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Bailouts are not the answer

The directive on bankruptcies could help an economic revival

Indians should get used to the idea of bankruptcies as a purgative for the economy. On Tuesday, the Reserve Bank of India (RBI) said 12 accounts representing about 25% of the gross bad loans in the banking system would be eligible for immediate reference for bankruptcy proceedings. A combination of factors is at play for this to happen. First is that the country has a new bankruptcy infrastructure and, most importantly, a market-based Insolvency and Bankruptcy Board of India. Second is a hard-nosed push to tackle the burden of non-performing assets that have been crippling the banking sector. The RBI has ordered banks to initiate bankruptcy proceedings against the country's 12 largest loan defaulters with a combined debt burden of an estimated Rs 2 trillion. A number of banks will now be forced to write-off enormous amounts of bad loans though there is some prospect of being able to capture assets that could set off some of these losses.

Until now the fate of derelict companies has been left to court-appointed liquidators and politically appointed boards, which led to the Indian phenomenon of "sick" industries. The result has been large amounts of assets — land, machinery and even brands — that have been denied to the healthy parts of the economy. Worse, it contributed to a culture of setting up firms with the purpose of siphoning off money rather than actually trying to succeed in the market. Bankruptcy helps creditors the basis for not only seizing assets of defaulters but for shareholders to initiate criminal proceedings against the promoters.

Cleansing the non-performing assets that cripple the banking sector today is needed to revive India's economic growth. But this time rather than the standard government bailout, it seems it will be done by driving many of these firms to the wall. This will inflict some new shocks to the economy, not least because it may also bring some banks to their knees as well. However, this will be all to the good. Bankruptcies are a means to start a process of economic revival and a reform that India has long been missing.

A wake-up call for screening the system

All 10 toppers in the AIIMS entrance test are from one coaching centre. Isn't it odd?

The All India Institute of Medical Sciences (AIIMS) MBBS 2017 examination results, which came out on Thursday, has baffled many of us. Ten students who were coached for the examination by a single tutorial, Allen Career Institute, in Rajasthan's Kota have grabbed the top 10 ranks in these exams. Last year too, eight of Allen's students had made it to the top 10 in the AIIMS 2016 exam while three had bagged the first top three ranks in National Eligibility and Entrance Test 2016. Without taking away anything from the super achievers who went through an insanely punishing schedule by the institute, a question must be raised: Has this particular institute cracked the code/pattern of these examinations to get such a perfect score? While there is no proof, it could have happened since the medical course is finite and does not change often. So it could be possible that the institute/institutes have figured out a pattern in these exams by studying the questions of the last few years.

There have also been accusations against these institutes that they 'buy' the best students by offering them financial incentives, the best teachers, accommodation and world class facilities for free. For the institutes, such good results ensure mileage to attract more students. In fact, it's not just in medical and engineering that we have such coaching factories; even for the IAS there are coaching institutes which notch up top slots year after year.

Policy-makers and all those who are involved in the setting of the examination papers must treat the 2017 results as a wake-up call for screening the system. They must investigate how these institutes manage to produce such brilliant results year after year. While no one is denying that there is a lot of hard work involved in passing these examinations, the authorities must keep a strict watch to prevent anyone from 'gaming' the system so that all students get a fair chance to get into top institutions.

democracywall

HARSH MANDER



Another kind of courage in uniform

Officers such as Rajnish Rai and Satish Verma have sacrificed their careers for truth and justice

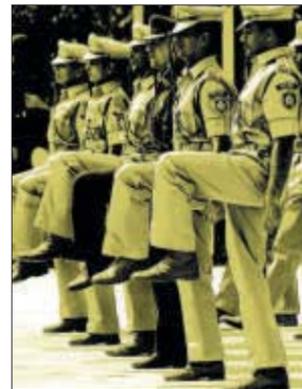
I was moved but not surprised to read that the inspector general of Police Rajnish Rai has filed a report questioning the March 30 2017 'encounter' in Assam's Chirang district. In this joint operation by the Army, Assam Police, CRPF and SSB, two militants were killed. Rajnish Rai in a courageous report concludes that the FIR filed by Assam Police on the operation and the special situation report prepared by other special forces 'present a fictitious account of the joint operation by the security forces to conceal pre-planned murders of two persons in custody and present it as some brave act of professional achievement'. They were picked up from their village, killed in cold blood by men in uniform, and weapons placed on their bodies thereafter.

It is important for us to acknowledge with gratitude the contributions of public servants like Rajnish Rai, who are willing to stake their careers and futures to defend truth and justice, even if it involves standing against their own in uniform. It is the same Rajnish Rai who was entrusted with the responsibility to assist in investigating the 'encounter killing' of Sohrabuddin Sheikh in March 2007 in Gujarat, ten years earlier. It was expected at that time by his superiors and peers that he would protect the state police and political establishment.

Instead he stunned his peers and seniors by arresting IPS officers D G Vanzara, Rajkumar Pandyan and Dinesh M N in April 2007 for the fake encounter murder of Sohrabuddin, his wife Kausarbi and close associate Tulsiram Prajapati. Pandyan was Rai's batch-mate, and they had been close friends. But Rai was convinced that his friend Pandyan had committed a grave crime of custodial murder. Rai also alleged that the then home minister and the police officers loyal to him were making every effort to cover up the crimes of the Sohrabuddin case. He maintained that Tulsiram Prajapati's murder was also part of this conspiracy because he was a witness to the abduction by the police of Sohrabuddin and Kausarbi.

Satish Verma, another Gujarat police officer, filed an affidavit in the High Court stating that the 'purported encounter' killing of 19-year-old Ishrat Jahan was not 'genuine'. The investigations by senior police officers Satish Verma and Rajnish Rai led ultimately to the charge-sheeting and arrest of the then home minister and senior police officers.

The winds of course changed course dramatically once the BJP-led government assumed power in Delhi in May 2014. One by one all the police officers were released from jail. All serving officers were reinstated and promoted, often to responsible positions. PP



Target of attacks (AFP/REPRESENTATIONAL IMAGE)

Pandey was released on bail in February 2015 and, in three days, was reinstated and given charge of a probe against Satish Verma, the police officer whose SIT probe had led to Pandey's indictment in the first place. In April 2016, he was appointed the acting Director General, Police, Gujarat — a first in the country for a police officer charged with murder on bail to be given this high responsibility.

By contrast, officers like Satish Verma and Rajnish Rai, whose intrepid investigations led ultimately to the charge-sheeting and arrest

of the then home minister and senior police officers, have been consistently victimised. Rai was not posted even once to the same location as his wife, an IAS officer in Gujarat, ever since his probe in 2007. Rai was posted in distant Shillong, and Verma in Agartala. A number of charges were levelled against them, their confidential reports sullied, and they were both superseded for their promotions.

But both officers are unbroken, accepting stoically the personal and professional costs of doing what they believed was right. Rajnish Rai said to me that for him the highest satisfaction is that after the investigations that he and Satish Verma undertook, extra-judicial 'encounter' killings of alleged 'dreaded' terrorists came to an abrupt and absolute halt in Gujarat. Such 'encounters' had become had become commonplace between 2002 and 2005, and it was always claimed that those killed were bent on assassinating the chief minister. These would not have ended if these two officers had not demolished the long tradition of impunity from criminal investigation for custodial killings. This alone makes all that they have suffered and lost worthwhile for them.

Unsurprisingly, the government has responded promptly to Rai's newest report with another punishment posting, this time out of Shillong to Andhra Pradesh. Rai's latest report that pulls the lid off the long tradition of custodial killings in India's north-east shows that his spirit and valour are undimmed.

Harsh Mander is author, *Looking Away: Inequality, Prejudice and Indifference in New India*. The views expressed are personal.

WARMING UP



A protest march against President Donald Trump's decision to withdraw the United States from the Paris climate change accord

India must take the lead to save the Paris agreement

The nation is a shining example for developing economies in successfully aligning climate action with development



APARNA ROY

The US regression from the Paris climate accord is not surprising. As a matter of concern, other developed economies like Australia and Russia, too are seen faltering on climate action. In this scenario, the world is increasingly looking east to fill the leadership vacuum in global climate governance. India and China have displayed commitment and leadership potential by taking affirmative actions in significantly reducing carbon emissions.

Though China's climate action is commendable, it is not in a position yet to independently assume the leadership that climate governance requires. First, despite its aggressive efforts, China remains the world's largest greenhouse gas emitter. Second, China has often followed a hands-off approach in regional and global diplomacy. Tackling climate change and reforming global energy systems requires an assertive leadership. Third, as recently as 2011, climate scepticism dominated the national discourse in China.

Between the US withdrawal and China's dubious climate credentials, immense opportunities exist for India to counterbalance the existing climate leadership equilibrium. Recent affirmations from India on staying

committed to climate goals is indicative of India's decisive leadership.

India is already on the path of clean energy revolution and is making significant accomplishments in achieving its pledge to the Paris Agreement. Upscaling the National Solar Mission, India has set a target of 100 gigawatts (GW) of installed solar energy capacity by 2022. This is five times higher than the original 20 GW target. India also recently became the fourth largest producer of wind energy in the world and announced plans to cancel 14 GW of coal plants. Indeed, India is currently in a strong position not only to meet, but exceed its Paris climate targets. The green power revolution is envisaged to attract millions in investment and create job opportunities, while providing a substantial boost to export of new commodities.

India is a shining example for developing economies in successfully aligning climate action with development imperatives. In climate negotiations, India has taken a lead in arguing for less stringent climate restrictions for developing countries as they need more room to grow in the limited carbon space.

Given the present leadership impasse, the world would be keenly following India's role on climate action in key upcoming forums such as the G20 and COP23. As China looks for a global partner to leverage its influence at the international stage, India is poised to utilise this potential opportunity and fill the leadership void in global climate change governance.

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Why the president must be above political loyalties

The first citizen of the country can neither be an adversary to the prime minister nor his puppet

VINOD SHARMA



Given the constitutional scheme under which the president of our republic acts on the advice of the Cabinet, it's only fair, regardless of the Opposition's efforts to set up a contest, that the office is occupied by a person of the prime minister's choice. One cannot, for healthy functioning of the affairs of the State, envisage a president who's a total puppet or has an adversarial attitude towards the elected regime.

In order to not repeat history as contempers, lessons must be drawn from the 1970s when Fakhruddin Ali Ahmed was Indira Gandhi's rubber stamp during the Emergency; the other extreme being Zail Singh a decade later who tacitly threw his weight behind the Opposition gunning for Rajiv Gandhi over suspect defence contracts.

The Election Commission has notified the July 17 election for the 15th president. For its part, the ruling BJP has constituted a three-member panel for consultations without, of course, revealing its hand on the possible candidature. Even the Congress-led Opposition initiative has been about tossing names around. They can't obviously decide to oppose or support the official candidate without knowing the government's mind.

Historically, the president has had broad ideological compatibility with the PM. One manageable exception in the early years of Independence was the centre-right Rajendra Prasad to the centre-left Nehru. The thought affinity prerequisite was generally met. For in a parliamentary democracy the president doesn't run the government that's run in his name. At least on paper, he ceases to be party-aligned. As the country's first citizen, he belongs to all Indians.

The 1969 election was the closest the PM's rivals could get to installing an adversarial president. A neophyte then, Indira Gandhi refused to be so tamed. She fought the powerful Congress syndicate to ensure their

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candidate Neelam Sanjeeva Reddy's defeat at the hands of V V Giri.

The latter won on the basis of the second preference vote; a run-off that hasn't since been repeated. What carried the day for Giri was Indira's call to legislators for a conscience vote in the secret ballot.

The wheel turned full circle in 1977 when Reddy became the first (and only) President to enter office unopposed. Indira then was out of power; Morarji Desai the PM.

A contest will again be inevitable if the ruling side's candidate does not inspire optimal confidence at a time the Opposition, besides raring to flaunt unity and strength, perceives danger to constitutional rule from the NDA's Hindutva plank. The BJP can defang its rivals with a candidature befitting the weighty office. That'll also keep the campaign clean — unlike the 2007 election of Pratibha Devisingh Patil. Her 12th presidency based more on loyalty than merit was forever mired in controversy.

If the government is indeed serious about a consensus, the model could be APJ Abdul Kalam's 2002 elevation. The venerated scientist wasn't the first choice of AB Vajpayee who wanted Vice President Krishan Kant moved to the presidential quarters.

Andhra chief minister Chandrababu Naidu, whose outside support to Vajpayee was his veritable lifeline, had lobbied hard for Kant who was Governor earlier of the TDP-ruled state. The proposal found favour with the Congress but ran foul with a powerful BJP faction. The naysayers considered the one-time 'Young Turk' too independent-minded for comfort.

Kalam's name that Naidu subsequently proposed in tandem with the Samajwadi Party was finalised after an agreement could not be reached with the Congress on Vajpayee's second choice: Maharashtra Governor PC Alexander who was principal secretary of Indira Gandhi but had uneasy ties with Rajiv Gandhi.

NDA-I had lacked in the electoral college the near-majority now commanded by the Modi regime. It was Kalam's stature that helped the Vajpayee dispensation garner support from parties that weren't part of the ruling front. Backed by the SP, the "missile man" cruised home when even the Congress opted for him against the CPM-backed Capt Lakshmi Sahgal. Veteran Marxist HS Surjeet was livid. His famed influence over Sonia Gandhi did not work; the Congress backing whole hog the celebrity technocrat from the minority community.

An encore of 2002 would reduce chasms in a polity plagued by distrust. That is, if both sides think out of the box, beyond partisan politics.

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innervoice
BE THE LAMP THAT PREVENTS DARKNESS FROM TAKING OVER THE WORLD

Rachna Mehra

The only way you can correct your life is when you discover more of yourself. You can't change the fruit that's already been produced, but you can make tomorrow's fruit sweeter by nurturing the part hidden under the ground, knowing that eventually your efforts will affect the entire system on this planet. The same is important in life. We must focus on the invisible in order to change the visible so that we may deal with hard times, and transform our struggles to

happy moments.

This is a story I heard while I was growing up, an approach to help us learn and grow, a story about light and darkness. Once upon a time, when the Earth was about to experience darkness for the first time, people began to panic. "The sun will set and darkness will cover everything. What will happen to us?" they cried.

The darkness became arrogant wanting to show its might. It set its foot on earth as the people hid in fear. But it is said that far away in a hut, one little lamp lifted its head

and proclaimed, "I challenge you, darkness. I will be the light for the people. If nothing else, I won't allow you to settle around me. I'll establish light for myself."

Watching that one lamp all the other lamps in every hut arose and the world watched in amazement. These little lamps stopped darkness from expanding. By understanding our motivations, we apply choice as a way to limit or liberate.

Inner Voice comprises contributions from our readers. The views expressed are personal.

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