

The right call

Telecom tariffs should be left to the market

The Telecom Regulatory Authority of India (TRAI) would do well to ignore the proposal made by some incumbent operators to fix a floor price for mobile services. The idea is anti-consumer and goes against the principles of a free market. Currently, telecom operators are free to fix their own tariffs as long as they are not predatory. This principle of forbearance was first introduced in 2003 after the TRAI concluded that there was enough competition in the market to ensure that consumers get the best deal. Until then, the regulator had prescribed a standard tariff plan that set ceiling rates to prevent operators from forming a cartel to keep tariffs high. This policy was reviewed in 2013 when the regulator sensed that the tariffs had increased after some of the new operators were forced to shut shop due to the Supreme Court ruling on the 2G scam. The incumbent operators who are now asking for a floor price were among those opposing any form of price controls then.

To be fair, a lot has changed for the incumbents since then. They were once the dominant players with revenues growing at 30-40 per cent. In the third quarter of FY17 revenues fell by 6 per cent sequentially, the biggest ever decline seen by the sector. In this scenario, setting a floor price would surely help them shore up revenues. But there are two reasons why the regulator should not fall for this argument. First, the consumers should not be robbed of voice and data services at cheap rates arising out of competitive market play. Data tariff in India is still among the highest in the world and this has to be brought down further. By all means the TRAI should check predatory and unfair tariff schemes as it has done in the past. For example, the regulator rightly disallowed Facebook to launch its Free Basics platform as it allowed users to access only a certain set of websites for free, thus violating the principles of net neutrality. Secondly, the exercise to fix a floor price could be highly complex and time consuming given that the cost structures of operators are different.

Instead of wasting its time on such counterproductive proposals, the regulator should do two things. First, it should investigate anti-competitive practices in the industry so that all unfair tariff schemes that threaten the overall stability of the sector are weeded out and penalised. Secondly, the regulator should identify measures to lower the overall costs for the industry. This could be in the form of reduced levies, allowing operators to better monetise their networks and freeing them from the shackles of unnecessary restrictions. The regulator must strike a fine balance between continuing with the policy of forbearance in tariff fixing and preventing misuse of that freedom.

New dynamics at work in credit policy

The last MPC meet saw diverse views being aired. Whether this melange helps those looking for forward guidance is a key issue

RK PATNAIK / JAGDISH RATTANANI

The fifth meeting of the Monetary Policy Committee (MPC) held on June 6 and 7 for the first time broke with unanimity and also went against widespread industry aspirations of a policy repo rate cut; five members voted to hold the rate while one wanted a rate cut. Now, the minutes of that meeting are out and the document is a reflection of the emerging dynamics as the relatively new institution of the MPC takes root.

A committee works best when contrary views are brought to the table. So at one level it is heartening to note that a unanimous approach has been replaced by an exchange (if not a clash) of contrary views.

At the same time, the concern is of members now doing their own jig, coming as they do from differing backgrounds, so that divergent views (which can be a good thing) rest on foundations that are uneven (which can turn diversity into discord).

Strong divergence

Consider MPC member Ravindra Dholakia's strong and aggressive argument in favour of "a minimum of 50 basis point rate cut" to bring down the policy repo rate to 5.75 per cent from the current 6.25 per cent. He went on to add, "...the policy rate cut could be even higher." Dholakia placed on record that his readings on "a clear declining trend" in inflation, were contrary to that of the RBI, as actual inflation had turned out to be lower than the latter's projections.

Dholakia offers probably the strongest language coming from a committee that has taken over a role which only a year ago was supposed to be the prerogative of the Governor of the RBI. Language that was usually more cautious, understated and often tentative is now being replaced with more forthright points being placed on record, and the implications of this for the RBI and its approach and culture remain to be seen.

On the other hand, Michael Patra, a career central banker, and two other members (Pami Dua and Chetan Ghate) opted for what may be called a tentative "no" to a rate cut, saying they would "wait and watch" as the data pans out, a stance that contrasts with the resounding "yes" for a rate cut offered by Dholakia.

If this were a match, it can be said that the "no" side won 5:1 - a thumping victory. But with the minutes being released, the reading changes; apart from the one, the three other "wait and watch" are being seen as temporary "nos" so the result might well be interpreted as tending towards a 2:4 outcome that indicates that a rate cut is on the way soon enough. Indeed, many analysts now indicate that a rate cut is in the offing.

No clear guidance

This raises the question on how the minutes are likely to influence market perspectives, particularly since there isn't any clear forward guidance provided as a holistic view of the Committee as a whole. Further, there remains a larger risk of a policy decision arising out of a melange of views that prosecute individually held or ideologically



Balancing act Signifying what? G. SURIYARAKS/SHUTTERSTOCK.COM

driven opinion. Take the example of the "output gap", which is the actual output minus potential output, and is an important measure to help a central bank assess short-run inflationary pressures. A negative gap calls for an expansionary monetary policy, which in this case means a policy repo rate cut. Members have commented on the emerging output gap. Dholakia has observed a "persistent if not widening output gap in the near to medium term", a perception that can be questioned when one takes agricultural and non-agricultural output gap. And as Patra noted, "...an output gap calculated on data for 2016-17 that profile a slowdown will, by definition, be negative and wider than otherwise. For an economy that is projected to grow at 7.3 per cent in 2017-18, however, it must be the case that the output gap would narrow and close."

These are very divergent views, and they might indicate a reiteration of held positions, rather than a discussion in which the two convince each other.

Dynamic within RBI

Deputy Governor Viral Acharya ("We have a problem") and the Governor, Urjit Patel ("The quiescent investment cycle remains a key macroeconomic concern"), stand out for their clear and sharp positions as they touch on one of the most critical aspects of the monetary policy - the lack of transmission of any possible rate cut at a time when the balance-sheet of banks remains stressed.

Even if a rate cut is offered, a likely scenario is that banks will not reduce the lending rate, or make very minor changes and will take up the "wait and watch" approach, as they often have in the past. But they will be tempted to cut the de-

posit rate further. This brings some unintended and undesirable results for a policy that is meant to boost the dormant investment cycle.

In general, it can be said that while Dholakia is a man in a hurry for a policy repo rate reduction, mirroring what possibly is a view that is usually said to be held by the government wanting a booster for the economy. The pressure was earlier from New Delhi, which is showing signs of getting restless, and even sought a meeting with MPC before the policy announcement. The MPC, however, refused the meeting. But a similar pressure now comes from within the MPC. Here is a good clash of ideas building up, bringing a new kind of dynamism to the RBI.

Pattnaik is a professor and Rattanani is an editor at SPJIMR, Mumbai. Through The Billion Press

Oil market faces headwinds in West Asia

Markets should be looking beyond bloated inventories at the simmering tensions in the wake of the Qatar spat

LIAM DENNING

One of the more disconcerting consequences of climate change is how warmer water is quietly destabilising large parts of Antarctica's ice sheet - which might then, in turn, inflict catastrophic changes to sea levels everywhere.

This is how anyone in the oil market should be looking at the Middle East today. The market appears largely indifferent to what's happening in a region that accounts for 36 per cent of global oil exports, even when that includes a surprise reshuffle in Saudi Arabia's succession plans. The most obvious reason for this is that traders just can't see past that big blob of oil inventories smothering the market.

What's more, when was the last time the Middle East wasn't a fractious place? And yet the oil has, more or less, kept coming. Looking further afield, even countries in such desperate straits as Libya and Venezuela are somehow still exporting hundreds of thousands of barrels a day each.

Unpredictable US

In fact, you have to imagine something really shocking to happen in the Middle East to take millions of

barrels off the market: a war between Saudi Arabia and Iran, a direct confrontation between Russia and the US in Syria, or the unravelling of the nuclear deal struck with Iran and what might follow. With low probability but very high costs, these are calamitous outcomes that are fiendishly difficult to model.

Yet the risks of them happening are all appreciably higher today than just a few years ago. Like that melting ice, some of the things holding the Middle East's conflicts in check are melting away.

Chief among these is certainty around the role of the US. This has accelerated under President Donald Trump's administration, but reflects a longer process of America reevaluating its post-World War II guarantees. The decline in US dependence on oil imports contributes to this:

Raad Alkadiri, a senior director at the BCG Center for Energy Impact and geopolitics expert, says: "This is an administration that is doing things differently. And it's being interpreted (by regional powers) through the prism of the old status quo. In other words, there's a danger here of Middle Eastern governments hearing what they want to hear."



Desert storm It may just break out

This most obvious example of this is the ongoing blockade of Qatar. This crisis blew up hot on the heels of President Trump's gala visit to Riyadh, which almost certainly emboldened the Saudi Arabian government to isolate Qatar as part of its proxy battle with Iran.

The current US administration obviously tilts more heavily to Saudi Arabia in that overarching struggle. But how heavily? It isn't clear, with the confused messaging from Washington being just the most obvious sign. With regards to Qatar, Saudi Arabia may feel it has free rein. But how does that square with the fact that Qatar both hosts a major US military base and massive investments by the likes of Exxon Mobil Corp? The ambiguities were

heightened this week by Saudi Arabia's change of leadership.

Saudi leadership change

While the elevation of Prince Mohammed bin Salman, known as MBS, caught most attention, the removal of former crown prince Mohammed bin Nayefas Minister of the Interior was just as important. He was very well-known to US agencies and was running Saudi Arabia's most important ministry as well as its counter-terrorism effort.

With him gone, and MBS having consolidated power, the US is dealing, in relative terms, with an unknown quantity - and one that's liable to spring surprises, as the Qatar spat shows. Indeed, with Saudi Arabia having been

whipsawed by two very different US administrations in the past decade, MBS may feel compelled to move quickly against Iran while he can at least count on supportive tweets from Washington.

Equally, Iran must be feeling the heat. Kevin Book of ClearView Energy Partners, a research firm based in Washington, DC, points out the Qatari crisis and the Saudi Arabian reshuffle have come along in the context of stresses on the nuclear pact signed with Iran under the Obama administration. With Tehran testing ballistic missiles and active in Syria and the US moving toward new sanctions, "both sides appear to be daring one another to cross the line" in breaching the nuclear deal, according to Book.

As all these moving parts feed off their own momentum, it is worth remembering the Middle East's major powers are habituated to pursuing what is euphemistically called a muscular foreign policy. The ongoing conflicts in Syria, Yemen and Iraq demonstrate the willingness of Saudi Arabia, Iran and others to sow chaos as a means to an end.

An oil market with its eyes firmly fixed on the seemingly rock-solid glacier at the surface is missing the quickening erosion of the foundations beneath. BLOOMBERG

FROM THE VIEWROOM

UPI for whom?

Government bodies are not promoting the PM's digital initiative

Post-demonetisation, there was a major thrust on digital payment; citizens were encouraged to use their debit/credit cards at point-of-sale (PoS) terminals and digital wallets and Unified Payments Interface (UPI) of various banks.

However, many public sector undertakings, government departments and agencies are yet to make an effort to integrate UPI apps as a payment option for the user.

A common man or woman, who wants to use UPI in government transactions, commonly needs it while paying for LPG refill booking, electricity bills and for landline (if he/she still has it) telephone connections. Though a majority of rural and semi-urban India depends on government departments, agencies and undertakings affiliated to them for paying these bills, they have not made any effort to integrate UPI as a payment option.

A report on 'Digital payments post-demonetisation' by Motilal Oswal Securities puts the value of the total transaction using UPI at ₹100 crore for November 2016. This value increased to ₹2,800 crore in May 2017. To boost the use of UPI, National Payments Corporation of India came out with an UPI app called BHIM (Bharat Interface for Money) on December 30 last year.

The report puts the value of the total transaction under pre-paid instruments increased from ₹5,100 crore in November to ₹11,500 crore in May. The value of the total transaction at PoS terminals increased from ₹58,700 crore in November to ₹75,100 crore in May.

All the above-mentioned payment modes are used by many citizens for day-to-day activities. The private digital wallet companies, who provide their services through pre-paid payment instruments, have made an attempt to increase the transaction volumes considerably, post-demonetisation. In fact, many of the private players have integrated UPI as a payment option to load money to their wallets, or for online transactions.

However, many government agencies are not bothered about encouraging a new digital payment instrument initiated by the Prime Minister. Is this how a novel government initiative getting buried?

AJ Vinayak Deputy Editor



BELOW THE LINE



Midnight gong

The Government may be getting ready for a grand launch of the ambitious Goods and Services Tax at midnight June 30-July 1, but some sections of trade and industry do not seem very happy with the rollout. In fact, many consider the event at Parliament's Central Hall a party! "The Government is set to have a party on June 30 as their work is done. From July 1, we will be suffering!", pops a common refrain.

Pumping the ego

It's an open secret that no one is

into 'marketing' like the Modi government. The Cabinet usually acknowledges contributions, but a detailed statement does not always follow.

However, GST was different. A statement on a recent Cabinet meeting said: "Cabinet expresses Gratitude to State CMs and others for their cooperation in the introduction of GST".

While reiterating the advantages of GST it went on to say: "The Cabinet... acknowledged the contribution made by all State governments, by all Chief Ministers and State Finance Ministers and by all political parties which made it possible for GST to be implemented in the country from July 1, 2017. The Union Cabinet expresses its gratitude to... the GST Council, to Heads of all national level and state level recognised political parties, to all MPs, to all Members of State Legislatures and to all sections of society including trade

and industry associations." Wow!

GST, Yoga and Modi

This connect is interesting - GST, Yoga and Modi. Piyush Goyal, commonly known as India's energy minister, is no less regarded for his facility for speech. On International Yoga Day, Goyal was addressing a town hall on GST at Visakhapatnam.

And he said, "I am actually very delighted to be in Visakhapatnam for more reasons than one. One, of course, we are today celebrating the International Yoga Day. The third International Yoga Day, which to my mind is a matter of pride for each and every one of us in this room. It was India who has finally arrived on the international stage with the advent of Yoga. The second good reason is that Visakhapatnam has been elected, not selected, elected as the third most clean city in the country. And, of course, the third im-

portant reason why I believe I am delighted to be here is that I am getting to meet all of you to discuss the GST tax regime."

He didn't end there: "And in all of these three, the common thread is the Prime Minister Narendra Modi. He has brought the International Yoga Day to India... Swachh Bharat is his campaign... And GST is to my mind, the greatest reform that India has seen in 70 years of independence" We get it right!

Aadhaar post upgraded

Aadhaar is an issue of prestige for the Modi government. Still, it came as a surprise when the Government in its latest reshuffle of the bureaucracy made the CEO of Unique Identification Authority of India (UIDAI) a secretary rank officer. Given the speed and the scale of the Aadhaar programme, the post of the present CEO of UIDAI Ajay Bhushan Pandey has been upgraded. Pandey, a 1984-batch IAS of-

ficer from Maharashtra cadre, would under normal circumstances have been appointed as a secretary in one of the ministries at the Centre. Instead the Government has decided to upgrade this additional secretary-level post.

Jaipur Traffic Police's sixer!

You must give it to Jaipur Traffic Police for its latest advertisement. It has used the now infamous ICC Champions Trophy finals' no-ball of Jasprit Bumrah to highlight how crossing the line can be costly. In a billboard, the Jaipur Traffic Police has used the picture of Bumrah overstepping the crease when he got Fakhar Zaman caught behind, only to be no-balled.

The text read, "Don't cross the line. You know it can be costly". Zaman, whose score then was in single digits, went on to put Pakistan on a match winning position.

Our Delhi Bureau

# New exim regime

How to conduct export and import business

AJAY SRIVASTAV  
GST MASTERCLASS

Exporters will benefit from the subsuming of 17 central and state taxes in the GST and a comprehensive set-off of input tax on goods and services. These provisions would reduce the cost of manufactured goods and services and make exports competitive. In addition, the exports will be exempted from payment of GST and, if paid, the tax would be refunded.

This tax exemption/refund policy is in keeping with the WTO rules that say no taxes should be exported. Accordingly, exports have been treated as “zero-rated supply” under the IGST Act. Exports sent out of the country are considered zero-rated supplies. Supplies made to a SEZ developer or SEZ unit have also been accorded the same status. Exporters can avail credit of the input tax on the inputs procured for the production of such zero-rated supplies.

Exports need the conversion of inputs such as raw material into the finished product that is exported. An exporter would get the refund of GST paid on inputs and exemption from payment of GST on the final product. For this, a firm has to apply for the refund of the GST paid on the inputs after the completion of exports. It has been agreed that 90 per cent of the refund amount would be granted within seven days of the filing of an application. Refund of the balance would be granted after verification of documents.

The GST route of refund on taxes paid would not be available to exporters who procure goods from the firms (a) not registered with GST on account of low turnover, or (b) opting for GST under the composition scheme.

Import will be treated as inter-State supplies and IGST will be levied as the additional duty of

customs in addition to the basic customs duty on import. Customs duty will now have only two components in most cases: basic customs duty and IGST. However, other duties such as anti-dumping or safeguard duties, etc., wherever applicable, will be levied as before. Tax paid (IGST) on imported goods will be eligible for credit as input tax credit to the importer.

GST would affect the efficacy of all export promotion schemes. Till now, the facility of exemption from the payment of all duties is available to exporters under export schemes like Advance authorisation or the Export Promotion Capital Goods. Post GST, the exemption only from the basic customs duty would be available. Similarly, 100 per cent Export Oriented Units would lose the duty exemption privilege and be like any DTA unit that will get exemption only from payment of basic customs duties on exports.

Also, no supplies would be treated as deemed exports. This means the supplies to EOU/STPI/ mega power projects that are currently exempt from central taxes will become taxable. The new Duty Drawback scheme under GST will refund only the Basic Customs Duty and Central Excise duty paid on the exempted inputs.

The main issue of exporters would be blocking of the working capital. The exporter would pay GST at the time of buying of inputs and will get the refund after the exports that would take place after 6-12 months. High-interest rates would increase the working capital cost and make exports expensive. However, these increased expenses would be partly offset by the lower tax rates and reduced cascading effect.

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 7 of a series to introduce readers to GST's intricacies. The previous part appeared on June 23

BOOK REVIEW

# Indira Gandhi, the naturalist

A useful account that provides lesser known details on her lasting contributions to green policies

M RAMESH

This is the centenary year of Indira Gandhi and congressman and Parliamentarian, Jairam Ramesh, has produced a book on the former Prime Minister, looking at just one aspect of her personality—that of a naturalist and nature conservator. (The book, incidentally, is Ramesh's fifth in three years—the author says he does it to keep his “intellectual batteries charged when in the Opposition”.)

Between 'A First Word' and 'The Final Word', the book, from the first and seventh chapters of *Indira Gandhi: A life in Nature*, leaves the reader in no doubt that the country's only woman prime minister was not only a great lover of Nature, but also personally responsible for laying the foundation of the environment and renewable energy policies of the government.

It is indeed a little known aspect of Indira Gandhi's work in connection with India's environment protection and nature conservation during his years as the environment minister. In what he calls “an unconventional biography”, Ramesh takes the reader

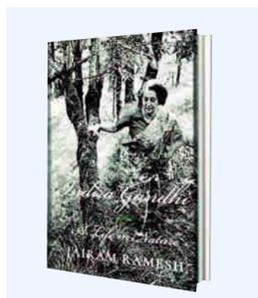
through various stages of Indira Gandhi's life, looking at each stage through the prism of her love for Nature. The 'prism' is the mass of letters she wrote, her speeches, articles, forewords she provided to others' books and even her observations on files put up to her. “The idea is to have a biography which allows Indira Gandhi herself to do much of the talking.”

Interest in birds

In the initial chapters, the reader is taken through dozens of letters written by (or to) Indira Gandhi with references to her bird-watching, animal-spotting hobbies. In one such, there is a funny exchange between her and her father, Jawaharlal Nehru, where she writes to him describing a bird she got a glimpse of as one that has “a bit of beige, a bright tail in two dazzling shades of blue, a long dull red curved beak” and asks her father to name it for her. The country's first Prime Minister replies to his daughter: “You give me a vague description of a new bird you saw and want me to name it from here! This faith in my extensive knowledge is very touching but it has not justification.”

Project interventions

The love for, and the knowledge of, flora and fauna and the passion to protect them would manifest themselves in the form of many, many notes and policy interventions, some peremptory, in her Prime Ministerial years. The book (which, Ramesh says is “a diary of her environmental activities”) provides dozens of instances when Indira Gandhi would get pretty worked up over the prospect of a



Title: Indira Gandhi: A Life in Nature  
Author: Jairam Ramesh  
Publisher: Simon & Schuster India  
Price: ₹799

project damaging the environment.

The best of them is perhaps the stern and didactic one she wrote to the then Assam Chief Minister, Sarat Chandra Sinha, on March 20, 1977, in which she said: “It is no longer possible to regard forests primarily as a revenue-yielding resource. The long-term benefit to climate and water management is equally important. Monocultures do not have the same capacity to hold and regulate water supply as do primary forests which have evolved over ages. Before any more primary forest is cut, the Assam Government should re-examine its working plans in order to ensure that environmental benefits are not overlooked.” The letter is remarkable less for its rich contents, more for its timing – it was during the thick of elections of 1977, on the counting day, at a time when it was becoming clear that she would lose.

Ramesh has structured the book well. Each sub-chapter would start with a narrative of the context. For example, the one titled “1975” gives a sketch of factors leading to the Emergency. Thus, we know the

background to a number of controversial projects, such as the Mathura refinery, Silent Valley, or the Tehri dam, and how Indira Gandhi fussed about these endlessly, and not always having it her way. Her 'saves' include the Guindy deer park in Chennai and the Borivali National Park in Mumbai.

Personal nuggets

The book is also a cornucopia of interesting nuggets. From that we know that Salim Ali, the famous ornithologist and a close associate of Indira Gandhi, who helped shape environmental legislation, was against the peacock being named India's national bird (he wanted the Great Indian Bustard), that Indira Gandhi thought of herself as “meek and mild” and said her son, Sanjay's support was more like that of an elder brother, that Indira Gandhi had set up a cow protection committee to examine the demand for a ban on cow slaughter (the committee never submitted its report and was ultimately disbanded in 1979 by Morarji Desai), and that wind and solar power were discussed in the Cabinet as long back as in November, 1980.

Despite being in the Congress party, Jairam Ramesh has refrained from eulogising Indira Gandhi and even admits that her clearing of the Mathura refinery was “a mistake”. Yet, the book is the work of a Congressman. For instance, the author is at pains to explain that Indira Gandhi was not an authoritarian, he tries to apportion the blame for the Emergency also to Jayaprakash Narain, and takes a sympathetic view of the manner in which the railway strike of 1974 was stubbed out by Indira Gandhi. Further, the book could have done just as well with fewer examples of Indira Gandhi's love for Nature, but Ramesh explains that saying the book is meant to be a year-by-year diary. In sum, the ‘unconventional biography’ makes for a good weekend read.

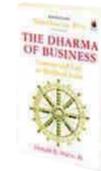
NEW READS



Title: We Have No Idea: A Guide to the Unknown Universe  
Author: Jorge Cham & Daniel Whiteson  
Publisher: Hachette India  
Price: ₹499  
A book for science buffs, and those who are curious about the great mysteries physicists are going to solve next.



Title: Keeping India Safe: The Dilemma of Internal Security  
Author: Vappala Balachandran  
Publisher: Harper Collins  
Price: ₹599  
An intelligence specialist analyses the shortcomings of India's security system.



Title: The Dharma of Business: Commercial Law in Medieval India  
Author: Jr Donald R Davis  
Publisher: Penguin Random House India  
Price: ₹299  
A new perspective on old commercial laws, reinterpreting the role of business and commerce in India.

## 5 THINGS to WATCH OUT for TODAY

**Prime Minister** Narendra Modi and US President Donald Trump will meet for the first time today in Washington. They would spend time together in various meetings—one-on-one, delegation level, a reception—and conclude with a dinner. US Congressmen have urged Trump to press Modi to remove barriers to US trade and investment.

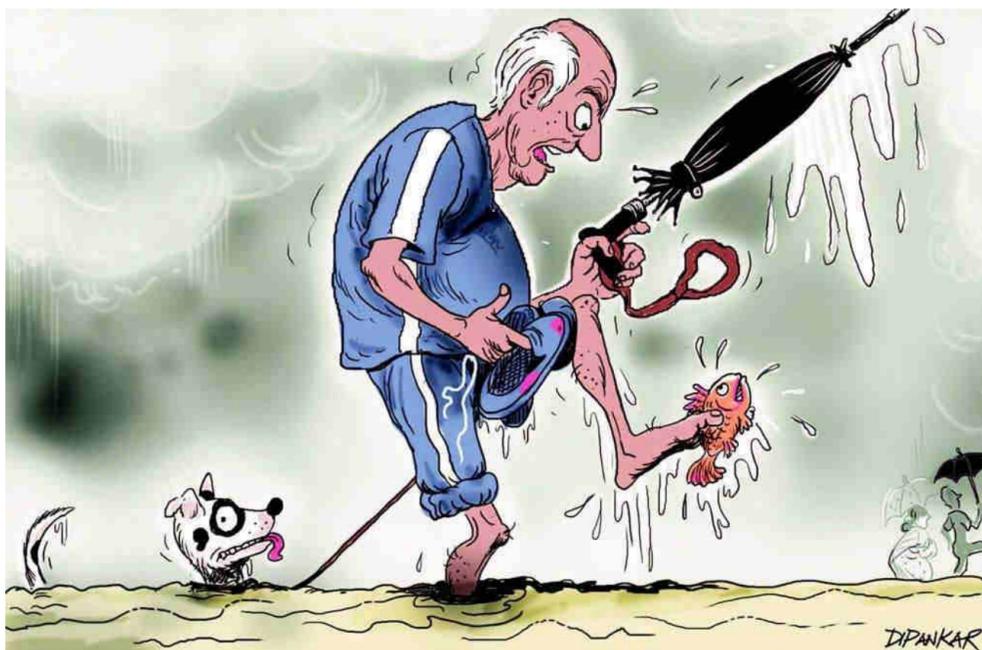
**The BCCI** will hold its special general meeting in Mumbai today. Besides discussing the Lodha Committee reforms, the meeting may also take up the report on the May 29 meeting with the Pakistan Cricket Board in Dubai.

**NDA's** presidential nominee Ram Nath Kovind will seek support from the ruling bloc's MPs and legislators from Uttarakhand as he started his nationwide tour with Uttar Pradesh on Sunday. Kovind will seek support from members of the president's electoral college. The presidential election is scheduled for July 17.

**BMW** will launch the “all-new” BMW X3 today at its Spartanburg, South Carolina, assembly plant. The current X3 was launched in mid-2010 for the 2011 model year.

**BJP** national president Amit Shah will arrive in Puducherry on a two-day visit to oversee the organisational activities in the Union Territory. During his stay in the city, the BJP president will meet the party State office-bearers and workers. He is also set to meet representatives from the industry and Chambre De Commerce.

BY THE WAY DIPANKAR BHATTACHARYA looks at people and professions



## BusinessLine TWENTY YEARS AGO TODAY

JUNE 26, 1997

RBI cuts bank rate to 10 p. c.

The RBI today cut the bank rate by one percentage point from 11 per cent to 10 per cent per annum, firmly banking on a cheap money policy to stimulate growth. Simultaneously, the interest rates on deposits of maturity of 30 days and up to one year have dropped from nine per cent to eight per cent. All interest rates on advances from the RBI such as export credit refinance and general refinance to banks which are specifically linked to the bank rate will stand pruned by one percentage point. Interest rates on post-shipment rupee export credit have also been marked down. Effective June 26, the interest rate on post-shipment rupee export credit on demand bills for the transit period and on usance bills for the total period up to 90 days comes down to 12 per cent from 13 per cent and that on usance bills for total period beyond 90 days and up to six months from the date of shipment stands reduced to 14 per cent from 15 per cent.

Private airlines may get international routes

As part of its exercise to thrash-out a comprehensive Civil Aviation Policy, the Civil Aviation Ministry is toying with the idea of progressively permitting scheduled domestic carriers to fly on international routes so that the Indian presence is maintained in all important markets. Private airlines have for long been seeking permission to operate on international routes. The Ministry has, however, been denying them clearance, influenced by the stand taken by the national carriers on this issue. But even as Ministry officials seek to put together an aviation policy which tackles both the subjects of airlines and airports, the issue of allowing private airlines to compete with the national carriers on international routes has surfaced again.

EASY

ACROSS

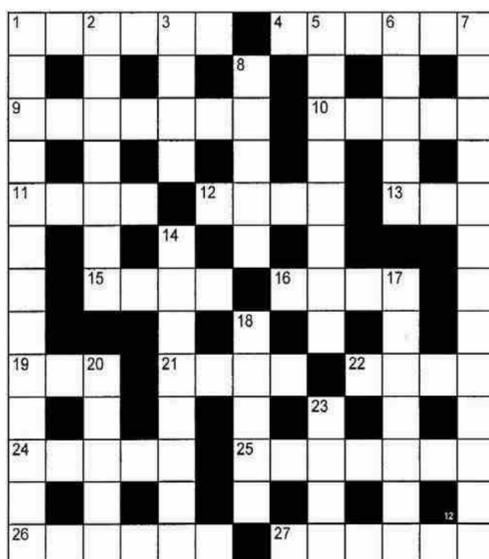
- 01. Time division (6)
- 04. Was made smaller, as in wash (6)
- 09. Stoppage of a lawsuit (7)
- 10. Money; animal (abbr) (5)
- 11. Was airborne (4)
- 12. Chief; raised stud (4)
- 13. Largest deer (3)
- 15. Close at hand (4)
- 16. Stable, not wobbly (4)
- 19. Assist (3)
- 21. Noble (4)
- 22. Horse's gait (4)
- 24. Not yet opened (leaf, flower) (2,3)
- 25. Range of columns (7)

- 26. Inborn character (6)
- 27. Lightening of burden (6)
- DOWN
- 01. Act of disclosing what is dark (13)
- 02. Buff cotton cloth (7)
- 03. Extended journey (4)
- 05. Difficult condition, privation (8)
- 06. Profitable, useful (5)
- 07. Easily surpass (5,5,3)
- 08. Was on one's feet (5)
- 14. Table of months, days (8)
- 17. Gin cocktail (7)
- 18. Symbolic representation (5)
- 20. Opening appearance (5)
- 23. Faithful, constant (4)

SOLUTION: BL Two-way Crossword 878

ACROSS 1. Timorous 7. Drift 8. Convict 9. Respect 10. Laic 12. Epitaph 14. Flavour 17. Solo 18. Appoint 21. Abolish 22. Oxide 23. Untaught  
DOWN 1. Tickle 2. Mantilla 3. Raid 4. Untrue 5. Fire 6. Stitch 7. Despite 11. Provide 13. Allowing 14. Flagon 15. Retain 16. Top-hat 19. Pain 20. Coma

BL TWO-WAY CROSSWORD 879



NOT SO EASY

ACROSS

- 01. A very little part of a degree (6)
- 04. Got smaller run in shock company backed out of (6)
- 09. Stopping of an action is, to nun, difficult (7)
- 10. Money made by one in breaking up its horn? (5)
- 11. In the welfare state it returned by air? (4)
- 12. The governor raised the stud (4)
- 13. Animal that can be kept in hotel kennel (3)
- 15. Being mean, or close to it (4)
- 16. A business that will not weaken (4)
- 19. Help one gets in advertisement (3)
- 21. It's not quite ahead of schedule for a nobleman (4)
- 22. The old dame will put a line out for the fisherman (5)
- 24. Build where one finds the Italian not yet opened (2,3)
- 25. Colonnade left by one company (7)
- 26. It's how one is with the physical world (6)
- 27. Sort of map for siege-raising (6)
- DOWN
- 01. A display of name if it's put out where train stops (13)
- 02. Cotton cloth Anne made with Ken (7)
- 03. A journey that was grand for completing youth's education (4)
- 05. Privation suffered by dip, harsh as may be (8)
- 06. Useful, until the North is abandoned to the East (5)
- 07. How to get rid of pimples and be so much better? (5,5,3)
- 08. How one got to one's feet when looking for a seat (5)
- 14. It is clear and it might be full of dates (8)
- 17. Drink in a trim form (7)
- 18. Mathematical diagram showing gap right hand makes (5)
- 20. Artiste's first showing is due, tuberculosis being dispelled (5)
- 23. It's a junction on a street in France, and that's a fact (4)