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MEMORY CLOUDS

The Hon'ble Prime Minister, Narendra Modi, on April 21, 2015, on Civil Services Day, gave a clarion call to record and upload the memoirs of senior and experienced civil servants.

Hence...

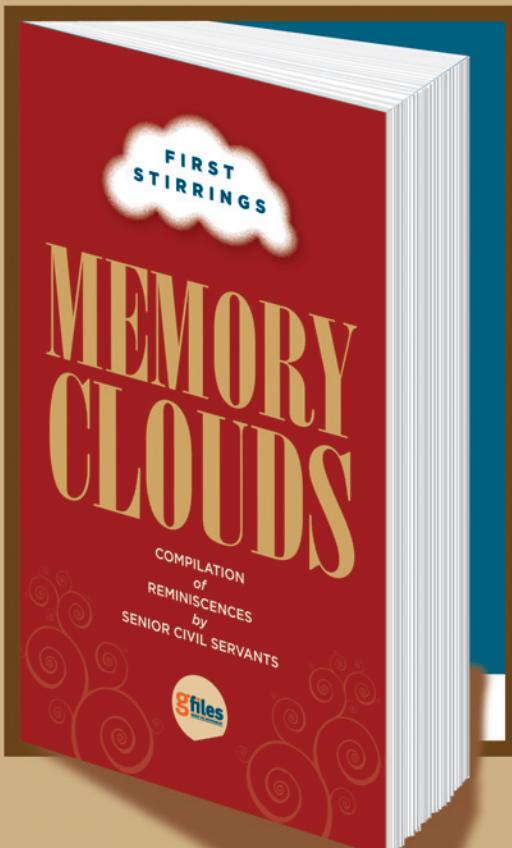
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From the Editor

A veteran BJP leader once said during the run up to 2004 elections that 'all political parties will be in a state of flux'. He should be happy that his prediction may come true, only a little late. Like the traffic stops during a VIP visit, governance comes to a grinding halt the moment elections are announced. With elections in five States from February 5 and results on March 11, the next 70 days promise to be eventful, keeping poll pundits to voters busy.

Akhilesh Yadav, the Chief Minister of the largest State, Uttar Pradesh, is facing two fights, one in the family and the other in the political arena. If he manages to win both, he is sure to emerge as a national figure obliterating the Congress vice-president who is struggling to remain above water. The Congress, which has been out of power in UP for the last 35 years, seems to be looking for nothing beyond a runner-up status to the third largest party. No party wants a poll tie up with the Congress as the risk factor seems to be high with no tangible benefit in vote transfer. BSP leader Mayawati is entering the poll arena with the albatross of her brother depositing crores of alleged black money in party account. Devoid of money power and depleting worker base, she has to heavily depend on her dalit vote bank. But, given the recent observation by the Supreme Court on the use or rather misuse of religion, caste, creed and other parochial issues, her campaign could face the ire of the Election Commission (EC). This, coupled with denial of free access to unrestricted black money, is likely to affect her fortunes. The BJP can draw immense comfort from the predicament of Mayawati and the internece *yaadavi* (the Yadav clan in the epic *Mahabharata* fought among themselves and became extinct, hence the term *yaadavi*) in SP. Besides, the BJP is the only party with the Prime Minister as crowd puller to campaign, without a local leader to be projected as prospective Chief Minister. Going to polls without declaring a CM candidate has given BJP mixed results. There is also a soft undercurrent of ego clash among caste-based leaders threatening to percolate to the faithful. Among all these election calculus, the effect of cash crunch and demonitisation is likely to have an adverse effect on the traditional vote base of the BJP, notwithstanding the brave face put up by party minions at all levels. While SP, BSP and Congress approach this election with a view to increase their power base, the stakes are much higher for the BJP which has degenerated into a single-leader party with no definite local agenda. The forthcoming elections in all five States, and especially in UP, may turn out to be a referendum on Modi's *notebandi*. The BJP-Akali Dal tie up in Punjab has more than one weak link and can snap anytime, vesting huge benefits to the Congress. In Manipur and Uttarakhand, the BJP is divided and will have to fight the Congress with more vigour. In Goa, the BJP is as divided a house as the SP is in UP. Ironically, given the shortcomings of all the parties, including the upbeat BJP, if the Congress fails to manage at least one State, it better apply for a winding up process.

One of the former Prime Ministers from UP, Chaudhary Charan Singh, coined a new caste-religion equation, MY-AJGUR (Muslim, Yadav, Ahir, Jat, Gujjar and Rajput) to break the hegemony of the Congress in the 70s. Mulyam Singh followed and Kanshiram and Mayawati extended the division of casts to include Dalit votebank. Whichever party wins, the Supreme Court, democracy, governance and secularism will be put to test. They have one saviour, the EC. Let us pray for the victory of Nasim Zaidi, the Chief Election Commissioner of India.

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LETTERS

editor@gfilesindia.com



Agents of change

It was very heartening to read the stories of innovation and commitment on the part of civil servants from across the country ("Innovation is the mantra", *gfiles*, December 2016). The use of advances in information technology has brought about efficiency, productivity and cost savings. The achievements ranged across sectors, from energy efficiency and irrigation to upgrading the police force and public service. The recognition given by *gfiles* every year to such success stories does a lot for morale and brings to the fore the need to celebrate such stories more. It also breaks the common perception that the bureaucracy does nothing. I once again commend *gfiles* for this endeavour.

SK Raina via email

Cashless economy

The article by MG Devasahayam ("Dissecting demonetisation, *gfiles*, December 2016) highlighted the key issues and concerns in a succinct manner. It was especially so given the conjectures and stories spread far and wide through various social media. It questions whether the stated objectives of demonetisation

were being met, and at the desired level. Somebody needed to ask these questions and the writer has done so. It needs to be recognised that the roots of the black money economy are deep and a holistic approach is required. As part of the demonetisation exercise, restrictions were placed on exchanging old notes for new, withdrawal and exchange of money. This is indeed a substantial interference in the rights of people from accessing their own money. In any case, demonetisation removed 86 per cent of cash in circulation, and other notes were in short supply, as witnessed by the long lines at banks and ATMs, literally rendering the Indian economy cashless.

K Kumar via blog

Economists studying the effect of the demonetisation exercise by India have questioned its impact. While some do concede that it may have a long-term positive effect, the short-term chaos forced on the economy is considered extremely negative and will take time to overcome. The government has a lot of work to do ahead and needs to think out its steps carefully to avoid any further fallout on economic growth.

Mona Singh via blog

Retired, but not tired

The reminiscences of retired IAS officer Surendra Singh proved to be interesting reading, shedding light on how the administration functioned in another era (First Stirrings, *gfiles*, December 2016). Singh continues to be active, working for what he believes in with dedication. Such stories act as motivation for the new breed of civil servants and provide insights into the working of the government at lower levels. I always read this column with great interest.

M Patel via blog

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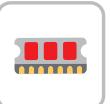
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Bric-a-brac

fun & games



Dry New Year for BJP leaders

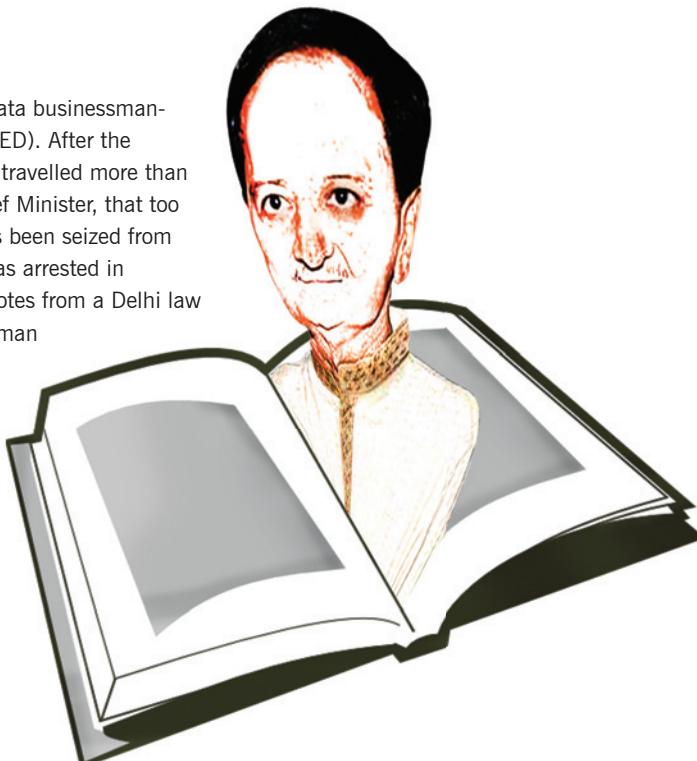
pm's diktat disturbs many plans

THE culture in Delhi's power circle is changing fast. Earlier there used to be New Year parties at the residence of many cabinet ministers where journalists, leaders from all walks of life and business houses were invited. Liquor used to flow like water. All this has changed now. The NDA government led by Narendra Modi has, in fact, changed the dynamics of Delhi power circle. Those saffron leaders who liked to celebrate their New Year in foreign destinations got a message from PMO that all Ministers of the Union Government should celebrate New Year with simplicity. The PM's order apparently made several leaders cancel their tickets. Nitin Gadkari was one of those who changed their plan and Gadkari celebrated his New Year in Nagpur instead. A very senior legal luminary who is part of the government celebrated in Goa. According to sources, he organised a party on December 30-31 in North Goa's Grand Hyatt Hotel. Many high profile guests attended the celebration. Ironically, the hotel belongs to Shahid Balwa, allegedly named in Coalgate and 2G scam. Some senior ministers who were in Delhi organised vegetarian dinners with their very close friends, of course, without cocktails. **g**

Lodha in ED net

eyes on his diary

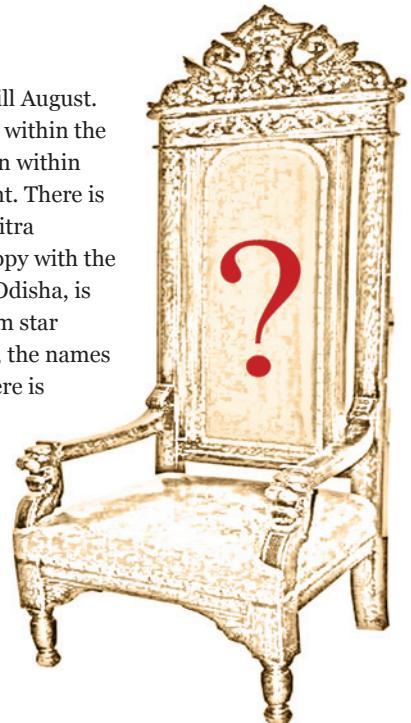
PARASMAL Lodha nicknamed 'Extra Floor Lodha' the Kolkata businessman-realtor has been nabbed by the Enforcement Directorate (ED). After the announcement of demonetisation on November 8, Lodha travelled more than six times in the same chartered plane that is meant for the Chief Minister, that too with a famous industrialist. It is reported that the diary that has been seized from Lodha has the names of several famous personalities. Lodha was arrested in connection with the recovery of Rs 25 crore of new currency notes from a Delhi law firm belonging to advocate Rohit Tandon and Chennai businessman Shekhar Reddy. It is learnt that his digital diary has the names of the Who's Who of the political world. A former Chief Justice of India also figures in the list. The diary reportedly also has the name of a son of a leader from the ruling party. A prominent industrialist's name from the field of communication and oil, allegedly connected to the 2G scam, is also mentioned. Sources say the diary has the name of Vijay Singh Dogra who was associated with the Sahara chief. Dogra's diary has been used by Rahul and Kejriwal to criticise the Prime Minister. It has been said that one should not be surprised if some more prominent names of businessmen and politicians surface from Lodha's diary. **g**



Race for Prez begins

sushma among contenders

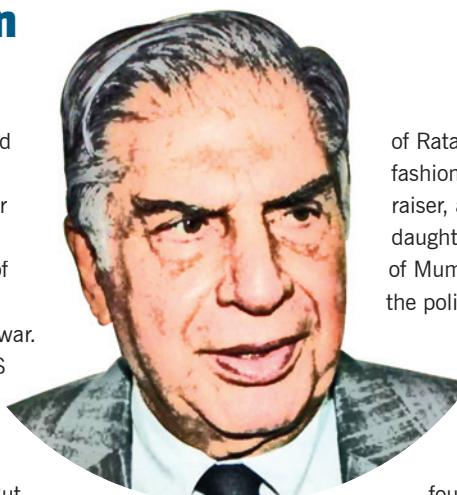
THE news about the election of President and Vice President will be hot till August. There is no indication from either the BJP or the Congress, but lobbying within the BJP has started and names of different leaders are emerging. One section within the BJP is advocating for External Affairs Minister Sushma Swaraj as President. There is another lobby which is advocating the candidature of Lok Sabha Speaker Sumitra Mahajan. However, sources disclosed that BJP President Amit Shah is not happy with the Speaker. Jharkhand Governor Draupadi Murmu, a dalit adivasi leader from Odisha, is another strong candidate. The rumour mill is also propagating the name of film star Amitabh Bachchan for the first citizen of India. For the post of Vice-President, the names of former Chief Justice KG Balakrishnan and P Sadasivam are emerging. There is another lobby which is propagating the name of Venkaiah Naidu for the Vice-President of India. Insiders within the BJP also feel that if wisdom prevails, then veterans of the party Lal Krishna Advani and Murli Manohar Joshi are the most suitable candidates, keeping in mind the dedication and commitment of these leaders. In the given political atmosphere, the battle for these most prestigious posts will gain momentum after the results of five state assembly elections. It has to be seen who RSS Chief Mohan Bhagwat, Bhaiyaji Joshi and Dattatreya Hosbole recommend to Narendra Modi. One top BJP leader informed that Modi will choose a personality who will fetch him votes irrespective of RSS or BJP affiliations. **g**



The RSS connection

ratan tata visits nagpur

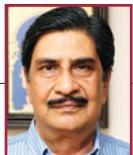
When the Ratan of Tata group paid a surprise visit to RSS HQ at Mahal and Reshimbaug, Nagpur and met with RSS chief Mohan Bhagwat, many highbrows went up at the number of places--media, BJP HQ and industrial houses-- closely watching the Tata-Cyrus war. As usual the faceless spokesperson of RSS Manmohan Vaidya, a known Modi baiter, dismissed it as a "courtesy visit". Obviously we know, no Tata company is supplying full pants to RSS. But what was the agenda? According to business circles in India's financial capital, Ratan Tata could be in trouble for some of his international business transactions gone wrong beyond repair. Cyrus could be privy to some of them by now and will leave no court unturned to nail Ratan. Now who will insulate the Tata group's breakdown from the Mistry? One



of Ratan's many 'friends', Shaina NC, a fashion designer, BJP spokesperson and fund raiser, aspiring South Mumbai candidate and daughter of Nana Chudasama, former Sheriff of Mumbai came handy. Working her way up the political ladder she had befriended a

powerful politician from Maharashtra close to the RSS chief. All that Ratan Tata did was press the right buttons and the next day he was kneeling before the statue of RSS founder at Reshimbaug. He is understood to have been 'highly appreciative' of RSS work

in the areas of education and social work in tribal areas and reportedly promised to un-cap CSR funds to the RSS. This done, the RSS will apparently put in a kind word to the concerned quarters to have a sympathetic view of the doyen of Parsi community. **g**



Demonetisation: The jury is still out

The three tests of success or otherwise of the move of demonetisation would be peoples' reaction to it, the result of UP elections and the widening of tax base within a reasonable period

WHEN we are confronted with the evidence in any matter, for example a personal or a political issue, the cognitive process in our brain is immediately activated. But surprisingly, the neural circuits in the brain that are normally involved in reasoning or logic do not participate in this process. In fact, when the brain arrives at a certain conclusion which makes us emotionally comfortable, we get the rewards in terms of joy or pleasure and get massively stuck to that conclusion as our own view. This is the finding of a scientific study reported in the *Scientific American* recently.

Perhaps this hypothesis explains the obdurate extreme views some of my senior colleagues hold concerning the dress, gait or stubble of the Prime Minister. These worthy gentlemen leave no opportunity to berate the decision of the Prime Minister to replace high denomination currency. They see no merit whatsoever in the original idea aimed at exposing black money stocked by a large number of people.

'We need to focus on people's woes,' says one of them, 'disappointed that many of us have remained silent on that course or dismissing it as temporary inconvenience; what's more

permanent than death?'

The other joins in, 'verily it can be said that we have been castrated'; 'the government owes an explanation to the people of India for their enormous bungle'.

Another passes the judgment, 'it is a self imposed crisis for political benefit'. And the whole debate is put to rest by yet another, 'Demonetisation has been an unmitigated disaster, which has hit the poor and middle class very hard. It has actually opened new avenues of corruption. It can only be supported by admirers of you know who'. Period.

Surprisingly, these otherwise



perfectly rational individuals do not belong to any political party. They belong to the highest brand of the civil service and are expected to be discerning, non-partisan and objective. They have in the past adorned positions of great responsibility in the government and have carried several critical operations to successful resolution with their wise counsel. Still, they seem to be genetically averse to anything Modi says or does.

Despite entreaties from their peers to moderate their severely stubborn views in the interest of a more informed debate, they keep screaming ‘murder of the Constitution’ and ‘deathblow to democracy’. Perhaps they would be well advised to recycle their emotionally comforting judgments through their reasoning neutrons.

In my view, the tardy pace of replacement of currency notes, collusive acts of sundry bank officials with criminal elements for funneling out new currency, avoidable adverse effect on millions of small entrepreneurs and traders, and suffering of almost every citizen in trying to withdraw his own money from the bank are real problems in

Having worked in the government for a long time, I am aware that the challenge could have been met satisfactorily by astute planning and efficient management

effective implementation of the decision to delegitimise old ₹1000 and ₹500 currency bills. Having worked in the government for a long time, I am also aware that the challenge could have been met satisfactorily by astute planning and efficient management; and, therefore, to an extent everyone involved in making the decision of demonetisation and its implementation is to be held responsible.

BUT by refusing to engage with ‘admirers of you know who’ constructively, in my view, these liberal intellectuals are losing their plot owing to their strident obduracy.

Of course, the government has taken an uncertain step in an unchartered direction. The initial avowed purpose of blocking black wealth did

not prove successful. A few much graver challenges are also lurking in the shadows if the government fails to put its house in order. Reestablishing faith in the currency and restoring the credibility of State institutions are going to be tested in coming weeks and months. Perhaps for the first time in its history, fingers are being raised on the functioning of the Reserve Bank of India.

In my view, the three tests of success or otherwise of the move of demonetisation would be peoples’ reaction to it, the result of UP elections and the widening of tax base within a reasonable period. Of these, the first has already been successfully passed by the government as there has not been much public disturbance or violence despite obvious inconvenience to millions.

However, the jury is still out and it is perhaps a little too early to deliver the final verdict.

Endpoint: Should I too re-evaluate my strongly held views by routing them through reasoning neurons and risk getting emotionally disturbed? g

The writer was the Cabinet Secretary and the first Governor of Jharkhand. He can be reached at pkumar1511@hotmail.com

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COVER STORY

corporate fracas

The Ratan Tata-Cyrus Mistry story began on a wrong note, albeit in a subconscious manner. They both felt that since they had worked together for years, they understood each other and the bonhomie would continue forever. But, human psychology works differently—it changes rapidly when one is given powers, and the other has to give up his erstwhile powers.

by ALAM SRINIVAS

ROME wasn't built in months. Nor was it destroyed in months. The same is the case with the spat between Ratan Tata, interim Chairman, Tata Group, and Cyrus Mistry, former Chairman. The story starts, ironically, when Ratan decided to search for his successor. The year: 2010. The five members of the selection committee included Ratan's loyalists—NA Soonawala, RK Krishna Kumar, the UK-based Lord Bhattacharya, Shrin Bharucha, and, of course, Cyrus, whose family owns 18 per cent in Tata Sons, the group's holding company.

Cut to November 23, 2011. After 18 meetings in search of a professional outsider to carry on the almost 150-year-old Tata legacy, the committee selected Cyrus, who was already an insider as Tata Sons' director. He was actually an insider-outsider, possibly



TATA-MISTRY FEUD What lies

the worst combination for a successor of a \$100-billion business empire. An outsider invariably comes prepared; he knows that as a professional and non-owner of a family-owned group, he can go thus far, and no more. An insider is invariably a loyalist and follower, who will look up to the owner; even better, he may be a

part-owner himself and, hence, is part of the family.

Both an insider and outsider can turn rogue. They can develop or nurture their own ambitions, try to usurp the group, or develop an urge to leave a new legacy behind. However, the chances of these happening with an insider-outsider are larger. Being an



behind?

insider, he will feel that he owns the empire. Being an outsider, he will wish to change things around and attempt to transform the group to prepare it for the future. An insider-outsider has the best of both worlds, which can quickly shift to the worst of both. This is what happened to Cyrus.

For an owner too, an insider-out-

sider is a tricky person to deal with. The owner is always scared that the latter, as an insider, will try to take over the businesses—Ratan did claim that Cyrus wanted to control the 100-odd operating arms of the group. He is also nervous that as an outsider, the successor will want to undo past decisions—Cyrus did wish to sell the

European steel business and wind down the operations of the Nano car, both of which were Ratan's dream projects.

So, the story began on a wrong note, a sour one, albeit in a subconscious manner. In a Freudian manner, both Ratan and Cyrus repressed these negatives. They both felt that since they had worked together for years, they understood each other and the bonhomie would continue forever. They should have read more of Sigmund Freud and Carl Jung to understand how human psychology works, and how it changes rapidly when one is given powers, and the other has to give up his erstwhile powers. We all know that power corrupts—in fact, in both ways, i.e. additional powers and subtraction of powers.

To be fair to Ratan, he had a clue about the workings of the mind of an insider-outsider. So, as an owner, he designed things to retain control over his empire. Cyrus worked with Ratan for a year, and only took over formally in December 2012. But during this period, Ratan had already impressed upon the newcomer that he would not have full control; his powers would be restricted by the owner. The idea was to protect the ownership of the sprawling empire.

The ball was put in play even before the new successor took over in December 2012. But, before that, it is imperative to understand who owns Tata Sons. Seven Tata Trusts together own almost two-thirds of the shares of Tata Sons, the group's holding company—the shares are “held by (seven) philanthropic trust endowed by members of the Tata family,” says the Tata Group website. It adds, “The largest of these trusts are Sir Dorabji Trust (stake: almost 28 per cent) and the Sir Ratan Tata Trust (over 23.5

per cent), which were created by the families of the sons of Jamsetji Tata, the Founder." Ratan headed these two trusts.

In 2012, Tata Sons' Articles of Association was changed to protect Ratan's holdings and wealth. Any removal or appointment of chairman now required mandatory approval by all the directors that were installed by the Tata Trusts. In addition, the Trusts had the right to appoint a third of the board directors. This was done with Cyrus' okay. Negotiations were on for further changes. In 2014, a new arrangement was in place between the owner and the successor.

UNDER the new deal, the Tata Trusts got more powers. Their directors virtually had veto powers over the group's strategic decisions—mergers, takeovers, investments and fund-raising. The majority of the Trusts' nominees, two out of three, had to approve such decisions, even if the board's majority had done it. They also had veto powers over the annual and five-year business plans. The owner made sure that the successor couldn't take over his businesses.

Still, as a professional, Ratan gave Cyrus enough freedom to take day-to-day and tactical decisions. In fact, in 2013, before the above agreement, the latter formed a committee to guide the group's future. Apart from himself, who chaired it, it comprised five members, most of whom were his handpicked men. The Group Executive Council, as it was called, included Madhu Kannan, the former CEO of the Bombay Stock Exchange whose name will feature later in this saga. It was meant to provide strategic and operational support to Cyrus.

The new die was set. The contours of the new relationship were established. And both the owner and the

Timeline

October 24... Cyrus Mistry was removed from the post of Tata Sons chairman without any explanation.

October 25... Shaporji Pallonji & Co kept their action secretive. Tata Group filed appeal in the Supreme Court, Bombay High Court and National Company Law Tribunal to ensure that Mistry doesn't get an *ex-parte* order against his sacking.

October 26... Mistry wrote a scornful letter to board members. He elaborated in his letter about difficulties he faced during his tenure. SEBI asked for clarification from Ratan Tata over Mistry's letter.

October 27... Air India looked into Mistry's fraudulent transaction¹ of ₹22 crore. Tata Sons responds to the letter, calls Mistry's claims 'unsubstantiated' and 'malicious' and that Mistry chaired the Board meet of Tata Global Beverages.

October 28... Mistry denied allegations of Board not consulted over purchase of Welspun Power. Mistry also says he is surprised with reasons that Tata gave for his removal.

October 29... Tata Group's HR chief NS Rajan resigns from the company.

November 2... Ratan Tata wrote another mail to employees saying that removing Mistry was absolutely necessary for the future of Tata Group.

November 4... Tata Sons appoints S Padmanabhan to oversee HR functions. Mukund Rajan, former executive assistant of Ratan Tata, will be overseeing group operations in US, Singapore, Dubai and China alongwith ethics and sustainability duties.

November 5... Tata Motors defends its ₹1 lakh Nano car strategy, which Mistry had mentioned in his letter.

November 9... Tata Sons sacks Mistry as Chairman of TCS, replaced by Ishaat Hussain.

November 15... Tata Global Beverages sacks Mistry as Chairman, replaced by Harish Bhat.

November 21... Nusli Wadia, independent director in Tata Steel, Tata Motors and Tata Chemicals, serves defamation notice on Tata Sons' board.

November 25... Tata Steel removes Mistry as Chairman, appoints independent director OP Bhatt in his place.

December 5... Mistry seeks government's intervention to 'remedy and repair breakdown' in the governance of Trusts managing Tata Sons.

December 13... Mistry removed as TCS director after shareholders vote in EGM.

December 19... Mistry quits as director from boards of key operating Tata companies before scheduled EGMs; describes his sacking from Tata Sons as 'illegal coup'.

December 20... Mistry moves NCLT against Ratan Tata, Tata Sons and some of its directors.

December 23... Ratan Tata says 'however painful' the fight with Mistry may be, but 'the truth will prevail'.

December 27... Tata Sons slaps legal notice on Mistry for alleged breach of confidentiality.

successor felt that they would live happily thereafter. Neither of them gave a damn about egos, shifting loyalties, baggage, legacy, trust, power, jealousy, and ambitions. But humans, even if they are billionaires and chairmen of powerful empires, live in an uncertain world where things change imperceptibly, and wreck havoc.

Wings # 1: Dramatis directors

One of the first signs were witnessed in 2013, when the Tata Trusts appointed new directors in Tata Sons. These included Nitin Nohria, Dean, Harvard Business School, and Vijay Singh, the former Defence Secretary, both of whom became hugely controversial after Cyrus' dismissal. Cyrus had problems with them. Since both were Ratan's confidantes, they had Ratan's ears and advised him on most deals. This irked the new chairman. Cyrus wanted Ratan to deal with him, rather than through what the owner heard from Nohria and Singh.

It was a classic insider-outsider mindset, who thought he was an insider and, thus, should have the owner's ears. Cyrus thought that Singh was 'un-Tata-like', and wrongly advised Ratan. He revealed his feelings after his ouster. In a statement, he said that Singh, as the Defence Secretary, was involved in the scam-tainted AugustaWestland chopper deal, which was signed by the previous UPA-2 regime, and cancelled by the present government. It was alleged that bribes were paid in the deal. Singh retorted that the deal was signed a year after he left, as the Defence Secretary, although the negotiations began during his tenure.

Cyrus viewed Nohria as a thorn too. In his worldview, the Harvard Dean became the non-executive director only because of his friendship with Ratan. Years ago, in 2010,



An insider-outsider is a tricky person to deal with. The owner is always scared that the latter, as an insider, will try to take over the businesses, and as an outsider, will want to undo past decisions—Cyrus did wish to sell the European steel business and wind down Nano's operations

Ratan donated \$50 million to the School, which was its largest gift from an international donor. Therein lay, according to Cyrus, the links between the former chairman and owner, and the new director. Yet again, it was a classic outsider's view of an insider-outsider; it wasn't a professional appointment. It is a different case that Cyrus was wrong on both counts; his view was blurred as both Nohria and Singh enjoyed excellent credentials.

Wings # 2: Take-off troubles

More tremors happened in 2014, when the Tata Group re-entered the

aviation sector through Air Asia. This was yet another project that Ratan desired for several years; his earlier efforts had failed. Here, there was a family legacy. Jehangir Ratanji Dadabhoy Tata, JRD or Jeb, was the uncrowned king of the group. For over five decades, between 1938 and 1991, he had taken it to towering heights, before he relinquished the reins to Ratan. Aviation was his passion.

On the IATA website, a blog reads, "His hero was the French piloting ace Louis Bleriot, the first man to cross the English Channel by air. Bleriot lived near the Tata's French county home and once allowed a co-pilot to give the 15-year-old JRD a ride. From that moment on, JRD was determined to fly." And set up an airline, which he did in 1932. Tata Airlines was the first Indian commercial carrier; in 1946, it became Air India. After Independence, the airline was nationalised, although JRD remained its head until 1978.

Ratan wanted to relive JRD's high-flying dream. For obvious reasons! Moreover, as an owner, he was a risk-taker to an extent. He had a 20-, 30-,

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corporate fracas

40-year vision in his mind. He wasn't affected by today's facts—the aviation sector was in trouble, most airlines were in the red, especially the low-fare carriers, and it was difficult to raise funds. He was looking at how, like Jeb, he will revolutionise the sector over the next decade or so; how he will bring world-class management and operational practices to India; how he will introduce renowned airlines, Air Asia, to the Indian passengers. Air Asia, incidentally, is the first foreign airline to set up a subsidiary (49 per cent) in the country. Which one should be proud of!

However, in this case, Cyrus thought like an outsider, a professional who wished to show instant results. Immediate performance generally, and especially in the case of a new CEO or chairman, implies cutting expenses, selling loss-making assets, and exiting seemingly-less profitable sectors. Globally, this mindset became famous, and quite common, in contemporary times during the 1980s. As a new wave of takeovers and mergers, especially leveraged buyouts (LBOs), became fashionable, the only way the new owners could reduce the huge debt required to buy the assets, was to sell part of the existing assets, and tighten belts. This is exactly what Cyrus had in his mind, but he needed to act and think like an owner to take such crucial and emotive decisions.

LOGLICALLY, since 2013, he opposed or cribbed about the entry into the aviation sector. But there was a problem—he was neither a full-fledged insider, nor a complete outsider; he forgot that he was an insider-outsider and, hence, he had a lot of freedom, but also many strategic shackles. He simply couldn't wish away the aviation partnership. Air Asia India was here to stay.

Wings # 3: Parsi parsimony

For decades, in some cases a century, the Indian Parsi community, especially the families based in Mumbai (or Bombay), earned huge sums from the Tata Group. Over the years, they had invested, reinvested and re-invested their earnings to buy the shares of the various companies, especially the blue chips like Tata Motor, Tata Steel and Tata Consultancy. Over the years, they had preserved the shares, not sold them, as they witnessed a huge rise in their paper profits. In addition, they earned huge dividends from these companies. Ever since Cyrus took over, they were worried, even angry and disturbed.

The reason: the new chairman's thinking like an outsider. As explained earlier, Cyrus wanted to show his capabilities instantly. Like the two-minute Maggie noodles, he hoped to prove within months, at least years, that he could turnaround the fortunes of the group companies. He would be better than Ratan; even better, he would make people forget Ratan's achievements sooner than anyone expected. His instant philosophy: cut down the shareholders' dividends of companies that weren't faring well. It piqued the Parsis, especially those who thrived on returns from their investments.

Inevitably, the entry of a second

Mistry lineage

Cyrus Mistry is the son of Pallonji Mistry, who is called the 'Phantom' of Bombay House, the Tata headquarters. In 2016, the *Forbes* magazine ranked him as the fifth richest Indian with a net worth of just over \$14 billion. Pallonji is considered a recluse and rarely seen in public, although he won the Padma Bhushan in January 2016. The Mistry family started with a construction company, and became a conglomerate with presence in real estate, infrastructure, consumer products, biofuels and textiles. Its association with the Tata family and Group goes a long way back. Old timers in Bombay House contend that the Mistry family got a 10-12 per cent stake in Tata Sons initially because it agreed to build the steel and automobile plants for the Tatas. The stake went up to over 18 per cent, and despite other shareholders with a larger stake, the family is considered to be the single-largest shareholder in Tata Sons. The two families have personal relationships too. Pallonji's daughter, Aloo, is married to Noel Tata, Ratan's half-brother; before Cyrus was appointed as Ratan's successor, it was widely tipped that Noel will take over the reins at Mumbai's Bombay House.



Parsi in the Tata Group, and exit of the more famous one, created rifts between the rich people within the community. Since the first half of this century, the Mumbai-based Parsis witnessed the loosening of their stranglehold over business, wealth and power to the Marwari and other trading communities. Hence, they generally stuck together, helped each other, and protected themselves. This is evident from the earlier almost-family-like links between the Tata and Mistry, Ratan and Nusli Wadia, the business fighter who owns the Bombay Dyeing Group, and Ratan and Mehli.

In 1997, the *Indian Express* pub-

lished the transcripts from what were called the Wadia Tapes or Tata Tapes. These related to conversations that Wadia had with politicians, political middlemen, businesspersons, and Tata over what came to be known as the Tata Tea Terror controversy. In that period, like other businesses, Tata Tea, whose operations were in Assam, had issues with the militant organisation, ULFA (United Liberation Front of Assam). It was alleged that the Tata Group had indirectly financed the expenditure of ULFA leaders—like a free hospital where ULFA leaders and members were treated, and foreign trips and stays for the leaders. Ratan apparently knew ULFA's chief.

THE tapes and their conversations proved Wadia's proximity to Ratan, and the former was his political trouble-shooter to clean up this mess. The transcripts reveal that the former was the latter's Man Friday. In addition, Wadia was a director in Tata Sons and a number of other operational entities. In the recent past, and after Cyrus took over, Wadia distanced himself from Ratan, and got closer to the new chairman. The rift in the rich Parsi community had begun. Thus, it wasn't surprising that when Cyrus was kicked out, Wadia took his side. In the end, Wadia was kicked out of the various Tata firms.

Over the years, Parsis had invested, reinvested and re-reinvested their earnings to buy the shares of the various companies, especially the blue chips like Tata Motor, Tata Steel and Tata Consultancy. Ever since Cyrus took over, they were worried, even angry

Wadia filed a defamation case against Tata Sons, when he was ousted as an independent director. He claimed that the manner of the removal "caused severe prejudice to the reputation and goodwill" that he enjoyed. In a prescient moment, he correctly predicted that it had "affected his status as an independent director in various other companies and will continue to have a cascading effect" in the Indian and global business circles. It did to an extent; other Tata firms kicked him out too. The fissures within the community increased.

Another fracture among the rich



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corporate fracas

Parsis was actually rifts with the Mistry family. Cyrus has a cousin, Mehli, who is a longtime friend of Ratan. Somehow Cyrus, whose family is in the construction business, had problems with Mehli, who had bagged several dredging, shipping and barge contracts from Tata Power. The then chairman felt that this was because of Ratan-Mehli proximity. Through his lawyer, Mehli told the media that this wasn't true, and the contracts were valued fairly. But the two Mistris couldn't get along; one of them (Cyrus) thought the other ratted against him to Ratan, which was why he lost his chairmanship.

Then there were the quakes, which added immensely to the Corporate tsunamis within the Tata Group, and finally drowned Cyrus.

Quake # 1: Cracks within Bombay Club

It wasn't just the Parsis; the breakdown in the relationships between Ratan, Cyrus, Wadia and Mehli devastated the bonhomie that they enjoyed with the larger business community in Mumbai and the rest of India. It was essentially a breakdown of the on-and-off informal business group, dubbed as the Bombay Club. During World War II, and two years before India's Independence, eight industrialists headed by JRD (who else?) and comprising GD Birla, Sri Ram, Kasturbhai Lalbhai, and Sir Purshottamdas Thakurdas, published the 'Bombay Plan'. They were the original Bombay Club. The Hindu traders and Parsi businessmen had got together to secure their future.

The Plan presented a series of proposals for the Indian government in the post-Independence era. Although most experts and economists contend that the Club argued for larger State interventions and public investments



on State-owned sector, the larger intention was 'protectionism' of the Indian-owned industries against the foreigners. This fell under the 'nationalist' notions that Indian business was unduly exploited by the British and British-owned firms. Intuitively, the Plan argued 'for private property' in a nuanced manner.

Once India glided on the path of economic reforms in 1991, similar fears gripped the domestic business community. In 1993, another group of eight industrialists, comprising Hindus and Parsis, met at Mumbai's Oberoi Hotel (hence the name,

Bombay Club), finalised a note, and handed it over to Manmohan Singh, the Finance Minister. According to media reports, it "welcomed competition in the market but urged the government to take steps to 'enable them to play their rightful role in the industrial development of the country.' They were seeking not protectionism, but time to prepare for the inevitable foreign onslaught. According to journalist Sucheta Dalal, who claims to have coined the phrase, Bombay Club, its "agenda really was stalling and slowing (the) reforms."

Although Ratan was not a member



of the second Bombay Club, unlike JRD who was the head of the first, his closest ally, Wadia, was connected to it. It's unclear whether Wadia attended the Oberoi meeting, but he supported it. Hence, Ratan, without coming out openly, did the same. If this contention is true, then it is clear that the powerful Ambanis—Dhirubhai and his two sons, Mukesh and Anil—who were against Wadia and, hence, Ratan, were not part of the Bombay Club. In fact, the Ambanis had their own privileged and premium club, whose members were die-hard loyalists, who were few

in those days.

Now with the Ratan-Wadia feud, and Cyrus-Mehli spat, the final nail has been hammered into the coffin of any form of an informal Bombay Club.

Quake # 2: Loco about DoCoMo

The event that happened sixteen days before Cyrus' exit, proved to be the 'tipping point' or the 'catalyst' as far as Ratan was concerned. It confirmed that Cyrus would decimate the carefully-constructed empire; he would devastate every brick in the walls of his operational companies.

It verified that his own ownership in Tata Sons, and other companies, and his investments were at risk, thanks to the past decisions taken by Cyrus since he became the chairman.

For years, there were issues between the two partners, Japan's NTT DoCoMo and Tata Teleservices. After the former decided to exit the venture, it demanded a pre-decided price for the shares it owned under the pre-decided buyback arrangement with the Tatas. However, as similar arrangements existed in the case of other deals involving foreign partners, the Reserve Bank of India (RBI) stepped in. Any deals on pre-determined prices were effectively banned. DoCoMo opted for arbitration and won an award for \$1.17 billion from the London Commercial Court. However, the change in laws prevented the Tatas from paying it.

TATA Sons maintained that the payment required RBI permission, which was denied. Even after DoCoMo approached the Delhi High Court to impose the arbitration award, Tata Sons placed the entire amount with the court, which showed its intention to pay, but as per the Indian laws. Hassled by what it perceived as Tata Sons', or rather Cyrus', deliberate delaying tactics, the Japanese firm threatened to take legal recourse globally to attach Tata Group's assets abroad. Cyrus argued that this wasn't possible as the foreign assets belonged to Tata Steel and Tata Motor, and the promoters had minority stakes in them. Effectively, the majority stakes in, and the assets of, the companies belonged to the other institutional and individual shareholders.

On October 8, 2016—Cyrus was removed on October 24—DoCoMo dropped a corporate warhead. It filed

COVER STORY

corporate fracas

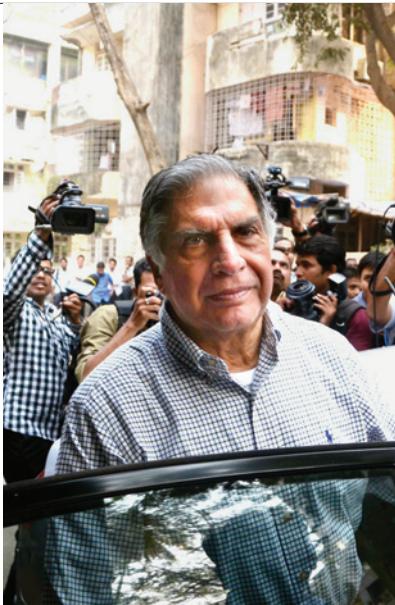
a case in a court in New York. This effectively put at risk the revenues (its assets are generally human resources) and profits of Tata Consultancy, which earned more than half of its revenues from North America. In addition, Tata Sons owns a majority 74 per cent stake in Tata Consultancy, which paid ₹11,400 crore (2014-15) and nearly ₹6,300 crore (2015-16) as dividends to Tata Sons. In both the years, TCS's dividends comprised 95 per cent and 91 per cent, respectively, of the total annual dividends earned by Tata Sons.

No way would an owner risk such humongous profits for a part-owner.

Quake # 3: Sale of family jewels

As mentioned earlier, being an insider-outsider confused Cyrus. Sometimes, he saw himself as an insider, other times as an outsider. Unfortunately, there were occasions when he behaved like an insider and an outsider while dealing with the same issue. As mentioned earlier, in terms of showing instant results, he was clearly an outsider. As mentioned earlier, one of the key traits of a CEO-in-a-hurry, or chairman-in-a-hurry, is this desire to sell off loss-making or unproductive assets to boost returns and profits percentages. Unfortunately, Cyrus, who played this role on and off, chose the wrong assets to dispose off.

Cyrus fixed his radar on Tata Steel's global business, and the Nano car project, both of which were the owner's passionate dreams. These were the two projects which Ratan felt were his real legacies; people would know and remember him for a small car which was the cheapest in the world, and the purchase of a \$12-billion Corus Steel in the UK. The first established him as a doer, an implementer, a visionary, an entrepreneur par excellence.



Cyrus fixed his radar on Tata Steel's global business, and the Nano car project, both of which were the owner's passionate dreams. These were the two projects which Ratan felt were his real legacies; people would know and remember him for

The second was his ability to transform the Tata Group as a global MNC, larger than whatever any other Indian had achieved. Indians have bought foreign assets, but none as large and as frequently as he had, especially in the last decade of his chairmanship.

DONNING his hat as a professional, Cyrus felt that the Nano was losing money, and needed to be shut down. It was a wrong project to begin with, for no rhyme or reason other than to set up a milestone—cheapest car. It failed to deliver on what it promised; it failed to lure the two-wheeler owners to shift to a cheap car. Buying an automobile is an aspiration, a desire. And Indian con-

sumer didn't want to own the cheapest car; her first car purchase had to be a decent model, one that can firmly put her on a middle-class pedestal.

Tata Steel, or rather the expensive Corus Steel, was a millstone around Tata Group's neck. And it was increasingly bringing it down, especially in terms of debt. In the beginning, Ratan had paid a much higher amount than what it was worth, only because of the owner-former chairman's ambitious ego. According to a recent article, "When Tata Steel bid for Corus Plc in 2006, it arranged financing with three banks for around \$5 billion to \$6 billion, said the person, who asked not to be named because the negotiations were private.

As the price rose (Ratan kept on raising the bid price) in a bidding war for the European steelmaker, Tata officials found cheaper funding, but would have to pay a break fee with the original banks of about 80 million pounds (\$99 million). Some executives tried to negotiate a cheaper release, but when the matter was brought to the attention of Ratan Tata, he insisted the original contract be honoured, the person said." Ratan did the same, but only as an owner, during the DoCoMo arbitration.

Cyrus decided to put the global steel assets on the auction block. It was feared that he would wind down Nano. Clearly, no owner would stand for an outsider-insider, his successor, to erode his most-famous legacies. It is easy to understand Ratan's current emotional state. "Over the last two months, there has been a definite move to damage my personal reputation and the reputation of this great group—the Tata Group. And these days are very lonely because the newspapers are full of attacks, most of them unsubstantiated but nevertheless very painful." **g**



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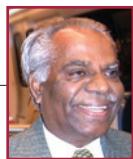


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Judicial Conundrum

The prudent way out

The best long-term solution for this sensitive issue is to establish the IJS with appropriate rules and, in the interim, judiciary can adopt the extant All-India Service Rules with suitable modifications



AMIDST the intense cry and cacophony over ‘demonetisation’, grievous governance wounds that bleed the nation are getting sidelined. Most important among them is the Central Government-Supreme Court impasse on the appointment of High Court judges.

For quite some time the Central government and Supreme Court Collegium have been locking horns on his issue. The Chief Justice of India (CJI) has been blaming the government for not doing enough for appointing judges with the Union Law Minister responding with a counter accusation. The bone of contention is the Memorandum of Procedure (MoP), which will be the Rule governing appointment of judges. Strange as it may seem, India’s higher judiciary, which adjudicates every law and rule in the country, is itself functioning without any rule! The Supreme Court, in a judgment, struck down the government’s proposal to set up a National Judicial Appointments Commission (NJAC) for appointment of High Court and Supreme Court judges. Since the judgment, the government and the collegium have not

been able to draft the MoP.

This is because of sharp difference of opinion between the two on many issues:

Seniority and merit: The government wants the criteria of seniority, merit and integrity while promoting a HC judge to the SC. Collegium says the criteria of seniority, subject to merit and integrity, would be followed.

Power to reject candidates: The government proposes to retain power for rejection of candidates recommended on grounds of national security/public interest.

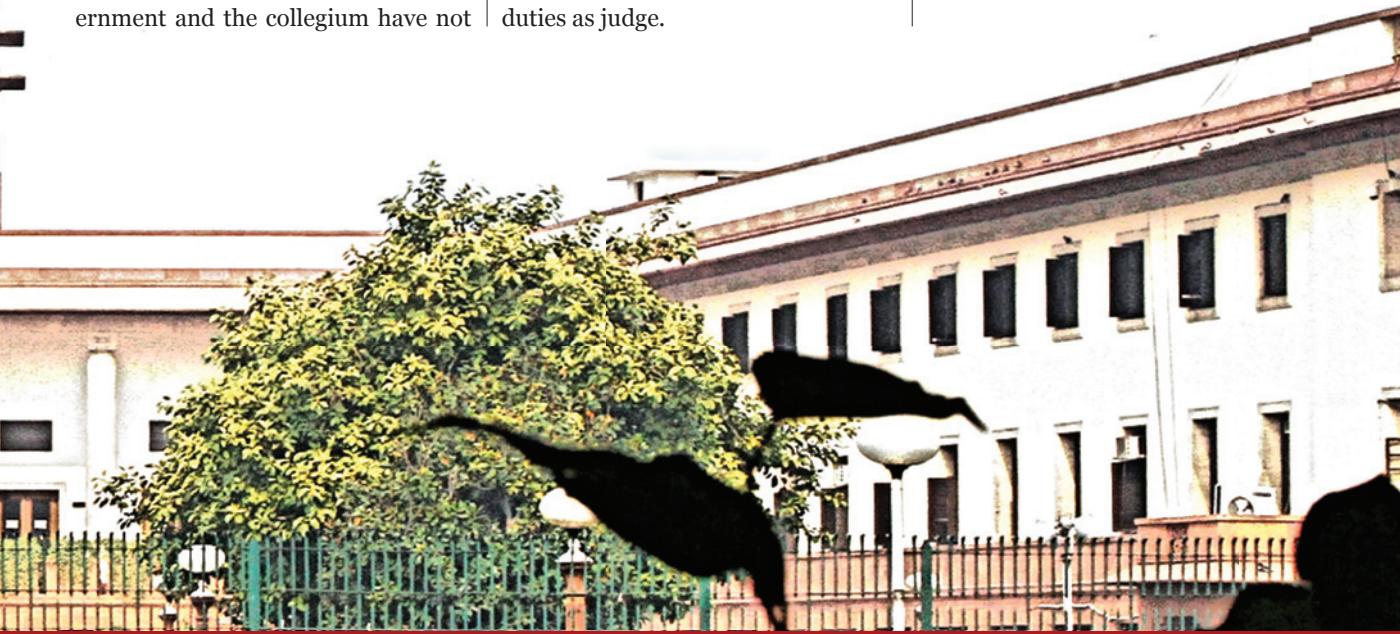
The collegium is opposed to this, saying it amounted to interference in its functioning.

Writing down reasons: The government wants that in case a senior judge is being overlooked for elevation to the Supreme Court, the reasons for the same be recorded in writing and the views of all five judges of the collegium must be made known to the government. The collegium says this will be counter-productive and could affect the concerned person’s future career as well as duties as judge.

Binding recommendation: As per the existing system, the collegium’s recommendations can be sent back but if it reiterates the same, it is binding on the President. The government says three important judgments of 1993, 1998 and 2015 on appointment of judges do not give absolute powers to the collegium. Instead, they ask for “participatory consultative process at the highest level”.

Three-judge quota: The government proposed that up to three judges may be appointed from the Bar or from distinguished jurists with proven track records. And that, all judges of the Supreme Court should be open to recommend names for these postings. Collegium is not in agreement and says this does not fall within the framework of the Constitutional provisions.

Consultative mechanism: The government proposes to set up a committee to assist the collegium in evaluation of candidates. It wants two retired judges of the SC and an eminent person/jurist to be jointly nominated by the CJI and the government. Collegium feels this is not necessary.



GOVERNANCE

Judiciary mg devasahayam

Candidates' database: The government proposes a secretariat under the law ministry that would maintain a database of judges, schedules collegium meetings, maintains records and receives recommendations and complaints related to judges' postings. The collegium is okay with the idea of secretariat so long as the forming and functioning of it is left to the CJI and it is under the ambit of the Registrar of the Supreme Court.

THIS is the ongoing tug-of-war. Subsequent to the collegium recently brushing aside the central government's objections to 43 candidates and reiterating all the names for appointment as judges, this has turned into a slanging match between the two high constitutional entities. Tensions continue to flare with both sides—Union Law Minister and CJI—cautioning each other against crossing the '*lakshman rekha*'. The former rubbed it in by stating that while high courts had shown "great courage" during the Emergency, the Supreme Court had failed the people by endorsing it. The unsavoury collegium vs NJAC spectacle is not going to end soon. Because, not only the sitting judges but also the retired heavyweights of higher judiciary are leaning in favour of the former and have conveyed the same in a memorandum sent to the CJI. Signatories include former Supreme Court judges and High Court Chief Justices.

The senior-most among them, Justice Kuldip Singh, former Supreme Court Judge had this to say: "There is no alternative (to collegium). It's fool proof, if it is transparent and accountable. You see, the judges know who all are good and fit for appointment as sub-judges, high court judges, and even Supreme Court judges. The judges are the best selectors." This



In 2010, three eminent jurists—Justice MN Venkatachaliah, Justice JS Verma, Justice VR Krishna Iyer—examined the issue in some length and opined thus: "We agree with the urgent need to constitute the IJS as envisaged by Article 312 of the Constitution of India, at par with the other All India services like the IAS, to attract the best available talent at the threshold for the subordinate judiciary, which is at the cutting edge of the justice delivery system to improve its quality. Moreover, the subordinate judiciary is important feeder-line for appointments to the High Court. The general reluctance of competent lawyers to join the Bench even at the higher levels adds an additional urgency to the problem. IJS will, in due course of time, also help to improve the quality of the High Courts."

contention needs to be taken with several pinches of salt!

One of the signatories—Justice Manmohan Singh Liberhan (former CJ of Madras and Andhra High Courts)—however cautioned that this unbridled power assumed by the collegium should not make the Supreme Court a "second sovereign", because in a democracy people alone are sovereign. He concedes that collegium system was not much of a success and tongue-in-cheek admits that true transparency would lead to loss of respect for judiciary! Indeed, as the adage goes: "Familiarity breeds contempt."

Proponents of NJAC argue that selection to the higher judiciary must be made by a full-time (not ex-officio)

body, which is independent of the government and the judiciary and which goes about the selection in a rational and transparent manner. The business of selecting hundreds of judges in a year to the higher judiciary, if done properly, would require at least a 1,000 candidates to be considered and comparatively evaluated over multidimensional criteria in a fair and rational manner. This would require a full-time body, which could totally devote itself to this process, with professional support.

There also needs to be transparency in the selection to prevent arbitrariness or nepotism. Minimum transparency would require that the criteria for selection of judges and standard of evaluation of candidates be made



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known and names of shortlisted/selected candidates announced before appointment, so that those who have relevant information about the candidate can send it to the appointing authority. Basic criteria to judge the competence of a candidate should include integrity, competence, judicial temperament, common sense and sensitivity towards the problems of the common man, among others. A system modelled on the British Judicial Appointments Commission, which follows a method to evaluate candidates based on predetermined and set criteria, could be suitable for this.

So, the tussle is between an ex-officio group called collegium and a full-time commission, both non-constitutional entities. Hence the crisis and the conundrum that has happened due to a historical blunder. At the time of Independence there were two All India Services (AIS)—Indian Civil Service (ICS) and Indian Police (IP). ICS was doubling as civil servants and judges. Since the Constitution of India brought in separation of powers between the executive and the judiciary, this arrangement was no longer tenable.

Accordingly, Article 312 of the Constitution mandated Parliament to create one or more AIS. Due to intense efforts by Sardar Vallabhbhai Patel, Deputy Prime Minister in charge of Home Ministry, two of them were promptly covenanted in the Constitution itself: “The services known at the commencement of this Constitution as the Indian Administrative Service (IAS) and the Indian Police Service (IPS) shall be deemed to be services created by Parliament under this Article.” [312(2)] But BR Ambedkar, the Law Minister, allowed the matter to drift and frittered away the opportunity.

So, till date there is no Indian Judicial Service (IJS) since Parliament empowered to enact a law for the purpose has failed to do so.

This perhaps is the main reason why there is such crisis in judiciary and huge number of vacancies. Creation of IJS keeps cropping up off and on. In 2010, three eminent jurists—Justice MN Venkatachaliah, Justice JS Verma, Justice VR Krishna Iyer—examined the issue in some length and opined thus: “We agree with the urgent need to constitute the IJS as envisaged by Article 312 of the Constitution of India, at par with the other All-India services like the IAS, to attract the best available talent at the threshold for the subordinate judiciary, which is at the cutting edge of the justice delivery system to improve its quality. Moreover, the subordinate judiciary is important feeder-line for appointments to the High Court. The general reluctance of competent lawyers to join the Bench even at the higher levels adds an additional urgency to the problem. IJS will, in due course of time, also help to improve the quality of the High Courts.”

VARIOUS law commissions (1st, 8th, and 11th) had also suggested the creation of IJS. Even the Supreme Court, in two of its judgments in 1991 and 1993, had endorsed the setting up of IJS. Yet it is mysterious that this Service has not materialised. In November 2012, a Committee of Secretaries chaired by the Cabinet Secretary had approved a “comprehensive proposal” for creation of the service. At the time, 18 High Courts out of 24 had responded to the proposal, and most of them had opposed it.

It looks as if the decades-old plan of setting up IJS is again in the limelight.

This is evident from a note prepared by the Law Ministry’s justice department in September 2016: “The matter has been discussed at the highest level in the government and the judiciary. It has been decided that the Honourable Chief Justice of India would convene a meeting of the Chief Justices of the High Courts to arrive at a consensus on formation of IJS.” In the present surcharged atmosphere, it will be interesting to see how CJI and the High Courts react to the proposal which, according to sources, has been significantly tweaked to convince the judiciary that it would remain free of government control. This can be achieved by making Supreme Court as cadre-controlling authority for the IJS.

Though the Constitution has placed “Justice, social, economic and political” at the epicentre of India’s democratic governance, for the people at large this has become a rare, time-consuming and costly ‘commodity’ to access. And the way courts and judges are functioning things are going from bad to worse. This cannot be countenanced and a solution has to be found. The sooner, the better because higher judiciary cannot be a rule-less entity in perpetuity!

All things considered, the best long-term solution for this sensitive and vexatious issue is to abide by the constitutional scheme of things and establish the IJS with appropriate rules and regulations without any further loss of time. In the interim, judiciary can adopt the extant All-India Service Rules with suitable modifications. This seems to be the prudent way out of the deepening morass and brooks no delay. **g**

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Restore Standard Deduction

It is time to get over the archaic view that salary is earned without any expenditure. The decision taken by Chidambaram in 2005-06 should be corrected in this Union Budget

THE budget presentation date having been preponed by one month to February 1, umpteen suggestions must be pouring in the Finance Ministry regarding changes that need to be made in the Income Tax Act.

I just wish to make one to highlight the injustice and discrimination practiced in the cases of the most honest sector of taxpayers—the salary earners—on whom injustice was thrust by P Chidambaram, the Finance Minister in the UPA Government, vide his budget proposals for the year 2005-06 when he increased exemption limits and adjusted the tax brackets. He made the salaried employees to bear the burden of these changes, in financial terms, by abolition of the Standard Deduction (SD), observing:-

“Given the higher exemption limit and scaling up of tax brackets, the need for a separate personal allowance does not exist. Therefore, in conformity with the growing international practice, I propose to remove the Standard Deduction”.

The SD stands abolished since April 1, 2006, for most untenable reasons given with a casualness which shall be mentioned later. Before that, the policy followed in the IT Act for taxing incomes in respect of various sources needs to be stated to expose the hollowness of the grounds stat-



ed by Chidambaram for abolishing deduction for salary earners relating to employment related expenses in the form of SD.

Under the IT Act, income to be assessed as such need to fall under any of the following heads:

- Salaries – Section 15.
- Income from house property – Section 22.
- Profits and gains of business or profession – Section 28.
- Capital gains – Section 45.
- Income from other sources – Section 56.

The policy in income taxation is that

it is not to be taxed on gross basis, but is to be subjected to tax after deducting the expenses incurred in earning it. Thus, Section 24 mentions about deductions to be made in computing the taxable income from house property, Section 29 about expenses to be deducted in cases of income from business and profession, Section 48 about deductions from capital gains and Section 57 about such deductions from income from other sources.

But, presently, no deduction for earning salary is permissible in the Act except entertainment allowance received from the employer (up

to ₹5,000) and professional tax; though up to March 31, 2016, SD for employment related expenses was allowed as deduction. By the Finance Act, 2001 (from April 1, 2002), SD at the following rates was admissible:

- [i] In the cases of assessees up to income of ₹5 lakh, at the rate of 40 per cent or ₹20,000, whichever is lower.
- [ii] Where income exceeded ₹5 lakh, a sum equal to ₹20,000.

Such deductions were permissible in case of salaried employees also vide Section 16 of the IT Act. The history of Section 16(1) providing for SD shows that it is in lieu of employment-related expenses like expenditure on books, conveyance, etc., on actual basis, which required checking of various expenses. Hence, to simplify the taxation of income from salaries with effect from April 1, 1993, the practice of allowing item-wise deduction was given up and practice of SD was introduced by the then Finance Minister.

Not giving any deduction for employment-related expenses on most untenable grounds was the most unkind gesture of Chidambaram for such taxpayers and making them to pay tax on gross incomes against the policy enshrined in the Act.

The deduction on account of expenses was given on a standard basis to avoid controversies during assessments and streamline the functioning. There is no dispute that such expenses were deducted in cases of salary earners for their expenses relating to their employment. The only deduction now permissible is payment for professional tax levied by some State governments.

In the background of what has been stated earlier, the issue for consideration is whether there are any grounds to discriminate the salaried employees vis-à-vis other

taxpayers in getting deduction for employment-related expenses in their income tax assessments. This issue is being examined under two heads—whether the reasons given by Chidambaram justify non-deduction and whether on merits the expenses need to be decided.

An examination of the reasons given by Chidambaram for scrapping SD will convince anybody that the decision was based on totally untenable grounds. These are:

Standard Deduction for employment-related expenses is more relevant today than in the past because today's employees have to spend large amounts on computers, pen drives, printers, internet, making CDs for presentations, books, journals, training, travelling, etc.—not only for promotion but also for staying in the job because of stiff competition

- SD was not given as a ‘personal allowance’, but in lieu of employment-related expenses. Personal expenses are those that relate to the person of the taxpayer on his food, clothing, education, etc., not for expenses which relate to his employment.
- Higher exemption limit and readjustment of tax brackets benefited all categories of taxpayers, not merely the salary assessee. To punish such taxpayers by higher taxes by abolishing SD was misconceived, discriminatory and unfair.
- SD is still continuing in a large number of countries.

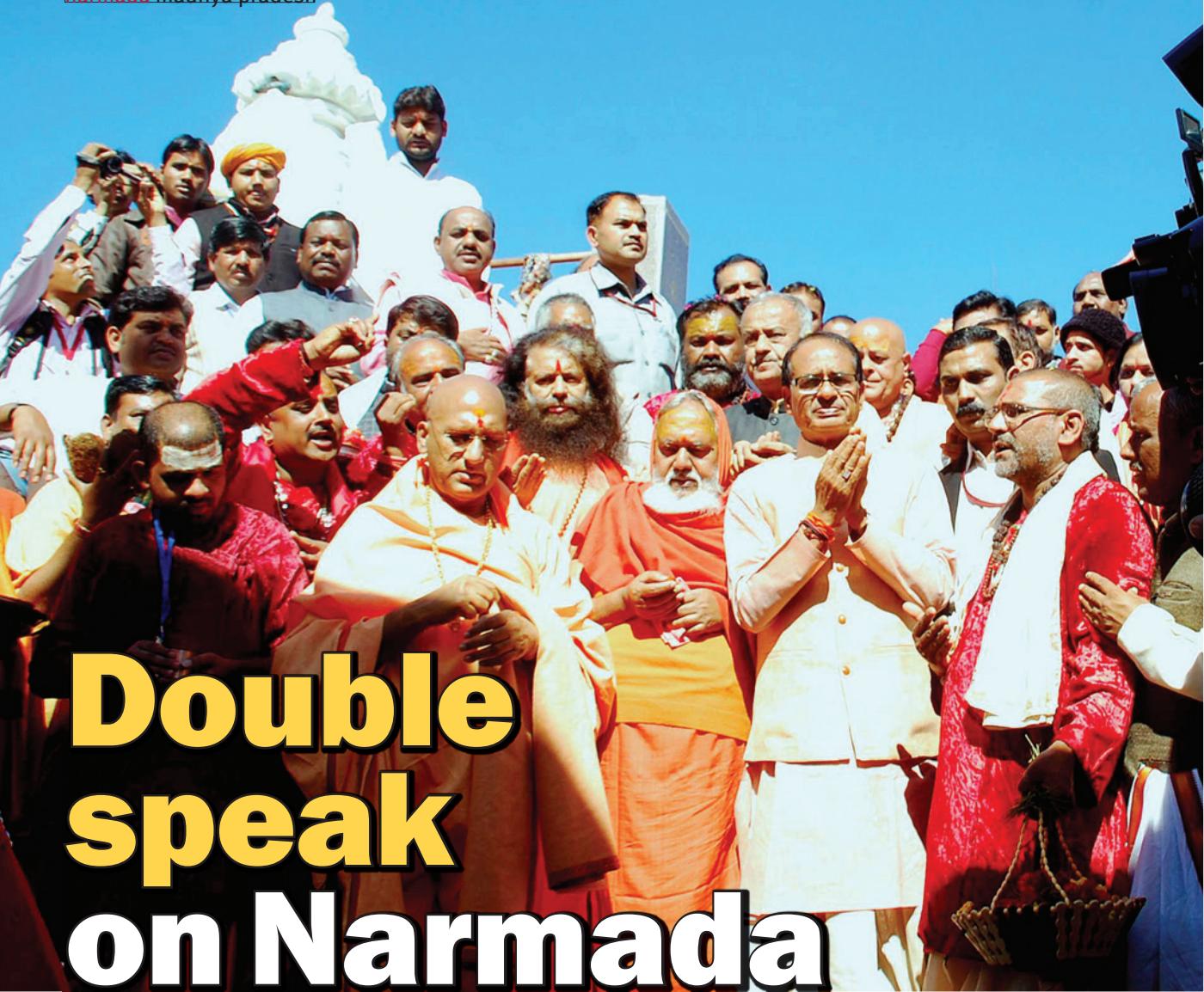
On merits also, there is no ground for not giving deduction for employment-related expenses. SD for employment-related expenses is more relevant today than in the past because today's employees have to spend large amounts on computers, pen drives, printers, internet, making CDs for presentations, books, journals, training, travelling, etc.—not only for promotion but also for staying in the job because of stiff competition. The government does not provide such avenues free of cost for keeping one updated and efficient in carrying on the employment related work and discharging the obligations related thereto efficiently. If not so done, not only there can be lagging behind in discharge of expected work, but there could be loss of employment also. Expenses of the nature specified earlier cannot be considered as of personal nature and not related to employment as mentioned by Chidambaram.

The decision of the former Finance Minister was, obviously, of a bizarre and casual nature and needs to be corrected by the present Finance Minister. Actually, correction should have been done immediately after coming into power of the new government. But, better late than never!

The SD needs to be brought back by the Finance Act, 2016, to undo the injustice and discrimination being perpetuated since 2005-06 on wrong understanding of the factual position. The suggestions, keeping in view the present economic situation, are:

- Where the salary income is up to ₹10 lakh, 40 per cent of the total income or ₹40,000, whichever is lower.
- Where income exceeds ₹10 lakh, a sum equal to ₹40,000. **G**

The writer is former Chairman, CBDT



Double speak on Narmada

With the Narmada Sewa Yatra, the MP government purports to save and conserve Narmada river but rampant sand mining and commercialisation of river's waters continues under the aegis of the same government. While the Chief Minister has been exhorting the State's people to save each drop of Narmada, his government is rolling out a red carpet to industrialists and thermal power companies to exploit the river water for their commercial use.

by RAKESH DIXIT

ON January 11, Madhya Pradesh Chief Minister Shivraj Singh Chouhan is slated to perform Bhoomi Pujan for the ₹750-crore Coca-Cola bottling plant and food processing unit at the Mohasa-Babai industrial estate in Hoshangabad district. The proposed plant is just eight km from river Narmada. Billed as the biggest Coca-Cola bottling unit in India, the proposed plant will require one million litre water per

day, according to the State's industry minister Rajendra Shukla.

On this day, the Narmada Sewa Yatra (Narmada pilgrimage) will likely enter into the district with the message to conserve each drop of the holy river. The 'Save Narmada' campaign, christened as Namani Devi Narmada, was flagged off by Chief Minister Chouhan on December 11 at Amarkantak, the river's origin in Anuppur district. The 144-day long awareness campaign is Chouhan's brainchild. Its stated objective is to motivate people to conserve the river through incentivising afforestation along the riverbed that stretches 1,077 km in Madhya Pradesh. Chouhan

government's hypocrisy on the save Narmada campaign is glaringly evident here.

While the Chief Minister has been exhorting the State's people to save each drop of Narmada, his government is rolling out a red carpet to industrialists and thermal power companies to exploit the river water

for their commercial use. At least 35 power plants are in the pipeline along the Narmada, besides the nuclear power plant in Chutka village in Mandla district.

NARMADA Bachao Andolan (NBA) activist Medha Patkar says the Chouhan government has no moral right to even talk about saving Narmada.

"It is the government that has ruined the river by permitting sand mining and inviting industries and thermal projects near its banks," she alleges. NBA has been agitating to save Narmada River since 1986 by opposing construction of big dams and industrial units on its banks.

Narmada conservationists are highly sceptical of the Namani Devi Narmada campaign. They allege the campaign is a disingenuous ploy of the Chief Minister to fool the gullible devout of the river. The tone and tenor of the campaign thus far has proved the sceptics right

The Namani Devi Narmada campaign is suffused with religious symbolisms such as artis, puja and chanting of mantras to propitiate the river (left & below)

Narmada conservationists are highly sceptical of the Namani Devi Narmada campaign. They allege the campaign is a disingenuous ploy of the Chief Minister to fool the gullible devout of the river. The tone and tenor of the campaign thus far has proved the sceptics right



the Chief Minister to fool the gullible devout of the river. The tone and tenor of the campaign thus far has proved the sceptics right.

From the start, the leitmotif of the Namami Devi Narmada has been sanctimonious invocation of the mother goddess. The campaign is suffused with religious symbolisms such as *artis*, *puja* and chanting of *mantras* to propitiate the river. Rashtriya Swayamsevak Sangh (RSS) and affiliate groups, along with assorted sadhus, are at its forefront. Water conservationists are conspicuous by their absence.

ENIRONMENTALISTS such as Ravi Chopra, Shridip Dharmadhikary, Brij Gopal and Himanshu Thakkar, among others, not only rejected the State government's offer to be associated with the Narmada pilgrimage but slammed the Chief Minister for allegedly working against conservation efforts for the Narmada. NBA was not even invited by the government in view of the organisation's strong view on the CM's alleged inaction over rampant sand mining on the Narmada riverbed in the western part of Madhya Pradesh.

Stockholm Water Prize winner Rajendra Singh, known as the 'Waterman of India', was one of the few conservationists who participated in the Namami Devi Narmada Seva Yatra.

"The campaign will face many challenges, which will be difficult for the government to deal with. For example, in Amarkantak itself, influential people have violated rules. Whether the government will be able to deal with them is the big question," he said.

The Narmada Sewa Yatra would end on May 11, 2017. Leaders, activists



Bhopal-based environmentalist Subhash C Pandey says the government's plan to build an eight-metre pathway on Narmada besides planting fruit-bearing trees on its banks will spell disaster to the biodiversity

and villagers would cover a distance of 1,900 km by foot, while the Chief Minister has been participating in the *yatra* in phases.

The *yatra* aims to ensure plantation on the riverbank, toilet in each house,

cleanliness at ghats, changing rooms for women and sewage system in the cities so that pollutants don't enter the river. The *yatra* will pass through 1,104 villages spread across 51 blocks of 16 districts before its conclusion.

According to the Chief Minister, he conceived the idea last year when he saw the river's flow having shrivelled during inauguration of a bridge in Dindori district. Afforestation is being planned up to one kilometre deep on both banks. Farmers would be encouraged to plant fruit trees. They would be given a compensation of ₹20,000 per hectare till they start earning from the trees on their land.

Bhopal-based environmentalist



Chief Minister Shivraj Singh Chouhan has been participating in the Namami Devi Narmada in various phases

to cover 30 towns of 50-km stretch.

The State has so far received an assurance for a fund of 116 million US dollar from World Bank and 50 Million Euros from KfW Bank, Germany. The KfW is a German government-owned development bank based at Frankfurt. The central government would also fund 50 per cent of grant under Amrut (Atal Mission for Rejuvenation and Urban Transformation) towns.

RAMPANT sand mining over the years has rendered vast swathes of Narmada riverbed along the river's 1,077 km long flow in Madhya Pradesh precariously perforated. It is common knowledge in the State where the river is revered as its lifeline. Therefore, any campaign to conserve and cleanse the holy Narmada was expected to address this big menace on top priority. However, the "Namami Devi Narmada" has different priorities.

"The government, with its various moves, is trying to convert Narmada into a lake. If the intrusion of industrial corridors and mining is not stopped, Narmada will soon vanish," Medha Patkar says.

Patkar and other environmentalists have written a letter to the Union Ministry of Environment, Forest and Climate Change to demand immediate ban on sand mining.

The letter has highlighted the NBA's dismay over the inaction of Narmada Valley Development Authority (NVDA) and Narmada Control Authority regarding massive illegal sand mining for the last 5 and more years.

Union Water Resource Minister

Subhash C Pandey says the government's plan to build an eight-metre pathway on Narmada besides planting fruit-bearing trees on its banks will spell disaster to the biodiversity.

"They plan to plant fruit-bearing trees in a lush wild forest, which is an irrational thought. They will cut wild trees that help balance the ecosystem and plant smaller trees bearing lemons and pomegranates. Then, these trees would require pesticides and insecticides, which will again destruct the river water. Any environment expert would know that deep-rooted big wild trees are necessary on river banks to prevent soil erosion, which fruit-bearing trees

would not be able to do," he says.

The State is arranging funds on clean Narmada drive under National River Conservation Plan through its Urban Development department. The plan envisages sewage management in towns developed nearby Narmada River and its tributaries. The plan also seeks to augment water supply in these towns.

As many as 54 towns are on Narmada river bank and need nearly ₹1,350 crore for necessary sewerage or waste management. The plan, which has yet to come out of the drawing board, is to cover 24 towns developed on a 10-km strip on the either side of the river while the second phase was



Uma Bharti is keeping her distance from the Save Narmada Yatra

Uma Bharti, who was not invited to be part of the campaign, also says that sand mining is the biggest threat to Narmada.

"Reckless sand mining in the Narmada has remained the biggest problem, but since Shivraj Singh Chouhan has given the assurance that he would put an end to sand mining in this river, it will get protected in the natural course," she told newscasters recently in Sehore.

However, the Chief Minister's apparent dilly-dallying on banning sand mining belies Bharti's optimism. The Chief Minister says he does not believe in framing more legislations to ensure protection of the Narmada.

Chouhan recently said in the State Assembly that the State government will consult experts and environmentalists on whether there should be ban on sand mining in Narmada. "Such decisions can't be taken in haste like this."

Mineral Resources Department Director VK Austin says studying the impact of mining on Narmada will take a lot of time and will require

expertise. "We want to study how much sand quantum is being excavated, what is replenishing rate of the river and whether mining is affecting the river as a whole."

ILLEGAL sand mining on Narmada is reported on a regular basis. Experts say sand mining has affected the river's groundwater tables besides destroying habitat of biodiversity. At least half-a-dozen Narmada tributaries in the State have completely dried up due to rampant sand mining.

Sand mining is a big political issue in the State. Most sand mining leases are with either BJP leaders

Rampant sand mining over the years has rendered vast swathes of Narmada riverbed along the river's 1,077 km long flow in Madhya Pradesh precariously perforated. It is common knowledge in the State where the river is revered as its lifeline

or the contractors protected by them. Chief Minister's relatives too are facing allegations of extending political protection to rampant illegal mining in his native Sehore district. The biggest mining company, the Shiva Corporation Limited (SCL), has hogged headlines from time-to-time for alleged connection with the Chief Minister and his relatives. The company's near monopoly on sand mining has affected the market. Bhopal-Indore corridor is a construction hub and the SCL has formed syndicates with builders and



Medha Patkar has been a vocal opponent of the Namami Devi Narmada

transporters in this corridor. They decide the price of sand in the State. It was involved in illegal mining in the Chief Minister's constituency.

Nobody knows about SCL's stakeholders.

Before starting online auction process for sand mining in March 2015, the State government released a new policy to bring more areas under sand mining. After the policy was unveiled, sand mining area increased from 5,206 hectares to 9,946 hectares this year. State exempts sand mining from environmental clearance. Mining areas are not demarcated.

Therefore, mining far exceeds the allotted area. A strong nexus between contractors, politicians and bureaucrats facilitates illegal mining. It is rampant in the rivers Chambal, Narmada, Betwa and Ken. A network of criminals, known as the sand mafia, is active on the Narmada riverbed and ravaging it with heavy machines to loot sand and sells it to builders. Police officers and activists, who fought against the sand mafia, are either attacked or threatened. **g**



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It is the economy, no politics, stupid

Elections over decades have been won piggyback riding on catchy slogans. And slogans that have caught the people's fancy have been economic ones

WHATEVER be the form of government, winning elections and governance have largely depended on catchy slogans, especially the economic ones. Whoever said 'man does not live by bread alone' must be repenting how he went so wrong. From 'workers of the world unite' in 1848 to 'achhe din' in 2014, slogans laced with a tinge of economy and prospects of coins jingling in your pocket have enthused millions to choose a government or throw the unwanted ones out.

A year before the 1992 US Presidential election, 90 per cent Americans approved George Bush's job-creating economy. Bill Clinton's campaign strategist, James Carville, re-hashed a phrase and coined a new slogan "It's the economy, stupid". What was meant to be one of the three political agendas (the other two being 'Change vs more of the same' and 'Don't forget health care'), turned out to be a winning slogan. In 2016 again, most of the (stupid) Americans heard things like 'need more job creation, taxation is in a mess, interest rates need correction, house for all....'

Sounds familiar to what we have been hearing since Independence in India that is Bharat? Politics all over the world has been in transition forever, piggyback riding on economics.

India's priority after Independence

was revamping the economy in the backdrop of poverty, refugee influx, joblessness, archaic agricultural methods and lack of industry, not to speak of defence un-preparedness and total absence of tax/revenue system. Even then, ironically, the only thing that tormented the then Prime Minister was corruption, of all the things. Since then, subsequent Prime Ministers have made fight against corruption their *raison d'être* for their very existence on this universe and occupy the most powerful hot seat. In 1947, India adopted a made-in-India variant of Keynesian economics, aping much of what the USSR did or said. Huge investments were made in public sector entities. Then came a

phase of massive reforms in agriculture. While the Left movement considered land reforms as their exclusive prerogative, the Congress party used it as an economic tool to move closer to the rural masses. So while the country was in transition, there were two economies, the public sector creating huge job opportunities and the agriculture, sustaining the rural masses. All this resulted in neither growth nor capital formation. India became infamous as a country free from British Raj but subservient to licence-quota-permit Raj.

Then came the second phase of transition, once again politics piggy-back riding on economic slogan. Indira Gandhi's experiments with socialism resulted in appropriating more of Left agenda like nationalisation of banks, doing away with the privy purse and bringing in draconian land ceiling laws. All this was encapsulated in a small two-word slogan, '*Garibi Hatao*'.

Subsequent Prime Ministers and finance ministers tinkered with the idea of riding two horses, one that of socialism and the other that of encouraging private sector. Meanwhile, the proverbial fight against corruption continued just as the stranglehold of licence-quota-permit raj and the inspector raj. Indian economy's travel and transition from Marxism to

Whoever said 'man does not live by bread alone' must be repenting how he went wrong. From 'workers of the world unite' in 1848 to 'achhe din' in 2014, slogans laced with a tinge of economy and prospects of coins jingling in your pocket have enthused millions to choose a government or throw the unwanted ones out



socialism and then to mixed economy continued.

With the advent of Mandir-Mandal phase in politics, it was time for another economic slogan and transition. The PV Narasimha Rao government came up with slogans like 'Mixed Economy' and 'Look East'. Clearly, the idea was to make a course correction and bring politics back to the economic template. In 1990-1991, India faced a huge balance of payment crisis compelling the government to borrow heavily from international financial agencies like the World Bank and the IMF to overcome the crisis.

Needless to say, like the much-despised moneylenders in Indian cinema, these international financial agencies extracted their pound of flesh, coercing us to make radical changes in our laws. The government called it structural adjustments, the economists said it was neo-liberalism, but the politicians knew it was another transition.

THE next two decades witnessed a flip-flop between soft socialism to hard capitalism, from empowering the poor to encouraging entrepreneurship. Finally, a government

headed by an economist ended up in corruption charges amounting to trillions, policy paralysis and fostering crony capitalism. So, with the next phase of transition, another economic slogan emerged, 'Achhe Din' (reminded of happy days are here again?).

From Marx, Mao, Stalin, Keynes and Shining India we have seen the transition like nobody's business. But that is what governance and economics is all about. No? It's politics, stupid! **g**

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Incomplete judgment

Cause for road accidents can be many, from badly designed roads to bad traffic management. Putting all the onus on drunk driving is thus erroneous

ACCIDENTS are a common occurrence on the roads of the country. There can also be no denial that a large number of them—to the extent of almost 80 per cent—are attributed to the driver's fault. As per the statistics incorporated by Ministry of Road Transport & Highways (MoRTH), in its report titled 'Road Accidents in India 2015', in almost 4-5 per cent of such cases the drivers were found under the influence of drugs/alcohol.

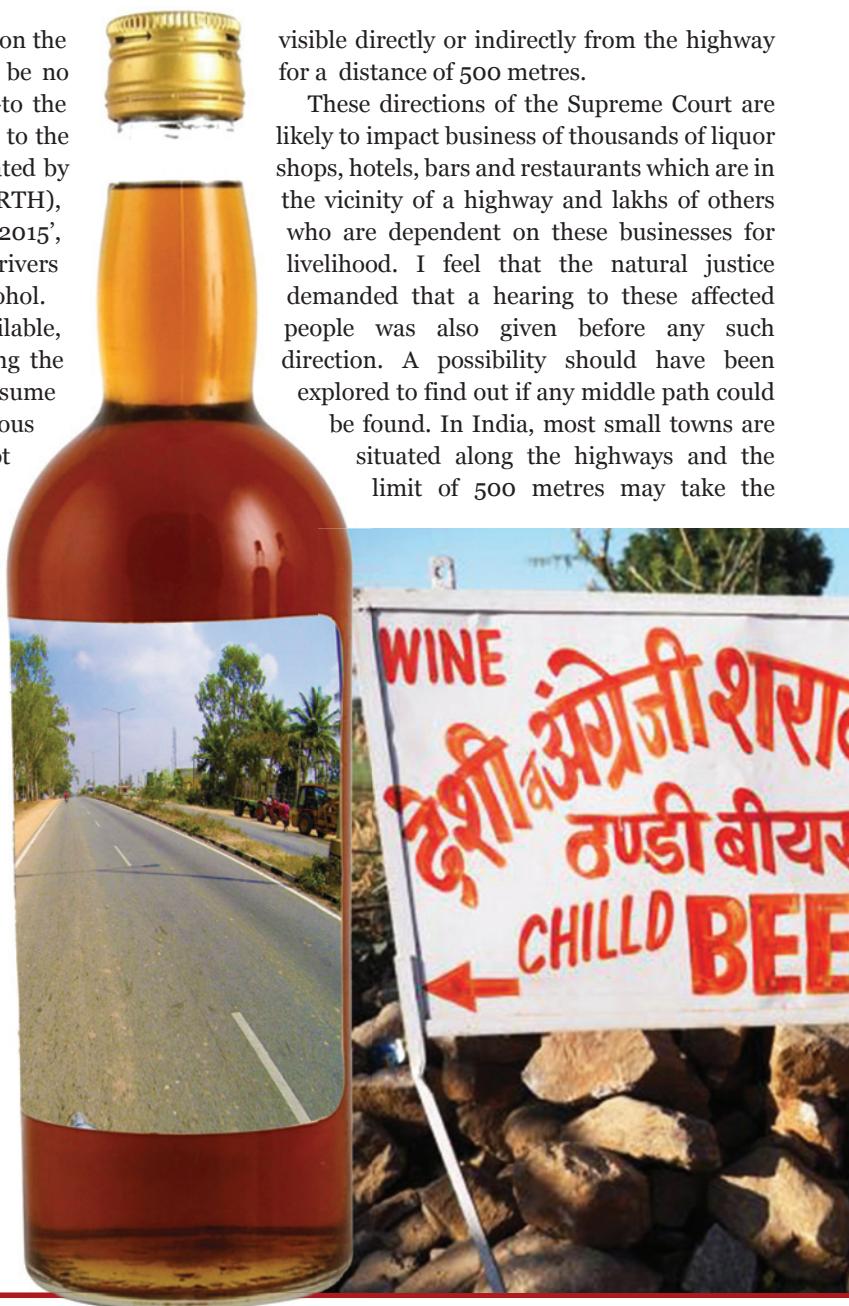
MoRTH, on the basis of statistics available, thought that easy availability of liquor along the highways is one reason for the drivers to consume alcohol and, therefore, it has issued numerous advisories to the State governments to not allow sale of alcohol/liquor within a distance of 220m from middle of State or National Highways. The Union Government even pronounced 'Model Policy for Alcoholic Beverages and Alcohol', which also included the said prohibition. However, those parts of National or State Highways which were situated within the limits of municipal corporation/city/town/authority having a population of 20,000 or more, were exempted from such prohibition.

As these advisories were not being followed by the State governments and the central government did not possess power to force them to follow such advisories, certain PILs came before some High Courts and then before the Supreme Court. The apex court, in a recent judgment, directed that no licence for sale of liquor should be granted on National and State Highways and that there should be no exception with respect to the stretches of the highways passing through any city, town, etc. It further said, the liquor vends should not be

visible directly or indirectly from the highway for a distance of 500 metres.

These directions of the Supreme Court are likely to impact business of thousands of liquor shops, hotels, bars and restaurants which are in the vicinity of a highway and lakhs of others who are dependent on these businesses for livelihood. I feel that the natural justice demanded that a hearing to these affected people was also given before any such direction. A possibility should have been explored to find out if any middle path could

be found. In India, most small towns are situated along the highways and the limit of 500 metres may take the





whole town within its reach. In places like Goa, highways run through the city along the coastline and almost every beach hotel would be covered. Most good restaurants and hotels in towns are situated on such highways.

The basis of such directions is the statistics provided by MoRTH. These statistics may be questionable because anyone having an idea of police investigation in our country would know that while writing the FIR, every police officer would attribute the accident to the driver even before any evidence to that effect is found. Words like 'Tej Raftari' and 'Negligence' are very common. A negligible number is attributed in these reports to poor lighting, bad road conditions and stray animals. In fact, no accidents are attributed to the bad designs of the roads and road furniture—killer speed breakers, awkwardly and foolishly positioned barricades by police and civic authorities—or to the defective design of the vehicle itself. In the sixties, an activist lawyer named Ralf Nader had forced the US government to bring a legislation which recognised for the first time that the defective design of the vehicles involved could also be one of the causes of road accidents. India is still waiting for such a realisation, even though we have large number of 'jugad' vehicles plying even on highways and there are no laws to examine

whether the design of the vehicle itself causes accidents or not. It is common to see vehicles catching fire without any fault of the driver. Even though the cycles, tractors, motor cycles and bullock-carts ply in the same lane, we still don't recognise that the biggest reason for accidents is defective traffic management system and defective road design and conditions. We almost presume that in every such case of accident where the driver had consumed alcohol, it was because of alcohol only the accident happened. The statistics provided by the MoRTH, obviously therefore, can't be the final word.

HOWEVER, I don't wish to contest the fact that no one be allowed to drive after having consumed alcohol or drugs, whether it would cause an accident or not. The fact remains that alcohol kills, whether taken while driving or otherwise. Even chewed tobacco, which is available everywhere, causes enough intoxication. I will have no quarrel if the State wants to ban alcohol, cigarettes and tobacco per se? These substances cause a lot of stress on the resources of the country. But, can we be selective?

Question, therefore, can only be, how to deter consumption of alcohol while driving? The only reason given by the Supreme Court is that liquor vends on highways present a potent source for easy availability of alcohol. The point which has been missed by the court is that even if a liquor shop is shifted 500 metres away from highways, it is not likely to make any difference. These drivers are not kids that if we keep the chocolates in a locked almirah, they will not have them. They will find ways to get it? They will stock it even before starting the journey or will take a detour to fetch the drinks? They might shift to substances like cannabis or chewed tobacco.

At one place in the judgment itself, the Supreme Court has noted, "we are conscious of fact that the policy of the central government may not eliminate drunken driving completely. A driver of a motor vehicle can acquire liquor even before the commencement of a journey or during a journey at a place other than a National Highway. The law on preventing drunken driving also requires proper enforcement". This observation shows there is no nexus between a driver operating under the influence of liquor and location of its vendor.

Any such judgment must be pronounced only after hearing all the affected parties. In places like Gurugram, virtually half the hotels will have to close. Will no motel in the country now serve liquor? Either we must totally ban these substances, or we cannot be selective. **g**

The writer is a practicing Senior Lawyer in Delhi High Court



Global power shift

With the election of Donald Trump as US President, 2017 is set to see disruption in the global power architecture

by MK SHUKLA

THE global power architecture in 2017 may see a significant evolution. Three things will trigger this evolution: entry of Donald Trump in the White House, increasing cooperation between Russia and Japan and the growing European disengagement with multiculturalism—a post-WWII ism that facilitated the flow of migrant workers from Muslim North Africa and West Asia into Europe and America for industrial reconstruction of war-ravaged Europe.

Even before being elected, Trump had indicated that he would reset the USA relationship with the Russian Federation. A more than a decade of mutual meddling in Ukraine, which acts as a buffer between the European Union (EU) and Russia, has badly soured the US-Russia relationship.

In 2014, in retaliation for the US-EU backing of pro-Western Ukraine government, Russia occupied Crimea and has since been targeting vital US interests, including allegedly interfering with its presidential election.

The relationship has deteriorated so much that in the last week of December, the outgoing administration of US President Barack Obama announced a new series of punitive measures against Russia in retaliation for allegedly hacking to reshape the 2016 US presidential elections. Washington placed sanctions on five Russian individuals and four

Russian entities, including the two primary security services the Federal Security Service (FSB) and the Main Military Directorate (GRU). The US also ejected 35 Russians from its soil. This move was backed by a fairly united Congress despite it being an executive decision.

The measures do not directly impact Russian interests as Moscow can shift assets and tactics to target the US. Instead, it is intended to signal publicly that the US will not tolerate overt interference in its internal affairs.

Moscow is seen trying to delegitimise the outgoing US administration and increase pressure on President-elect Donald Trump. Moscow intimated it would retaliate against US sanctions and ejections with similar moves. However, in a classic Russian move, President Vladimir Putin announced on December 30 that he would not respond until Trump entered the office.

Trump's entry will also define the way Russia and Japan negotiate their way to a formal peace treaty



that has not been signed between the two countries ever since the end of WWII. The dispute over what Russia calls the southern Kurile Islands and Japan calls the Northern Territories has prevented Japan and Russia from signing a peace treaty ending World War II.

In the absence of a formal peace treaty, the two nations are technically still at war. Nevertheless, geopolitical compulsion of containing an aggressive China, that covertly eyes to usurp Siberia from Russia some day and which lays claim to some of the Japanese islands in East Pacific, apart from claiming rights over the whole of South China Sea (SCS), is increasingly setting Moscow and Tokyo into a path of full-fledged economic cooperation.

On December 16, Putin and Prime Minister Shinzo Abe of Japan held a joint press conference in Tokyo on the conclusion of the former's two-

day visit to Japan and committed to continue further talks on economic cooperation and a territory dispute.

"We should not be bound by past negotiations," Abe said at the joint news conference at which he repeatedly referred to Putin by his first name, striking an unusual note in formal Japan. "It is necessary to draw a new blueprint for the four northern islands in which Japanese and Russian people can live together and build a win-win relationship."

The unsigned peace treaty, Putin added, "is a negative legacy from the past." With Abe's proposals for joint economic development on the four islands, he said, "we were able to

Even as Putin seeks out Japan's superior technology for development of Eastern Russia, he is keeping cards close to his chest in an apparent attempt at not annoying China

deepen our mutual trust before we sign a peace treaty."

The upshot of the meeting was the setting up of an investment fund for projects in Russia of 100 billion yen, about \$845 million, by the Russian Direct Investment Fund and the Japan Bank for International Cooperation, which is controlled by the Japanese government.

Even as he seeks out Japan's superior technology and fund for the development of Eastern Russia, Putin is keeping his cards close to his chest in an apparent attempt at not annoying China. Moscow and Beijing need each other to balance the US and its allies. In the past, Washington exploited Beijing's fears to pitch it against Russia. Putin's tardy arrival

in Tokyo and refusal to accept an Akita dog gift might have upset his Japanese host, but they might have been as well meant more for signaling to China that he isn't upstaging them—not yet.

While the optics of Putin-Abe meeting might not have impressed the Japanese or the Russians, the fact that they have initiated measures to step up their cooperation paves the way for the future course of action, which, in large measure, would depend on Trump's East Asia policy.

TRUMP would also set the course of migration from West Asia into Europe and America. By simply resorting to the strong vetting of migrants from Muslim Asia and Africa, he would signal to Europe what needs to be done to cope with the increasing incidence of Islamist obscenity on the European soil. May it be noted that Europe, following the Berlin truck ramming in the middle of December that killed more than a dozen and wounded over a hundred, has for the first time in history not been able to celebrate Christmas and New Year they did for centuries. Indeed, Europe is increasingly turning sick at its own multiculturalism and secularism which are only fueling the crisis caused by an acute slowdown in economic activities.

The migrant policy of the West will define its future relationship with the Arab world. Despite political and ideological differences with Islamist Arab theocracies and monarchies, the West have preferred cohabitation over confrontation so far. But all of this may change in New Year as countries from Germany to France to Netherlands veer to the right of the political spectrum and unleash a new wave of power equations in the world. **g**



FIRST STIRRINGS

sudha pillai



Golden Girl

Sudha Pillai decided to be a civil servant when she was just eight years old. She fulfilled her dream by bagging second position all over India in 1972.

FOR Sudha Pillai, the former Member Secretary of the Planning Commission, the inspiration to join the civil services came quite early in life—in fact, when she was not even ten years of age.

Sudha Khanna (Pillai after marriage) met Sarla Grewal, India's second woman IAS officer, when she was barely eight-year-old. Grewal, then Director of Public Instruction (commonly known as DPI), had come for an annual day function in her Senior Modern School, Chandigarh. She handed over the prize—*The Hungry Stones*, a book by Rabindranath Tagore—to her.

With the prize, it seems, Grewal

also gave Sudha Khanna inspiration to be a civil servant. "There I decided to be an IAS," she recollects, with the incident still etched in her memory.

For the daughter of civil servant and author Rattan Lal Khanna and Vidyा Khanna, Vice-Principal of Portmore School, Shimla, there were no second thoughts. Sudha nursed her dream through the school and the college where, more often than not, she either got the first rank, or was a gold medalist, or got double promotions. She topped the Punjab University, first in BA (Honours) in 1968 and then in MA (Psychology) two years later and was a recipient of gold medal on both occasions.

Since the Shimla girl was yet to be of 21 years (she was born on May 1, 1950, in Shimla; family migrated to Chandigarh when she was a kid), the requisite age for appearing in the civil services, she taught for a while in the Government College for Women, Chandigarh, where she had earned her graduation from.

In 1971, she appeared for the civil services and bagged second position all over India when the result was announced next year. The result was a kind of birthday gift for her. "While casually listening to news at 9 pm on radio on my 22nd birthday, I heard my name among the toppers as the candidate who stood second in the batch.



I honestly thought it was a namesake. Getting a rank in IAS was beyond my wildest dreams as my subjects were not very scoring as such. But my family disagreed and listened to the news in every language," she recalls. On July 15, 1972, she entered the Lal Bahadur Shastri National Academy of Administration, Mussoorie, and was allotted the Punjab cadre.

A year later, when still at the academy, Sudha Khanna married her batchmate, Kerala cadre officer Gopal Krishna Pillai. Since the two came from two different areas of India—she from Chandigarh and he from Kerala—her father had apprehensions about the match. "Since he came from a far-off place, father was apprehensive and came to Mussoorie to meet him," she reminisces. They came down to Dehradun to tie the knot. Only one of their batchmates, PK Shivanandan, attended the marriage. They went back to studies immediately after the wedding.

In 1974, she got her cadre shifted from Punjab to Kerala. In the same year, she got her first posting as Sub Collector in Trivandrum (now Thiruvananthapuram). The memories of the day are still fresh in her mind as if it was yesterday. She felt like a five-year-old.

"My father-in-law (VK Balakrishna Pillai) drove me to the Collectorate after checking the auspicious time for joining and we walked up to the Collector's chamber," she remembers. It was a day so full of events that by the end of it, she felt like she had grown double 'my age'.

"The events of the day were abnormal, to say the least—a Maoist storming of the palace grounds where the erstwhile Maharaja of Travancore resided, students' unrest in a college 20 kms away and death of a young man in police custody," she recounts.

This was the first time that she had seen a body. She was asked to conduct in an inquest into the death. She completed the inquest form on the same day.

BUT the next day, Kumaran Ansari, a clerk in the SDM's court, realised that the inquest did not have signatures of *panchayatdars*, what she calls a procedural nicety of Criminal Procedure Code (CrPC) and the Evidence Act. This was an important learning. "Ansari was a big teacher. None of my court cases got overturned," she recollects, expressing her debt to the court clerk.

In Trivandrum, she later served as a District Collector also. Here she exhibited great moral courage in

As Trivandrum District Collector, Pillai exhibited great moral courage in banning granite blasting near an ISRO station, a decision which angered many people

banning granite blasting near an ISRO (Indian Space Research Organisation) station, a decision which angered many people and resonated in the entire State. She was cleared after the then State Revenue Minister conducted an on-the-spot inspection of the site to see whether the banning was warranted. "Sometime around July, I was informed that granite blasting was going on in Thumba, very close to where the rocket fuel was stored and that a major disaster was almost a certainty. A large number of workers were on the site—breaking large rocks obtained through blasting, into small pieces. Their lives were in danger. I inspected the site and prohibited blasting. The very next day, a crowd collected outside the Collectorate, noisily protesting the decision. I met delegations and tried to convince them. Finally, the matter went up to the Revenue Minister, who decided to conduct a site inspection. I accompanied the Minister but hung back in the group so as not to influence his thinking. At the end of the inspection, the Revenue Minister supported my order. Demonstrations and slogans



FIRST STIRRINGS

sudha pillai

ceased and we saw to it that those rendered jobless were adjusted at other less dangerous sites by other employers,” she recalls.

In March 1977, she got to a meet C Achutha Menon, the communist stalwart who served as Kerala Chief Minister twice. She was asked to place before Menon a speech of the Governor she had drafted for the inaugural session of the State assembly. She draws a parallel between Menon and BN Yugandhar, the head of the LBSNAA, during her probation period. “If in the Academy, we were influenced by the idealism of Mr BN Yugandhar, in the Kerala cadre we had the good fortune to have a CM of the moral and administrative stature of Achutha Menon,” she says.

A decade later, when Pillai was serving as Collector in Trivandrum, she had to take on prominent communist leader, Varkala Radhakrishna, who was also the Kerala assembly speaker then. It so happened that on account of two successive draughts in the city, there was extreme pressure on water supply. She got to know Radhakrishna’s followers were hijacking water tankers. She stopped sending more tankers there. Radhakrishna, she recounts, was nice and understood her position.

In 1991, when PV Narasimha Rao government launched the great liberalisation drive, Pillai came to Delhi. She made a large contribution to amendments to the Monopolies and Restrictive Trade Practices Act (1968) as Joint Secretary (Industry). The amendment, she claims, ‘by an Ordinance in August 1991...removed the suffocating business environment for the best of our corporates who could not expand capacity or diversify without ‘MRTP Clearance’ from the Department of Company Affairs. She terms the two years she spent in the



In 1991, when PV Narasimha Rao government launched the liberalisation drive, Pillai came to Delhi. She made a large contribution to the amendments to the Monopolies and Restrictive Trade Practices Act as Joint Secretary, Industry

Industry and Company Affairs as the best years of her career. “The heady excitement of processing this game-changing amendment to the MRTP law and the intellectual joy of examining about 800 recommendations and interacting with brilliant people for modernising corporate law made the latter half of 1991 and 1992 among the best years of my professional life,” she says.

SHE claims she never succumbed to ‘requests, orders and even veiled threats’ after returning to home cadre in 1993 due to the value system of her early years, blunt and clear advice of the Law Secretary and the unequivocal support of Chief Secretary K Rabindran Nair and Chief Minister K Karunakaran. During this period, to her embarrassment, she once overheard her praise in the leg-

islative assembly from the very minister “who wanted me to take steps which were illegal and dangerous”.

From 2001 to 2004, she was Principal Secretary (Finance) in the State. Subsequently, she once again got transferred to Delhi on deputation as Additional Secretary (Panchayati Raj). In later years, she played a significant role in enactment of Unorganised Workers’ Social Security Law, 2008, implementation of Bundelkhand package announced by Manmohan Singh-led United Progressive Alliance government and implementation of Integrated Action Plan for naxal-affected districts in 2010-2012. During this central stint, she was part of a committee which inquired into the oil-for-food scam where former Union Minister Natwar Singh’s name had popped up.

She had a major role in the introduction of the Rashtriya Swasthya Bima Yojana (RSBY) which entailed assured sum of Rs 30,000 to a poor family on the payment of Rs 30 annually. The scheme is in the process of being redrawn presently.

At the age of 35, Sudha Pillai completed her Masters degree in Public Administration from Kennedy School of Government at Harvard University in the United States of America. She credits the fellowship for having taught her that those ‘who need you are not able to come to you’.

In 2009, Pillai was a contender for becoming the first woman cabinet secretary of India, but then incumbent KM Chandrasekhar was given an extension. She instead was appointed Member Secretary in the Planning Commission. She does not hide her disappointment on having missed the top administrative post. “It would have been nice (had I become the CS),” she signs off. **g**

As told to Narendra Kaushik

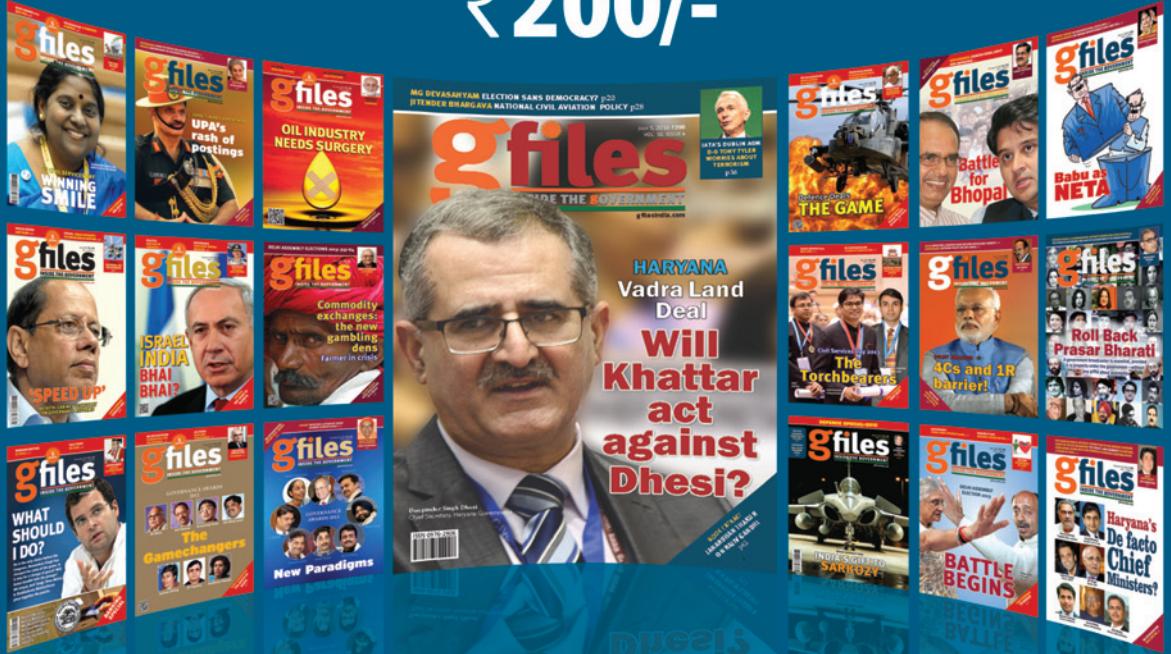
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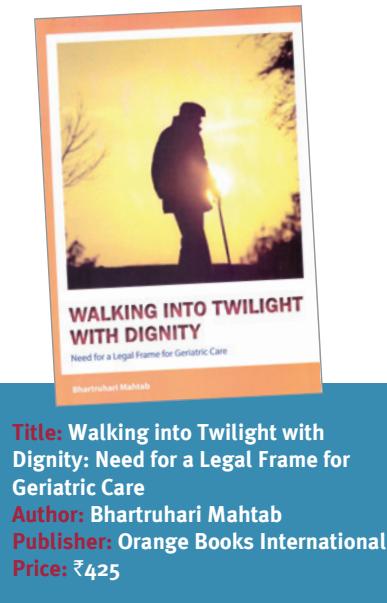
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Challenges of old age care

THE sinister shadow of urbanisation, industrialisation, and atomisation of families has not only deprived the elders of the societal reverence, traditional family love and care but they are being increasingly neglected and abused. The problem would exacerbate and reach gargantuan proportion with the growing size of elderly population, which was 20 million in 1951, 57 million in 1991, 104 million in 2012 and would be over 300 million by the year 2050. While successive governments have devoted greater part of their focus on shelter, food and healthcare, especially maternal and child health, the healthcare of the aged continues in a state of terrible neglect. The



Title: Walking into Twilight with Dignity: Need for a Legal Frame for Geriatric Care
Author: Bhartruhari Mahtab
Publisher: Orange Books International
Price: ₹425

deprived, neglected, abused and abandoned elders whose number continues to swell, suffer unattended from serious geriatric health and cognitive disorders. Many senior citizens suffer from the most common form of dementia—Alzheimer's disease, a silent tormentor.

Old age, promised as 'the best of yet to be portion of life, the last of life, for which the first was made', is being viewed today, at best, a poetic fantasy, an ideal state of some hoary past when elders were venerated and considered a fount of wisdom. To wit, despite scriptural injunction that 'an assembly is incomplete without elders' and the promised multiple benefits that flow from the service of

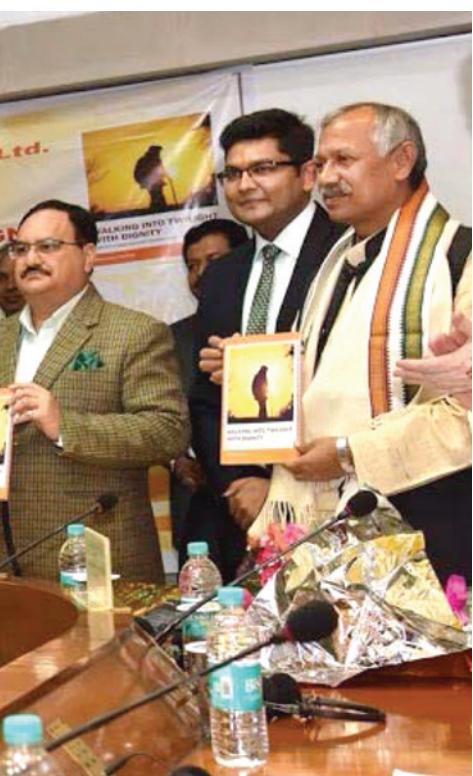




the elders, the condition of elders is aggravating due to a host of factors. Worse, the condition of aged women, who live longer and alone abandoned by their families, is all the more painful. Extremely concerned with the increasingly unbearable plight of elders, Bhartruhari Mahtab brought a legislative proposal in the Lok Sabha by piloting the Senior Citizens (Provisions of Geriatric and Dementia Care) Bill, 2014 which generated tremendous interest cutting across political fences.

As is the fate of Bills introduced

Lok Sabha Speaker, Smt. Sumitra Mahajan, releasing the book titled 'Walking into Twilight with Dignity : Need for a Legal Frame for Geriatric Care', authored by veteran Parliamentarian Bhartruhari Mahtab, Chairperson, Railway Convention Committee, in Parliament Library Building on December 14, 2016.



by private MPs, (surprisingly all MPs other than Ministers are considered 'private' under Rules of Procedure of Parliament), the Bill was talked out. But undaunted, given his unflinching commitment to address the mounting problems of the aged and his indefatigable resolve, Mahtab took upon himself, despite his awful legislative preoccupation (as he attends the House regularly and participates in almost all the debates), to document the appalling conditions of elders in India—the unbearable agony of the abused aged persons, neglected both by the families and the state.

The result is his book, *Walking into Twilight with Dignity*, recently released by Lok Sabha Speaker Sumitra Mahajan. Besides, Mahtab has made an in depth comparative study and analysis of the obtaining healthcare system in the US, Canada, major countries of Europe, Australia, Japan and the some of the neighbouring countries.

THOUGH the Indian scriptures eloquently refer to the manifold benefits that accrue to society by venerating elders, there is increasing neglect with recurrent instances of abuse of elders, some reported while many suffer in isolated silence. Responding to a PIL, the Supreme Court in April 2016 directed the GoI to prepare a road map providing to the senior citizens (10.38crore) basic amenities like shelter, food and healthcare.

Senior citizens suffer from many geriatric disorders and the author citing empirical studies, writes that Alzheimer's is the most common form of dementia that affects a large section of population in India and around the world. Geriatric diseases and disorders too have stages, which

if not attended to in time, aggravate leading to more acute and irreversible conditions.

India is in a phase of rapid demographic transition. By the year 2050, the number of aged persons would rise to about 324 million. This is a clear pointer that the much acclaimed youthful demographic bulge of India would be replaced in a decade or so by bald-wrinkled-ailing Indians, leading to a serious public health crisis. With increased life expectancy, disintegration of families, erosion in filial ties and lack of professional geriatric healthcare, the aged become vulnerable to a whole array of diseases and age-induced infirmities.

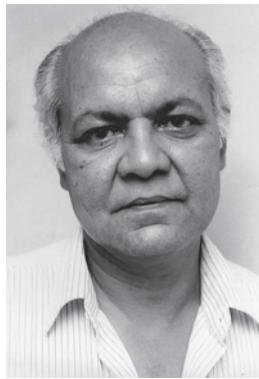
Mahtab, a five-term consecutively elected member of Parliament, rightly forewarns and cautions that the Indian healthcare system needs drastic reorientation while stressing the importance of family and society in the care of the aged. Considered an outstanding legislator by many, Mahtab advocates wholesale reforms through state intervention by erecting a sound legal and financial framework and a robust healthcare system well designed and equipped to address geriatric disorders so that when the children of today become aged, they lead a life of secure and dignified existence in their twilight years.

It must be realised, as Prof. Saugata Roy, participating in the debate on the subject in Lok Sabha said, 'the world is also for the aged people... the vice of the modern chattering class is that they do not look after their parents'. The care of the aged is not only a responsibility of the government but also of society as a whole and, therefore, needs to be addressed collectively, comprehensively and in a sustained manner. **g**

The author is Additional Secretary, Lok Sabha.

BOOK EXTRACT

prime ministers ik gujral



Janardan Thakur started his career in journalism with the nationalist Patna daily, *The Searchlight*, in December 1959. In his long and distinguished career spanning the reign of each Prime Minister since Independence, Thakur reported from the thick of some of the most momentous

contemporary events at home and afar—JP's 'total revolution', the Emergency, the bristling emergence of Sanjay Gandhi, the fall and rise of Indira Gandhi and then the rise and fall of Rajiv, the Kremlin of Leonid Ilyich Brezhnev, the Soviet invasion of Afghanistan and Khomeini's revolution in Iran, Ronald Reagan's re-election in an America swinging Right, VP Singh's ascent as a messiah with tainted magic and the rasping run to power of the BJP. Thakur's journalism, from the very start, broke traditional moulds of reportage and writing, going beyond the story that meets the eye and into processes and personalities that made them happen. His stories on the Bihar famine of the mid-1960s and the manmade floods that ravaged the State were a sensation. He was perhaps alone in predicting defeat for Indira Gandhi in 1977 and again singular in exposing the corroded innards of the Janata Government that followed. A Jefferson Fellow at the East-West Center, Hawaii, in 1971, Thakur moved to New Delhi as a Special Correspondent for the *Ananda Bazar Patrika* group of publications in 1976. He went freelance in 1980 and turned syndicated columnist. In 1989-91, he was Editor of the fortnightly *Onlooker*, and *The Free Press Journal*. Thakur authored *All The Prime Minister's Men*, probably the most successful of the crop of books that followed the Emergency. His *All the Janata Men*, the story of the men who destroyed the first non-Congress government in New Delhi, was equally successful.

He passed away on July 12, 1999.

Mr. India International

THE curtain rose on yet another succession drama, with Mulayam Singh Yadav again struggling to become the Prime Minister. This time he had the vocal support from Harkishen Singh Surjeet and Jyoti Basu, with whom he had several meetings in Banga Bhawan. But ranged against Yadav was the other Yadav, Laloo, who fancied himself as the real king-maker. Last time it was Mulayam who had stopped him from becoming Prime Minister, this time he would stop Mulayam. Laloo had by now lost favour among the Communists because of the fodder scam in Bihar, but there were others he could lobby with. At one stage Laloo told Chandrababu Naidu to take the job. But Naidu, aware that years were on his side, and that any arrangement would be short-lived and tainted, was quick to refuse.

Laloo had forged ahead in his bid to keep out Mulayam and make his own man the Prime Minister. He proposed the name of Inder Kumar Gujral, who had been nowhere in the reckoning, quite like Gowda before him. Laloo had sent him to the Rajya Sabha from Bihar, through the fraudulent manoeuvre of renting a couple of rooms in Patna and putting up Gujral's nameplate on the door to prove his domicile in the state, a rule that was being touted by principled politicians all the time. Gujral had the image of being a suave, sophisticated and principled politician, but there is nothing to show that he had suffered from any twinge of conscience entering into a dishonest compact with Laloo to get into Parliament. Having compromised himself at the very start, he could hardly have the moral fibre to stand up to Laloo. And indeed Laloo had always treated him as one of the creatures of his political stable. Gujral, in fact, had contested the countermanded Lok Sabha election from Patna. Laloo had campaigned hard calling Gujral a gujar — *Parha likha Gujar ko Gujral kaha jata hai* (An educated gujar is called Gujral).

Gujral suited Laloo: the man was indebted to him, he was a political nobody, a namby-pamby intellectual who would dance to his tune. Laloo drove to his friend Sharad Yadav's house and consulted him. Mulayam Singh had to be stopped from getting the prime ministership. Sharad Yadav quickly agreed. Laloo then called up Gujral at his Maharani Bagh residence. The would-be Prime Minister was sleeping. Laloo had him woken up and told him: *Jaldi*



se taiyar ho-kar Sharad ke ghar par aa jaiye. Main gari bhej raha hun. Aapko PM ban-na hain (Get ready fast and rush to Sharad Yadav's house. I am sending a car. You have to become the Prime Minister)." Meanwhile, Laloo also called up Chandrababu Naidu and told him Gujral would be an ideal consensus man. Time was running out for the United Front; Kesri was keeping up the pressure. Everybody agreed. That afternoon, Gujral was driven into Andhra Bhawan, fresh from his siesta in a blue safari, to be anointed Prime Minister.

The circumstances of Gujral's accession to the leadership of the ragtag United Front and eventually to prime ministership were not very different from the murky palace intrigues and conspiracies that littered the dying years of the Mughal era with a succession of nondescript, ineffectual and often profligate rulers who strutted their hour upon the stage.

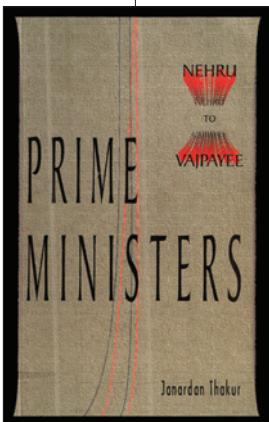
None of the latter day nobles of *Dilli Durbar* — Sitaram Kesri, Laloo Yadav, Mulayam Singh Yadav, the satraps from the South, Chandrababu Naidu, Moopanar and Karunanidhi, Marxist Chanakya, Harkishen Singh Surjeet — actually wanted Gujral for the top job. But the problem was they wanted each other even less. Each was out to undercut the other and so fierce was the opposition to each other that they had to pick someone who was out of the fray. Gujral had been a fairly good diplomat and had long experience as minister with various portfolios over the years. His problem, which actually turned out to be his asset, was that he had no political roots. Gujral was acceptable across the political spectrum because he was so easy to pull down. As one observer put it, 'in a kingdom without kings, kingship is often thrust upon the man without a kingdom.'

As Inder Kumar Gujral was thrust closer and closer to the top job in the swirl of political confusion, he could not have been burdened by the conviction that he belonged to the latter category. It was not, after all, any great groundswell of support that was pushing him to the troubled summit. It was in fact his lack of political clout, his relatively low political profile and above all his innocuous persona that brought him the job. He was installed largely because no political party, perhaps not even the BJP, had the courage to go to the people at this point.

April 21, 1997 : Sitaram Kesri, the king maker, wore a big smile at Rashtrapati Bhawan as Gujral was sworn in as Prime Minister. After 20 days of parleys and confabula-

tions, and a big show of resistance, the United Front had capitulated to the 138-member Congress by changing its leader. Though they were laughing, they all knew that they were puppets in the hands of the wily Kesri, who himself was a marionette dancing to the tune from 10 Janpath.

Gujral's installation had solved none of the problems that had led to the sudden departure of Deve Gowda. The Front now seemed even more 'untied' than before. The bigwigs of the Congress were hugging Gujral and assuring him they would not pull him down, but nobody could wager that their lust for power would not get the better of them. Without power, Congressmen were like fish without water, which made most people conclude that they would either take the first chance to sneak into the Gujral government or if that did not work, pull down the carpet again, never mind the assurances they gave to President Shankar Dayal Sharma. He was not even going to be in the Rashtrapati Bhawan after a few months. The Bharatiya Janata Party was obviously gaining because of the mess created jointly by the Congress and the United Front. What had forced them was actually the fear that in the event of a snap poll, the BJP might capture power at the Centre. They had little choice but to cobble a government.



GUJRAL had lived through half a century of politics, without making much impression, except for being the toast of Punjabi high society, where he was considered a successful negotiator and diplomat. He had started as a communist student worker in Lahore, become a member of the CPI, but after Partition, he moved first to Jalandhar and then to New Delhi where he became a building contractor. His intellectual disenchantment with the Soviet Union came in the early 1950s, after which he turned to the Congress. He had started dabbling in the politics of the New Delhi Municipal Corporation, and got elected as its vice-president. Most of his time in those days were spent in the Connaught Circus India Coffee House, with a circle of pseudo-intellectuals. His painter brother, Satish Gujral, was part of Indira Gandhi's arty circle, and it was through him that Inder had got close to her.. "While I drew her (Indira), Inder chatted with her. It was the beginning of a long relationship," said Satish.

Later, Gujral became part of the 'back-benchers' club' in Rajya Sabha. He was one of the 'three wise men' who had gone to persuade Indira Gandhi to become the Prime

BOOK EXTRACT

prime ministers ik gujral

Minister after the death of Lal Bahadur Shastri, the other two being journalist Romesh Thapar and Dinesh Singh. The first day she was unwilling, but the next morning, over breakfast, she had allowed herself to be persuaded. Gujral had drafted a declaration saying she was a contender for the Prime Minister's post. The reward for all this was first, the post of minister of state and then a cabinet job, with the portfolio of Information and Broadcasting, which Indira had herself held during Shastri's time. During the Congress split of 1969, Gujral played a vital role in building up the media campaign in her favour.

But then came Sanjay Gandhi, and Gujral failed to understand the change of equations that had taken place in the Gandhi court. Gujral was one of the first victims of the Emergency. Sanjay Gandhi was convinced that Gujral was too soft and ineffective to hammer sense into the



irreverent media. Gujral had not considered it necessary to pay court to Sanjay as most of the other ministers did. Sanjay often described him as a "mere drawing room conversationalist" and was constantly pushing his mother to get an I&B minister with teeth. Mohammed Yunus, one of the leading courtiers of Indira, and several other hangers-on had also started creating an atmosphere against Gujral. "He is not using the media for you," they often told Indira Gandhi. They told her he himself was appearing too often on the television and was building his image.

The anti-Gujral lobby got a big handle against him the day the Supreme Court stayed the operation of the Allahabad High Court judgment against Mrs Gandhi. While the English news bulletin of the AIR had led by saying that the Supreme Court had upheld the continuance of Indira Gandhi as the Prime Minister, the Hindi bulletin had highlighted the riders to the stay order. Mohammed Yunus telephoned Gujral and complained that the BBC had carried 'blasphemous' news on India. Then came the call from Indira's Man Friday RK Dhawan. "The Prime Minister wants to see you at once." Before going to the

PM's house, he checked up with his office and found that it was not the BBC but the Pakistani news broadcast which had made offensive remarks. He rang up the Prime Minister and explained to her that it was impossible to do anything about the Pakistani TV programmes. She understood, and calmed down.

When Gujral reached 1 Safdarjang Road, the first encounter was with Sanjay. "You don't seem to know how to control your ministry," he said mockingly. "You can't even tell them how to put out the news?"

"Look, I am equally concerned," said Gujral, "but I don't have to give an explanation to you." Saying this he went in to meet the Prime Minister.

SHE looked irritated. She again raised the complaint on the BBC broadcast. Gujral said he had double checked and found nothing objectionable in it. Irritatedly she said, "No, no, you leave it. Now we have gone into Emergency. This is not a normal situation. We want someone who can deal with the media with a stern hand. Vidya (VC Shukla) would be the right man in the new situation."

Gujral began saying "You are the Prime..." but was cut short. "You hand over your charge tomorrow. She had picked up one of the telephones, which was one of her indications that the audience was over.

Gujral told his wife that night that they would go for a month's holiday, but the next morning, he got a call from the Prime Minister: "I have decided you should go to the Planning Ministry."

Sometime later, Gujral was sent off to Moscow as ambassador. There he grew his Bulganin beard, and became almost a side-kick of Foreign Minister Gromyko's secretariat. When the Janata Party government came, the new Foreign Minister, Atal Behari Vajpayee, decided to retain Gujral in Moscow. The new government was eager to show that it was not as anti-Soviet as some had tried to make out. Gujral was a mild and innocuous man who had no difficulty shifting his loyalties from Indira to Vajpayee. By the time VP Singh came to power, the fellow traveller Gujral had shifted compartments again and was quite happy to become the Raja's Minister for External Affairs. He was more like a foreign office diplomat for whom it did not matter who was the boss happened to be. And by temperament he remained that way even after becoming the Prime Minister. He was always more himself participating in rambling academic discussions on the nuances of foreign policy.

Gujral was not cut out for the rough and tumble of the

present-day politics. Managing contradictions was beyond him. The 'Saturday Club' at the elitist India International Centre where a select group of Delhi's 'top brains' and dilettantes gathered for pow-wows on international relations, 'politics with a human face' and other high-falutin' topics, was more his cup of tea than the mess he had been hurled into. His tastes were more akin to the politics of Indira Gandhi's 'kitchen cabinet' in the late 1960s. Not that he would have liked his new friends and companions to have remembered his old background. There were many things in his past which he would have liked to be forgotten: the fact that 'committed bureaucracy' and 'committed judiciary' were ideas which were cooked in the 'kitchen cabinet' of which he was a member; or the fact, from a more recent time, that the Lok Sabha elections (1991) in Patna, where he was the candidate, had been countermanded by TN Seshan because of shameless rigging by Laloo's goons.

When Gujral was suddenly chosen to be the UF Prime Minister, it was a pleasant surprise to the liberal educated types in the country which had considered Gowda too dowdy and unimpressive to be the country's Prime Minister. Even if he had been much better at the job than he was, it would have made little difference to this segment of Indian society. He was not cut out for the TV age into which the country had passed.

Gujral himself was surprised to find himself the country's Prime Minister. One of the first statements he made after becoming the Prime Minister was that the moment things became inconvenient for him, he would quit the job. It did not take long before things did become inconvenient, but he sat pretty like any other politician with a thick hide. He was making compromises all the time, because that was just the reason why he had been picked for the job: as a man who would have no problem giving in to anything for the sake of the post. All the problems that Gowda had faced remained as they were.

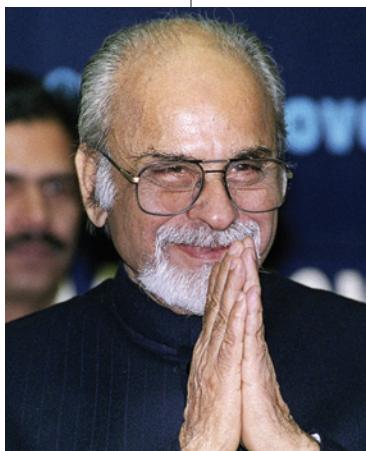
Gujral's moment of truth came when the fodder man got into hot water and landed up in jail. When the Janata Dal broke up in Bihar and Laloo Prasad Yadav anointed his wife, Rabri Devi as his successor, the Prime Minister just looked on as a mute spectator. At that point when Laloo was making a mockery of the Indian polity there was virtually no government at the Centre. Never before had those

famous lines of Yeats sounded more meaningful: 'Things fall apart, the Centre cannot hold...' The Prime Minister said it was not his intention to use Article 356. He hated corruption, but how could he hate his own mentor? He just dithered. A wonderful opportunity for his detractors to launch an offensive against a hollow and spineless man who had become the Prime Minister. Nobody even knew where Gujral stood in relation to the split Janata Dal: Was he with the JD or with the new Laloo outfit, the Rashtriya Janata Dal? Gujral had been booed and jeered at a meeting of the Janata Dal national executive, and one had watched the pathetic plight of the country's Prime Minister walking out of his own party's meeting in utter ignominy.

There was almost a parallel government being run by the UF Steering Committee. Gowda, who had gone out of office full of pique against Gujral and his mentor, Sitaram Kesri, had joined hands with the Marxist leader, Harkishen Singh Surjeet who was himself angry: the high pedestal he had occupied during the previous government had been taken over by the Congress President. Gowda had become Gujral's biggest gadfly. He had even made friends with the new Janata Dal president, Sharad Yadav, who too had turned against his political mentor, Laloo Yadav. All of them were now projecting the Prime Minister as a crony of Laloo Yadav and Sitaram Kesri, and they were succeeding.

NEVER before had the prestige of any Prime Minister touched such a low. Gowda had at least managed to maintain a semblance of unity in the 14-party United Front; Gujral had turned the combine into a joke. Worse still was the total collapse of structured government in the country.

Even after the JD had split and the United Front had refused to have anything to do with the RJD, Gujral did not have the courage to drop Laloo's men from his ministry. He was just drifting with the current, making a farce of his assertions that he would rather quit than make any compromises. Barring Devendra Prasad Yadav, Gujral retained the same council of ministers as Gowda. So weak was he as Prime Minister, he could not have one man of his own, could not alter one portfolio. And even though he was now Prime Minister, he remained largely external affairs minister of the country, working all the time on his



BOOK EXTRACT

prime ministers ik gujral

so-called Gujral Doctrine. But his weakness was apparent even there. Within days of appointing Bhabani Sengupta foreign policy adviser in the PMO, he had to sack him under pressure from South Block mandarins.

The pressures were the heaviest from his 'creator', Laloo Prasad Yadav, and they only got worse with the Bihar leader sinking deeper into the fodder scam. Everybody thought Gujral would be their man, but in more ways than one he turned out to be his own too. Gujral agreed to Laloo's first demand to throw out Devendra Prasad Yadav (a Laloo crony who Laloo thought had grown too big for his boots) from the Cabinet but when it came to defending Laloo on the fodder scam, Gujral did not do much. He saved his prime ministership at the cost of sacrificing Laloo.

WITH the Supreme Court breathing down the neck of the Central Bureau of Investigation, even Joginder Singh who would ordinarily have been happy enough taking a safe course on the Bofors case, was acting tough. He flew to Switzerland to get telltale documents on the pay-off, and sent off a team of officials to Malaysia to arrest and bring back Ottavio Quattrochchi. The fact that Singh did very little to follow up on his Swiss trip to its logical conclusion or that the team to Malaysia returned empty handed showed either a lack of real determination on the part of the CBI or simply their inefficiency. Or, as the government's critics had it, Gujral had succumbed to pressures from the Congress and had in turn ordered the CBI to keep mum. Joginder Singh did lose his job, and the Bofors sword just kept hanging in the air, not even too menacingly. Later, after his goose was virtually cooked, Gujral began talking brave: his government had the names of the recipients of the kickbacks and he would get the names of the ultimate beneficiaries in a few days. By then, it was a bit too late in the day to make any difference.

Gujral granted many concessions to Punjab, made repeated trips to the state in a bid to build a constituency of his own and finally got anointed by the Akalis as *Punjab da Puttar*. In the end he even fought the 1998 Lok Sabha polls as an Akali supported independent from Jalandhar and won. This despite the fact that both the Janata Dal and the Communists consider the Akali Dal a communal party. Gujral's tenure in office was taken up doing mostly one thing: trying to remain in office. He survived the Laloo Yadav-fodder scam crisis and the split in the Janata Dal, but the report of the Jain Commission became his undoing. Gujral would go down in history as a man who was less a king, more a puppet controlled by nobles like in the last

days of the Mughal empire. Such was his stature that the United Front did not even bother to use his reign as a campaign issue. Nor did Gujral figure in the election as a leader, as Prime Minister. He was a mere stop gap during a time when nobody wanted elections.

If Gujral had made a good impression on the diplomatic scene with his rather one-sided 'doctrine', there was very little about his governance or management of the national problems to commend him to the people at large. With all the media focus and the long television interviews that he gave so generously, Inder Kumar Gujral could not rise above his old image of being a 'gentleman politician', an ineffectual angel fluttering his wings in the void.

If the Bofors case finished the Gowda government, it was the Jain Commission report that proved Gujral's undoing. He had done his best to keep the report under



wraps, and had succeeded in hiding it for a couple of months, but then a national magazine got hold of some excerpts and the lid was blown. Sonia loyalists were up in arms, demanding immediate removal of the Karunanidhi government. The party threatened that if the report was not tabled in Parliament, it would review its support to the Gujral government. It also demanded the immediate removal of the DMK government. Left to himself, Sitaram Kesri would not have liked to destabilize Gujral yet. He was being treated like a super Prime Minister, and Gujral was doing his best to get him off the hook. But Rajiv Gandhi's widow was hell-bent on having her way. No compromise on the DMK issue, she made it clear. Either Gujral dismisses Karunanidhi or he himself goes. A jittery Prime Minister invited Sitaram Kesri for dinner to discuss some way out, but the situation had already gone out of

their control. The United Front had rallied in support of Karunanidhi, with Jyoti Basu saying that if the Congress was hell-bent on elections, “we shouldn’t run scared.” Sitaram did go to Sonia Gandhi in a bid to save Gujral, but returned a hawk, and immediately accused Karunanidhi and VP Singh of being responsible for Rajiv Gandhi’s assassination. Finally, on November 20, Gujral was given the final notice of the withdrawal of support.

The sole rationale for the United Front menagerie to have stayed in government for so long was the need of its principal members to somehow keep the Bharatiya Janata Party out of power. One reason why this bizarre conglomeration tottered and fell was of course its total dependence on a party that kept asking for more and more: first it wanted to set the pace of the government and do the backseat-driving, then it wanted all official moves



that went against its leaders to be scuttled (no talk of Bofors, no talk of Kesri’s cases), then it wanted to become the senior partner in the government, and finally it wanted the leadership for itself. The United Front, at no time united, was constantly under pressure, constantly being forced to appease and placate the party supporting it, constantly under pressure from disparate group of leaders who all thought they were the king-makers and highpriests of the government.

The United Front’s position changed radically after the entry of Sonia Gandhi into the poll fray. Before it, most leaders of the combine were pretty sanguine about forming a government after the polls along with the Congress party, their only reservation being on the question of leadership. It still had half a dozen serious aspirants for the prime minister’s post. Jyoti Basu had been angry with his party

for the “biggest blunder” it had committed in not letting him be the Prime Minister. No matter how detached and philosophical Gujral may have shown himself in public, deep down he remained hopeful about once again emerging as the consensus man. Waiting in the wings to snatch his old chair away was Deve Gowda, going all out to make friends and influence people in all directions.

BUT they can could go on dreaming till the cows came home. The political arithmetic was against them. They could have made the Congress accept a junior partnership if its number was less, and after the entry of Sonia, it was no longer innocuous enough for the UF to accept take in its stride. The moment she came into the open, the high priests of United Front went into a huddle. They emerged chastened. Both Jyoti Basu and Harkishen Singh Suijeet found it hard to accept Sonia Gandhi. There was nothing to stop her from becoming the Congress president, except that she was going to choose her own timing for it. To become the chief of the party officially was going to be her only shield against possible harassment in the future. Poor Sitaram was already cringing at her feet to take over and ‘bless us’. There was the official spokesman of the party writing missives to the president to please persuade Priyankaji to become the Youth Congress president. A more pathetic political scenario was hard to imagine.

But much as the United Front may have hated the resurgence of the resurgence of the Sonia-led Congress, its Enemy No. 1 was still the BJP. Harkishen Singh Surjeet was busy adjusting himself to the new realities. He was already preparing his ground for extending issue-to-issue critical support to the Congress. ‘We detest the return of the dynasty, but we detest the saffronwallahs even more!’ And to keep them out they would have no choice but to back a Congress government from outside. The UF strategists said as much, not out of choice but lack of choice!

The United Front was in a sad state. It is one thing winning state elections, quite another to get a majority in Parliament. The ‘third force’, if it was to become a credible fighting force, had to become more than just a sum of the votebanks of Laloo Prasad Yadav, Mulayam Singh Yadav, Kanshi Ram and what the Left parties won in West Bengal, Kerala and Tripura. Unity on programmes and policies without unity of purpose or personalities had very little meaning. **g**

Excerpted from Prime Ministers: Nehru to Vajpayee by Janardan Thakur, Eshwar Prakashan, New Delhi



STOCK DOCTOR

dr gs sood



Shift to financial assets

THE market is likely to witness increased volatility as the December quarter results pour in. How the initial days of the Trump Administration pan out coupled with lack of clarity on GST and impact of demonetisation on the economy and corporate sector may further add to the choppiness of the market. However, investors should be clear that though the market may witness bouts of correction, a complete blood bath may be ruled out since domestic funds have a lot of liquidity and are waiting for any steep correction to happen. Investors will, therefore, do well to pick stocks in a staggered manner with each correction they witness lest they are bound to miss the bus again. The market may go into a prolonged bearish phase only if the government fails to tackle demonetisation effectively with the implementation of GST getting delayed beyond a point and Union Budget 2017 not able to meet the expectations of the resurgent economy and the market and if the earnings revival of the corporate sector get delayed beyond the next quarter.

However, India's macro-fundamentals still makes it one of the most attractive destinations for FPI investments. Political, economic and financial uncertainty remains clouded over Europe post the Italian referendum with Germany, France and Netherlands going in for elections this year. Back home, the elections in Uttar Pradesh, Punjab, Uttarakhand, Goa and Manipur are likely to keep the market on edge since the results may not only impact the ability of the current dispensation to go in for fur-

ther bold reforms but will also impact the coming Presidential election this year. With inflation remaining benign, the RBI may opt for aggressive rate cuts sooner than expected due to the ample liquidity in the system, provided crude prices in the international market remain range bound. Demonetisation has led to a fall of almost one lakh crore rupees in domestic credit and corporate capex plans may not see an early revival.

Most analysts are of the view that the gains from demonetisation will far outweigh the pains in terms of the cash brought into mainstream formal productive channels, improvement in the tax to GDP ratio due to widening tax base, ability of the Government to spend more on infrastructure and social sectors without adversely impacting the fiscal deficit but creating a lot more job opportunities, improvement in financial inclusion by bringing more people to mainstream banking channels thereby improving

the ease of doing business. Also, the Government may extend tax concessions to corporate and individual tax payers thereby reducing the cost of doing business as also increasing spending to prop up demand leading to a higher rate of growth in GDP. Besides, efforts are on to create a robust financial system with ongoing, merger of banks to create fewer but fundamentally strong banks to achieve the twin goals of financial stability and growth.

With just 2.8 per cent of household wealth invested in equities as against 12.5 per cent in gold and 56.4 per cent in real estate, investors should not miss the current opportunity to shift their investments from physical to financial assets. Banks, infra, consumer durables, logistics, chemicals, oil and gas, IT, pharma, power utilities, and exports may be interesting themes to look at during the next two quarters. Wishing you all a happy new year and happy investing. **g**

Stock Shop

BY RAKESH BHARDWAJ

Rajapalayam (CMP ₹ 510)

THE company is in the textiles-spinning-cotton blended sector with present capacity at 1,21,856 spindles producing 11 million kg of yarn per year, employing more than 1,000 workers and has a turnover of over ₹1818 million. Acknowledged as one of the most efficient spinning mills in the industry, the company has set the industry standard for quality and price in cotton yarn manufactured with

a production increase of about 40 per cent purely through modernisation. It exports 80 per cent of its spinning capacity. The company' net profit at around ₹18 cr for the quarter ending September 2017 was six times that of the previous quarter. The current market price discounts the TTM EPS of ₹43 by less than 12, which is quite favourable compared to its peers. The market value of investments is around four times that of its entire market cap. With such deep value, the stock is one of the safest bets in the sector it is operating in.

The author has no exposure in the stock recommended in this column. gfiles does not accept responsibility for investment decisions by readers of this column. Investment-related queries may be sent to editor@gfilesindia.com with Bhardwaj's name in the subject line.



PERSPECTIVE

environment sadhguru

THE global environmental crisis is no longer a myth but a clear statement of facts. People are advocating recycling and alternate systems of power, but this will only help in a minor way. I'm not trying to belittle these efforts. Windmills, solar panels, etc., are very crucial interventions, but we are not yet looking for solutions; we are only looking to slow down the disaster. This means we don't want the disaster to happen in our lifetime; we want to gift it to our children. We are trying to lift a tonne of weight with a little finger; we want to handle a massive problem with small incentives here and there.

If we as humanity are serious about this looming environmental disaster, we need to come to terms with the fact that all ecological problems have sprung from irresponsible human reproduction. Because of science and technology, natural selection no longer applies to us. In most countries today, we are capable of seeing that every child that is born largely survives. In many parts of the world, the infant mortality rate has plummeted. Essentially, medical science has postponed our deaths, but we are refusing to postpone the births. Yes, the average child-bearing age of women has been climbing, but with the world population at 7.4 billion, this is not an effective postponement.

Either we consciously handle this issue or Mother Earth will do it for us in a cruel manner. Right now, Mother Earth is not even supposed to flex her muscles. She cannot even sneeze or else a hundred thousand people will die because they have built towns around live volcanoes! We are wonderful, but we are too many. We need to reduce our wonderfulness.

The estimated population in 2050 is 9.5 billion, which means all of us will have to live at 40 per cent less



We are wonderful, but we are too many

resource than we are right now enjoying. I'm not talking about gold, diamonds or oil. I am talking about water, food and air to breathe. Per capita, today we have only 30 per cent of the potable water that an Indian citizen had in 1947. By 2025, we will have only 20 per cent of that. That means your morning bath will be with a single bottle.

The planet has an enormous capability to recoup from the damage that it goes through, but we have to allow a certain amount of time for this. In 40 years, if all the countries come together to bring down human population by 25 per cent, that itself is a great solution. This is definitely achievable, but you cannot expect people to change by themselves. Laws are needed. Laws will not happen unless there are strong, responsible, ecological movements oriented towards solutions. Right now, the problem between nations is: "Okay, I'm willing to change the law and restrict my country, but what about you? You are not willing to do it, but you want to benefit from my laws." So nobody is doing it. Who is to bell the

cat? We must develop a large-scale movement that is conscious that there is no other enemy sticking out somewhere there—we are the enemy. It must be action-oriented to gain respectability in the world, at the same time it should be an international movement where there is so much pressure on the governments that they will change the laws, step by step.

Fundamentally, the source of environmental disaster is that we think life upon this planet is human-centric. But worms, insects, birds and other animals are far more important than us. We are led to believe that we will live well because of the economic growth happening in our country. No. We will live well if everything is green and beautiful, and the water is flowing and the air is pure. This idea has to go into every human being's mind. Unless we recognise every life as life, there is no solution. The essence of the spiritual process is just this—seeing all of it as just a manifestation of life. **g**

Sadhguru, a yogi, is a visionary, humanitarian and a prominent spiritual leader (www.ishafoundation.org)

SPOTLIGHT

Chief Election Commissioner, Dr. Nasim Zaidi, along with Election Commissioners AK Joti and OP Rawat releasing a publication at the inauguration of the National Interactive Conference on Electoral Laws, organised by the Election Commission of India, in New Delhi.



Chief of the Air Staff, Air Chief Marshal Arup Raha, along with airforce officers during the IAF seminar on Transformational Leadership, in New Delhi.



Director of Lal Bahadur Shastri National Academy of Administration (LBSNAA), Mussoorie, Upma Chaudhary, calling on the Minister of State for Development of North Eastern Region



President Pranab Mukherjee with the delegation from Young FICCI Ladies Organisation (YFLO), at Rashtrapati Bhavan, in New Delhi.

Minister of State for Development of North Eastern Region (I/C), Prime Minister's Office, Personnel, Public Grievances & Pensions, Atomic Energy and Space, Dr. Jitendra Singh, going around the various stalls after inaugurating the "Northeast Textile & Craft Shopping Mela" at Janpath, in New Delhi. Secretary, DoNER, Naveen Verma, and Secretary, North Eastern Council (NEC), Ram Muivah are also seen.



Joint Secretary Archana Varma leading the 'Shramdaan', at North Block lawns, as part of 'Swachh Bharat Pakhwara' undertaken by the DoPT . from Dec.1-15, 2016, in New Delhi.

Union Home Minister Rajnath Singh releasing a BPR&D publication, during his visit to the CDTs campus, in Ghaziabad.



Union Minister for Rural Development, Panchayati Raj, Drinking Water and Sanitation, Narendra Singh Tomar, and Chairman of Tata Trusts, Ratan Tata, at the launch of the "Zila Swachh Bharat Preraks", one in each district, across the country, in New Delhi. NITI Aayog CEO Amitabh Kant, Secretary, Ministry of Women and Child Development, Leena Nair, and Secretary, Ministry of Drinking Water and Sanitation, Parameswaran Iyer, are also seen.

Union Minister for Health & Family Welfare JP Nadda and Union Minister for Agriculture and Farmers' Welfare Radha Mohan Singh at the MoU signing between Indian Council of Medical Research (ICMR) and Indian Council of Agricultural Research (ICAR), in New Delhi.



Union Minister for Health & Family Welfare JP Nadda releasing a publication to mark "World AIDS Day", in New Delhi. Minister of State for Health & Family Welfare Faggan Singh Kulaste, Minister of State for Health & Family Welfare, Anupriya Patel, Secretary (Health and Family Welfare), CK Mishra are also seen.

birthdays

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SEND YOUR GREETINGS...

Want to wish someone best of luck for an important assignment or send a bouquet to an official or MP on his/her birthday, anniversary or promotion? gfiles will do it for you. The service is available only in Delhi. Contact us at adv@gfilesindia.com

*Conditions apply

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JS KHEHAR

The Justice has been appointed as the Chief Justice of India. He is the 44th CJI.

ANIL DHASMANA

The 1981-batch IPS officer of the Madhya Pradesh cadre has been appointed Director, Research and Analysis Wing.

RAJIV JAIN

The 1980-batch IPS officer of the Jharkhand cadre has been appointed Chief of the Intelligence Bureau (IB).

RAKESH ASTHANA

The 1984-batch IPS officer of the Gujarat cadre has taken over as acting Chief of CBI.

BS DHANOA

The Vice Chief of Air Staff has been appointed the new Chief of the Indian Air Force.

BIPIN RAWAT

The Vice Chief of Army Staff has been appointed the new Army Chief.

SANJAY KOTHARI

The 1978-batch IAS officer of the Haryana cadre has taken charge as Chairperson, Public Enterprises Selection Board (PESB).

KK SHARMA

The 1983-batch IAS officer of the AGMUT cadre has been appointed Secretary, Higher Education.

AMEISING LUIKHAM

The 1981-batch IAS officer of the Manipur cadre has taken charge as Secretary, Ministry of Minority Affairs.

NEW ADDITIONAL SECRETARIES APPOINTED IN GOVERNMENT OF INDIA

- The 1982-batch IRS-IT officer **MADHU MAHAJAN** has been appointed Member Secretary, National Commission for Woman, under the Ministry of Women and Child Development.
- The 1982-batch IES officer **NAGESH SINGH**, Chief Economic Adviser in the Ministry of Rural Development, has been appointed Additional Secretary in the Department of Rural Development under the Ministry of Rural Development.
- The 1984-batch IAS officer of the Maharashtra cadre **MALINI SHANKAR**, has been appointed Director General, Shipping, under the Ministry of Shipping
- The 1984-batch IDAS officer **V VENUGOPAL** has been appointed Financial Adviser (in the rank of additional secretary), BSF.
- The 1984-batch IDAS officer **SANJIV MITTAL** has been appointed in the Ministry of Statistics and Programme Implementation .
- The 1985-batch IAS officer of the Bihar cadre **RABINDRA PANWAR**, has been appointed as Financial Adviser, Ministry of Home Affairs .
- The 1985-batch IAS officer of the Andhra Pradesh cadre **PV RAMESH BABU** has been appointed CMD, Rural Electrification Corporation of India, under the Ministry of Power.
- The 1986-batch IAS officer of the West Bengal cadre **RK VATS** has been appointed in the Ministry of Health and Family Welfare.
- The 1986-batch IAS officer of the UT cadre **ANSHU PRAKASH** has been appointed Financial Adviser, Department of Rural Development.
- The 1986-batch IAS officer of the Uttar Pradesh cadre **BS BHULLAR** has been appointed Director General, Civil Aviation.
- The 1986-batch IAS officer of the Rajasthan cadre **YADUVENDRA MATHUR** has been appointed in NITI Aayog.

MM KUTTY

The 1985-batch IAS officer of the UT cadre officer is the new Chief Secretary of Delhi Government.

The 1998-batch IFS officer, currently High Commissioner of India to the Republic of Fiji, has been concurrently accredited as the High Commissioner of India to Tuvalu, with residence in Suva (Fiji).

GAUTAM CHATTERJEE

The 1978-batch IAS officer of the Maharashtra cadre has joined as Advisor to Maharashtra Chief Minister, Devendra Phadnavis.

MONIKA KAPIL MOHTA
The IFS officer, currently Ambassador of India to Sweden, has been concurrently accredited as the next Ambassador of India to the Republic of Latvia with residence in Stockholm.

VISHVAS VIDU SAPKAL

Moving On: IAS officers retiring in January 2017

CHATTISGARH

Ganesh Shankar Mishra (1994)

HIMACHAL PRADESH

Deepak Sanan (1982)

JHARKHAND

Upendra Narayan Oraon (2001)
Umesh Pd. Singh (2003)
Shashi Ranjan Pd. Singh (2003)

KARNATAKA

Shambu Dayal Meena (1988)

MAHARASHTRA

Swadheen S Kshatriya (1980)

TAMIL NADU

V Mohanaraj (2006)

TRIPURA

Yashpal singh (1984)
Karuna Nidhan Debbarma (1999)
Karnamani Das (2002)

UTTAR PRADESH

Pradeep Shukla (1981)
Rohit Nandan (1982)

Biresh Kumar (1983)

Kishan Singh Atoria (1984)

Arun Kumar Mishra (2002)

Chandra Kant Pandey (2002)

UNION TERRITORY

Ms. Naini Jayaseelan (1980)
Mohan Lal (2002)

WEST BENGAL

Ms. Reena Venkataraman (984)
Smt. Doma Tshering Sherpa (1998)
Akhtar Karim (1999)

NAZLI JAFRI SHAYIN

The 1999-batch IA&AS officer has been deputed as Director in the Department of School Education & Literacy in Government of India.

SANTOSH KUMAR UPADHYA

The Lt Gen is the new Commandant of the prestigious Indian Military Academy (IMA), Dehradun.

PV RAMESH BABU

The 1985-batch IAS officer of the AP cadre has been appointed Chairman & Managing Director, Rural Electrification Corporation of India, Ministry of Power.

KM PANDURANG

The 2007-batch IAS officer of the Haryana cadre has been given additional charge of the post of Commissioner, Municipal Corporation, Sonepat, in Haryana.

NISHANT VERMA

The 1999-batch officer has been appointed Deputy Inspector General of Forests, National Tiger Conservation Authority (NTCA).

RAJENDRA KUMAR

The IRS-IT officer has been appointed Member, Central Board of Direct Taxes (CBDT).

ASHWANI LOHANI

The Air India Chairman & Managing Director has been appointed Chairman, World Travel & Tourism Council, India Initiative (WTTCI).

GIRRAJ GOYAL

The 1998-batch IDSE officer Girraj Goyal has been appointed Director in the Ministry of Water Resources, River Development & Ganga Rejuvenation.

VINOD VASHISHT

The Lt Gen has taken charge as Director General of the National Cadet Corps (NCC).

SHOKIN CHAUHAN

The Lt Gen has taken charge as DG of the Assam Rifles.

BINAYANAND JHA

The 1988-batch IPS officer has been appointed Additional Director General of Police, Law and Order, Cuttack in Odisha.

NEW JOINT SECRETARIES APPOINTED IN GOVERNMENT OF INDIA

- The 1993-batch IAS officer of the Chhattisgarh cadre **AMIT AGRAWAL** has been appointed in the Department of Financial Services.
- The 1998-batch IAS officer of the Madhya Pradesh cadre **NK SRIVASTAVA** has been appointed Additional DGFT, Directorate General of Foreign Trade under the Ministry of Commerce.
- The 1990-batch IRS-IT officer **SATYENDRA KUMAR MISHRA** has been appointed in the Ministry of Civil Aviation.
- The 1985-batch IFoS officer of the Bihar cadre **ANJANI NANDAN SHARAN** has been appointed in the Ministry of New and Renewable Energy.
- The CSS officer **GR RAGHVENDRA** has been appointed in the Department of Justice in place of Atul Kaushik, also a Central Secretariat Service officer.
- The 1995-batch IAS officer of the Tamil Nadu cadre **HITESH KUMAR S MAKWANA** has been appointed as ED (Projects), National Mission for Clean Ganga (NMCG), on a newly-created post under the Ministry of Water Resources, River Development and Ganga Rejuvenation.
- The CSS officer **GEETA NARAYAN** has been appointed Member Secretary, National Commission for Protection of Child Rights (NCPCR), under the Ministry of Women and Child Development.
- The 1985-batch IOFS officer **SIVANAND NYSHADHAM** has been appointed in the Department of Heavy Industry.
- The 1988-batch IAS officer of the Jharkhand cadre **ALKA TIWARI** has been appointed in the Department of Fertilizers.
- The 1988-batch IDAS officer **DEVIKA RAGHUVANSHI** has been appointed in the Ministry of Defence.
- The 1985-batch IFoS officer **INDER DHAMIJA** has been appointed in the Ministry of Sports.

THE FOLLOWING IAS OFFICERS HAVE BEEN TRANSFERRED AND POSTED TO DIFFERENT PLACES IN PUNJAB

DP REDDY has been posted as Additional Chief Secretary, Local Bodies Department; **SATISH CHANDRA** to Finance Department; **K SIVA PRASAD** posted as MD, Sugared; **RAJAT AGARWAL** has been appointed Special Secretary, Finance; **VARUN ROOJAM** as ETC and Chief Administrator, GMADA; **MOHINDER PAL ARORA** as Director, Technical Education and Industrial Training; **DHARAM PAL** as Special Secretary, Technical Education and Industrial Training; **ARUN SEKHRI** as Additional Registrar, Cooperative Societies and **ASHWANI KUMAR** as State Transport Commissioner.

THE FOLLOWING IPS OFFICERS HAVE BEEN TRANSFERRED AND POSTED TO DIFFERENT PLACES IN PUNJAB

SNEHDEEP SHARMA has been appointed SSP, Tarn Taran; **JAGADEAL NILAMBARI VIJAY** is SSP, Pathankot; **RACHHPAL SINGH** is SSP, Ferozepur; **INDERBIR SINGH** is SSP, Sangrur; **MANMOHAN KUMAR** is SSP, Batala; **SUKHMINDER SINGH** has been shifted to Jalandhar-Rural; **GURPREET SINGH BHULLAR** to Fatehgarh Sahib; **KULDEEP SINGH** has been transferred to Mohali; **HARCHARAN SINGH BHULLAR** to Hoshiarpur; **GURSHARANDEEP SINGH** to Barnala; **SURJIT SINGH** to Fazilka; **GURPREET SINGH TOOR** to Moga; **ARUN PAL SINGH** has been posted as IGP, PAP Jalandhar; **BALKAR SINGH** as IG Crime; **GURINDER SINGH DHILLON** as IG Railways; **MOHNISH CHAWLA** as IGP Traffic; **SURINDER PAL SINGH PARMAR** as IGP-cum-Additional Director, MRS PPA Phialaur; **AMAR SINGH CHAHAL** as IGP, IRB Patiala; and **MUKHWINDER CHINNA** as IGP Security.



...by the way

Head hunting for AIIMS

AIIMS has been a political battleground for long. Despite being the premier hospital of the country, nobody dares to intervene. The current Director, Dr MC Mishra, is retiring on January 30, 2017, and is reportedly lobbying for an extension. Meanwhile, the search for a new director for AIIMS has begun. The names in the forefront are Atal Bihari Vajpayee's relative Dr Rasik Vajpayee, Dr Randeep Guleria, Dr Jagdish Prasad and Dr AB Dey. Dr Mishra is, moreover, under a cloud these days as he has appointed his close aide Dr Umesh Kapil as Head of Gastroenterology. Dr Kapil is known as a Human Nutrition expert. Notably, the required eligibility for the position is MD (Medicine) and DM in the same field. Sources disclosed that Dr Kapil does not have these requisites. Sources claim that Dr Kapil actually comes in the list of ineffective doctors. This is why in 1997, the then head of the department, Dr Ramesh Tondon, had recommended his removal. What has shocked the AIIMS fraternity is that in the history of the institute, this is the first time that a Head of Department was appointed without the Director's signature on the order, which is a must as per the AIIMS Charter. Otherwise in general cases, any letter of appointment or promotion comes from the faculty cell, based on which the Director issues his order. Sources reveal that the entire sequence of events engineered by Dr Mishra was to sideline Dr Anoop Sarai, as the latter is reportedly the best qualified and experienced person for the post. Ironically, on the one hand, there is a shortage of doctors in AIIMS and on the other, experienced doctors are being dispatched for administrative duties. And a private practitioner has been made a member in the selection body. It's to be seen in the above circumstances, whether Dr Mishra is given an extension or a new competent and experienced doctor is appointed as Director, AIIMS. **g**



Bureaucracy stalls investments!

The fact that India continues to rank poorly as an investment destination in the newly released 10th annual survey of petroleum sector executives around the world carried out by a prestigious non-profit global institute is probably as good a time as any for some serious self introspection. The survey identifies countries with the greatest barriers to investments in the oil and gas industry and is confined to the oil and gas executives in the upstream sector. India is placed 30th among 36 countries with "medium reserve holdings" in terms of policy perception in the global survey. Thailand, Malaysia, Vietnam, and even Pakistan, come before India. Among Asian countries included in the survey, India is in the absolute bottom. Only Bangladesh ranks below us. Among 100 countries overall, India is placed at 80. Why is the general perception on India so poor? The survey quotes one of the respondents as saying, "Getting environmental clearance can be a prolonged process. Even after getting environmental permission, there can be nasty surprises." The fiscal terms in India are considered to be a big deterrent but it is a lower deterrent in Pakistan. Fiscal terms are seen to be as big a deterrent in China as they are in India. Then again, India's taxation burden is seen to be considerably larger than Pakistan but China's burden is seen as much higher. Then how does China get a higher score than India? China's environmental licensing norms are seen to be much less cumbersome. There are also more respondents not wanting to invest in India than in China or Pakistan as a result of uncertainties in interpretation and implementation of policies. The cost of regulatory compliance too is seen to be much higher in India. Surprisingly, we are less of a deterrent on labour regulations than China or Pakistan and we are higher up the ladder on this count than quite a few countries. India is higher on infrastructure, labour availability and skills but ranks lower in terms of our quality of geological database. We are also ahead of others in terms of political stability despite our fractious politics. **g**

Neighbours in shock

It appears that the Finance Ministry had a myopic view about demonetisation. Nobody in the Ministry asked about or suggested that demonetisation will have an impact on the economies of the SAARC nations. As the news is emanating from the SAARC countries, they are baffled. If one thinks India's GDP's size is two trillion only, they are mistaken. The collective impact of SAARC and India's GDP is humungous. India has bilateral monetary treaties with most of the neighbouring countries. Economists who are working on the demonetisation reports say that being a big nation, India should have considered the devastating impact of demonetisation before taking such a major policy decision. Finance Ministry officials have the trade data of SAARC nations and are well aware of the impact of Indian currency on the neighbouring countries. Economists opine that it will be difficult to generate the same confidence level in the Indian currency. Trade among neighbouring countries will take at least two years to normalise. A senior official of the Ministry informed that nobody asked them about the impact of demonetisation on the neighbouring countries, so why blame the ministry. **g**



Foreign Secy: who'll come up trumps

Gone are the days when appointing a Foreign Secretary was as unimportant as hiring a watchman. But with a full time globetrotting Prime Minister, the Foreign Secretary has to be someone who needs to be at the beck and call of the PM. The term of the present Foreign Secretary ends on January 28. After the victory of Donald Trump, External Affairs Minister Sushma Swaraj, Principal Secretary to PM Narendra Modi and NSA Ajit Doval held an urgent meeting, where it was decided that Jaishankar should be the first diplomat to meet with Trump's team. Jaishankar had dealt with George W. Bush and Obama during the last 16 years. Jaishankar flew to the US and met some of the officials in the transition team, as Trump was busy. But like Obama, he too was treated as 'lame duck' FS. According to MEA sources, Anil Wadhwa, a 1979-batch IFS officer, Ambassador to Italy is the seniormost among the serving diplomats. He was transferred last year while he was serving as Secretary (East). Another competent diplomat, Sujata Mehta, a 1980-batch IFS officer, serving as Secretary (West) is waiting in the wings. There are three 1981-batch IFS officers—Navtej Sarna, current Ambassador to the USA, Amarendra Khatua, DG ICCR, and Secretary, Special Assignments, and Vijay Gokhale Ambassador to China—all eying the plum post. While the US under Trump will need careful handling, economic, strategic and security concerns are reason enough for Modi to select a China expert as Foreign Secretary. It is not certain who among the aspirants will make it to the top but what seems certain is that Jaishankar is not getting a second term. But why worry? There is no dearth of think-tanks in the US eagerly waiting to hire him. **g**



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