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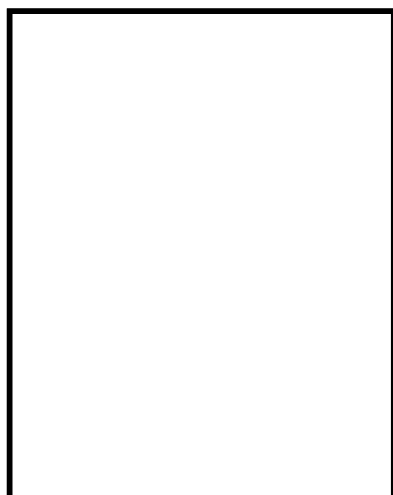
Swadeshi

PATRIKA

JUNE 2015

365 Days of Modi Government Steering India Through Troubled Waters





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One year of Modi Govt

Modi government has completed one year in office. It was in May 2014 that results of a fiercely fought lok sabha election was declared and almost surprising number of seats were bagged by BJP & NDA. It was an unprecedented outcome. Though the winds of change were blowing over the country for a pretty long time yet people were apprehensive. Even the political pundits, proclaimed experts, professional pollsters and almost every political party had no clue of ground reality.

Election campaign was indicating a shift in the mood of the people. Effective articulation of issues close to the heart of common man by Narendra Modi generated tremendous hope. A decade of misrule by UPA that demoralised people of India saw a chance to put an end to inefficient corrupt and dynastic rule and they grabbed it with proverbial both hands.

Now after one year it is time to have a reality check. Professional opponents and supporters of govt have tried to evaluate performance of Modi regime on expected lines. Based on their loyalties they praise or degrade the performance. But those who claim to be neutral must express their opinion based on merits of the parameters they chose for appraisal. Honest assessment of performance of any government must be beyond diplomatic stand of saying it is a mixed bag. Any action can be good or bad. Therefore it is necessary to praise the good moves and at the same time oppose bad policy decisions. Organisations like Swadeshi Jagran Manch must be appreciated for taking a public stand against various decisions of the government in spite of being the part of ideological Parivaar. This has enhanced the credibility of the Manch and its leaders.

– Manoj Dubey, Kanpur (Uttar Pradesh)

Pathetic condition of schools in backward areas

Education is an effective instrument of social change and it is the first and foremost responsibility of every Government to create conditions, infrastructure and atmosphere where every child irrespective of his caste, religion, financial or economic background, place of residence, is able to receive quality education so that he can play the role of a responsible citizen as he grows up. But it is sad that many schools, especially in hilly and mountainous areas falling under backward areas, are functioning sans adequate staff thus negating the very objective of equalisation of educational opportunities for the students studying there.

The result is that the hapless students studying in institutions falling in backward areas are deprived of their right to get quality education. Thus, the need of the hour is to post the teachers in these schools.

– Ankita Sharma, Chak Rakshwal

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Quote-Unquote



India will progress when our villages develop & agriculture shines.

Narendra Modi

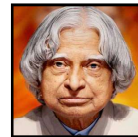
Prime Minister of India



Nobel certified men speak for what they are certified as great. If West wants its voice in India for its views it gives nobel prize

S. Gurumurthy

National Co-convenor of Swadeshi Jagran Manch



I was a disadvantaged child from a non-educated family; yet I had the advantage of being in the company of great teachers.

APJ Abdul Kalam

Former President of India



It was not my vote which turned the tables against the Vajpayee Government but the cross-voting of Prof Saifuddin Soz.

Giridhar Gamang

Former Chief Minister of Odisha

FDI in multi-brand retail

"You cannot escape the responsibility of tomorrow by evading it today."

— (Abraham Lincoln)

NDA Government led by BJP has retained the previous UPA regime's decision allowing foreign retailers to open multi-brand stores with 51 percent ownership. Instead of reversing the anti people move of the Congress led UPA government, the consolidated FDI policy released recently incorporates all policy changes effected over the past one year, that include raising of limits in sectors like defence, insurance and railways. The multi-brand retail, it may be recalled, was opened up for foreign direct investment, with a 51 percent cap, in September 2012, when the Congress-led UPA government was in power. Opposing the move fiercely the nation rose in revolt then. Bharat Bandh was organised by united opposition parties that was supported by even the allies of the UPA government. BJP was in the forefront of this resistance. "We will have retail stores owned by Europeans and Americans selling Chinese products and India would be a nation of sales boys and girls. All stores will be of global companies and we will become consumers of international products," Said Arun Jaitley the leader of Opposition in Rajya Sabha at that time. He went to argue, "Every change is not reform; some of that can be counter-reform." Arun Jaitley was not the only leader of BJP to condemn UPA for allowing FDI in Multi brand retail. Every leader was vehement in denouncing the move. BJP not only passed a resolution officially to express its displeasure and disagreement, but also reiterated its stand on foreign investment in multi-brand retail sector in its election manifesto last year. Therefore, the news of retaining previous regime's decision in the name of 'continuity' was a shocker for the people of this country including hardcore followers of Prime Minister and the Party. In a marked indication Finance Minister Arun Jaitley said BJP opposed FDI in this sector but governance involved elements of "responsibility" and "continuity" Therefore, the notification on the subject issued by the UPA government continued. Earlier Commerce Minister Nirmala Sitharaman had told a news channel that the government might consider a repeal of the UPA decision. "I will go back to the Cabinet and say 'should we delete one document'...I am not going to entertain any proposal in multi-brand retail," she had said. Speaking in multiple voices, as if to consciously deceive people, Chief Economic Advisor Arvind Subramanian also reiterated Finance Minister Arun Jaitley's stand and went a step forward to plead opening up the sector. It is pertinent to remind readers what DIPP Secretary Amitabh Kant has said, "In the last 8-9 months we have opened up every single aspect of India's economy. We have opened up our defence sector, construction, insurance, medical devices ... and other than multi-brand retail. India today is the most open economy in the world." Now even that stands unbolted.

Swadeshi Jagaran Manch continues to raise its voice against the anti -people move of the government. SJM has in a letter to the Hon'ble Prime Minister demanded the revocation of the notification. Retail sector is the largest job provider in India, second only to Agriculture. In a country where Self employment continues to be the largest single source of bread earning foreigners can not be allowed to take control of this sector. International retail giant will displace the existing employment structure without providing any additional jobs except for what Arun Jaitley had pointed out some openings as sales boys and sales girls. It is an open secret that The United States of America and the European Union have been staring at Indian retail market to control the food supply chain and the distribution of other items of daily utility in one of the world's largest markets, which accounts for over one-sixth of world's population. They have mischievously tried to rope in activists in the name of better choice for the consumers. But the fact remains that a fragmented market is always in consumer interest. A consolidated market restricts the consumer choices. Thus, if the number of establishments is reduced and consumer options are eliminated, consumer interests can't be protected. Similarly the producers and manufacturers will find themselves at the receiving end as the large MNCs will procure products internationally from wherever they get it cheap. Pitfalls of opening retail sector to Multi National companies have been discussed in detail in this country. In fact the people in government today have contributed sufficiently to this debate and established, beyond doubt, the adverse consequences of such a policy. There is no visible reason to suggest that situation has changed to an extent where even a review of not allowing FDI in multibrand retail is required. Government needs to convince the people that it is not any invisible hand that is dictation terms.

High-paced production but NDA's shop window needs brighter look

NDA's production house is full but show window needs to be beefed up. It is a mixed fare. The government has passed many bills to boost investor confidence, prices have come down, FDI inflows have increased, forex reserve is at a high, non-oil imports are rising, earnings through disinvestments – Rs 24,277 crore - create a record, industrial production has yet to move up and rupee continues to tumble.

It has been a year of consolidation for Prime Minister Narendra Modi's government. People have too high expectations. The government has the problem of breaking from the past, changing the approach to solve problems in a transparent rule-based manner, create a new system and end the previous process of rent-seeking. The political system that was keen on fast-paced changes to bring the economy on rail faced many obstacles.

Despite that the government has been able to restore investors' confidence in the Indian economy. Be it World Bank, IMF or rating agencies like Moody's and Standard & Poors have indicated a firm growth through policy changes. In terms of quantum, may be the NDA government may not have too many achievements to count but the few that has happened are indicative of a future that would possibly look for the better.

The past one year signifies two major initiatives – Prime Minister Modi's tour of 18 countries that increased the process of dialogue, commitments of billions of dollars of investment, new technology and turning India into a manufacturing hub through the Make in India in 25 sectors.

The second is the fall in inflation both in wholesale and retail signifying the beginning of increasing purchasing power – a requisite for boosting industrial production. He brought commitment of large investments from diverse coun-



The past one year signifies two major initiatives – Prime Minister Modi's tour of 18 countries that increased the process of dialogue, commitments of billions of dollars of investment, new technology and turning India into a manufacturing hub through the Make in India in 25 sectors, highlights
Shivaji Sarkar



tries like the US, China, Japan, South Korea, Australia, Canada, Mauritius, Singapore, the Netherlands, and some lukewarm responses from France and Germany. The European Union so far has not responded favourably.

The falling oil prices have wiped out so-called under recoveries (Was it ever there?). At least the alibi of the oil companies has vanished. It has created a new problem. At least in one case, the oil companies had to buy petrocrude at \$ 80 a barrel and sell it at \$ 60. This caused, according to the government, an outgo of Rs 30,000 crore. So the consumers had to be burdened with two hikes within a fortnight. It has its cascading effect on prices.

But Modi's move to generate solar power in a massive way might reduce dependency on oil in times to come. It should be considered a significant move on import dependence on petroleum and other fossil fuels. The beginning is encouraging. If it is sustained every Indian house would become a self-generating power unit freeing them of the atrocious power bills of monopolised companies. It should also be the beginning of an era in research in the energy sector that this country lacked so far.

It is a different question whether the country should go for nuclear energy or not but Canada's supply of 3000 tonnes of uranium over five years will help achieve continuous and sustained nuclear power generation. It may be recalled Canada helped set up Rajasthan Atomic Power Plant Station (RAPS) with Candu-type reactors in 1960s. But for the current supply, the plant load factor of N-plants was threatened to get re-

duced. Canada is the third country to supply uranium to India after Russia and Kazakhstan.

The FDI is being seen as key growth developer. The Modi government has allowed the FDI in railways and defence sectors, followed by labour reforms, complete deregulation of diesel prices and easing of FDI rules in construction. It has led FDI growth of about 40 per cent to Rs 1.76 crore in 2014-15 from Rs 1.26 crore in 2013-14. During the last fiscal, the Foreign Investment Promotion Board (FIPB) had received 350 proposals and 241 were cleared. Healthy inflow of foreign investments into the country helped India's balance of payments (BoP) situation.

Further the government has adopted ordinance route for coal sector reforms, to amend the land acquisition laws, to increase the FDI cap in insurance sector from 26 to 49 percent and for auction of mines of iron and other minerals.

Moving ahead on its reforms agenda, the government has also inched closer to its aim of rolling out the Goods & Service tax (GST).

Several other initiatives of the government, including efforts to revive stalled projects, re-scheduling of premium payouts for road ventures and relaxation of environmental clearances have also alleviated some sector-specific concerns.

Effectively, the NDA has allowed companies operating in regulated sectors to increase foreign investments. This is because overseas Indians now fall outside the FDI ceilings and the space vacated by them can be filled by foreign investors. At the same time, domestic companies can attract investments from overseas Indians without violating foreign investment norms.

The underlying thinking is that this could stoke a fresh round of fund flows into the country.

India's current account deficit will "hopefully" be less than 1 percent of gross domestic product (GDP) in the fiscal year that begins in April, finance minister Arun Jaitley says. The deficit narrowed to 1.5 percent the 2015 first quarter from 2 per cent a quarter earlier on the back of slumping oil prices. Analysts said it should move into surplus for the first time in eight years.

The positives are many. Over 15 crore people join jandhan yojana, large numbers are keen on having Atal and other pension schemes and 12.5 crore are getting direct subsidy on LPG. The states are getting 48.5 per cent of the total central tax kitty from the present 37 per cent. They also have more flexibility in implementing even central schemes.

Somehow, not all has touched the hearts of the people. They want Modi to do more for the labour, just not the government servants who would get a bonanza thru seventh pay panel in 2016; farmers, who have many apprehensions, though land bill is touted to benefit them more; common man, who has yet to feel the fall in statistical inflation; the income tax payers, who want it abolished; and the poor, who want freedom of their bank accounts from TDS.

The government is not having easy time. Some of its friendly organisations want the government to have a more pro-people look and also come out of bureaucratic web to serve them faster. That would be the task the government have to address in the coming months to give a bright look to the shop window. □□

Narendra Modi's 365 Days – from Minus 5 to Plus 7

As Narendra Modi took over as Prime Minister three biggest challenges confronted him from day one. One, demonisation of him by the media and others abroad. Two, national economy in ventilator. Three, lakhs of crore of bank funds locked in the stalled projects, most of them hit by scams of the UPA. The aggregate effect of the negatives meant that Modi Government began with a minus score of 5 if not more on day one. The only plus point that he had had was the absolute majority that the voters had given to the BJP. But that also proved to be an additional challenge as, having given him that kind of mandate, the people expected a 10/10 magic from him on the back of a (-)5/10 backlog. See how with this triple handicap at the start, Modi has fared in his first 365 days.

The first was the huge credibility gap on him created by the decade-long vicious media campaign against Modi in the countries, good relations with whom is critical to India's development efforts. This scar on Modi was not easily erasable. And without a sense of remorse that its past role had become a great hurdle for Modi to perform as Prime Minister, the very media claims to be neutral to judge his one year performance! Some even made fun of his global strategy to undo the damage they had caused to him and called him a non-Resident Prime Minister—echoing the Congress voice! The other huge minus score Modi started with was the domestic economy in ICU bequeathed by the UPA. Atal Bihari Vajpayee-led Government had left a surplus of \$ 20 billion on the external front, for the first time since 1977, a GDP growth of 8.5 per cent and job additions of by 61 million in five years. But at the end of the 10-year UPA rule, the economy was on ventilator for Narendra Modi to nurse it back to life. Against the current



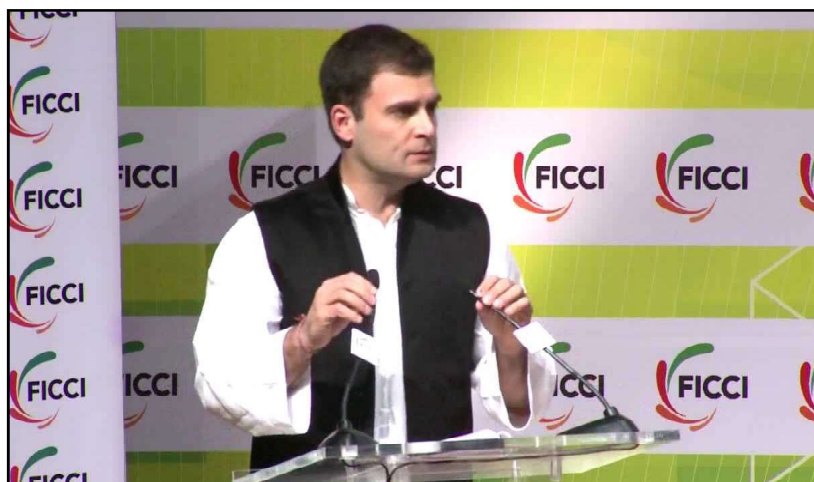
Modi had inherited a huge minus score when he assumed office last year. The neutral media would never write a word on the minus scores and how he turned them positive—a great achievement in itself, delineates
S Gurumurthy



account surplus of \$20 billion it inherited, the 10-year UPA Government posted a current account deficit of \$375 billion. Not because of high oil price or gold imports as the UPA had lied. Reckless capital goods import of \$670 billion in 10 years, much of it at zero-rated tariff, caused the current account havoc. The UPA record of high growth rate for eight years was phoney—jobless growth. The UPA Government added only 2.7 million jobs in the first seven years, against 61 million in Vajpayee's five-year rule. Foreign debt rose by four times to \$450 billion in UPA years. On top of the economy in ventilator, the UPA had left behind the 2G and coal scams "particularly the latter because of which hundreds of thousands of crores of bank funds had become frozen in stalled projects. This had completely halted the investment cycle.

Minus Score Abroad Turned Positive

Taking on the challenge of undoing the demonic imaging of him outside India by the media over a decade, and turning the opinion of the world powers in his and his government's favour has been the greatest achievement of Narendra Modi in his first year. More. He has reversed the negative score about him built over a decade into high positive scores — in just days, weeks and months. Unless Modi won the respect of the world, the very neutral media, which destroyed his respect in the world, would say that the world does not respect him! He started the correction process with his brilliant strategy to invite and successfully get all SAARC leaders to attend his swearing-in ceremony. By this master stroke he dispelled the



perception particularly in the US/ West that a government headed by him would not focus on good relations with neighbours— read Pakistan. Every geo-political move of Modi thereafter has been an outstanding success. Here is a glimpse of the takeaways for India from his global thrust. Modi visited Canada 42 years after the last visit by an Indian Prime Minister. His visit to Nepal, India's closest neighbour, was decades after his predecessor's. It was more or less so with Australia, Fiji and Sri Lanka.

The kind and range of economic and strategic benefits that India has gained in the last 12 months had been rare for a long time in Indian diplomatic history. Australia and Canada will supply 3,500 tonnes of uranium to India. Canada will give visa on arrival to Indian tourists. The US will stop tracking India's nuclear fuel. It has accepted India's position on nuclear liability, which has opened up investment in billions for 16 nuclear power projects. Japan is investing \$35 billion in India. China \$20 billion. France \$2.2 billion. Airbus will up its outsourcing to India to \$2 billion. To contain trade deficit with China, India will be free to use genuine anti-dumping measures.

The UPA record of high growth rate for eight years was phoney—jobless growth.

India will get Iran oil against rupee payment. It will also build Iran's Chabahar Port and get exclusive access to its Naval ships. India will also construct four Hydroelectric dams and power stations in Bhutan and share major part of the green energy that they will yield. Again, India will build the world's biggest dam in Nepal and share over 80 per cent of the green power generated for free. Vietnam is giving oil exploration contract to ONGC-Videsh. India has persuaded Saudi Arabia to stop charging "on-time delivery premium charges". It will save thousands of crores for India. All these gains have accrued in just 365 days overcoming the huge negative scores at the start. Modi's rallies of people of Indian origin in the US, Australia and Canada were unprecedented in geo-political history. Tens of thousands with Indian blood sang Vande Mataram and Jana Gana Mana on foreign soil demonstrating their ethnic and national pride



***Media
unanimously
agree that there
is no
ministerial
corruption
now.***

and confidence. Without the geopolitical thrust would the minus scores abroad have turned hugely positive? Yet sections of media have tried to undermine his global thrust and even made fun of his frequent foreign visits! His Yemen relief operations and Nepal earthquake relief emphasised his growing global stature.

Qualitative Paradigm Shift

On the domestic front where Modi had had the minus scores with the economy in ICU and the scars of the scams, he quickly effected qualitative changes. He had promised good governance. Even the adversarial media unanimously agree that there is no ministerial corruption now. Corruption is crass. But favouritism is insidious. It operates stealthily and through lobbies and friends. Modi has come down hard on snooping corporates—the high and the mighty—for prying into government's functioning, stealing documents and surreptitiously moulding government decision-making. Modi has hedged against any industrialist, however, powerful and mighty, from overawing the system. Ambani could not get from Modi the gas prices Okayed by the previous government. Instead, they had to face penalty of Rs 3,500 cr. A newspaper not best known

for its positive views on Modi studied and reported “industrialists and lobbyists are no more seen around in government buildings”. A colleague of Modi gloated, “The parade of industrialists outside the South Block and North Block is over. The corridors are empty. The silence is cheery.” A paradigm shift. Not just change. Is it not surprising to hear the charge that Modi Government is pro-businessmen!

Rs 4 lakh-cr Unlocked

Undoing the scams of the UPA Government and new policy initiatives have been Modi's twin thrust on the domestic front. The two UPA scams—the spectrum scam and the coal scam—have been corrected by a faultless auction route. The spectrum auction yielded a revenue of over Rs 1,00,000 cr. The coal auction to private parties and allotments to state owned entities, covering 67 of the 217 blocks gifted away by the UPA, has yielded Rs 3,35,000 cr royalty to the state governments and Rs 69,000 cr as tariff benefits—unlocking a gain of Rs 4,00,000 cr to the public. But those, who fraudulently passed on the valuable resources to hand-picked businessmen, are charging Modi Government which has got back Rs 4 lakh cr from them, as pro-business. Ironic.

India-specific Initiatives

The socio-economic initiatives of Modi Government are innovative and varied. The prominent among them are: the Jan Dhan Yojana [JDY]—banking for unbanked; MUDRA Bank—funding the unfunded; payment of subsidies through bank accounts; accident insurance of Rs 2 lakh at a throw away premium of Rs 12 per year; life insurance for Rs 2 lakh at an annual premium of Rs 350; public pension scheme with government contribution; gold monetisation scheme; black money law; Make in India initiative; marking LIC funds for Railway infra. These initiatives are based on the Niti Aayog philosophy to adopt what works in and for India and not simply import economics in SKD and CKD form not adaptable for India. Just take two innovative ideas. The JDY is India-specific banking solution. No foreign expert would approve of bank account for someone, who has no money to deposit. But in India bank account is needed to target relief to the poor, who cannot open a bank account. The success of JDY opens the possibility of the success of all pro-poor schemes. Over 15.6 crore bank accounts have been opened under JDY in less than 10 months. A stunning record.

Accounts with nil balance, 76 per cent in September 2014, were down to 54.6 per cent in May 2015. In the past the cashless accounts used to top 95 per cent. The most promising initiative is the MUDRA Bank—an India-specific financial model. It is devised to fund the hitherto unfunded 57.7 million micro and small business entrepreneurs, who are the back-

COVER STORY

bone of Indian economy. More than half of them operate in villages. They generate 128 million jobs, over half in rural India. They include carpenters, blacksmiths, masons, auto-mechanics, cycle mechanics, vegetable vendors, washer men, small traders, electricians and hundred others of that type. They pay exorbitant interest rates ranging from 30 per cent to even 360 per cent as banks do not fund them. The moment MUDRA refinanced low rate loans are available in the market, the interest rates charged to them by existing private lenders too will crash. . Not many are aware that long term LIC funds are invested in short term stock market investments. LIC holds stocks of Rs 15 lakh cr. Its funds are meant for long-term infra investments. Modi Government has persuaded the LIC to invest Rs 1.5 lakh cr in Railways in three years.

Again a huge shift in economic thinking. Manufacturing jobs had fallen by 5 million instead of rising in the UPA rule. Modi is attempting a correction through the Make in India policy. Manufacturing has potential to generate 90 million jobs in 15 years. The thrust seems to be having a positive effect on jobs. Online recruitment in the manufacturing sector shows a 62 per cent rise April as compared to the earlier year. Inflation has come down substantially. Half the fall is due to soft oil prices, but the other half due to anti-inflationary policies. The world is noticing India's turnaround. The Economist magazine, which virtually wrote off India in 2013, now says that, according to the World Bank, Indian growth story will be fastest for the next 15 years, with India soon replacing today's topper China. Modi Government started with

a score of minus 5. His first year score is not to be calculated with Zero as the base, but with minus 5 as the base. He has risen from minus 5 to plus 7. A caveat: Two serious concerns remain. The BJP did not do proper home work on the Land Bill. It did not judge the mood of the Opposition, failed in its communication to people and began changing the Bill in instalments allowing the Opposition to consolidate itself. This has certainly cost the BJP couple of points. Two, the investment cycle largely remains stalled. Result: Banks have funds which they cannot lend; business needs funds which it cannot get. This catch-22 situation has to be handled to release the investment energies of the economy. The sooner the Land Bill is sorted out and the investment cycle starts, the better it is for Modi Government—and the country. □□

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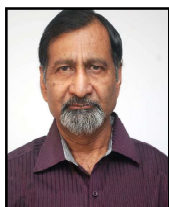
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MIM: Is Muslim league in Makin

Once limited to Hyderabad City in Andhra Pradesh, the Majlis-e-Ittehadul Muslimeen (MIM), a political party, has spread its wing in Maharashtra and is likely to enter in national politics in a big way. For many, this is a surprise and for many this is incidental and need no mention. Many will still undermine MIM's presence and their claim to represent Indian Muslims. As is known, Indian polity is not straight and Indian Politicians play politics for power. 'Divide and Rule' was the strategy of British but Indian politicians has cleverly used this to win elections and rule India. Indian backward castes and poor Indians suffered lot due to this 'divide and rule' politics but real victims are Indian Muslims. This is the first time in Indian electoral history that BJP won parliamentary elections on 'development' plank and that seems changing Indian polity. MIM can be said as first one to understand the meaning and message of this election and is preparing itself to break the attitude of Indian Muslims that trusted parties and politicians in the name of secularism and voted in block for their win in elections. MIM also intend to encash poverty and backwardness of Indian Muslims and pose to be their real representative. It is good if MIM is serious about the development of Muslim community in India and can play a positive role in Indian polity. Its role, however, will be doubtful if it only provokes Indian Muslims by propagating their victimisation so to play divisive politics. In that case, MIM will be the Muslim league in making. And then, every Indian, Muslims and Hindus and all others including their representatives and leaders need to be alert.



MIM can play a positive role in Indian polity if it is serious about the development of Muslim community.

Its function, however, will be doubtful if it only provokes Indian Muslims by propagating their victimisation so as to play divisive politics, believes

Anil Javalekar

Majlis-e-Ittehadul Muslimeen (MIM)

The All India Majlis Ittehad ul Muslimeen (AIMIM) has its origin in Nizam state of Hyderabad with a cultural and religious manifesto and is known for its alignment with the Muslim League in British India. The Majlis was dissolved in 1949 due to the prevailing political situation and was revived in 1958 by Maulvi Abdul Wahed Owaisi, a notable lawyer and graduate from Jamia Nizamia, Hyderabad. The party's website (<http://www.aimim.in/about-the-party/history/>)



describes itself as a political party dedicated to protect and advance the rights of Muslims, Dalits, BCs, Minorities and all other underprivileged communities in India. It also expresses its true faith and allegiance to the Constitution of India and its strong belief in the nation's secular democracy. The party is mainly run by the Owaisi family as Maulwi Abdul Wahed Owaisi was succeeded by his son Sultan Salahuddin Owaisi and again by his son Asaduddin Owaisi who is party president since 2009. The AIMIM has consistently held one Lok Sabha seat (Hyderabad constituency) since 1984. As regard to the 2014 elections, the party own one loksabha seat and 7 and 2 assembly seats from Telengana and Maharashtra respectively. The party's progress is notable in recent elections. In April 2015, it emerged as the second largest party in Aurangabad Municipal elections (Maharashtra), with 26 seats in a 113-member Municipal Council. It contested 54 seats and won almost half of them.

The rise of MIM is important

The MIM is rising and it is better for Indian polity not to ignore it. Importance is also because it is craving to represent Indian Muslims, a religious group that has always kept its separate identity in independent India and voted mostly in block in major elections. There is no denying that Muslim Politics for truer representation in Indian democracy for the benefit and progress of Muslim community is good and Muslims and their parties like MIM have the right to represent. The danger is not in Muslim politics of development but in propagation of religious vic-

Indian Muslims remained vulnerable to vote bank politics

timization and acting on two nation theory that has already led to India's partition in 1947. MIM's likely failure in improving on Muslim politics that has been played so far will be a matter of concern. More serious will be MIM's failure in playing politics of unity and nation building.

Muslim community remained vulnerable to Indian politics

India has the history of partition and Muhammad Ali Jinnah's Muslim League played the game of two nation theory. This start of divisive Muslim politics by Muslim leaders in the pre independence era created fears in the minds of Hindus and nationalist Indians that still lingers because many Muslim leaders from Indian Muslims refused to merge with Indian national ethos after partition and continued provoking Muslims for their separate identity in independent India. Additionally, the divisive vote bank politics by Indian political parties and politicians also kept Muslim community isolated from Indian economic development process. Most of the time, this politics simply ensured Muslim's backwardness and poverty and saw that their mistrust on neighbourly Hindus increases. Indian Muslims remained vulnerable to vote bank politics and faced political exploitation. Therefore, foremost task is to minimise this vulnerability of Indian Muslims and help them participate in nation building.

Indian Polity must change for better

First, make Indian polity realise the dangers of vote bank politics. India is a democratic country and its representative democracy is based on electoral politics. The functional principle of this representative democracy is its majority rule and 'vote bank' politics help to get that most sought after majority. Incidentally, Indian Muslims form a solid group that can influence counting of this majority number and Indian political class has cleverly used this option. Indian Muslim leaders are no exception to this use. It is to be remembered that Muslim politics by Muslims to get sufficient representation to help Muslim community participate in development is one thing and politics of Muslim vote bank by all others to get majority number simply to gain power is another. First is positive idea, if not divisive, and may benefit Muslim society and the nation but another is simply destructive and dangerous to India as nation and Indian democracy.

Realise that Nation is above religion

Second, make Indians realise that India as nation is above religion. Some sections of Indian Muslims always propagate the idea that Muslim is first Muslim and then Indian. Treating religion above the nation is a dangerous idea because it creates confusion in the minds of Indian Muslim youth and make them take 'Jehadi path' and join international terrorist organisations that many times work against their own country and their own community or neighbourhood people. Nation is an important identity and everybody's fate is more linked with the fate of

country than with religion. Indian Muslims are Indian first as all others and will remain so. The propagations that Indian Muslims have identity other than 'Indian' and they are the part of so called Islamic world is greatest illusion. There is in fact no Islamic world as such and no other country, Islamic or other, even Pakistan, will accommodate Indian Muslims within their territories now or any-time in future. The developed countries like USA and UK are more accommodative and liberal for that matter while giving citizenship to migrants. Muslim leaders need to understand this fact and guide Muslim community to get rid of such false identities.

Make all citizens equal

Third, treat all Indian citizens equal in all aspects of life. Allowing religious identity in politico-socio-economic life has crippled citizen's rights and it is time to keep religion within the walls of home and or prayer and worship places as intended by Indian constitution. It is important to see that the religion is not interfering in the rights of citizens and their freedom of religion and that citizens are saved from religious dictums. Secularism with all its meaning mainly expects enlightened citizenship that love democracy. The acceptance and implementation of section 44 of Indian constitution that provides for Uniform civil code for citizens will be the first requirement. Religious leaders as also politicians are the hindrance to such a citizenship and not Religions.

Development of all communities is important

Fourth, aim development of all communities. There is no deny-

ing that Indian Muslims need attention as regard to their participation in Indian socio-economic development. The Sachar Committee Report (SCR) outlined that Muslims across most parts of India, as a community are deeply impoverished and suffer from huge illiteracy, a high drop-out rate, depleting asset base, below average work participation and lack of stable and secure employment. Their deplorable situation is further compounded by their limited access to government schemes and programmes, poor credit flow from public banks and other financial institutions and meagre share in public employment. Indian politics of vote bank is responsible to some extent for many of these status indicators. Indian Socio-economic development is a national commitment and all Indian citizens are equally desirous of this development. Nothing, including the religious practices and faiths, should be allowed to come in the way of development.

Play politics for nation building

Fifth, help play politics for Nation building. Indian Politicians including Indian Muslim politicians and their parties need to do more in this regard. Indian freedom fighters wanted to make India a great country. Mahatma Gandhi also talked about 'Ramrajya'. 'By political independence I do not mean an imitation to the British House of commons, or the soviet rule of Russia or the Fascist rule of Italy or the Nazi rule of Germany. They have systems suited to their genius. We must have ours suited to ours. What that can be is more than I can tell. I have described it as Ramarajya i.e., sovereignty of the people based on pure moral

MIM is trying to claim the representation of Indian Muslims

authority' said Mahatma Gandhi. For him 'Ramrajya' is undoubtedly one of true democracy in which the meanest citizen could be sure of swift justice without an elaborate and costly procedure. Aiming and marching towards this status is nation building and entire political frame work is meant to make this dream come true.

Hope MIM will play a positive role

MIM is trying to claim the representation of Indian Muslims and talked about taking all other depressed casts and classes along. Indian Muslims as Indian Hindus so far not allowed extremist elements to control and play a dominant role in Indian polity. Indian citizens particularly Hindus and Muslims will hopefully continue to keep distance from such parties and politicians and will definitely remain alert to their false promises. There are lot more things to be done for Indian prosperity and it is necessary that all political parties and politicians desirous of representing Indians or even Hindus or Muslims, play a constructive role. Desirable that MIM avoid provoking Muslims for their separate identity and do more for their participation in nation building. If they cry only for Muslim's victimisation and crave for their separate identity, they may be playing the role once played by Jinnah's Muslim League. Hope MIM is not another Muslim League in making. □□

Knots and Glitches Remain in Indo-Aus Nuclear Deal

The Indo-Australian nuclear agreement was signed on September 5, 2014, during the New Delhi visit of Australian Prime Minister Tony Abbott. Article XIV of the agreement provides that it will enter into force on the last date upon which the parties notify each other that their domestic requirements have been met. During the last two months the agreement is being debated in the Australian parliament.

The treaty-making procedure in Australia devised in 1996 requires all agreements/treaties to be subjected to a National Interest Analysis (NIA). The NIA report observed India plans to generate about 27.5 gigawatts by 2032 from nuclear reactors that will largely depend on imported uranium. India is thus a vast and reliable upcoming market for Australian uranium. Australia's current uranium exports worth about \$700 million per year is stagnant but annual export to India is expected to touch over \$114 million during the next two decades. The NIA report further says the agreement is in full compliance of global non-proliferation requirements and it would lead to an effective strategic partnership between the two countries. The agreement was open to public comments before submission to the Joint Standing Committee on Treaties and then to the parliament for approval and ratification.

Australia holds 31 per cent of world's uranium deposits and is currently exporting to 41 countries including the US, EU, Canada, Japan, South Korea and China. Australia has faced tough domestic problems in mining uranium, particularly on the environmental aspect and non-proliferation. In the circumstances the Australian government appointed the Justice Russell Walter Fox inquiry committee for devising a policy on uranium export and mining. The first report released in October 1976 recommended no sale of Australian uranium to any country not signatory to the NPT. It further recommended that the exports should be subject to the fullest and most effective safeguards agreements supported by fully adequate backup safeguards to apply to the entire civil nuclear industry in the importing country. The report also dealt with limitations and weakness of the existing international safeguards and concluded that the problems "are so serious that the existing safeguards may provide only an illusion of protection". It is noteworthy that Australia had already signed the IAEA Safeguards in July 1974 and had applied it to its all nuclear activities but such a scathing comment from the Fox Committee had serious repercussions.

In view of the Fox Committee report Australia enacted its own stricter Nuclear Non-Proliferation (Safeguard) Act 1987 to be applicable to all its nuclear activities and materials whether utilised domestically or exported. Basically, the origin of all the knots and glitches in the Indo-Australian nuclear agreement can be traced to the differences in the standards of the domestic legislation and international IAEA safeguards. While India maintains that having signed IAEA Safeguards and the Additional Protocol it has achieved full-scale global non-proliferation objectives, Australia remains unsatisfied.



The origin of all the knots and glitches in the Indo-Australian nuclear agreement can be traced to the differences in the standards of the domestic legislation and international IAEA safeguards. While India maintains that having signed IAEA Safeguards and the Additional Protocol it has achieved full-scale global non-proliferation objectives, Australia remains unsatisfied, finds Dr.B B Singh

Section 51 of the Safeguard Act 1987 requires that the Director of Safeguards shall annually submit to the minister a report that will include information on all nuclear materials of Australian origin transferred to any foreign jurisdiction or between foreign jurisdictions. The information must note the total quantities of nuclear fuel and materials in each stage of the nuclear fuel cycle and their intended end uses by the importing countries and the items transferred to each jurisdiction. This involves accounting and tracking of the Australian obligated nuclear materials in Indian reactors which India considers firstly as an intrusion in its domestic affairs and secondly, it rightly believes this is unnecessary in view of the international safeguards India has signed with IAEA.

In fact, India has sorted out this issue with other suppliers like the US and Canada who are not insisting on tracking and accounting. Australia, on the other hand, holds that tracking and accounting is a necessary part of its domestic law and has been incorporated in all of its 23 agreements with the 41 other nations to whom it has been exporting uranium. It also believes the IAEA safeguards are complex and subject to multiple interpretations. Australia asserts that India has earlier promised to follow similar conditions as applicable to other countries and must adhere to it. From Australia's point of view this requirement is not a policy that can be changed with the change in government at Canberra. It is a requirement of law that has to be strictly followed unless it is amended. John Carlson, a former director general of the Australian Safeguards and Non-



India is fully committed to non-proliferation.

proliferation Office, has suggested an amendment in Article III. It reads: "Each party shall establish and maintain a system of accounting for the control of items subject to this Agreement." Carlson's suggested amendment is include in it at the end, "sufficient to effectively identify and account for such items as being subject to the Agreement". These words look superfluous, harmless and un-hurtful to Indian interests or sentiments and if this satisfies the Australian law and authorities, so be it. Of course it must necessarily be subject to a firm commitment and assurance for uninterrupted fuel supply during the whole life of those facilities/reactors. To make it effective but still not fully intrusive, a further amendment is being proposed under Art. VII which provides that upon request of either party, the party shall report or permit the IAEA to report to the requesting party on the status of items subject to this agreement. It is believed that India has already agreed to a similar arrangement with other suppliers like the US and Canada. India may then explore whether it is feasible through the administrative arrangements.

The other important issue relates to the supplier's "right of return" on termination of the agreement. Both the parties firmly be-

lieve and confirm in the agreement that termination is extremely unlikely. Nevertheless, Australia claims that "right of return" is a standard condition applicable to all countries purchasing its nuclear materials. It is believed that it would involve not only logistical problems but also create costing disputes. In addition, it could lead to a sudden fuel crunch jeopardising India's nuclear power generation. Hence, any demand for return of the Australian material must be with alternative assurances that it will not cripple or disrupt the Indian industry. This would not be easy but since India is fully committed to non-proliferation and is under constant international surveillance under the IAEA Safeguards it is highly unlikely that the Australian material would be diverted to other than peaceful purposes.

Apart from these, there are some other easily resolvable issues like consent of supplier party for reprocessing the fuel to 20 per cent and above enrichment in U-235 isotope; fall-back safeguards arrangements in the unfortunate event of IAEA safeguards becoming inapplicable and the dispute settlement via arbitration if the parties fail to arrive at an amicable solution on negotiations. □□

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Bungling by electricity companies

Power cuts have become the norm with the onset of summers. Generation companies are continuously increasing the cost of electricity. They are making huge profits while the consumer continues to suffer. Companies are merrily padding cost of projects and passing off the burden on to the consumers. The 330 MW Srinagar hydro electric project is being implemented by the GVK Group. The project was granted approval by the Central Electricity Authority in 2004 at a cost of Rs 1700 crores with an explicit provision that cost shall not be increased “for any reasons whatsoever.” The Generating Company continued to increase the capital cost anyways. It was increased to Rs 1900 crores in 2006, 2700 crores in 2011, 3700 crores in 2012, 4300 crores in 2013 and, as per my estimate, to Rs 5200 crores at present.

The Company has entered into an agreement with UP Power Corporation (UPPCL) to sell the electricity. The final price of electricity is to be determined by the UP Electricity Regulatory Commission (UPERC). The UPERC takes into consideration two components of the project cost namely, fixed and variable costs. Fixed costs consist of capital cost of the project and interest thereon. Variable costs consist of maintenance expenses.

The UPERC appointed a “Prudent Check Committee” in 2012 to examine whether the cost of Rs 2700 crores claimed by the Company should be accepted for determination of tariff. The Committee was to submit its report in three months. However, the Committee sat on the report for full two years till the cost had been enhanced to Rs 4300 crores by the Company. Then it gave a clean chit to the Company and recommended that a fixed cost of Rs 4200 crores may be accepted. Only an amount of Rs 100 crores incurred due to variation in foreign exchange rates was disallowed. The increase in capital cost made in blatant violation of the approval of Central Electricity Authority was approved.

The Company gave two reasons for the increase in fixed costs. It claimed that it had encountered certain “geological surprises” during construction. These necessitated some changes in design that led to increase in fixed costs. This was a



Generation companies are continuously increasing the cost of electricity by padding cost of projects. They are making huge profits while the consumer continues to suffer because of passing off the burden to him, explains

Dr Bharat Jhunjunwala



sham argument. According to the approval granted by Central Electricity Authority, the Company had to inform the Government if and when a geological surprise was encountered. The Government was then required to constitute a Committee to look into the matter. But the Company gave no such intimation to the Government. That indicates that the so-called geological surprises were simply made up. Actually the promoters padded up the fixed costs by putting in false bills and took out the money they had invested. Then the Company claimed higher fixed costs in order to pass the burden on to the consumer. The Prudent Check Committee accepted the figures of materials consumed and expenses incurred as stated by the Company. It actually did no prudence check. It also accepted the Company's sham argument that design changes were necessitated due to geological surprises. It totally abdicated its responsibility and merely became a spokesman for the Company.

The second reason stated by the Company for the increase in fixed cost was the disaster of 2013 in Uttarakhand. Flood water entered the turbines and the Company incurred huge costs. But the Company claimed these damages twice. It lodged a claim with the Insurance Company, I understand, for about Rs 400 crores and even received an initial payment of Rs 35 crores. At the same time the Company showed these losses in fixed costs and claimed them from UPPCL. The company incurred the loss once but claimed compensation twice—once from the insurance company and again from UPPCL. The Prudent Check Com-

mittee knew of the receipt of Rs 35 crores by the Company but chose to keep silent indicating its complicity. The combined effect of these two bungling was that the fixed cost component of the price of electricity increased from Rs 2 per unit to Rs 6 per unit. The Company made a clean profit of Rs 4 per unit!

The second component of price of electricity is variable costs such as those of maintenance. Hydro electric plants have virtually zero variable costs. They do not need to buy raw materials such as coal or uranium to run the plant. In comparison, the variable costs for thermal power are large. They have to buy coal or gas. The Power Purchase Agreement between the Company and UPPCL provided that the variable costs will be reckoned equal to the lowest variable cost by a thermal plant in the northern region. This provision is altogether unacceptable. The variable costs of thermal plants are large. Even the minimum variable cost of a thermal plant in the northern region would be large. I understand this is about Rs 1 per unit. The Generating Company thus claimed a variable cost of about Rs 1 per unit while the variable expenses incurred by it were near zero. Altogether the Company claimed a clean profit of Rs 5 per unit—Rs 4 towards inflated fixed costs and Rs 1 towards purchase of coal which it never purchased. The Company wants to sell power at Rs 7 per unit to the consumer while the actual cost is only about Rs 2 per unit.

The Power Purchase Agreement made between the Company and UPPCL provided that generation from the project will start

by 2012. The project has not yet been commissioned though. It is possible for UPPCL to cancel the Power Purchase Agreement due to non-observance of the time schedule of generation. But UPPCL is staying mum obviously to protect the interests of the Generating Company rather than protecting the interests of its consumers.

The Company also passed on many costs to the local people in the project area. The hills on the periphery are sliding into the reservoir. House of poor people are developing cracks. The quality of water of the river has deteriorated. Thousands of corpses flowing in the river during the disaster of 2013 are buried in the reservoir. Carbon dioxide and methane gases are being emitted from the reservoir. The fish are depleting because they are not able to migrate to their spawning grounds that lie upstream. Forests have been inundated leading to loss of grazing, fuel wood and timber and biodiversity. Sediments are trapped in the reservoir leading to coastal erosion at mouths of the Ganga. I have assessed that the cost of these environmental damages is about Rs 6 per unit.

In the end, the consumer pays a high price, the local people bear costs of environment, while the Company makes a huge profit. There is an unholy axis operating between the Generating Companies and Power Corporations that is abetted by the Central Electricity Authority. An unsuspecting Modi will be taken for ride by the Companies. Need is to strengthen the regulatory mechanism and prevent profiteering by the companies. □□

Author was formerly Professor of Economics at IIM Bengaluru

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FDI in Retail Trade: NDA Government retains UPA Policy

When UPA government On 24 November 2011 approved the proposal for the first time to allow FDI in multi-brand retail, BJP brought out a booklet to express its displeasure and reasons why it opposes the move to allow FDI in Multi-brand Retail. For the benefit of readers of *Swadesh Patrika* we are just reproducing some important sections of the booklet including its foreword. **Editor**

Foreword

The decision of the Congress led UPA government to allow FDI in multi-brand retail has drawn all round criticism and condemnation. In the name of 'reform', the government has in fact compromised the long-term national interest which is sure to have far reaching implications on our economy. It will not be wrong to say that in order to show that the government is not in the grip of policy paralysis, the Congress led UPA has buckled under foreign pressure. The decision is sure to have its impact on millions of small traders who are going to lose their jobs. At the same time the manufacturing sector will also be hurt creating a new economic crisis in the country. It is very unfortunate to see that the Congress led UPA neither bothered to contact its coalition partners on the issue nor took Opposition into confidence.

BJP has Opposed FDI in multi-brand retail right from the beginning. On 24 November 2011 when the cabinet approved the proposal for the first time, Leader of Opposition in Lok Sabha Smt. Sushma Swaraj and Leader of Opposition in Rajya Sabha Shri Arun Jaitley in a joint statement opposed the move. The decision was then deferred by the government. There is a need to create awareness among the people on the issue as this decision might change the very contours of the Indian economy. We are publishing various documents, articles and relevant papers on the issue so that the people are aware of the facts and voice their concerns forcefully. We hope that the booklet will help in highlighting various aspects of the issue.

Publisher

Bharatiya Janata Party
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FDI will adversely affect manufacturing & service sectors

(Joint statement issued by Leader of Opposition in Lok Sabha Smt. Sushma Swaraj and Leader of Opposition in Rajya Sabha Shri Arun Jaitley on Government's proposal to introduce FDI in retail sector On 24 November 2011)

The Bharatiya Janata Party is opposed to the Foreign Direct Investment (FDI) being introduced in the Retail sector. The Indian economy, at present, is dominated by the Services sector. The Services sector account for 58 percent of India's GDP. The retail chains in India, both small and big, account for a major segment of the Services sector. Self-employment in India is the single largest source of jobs. An overwhelming section of India's population is self-employed. Foreign Direct Investment with deep pockets entering this segment will have an adverse impact on our domestic retail sector, which is growing.

The consumer choices require markets to be fragmented rather than consolidated. Fragmented markets give larger options to the consumers. Consolidated markets make the consumer captive. No one player should be allowed to dominate the market. Allowing foreign players, with deep pockets, enable such a consolidation. It will sweep aside competition and involve a loss of jobs, both in the manufacturing and services sector. These jobs will be lost in the name of eliminating middlemen. Jobs in the retail sector will obviously be lost. Jobs in the manufacturing sector will be lost because structured international retail makes purchases internationally and not from domestic sources. This experience has been felt in most countries which have allowed FDI in retail. International retail players operate on buying at the lowest and sell-

ing at the highest prices. They indulge in predatory pricing, which initially eliminates competition and eventually creates monopolies. This can result food chains of large nations being controlled foreign organizations. The number of retail establishments as at present gets substantially reduced in favour of large establishments. International retail does not create additional markets, it merely displaces existing market. The argument that India needs a supply chain in order to help the farm sector and only foreign players can supply the same is to be rejected. India needs infrastructure for carrying farmers' produce to the consumers. This has to be done in the most efficient and cheapest manner. International retail players have no role in the building of roads, both rural and urban or gen-

Revoke Stand on FDI, SJM Tells Govt

Express News Service

New Delhi: Swadeshi Jagran Manch, a RSS affiliated body, has attacked the NDA government for retaining UPA's policy of allowing 51 per cent Foreign Direct Investment (FDI) in retail, a move which it termed was "painful."

The Swadeshi Jagran Manch (SJM), in a letter to Prime Minister Narendra Modi, asked him to clarify government stance over the policy, which the BJP had said it would overturn once voted to power.

"The Swadeshi Jagran Manch puts on record its pain and disapproval and demands that government immediately clarify its position and take corrective measures and drop Foreign Direct Investment in multi-brand retail from the list of sectors permitted for FDI," SJM convener Ashwini Mahajan said in his letter.

"It is shockingly painful to note that in an elusive chase for satisfying foreign investors the BJP has decided not to take blame of U-turn and instead ensured continuity of the policy of Foreign Direct Investment in retail," the letter said.

Talking about the commitment of the BJP before elections to oppose Foreign Direct Investment, the letter

The SJM puts on record its pain and disapproval and demands that government drop FDI in multi-brand retail
— ASHWINI MAHAJAN, SJM convener

added, "When multi-brand retail was opened for Foreign Direct Investment by the UPA government in September 2012, people of India cutting across party and ideological divisions had reacted in unison against the move with BJP at the forefront, which termed the decision as a sin."

Swadeshi Jagran Manch's letter comes at a time when the Modi government is preparing to launch a massive publicity drive to hardsell government's pro-poor policies.

Another Sangh body, Bhartiya Majdoor Sangh, is participating in the national convention of the major trade unions, including those from the Left, to protest against the anti-labour policies of the government in Delhi on May 26, the day Modi Government will complete one year.

A call for massive strike is likely to be given during the convention.

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INDIAN EXPRESS

erating power. They are required to create storage facilities and cold chains. Why can't the same be done by the governments in India, both central and states. Are you going to handover our food supplies to foreign hands merely because governments have failed to create cold chains?

The comparison between India and China in allowing international retails players is misplaced. China is predominantly a manufacturing economy. It is the largest supplier to Walmart and other international majors. It generates huge number of manufacturing jobs by being such a supplier. It obviously cannot say 'No' to these chains to open stores in China when it is global supplier to them. India on the contrary will lose both manufacturing and service sector jobs. □

Why BJP opposes FDI in retail

By Arun Jaitley

The United States of America and the European Union have been demandeurs seeking that India permit Foreign Direct Investment in its retail trade. India has obviously resisted the demand till date. Their object is that large international chain must control the food supply chain and the distribution of other items of daily utility in one of the world's largest markets, which accounts for over one-sixth of world's population. In any trade negotiations, you seek counter-concession for concessions you grant. Increasingly, both the USA and the European Union have become more protectionists. Without extracting any concession back, we have taken a unilateral decision, gifting to their retailers the right to control the distribution network in India.

It is good to be a reformist. Traditionally, a lot of us find ourselves on the side of reforms but every change is not a reform. Changes which may end up hurting domestic interests are really counter-reforms. The time for allowing FDI in retail sector in India has still not come.

In recent years, both small and organized retails have grown. A significant investment is being made year after year. The pace at which domestic retail is growing is modest and it is able to coexist with small retail. However, at this stage, if international retail majors are permitted the consequences will be adverse. The first consequence will be an adverse impact on domestic manufacturing. Domestic retailers source domestically. International retailers operate on the principle of buying internationally at the cheapest cost. Majority items to be sold by international retailers are going to be sourced from cheaper manufacturing economies like China. Clothes, shoes, toiletries and other items of daily use are not likely to bear Indian signature. The fall in manufacturing sector jobs is likely. India needs manufacturing sector reforms in the first instance, so as to enable us develop into low cost manufacturing economy. For this, we need to improve infrastructure, low cost utilities, competitive interest rates and trade facilitation. Once these reforms bring down the cost of our manufacturing goods, we can

Shri Narendra Modi
Prime Minister of India, New Delhi

Hon'ble Prime Minister Shree Narendra Modi ji,
 Namaskar,

Swadeshi Jagaran Manch is dismayed about the news of your government retaining the previous UPA regime's decision allowing foreign retailers to open multi-brand stores with 51% ownership, in its consolidated FDI policy released recently. It is against the trust posed by way of the people's unprecedented mandate given to the BJP led NDA.

SJM would like to remind that when multi-brand retail was opened up for foreign direct investment, with a 51% cap, in September 2012, by the then Congress led UPA government people of India cutting across the party and ideological divisions had reached in unison against the move. BJP, then in opposition was also in the forefront and was principal party sponsoring Bharat Bandh on September 20, 2012.

BJP leadership in its entirety termed the decision of the then Prime Minister Dr. Manmohan Singh allowed Foreign Direct Investment (FDI) in multi-brand retail market under international pressures which was a "sin". BJP leadership did not stop there and rightly explained the reasons behind their opposition to this policy in various articles published in Kamal Sandesh, the party organ. (Copy enclosed).

Party position on this issue was reconfirmed in the election manifesto of BJP released before elections to seek people's mandate. On foreign investment, it said: "Barring the multi-brand retail sector, FDI will be allowed in sectors wherever needed for job and asset creation, infrastructure and acquisition of niche technology and specialized expertise." "The BJP is committed to protecting the interest of small and medium retailers, SMEs and those employed by them," it added.

Swadeshi Jagaran Manch is unable to understand the change that has taken place after the change in government. SJM reiterates its resolve that FDI in retail trade will be detrimental to both long and short term interests of the nation. People of India expected that your government will roll back the anti-people decision of previous regime at earliest. But it is shockingly painful to note that in an elusive chase of a mirage of satisfying foreign investors BJP has decided to take blame of U-turn and ensure continuity of the policy of FDI in retail.

SJM puts on record its pain and disapproval and demands that government immediately clarifies its position and take corrective measures and drop FDI in multi brand retail from the list of sectors permitted for FDI.

Contents of the letter by Dr. Ashwani Mahajan (National Co-convenor, Swadeshi Jagran Manch) to Prime Minister of India

expect international retailers to source domestically. In the absence of these reforms, international retailers will be selling the products of low-cost economies, leading to an adverse setback to our already challenged manufacturing sector.

The character of the Indian economy is service-sector oriented. The latest NSSO survey shows a loss in employment. Selfemployment continues to be the largest single source of bread earning. Agriculture and retail are the largest job providers in India.

Is international retail going to give additional jobs, or is it only going to displace existing jobs? If purchasing power increases with the expansion of Indian economy, it will reflect in the coexistence of struc-

tured organized domestic retail and small retail. International retailers with deeper pockets will displace existing jobs in the retail sector, rather than creating additional jobs. A fragmented market is always in consumer interest. A consolidated market restricts the consumer choices. Thus, if the number of establishments is reduced and consumer options are eliminated, structured retail is hardly likely to serve consumer interests. It can even lead to international retailers with deeper pockets to first sell at low prices, eliminate competition and then exploit the consumers. The consequences of predatory pricing can always be felt. The Chinese example is thoroughly misconceived. The international retailers like Walmart source their products from Chi-

na, which they also sell in China and a large number of other countries.

China gains hugely because its products are sold all over the world. It can hardly argue that you must source the products from China but not sell in China. Much is being made out of the backend infrastructure like cold chains will develop only when international retailers enter India. Cold Chain is neither a rocket science nor a proprietary technology. It seems bizarre that in order to set up a chain of cold storages it can be suggested that food distribution chain of India be handed over to corporations controlled by foreign entities. The farm-gate to the factory-gate argument is based on the logic that once middle-men are eliminated, the farmer will get more and the products will become cheaper. The only ag-

ricultural product in the domestic market, which currently follows the farm-gate to factory-gate principle, is sugarcane. If only the market forces operate without the help of a state-advised price, the cane growers would have been put to starvation. If the farmer does prosper on account of international retailers then why it is that the farmers in the USA and the EU have to be subsidized to an extent of \$1 billion each day.

FDI in retail cannot be introduced merely as a knee-jerk response because the government is suspected to have abandoned Economic reforms. We are not opposed either to the concept of FDI or giving an additional thrust to the reform programme. Changes which hurt the Indian economy can hardly be termed as reforms. □

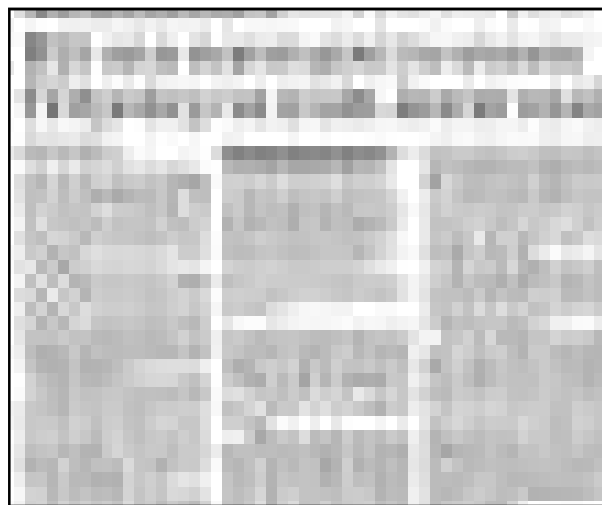
FDI in Retail under foreign pressure

(Excerpts from the Economic Resolution adopted in the National Executive & Council held in Surajkund, Haryana from 26-28 September 2012)

Yet another anti people decision of the Government to allow FDI in multi-brand retail has been taken under foreign pressure. The government had made a solemn promise in both houses of Parliament that the government would talk to all political parties and state governments to arrive at a consensus. This promise stands broken.

Allowing FDI in multi-brand retail will have an adverse impact on our retail trade and create large scale unemployment, not only in the retail sector but also in the manufacturing sector, as multibrand retail chains will source globally. In India, retail trade is the third largest employer and more than 10 million establishments give direct and indirect employment to over 40 million people. This employment is under threat when we look at the global experience of multi-brand retail. It is a well-known fact that for every 100,000 jobs created by the MB retail chains, 500,000 jobs are lost.

Farmers will also not benefit either. The experience of 100% FDI in food processing through the automatic route is not encouraging. More than \$25 billion were expected to be invested through FDI but the ground reality after 10 years of this decision is that not even 5% of this figure has been invested. Thus creation of back end infrastructure is a myth. Let us not forget that these multi-brand retail chains



are coming to India for profits and not for charity. Rural artisans will also be adversely affected.

A major falsehood or canard being spread by the government relates to the right of the states to decide whether to allow foreign MB retail chains in their respective states or not. Once allowed by the Centre, the ability of states to allow or disallow FDI in multi-brand retail may not be possible under some of our bilateral investment treaties. Second, if each state is allowed independence, what happens if state governments change? The BJP, therefore, demands rollback of the decision to allow FDI in multi-brand retail. □□

Retaining the losing Glory

The best long term growth indicator in any economy continues to be the Homo-sapiens wedded to the land. Be it rural urban movement; the education-employability index; skill formation; excellence in innovative manufacturing or e-business development ideas turning into meaningful and economically viable qua profitable ventures; it is the human factor which is at heart of every happening.

Exponential growth of I.T. giants like Infosys, TCS etc during the last almost two and a half decades speaks volumes of the content, India has been exhibiting in exports of this skill in the I.T. Industry making inroads not only in Europe but also in America and other Asian countries as well. This could be made possible only because of I.I.T.'s and like institutions churning out only the best talent for executing demands of the software industry. This 'Swadeshi' talent has to grow to capture enviable grading on the inter-national map for stepped-up exports of men and material and sequently to capture the world through Indian Brains all around.

But the diminishing educational standards in India, during the recent past call for an urgent review by the Govt. and other stake-holders in the education system. A recent survey of 'The World's Fastest Growing Economies' reported by 'Steven Butla' makes enviable mention of nations like China, Turkey and even Africa but makes a sad commentary on India while stating that 'it (India) was noticeably absent from the top tier. But adds a ray of hope by adding that this' situation could change in the years ahead.

Similarly British Council has also released (2014) a sad commentary on 'High university enrolment-low graduate employment' equating India with small nations like Sri Lanka, Pakistan, Nepal, Bangladesh and Afganistan all of them suffering the malaise.

Diminishing educational standards in India, during the recent past call for an urgent review by the Govt. and other stake-holders in the education system, explains
Suresh Sharma





National Employability report on employability of Engineering Graduates (2014) indicates that not more than 20% in easy of Engineering Graduates and no more than 10% of IT graduates are employable and similarly in Management and other courses, situation is not different. In a country of 125 crore headcounts, comprising 60% of the population less than 35 yrs of age equipped with more than 700 universities and 33000 colleges and not one of them finding place in top 10 of the world, if these figures on their employability are any indication then India needs to think twice on its future fall-out. This enormous so called educated but unemployable mass is a socio economic Volcano which on eruption can cause complete social upheaval with potentials of turning into a discordant social order fanning across every nook and corner apart from being a national wastage of the Country's scarce economic resources being spent on Sub Standard, "so called", Education'. Hundreds of crores of rupees are being spent every day in educating the potential human resources of the country but with what result? Only to impart a paper degree with seeds

Educated but unemployable mass is a socio economic Volcano.

of social discontentment? Who is responsible for this colossal wastage of scarce economic resources? Obviously, the greedy business drivers in active connivance with Regulators of Education system in India. According recognition and legitimacy to small time Education, Shops without enforcement of any world-class standards and designating many such shops as Universities giving them unbridled powers to prescribe their own curricula and Courses has resulted in mush-rooming of these shops whose sole aim is profit making. Standards and quality in education have become a 'causality'.

Targets for enrolling students are fixed for even teachers to bring students, by any means, by these so called universities. How can any one expect to maintain educational standards in such situation. Time to wake up, before the situation explodes in the form of social revolution by growing educated

but un-employed youth generated by our ill-designed educational system.

India which has been boasting of producing world class technically trained personnel like Indira Nuyi, Satya Nadella and the like needs to not only maintain its glory in this field rather should up its ante to make P.M. Modi's vision of skill formation a reality through ushering in radical changes in its Education System. A thorough audit of courses, curricula of all Universities and methods of evaluation is call of the day. Regulators like UGC and AICTE need to play a pro-active role sooner than later. Their bid to liberalize education should not mean turning this sector into another profit making venture-at all costs - for the greedy business movers. Govt. should also play an active role in prescribing, regulating and finally ensuring only competitive and well-oriented meaningful education system by improvised infra-structure for educational institutes, re-oriented methods of teaching and learning, creating a pool of well-trained teaching community, revised curricula and courses laying emphasis on creativity entering to the needs of potential employers, enforcing strict vigil over evaluation for producing only employable educated youth and fixing accountability even of the Regulators in improving the educational standards and quality rather than quantity, so that scarce national resources being spent on producing unemployable multi discipline graduates can be retrieved and spent on nurturing a productive work-force well skilled to turn 'Make-In-India' vision into a reality. □□

Second World War (1939-1945)

Germany under Hitler demanded its territory given to Poland during 1919 under the Peace treaty and invaded Poland on 1 September 1939. On 3rd Sept. 1939, Britain and France declared war against Germany. Within a year Hitler captured Denmark, Norway, Holland, Belgium, Luxembourg and France. Britain evacuated its forces from Dunkirk being threatened by Germany. Italy, Japan and Germany formed the "Axis power" and France, Britain helped by USA formed the "Allies" while Russia remained neutral being tied down by a treaty with Germany. This was the position in the Western Theater till Russia was attacked by Germany.

While Gandhi and Nehru supported Britain in its War efforts, Subash Bose moved throughout India addressing people not to support Britain as its breakup would ensure freedom for India. Savarkar encouraged Hindus to join the army to reduce Muslims into minority which actually happened. *What would have happened to India if Hindus were not in majority in the Indian Army during partition of the country in 1947?*

The Congress Ministers resigned in 1939 as the Viceroy Lord Linlithgow did not commit full independence of India after the War.

The Forward Block held Anti-Imperialist Conference at Nagpur in October 1939 followed by a massive demonstration at Ramgarh styled as All India Anti-Compromise Conference in March, 1940. In the Congress session during this time at Ramgarh under Maulana Azad's presidency the resolution demanding full independence for India was passed though Gandhi and Nehru refused

The Freedom Movement

(Untold stories)

— Saroj Kumar Mitra —

to start Civil Disobedience to harass British Govt. during its life and death struggle. Subash Bose met Dr. Hedgewar who was on his deathbed suffering from sleeplessness at Nagpur but could not talk to him as the latter was in sleep just at that moment. Bose left and Dr. Hedgewar woke up. The destiny of the country and the course of events could not take a different turn due to this infallible game of the Destiny Maker.

Subash Bose and his supporters were put inside prisons in 1940. Congress men offered individual Satyagraha opposing war efforts and were also put inside Jails. The only men who remained loyal to the British Govt. was M.N. Roy. In 1940, O' Dyer the mass killer of Jalianawalla was shot dead by Udham Singh in London.

The Great Escape by Bose

Subash Bose escaped from his home detention in Calcutta on 17 January 1941 which thrilled every one in India. Like the hero of Pather Dabi the novel written by Sarat Chandra Chatterjee Subash Bose's activities started outside India hence after. Bose crossed Indian Border by foot as a Kabuliwala and reached Kabul. Finally he reached Berlin via Moscow. In 1942 when Subash Bose's presence in Berlin was announced the whole of India particularly the youths became jubilant. In Germany Bose recruited 3000 Indian War prisoners to raise one Regiment.

But events in South East Asia like conference of Indians at To-

kyo under Rash Behari Bose in March 1942 to form Azad Hind Fauz (Indian National Army) and formation of Indian Independence League attracted Bose's attention and he decided to shift his venue to Asian Theater. The full fledged conference of the League was held at Bangkok in June 42 and Subash Bose was invited to lead the League for attaining India's independence. Under Capt. Mohan Singh 40,000 Indian prisoners of war and other young Indians joined the INA. In June 43 Subash Bose arrived at Tokyo by moving secretly in Submarines and Boats. His earlier journey on land from Calcutta to Berlin and the sea-journey from Berlin to Tokyo were full of adventures.

Netaji or Subash Bose became the long cherished Idol of India through whom Indians wanted to hear the roaring of a Lion instead of barking of dogs.

CRIPPS Mission in India

In 1942 Sir Stafford Cripps arrived in India to negotiate with Indian leaders. Cripps was not allowed to negotiate with Indian leaders on independence of India. Thus Cripps mission failed as Churchill was not prepared to budge an inch towards independence of India. Churchill then the Prime Minister of Britain knew pretty well that every sixth man in England survived due to India.

Quit India Movement (9 August 1942)

On 7th and 8th August 1942 the Congress Working Committee met at Bombay. Some members of

CWC were not prepared to issue ultimatum to the govt and were toying with the idea of a dialogue with the Viceroy. But on 7th August H.K. Mahatab showed Gandhiji one Circular issued by the govt. to all Collectors to collect names of the Congress leaders in their areas to take immediate action against them the moment signal was given. After seeing the above circular the members of CWC could read the intention of the British Govt. and finally joined hands with Gandhiji to pass an unanimous resolution on "Quit India." (*The above mentioned Circular was smuggled out by Bhupendra Kumar Basu now Prant Sangh Chalak of R.S.S. Orissa who handed it over to H.K. Mahatab*).

On the night of 8th August 1942 all Congress leaders were arrested. From 9 August 1942 the Quit India Movement was started by the people. Gandhi's call was "Do or Die" or Kareenge Ya Mareenge. People resorted to violence and "non-violence" was given a good by.

While the country was fighting in and outside India to overthrow the British regime, the communists were acting as stooges of the British and denigrating both Gandhi and Subash Bose. The All India Trade union Congress declared, "Work, Work, No strikes."

The total damage caused due to the Quit India movement was as under.

- Damaged Railway Stations- 250
- Post offices burnt- 50
- Post offices damaged- 200
- Govt. Buildings damaged- 85
- Police stations burnt- 70
- Telephone, Telegraph lines cut- 3,500 places.

Except Ahmedabad mills where unions were run by Maz-

door Mahajan, no strike was conducted at other places as AITUC (CPI) was at tandem with the govt.

At Tamluk (West-Bengal) Matangini Hazra aged 73 years marched with a tricolour flag towards the Police Station till she was shot dead. The people ransacked the Police Station and formed a parallel govt. on 17th December 1942. It was dissolved in 1944 at the request of Gandhi. Govt. resorted to mass killing and burning of villages protesting against which Shyama Prasad Mukerjee resigned his Ministership under Fzulul Haq in Bengal.

At Balia (U.P.), Bhagalpur (Bihar) and several other places in India parallel govts were formed which were short lived. On 9 August eight persons died at Bombay by Police firing. While people captured Police Stations in several parts of Maharashtra one parallel govt was formed at Satara under Nana Patil. At Nadiad 50 students were killed by Police firing and at Bharoch people captured the Police Station and the armed depot. Schools, Colleges and Mills remained closed in Gujarat.

Due to damages caused to Railway tracks at Guntur and Vijaywada the link between South and East was disrupted. At Bhadrakh in Orissa 19 persons were killed in Police firing. Here the brutalities of Police exceeded all limits. The Police canned the ladies making them naked and hanging them upside down in the branches of trees. At Coimbatore 200 Tanks of the army were destroyed by the people. In Delhi Govt. offices were set on fire and on 10 August 1942, thirteen persons were killed in Police firing. In Rajasthan people cut off Telephone lines at Jodhpur, Jaipur, Kisangarh and other places.

In Punjab, Sindh and NWFP students and RedShirt volunteers took the lead. At Patna 7 students were killed by Police firing and the city was cut-off from the rest of the country due to public stir. At Monghyr people captured one Aeroplane and killed its pilot. At Sitamarhi people killed the officers and took over the administration. Sultanpur under SiyaRam Singh, Rupaoli under Jaglal Chaudhury and Bahera under Smt. Singh (wife of Charitar Singh) started functioning under independent govts. At Jamshedpur 20, 000 workers and the Police joined the movement. On 12 August 1942 Nagpur was under fire and for a couple of days no sign of govt. was noticed there.

Jayprakash Narain along with others took shelter in the Terai region in Nepal during this time to train people in Guerrilla war. At Guwahati, 150 military men were killed by derailing one train. Kanaklata was shot dead at Gohpur when she went to hoist the tricolour flag at the Police Station. Though "Do or die" call given by Gandhi encouraged people to resort to violence and the new interpretation given by Gandhi to his non-violence which justified violence by the weak against the strong, the movement petered out towards the end of 1942. The total arrests made was 60,229 out of whom 26,000 were convicted. About 10,000 persons were killed by Police firing and bombing over civil population by the military, The punitive tax imposed by the govt. on agitating people was Rs.28, 32, 000/-.

In 1943, the great Quit India movement was nowhere to be seen as it was never organised nor any leader was there to guide it.

[To be Continued]

L’Affaire spicejet, the curious case of spicejet sale – smell a Scam!

Brief Background

Modi-Luft, which was launched as collaboration between Indian Industrialist S K Modi and Lufthansa the German carrier in 1993, ceased operations in 1996. In 2004, Ajay Singh raised funds & restarted operations as SpiceJet following the low-cost model. Spice Jet leased 3 Boeing 737-800 aircraft and started operations. In 2005, the Airports Authority of India approved three overnight parking slots to SpiceJet, with two in Delhi and one in Mumbai. The first flight was flagged off by then Union Minister of Civil Aviation, Praful Patel. By 2008, it was India’s second-largest low-cost carrier in terms of market share.

Kalanidhi Maran, the media baron based in South, acquired 37.7% stakes in SpiceJet in June 2010. In 2012, SpiceJet suffered losses of over Rs.390 million (approx. US\$6 million) owing to increase in global crude prices. On 9 January 2012, the Directorate General of Civil Aviation reported that several airlines in India, including SpiceJet, have **not maintained crucial data for the flight operations quality assurance or the FOQA.**

The Bombay stock exchange announced that ever since June 2011, SpiceJet had been suffering losses. In 2012, Despite the losses, **Kalanidhi Maran increased his stake in SpiceJet** by investing ¹ 1billion (US\$16 million) in the airline.

The airline returned to profitability at the end of the year. For a detailed time line of events, see the list below:

- In 2013, SpiceJet launched its first inter-line pact with Tiger Air in 2013. In July 2014, SpiceJet announced up to 50 per cent discounts due to competition.
- In December 2014, **SpiceJet cancelled many domestic flights** across the country. Directorate General of Civil Aviation (DGCA) issued warning over non-payment of salaries and dues, while the airport operators moved to put



L’Affaire SpiceJet has all ingredients of violations of several sections of PCA/ FEMA/ PMLA/ IPC/ SEBI Act/ Companies act. The sooner Government wakes up and ACTS to comply with all these acts better for it, pleads
Prof. R Vaidyanathan



the carrier on cash-and-carry mode, which means the airline could use the facilities of an airport only upon **immediate payment**.

- On December 17, all flights were grounded after **oil companies refused to refuel its planes**.
- In January 2015, the board of directors of SpiceJet transferred control of the airline to Ajay Singh, the founder of SpiceJet who as we saw earlier, used to run the airlines earlier. At this time Ajay Singh had 4.5% stake in the Airlines. Subsequently **Kalanidhi Maran transfers SpiceJet stake to Ajay Singh** via 'Scheme of Reconstruction and Revival for the takeover of ownership, management and control of SpiceJet Limited'.

The secretive process

But there are too many questions about this "bailout" or sale. SpiceJet is owned by the public and begs an important question – Can a public listed company be acquired without disclosing the acquisition scheme or the purchase price?

Three issues of public importance were kept secret –

- Scheme Details were not disclosed,
- Acquisition price not disclosed &
- Open Offer was exempted without valid reason.

Takeover Regulations clearly state that Exemptions From Open Offer 10 (1) (d) acquisition pursuant to a scheme (ii) of arrangement involving the target company as a transferor company or as a transferee company, or reconstruction of the target company, including amalgamation, merger or demerger, pursuant to an order of



***Confidentiality
is being
claimed for a
mandatory
public
disclosure.***

a court or a competent authority under any law or regulation, Indian or foreign:

It is extra-ordinary that the exemptions from open offer as well as non-disclosure of prices are making one feel about the emergence of a scam of massive magnitude which will haunt this government. Not only that the Form B and D filings made by both the Maran's and Ajay Singh where they speak of this off-market transaction in the column which asks for buy value, they have put the face value of shares and not the actual transaction price. In the filing made by Ajay Singh under regulation 10(6) of the substantial acquisition and takeover regulations, when asked to disclose the price at which the shares are proposed to be acquired, he said that in terms of the share sale and purchase agreement the consideration paid by the acquirer for the acquisition of these shares is **confidential**.

Confidentiality is being claimed for a mandatory public disclosure and it is atrocious to say the least. Both in letter and spirit it is not tenable. Let us be clear that this is a private transaction in a public company. It is not some private deal.

Every provision that requires disclosure needs to be met when the acquisition is close to 60 per-

cent of a listed company. To begin with if there is an exemption being availed of at the minimum, the form says spell out the price. I think fundamentally whether the exemption is even available to them is questionable. SEBI has a lot to answer in this case –

- SEBI Act section 12A says a contrivance or a device to circumvent provision of the regulation is itself a violation. This is a classic case of contrivance and structured essentially to force fit within the exemption. This secret price is what is termed as a "dud" price in the market, grossly undervalued is supposedly by Goldman Sachs, a US based Consulting Company. The accounting procedure adopted as well as the process of price discovery –in the absence of open offer- is not known.
- The officials in Civil Aviation Ministry were also complicit in this process to enable the sale of nearly 60 per cent shares of Spice Jet at a secret and reportedly dud price of a Stock Exchange listed company, by underwriting the source of the Rs. 1,300 crores of infusion of funds by a defacto bankrupt Ajai Singh. The Ministry ought to have found out the source of the fund.

To quote legal expert Sunderesan from an interview in CNBC TV

“Here what is happening is, that a private owner of a public company gets an exit at an undisclosed price, terms not disclosed to the public shareholders, it would otherwise trigger an open offer, you call that takeover a scheme of takeover of management and ownership and reconstruction, call the Ministry of Civil Aviation a competent authority and then say this force fits within the exemption. In my view the letter of the law too is not met.

There are judgments where schemes approved by a court of law have been held to be a contrivance and an open offer has been forced which has been even upheld all the way in appellate processes. In that light to have a share purchase agreement masquerading as a scheme is extraordinary.” — **Sundaresan.**

Further, on Jan 30th: Spicejet Board approves [BSE filing] “To create, offer, issue and allot up to 3,750,000 non-convertible Cumulative Redeemable Preference Shares of Rs.1,000 each to Mr. Kalanidhi Maran and / or Kal Airways Private Limited on preferential basis.’ But even this needs shareholders’ approval since preference shares are quasi-equity.

Marans and power of politics

SpiceJet is a fit case for quick action in shareholder interest because of the track record of the Marans. The Central Bureau of Investigation (CBI) has booked Dayanidhi Maran for diverting 323 high-speed phone lines to his home and connecting them through a dedicated underground cable to the SunTV network, to avoid pay-

ing fat telecom charges.

In August 2014, CBI also booked Dayanidhi Maran and his brother Kalanithi on charges of receiving a bribe of Rs742 crore in the Aircel-Maxis case and of coercing entrepreneur C Sivasankaran to sell Aircel to Maxis.

The astute observer of the financial scene and its entire underbelly – Ms. Sucheta Dalal of Harshad Mehta scam buster fame- asks a pertinent question

“Finally, will Minister [Civil Aviation] Ashok Gajapati Raju tell us why the Rs600-crore bailout will not be a futile when SpiceJet’s outstanding’s are in excess of Rs2,000 crore? What other steps has he taken to ensure that he is not asking banks, who have already lent over Rs1,500 crore to SpiceJet, to throw good money after bad, if the management fails to secure the long-term investment that it hopes to get?” — **Sucheta Dalal**

But of course Marans are not the run of the mill business barons. They are the nephews of ex-Chief Minister of Tamil Nadu M. Karunanidhi who at one time announced the cabinet ministers’ name and portfolio from his Chennai residence which was meekly accepted by UPA1 headed by the then Prime Minister Manmohan Singh.

About Ajay Singh who is supposed to run the future show at SpiceJet, the less said the better. Ajay Singh is presumably Director of 40 or so companies. Some are allegedly bankrupt. Normally Ashish Singh, Shivani Singh, Anupriya Singh are the common Directors in his companies. Seems brother, sister in law and kids...their address of most companies are:

D-32, Kalinidy Colony, New Delhi – 110065.

One great finding is that he also owned Allianz Infratech, which got two telecom licences and merged with Balwa’s Swan Telecom in months... he is actively involved in telecom. He was very close to the then telecom minister Pramod Mahajan—who is no more.

So where are we today? SpiceJet is flying again and everyone involved is hoping that it will be “business as usual”.

Recently RBI governor Raghuram Rajan in an important lecture in memory of Dr. Kurien, gave a brilliant analysis of the “crony capital’ scenario:

“The firm and its many workers, as well as past bank loans, are the hostages in this game of chicken – the promoter threatens to run the enterprise into the ground unless the government, banks, and regulators make the concessions that are necessary to keep it alive. And if the enterprise regains health, the promoter retains all the upside, forgetting the help he got from the government or the banks – after all, banks should be happy they got some of their money back!

No wonder government ministers worry about a country where we have many sick companies but no “sick” promoters!” — **Raghuram Rajan**

This L’Affaire SpiceJet has all the spice to become the first known major scam of this NDA Government. It has all ingredients of violations of several sections of PCA/FEMA/PMLA/IPC/SEBI Act/Companies act. The sooner Government wakes up and ACTS to comply with all these acts better for it. Otherwise the government will have egg on its face. □□

The author Prof. R Vaidyanathan is Professor of Finance at IIM-B. Views are personal.

Launching indigenous Aircraft Carrier

India is set to launch its first indigenous aircraft carrier later this month, according to local media reports. "All major equipment has gone into the vessel, which has now acquired the shape of an aircraft carrier, with a finished hull. Barring a bit of ongoing work on the superstructure, structural work is all over and the internal compartments have all been welded in," an official at shipyard was quoted as saying.

The INS Vikrant will displace 40,000 tons and feature a short-take off but arrested recovery (STO-BAR) system, rather than the catapult-assisted take-off but arrested recovery (CATOBAR) launch system used by current U.S. aircraft carriers. The ski-slope launch system will limit the INS Vikrant's ability to launch heavy aircraft from its deck. However, the carrier will reportedly hold some 36 combat jets, which can launch at intervals between 2-3 minutes. The ship is expected to carry the Russian-made Mikoyan MiG 29 K fighter.

India had previously launched the still uncompleted carrier back in 2013, after phase I of its construction was finished. The upcoming launch marks the completion of its structure. The carrier is set to undergo testing starting in 2017. Also a senior Indian defense council has approved a budget for the country to build its second indigenous aircraft carrier. □

Self Dependency in Arms Production

In pursuance of the Defence Production Policy 2011, the Government has taken the following major steps to promote the participation of private & public sector in the indigenous production of defence equipment; (i) Technology Perspective and Capability Road map (TPCR), which gives out the details of the equipment and technologies required by our Armed Forces, has been put in public domain to provide the industry an overview of the direction in which the Armed Forces intend to head in terms of capability in future. (ii) Preference to 'Buy (Indian)', 'Buy & Make (Indian)' & 'Make' categories of acquisition over 'Buy & Make (Global)' and 'Buy (Global)' categories thereby giving preference to Indian Industry in procurement. (iii) The procedure for 'Buy & Make (Indian)' category has been simplified in order to make the category more attractive for Indian Defence Industry. (iv) A clear definition of indigenous content has been provided which would not only bring more clarity on the indigenous content required for different categorization, but also enhance the indigenization in defence products in India. (v) Indian private sector industry has also been allowed to receive 'Maintenance Transfer of Technology (MTOT)' in 'Buy (Global)' cases. This information was given by Minister of State for Defence Rao Inderjit Singh in a written reply to Shri Ashk Ali Tak in Rajya Sabha today.

Security Data shield from Cyber Spying

Government has taken a number of steps to protect confidential information pertaining to Defence

Sector from Cyber-attack including setting up of Cyber Operation Centres for threat management and mitigation as part of Framework for Enhancing Cyber Security of Indian Cyberspace. To protect important and confidential data from Cyber-attack, the operational networks of the Armed Forces are air gapped from internet. Further, Defence Services have established Cyber Emergency Response Teams (CERTs) to prevent and react to cyber-attacks. Safeguards have been instituted in the form of audits and physical checks. Policies, guidelines and procedures are laid down and cyber security advisories are issued from time to time.

This information was given by Defence Minister Shri Manohar Parrikar in a written reply to Shri Prof. M. V Rajeev Gowda in Rajya Sabha today.

Some positions unacceptable: J&K CM

J&K Chief Minister Mufti Muhammad Sayeed says "some positions are unacceptable" But maintained that he has not given up his idea of "battle of ideologies" to provide political space to separatists, said a media report. Sayeed stated that the battle of ideology is an evolutionary process and that his agenda won't go anywhere. According to Sayeed governance is the first priority of his Government which, the report said.

Addressing a press conference at Civil Secretariat in Srinagar, that opened after six months after Durbar shifted from Jammu to Srinagar the Chief Minister regarding arrest of senior separatist leader Masarat Alam, said his government would "provide

Indo-Pak cricket Series not decided

External Affairs Minister Sushma Swaraj has said that no decision has been taken by the Government on allowing Indian cricket team to play series with Pakistan. Swaraj statement comes at a time when Pakistan Cricket Board chairman Shahriyar Khan visited India in connection with resuming India-Pak series. Khan had announced that the series was in all likelihood to be played in United Arab Emirates in December. Swaraj snubbed suggestions that she was not consulted on this issue. "Where has this information come that this has been decided and that I was not consulted. No decision has been taken," Swaraj said.

She said that on foreign policy with Pakistan, there is no confusion or flip-flop. She mentioned three conditions for the relations between India-Pak to blossom and bilateral talks to take place. These include having an atmosphere free of terror and violence and removing third parties from between. She added India had called off talks between Foreign Secretaries last August since Pakistan High Commissioner Abdul Basit "called" Kashmiri separatist leaders to take their views. "Usually the separatists call up. But this time he (Basit) called them up. This is not acceptable to us. There cannot be any third party in bilateral talks," Swaraj said while adding no meeting between two sides is proposed as of now. □

space for political dissent but some positions is unacceptable.

Narendra Modi to visit Israel

Narendra Modi will be the first Indian prime minister to travel to Israel, a visit that will finally bring one of the world's close relationships out of the closet. While dates for the trip are yet to be fixed, foreign minister Sushma Swaraj announced she would visit Israel later this year, along with Palestine and Jordan.

Presenting an annual wrap-up of her ministry's work for the first year, Swaraj also clarified that the Modi government's diplomacy had resulted in 39% growth in FDI pouring into India in the past year. Modi's visit to Israel is almost a foregone conclusion. There aren't many world leaders he refers to as "my friend", which is a regular prefix he uses for Israeli PM Benjamin Netanyahu. Netanyahu was also the only bilateral meeting he had on the sidelines of the UN General Assembly last year.

India recognized Israel in 1950 but soon after voted against it in the UN. Diplomatic ties were established by Narasimha Rao's government in 1991, though there had been some unofficial contacts earlier, as in the famous visits by Moshe Dayan.

Most Indian cops get no weekly off

The study, 'National Requirement of Manpower for 8-hour Shift in Police Stations', carried out by Bureau of Police Research and Development (BPRD) and Administrative Staff College of India (ASCI) has found that 90% of police officers work for more than eight hours a day and 73% don't get a weekly

off even once a month and are called for emergency duties from their rare off days as well. It observed that long working hours was the reason police officers were not fit and healthy and behaved rudely with the public, which further diminished the image of police in general.

The research involved extensive field survey including 12,156 police station staff, 1,003 SHOs and 962 supervisory officers, from ranks ranging from constables to IGPs, in 319 districts in 23 states and two Union Territories. All nine police stations types - metropolitan, urban, urban-rural mixed, rural, crime, traffic, women, tribal and others were covered in the survey.

Capt S. Kalia's parents ask Govt. to act

The parents of Kargil martyr Saurabh Kalia thanked the Centre for indicating that it could approach the International Court of Justice against his brutal torture and killing by Pakistani army, but said they will believe its assurances only if these are backed by concrete action.

Reversing its earlier stand, the government said it could approach the ICJ against the brutal torture of the Kargil war hero by the neighbouring country in view of the "exceptional circumstances" of the case.

In Udaipur, Swaraj said, "It has been decided that the way Capt Kalia was tortured created 'exceptional circumstances' and therefore, the government will change its affidavit in the Supreme Court and ask whether under legal provisions they could move ICJ. If the Court gives a nod, then we will take the issue to ICJ." □

Exports from Gwadar Port Pakistan

The Gwadar Port in Pakistan for the first time on May 11 handled commercial containerised cargo for export of seafood. The Port started its operations about eight years ago. According to the report M V Zi Jingson, a bulk-break vessel of the China Overseas Shipping Co (Cosco), that reached Gwadar port's outer anchorage on May 10 evening, was allotted berth on May 11 to load reefer containers, laden with sea-food. The export shipment will be unloaded at Jebel Ali, Dubai, from where a larger ship will carry these reefer containers to Far-East with its expected destination to Malaysia and China, said the report.

Abdul Basir Qadir Bukhsh, the managing director of a local company, whose first export shipment was handled at Gwadar port, was quoted by DAWN to have said that for the last 20 years his company had been exporting seafood through Karachi. According to thereport, at a ceremony organised at the Gwadar port to see off the ship, Pakistan Federal Minister for Ports and Shipping Kamran Michael assured that the government is committed to develop the port area for the benefit of the local people. The next ship will depart on 18 of May carrying another shipment of fish, says the report, where 2,281 acres had been acquired for establishing a tax-free zone. □

MoU between India and Iran

India and Iran have signed an inter-Governmental MoU regarding India's participation in the development of the Chabahar Port in Iran. Nitin Gadkari, Minister for Shipping and Road Transport & Highways of India and Dr. Abbas Ahmad Akhoundi, Minister for Transport and Urban Development of Iran, signed the MoU on behalf of their respective governments.

With the signing of this MoU, Indian and Iranian commercial entities would now be in a position to commence negotiations towards finalization of a commercial contract under which Indian firms will lease two existing berths at the Port and operationalize them as container and multi-purpose cargo terminals.

The availability of a functional container and multipurpose cargo terminal at Chabahar Port would provide Afghanistan's garland road network system alternate access to a sea port, significantly enhancing Afghanistan's overall connectivity to regional and global markets, and providing a fillip to the ongoing reconstruction and humanitarian efforts in the country.

Highway reaches isolated Medog of Tibet

A highway linking the last frontier defense company of the PLA inaccessible by road in the Medog County, southwest China's Tibet Autonomous Region, opened to traffic on April 26, 2015. Since the frontier defense company was stationed in Medog in mid 1970s, all the materials the company needed had to be delivered by people or horses in the past 39 years due to having no roads linking the company to the outside world.

Surrounded by the snowcapped peaks of the Himalayas in the west, north and east and with the raging Yarlung Zangbo River running through it, Medog County is the last in China to be connected to the outside world by paved road. In October 2013, the 117 kilo-

meter long highway linking Medog County to Zhamog Township was completed and most frontier defense companies stationed in Medog were open to traffic, but the adverse natural conditions made it impossible to build a highway linking the county seat of Medog to the frontier defense company at that time. The one-way walking from the company to the county seat usually spends 5 hours, which have stopped a lot of family members of the soldiers from visiting the company in the past years.

Ang Wang, political commissar of the PLA's Nyingchi Military Sub-Command, said that, as all the frontier defense companies in Medog have been open to the traffic, the military sub-command will speed up the construction of frontier defense infrastructure and improve the living conditions of border guards

Germany lobbies India

Germany's defence minister held out the prospect of more talks on a possible sale of Eurofighter jets to India and, on a visit to New Delhi, said Berlin stood ready to back a multi-billion-dollar Indian submarine project. Prime Minister Narendra Modi cut through an impasse over a troubled tender for high-end combat jets by announcing a deal in France last month to buy 36 Rafales from Dassault. India has since said the original tender, launched by the last government to acquire 126 Medium Multi-Role Combat Aircraft, is all but dead, but rival jet makers are hoping the \$14 billion tender will be reopened.

The Eurofighter, made by Britain, Germany, Italy and Spain, was knocked out in the final round of the tender by Rafale. But controversy over the lifetime cost of operating the French plane blocked a final deal. Germany has taken the lead in the sales pitch to India for the Eurofighter, made by Alenia Aermacchi, a subsidiary of Finmeccanica, Airbus Group and BAE Sys-

Indian to set up hospitals in Saudi Arabia

A Jeddah-based Indian businessman plans to build two 100-bed hospitals in Saudi Arabia at a cost of 200 million Saudi Riyals and expand his operations to Bahrain by setting up a 150-bed hospital. Veliyapeediakal Mohammed Ali is an investor in Saudi Arabia for the last 10 years. He is also the first foreign investor to win a Saudi Arabian General Investment Authority license for opening a hospital in the Kingdom. He is planning to open the two 100-bed hospitals in Ghulail district of Jeddah and Batha district of Riyadh. "I have bought land and completed required procedures for the Saudi projects. If I get the approval today from the ministry and municipality, I am ready to finish the work in less than two years," said Ali, Managing Director of Jeddah National Hospital (JNH). □

tems. A spokesman for the Indian defence ministry said the focus now was on finalizing the government-to-government deal for 36 ready-to-fly Rafales.

NSA spying to prevent terror threat

CIA chief John Brennan has warned that allowing vital surveillance programs to expire could increase terror threats, as the US Senate convened for a crunch debate on whether to renew the controversial provisions. With key counterterrorism programs set to expire at midnight, the top intelligence official made a final pitch to senators, arguing that the bulk data collection of telephone records of millions of Americans unconnected to terrorism has not abused civil liberties and only serves to safeguard citizens. Brennan added that groups like Islamic State have followed the developments "very carefully" and are "looking for the seams to operate."

The House has already passed a reform Bill, the USA Freedom Act, that would end the telephone data dragnet by the NSA and it will require a court order for the NSA to access specific records from the vast data base retained by telecommunications companies. If no action is taken by the Senate today, authorities will be forced to shut down the bulk collection program and two other provisions, which allow roving wiretaps of terror suspects.

Make EU blacklist public: Russian FM

Russian Foreign Minister Sergey Lavrov needs to explain why 89 politicians from 17 European countries have been banned from entering Russia and confirm their names, an opposition lawmaker said in a formal inquiry. Dmitry Gudkov, the sole member of Russia's Parliament who opposes the Kremlin, also told Lavrov that while he understood such a step might have been necessary, it should have been taken transparently and in consultation with parliament. Russia has shared the list with European Union officials, but has refused to release it. The explanation Russia has given for the blacklist is that it was in response to EU

economic sanctions and travel bans imposed on Russia for its actions in Ukraine.

The Associated Press obtained the list from a source at EU headquarters in Brussels. The person who released it to the AP wanted to remain anonymous since the list had yet to be made official in Moscow. The 28-nation EU criticized the Russian bans as "totally arbitrary and unjustified, especially in the absence of any further clarification and transparency." Two German politicians who were turned back after flying into Moscow are on the list and were among several refusals that led the EU to ask Russia to share the list.

Pakistan brings RAW complaint to US

Pakistan is bringing to the United States' door its complaints about the alleged involvement of India's spy agency RAW in stoking unrest in Pakistan in course of yet another round of "strategic dialogue" between Washington and Islamabad. Pakistan's pointman for the new salvo is the country's foreign policy advisor Sartaj Aziz, the man who said in an interview last year that Islamabad should not target terrorists who do not threaten Pakistan, and asked, "Why should America's enemies unnecessarily become our enemies?" An old warhorse on the well-worn India-Pakistan track, Aziz reportedly told a conference in Islamabad — ahead of a Pakistani delegation's trip to Washington — that Pakistan would "expose India at the international level for 'stoking unrest in the country'"

The "RAW hand" is the latest trope in what Pakistan says will be its "name and shame" campaign that has been energized by abstruse statements by senior Indian officials that have been interpreted provocatively. Although there have been no takers in official circles in the past for Islamabad's complaints about RAW involvement in Pakistan given the country's dismal reputation for state-sponsored terrorism (and claims of responsibility for terror acts by Pakistan's own terror groups) Pakistani mandarins arrived in Washington with a mandate to capitalize on the Indian statements. □□

India may take action against EU

India may go to WTO if the European Union does not reconsider a decision to suspend the sale of about 700 generic drugs that were approved based on clinical trials by GVK Biosciences Pvt Ltd, the firm's CEO said. The European Medicines Agency (EMA) suspension became effective in January, a month after France, Germany, Belgium and Luxembourg suspended the sale of 25 generic drugs that were approved based on trials conducted by GVK Biosciences.

The drugs suspended by the EMA include those made by U.S. firms Mylan Inc and Abbott Laboratories, as well as large Indian companies such as Lupin Ltd and Dr Reddy's Laboratories. After an appeal by the company, the Indian government set up a panel of experts last year to investigate the matter and found no manipulation, GVK Biosciences CEO Manni Kantipudi told media. An Indian government delegation visited the European authorities between February and March to ask for the suspension to be reconsidered, Kantipudi said. If that does not happen, New Delhi is ready to take commercial and legal action, which could include action at the WTO, India's Commerce Secretary Rajeev Kher told media.

Post-FTA trade projection as allurements

Indo-EU bilateral trade can double to 200 billion euros on increasing mutual cooperation and success of FTA talks, European Union Ambassador Joao Cravinho has said. New Delhi & Brussels are likely to resume dialogue on the free trade agreement FTA next month.

"The bilateral trade between EU and India currently stands at 100 billion euros. I am quite hopeful that with the increasing mutual cooperation and the success of the FTA talks we will be able to double it to 200 billion euros over a period of four years from now," Cravinho told PTI. The envoy noted that bilateral trade volume has trebled to 100 billion euros during past one decade and could reach 200 billion euros if the forthcoming talks become successful.

Cravinho was talking on the sidelines of an annual day celebration of the Council of EU Chambers of Commerce in India. What however the supporters of FTA do not reveal that the increase in trade will be unbalanced and will favour EU countries. It will also destroy Indian here over the weekend. When sought his views on the 'Make in India' campaign and its impact on the European exports to the country, Cravinho said the EU sees the 'Make in India' campaign as an opportunity.

Conclude of ITA 2 talks urged

Many participants urged a swift conclusion to ongoing negotiations on the expansion of the ITA product coverage (ITA 2) at the meeting of the Information Technology Agreement (ITA) Committee. They also commended the holding of the workshop the previous day on non-tariff barriers in trade of information & communications technology (ICT) products.

Many participants said that the negotiations for expanding the ITA coverage came close to conclusion last December, and urged swift conclusion to the negotiations. They welcomed the participation of Director-General Roberto Azevêdo in pushing forward the ITA negotiations, adding that ITA 2 success will also help the Doha Round negotiations. Norway, Switzerland, Canada, Chinese Taipei, Montenegro, Singapore, Colombia, Australia and Hong Kong, China also supported the early conclusion of ITA 2.

Russia files dispute against EU

The Russian Federation notified the WTO Secretariat on 7 May 2015 of a request for consultations with the European Union regarding anti-dumping calculations used for imports from Russia. The request for consultations formally initiates a dispute in the WTO. Consultations give the parties an opportunity to discuss the matter and to find a satisfactory solution without proceeding further with litigation. After 60 days, if consultations have failed to resolve the dispute, the complainant may request adjudication by a panel.

LDCs urge movement on implementing Bali Decision

Least-developed countries (LDCs) took the floor at the 30 April meeting of the WTO's Committee on Rules of Origin to urge fellow members to move forward on implementing the December 2013 Bali Ministerial Decision on preferential rules of origin for LDCs. Members also agreed at the meeting to initiate an "educational exercise" to better understand the impact that national non-preferential rules of origin have on international trade. The LDCs Group at the WTO presented an "elements for discussion" paper aimed at triggering an exchange on how members are responding to the 2013 Decision and, ultimately, identifying ways to facilitate market access for LDC products. The paper sets out six specific questions to preference-giving countries on the operation of their rules of origin schemes.

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