

Astute choice

The BJP has managed to both divide the Opposition and send a powerful political signal with its choice of candidate for President

By picking Ram Nath Kovind, a Dalit from Uttar Pradesh as its candidate for the President's post, the BJP has once again displayed its superior political instincts and strategic acumen. The move to field a non-controversial, low-profile Dalit leader from UP has left the rather ambitiously titled Grand Alliance in tatters and silenced critics predicting the spectacle of a rank RSS apparatchik occupying the highest office in India. Simultaneously, not even the most indoctrinated among the Sangh cadre can accuse the Bihar Governor of not being part of the Hindutva pantheon. At a time when the BJP is facing a strong Dalit upsurge in Uttar Pradesh with a militant Bhim Army threatening to shatter the party's carefully planned outreach to the community, the candidature of Kovind, who is a Kori, the third largest Dalit community in the State after Jatavs and Pasis, sends a powerful political signal. With the BJP's strategy of reaching out to non-Jatav (Mayawati's caste) Dalit castes having worked well during the UP elections, a weakened Mayawati is left with little option but to support Kovind.

That brings the focus on the Opposition unity, the stated objective of the formation of various committees and parleys between the Congress, Left and other regional parties. While Mayawati is dithering, the Biju Janata Dal has already decided in favour of supporting Kovind. So has Nitish Kumar's Janata Dal (United). The ruling party seems to have planned it to perfection. It first held a round of "consultations" with three senior ministers — Rajnath Singh, Arun Jaitley and M.Venkaiah Naidu — reaching out to the Opposition. That these parleys were meaningless without the BJP revealing its choice was just part of the plan to keep up the suspense and yet give an appearance of forging a consensus. And while it kept the Opposition guessing, the BJP had already rallied enough forces and gained momentum.

Consider the scenario where the Opposition had already announced the candidature of someone like Mayawati, arguably a metaphor for Dalit empowerment, or even Jagjivan Ram's daughter Meira Kumar, as Presidential candidate; the BJP's choice would have seemed like an afterthought. But the ruling party has clearly seized the initiative and succeeded in not just dividing the Opposition but also consolidating its position among the Dalits. For the Congress, which sprung Pratibha Devi Singh Patil on a surprised Opposition in its heyday, it is rather disingenuous now to carp about not being consulted. As things stand, the BJP and its allies now hold over 47.5 per cent of the electoral college votes. With the support of regional players like the YSR Congress, TRS and AI-ADMK, the NDA looks all set to sweep the election. Candidate Kovind is as good as elected and the Opposition's contest would fail the test of even a symbolic fight. This round is clearly the BJP's.

Ganga as a 'Living Person': Will it help?

The Uttarakhand High Court ruling confers on rivers a right to be restored. But finally, it is a multi-stakeholder exercise

SK SARKAR

With a view to conserve the rivers Ganga and Yamuna, the Uttarakhand High Court in its March 20, 2017 judgement, declared the two rivers as living entities having status of legal persons and having all corresponding rights, duties and liabilities. The judgement also identified three officials as the human face to protect, preserve and conserve these rivers, who are bound to promote their health and well being. The court also observed that the rivers are the source of physical and spiritual sustenance of people from time immemorial, that these 'rivers are breathing, living and sustaining the communities from mountains to sea' and that such declaration as legal persons is needed to protect the faith in of society. Following this precedent, the Madhya Pradesh government also took a decision in May this year to declare river 'Narmada' as a living person with all attendant rights.

It's happened elsewhere

Globally speaking, the above concept is not new. Prior to the Uttarakhand judgement, the New Zealand government declared the Whanganui River as a legal person. This move reflects the aspirations of the Whanganui Iwi indigenous people, since 1870. They not only relied on the river for their essential source of food, but held it as being a deep spiritual source as well. In fact the Crown in New Zealand exploited the river since 1880s, by establishing navigational schemes on the river, extracting minerals from the river bed, eroding the ecological quality, destroying aquatic features, and finally, degrading the

river's cultural and spiritual value. The New Zealand government not only declared the river Whanganui as a living person, but also provided a settlement of \$80 million to redress various 'actions and omissions' in the past by the Crown, established a legal framework to support the Whanganui river, and created a Fund of \$30 million to restore the river's health.

Bestowing nature with rights can also be seen in a country such as Ecuador whose Constitution has a specific chapter on Rights of Nature. Under its Constitution, nature is subject to fundamental rights guaranteed, as applicable to natural persons. Nature is given the 'right to exist, persist, maintain and regenerate its vital cycles, functions and its processes in revolution'. Nature has a right to restoration.

Phenomenal pollution

Given the above scenario, one may examine the implications of the High Court judgement as applicable to rivers Ganga and Yamuna. Ganga is the fifth largest polluted river in the world. Yamuna is also polluted by the untreated wastes sourced from cities along its course, and industrial wastes generated alongside the river. The Ganga during its journey receives roughly 500 mld (million litres per day) of partly or totally untreated industrial effluents from 764 grossly polluted industries and about 300 mld effluents from urban bodies. Many drains discharging effluents into these two rivers exert huge organic load. The quality of river water is accordingly deteriorated. While organic load (i.e. BOD-biological oxygen demand) is reduced due to dilution, the high presence of faecal coliform bacteria was noticed in many segments of the river.



An apology for a river And a dismal shoreline PRASHANT NAKWE

Post the High Court judgement, these two rivers can claim 'right to life' following the Fundamental Rights provisions of the Indian Constitution, and can theoretically enforce the same. This is relevant from the perspective of preventing pollution of the river and also of aquatic mammalian species such as Gangetic dolphins, which inhabit it, and are fast vanishing. Other aquatic life in the river is also increasingly threatened. Providing a sustainable ecosystem is the need of the hour. The polluters who are liable to be sanctioned in court proceedings are however many: industrial units, municipal authorities, local bodies, millions of villages, and so on. This is definitely a vast challenge.

The question is: will the new step ensure clean water in the two rivers

or deter the polluters from further polluting the rivers? There are many challenges. There are millions of players who are involved in the complex process. The industries and utilities of local bodies are the point sources of pollution and millions of farmers alongside the rivers are the non-point sources of pollution.

Nailing accountability

The challenges before the policy makers are many: how to bring all the players on the same page for not polluting the rivers. For instance, the industrial units should discharge industrial effluents into rivers after proper treatment or even take steps for 'Zero liquid discharge'. The regulatory machinery for ensuring the same has weak capacity to deliver today. 'Online data

monitoring' at sewage discharge points of an industrial unit or utility has been thought of, but its proper implementation is a big challenge.

Similarly, in the case of local bodies, it is often difficult to prevent the municipal sewage from polluting the river water. In a country where open defecators pose the biggest challenge, absence of proper sewer network and subsequent non-treatment of municipal sewage, especially in urban areas, aggravate the problem in the context of polluting the river Ganga and Yamuna. In this context, the Swachh Bharat Abhiyan programme is a right step forward, but its lesser emphasis on faecal sludge management is a matter of concern.

As far as cleaning of rivers is concerned, there exists political will at least at the central level, but its absence has been noticed in all States through which the two rivers flow. Overall, the perception is that only governments are mandated or supposed to ensure clean rivers. The public at large, civil societies, and industrial stakeholders, are important stakeholders for achieving such objectives.

Attention should also be given to reviewing the existing policy and legislative initiatives: for example, adoption and implementation of laws such as the Uttarakhand Flood Zoning Act 2012 by the participating States would also help in restoring the health of the rivers by creating 'room' for them.

Nevertheless, the Uttarakhand court's judgement is an important step in the right direction for ensuring clean rivers. Only time will fully tell as to its specific impact.

The writer is director of water resources at TERI, Delhi

Industrial recovery looks unconvincing

A fall in business expectations over the years suggests a lack of investor enthusiasm. This needs to be attended to

TULSI JAYAKUMAR

The 'Make in India' logo — a lion made up of four gears — reflects the integral role of manufacturing in the government's vision.

On the face of it, the Prime Minister's 'Make in India' programme efforts seem to be bearing fruit, with the latest data for Gross Value Added revealing a healthy 5.3 per cent growth of the manufacturing sector in constant terms in Q4 2016-17, even in the aftermath of the demonetisation. Meanwhile, the index of industrial production (IIP) data for April 2017 shows a marginal loss in momentum from 3.8 per cent in March 2017 to 3.1 per cent in April 2017.

An important source of data regarding the sentiments of the manufacturing sector, and one which provides forward-looking policy inputs for policymakers and businesses alike, is the Industrial Outlook Survey (IOS) conducted by the Reserve Bank of India. The Survey is considered to be closer to the ground, since it reflects business sentiments.

The results of the 77th Round of the IOS for Q4 2016-17, available in April 2017, paint an extremely optimistic picture of the state of the manufacturing sector — its per-

formance and prospects — for both public and private limited companies. This seems to fit in with the current narrative of buoyant industrial growth, in spite of (or even because of) demonetisation drive. Is such optimism well-founded?

'O' for optimism

It is true that the IOS numbers for the 77th round i.e. Q4 2016-17, when compared to the previous quarter, Q3 2016-17 or even to four quarters back, Q4 2015-16, present an overall optimistic picture. The sentiments regarding demand conditions seem to have improved, with respondents more optimistic about production, order books and capacity utilisation in Q4 2016-17 than a quarter or even four quarters ago.

The sentiments regarding exports and employment have improved marginally. The overall financial situation, the availability of finance from banks and other sources, as also the cost of finance for the manufacturing sector are also perceived to have improved.

As regards sentiments pertaining to profits, while respondents were slightly more optimistic than a quarter or four quarters ago about selling prices, they expected cost of raw materials to increase, thereby adversely affecting profit margins.

Overall, business sentiments in

Assessment of key parameters of industrial outlook

| Assessment parameter               | 2010-11 | 2014-15 | Q4 2015-16 | Q3 2016-17 | Q4 2016-17 |
|------------------------------------|---------|---------|------------|------------|------------|
| Increase in production             | 51.5    | 35.4    | 35.6       | 32         | 35.8       |
|                                    | 51.7    | 42.2    | 41.2       |            |            |
| Increase in order books            | 44.7    | 31.5    | 31.8       | 29.1       | 34.8       |
| Capacity utilisation (increase)    | -       | 23      | 24.6       | 20.2       | 25.9       |
| Employment outlook (increase)      | 24      | 15.4    | 14.2       | 13.5       | 15.9       |
| Better overall financial situation | 39.1    | 27.1    | 26.6       | 26         | 30.6       |
| Decrease in cost of finance        | 4.9     | 6.6     | 11         | 12.9       | 15.8       |
| Decrease in cost of raw material   | 2.5     | 6.1     | 13.3       | 6.4        | 3.5        |
| Increase in selling Price          | 30.8    | 20.1    | 15.9       | 16.9       | 21.4       |
| Increase in profit margin          | 21.2    | 14.1    | 13.4       | 15.3       | 16.7       |
| Better overall business situation  | 48      | 33.3    | 30.8       | 29.4       | 36.3       |
| Business expectation index         | 119.9   | 105.7   | 103        | 101.1      | 106        |

the Indian manufacturing sector improved marginally, with the Business Expectations Index (BEI) rising from 104 in Q4 2015-16 and 101.1 in Q3 2016-17 to 106.0 in Q4 2016-17.

The other side

However, the picture presents a sharp contrast to business sentiments in 2010-11 or even in 2014-15 — the year of the new government and the launch of the 'Make in India' programme. In Q4 2016-17, the business confidence captured by the 'Business Expectations Index' is significantly lower than the 2010-11

level of almost 120, and only 0.3 points more than in 2014-15. It appears that the 'animal spirits' required for significant investments in the economy, after dropping significantly since the new government took over in 2014, is only now catching up (Table 1).

And what of expectations regarding future production and employment? Most trends point to a contraction in the manufacturing sector since 2010-11. Thus, with expectations of increase in order books going down from 46.5 per cent in 2010-11 to 38.3 per cent in

2014-15 and further down to 35.1 per cent in Q4 2016-17, it appears that sentiments regarding production have become worse since 2010-11. This has manifested itself in a lowered expectation regarding employment outlook as well, which has declined since 2010-11 by more than 10 percentage points, from 22.7 per cent to 12.1 per cent in Q4 2016-17.

While the industrial outlook has shown an overall contraction since 2010-11, micro enterprises seem to be faring worse. Even in June 2016, a relatively normal quarter, the sentiments for production among micro enterprises were seen to have followed a downward trend since Q4 2013-14 "which finally entered into the contraction zone in Q2 2015-16". A similar contractionary pattern was observed for other demand indicators such as capacity utilisation and order books, as also pessimistic sentiments regarding availability of finance.

While the 78th round of the Industrial Outlook Survey is awaited, the writing on the wall is clear: Make in India will remain a pipe dream in an environment of low animal spirits.

The writer is a professor of economics at SPJIMR, Mumbai. The views are personal.

LETTERS TO THE EDITOR

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

Kovind's candidature

The choice of Ram Nath Kovind as the NDA's presidential choice is a master stroke. The present Bihar Governor has also the support of none other than the present Bihar chief minister. Though the ruling NDA on its own can ensure the victory of its candidate, before selecting the presidential nominee, the BJP did meet up with opposition leaders to try and find a consensus candidate, but to no avail. The Opposition was bent on politicising the issue. The very fact that the proposition is divided in its support to Ram Nath Kovind proves that he would win with a thumping majority.

Srinivasan Velamur  
Email

GST blues

Appropos the edit 'Pushing ahead' (June 21) the acceptance and success of the GST will mostly depend on how smoothly the transition

takes place to the new path-breaking system. The flawless availability and accessibility of the broad-band-based network is crucial. It should be reachable to remote places also.

Input of data ranging from name and address to invoice details has to be entered accurately online — something many of the shop owners in small towns may find difficult to follow and have to be trained accordingly.

A number of adjustments have been made in the original proposal such as from moving from a single rate to five and excluding quite a few items from its purview like alcoholic beverages. If during implementation, the government yields to pressure from different stakeholders to water it down to make it user-friendly, the system may lose its purpose and turn into a white elephant.

Y G Chouksey  
Pune

Population question

This refers to "The elephant in the room — our population" by Sanjay Modi (June 19). The article clearly establishes that India's demographic dividend is a myth. Unless we act to stabilise population, all our resources would be wasted in supporting a growing population. We have to take urgent steps to stabilise population to avoid imminent danger of food scarcity and famine.

S Prabhakar Shenoy  
Kochi

Confusing approach

It's good that Finance Minister Arun Jaitley has made it clear that the States have to bear the financial burden of loan waivers. The Centre would not waive loans from its end as it focused on reducing the fiscal deficit. What is the point if the Centre controls fiscal deficit and some States squander their monetary resources in un-

productive schemes such as farm loan waivers? The federal structure takes a severe beating here.

S Ramakrishnasayee  
Ranipet

Kumble resigns

Kumble's tenure as coach has been brilliant with India having a bumper home season, culminating with an entry into the finals of the ICC Champions Trophy in England. The coach-captain turf war had deteriorated to a point where it became untenable for Kumble to interact meaningfully with the skipper. The development is also a reminder that the captain has the last word in team and coach selection.

NJ Ravi Chander  
Bengaluru

This refers to: 'Yoga Day fete, a misuse of funds' (June 21). When the world gears up for International Yoga Day, it is unacceptable

that certain Opposition parties' leaders are dubbing it as misuse of funds. The UN has recognised the importance of Yoga by fixing June 21 as International Yoga Day. The fact that 150 countries across the world consider practising yoga as beneficial to both the body and mind shows the criticism of it in poor light.

HP Murali  
Bengaluru

Erratum

With reference to the story 'DCB Bank unveils first iris-based ATM' (June 16), DCB Bank has stated that the bank has launched Aadhaar-enabled iris scan account opening, and Aadhaar-enabled fingerprint scan ATM facility. These two separate facilities have been erroneously reported as a single story on iris-scan based ATM. The item in question was filed by news agency PTI and was published as received. The error is regretted.

OTHER VOICES



Fall of Raqqa: the deadliest phase

The capture of the capital of Isis's self-declared caliphate would be partly symbolic — the end of a fountainhead of terror — and partly material: Raqqa would provide a treasure trove of information about the workings of Isis. What is clear is that when Isis is routed, there's a race to control vacated territory. The jostling between forces means care is required to ensure trigger-happy troops on the ground or in the air do not allow impatience to cloud good judgment. On Monday, Russia announced that it would treat any coalition plane or drone flying west of the Euphrates as a "target". LONDON, 20 JUNE 2017



Rebirth of Pakistan cricket

In overpowering India to win the coveted Champions Trophy title on Sunday at The Oval, not only has Pakistan cricket exorcised a decade-old jinx, it has also been given a lifeline to compete in the 2019 World Cup. There is no more gratifying an achievement than beating India in the final, after suffering years of disappointment and defeat at the latter's hands. The brilliant show has guaranteeing them direct entry into the World Cup. The Oval has clearly signalled the dawn of a new era for Pakistan cricket. KARACHI, 20 JUNE 2017



Warmbier's death tests Trump's NK policy

Otto Warmbier, an American college student who was released by North Korea in a coma last week, died on Monday. According to US media, Warmbier was detained by North Korea during a trip in January 2016 and sentenced to 15 years' hard labor for subversive activities. Pyongyang suggested that Warmbier was comatose after contracting botulism. Many think the issue will exert a great impact on Washington's attitude toward Pyongyang. For one thing, the enraged US public will limit the Trump administration's room to maneuver over the North Korean issue. BEIJING, 20 JUNE 2017



# Supply in GST

When and where it becomes taxable, and how

AJAY SRIVASTAV  
GST MASTERCLASS

The taxable event under GST is supply. Treating supply as the taxable event is a departure from the existing laws where the taxable event was different under different laws. GST law treats all forms of supply of goods and services, importation of service, and supplies specified in Schedule 1 (Supply even without consideration, and are liable for tax) as taxable events. Since supply is the taxable event, for levy of tax, we have to decide the time and place when the goods and services are supplied. We need to do it for all transactions.

**Types of supplies:** The definition of supply is inclusive and ensures the widest possible connotation. Let us understand if a transaction qualifies as supply through two examples.

Suppose a firm buys 10 ACs, and pays GST on these and claims input credit of ₹2 lakh. Two years later, it donates all the ACs to charity. Here, the firm doesn't sell them. So, does this qualify as a business supply? Yes. Here, the firm has already claimed input credit, so, it would need to pay GST on the notional market value of the ACs at the time of donation.

Again, a garment manufacturer (M) appoints an agent (A), who stores garments manufactured by M and sends to dealers whenever M asks A to do so. Is it a supply? Yes. Transfer of garments from M to A is taxable supply under GST. It would need to pay GST.

**Time of supply:** The time of supply refers to the point when the liability to charge GST arises. It also indicates when a supply is deemed to have been made. The time is generally the earliest of the three events: Receiving payment; issuance of invoice; or completion of supply.

The liability to pay GST on the

goods arises at the time of supply which will be the earlier of the following dates: The date of issue of the invoice by the supplier or the last date on which he is required, to issue the invoice with respect to the supply. Or, the date on which the supplier receives the payment with respect to the supply.

**Place of supply:** GST is a destination based tax. This makes the correct determination of the place of supply crucial for determining the tax liability and subsequently transferring the tax to the State government within whose jurisdiction the goods have been supplied. Let us understand how the place of supply is decided through two examples.

A Goa-based firm opens office in Nagpur. It buys 10 ACs pre-installed in the office premise from a firm whose registered place of business is Hyderabad. In this case, the supplier and the place of supply are located in different States hence it would be inter-State supply with Nagpur as the place of supply.

A plane run by Air India with registered place of business at New Delhi is flying from to Bengaluru. A passenger buys a watch onboard. In this case, both locations of the supplier and the place of take-off of the plane are Delhi. So, it would be intra-State supply with Delhi as the place of supply.

Put all your business transactions to the supply test. Deciding precise type, time, place and value of supplies will help you in making correct business decisions and pay correct tax. And save you from any subsequent heartburns.

*The writer is from the Indian Trade Service. The views are personal. Adapted from his book, 'The GST Nation: A Guide for Business Transformation'*

This is part Part 5 of a series to introduce readers to GST's intricacies. The previous part appeared on June 19



# Addressing India's high logistics costs

Creating a road-rail-road network exclusive for goods transport and developing logistics parks are a good start

ASHIM K MAITRA

It is a universally acknowledged fact that the cost of logistics is very high in India. Some estimates put it at about 13 per cent of GDP, which is higher than the US (9) and Germany (8). A study by ASSOCHAM-Resurgent India (2016) stated that the country can save \$50 billion if logistics costs reduce from 14 per cent to 9 per cent of GDP. Reduced logistics costs would bring down prices of products.

Transportation services form a third of the cost of a logistics chain. Improving transportation would require the coordinated development of railways, roads and waterways. Roads carry about 60 per cent of the freight cargo in India. As rail transportation is more energy efficient than road, movement of goods via the road-rail mode could reduce logistics costs considerably.

To divert traffic from road to 'road-rail-road' mode, the Railways would have to take a number of steps in coordination with road operators and container companies. The actions to be taken by the Railways could include: (i) designing a suitable wagon for the "Roll on Roll off" trains, which would move trucks on flat railway wagons on electrified routes for a major part of their journey; (ii) identifying routes where high-value and time-sensitive cargo can be moved efficiently; (iii) providing advance information to the industry about routes where additional capacity is being created; and (iv) providing a guarantee about transit time for the consignment.

**The RoRo factor**  
"RoRo" trains have been run earlier by the Railways with existing wagons on non-electrified routes. However, the service cannot be operated on electrified routes due to insufficient clearance from overhead traction wires. With accelerated electrifica-

tion being planned by the Railways, such services need to be run on electrified routes as well.

Reducing a wagon wheel's diameter to lower the wagon's height is an option that could be seriously pursued to run such wagons on electrified routes. Most of our wagons have wheels with a diameter of 1,000 mm. The Railways already has special wagons for containers (BLCA wagons), which have 840 mm wheels. A similar design may be evolved for carriage of trucks. Though discussions have taken place, an appropriate wagon is yet to be designed. Finalising a suitable design would be an important first step.

Thanks to the higher fuel efficiency of railway movement, a back of the envelope calculation suggests that if 45 trucks with a gross weight of 40 tonnes each were moved by a train over 1,000 km, the total saving in fuel costs would be ₹3 lakh. Movement by rail would be faster and the saving in lower transport and inventory costs would benefit the consumer. The example is illustrative, but points out the huge potential which exists.

### More per mile

The earning per tonne from a container is higher for coal, which constitutes 50 per cent of the Railways' freight traffic. In the last four years, the earning per tonne from container traffic has grown at a CAGR of 8.3 per cent as compared to 3.8 per cent from coal. This is a pointer to the higher revenue which can be earned from moving high-value and time-sensitive cargo. However, compared to a container or "RoRo" train, a coal train carries 1.5 to 2 times the volume of cargo, yielding higher revenue per train.

Hence, there would be a trade-off between running the two types of trains. IR would prefer to carry higher cargo volumes on congested routes while the "RoRo" and container trains may be put on less congested routes.



Roll on, roll off From trucks to trains BLOOMBERG

To increase volume of cargo carried per container train, the Railways has already announced a pilot project for running double-stack low-height containers (6 feet 4 inches tall, instead of the normal 8.5 or 9.5 feet) on electrified routes which would increase the cargo carried by 55 per cent. Similarly, heavier trailer trucks could be carried on railway wagons. Routes for running these trains would have to be identified and advertised.

The Dedicated Freight Corridors (DFC) of the Railways was designed mainly for heavy haul cargo such as coal. With the Government's present emphasis on reducing use of fossil fuels and increasing the share of renewable sources in power generation, the earlier traffic projections of most of the DFCs are likely to undergo a downward revision.

This opportunity should be used for rapid transportation of containers and "RoRo" traffic on DFCs. Routes on which new train

running capacity is added could also be considered for containers and "RoRo" trains.

### Logistics parks

The Dedicated Freight Corridor Corporation of India (DFCCIL) should plan to develop logistics parks as points for aggregation/disaggregation of cargo for movement by DFC. Logistics parks planned by the Ministry of Road Transport & Highways would also be ideal points for interface of cargo between road and rail modes.

These parks should ideally be developed along the alignments of the DFCs and corridors identified by the Railways for movement of containers and "RoRo" trains. Cargo moved by inland waterway transportation (IWT) would provide similar opportunities.

A container train from Delhi to Mumbai travelling on DFC could cover the distance in 24 hours. A truck would take minimum of

three days. The Railways could provide transit guarantees at least for the traffic moving on the DFCs. This would create customer confidence and a substantial volume of road traffic could migrate the to "road-rail-road mode".

The Railways plans to open new routes and add new lines to existing routes. To generate customer confidence, it would be worthwhile to announce additional train running capacity added to these routes and the approximate transit time for high value consignments. The present practice of announcing the number of kilometres of new track added each year does not convey the right message to the consumer.

Coordination between various ministries and a proactive role on the part of the Railways could bring about a rapid reduction in the logistics cost to the economy.

*The writer is former Additional Member (Traffic), Railway Board. The views are personal*

## 5 THINGS to WATCH OUT for TODAY

■ **Nasscom** is to issue its guidance and trends for the sector for the current financial year in Hyderabad today. Chairman Raman Roy and president R Chandrashekhar will announce the much awaited annual ritual, which otherwise is normally held in February every year. Nasscom deferred giving its outlook of the \$155-billion industry in February this year.

■ **Sunil Bharti Mittal** and Anil Ambani along with other telecom players will meet communications minister Manoj Sinha today to discuss the financial difficulties being faced by the sector. Recently, an inter-ministerial group held talks with telcos on the industry's financial stress.

■ **The Central Goods and Services Rules 2017**, notified by the Central Board of Excise and Customs, will come into effect on June 22. The Rules contain provisions regarding intimation, effective date, conditions and restrictions, validity and rate of tax of the composition levy.

■ **The OnePlus 5** will be launched in the Indian market today, two days after its global launch on Tuesday. Dubbed the 'flagship killer', the OnePlus 5 follows the OnePlus 3 and OnePlus 3T.

■ **The ruling TDP** in Andhra Pradesh and the main Opposition YSR Congress seem to be outdoing each other on the alleged multi-core land scam which rocked the State. Close on the heels of YSRC district president G. Amanath announcing that party president YS Jagan Mohan Reddy would lead a 'Maha dharna' in the city on June 22.

## The woodcutter, the books, and freedom of speech

JINOY JOSE P  
THE CHEAT SHEET

**A modern-day Aesop's fable?**  
Well, it's allegorical for sure, but based entirely on facts.

**Cut to the chase, will ya?**  
Talking of cuts, this could be the unkindest of them all, fear many.

**Many?**  
Greenpeace, the global green organisation, and some of the world's biggest book publishers.

**What's the charge here?**  
Greenpeace has recently locked horns with Resolute Forest Products, Canada's largest logging company. The greens say Resolute has destroyed vast areas of Canada's beautiful and biodiversity-rich Boreal forest to make products, including pulp, that publishers use to make books. Greenpeace says Resolute damaged critical woodland caribou habitat and carried out logging without the consent of the impacted First Nations, the predominant aboriginal communities.

**Now, that's serious.**  
Greenpeace has asked the company to talk to First Nations, workers, unions and civil society bodies to resolve the issues.

**But what's the company's take on this?**  
Resolute, obviously, denies the charges. It has been fighting the dispute, going on for a few years for now, by slapping defamation charges against Greenpeace. *The Guardian* reports that last year, Resolute followed up a 2013 defamation and economic interference lawsuit launched in Canada with a \$226-million claim under the Racketeer Influenced and Corrupt Organisations Act (Rico).

**Tell me more about it.**  
Well, this Act was passed in 1970 to counter organised crime. But invoking the Act to fight an environmental organisation is seen as a move to silence free speech and could set a bad precedent for whistleblowers and NGOs.

**Yeah, most likely.**  
This is where the world's biggest

book publishers step in. They fear the case has implications for freedom of speech. Penguin Random House and HarperCollins, the world's two leading publishers, voiced their concerns over the issue. Hachette Livre, whose group firms publish the likes of JK Rowling, expressed concern over the lawsuit against Greenpeace. It felt this poses a threat to free speech and could be used to silence environmental groups at a time when the US government has said it will withdraw from the Paris agreement on climate change, reports *The Guardian*.

**Interesting!**  
In fact, these publishers were dragged into the dispute after a petition signed by over 100 writers backing Greenpeace was presented at the publishing trade show BookExpo in the US recently. The writers want publishers to get Resolute to drop the suit against Greenpeace and reduce harmful logging practices.

**But do any of these publishers use Resolute's products?**  
Most of these publishers say

their books don't use pulp from the disputed forests, and they have called for more regulatory control over such practices. Penguin Random House and HarperCollins say they buy from suppliers who source "responsibly".

**That's good. The pulp industry has a rotten ecological record.**  
Agree. But of late, sustainable practices have been finding place in the business, thanks to recycling and modern technologies. As you know, the global forest products, paper, packaging industry, which engages in logging, is a huge universe. Consultancy PwC estimates that the top 100 firms in the business commanded total sales of \$317 billion in 2015. Which also means there is a lot at stake for the industry, which must understand that there is now a global demand for green practices in all businesses. Activists hope that the next hearing of the Greenpeace vs Resolute case, in California, will have a meaningful outcome for all stakeholders.

*A weekly column that helps you ask the right questions*

## BusinessLine TWENTY YEARS AGO TODAY

JUNE 22, 1997

**VDIS not to let off FERA violators: Chidambaram**  
The Finance Minister, Mr. P Chidambaram, has said that barely one per cent of the monies expected to be mopped up under the Voluntary Disclosure of Income Scheme, 1997, would accrue on account of violations under the Foreign Exchange Regulation Act, 1973. The bulk of the amnesty collections through the VDIS is likely to be on account of disclosures made under the Income Tax Act (1961), Wealth Tax Act (1957) and the Companies Act (1956). Chidambaram dismissed charges that the scheme had been deliberately designed to undermine the Enforcement Directorate's ongoing investigations against FERA violators by select top industrialists.

**'Alternative' ready**  
Mr. P Chidambaram has said that he had prepared an "alternative" to the Left parties' alternative for bridging the oil pool account deficit without taking recourse to petro-product price hikes. "My alternative to the CPI(M)'s alternative set of proposals is ready and I shall present it at the next meeting of the United Front's Steering Committee on June 27," he told news persons while expressing "certainty" about the scheduled meeting producing a "collective" solution to the soaring OPA deficit levels.

**India to seek 'quality' funds at IDP meet**  
India is to seek quality funds for investment in priority areas such as social sectors and infrastructure at the forthcoming India Development Forum (IDF) meeting, scheduled to begin on June 24 in Paris where donors are likely to commit \$6.7 billions by way of external assistance to India for the current year. Top officials of the Finance Ministry said that aggregate assistance from the World Bank including its soft-lending window, the International Development Association (IDA), would be \$2.5 billions.

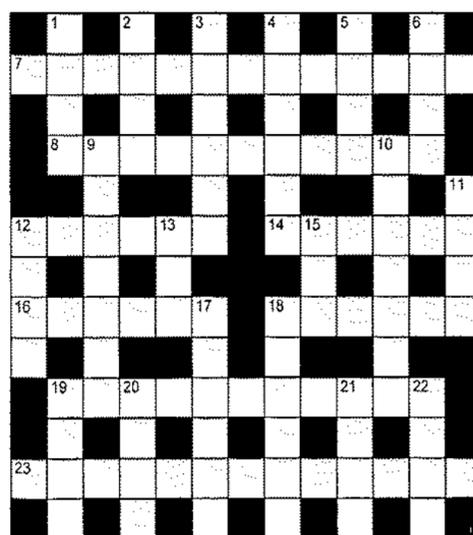
### EASY

- ACROSS**  
07. Defer to a future time (13)  
08. Intricate difficulty (7,4)  
12. Disposition, inborn character (6)  
14. Move out in all directions (6)  
16. Costing (6)  
18. Curb, restrain (6)  
19. One telling another's story in print (5,6)  
23. At which bleeding may be controlled (8,5)
- DOWN**  
01. Amphibian (4)  
02. Mark of hurt (4)  
03. A send-up in writing (6)  
04. Tripods (6)
05. Immediately! (4)  
06. Remove correction; let it stand (4)  
09. Flightless bird (7)  
10. Behind schedule (7)  
11. Doing nothing (4)  
12. Back part of neck (4)  
13. Fish eggs (3)  
15. Number of strokes allowed (3)  
17. Circuitous diversion (6)  
18. Trade by exchanging goods (6)  
19. Wound, as bull (4)  
20. Drying-oven (4)  
21. Accepted (4)  
22. Ladder step (4)

### SOLUTION: BL Two-way Crossword 876

- ACROSS** 1. Hoodwinking 7. Precise 9. Over 11. Cadet 12. Plural 14. Permutation 18. Treaty 20. Meant 22. Ream 23. Earring 24. Centrifugal  
**DOWN** 2. Overdue 3. Idem 4. Never 5. Spice 6. Grill 8. Intimate 10. Old-timer 13. Sty 15. Ocarina 16. Storm 17. Stage 19. Erase 21. Peri

### BL TWO-WAY CROSSWORD 877



### NOT SO EASY

- ACROSS**  
07. Caption 'Arrest' incorrectly to defer things (13)  
08. Drain go wrong? End of sink not making intricate tie (7,4)  
12. Nakedness: its debt is death (6)  
14. Quite a feast - it will make one grow larger (6)  
16. Was inquisitive about cheerleader having a sale ticket (6)  
18. Show how amiss one feels it taking a restraint (6)  
19. One whose spirit is moved to put pen to paper? (6,5)  
23. Newspapers rue change to indicate where thumb may stop flow (8,5)
- DOWN**  
01. Ornamental fastening found under horse's hoof (4)  
02. Steep, bare place showing where one was hurt (4)  
03. It ridicules folly as rite is sorted out (6)  
04. Puts up with the accommodation for spectators (6)  
05. Soon, or immediately who wrote it is not known (4)  
06. Don't make the correction in haste: think! (4)  
09. Bird so upset at head of table is wealthy (7)  
10. Bowling is expected - it's late (7)  
11. Nothing to do that is about five hundred pounds (4)  
12. Part of the pancreas turns up at the back of the neck (4)  
13. Eggs of a sort, deer of another sort (3)  
15. Knock up the number of strokes allowed for the hole (3)  
17. A circuitous route one may take, having toured around (6)  
18. Exchange of goods will preclude a half of butter (6)  
19. Pierce the triangular piece that's let in (4)  
20. Drying kiln as used in occupational therapy (4)  
21. Graft was successful to sanction (4)  
22. Having telephoned, gets a step up the ladder (4)