

BusinessLine

WEDNESDAY, JUNE 21, 2017

Pushing ahead

Sticking to GST deadline sends out a signal of confidence, but teething issues could arise

On the midnight of June 30, Prime Minister Narendra Modi will announce the historic shift to an altogether new tax regime, GST. The Centre has sought to convey that it is serious about deadlines and not given to vacillation. It has set aside numerous requests from trade and industry to defer the introduction of GST, exuding confidence in its preparedness. It is perhaps of the view — and there is more than a grain of truth in it — that the uncertainties being voiced would amplify themselves if the launch date is deferred. Apprehensive producers and distributors have put the entire economy on pause. The prevailing slowdown could worsen if their wait-and-watch attitude continues for long. Better then to sort out glitches as and when they crop up rather than undermine confidence in the new system even before it is up and running. The Prime Minister is expected to provide the assurance that trade and industry are looking for, while spelling out the big picture on what GST is all about. In the current climate of apprehension, it must not be forgotten that GST will ease the conduct of business by ushering uniform tax rates for goods and services across regions. It has taken 17 years to get here, even as governments and political formations in power kept changing — a process that suggests an across-the-board consensus on creating an investor-friendly, vibrant economy.

Yet, GST has somehow failed to evoke confidence on the ground. While explaining its details is no easy task, the prevailing confusion among producers, distributors and consumers points to a communications failure. It is ironic that the new regime, meant to convenience business, is being perceived as a headache by a vocal section of traders and small businesses. There is no clarity on how unsold stocks will be accounted for. Besides, there is a knowledge and confidence deficit on how, when and whether input credit can be claimed. Add to this, are doubts over whether the untested GST Network will survive an estimated 3.5 billion transactions a month. Existing assesses are finding it cumbersome to migrate to GST. It hasn't helped that the server is constantly 'under maintenance', raising doubts over whether it will survive frenetic uploads later. These are minor troubles, but could trigger disputes over taxes levied and credit claimed.

There is also a lurking fear that the taxman may wield needless clout. This stems from the GSTN's attempts to track whether a transaction has actually been settled or paid for, in an attempt to crack down on bogus invoices. This is better tracked by creating a special cell. The mandate of the anti-profiteering cell is also not clear. Such issues need to be sorted out. The onus is on the Prime Minister to show that when he talks of 'minimum government, maximum governance', he means business.

FROM THE VIEWROOM

Presidential politics

Excessive emphasis on caste identity is disquieting



A cursory analysis of Google Trends, that dipstick measure of the perturbations of people's minds, points to a moderate spike, over the past 24 hours, in searches for Ram Nath Kovind, the NDA's candidate for President. The fact that even Trinamool Congress MP Derek O'Brien acknowledged that he had logged on to Wikipedia to get better acquainted with facts about Kovind — the Governor of Bihar, a State neighbouring West Bengal — speaks volumes about the area of darkness that envelops politicians beyond the top rungs of the hierarchy. In much the same way that a "superstar culture" permeates every field of endeavour from cricket (as historian Ramachandra Guha recently bemoaned) to film, in politics too, the arc lights of history appear to be reserved only for the A-listers. Anyone outside of this inner circle is seen to be deserving of the spotlight only if s/he is catapulted to accidental greatness, as has happened with Kovind.

On another count, that none of the reams of media speculation in recent days about the ruling party's candidate for the election of India's First Citizen even got an inkling of Kovind's name is a pointer to the limitations of journalism that revolves around access to power. The Chinese whispers about NDA's Presidential candidate were centred largely around LK Advani and Sushma Swaraj, and it's fair to say the media was entirely blind-sided by the eventual nominee.

Another aspect of Kovind's candidature merits mention: the excessive emphasis, both in media commentary and in the political calculations that underlie his nomination, on his Dalit identity. Social stratification on caste lines, of course, remains an unvarnished reality, and much work remains if that benighted curse is to be lifted. But it is hard to see the elemental reduction of the man who is likely to be India's next First Citizen to the lowest common denominator of his caste identity, overlooking the other attributes that qualify him for the post, as a step forward in the evolution of a society based on progressive values.

Venky Vembu Associate Editor

Deposit insurance needs an overhaul

The bank deposit insurance cover offered in India is pitifully low and out of sync with the push towards a cashless economy

HARISH HV / VIDYA RAJARAO

Deposit insurance covers deposits in all banks that are licensed to operate by the Reserve Bank of India and registered with Deposit Insurance and Credit Guarantee Corporation (DICGC). Today, around 2,000 banks including commercial banks, foreign banks in India, local area banks, regional rural banks and co-operative banks are covered by deposit insurance.

From the 1930s to 1960s, many major banks in India failed, leading to the introduction of the Deposit Insurance Bill in 1961 and formation of the DICGC in 1962, primarily to protect the savings of depositors. The initial cover was set at ₹1,500 per person. This was raised to ₹5,000 in January 1968, ₹10,000 in April 1970, ₹20,000 in January 1976, ₹30,000 in July 1980 and ₹1 lakh from May 1993.

The said deposit insurance is restricted to ₹1 lakh per depositor per bank and does not cover amounts above ₹1 lakh. To calculate this limit of ₹1 lakh, all accounts held by the depositor across different branches of the same bank are aggregated. In addition, the ₹1 lakh limit includes both the principal and any accumulated interest in each such account. Finally, the limit is not restricted to "deposits" such as fixed deposits and recurring deposits but covers any "balance" in any account held by the same person. For example, balance in savings accounts, balance in current accounts, fixed deposits and so on are all added up.

Just a pittance

Against this backdrop, the said deposit insurance cover is misleading,

minuscule and offers depositors little coverage. And, if you factor in inflation, the cover offers nothing at all. What's more, the banks that pay the premium to obtain this cover on behalf of the depositors also lose as the banks are required to pay the DICGC an annual premium at a flat rate of about 10 paise for every ₹100 worth of deposits that they hold.

In essence, the premium paid for obtaining such insurance has no bearing on the sum insured as a single depositor is only covered for a maximum of ₹1 lakh across all banks whereas the banks pay a premium on total deposits placed by depositors in all banks. This is clearly wrong and must be rectified either by increasing the deposit insurance limit or calculating the premium based on a sum insured per depositor of ₹1 lakh.

Deposit insurance levels in India clearly needs to be increased and brought in line with deposit insurance offered in other countries and coverage as a percentage of deposits in the banking system today. In fact, coverage levels in India (of ₹100,000 or approximately \$1,500) when compared with other countries are quite low.

For example, Brazil has a coverage limit of around \$79,300, Canada insures up to a maximum \$75,000, Switzerland upwards of \$100,000 per depositor and the US offers an insurance coverage of \$250,000.

The International Monetary Fund recommends that the yardstick for the insurance cover should be twice the per capita income. This would mean the cover in India should be ₹250,000 as against the current cover of ₹100,000. If we consider



Skimpy shelter Bank deposit insurance in India is capped at ₹1 lakh L. BALACHANDAR

inflation and use the Income Tax index which is used for capital gains the cover should be ₹500,000. Given the push to reduce physical cash holdings in favour of more deposits, this should be set at an even higher level of ₹10 lakh.

Coverage ratio

Another aspect that requires immediate attention is the coverage ratio. While around 92 per cent of the 1,680-odd million accounts were covered in 2015-16, only 30 per cent of the amount in these accounts was insured.

The insurance cover, which was about 35 per cent five years ago and a much higher 60 per cent a decade ago, has been steadily decreasing in the last couple of years. The primary reason lies in the sharp jump in high-value deposits, given

the growing income levels in India. From about ₹40,000 average amount of each deposit in 2005-06, the average amount in each deposit account has moved upwards of ₹60,000 in the last three to four years. This has eroded the coverage ratio significantly and needs to be improved. DICGC also has substantial resources as the claims are minimal. Today it is sitting on reserves of a whopping ₹54,891.9 crore and has cash and investments worth ₹61,283.8 crore (as per accounts dated March 31 2016). There needs to be some thinking on how to use these funds.

In summary, with the greater push towards a cashless economy, moving the unbanked towards the banking sector, digital payments and such, combined with the rise in deposits at banks, it is time to in-

crease the insurance cover available to depositors, rationalise the anomaly between premia paid and coverage and ensure that monies placed at banks have adequate coverage.

In this context, it is pertinent to action the following points — a) An increase in the cover for deposit insurance to international levels. It should go up to ₹10 lakh b) Banks to pay only for the cover and not for total deposits c) Use of the resources of DICGC for depositor education, improving operations of small banks and other related purposes and maybe to shore up capital of public sector banks indirectly (to avoid conflict of interest) d) Increase coverage ratio.

The writers are partners at Grant Thornton India. The views are personal

Where subsidies can make a lot of sense

In the case of urban transport, be it metro or buses, such support will improve the productivity of the workforce



NARENDAR PANI

The last week saw two important milestones in the history of the Indian metro. The President celebrated the completion of the first phase of the metro in Bengaluru and the Prime Minister inaugurated the metro in Kochi. In the celebratory mood that marked both events it is hardly surprising that there was little mention of the subsidies involved in the projects. The substantial subsidies may well be justified — I believe they are — but at a time when farmers are being killed for demanding the Government live up to campaign promises on support prices, the least we can do is publicly debate the case for state support for metros.

Metro, a matter of pride

The unstated but overriding case for metros is an intangible one. The metro has become a symbol of modern urban development in India. Its demonstration of modern technology is typically extended to modern designs for its stations.

There are also signs that the working of the metro involves modern practices such as employment of a large number of women in a wide range of operations, including driving the trains. And the pride in the metro is quite widespread. For a country that struggles to keep its bus stations clean, the metro stations are, so far at least, a much more hygienic experience.

The extent to which government decisions on the metro have been decided by considerations of pride is not to be underestimated. The huge investments planned for a bullet train at a time of frequent train accidents reflects a larger policy mindset where the intangible can trump the tangible. But in the case of the metro there is a more hard-nosed justification for the subsidy — the changing role of mobility in our cities.

Commute demands

There was a time when the relationship of the urban Indian to work was steady over the long term. It was hardly unknown for people to work with a single company throughout their careers. This led to the individual having very stable demands for transport to work. Over time there was an incentive to take steps to reduce this distance. Large companies, especially in the public sector, were usually willing to help as a shorter commute could

contribute to increased efficiency. And as this distance declined so did the demand for transportation in the city as a whole.

It is now obvious that this situation no longer exists. Middle-class employees who do not change jobs are becoming increasingly uncommon in most Indian cities. In tapping the best job options available, the distance from home to work cannot be the deciding factor.

To complicate matters, in families where both husband and wife work, seeking a home close to one spouse's place of work can involve long commutes for the other. In addition, there are other considerations, such as the children's schools, which can make moving closer to the place of work difficult. And as the distance to work increases so does the demand for urban transportation.

Allowing individuals to do the best they can in the changing urban circumstances is clearly not the solution. It has been tried, and has failed. The reliance on personal transportation has increased congestion on our roads. Apart from the discomfort, the delays in mobility have a serious negative impact on the economic efficiency of our cities. In a competitive world the costs of this loss of efficiency can be quite high. Conversely, a city that provides greater mobility can offer a potentially more productive



Mobility matters Efficient transport can change work and lives H. VIBHU

workforce, substantially improve its chances of attracting capital.

Beyond transport

The fact that the high costs of the metro can be covered by even higher tangible benefits cannot, however, be taken for granted. The metro is designed primarily for the middle-class worker. Even after subsidies it remains largely out of the reach of, say, construction workers. The subsidies would only be justified if the economy of the city is built around a sufficient number of workers who can afford the metro. In cities where a vast majority of the workers cannot afford the metro, it could prove to be a white elephant.

And then there is the question of what would happen if a similar logic was extended to other areas of

the economy as well. Within the transportation sector itself there could be a case for highly subsidised bus services to transport poorer workers across the city. It could contribute to increasing the efficiency of activities based on low-cost labour.

The broader arguments on subsidies as a means of efficiency could extend to other sectors as well. Should we not take into account the benefits of a healthier labour force when subsidising food? Beyond the celebration of the metro there is a need for a more significant realisation that subsidies can also be a route to efficiency.

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LETTERS TO THE EDITOR

Send your letters by email to bleditor@thehindu.co.in or by post to 'Letters to the Editor', The Hindu Business Line, Kasturi Buildings, 859-860, Anna Salai, Chennai 600002.

UDAN needs more doing

"Preparing for take off" (June 20, 2017) excellently indicated the areas of concerns for prospective airline operators under the UDAN Scheme to firm up their viability. The Centre must do a lot of ground work for the successful take-off of regional services in the first place.

With the introduction of daily rates for fuel, calibration of rates for aviation turbine fuel should be in time as it is fixed from 6 am onwards every day, being preceded by announcement of change in the rate at 9 pm on the previous day. If the exaction of rates and inclusion of concession for ATF and in VAT are not properly synchronised, it is feared these operators will face hardship. The safety aspect in Indian civil aviation is still inadequate. Amenities to passengers must be beefed up as there is scope for dilution owing to low-cost operations. The huge airports must not become victims of addi-

tional sharing of UDAN operators and Tier-2 and -3 ones should be properly maintained from inception of these services.

It must be ensured that the welfare of the air-borne and ground staff members must be qualitatively governed as lack of standardised working conditions and fatigue are the primary reasons for avoidable accidents. The Director General of Civil Aviation must tighten stipulations and obligatory guidelines as they are not on par with global standards.

B Rajasekaran
Bangalore

Farm credit and devious claims

This refers to the article "Crop prices and farmers' unrest" (June 20). Indian farmers have been jinxed in many ways during and beyond the course of cultivation, from seeding to harvesting and marketing their produce.

The e-NAM portal enabling

farmers to check real-time prices for their produce across the country is one of Prime Minister Narendra Modi's initiatives for the farmers' benefit but it does not reach deep down as it requires use of technology.

In every budget, the Centre has set the target for farm-credit to be disbursed during the financial year and has often claimed that disbursement surpassed the target. What is the use of proclaiming so, when credit is not made available to the target small and marginal farmers? Moreover, it is no use easing the credit flow in the agri-sector when the farmers are not assured of a (state-wise/crop-wise) minimum support price more than to cover the cost of inputs.

S Lakshminarayanan
Cuddalore

Demonetisation blues

This refers to the editorial 'Delayed

impact' (June 19). After release of GDP/GVA data by CSO on May 31, it is very clear that demonetisation has severely hit GDP in the Q4/2017.

Even after noticing clear evidence about adverse GDP/GVA data the authorities are in denial about demonetisation having had substantial adverse impact on the economy, particularly on the employment and earnings of the self-employed small traders, hawkers and small and cottage industries. Even the organised sector has not been spared. Unless the government accepts realities, it cannot take remedial measures. This will aggravate the situation in the coming months as half-baked GST implementation will also have its own cost.

Trupti Goyal
Jodhpur

Kovind for President

The BJP's unilateral announcement of Ram Nath Kovind as NDA's

Presidential candidate has understandably not met with the Opposition's approval. However, the sheer weight of numbers assures his installation as the next President. It is hard to reconcile the BJP's preference for a Dalit President with the atrocities being committed on Dalits by foot soldiers of Hindutva outfits. As his pick, the relatively obscure incoming President will be beholden to Prime Minister Narendra Modi and not seek to share the limelight with him. Time alone will tell whether this symbolic gesture will reassure the Dalits and fetch the BJP political dividends. The Opposition is all set to field its own candidate. We will be on cloud nine if Kovind makes a great President like KR Narayanan. For that he has to shed the ideological baggage he carries and accept BR Ambedkar as his model and guide.

G David Milton
Maruthancode, Tamil Nadu

Power of meditation

Why Rising India needs a good night's sleep

MUTHUKUMAR K

Koreans are workaholics. They work 43 hours a week. Americans work lesser, 34 hours a week. Europeans stack up even lower; French and Germans put in less than 30 hours at work. However, these high-income nations have less to worry, unlike India. From pulling people out of poverty, generating jobs for all, fixing rickety infrastructure, our to-do-list runs long. It's no wonder, then, that an average Indian already puts in 40 hours a week at work. And our Prime Minister Narendra Modi even more, according to reports.

While a developing nation like India needs to burn the midnight oil, it should also sleep tight. On the eve of the third year of international yoga day celebrations, hard-working Indians should take cognisance of 'meditation', one of the eight 'limbs' of yoga. It will not only ensure a sound sleep today, but also a good day tomorrow.

What is a sound sleep?

While 'sound' sleep is a relative concept, modern science as well as the ancient Upanishads have an explanation for it. Upanishads classify three states of consciousness of an individual. The *Jagrat* (wakeful) state, the *Svapna* (dream) and the *Sushupti* (deep-sleep or dreamless sleep). From a Vedic perspective, a sound sleep is about slipping into the 'deep sleep' stage, when there are no dreams.

A Harvard study done some time back using electroencephalogram (EEG) had an interesting finding. It found that people who meditate are able to quickly move into the 'deep sleep' stage than those who don't. In other words, an average meditator moves from the 'wakeful' stage to that of 'deep sleep' much quicker than the rest. Let's say, if it is three hours for a non-meditator, it is one hour for meditators. The takeaway being

that by meditating, you can sleep for lesser hours, and yet get a 'sound' sleep to start the next day afresh.

The study used the EEG to record the brain's electrical activity. It classified the brain waves into five types — Beta, Alpha, Theta, Delta and Gamma. Beta is indicative of the 'wakeful' state, mentioned in the Upanishads, where there is increased activity of the brain. Heightened state of alertness, logical reasoning as well as stress during this stage keep the EEG graph highly volatile.

And when you close your eyes, you usually slip into the Alpha. Here the brain activity is relatively less volatile than Beta. And you may encounter dreams and instances of feeling relaxed. When the sleep becomes subtler, you slip into the 'Theta' stage, where the sleep is even finer as you momentarily slip into the REM dream state. Alpha and Beta resembles the 'dream' state, elucidated by the Upanishads.

And when sleep becomes even finer, you slip into Theta, where the brain is in deep freeze. There are no dreams and the sleep is of very high quality. It is equivalent of deep sleep or dreamless sleep as mentioned in the Upanishads. 'Theta' is very important from a healing and regenerative perspective and all those aspiring for a sound sleep should try to slip into that stage at the earliest.

So, it is not the hours of sleep that matters. It is all about getting to the 'theta' stage at the earliest. While one might have occasional instances of dreamless sleep, the trick is to get into it at all times. Moreover, get to that stage as soon as possible. Modi once said, he usually falls asleep within 30 seconds of hitting the bed. Probably, the yoga effect is already working for him. Indians just need to 'catch up'.

Today is International Yoga Day



The road ahead for India-Nepal relations

With China's influence growing in Nepal, India should think strategically, while flexing its economic muscle in the region

RISHIKA CHAUHAN

INDIA IN TRANSITION

A momentous task awaits Prime Minister Narendra Modi and the newly elected Prime Minister of Nepal, Sher Bahadur Deuba. The two have to maintain the momentum of the India-Nepal relationship (revived by former Nepal Prime Minister Pushpa Kamal Dahal) and alleviate the bitterness that had crept in during Dahal's predecessor, Khadga Prasad Sharma Oli's term. While several reasons can be cited for the plummeting of India-Nepal ties during Oli's tenure, his accusation of India initiating an economic blockade against Nepal is noteworthy.

Oli blamed India for blocking crucial border points, maintaining that it was unimaginable Nepal could face a "blockade in the 21st century". While many believed that a Nepali ethnic group called the Madhesis had initiated the blockade, there were others who implied that New Delhi had a role to play. Though New Delhi denied its involvement, the accusation itself was not surprising; Modi had been sympathetic to the Madhesis concerns, persistently asking the Nepali government to redress their grievances.

Moreover, it seemed unlikely that a transport disruption of that magnitude and duration could be caused without India's backing. At international forums, India might have censured the West's use of economic coercion, but in the past, New Delhi has itself used economic muscle for political purposes. The Nepal blockade seems an illustration of how India makes strategic use of economic pressure to pursue political ends.

Considering the ethnic and cultural proximity of Nepali Madhesis to the people in Bihar and eastern Uttar Pradesh, New Delhi's involvement was not unforeseen, nor was the use of economic

statecraft to achieve the end. Through the use of economic instruments such as embargoes, economic blockades and financial sanctions, India has, in the past, sought to promote its interests or support core policy issues in other countries. Yet, compared to the West, India has only selectively spoken about its economically coercive policies. Nepal, South Africa, and Pakistan are important cases in this regard.

Condemnation, appeasement

In the case of Nepal, India extended its support to the Madhesis without formally admitting it. Acknowledging aiding an economic blockade that was causing scarcity of essential supplies in Nepal would have tarnished India's image abroad, especially since it shares a special relationship with the Nepali people.

Meanwhile, Nepal raised the issue of India's "trade blockade" at the UN in October 2015. During this time, the fear of international condemnation loomed large over India, which, ironically, often uses a moralising tone in its diplomacy. In the event, accepting initiating or even aiding the blockade would have been implausible for India.

However, there have been cases when India not only made explicit declarations of using economic coercion but also lobbied for similar international action. India used economic coercion against South Africa from 1946 to 1993 when it found the actions of the South African government discriminatory and detrimental to the interests of the Indian diaspora living there. Commencing pre-independence, the measures continued post-independence with renewed fervour.

In December 2001, India imposed restrictions on Pakistan, which would have economic effects. When Jaswant Singh, then the External Affairs Minister, unambiguously spoke about the restrictions, arguing that "the Gov-



Entry point Where tough measures meet compassion RV MOORTHY

ernment of India has no option but to take the steps," domestic constituencies were certainly on his mind. Following the suicide attack on Indian Parliament, India had traced the links of the terrorists to Jaish-e-Mohammed and Lashkar-e-Taiba, two organisations believed to be operating out of Pakistan. Hence, Singh's statement was about demonstrating resolve not only to Pakistan but also to audiences at home.

The Indian approach

While the leaders of several Western states (and even emerging powers such as Brazil and Iran) have articulated their approach to economic coercion, Indian leaders have often shied away from the subject. Yet, there seems a general awareness in the foreign policy establishment that India has employed such policy instruments, which are still available to pursue policy goals.

References and acknowledgements about economic coercion by the Indian foreign policy establishment however, have been uncommon and abstruse. In a can-

did interview in 2012, the then Minister of External Affairs, Salman Khurshid, made an allusion on being questioned about China's use of economic coercion on Vietnam, remarking, "Don't we all use economic muscle?"

Moreover, Indian officials and leaders have often only discussed the subject while reacting to economic coercion used by Western states. In the last few years, India, individually as well as a part of multilateral forums such as BRICS (Brazil, Russia, Iran, China, and South Africa), has taken a strong stand against unilateral economic sanctions imposed on Russia and Iran.

Maintaining that it supports sanctions imposed by the UN, New Delhi has emphasised that unilateral sanctions hurt the global economy. Notwithstanding its obvious opposition to the West's use of economic coercion, several past and recent actions by India seem to fall in the general bracket of economic coercive measures.

Like China, India has not formalised economic coercive measures through legislation or explicit regulations and statements, as the US and European Union have done. Speaking in Delhi last year, US Ambassador Robert D Blackwill recognised the need for "policymakers in both India and the US to strengthen the instruments of economic diplomacy."

While India acts on the advice, it must exercise caution, given the humanitarian cost and limited success rate of West's economic coercive measures. While using economic coercion, it is imperative that India thinks strategically and keeps its mind on three factors. First, ensure that while employing economic pressures, collateral damage is minimised. Second, for effective use, India should understand the complexity of the target state's international relationships. The apprehensions that New Delhi's blockade would make Nepal seek China's support were not baseless. Finally, India should think about the costs involved.

Besides a monetary cost, the state that employs economic coercion can also suffer a loss of reputation in the target country, like in the case of India and Nepal. Shortly after the initiation of the Nepal blockade, Oli invoked anti-India rhetoric, making Indian officials apprehensive. Such reputation loss often cannot be ameliorated through public diplomacy, at least in the short run.

Though Deuba's previous terms have proved to be largely productive for India-Nepal ties, New Delhi must draft its future Nepal policy prudently. With China's influence growing in the region, India should think strategically, while flexing its economic muscles in the neighborhood.

5 THINGS to WATCH OUT for TODAY

International Yoga Day will be celebrated across the globe today. The AYUSH ministry is organising International Yoga Day functions across the country. The Government's 74 ministers would take part in Yoga Day functions in 74 cities today. PM Modi would take part in the Yoga Day function in Lucknow, where AYUSH minister Shripad Naik would also be present.

SEBI's board will meet today to discuss the actions taken so far against brokers allegedly involved in the ₹5,600-crore NSEL scam along with the status of the ongoing probe into the NSE co-location issue.

GTPL Hathway, a 50:50 joint venture between cable TV operator GTPL and Hathway, is to launch its IPO today. The company would offload 1.4 crore equity shares in an 'Offer for Sale' to raise ₹240 crore and another ₹240 crore by way of offering fresh equity. The IPO has a price band of ₹167 and ₹170 per equity share.

Over two decades after registering a Fera case against AIADMK (Amma) general secretary VK Sasikala, detained in prison in Bengaluru, the ACM magistrate Egmore will frame charges against her through a video conference today.

The first meeting in a crucial diplomatic dialogue between the US and China take places in Washington today. North Korea's nuke programme will top the agenda in the talks, which follow Pentagon chief Jim Mattis's assurances to Asian allies that the initiative won't compromise US opposition to China's activities in the South China Sea.

A THOUSAND WORDS



Hawk eyed Men disembark from an Embraer E195-E2 at the International Paris Air Show in Le Bourget in France. The Brazilian planemaker booked firm orders for 18 planes from five different clients in deals totalling about \$1 billion during the air show CHRISTOPHE ARCHAMBAULT/AFP

BusinessLine TWENTY YEARS AGO TODAY

JUNE 21, 1997

Overseas investments liberalised further

The Government today took a momentous step on the road map laid out by the Tarapore Committee on capital account convertibility by liberalising norms for Indian investments overseas through two fast track windows, over and above the existing one. The two windows include investments from balances in Exchange Earners Foreign Currency (EEFC) Accounts and investments out of Global Depository Receipts, according to a statement by the Department of Economic Affairs, Ministry of Finance.

'Pond's merger with HLL in due course'

The Chairman of Pond's India, Mr. K.B. Dadi Seth, is reported to have stated that the company's board would consider a merger with Hindustan Lever in due course. According to a company spokesman, the statement was made in response to a question to the Chairman by one of the shareholders at the 5th annual general board meeting of Pond's India held today. Mr. Dadi Seth said the merger would bring added value to shareholders.

Petroleum subsidy: A give and take policy?

The Government may be dishing out a subsidy of Rs. 2 per litre of diesel sold in the country, but the Centre and the States together collect as much as Rs. 3.16 in the form of various taxes. This emerges from an examination of the cost structure of typical consignments of diesel imported landed at the west coast (Kandla) and east coast (Chennai). The cost per litre of diesel imported after accounting for insurance, bank charges, demurrage and tankage costs is Rs. 5.98. Of course, this is before the domestic freight element is charged to the cost. A 32 per cent customs duty on the value of every tonne of imported diesel and sales tax charged by States adds up to the final retail price.

EASY

ACROSS

01. Pulling wool over eyes (11)
07. Accurate, exact (7)
09. Done with, finished (4)
11. One undergoing officer training (5)
12. Not singular (6)
14. Plan for doing the pools (11)
18. Inter-state formal agreement (6)
20. Intended (5)
22. Number of paper sheets (4)
23. Item of jewellery (7)
24. Fleeing the centre (11)

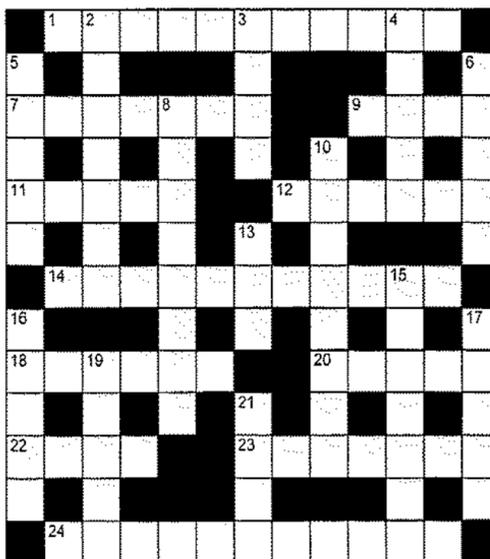
DOWN

02. Late (payment) (7)
03. The same (1) (4)
04. At no time (5)
05. Cooking additive (5)
06. Way to cook, interrogate (5)
08. Let it be known; closely friendly (8)
10. A veteran (3-5)
13. Housing for pig (3)
15. Child's blowing-instrument (7)
16. Bad weather (5)
17. The theatre (5)
19. Rub out (5)
21. Persian fairy; around (prefix) (4)

SOLUTION: BL Two-way Crossword 875

ACROSS 1. Punch-up 5. Rebel 8. Redress 9. Cheek 10. Destroyer 12. Kin 13. Fence 17. Hob 19. Eventuate 21. Float 22. Bolster 24. Yield 25. Detente
DOWN 1. Parody 2. Nudists 3. Hie 4. Pushy 5. Recurrent 6. Break 7. Liking 11. Reflected 14. Chasten 15. Shifty 16. Degree 18. Broke 20. Ebbed 23. Let

BL TWO-WAY CROSSWORD 876



NOT SO EASY

ACROSS

01. Old Admiral seen dropping an eyelid was having one on (11)
07. Creep is around, so one must be accurate (7)
09. Delivery of six is done with (4)
11. Younger son working for a commission, perhaps (5)
12. No singular condition, most of lure being swallowed by chum (6)
14. Through change one gets a plan for doing the pools (11)
18. Attempt to consume inside with peaceful understanding (6)
20. Miserly at end of debt, and that wasn't unintentional (5)
22. Some sheets of paper to push home hard when around the East (4)
23. 'E'll soundly appreciate bell, which depends on being worn (7)
24. Running from heart, felt a curing change might be required (11)

DOWN

02. It is late, and too much is

03. The same thought doesn't finish at end of dream (4)
04. At no time will one repeatedly get a purchase on it (5)
05. Curry ingredient that may add piquancy to the situation (5)
06. Closely question him, but give the king a breather outside (5)
08. At being inside before too late, gets closely acquainted (8)
10. The codger is like an hourglass (3-5)
13. Remain without a pig's accommodation (3)
15. Child's instrument to give company an air to play with (7)
16. This, cock, is the missel-thrush (5)
17. Phase of development put on in the theatre (5)
19. Before being about as one may rub it away (5)
21. Fairy from Persia trapped in improper involvement (4)