research Institute (CSIR-CFTRI), Mysuru, and Indian Institute of
Food Processing Technology (IIFPT), Thanjavur, have developed an artificial small intestine system to test the level of absorption of micronutrients and other bioactive compounds from food. While the artificial system requires just two hours to analyse the intestinal absorption, the methods currently in use are time-consuming and not suitable for studying large number of compounds. The Netherlands Organisation for Applied Scientific Research has also developed an artificial system. “Unlike their system, ours simulates the exact physiological conditions and helps to evaluate both bioaccessibility and bioavailability of nanoformulated bioactive compounds,” says Dr. C. Anandharamakrishnan, Director of IIFPT and corresponding author of the paper published in the Journal of Food Engineering. It cost Rs 20 lakh to develop the system. The system consists of a perfusion chamber fitted with rat intestine. “To perform animal trials, we need at least 6–10 rats, but using this system just two—three rats would suffice,” explains Dr. Parthasarathi Subramaniam from CFTRI and first author of the paper. “There are severe ethical issues and infrastructure requirements that restrict the researchers in carrying out in vivo studies. To overcome this, the artificial small intestinal system was fabricated.”

The researchers checked the permeability of both fat-soluble (vitamin E) and water-soluble (gallic acid) compounds using the new set-up. “Bioactive compounds can use different mechanisms for crossing the intestine. Fat-soluble compounds follow transcellular absorption whereas paracellular route of absorption is used by water-soluble compounds. So we tested both compounds,” says Dr. Anandharamakrishnan. The researchers then compared the performance of the set-up to in situ intestinal perfusion study. For the perfusion study, the rat was anaesthetised and the absorption of both compounds was studied.

**Relative performance**

In the case of the fat-soluble compound, the permeability was higher in rats than the new system. But the artificial system performed better for the water-soluble compound. “The absorption of the fat-soluble compound is facilitated by carrier proteins like NPC1L1 in the intestinal cells. But in the engineered system, there is no carrier-mediated uptake, only passive diffusion. So the engineered model is best for studying compounds with passive diffusion” adds Dr. Anandharamakrishnan. A patent has been filed and the system is currently in use at IIFPT.

**Drought**

Droughts can kill, but you would imagine that deep-rooted forest trees – whose roots tap into more permanent water resources – would be the least affected. But a study now finds that droughts killed tree species that access deeper water much more.

Tree deaths due to droughts are a major threat in both temperate and tropical ecosystems. This could further aggravate with climate change, with droughts predicted to increase in many parts of the world.

In a deciduous forest, where water is scarce especially in summers, how do different tree species with varying root depths deal with such water stresses? An inter-disciplinary team from institutes including Bengaluru’s Indian Institute of Science (IISc) studied how different species partition underground water resources up to a depth of 30 metres (just above the groundwater table) in Tamil Nadu’s Mudumalai National Park. In a 50-hectare forest plot, the scientists measured how much 7,677 trees belonging to 12 common tree species grew and how many others died between 1992 and 2012, which also saw an intense drought (2000 to 2003). The team collected local hydrological data including daily rainfall and water-holding capacities of local soils to estimate how much water is available across varying soil depths. Devising a novel eco-hydrological model to quantify the depths from which trees took up water, the scientists find that while species like teak that absorbed water from near the surface may be adapted to droughts by surviving on scanty rainfall across the year, others like axiwood (Anogeissus) and laurel (Terminalia) took water from the deeper depths composed of weathered rocks. Their study, published in the Journal of Ecology, shows that though species that access deep water experience fewer droughts, they are more vulnerable to protracted droughts.

**Water uptake**

“The deepest water compartments that dried up during the drought took longer to recharge,” says lead author Rutuja Chitra-Tarak, then doctoral researcher at IISc. “We found that co-existing tree species diverged in water uptake depths, species using deep-water experienced drought more intensely, and thus died more – the first study to demonstrate this.”

Climate change—droughts could kill such species, says Chitra-Tarak. “At large scales, this can even lead to less water being recycled into the atmosphere, worsening droughts,” she says.

This novel hydrological modelling approach can help scientists model the impacts of increasing droughts on for-
Vitamin C improves efficacy of TB drugs

Adding vitamin C as a nutritional supplement while treating drug-sensitive tuberculosis patients with first-line TB drugs will boost the efficiency of treatment, a study by Indian researcher's shows. The increase in efficiency is not because vitamin C has antibacterial activity, as was suggested by a few researchers in 2013 from in vitro studies, but by doing the complete opposite — inducing dormancy in TB bacteria.

A team led by Prof. Jaya Sivaswami Tyagi from the Department of Biotechnology at AIIMS, New Delhi had first proposed the dormancy-inducing ability of vitamin C in TB bacilli in 2010 and has now reconfirmed it in a comprehensive study published in the journal Redox Biology. The team found that vitamin C imposes multiple stresses on TB bacteria such as hypoxia, acid stress (where the pH is reduced to around 5.5), oxidative stress (through the generation of H2O2 and reactive oxygen species), reductive stress (due to cessation of aerobic respiration) and metabolic stress. "As a result of these stresses, there is slowing down of metabolism leading to dormancy and further progression to viable but non-culturable (VBNC) state," says Prof. Tyagi. "Together, these stresses remarkably resemble the host environment that the bacteria would face."

In the lab, TB bacteria already exposed to vitamin C displayed resistance to two first-line drugs — isoniazid and rifampicin — as it progressed to a dormant state. Unlike these two drugs, pyrazinamide drug is capable of killing TB bacteria even in a dormant state. "The addition of vitamin C increased the population of dormant bacteria and this led to an eight-fold increase in pyrazinamide's ability to kill the bacteria. There was also a fourfold decrease in the minimum concentration (MIC) of pyrazinamide required to kill the bacteria even in an infection model," says Dr. Kriti Sikri from the Department of Biotechnology, AIIMS and first author of the paper.

In the presence of pyrazinamide alone nearly 90% of the bacteria survived but when combined with vitamin C, the survival rate in vitro dropped sharply to less than 3%. "Vitamin C induces dormancy and enhances the population of slowly growing bacteria or bacteria that are not growing. And pyrazinamide drug targets these bacteria bringing about sharp reduction in the survival rate," explains Prof. Tyagi. "The effect of vitamin C combined with TB drugs was reproduced in an intracellular model, which is akin to human infection. So, our findings acquire clinical relevance. When used along with other first-line drugs, vitamin C has the potential to shorten the treatment time."

Screening novel drugs

Besides improving the efficacy of existing TB regimen, vitamin C can help in producing subclasses of bacteria to test new drugs. For instance, due to hypoxia, the metabolism gets slowed down leading to reductive stress. Lipids are formed as a compensatory mechanism and the breakdown of lipids produces energy. The AIIMS team used novel inhibitors to prevent the breakdown of lipids for energy purpose and this led to the death of TB bacteria.

Similarly, dormancy can be induced by adding vitamin C. Dormant bacteria are able to reduce the effectiveness of isoniazid and rifampicin by pumping them out using efflux pumps. The use of vitamin C can help in producing a population of dormant bacteria which can be used for screening drugs that inhibit efflux pumps, which the researchers were able to do. "We were able to reverse the tolerance and restore the bacterial sensitivity to these drugs by treating the bacteria with either of two efflux pump inhibitors — verapamil and piperine," Prof. Tyagi says.

Likewise, vitamin C can be used for producing viable but non-culturable (VBNC) TB bacteria. Though VBNC bacteria are present in sputum samples they cannot be cultured and hence never identified leading to misdiagnosis. The VBNC bacteria can always reverse and cause disease. "Unlike reports that 100 days are required to produce VBNC bacteria, our model can generate them in just eight days, which can be used for screening drugs," Prof. Tyagi says.

First India-designed vaccine passes WHO test

For the first time, a vaccine conceived and developed from scratch in India has been "pre-qualified" by the World Health Organisation. The Rotavac vaccine, developed by the Hyderabad-based Bharat Biotech Limited last year, was included in India's national immunisation programme. To be "pre-qualified" means that the vaccine can be sold internationally to several countries in Africa and South America. While several vaccines from India have been pre-qualified, this is the first that was entirely developed locally and, according to experts, is a sign that there is a credible industrial, scientific and regulatory process in place to develop vaccines in India.
The Rotavac vaccine protects against childhood diarrhoea caused by the rotavirus and was built on strain of the virus isolated at the All India Institute of Medical Sciences here over 30 years ago. Krishna Ella, chairman and managing director of Bharat Biotech, said that about 9 million children in nine Indian States have been vaccinated. Some medics have raised concerns that the rotavirus vaccine carried a small chance of causing infants to develop a bowel disorder; but the Rotavac vaccine, having been tested in the field for over a year, have not shown any negative effect, he claimed.

**Tea growers seek help to fight climate change**
The tea industry wants the Centre to help it fight climate change, which is affecting crop output. The common ground between the large estates and small tea growers — now an emerging force in the Indian tea industry — seems to be the incentives they are seeking to support the farm practices that have become necessary to combat climate change.

Small tea-growers, who have begun carving out an increasing share in India’s total crop, are urging the Centre to adopt a more farm-centric approach — one which would assist a majority among them, who grow tea on less than an acre. “They are essentially farmers and they need schemes to protect them from the impact of climate change and resultant crop loss,” the Confederation of Indian Small Tea Growers Association said in a representation to the Centre. “We strongly urge the government of India to implement crop insurance schemes and invest in preparing farmers.”

**Irrigation facilities**
As erratic climate continues to affect output, the industry’s focus is on creating irrigation facilities and on replanting the older tea bushes. Almost 38% of the area under cultivation comprises tea bushes which are more than 50 years old. While the younger 10-year-old bushes cover 26% of the area, about 9-10% each fall in the intervening decadal categories spanning 11-50 years. The age of a bush is directly linked with yield.

Industry gets support for its investment in this regard through income tax deductions, with the floor limit set at Rs. 25 crore. This limit ought to be removed so as to enable investment in plant and machinery for irrigation, according to the industry. The problem of small farmers having to face heavy crop loss due to recurring instances of hailstorms, frost, rains and droughts, in the absence of any system to compensate them, is another concern.

“We strongly urge the government to implement crop insurance schemes and invest in measures that would prepare farmers to face the challenge of climate change,” the growers’ body said. It also wanted the government to declare minimum support price for green tea leaf produced by small growers.

According to the Tea Board, small growers accounted for 44% of the 1,250.5 million kg of tea crop in 2016-17. The organised tea industry, which is weighed down by social costs (mandated under the Plantation Labour Act and covering areas like housing, medical, potable water and subsidised rations), is also keen to see some direct tax relief for these expenses. Customs duty on specified machinery was 5% in 2003 and through yearly extensions continued at this level till 2011. Industry contends that the moderate increases in price do not cover the rise in inputs costs.

In respect of GST, the industry has sought some simplification and removal of anomalies that are affecting exporters. On the value-added export front (tea bags), industry is looking for concessional duty on filter paper, multwall paper and nylon cloth which is required for making tea bags. “These products are either not available in the domestic market or of poor quality. Total duty incidence on these papers is very high making India uncompetitive,” industry said.

**IIT Kanpur team finds possible cause of neurodevelopmental disorders**
Bone morphogenetic proteins (BMP) are secreted signalling molecules which are already known to regulate the production of neurons from neural stem cells. Now, using mice models, a team of researchers led by Prof. Jonaki Sen from the Indian Institute of Technology (IIT) Kanpur has found that BMP signalling is active in the cerebral cortex during embryonic development as well as during later stages of development after birth, too. They found that BMP signalling regulates three processes — the migration of new-born neurons from stem cell niche to their destined place in the cortex, polarity (the axon forming the base and the dendrites forming the apical or top side) of neuronal cells, and branching of dendrites in the upper layer neurons of the cerebral cortex.

The cerebral cortex has six neuronal layers formed in an inside-out manner. The early-born neurons form the outer-
most layers. So any perturbation or delay in the migration of new-born neurons results in disturbed layer formation and lack of proper connectivity between neurons. Similarly, when polarity (alignment) or branching of dendrites is affected, the neurons will not be able to form proper electrical connections. Though there are other factors that determine migration and polarity, the role of BMP signalling in these two processes was not known till now.

**BMP signalling**

“BMP signalling was previously known to play an important role in the early development of the brain. Our study is the first to show that BMP signalling plays an important role in cortex development by regulating the migration of newborn cortical neurons and the establishment of polarity in the upper layer of cerebral cortex,” says Dr. Monika Saxena from the Department of Biological Sciences and Bioengineering at IIT Kanpur and first author of the paper published in the journal Development.

“There are many neurodevelopmental disorders linked to aberrant migration of neurons such as lissencephaly, autism, epilepsy and schizophrenia,” says Prof. Sen who is with the Department of Biological Sciences and Bioengineering. “We now know that inhibition of BMP signalling leads to delayed migration and this may be one of the causes for such disorders. Thus, it might be possible to prevent or treat these diseases if further research is carried out.”

**Two pathways**

BMP signalling can be through two pathways — phospho-SMAD or LIM kinases. When BMP signalling was totally inhibited, both the pathways were affected. As a result, all the three processes — migration, polarity and neurons not making enough branches — were affected. To understand the role of each pathway in affecting any of the three stages of neuronal development, the researchers selectively blocked one pathway at a time.

“Both pathways have a role in the migration of neurons. When only one of the pathways was blocked, migration was affected but to a lesser extent than when both pathways were inhibited,” Prof. Sen says.

In the case of polarity, inhibiting the LIM kinase pathway seemed to be less effective than inhibiting the phospho-SMAD pathway. “Using mice models we determined that the phospho-SMAD pathway was more important than LIM kinase pathway for polarity establishment,” Prof. Sen says.

But the reverse was true in the case of the branching of dendrites. Inhibiting the LIM kinase pathway had a greater effect on dendrites branching than inhibiting the phospho-SMAD pathway. The researchers found that BMP signalling seems to selectively regulate migration of upper-layer neurons. The migration of neurons to form the lower layers, which are the first to be formed, is not affected even when BMP signalling is blocked.

Even when both the pathways of BMP signalling were blocked, migration was only delayed and not completely stopped. But the delay in migration causes problems. “When neurons finally reach the upper layers (layer II/III), they don’t have proper polarity,” Prof. Sen says.

**Evidence in mice**

The gestation period in the case of mice is 20 days. The migration delay was seen two days after BMP signalling was blocked on gestation day 15.5 and continued till at least the day of birth. Disturbed polarity was manifested on the sixth day after birth. Defects in dendrite branching was first seen 15 days after birth and fully manifested 21 days after birth.

“BMP signalling is involved in regulating multiple phenomena at different stages of cortex development,” says Prof. Sen.

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**Honey to heal wounds in diabetics**

Honey, a traditional medicine used for thousands of years, has now been proved to heal wounds as well. Researchers from IIT Kharagpur have reported that honey can be used for healing wounds in diabetics. Treatment of diabetic chronic foot ulcers is an unmet clinical challenge and often leads to disease-associated amputations. In diabetic patients, the micro- and macro-vascular alterations cause nerve damage and tissue hypoxia. The abnormalities in the inflammatory pathways lead to development of infectious non-healing foot wounds. Diabetes also affects the synthesis and alignment of collagen fibres which are the main requirements for wound healing. The research published in Wound Medicine reported that honey improves collagen synthesis thus helping wounds to heal.

**Healing honey**

“We first characterised the physical and chemical properties of honey. Honey contains amino acids like proline, arginine and glutamic acid. The ascorbic acid in the honey stimulates the quick maturation of collagen fibres needed for wound healing. It can also prevent scarring and minimises hypoxic assaults on cells,” says Dr Jyotirmoy Chatterjee, Associate Professor at the School of Medical Science and Technology, IIT Kharagpur.

Animal studies have shown that an acidic pH (3.3-3.9) reduces protease activity and increases release of oxygen.
to promote tissue regeneration and growth of fibroblasts. Topical application of honey caused this acidification and this might be responsible for promoting wound healing. Antioxidant content and radical scavenging activities of honey possibly play a crucial role in controlling over production of reactive oxygen species in diabetic wounds and helps in angiogenesis. Imaging studies showed that honey-treated wound bed achieved organised collagen distribution like normal skin.

"Further tests have been carried out using cell culture, in vitro gene expression and in vivo studies on human subjects," says Dr Chatterjee. The researchers have developed a honey-based film/membrane, which can be used as a wound-healing patch. The patch has been patented. According to Amrita Chaudhary, one of the authors of the paper, work is one to characterise the bioactive constituents of different Indian honey samples such as polyphenolics and sugar and developing honey-incorporated silk fibroin patch. The patch has nano-patterned and micro-pillar substrates with improved cellular compatibility.

"Honey embedded silk fibroin patch with micro-pillar matrix acts differentially on normal and fibrosis associated fibroblasts,” says Monika Rajput from the lab. However, the molecular pathway through which the honey endorses collagen regeneration is yet to be investigated.

Star molecule from IIT-M
It is a marvel of synthetic chemistry that today we can build molecules pretty much like we make up structures with building blocks. Using this method for their science at Dillip Kumar Chand’s lab at the Department of Chemistry, Indian Institute of Technology Madras, researchers have made a molecule that looks like a five-pointed star with its tips truncated. All you have to do to build the molecule is to get together the component molecules and ligands and shake them with a solvent in a “one-pot.” Of course, the hard work is in knowing what components you will add to the solvent and in what measure. Prof. Chand’s team calculated the structures using the density functional theory, to work out the architecture of the molecule they were building.

**Designer molecules**
Such designer molecules with cavities in them can be used for drug delivery. Prof. Chand explains: “Molecules having a cavity are used for binding the guest [molecule] and transporting the guest to another site.” For example, binding a drug and delivering the drug. In building this molecule, the researchers introduce more than one cavity in a single molecule. This makes it more interesting.

In order to build the desired molecule, the team uses three components: One is palladium (II) which can bind to molecules at four places 90 degrees apart. The second is the molecule 4-4’-bipyridine which is like a rod that can bind at its two ends. And the last is the molecule 1,4-phenylenebis(methylene) diisonicotinate which is like a stick bent twice along its length and can bind to two molecules at its two ends. By throwing in five measures each of the three components, the team comes up with a star-shaped resultant molecule as shown in the picture. The use of palladium (II) itself is unusual and new. Further, binding it to two different ligands has never been done before. Normally, using a rigid rod-like ligand would usually yield a square arrangement but in this case it yields a pentagonal star-like arrangement. “Since we anticipated a pentagonal architecture, it excited us to put our full effort on the project. In nature there are many pentagonal structures whereas among chemicals, the pentagonal structure is very rare,” says Prof. Chand.

The team now aims to make different variations of this design and use the cavity for binding drug molecules and transport them to required sites. “Also, we want to utilise the related molecules in catalysis,” he adds.

**MHA-CYBERCRIME**
To deal with cybercrimes, the Union Home Ministry is planning to set up an apex coordination centre and has asked the States to establish a similar mechanism. It has also released Rs. 83 crore for setting up of a cyberforensic training laboratory-cum-training centre for police officers in each State.
Misc. News and Events

The lowdown on the fodder scam

The Rs. 950 crore fodder scam has been all about excess and fraudulent withdrawal of government money allocated to the Animal Husbandry Department (AHD) of various districts in undivided Bihar. The scam was meticulously executed with politicians, officials, transporters and suppliers of the Department in cahoots so much so that even cows, buffaloes and pigs were shown in bills as being transported on numbers allotted to scooters and mopeds. Most of the fake bills, however, persisted to the supply of fodder and medicines to the Department for animals. Hence, it is infamously known as the “fodder scam.”

It is said the scam had been going on since the 1970s but it came to light in 1992-93 when the then AHD Minister Ramjivan Singh in the Lalu Prasad Yadav Cabinet raised the issue in the Assembly and recommended a CBI inquiry. But the government, headed by Mr. Prasad, who also held the Finance portfolio, looked the other way. Later, in January 1996, the then Finance Commissioner V.S. Dubey directed the then Deputy Commissioner of Chaibasa (now in Jharkhand), Amit Khare, to investigate the excess and fraudulent withdrawal from the district treasury, and at the same time, a Public Interest Litigation (PIL) petition was filed by some Opposition party leaders in the Patna High Court demanding a CBI probe. In March 1996, the Patna High Court directed the CBI to probe the scam and a year later, in 1997, the CBI filed its first FIR in the Chaibasa treasury case which, eventually, unfolded the multi-crore fodder scam to haunt its alleged chief conspirator Mr. Prasad and others. In July 1997, Mr. Prasad stepped down and anointed his wife Rabri Devi as Bihar’s Chief Minister before surrendering to a CBI court and going to jail for the first time in the fodder scam cases. On December 23, 2017, he was convicted in another fodder scam case and sent to jail in Ranchi for the seventh time.

For Lalu Prasad, 69, a stint at the Birsa Munda Jail in Ranchi will put a lot at stake. At the personal level, it will be a challenging time as he has not been keeping well for some time. Also, other members of the family have been named as accused in different corruption cases, and investigating agencies like the Income Tax Department, the Enforcement Directorate and the CBI have been quizzing them in one or another case at regular intervals. Politically too, Mr. Prasad is passing through the most crucial time as last year he anointed his younger son Tejashwi Yadav as his successor. A former cricketer, Tejashwi Yadav, 28, is leader of the Opposition in the Assembly. He has his task cut out. With elections a year away, he has to keep the party together to counter the ruling alliance of the Nitish Kumar-led JD(U) and the BJP. Though both sons Tejashwi and TejPratap Yadav are new entrants to politics with little experience, they have managed to hold the reins in the absence of the party patriarch. The senior party leaders, too, have reposed faith in them, but only time will tell for how long.

Four other cases of the fodder scam are staring at Mr. Prasad, indicating that he may have to spend a longer time in jail. Mr. Prasad is named in six such cases and he has already been convicted in two — the Chaibasa and Deoghar treasury cases — for five and three-and-a-half years respectively. He may get bail in the present Deoghar treasury case from the Jharkhand High Court in the days to come, but he will have to go to special CBI courts in the other four cases.

As other family members too come under the scanner, the JD(U) and the BJP have been continuously slamming the family over their imminent jail term and also a possible breaking away of party leaders. But RJD leaders are putting up a brave face, saying: “Lalu lives in our heart and in his absence every party man will become Lalu Prasad.” Political observers buttress this fact, saying Mr. Prasad’s jail term will further consolidate his voters, both emotionally and electorally.

The end of the social news era?

Mark Zuckerberg, Facebook’s chief executive, said in an interview with The New York Times that he wanted the social network to focus on “meaningful interaction.” But his idea of what that phrase means is likely to differ from that of news industry executives and editors — and therein lays a conflict.

Media companies are bracing for the changes coming to Facebook’s News Feed — the column that appears when the site or app is opened — that will favour posts by friends over material from news organisations and other businesses.

“Nobody knows exactly what impact it’ll have, but in a lot of ways, it looks like the end of the social news era,” Jacob Weisberg, chairman and editor-in-chief of the Slate Group, said. “Everybody’s Facebook traffic has been declining all year, so they’ve been de-emphasising news.
But for them to make such a fundamental change in the platform — I don’t think people were really anticipating it.” Although Facebook users craved conversation and journalists gave them things to talk about, the relationship between the platform and media outlets was imperfect from the start.

Facebook became a news powerhouse with reluctance, and journalism executives allied themselves with it mostly out of necessity, given the 2 billion Facebook users who were often a screen-tap away from an article or video.

**Public matters**

Over the years, as Facebook and media companies entangled themselves with each other, users’ feeds that had once been filled with chatter about graduations, changing relationship statuses and other subjects belonging to the private sphere morphed into digital spaces rife with public matters — news! — and the endless and endlessly contentious comment threads that went with them.

The uncle you once looked up to, it turned out, had a habit of sharing rude memes that you did not want to see, much less Like.

That led to a problem for Facebook, which needs its users to linger so it can deliver more highly targeted ads — that’s how the company made a net profit of $10.2 billion in 2016.

Facebook says its changes will improve the “well-being” of its users. In an effort to usher in this new mood of online pleasantness, its product teams will drop the former goal of helping people find “relevant content” as they test the “meaningful interactions” thesis.

The shift in strategy comes, not coincidentally, after a year in which Facebook came under governmental scrutiny for its role in spreading misinformation and hate speech.

**Online propaganda**

Mr. Zuckerberg gave his interview to The Times as his company was preparing for a Wednesday hearing, the second Capitol Hill inquiry into the online spread of extremist propaganda. During hearings in the fall, Facebook told Congress that agents working for a Kremlin-linked company had disseminated content that reached an estimated 126 million users in the United States in 2016.

As a result of Facebook’s attempt to distance itself from an overheated news cycle and make a return to its friends-and-family roots, publishers who depended on it for traffic are likely to find themselves in trouble.

News outlets that have built a strong bond with readers and viewers through other means will be watching closely, to see whether the size of their audiences — and corresponding advertising dollars — will shrink in the coming months.

**Big implications**

“Changing the terms rapidly is really bringing into focus just how powerful the platforms have become and how the infrastructure is a very difficult place for publishers to operate and navigate,” John Ridding, chief executive of The Financial Times, said.

“That has big implications for how people receive news, where they find it and what the quality of their news is.” Facebook executives held off-the-record meetings with publications like The Wall Street Journal at the end of last year and spoke of renewing the focus on one-to-one communication among people who know one another over content distributed by publishers, according to a person who was familiar with these discussions but not authorised to speak publicly. Even after the heads-up, however, the specifics announced this week came as a surprise, the person added.

**Legal dilemma or political strategy?**

Addressing a public meeting in his home district Polonnaruwa on January 26, 2015 — a fortnight after his historic election victory — President Maithripala Sirisena made a strong case for reducing the term of presidency in Sri Lanka from six to four years, citing the example of Nelson Mandela who succeeded in pushing reforms in South Africa during a four-year rule. However, despite his insistence, constitutional experts and political leaders stuck to five years, he told the gathering.

Last week, three years since he assumed charge, President Sirisena sought judicial opinion on whether he can continue in office until 2021, essentially stretching his term to six years. It was to dispel confusion caused by two different views on the presidential term after the 19th Amendment to the Constitution was enacted, an official statement said.

The 19th Amendment, passed in April 2015, stipulated a five-year term for the President. Apparently anticipating doubt on the retrospective effect of the legislation, a section of the Amendment declares that “the persons holding office respectively, as the President and Prime Minister on the day preceding April 22, 2015 shall continue to hold such office after such date, subject to the provisions of the Constitution as amended by this Act.”

The Supreme Court held an open hearing. The Colombo-based Centre for Policy Alternatives made representations stating that the Amendment’s transitional provisions explicitly state that the five-year term limit applies equally to the sitting President. On the other hand, the Attorney
General said President Sirisena, who assumed charge on January 9, 2015, had already commenced the six-year term when the 19th Amendment came into effect. “The term of office is the term in force at the time the people exercised their franchise,” he argued, triggering criticism. Kumaravadivel Guruparan, senior lecturer and head, Department of Law, University of Jaffna, tweeted: “Confirmation that the AG’s department doesn’t care for the Constitution. It acts as lawyer for incumbent Govts forgetting that it represents the State and is paid from the public purse.”

**Political provocation**

Meanwhile, Mr. Sirisena stressed that he was ready to give up presidency “even today”. However, questions about the likely political provocation to his query loom large — especially since it remains unclear how, when and among whom the legal confusion surfaced in the first place.

A five-year term for Mr. Sirisena would expire in January 2020, before four and a half years of Parliament’s life. According to the 19th Amendment, the President can dissolve Parliament any time after the expiration of four and a half years since the first meeting of Parliament, in this case on September 1, 2015. However, ruling out any political motive, Cabinet Minister and general secretary of the Sirisena-led Sri Lankan Freedom Party Duminda Dissanayake told The Hindu: “There is nothing to read politically here. It is a legal matter and the President has a right to seek the Supreme Court’s opinion.”

But some others in the government are reading it differently. Requesting anonymity, a top government source said the move could be part of the President’s political strategy as his coalition government, formed with the traditional rival United National Party, becomes increasingly fragile. “To some of us, it seems like a message to voters ahead of local polls, that he has a crucial role for the next three years. It could also be a message to the UNP.”

**Brain imaging**

The brains of all the 42 participants were examined using the method called structural magnetic resonance, with the magnetic resonance imaging instrument at NBRC. This method allows the study of the size and shape of individual parts of brain. The so-called grey matter (GM) of the brain is a region full of neuronal cells, and contains areas involved in muscle control, sensory perception, memory, emotions, speech and decisionmaking. And connected to it is white matter (WM) — bundles of nerve cells that carry signals to GM. The hippocampus is a small organ located within the central region of the brain, and it registers and regulates emotions associated with memory (particularly long-term memory) and has front and back sections. The back part appears associated with better memory and supports recollection of memory. And the cortex, which is the outermost layer surrounding the brain (essentially a cover or envelope), with its tightly packed nerve cells, is responsible for higher thought processes such as decisionmaking.

The Indo-Italian team analysed the brain regions of the 21 Pandits and 21 control volunteers and found some remarkable differences between the two. They found the grey matter in Pandits to be denser and the cortex thicker than in controls, and the hippocampus regions, associated with long- and short-term memory was more pronounced. (Interested readers can access this paper free at <http://dx.doi.org/10.1016/j.neuroimage.2015.07.029>.) Indeed, a similar experiment, again using Vedic Pandit (this time in Houston, TX, USA), was done earlier by Dr Giridhar Kalamangalam and T. M. Ellmore (accessible free inFrontiers in Human Neuroscience, 2014 Oct 20;8:833. doi: 10.3389/fnhum.2014.00833. eCollection 2014), and they too noted thicker cortex in the Pandits than in controls.

Importantly, these changes in the brain are not temporary.
but stay for long. That means that the power of memory, decisionmaking, sensory perception and such would last longer in those who were trained earlier. Dr Danker and Dr Anderson, who were studying this aspect, actually titled their 2010 review as “The ghosts of brain states past; remembering reactivates the brain regions engaged during coding” (Psychol. Bull., 136, 87-102. doi: 10.1037/a0017937). Here coding refers to the earlier rigorous practice and memorising.

**Not special to Sanskrit**

It is also important to realise that one need not attach any special power to Shukla Yajurveda as a brain enhancer. Fifty years ago, a French scientist noted that Christian monks who chanted the Gregorian Chants have exceptional memory (though no brain scanning methods were available at that time). Further, it need not be verbal or religious chanting at all. It could be visual and spatial training too. Dr Eleanor Maguire and colleagues studied the brain structures of the taxi drivers of London, each one having gone through a vigorous and extensive course called “The Knowledge.” In this course, each driver is taught and had to memorise the spatial location of every street, monument and tourist spot across greater London before being given a taxi driver license. He needs no GPS; it is all in his hippocampus, GM and cortex. (Interested readers may access Proc Natl AcadSci U S A. 2000 Apr 11; 97(8): 4398–4403. doi: 10.1073/pnas.070039597). One is also reminded of how the multiplication tables we had learnt by rote in primary school in India comes in handy decades later when we go shopping in stores.

(Incidentally, several years ago, a scientist claimed that listening to the music of the European composer Mozart helps in memory and smartness and termed this the “Mozart Effect”. School children were asked to do some tasks while listening to Mozart, and they did better than when Mozart was not played. This led a rush by parents to music stores to buy and play Mozart to their children. Soon enough, it was found that the effect lasts only when the music was played; the kids felt more relaxed and smooth; after the music stopped, the effect vanished. The Mozart effect did not last long).

**Systemic exercise**

These studies also raise the possibility that we may exert or exercise our brains by doing “memory training,” even during later life when we are old, and need not have been Pandits, Gregorian monks or London cabbies. Indeed, the paper by A. Engwig and colleagues talks about how systemic mental exercise may induce short-term structural change in the ageing brain (in the journal Neuroimage.2010.05.041). They show memory trainees to have increased cortical thickness than controls do. Just as physical exercise helps our brawn, mental exercise helps our brain. So, let us seniors do word puzzles and games, learn (relearn) languages, practice music, chant Gregorian or Vedic texts (but in the proper chanda or metre), and our brains can still be young.

‘Mice, fruit flies have emotions’

To a standing-room-only audience that consisted of several research students and veteran life-science researchers, neurobiologist David J. Anderson, of the California Institute of Technology, drove home evidence from several experiments to argue that much behaviour—including aggression and the ability to tell males and females apart—were wrongly considered to be hardwired.

Moreover, he emphasised, it also wasn’t true that humans were the only life forms privileged with experiencing emotion. Mr. Anderson, who’s spent decades deciphering the neurons responsible for governing emotion, was the keynote speaker at the 8th Annual Cell Press-TNQ India Distinguished Lectureship Series.

Specific neurons in the brain region, called the ventromedial frontal cortex, in fruitflies, rats and mice were activated when these animals were coaxed into hostile situations or ones where they had the opportunity to court members of the opposite sex. The response of certain neurons was so predictable that Mr. Anderson and his colleagues were able to “read the minds of mice” merely by looking at the computer-generated brain images alone of the rodents.

“Given that such activity (aggression, sexual behaviour) is registered in the hypothalamus (a region of the brain connected with the regulation of hormones) of mice and they too are mammals like humans, these findings may have some relevance to behaviour,” he said in response to a question from the audience on whether the emotions of people could be manipulated.

Building on this, he noted, it could be possible to repurpose a drug—now commonly employed in the course of breast cancer therapy—to treat the anger and irritability that accompanies patients of post-traumatic depression. “Such a drug could likely be developed out of India or China because American companies have no incentive to work on testing these drugs as they are off-patent and may not bring in profit,” he added.

As part of the series, Mr Anderson — on his first professional visit to India — will be also be giving lectures in Bengaluru and Mumbai. He would be visiting scientific in-
stitutions in each city and meet with students and faculty to learn about the work going on in their labs. “The Annual Lectureship series is aimed at bringing the highest calibre of global scientists to interact and exchange knowledge with the Indian scientific community,” said a press statement from TNQ.

**Ashok Chakra for IAF commando who died in J&K**

India’s highest peacetime gallantry award, Ashok Chakra, was conferred on Corporal Jyoti Prakash Nirala of the Indian Air Force (IAF) who died fighting militants in Kashmir valley. This is the third Ashok Chakra for the IAF and its first for ground combat.

“The President of India has approved awards of 390 Gallantry and other Defence decorations to armed forces personnel and others on the eve of the 69th Republic Day Celebrations,” the Defence Ministry said in a statement.

In addition to the Ashok Chakra, this includes one Kirti Chakra, 14 Shaurya Chakras, 28 ParamVishishtSeva Medals (PVSM), four UttamYudhSeva Medals (UYSM), 51 AtiVishishtSeva Medals (AVSM), 10 YudhSeva Medals, 88 Sena Medals (Gallantry), one Nao Sena Medal (Gallantry), three Vayu Sena Medals (Gallantry), 40 Sena Medals (Devotion to Duty), 13 Nao Sena Medals (Devotion to Duty), 14 Vayu Sena Medals (Devotion to Duty) and 122 VishishtSeva Medals (VSM).

The Kirti Chakra was conferred on Major VijayantBist for foiling infiltration bid in Kashmir. The Army also got nine Shaurya Chakras while the IAF got three Shaurya Chakras. All three IAF Shaurya Chakras were conferred for Counter Insurgency (CI) duties in Kashmir.

Corporal Nirala was part of the Garud squad, a Special Forces unit of the IAF, and attached to a Rashtriya Rifles battalion in Jammu & Kashmir for counter-insurgency duties. On November 18, 2017, the Garud detachment launched an offensive against terrorists in Chanderger village of Bandipora district. An ambush was laid and Cpl Nirala positioned himself close to the hideout, thus cutting off possibilities of an escape by the terrorists. Six terrorists rushed out of the house, firing shots and lobbing grenades.

“Cpl Nirala, disregarding personal safety and displaying indomitable courage, retaliated with effective lethal fire and gunned down two category ‘A’ terrorists and injured two others,” the statement said. He was hit and died of injuries later. In all, six terrorists were killed in the encounter.

The President also approved one President’s Tatrakshak Medal (Distinguished Service) to Inspector General RajanBargotra of the Indian Coast Guard.

**Republic Day parade highlights: India showcases military might, cultural diversity**

Marching contingents, strategic defence weaponry and colourful tableaux were on display Friday as India celebrated its 69th Republic Day with a grand parade watched by thousands along with 10 ASEAN leaders who attended the event as chief guests. Prime Minister Narendra Modi welcomed the guests after which President Ram Nath Kovind unfurled the tricolour to a 21-gun salute. Cold weather conditions and dense fog failed to dampen the enthusiasm of thousands of spectators who witnessed the nearly one-and-half-hour-long Republic Day parade from the Rajpath to the Red Fort amid an unprecedented security cover, Lt. Gen. Asit Mistry, general officer commanding, headquarters Delhi area, led the march.

Here are the highlights from Republic Day celebrations today:

**11.37 am IST: Republic Day parade ends with a SU-MKI ‘vertical charlie’:** The Rudra Formation, the Hercules Formation, Netra, Globe Formation and several more formations by the Indian Air Force marked the culmination of the Republic Day parade.

11.15 am IST: Nagpur’s Baredi Folk Dance: The contingent from South Central Zone Cultural Centre, Nagpur, presenting the Baredi Folk Dance.

11.10 am IST: Women BSF personnel show their daredevilry at Republic Day parade: The Indian Border Security Force (BSF) Daredevils women motorcycle riders perform during the Republic Day pa-
10.00 am IST: The tableau of Kerala: The Kerala tableau depicting the tradition of Kettukazhcha, which are sculpted and decorated forms of six temple cars known as ‘Kuthira’ (horses), five Theru’ (chariots) and icons of Bhima and Hanuman.

10.02 am IST: The tableau for Gujarat: The Gujarat tableau at the Republic Day parade marked 100 years of Mahatma Gandhi’s Sabarmati Ashram in Ahmedabad.

10.05 am IST: The tableau for Maharashtra: The tableau for Maharashtra depicted the life and times of Chhatrapati Shivaji Maharaj.

10.34 am IST: Weapon-locating radar SWATHI:

10.34 am IST: BSF’s camel-mounted band: The camel mounted band of the Border Security Force (BSF) is the only one of its kind in the world.

10.40 am IST: The Delhi police band: The Delhi Police band leads the Delhi Police marching contingent.

10.44 am IST: Akash weapon system of 27 Air Defence Regiment: The Akash weapon system of 27 Air Defence Regiment (Amritsar Air Field), led by Captain Shikha Yadav and Captain Mohammad Yunis Khan. ANI

10.53 am IST: The tableau for Karnataka: The tableau for Karnataka depicted the state’s wildlife.

10.57 am IST: The tableau for Himachal Pradesh: The tableau for Himachal Pradesh depicting the Buddhism influence in the state’s Lahaul-Spiti region. Also seen is the Kye monastery.
10.05 am IST: President Kovind gives Ashok Chakra to family of Corporal Jyoti Prakash Nirala: President Ram Nath Kovind gives away Ashok Chakra, India’s highest peacetime military decoration, to wife and mother of Corporal Jyoti Prakash Nirala, a Garud Commando of the Indian Air Force (IAF) who died fighting terrorists in Jammu and Kashmir.

10.00 am IST: President Ram Nath Kovind has arrived at Rajpath: President Ram Nath Kovind has arrived at Rajpath where he was greeted by Prime Minister Narendra Modi. He was escorted by 46 Bodyguards on Bay and Dark Bay coloured mounts.

President Ram Nath Kovind with PM Narendra Modi. Photo courtesy: DD National

09.54 am IST: Asean leaders arrive for Republic Day parade

09.45 am IST: President Ram Nath Kovind on his way to Rajpath: President of India Ram Nath Kovind is arriving at Rajpath, escorted by 46 Bodyguards on Bay and Dark Bay coloured mounts. Raised in 1773, the president’s bodyguard is the oldest and seniormost regiment of the Indian Army. The chief guests of Republic Day parade, the heads of state/government of ASEAN nations, have started to arrive at Rajpath. They are being welcomed by PM Narendra Modi. PIB

09.31 am IST: Narendra Modi, 3 services chiefs pay tribute at Amar Jawan Jyoti:

09.29 am IST: Narendra Modi arrives at India Gate, lays wreath at Amar Jawan Jyoti: Prime Minister Narendra Modi has arrived at India Gate. He paid his tributes to the martyrs by laying a wreath at Amar Jawan Jyoti.

09.08 am IST: Rajnath Singh unfurls the tricolour at his residence in Delhi
9.00 am IST: Republic Day celebrations begin: Celebrations to mark the 69th Republic Day of India have started at Rajpath in New Delhi. Hundreds of people have assembled at Rashtrapati Bhavan grounds and along the Rajpath to witness the parade that will begin after the flag hoisting by President Ram Nath Kovind.

8.47 am IST: Stock markets to remain closed today due to Republic Day: India's stocks, bonds and currency markets are closed today for Republic Day celebrations. The markets will be closed for a long weekend and trading will resume on Monday. Sensex fell over 111 points, or 0.31%, to close at 36,050.44, snapping a six-session dizzying rally during which it scaled the 36,000-mark for the first time. Nifty lost 16 points, or 0.15%, to end the day at 11,069.65.

08.44 am IST: Republic Day parade: 23 tableaux, including those representing various states and ministries, will roll down Rajpath. Delhi is under tight security with thousands of security personnel keeping a vigil to prevent any terror strike or untoward incident during the celebrations. PTI

08.40 am IST: Women's motorcycle team to perform for the first time on Republic Day 2018: A women's motorcycle team comprising personnel of the Border Security Force will be one of the main attractions of Republic Day parade today. The team was set up at the Central School of Motor Transport, BSF Academy Tekanpur on 20 October 2016. PIB

A calligraphed Padmaavat preserved for posterity

Away from the violence and din surrounding the release of Padmaavat, a nearly 200-year-old copy of Malik Muhammad Jayasi’s 16th-century epic poem, on which the film is based, sits in the library of the JamiaNizamia Islamic seminary here. Records at the Jamia, which is itself a 140-year-old institution, show that the book was copied in 1239 Hijiri (Islamic calendar), which corresponds to 1823 CE.

The title finds a place in the library alongside over 2,500 books and rare manuscripts, one of which — on Islamic jurisprudence — is 700 years old.

Jayasi’s account

In the poem, the Sufi Jayasi speaks of Padmavati, princess of Sinhaldweep in Sri Lanka, and Ratansen, the King of Chittor. After hearing of the princess’ beauty from Hiraman, a parrot, the king, who is already married to Nagmati, embarks on an arduous journey to Sinhaldweep, and later marries the princess. But there is a twist: Devpal, another king, too, has heard of Padmavati’s unmatched beauty and covets her. A battle ensues between the two kings. Meanwhile, a banished courtier seeking vengeance tells Alauddin Khilji of Padmavati and he marches to Chittor. But upon his arrival, he sees that the princess has committed jauhar.

The Jamia's library is on the first storey in one of several buildings on its sprawling campus in the Old City. There are several cupboards and shelves which contain books, most of them handwritten, on different disciplines. One has books on tasawwuf, or Sufi mysticism, written in Farsi, others house books on Arabic grammar, and a third has books on liturgy in Urdu.

But perched on a shelf marked adab, or literature, is Padmaavat. The poem, handwritten in delicate nastaliq calligraphy on ageing paper, is contained within fine boundaries in red ink. Its 216 pages, which narrate the tale, are largely well-preserved. It has also been digitised. The Jamia’s chief librarian of 20 years, Mohammed Fasihuddin Nizami, alumnus of the Islamic varsity, points out that the book belonged to its founder Maulana Anwarullah Farooqui.

Vast collection

Vast collection referring to Maulana Farooqui as Baani-e-Jamia, he says, “He was the vazeer (Minister) for the Umooor-e-Mazhabi (ecclesiastical affairs) in the Hyderabad State. He tutored the sixth Nizam Mir Mahbub Ali Khan and seventh Nizam Mir Osman Ali Khan. Once he was appointed Minister, it was realised that the Hyderabad State did not have a Jamia. The JamiaNizamia is a result of this realisation. This copy of Padmaavat is a part of his vast collection.”

Mr. Nizami explains how the book reached MaulanaFarooqui’s library. “While we do not know for how much [this copy of] Padmaavat was procured, Baani-e-Jamia was a Minister and he had the required resources at his disposal. He had men and money to procure books,” he says.