

## Turbulence ahead

*The boom in domestic aviation may not last unless capital constraints are addressed*

Other sectors of the Indian economy may be up against weak demand and excess capacity, but aviation has so far proved to be a striking exception. Latest data from the DGCA show that the number of passengers boarding domestic flights hit the 10 million-mark in May, with traffic in January-May 2017 growing 17.6 per cent year-on-year. This was achieved on a high base, as traffic expanded 23 per cent in 2016. These scorching growth rates have helped India edge past Japan to emerge as the world's third largest aviation market. This take-off in air travel in a modestly growing economy can be traced to several factors — generous travel budgets of the young demographic, affordable air fares due to low fuel prices, the disintermediation of bookings and, importantly, chronic under-investment in the Indian Railways for the past many decades. But the favourable circumstances that have propelled the sector will not last in perpetuity. Active strategic and policy intervention are necessary to sustain it.

It is worrying that India's rapidly expanding aviation market is being catered to by an increasingly narrow set of players. In May 2017, just five players handled 93 per cent of all traffic, with the top three (InterGlobe Aviation, Jet Airways and Air India) controlling 72 per cent. Only two of these players are profitable, with one (Jet Airways) turning around just last year. Despite improving load factors, profit margins of most airlines remain thin, weighed down by debt. Profitability for Indian airlines has displayed an almost one-to-one correlation to Aviation Turbine Fuel prices, which have been unusually benign lately. Globally, low-cost carriers use aggressive hedging policies to lock into low fuel costs, a strategy which is yet to take off here. High tax rates on fuel are another irritant. If airlines' fleet expansion plans are up against financial constraints, there are severe physical constraints on airport infrastructure too, given the inadequate number of runways, landing and parking slots. Industry body CAPA recently estimated that India's top six aviation hubs would reach saturation within 10 years; easing this would need 50 new airports with a ₹2.7 lakh crore capital outlay. Worse, existing traffic control and safety infrastructure are inadequate even for current traffic and need an urgent upgrade.

Addressing these problems boils down to the availability of capital, which makes foreign participation critical. On this score, despite the Centre liberalising FDI limits to 100 per cent both for airlines and airports, there's a lack of material interest in both segments. For airlines, the caveat that only foreign 'entities' (not airlines) can own 100 per cent, and the condition that substantial ownership and control of the airline must rest with an Indian partner, are big stumbling blocks. On airport infrastructure, the over-reliance on the Airports Authority of India and the grounded PPP model present constraints. Addressing these through policy changes is essential to ensure that the current boom doesn't hit an air pocket.

## FROM THE VIEWSROOM

## All for some chicken feed

*Not serving non-veg food won't save much for Air India*



Air India's decision to offer only vegetarian meals to economy class passengers on domestic flights is nothing but bizarre. When the world over and even closer home airlines such as Vistara are using food as their USP to attract more passengers, Air India seems to have thought of something that the entire industry does not even think worthy of considering.

Worse are the reasons it's giving — annual savings of ₹7-8 crore, reduction of wastage, and difficulty in separating vegetarian and non-vegetarian meals. Given that food served on an aircraft accounts only for a minuscule portion of an airline's operations cost, Air India's argument about savings does not cut much ice. Surely there are better ways of doing this instead of pushing customers away? On the issue of food waste, Air India should know that there are various organisations such as ChefAid that collect leftovers, segregate it and then distribute it to various charitable organisations such as the Missionaries of Charity. The reasoning that it is difficult to separate vegetarian and non-vegetarian meals is so absurd that it does not even merit a counter-argument except to reiterate what one flyer tweeted: if we can't trust the airline to separate its meals can we trust it to fly us from one place to another?

Will Air India also offer lower fares as it is now no longer serving non-vegetarian meals and tea or coffee with meals? Will it deboard or deny boarding to a passenger who decides to bring along a non-vegetarian item for his meal? Is it going to start checking our bags for meat? If Air India is keen on going fully vegetarian, it should brand itself as the world's only vegetarian airline, like the now defunct MDLR airlines did in the late 2000s. Possibly this rebranding will get Air India some loyal vegetarian flyers and bring in much needed revenue so that it no longer need resort to juvenile moves such as not serving non-vegetarian meals.

Ashwini Phadnis Senior Deputy Editor

## Disquieting story of child health in India

Data from 14 major States show that economic growth has bypassed most of the poor children in the country

## MA OOMEN

Child health is basic to building the well-being and capabilities of the future of a growing nation. It is a great social responsibility in which the state has to play a critical role. It appears this primary responsibility is forgotten in the single-minded pursuit of economic growth. This article makes a comparison of six selected variables of child health status chosen from the 3rd and 4th National Family Health Survey (NFHS) for 14 major States.

The States reckoned here are Bihar, Gujarat, Himachal Pradesh, Haryana, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. They account for 81 per cent of India's total population. Andhra Pradesh is omitted for want of comparative data. A decade (2006-2016) is a reasonably good period to evaluate the progress made and gauge the trend. The comparative analysis tells a disquieting story.

From 1992, the Union Ministry of Health and Family Welfare has been publishing reports covering a wide range of health status data on children, women and adults. From this,

the data I have chosen relate to children of age 12-23 months fully immunised (BCG, measles, and three doses each of polio and DPT); children of age 12-23 months who have received BCG; prevalence of diarrhoea in the last two weeks preceding the survey; children under 5 years who are stunted (height-for-age), children under 5 years who are wasted (weight-for-height) and children under 5 years who are severely wasted (weight-for-height).

The variables are pertinent to evaluate the health status of children below five years. The first three

are indicators of preventive and protective child care. Normally, one would not expect a negative trend in any State on full immunisation of children between the age 12-23 months or at least with regard to BCG vaccination taken alone. A comparison of NFHS data 2005-06 with 2015-16 shows that Himachal Pradesh, Haryana, Maharashtra and Tamil Nadu have registered a decline in the percentage coverage of BCG, measles and three doses each of polio and DPT. Besides that, the childhood illness of diarrhoea has increased by 2.2 per cent.

This portends an ominous trend which no democratic government can afford to ignore especially because the increase in diarrhoea is as high as 85.2 per cent in Uttar Pradesh and 48 per cent in Tamil Nadu. Maharashtra's increase, although only by 4.94 per cent, offers no reason for comfort. The growing occurrence of diarrhoea is indicative of the endemic insanitary conditions and unsafe drinking water prevailing in the country even after 70 years of Independence.

The other parameters viz., children under 5 years who are stunted (height-for-age), children under 5 years who are wasted (weight-for-height) and children under 5 years who are severely wasted (weight-for-height)

and children under 5 years who are severely wasted (weight-for-height) are anthropometric assessment of nutritional status of children below five years of age.

## Wasting woes

The intensity of stunting and wasting is measured as per WHO norms with reference to deviations from the mean, called in statistics as standard deviation. The index of stunting and wasting provides different information about body growth and composition, which is used to assess nutritional status. Children whose height-for-age is below minus two standard devi-

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## Child health status

	Children age 12-23 months fully immunized (BCG, measles, and 3 doses each of polio and DPT) (%)		Children age 12-23 months who have received BCG (%)		Prevalence of diarrhoea(reported) in the last 2 weeks preceding the survey (%)		Children under 5 years who are stunted (height-for-age) (%)		Children under 5 years who are wasted (weight-for-height) (%)		Children under 5 years who are severely wasted (weight-for-height) (%)	
	NFHS4	NFHS3	NFHS4	NFHS3	NFHS4	NFHS3	NFHS4	NFHS3	NFHS4	NFHS3	NFHS4	NFHS3
Bihar	61.7	32.8	91.7	64.7	10.4	10.7	48.3	55.6	20.8	27.1	7.0	8.3
Gujarat	50.4	45.2	87.9	86.4	8.4	13.1	38.5	51.7	26.4	18.7	9.5	5.8
Himachal Pradesh	69.5	74.2	94.8	97.2	6.6	7.7	26.3	38.6	13.7	19.3	3.9	5.5
Haryana	62.2	65.3	92.8	84.9	7.7	10.3	34.0	45.7	21.2	19.1	9.0	5.0
Karnataka	62.6	55.0	92.5	87.8	4.5	8.6	36.2	43.7	26.1	17.6	10.5	5.9
Kerala	82.1	75.3	98.1	96.3	3.4	6.8	19.7	24.5	15.71	15.9	6.5	4.1
Maharashtra	56.3	58.8	90.0	95.3	8.5	8.1	34.4	46.3	25.6	16.5	9.4	5.2
Madhya Pradesh	53.6	40.3	91.6	80.5	9.5	12.1	42.0	50.0	25.8	35.0	9.2	12.6
Odisha	78.6	51.8	94.1	83.6	9.8	11.8	34.1	45.0	20.4	19.6	6.4	5.2
Punjab	89.1	60.1	88.0	98.2	6.6	7.8	25.7	36.7	15.6	9.2	5.6	2.1
Rajasthan	54.8	26.5	88.8	68.5	7.4	10.3	39.1	43.7	23.0	20.4	8.6	7.3
Tamil Nadu	69.7	80.9	94.9	99.5	8.0	5.4	27.1	30.9	19.7	22.2	7.9	8.9
Uttar Pradesh	51.1	23.0	87.6	61.0	15.0	8.1	46.3	56.8	17.9	14.8	6	5.1
West Bengal	84.4	64.3	97.5	90.1	5.9	6.5	32.5	44.6	20.3	16.9	6.5	4.5
All India	62.0	43.5	91.9	78.2	9.2	9.0	38.4	48.0	21.0	19.8	7.5	6.4

Source: NFHS 3 (2005-06) and NFHS4(2015-16)

ation from the median of the reference population are considered stunted (short for their age) and if below three standardisation (-3SD) severely stunted. Similarly, one can have wasted index for weight for height (-2SD) and severely wasted below three standard deviation (-3SD). To understand the severity of malnutrition, we have taken only severely wasted cases.

It is evident from the two survey data that all States have made progress with varying degrees of success with regard to stunting of children under five. For the country as a whole there is a decline in stunting at the rate of 2 per cent per annum during 2006-16. But the problem of wasting is pervasive and acute. Wasting is indicative of poor nutrition and may be the result of inadequate food intake. It is clear that nine out of the 14 States suffers from child wasting and that for the country as a whole it increased over 6 per cent during 2006-16.

The extent of wasting ranges from 4 per cent in Odisha to over

69.6 per cent in Punjab. Actually, the situation is alarming when we study the severely wasted cases which show an increase of 17.2 per cent at the country level and ranges from 17.6 per cent in UP to 167 per cent in Punjab and cover 10 out of the 14 States. That Maharashtra reports 81 per cent, Haryana 80 per cent, Karnataka 78 per cent, Gujarat 64 per cent and so on, do not speak highly of the health care management and child well-being in these States. That even Kerala, known for its outstanding health attainments, has slipped down in regard to severely wasted children is something to be taken serious note of.

## Growth not enough

A closer analysis of the rate of achievements with reference to the six indicators of child health for the 14 States shows that States like Madhya Pradesh (with a per capita income of ₹63,323 in 2015-16) and Bihar (₹33,954, the lowest) have performed better than Maharashtra (₹1,52,853) or Punjab, or

Tamil Nadu or Gujarat. Maharashtra's track record does not tell a story to write home about the quality of medicare delivery in the State.

Indeed economic growth per se is not the necessary condition of human well-being, but deliberate policy choices and relevant social intermediation are equally significant. It appears economic growth bypassed most of the poor children and their families isolated by social, cultural and geopolitical reasons in the absence of appropriate and adequate policy measures.

Evidently, the remarkable stepping up in the social sector expenditure during 2006-16 in Bihar and Madhya Pradesh compared to other States seems to have yielded returns. Economic growth is at best only a means to improve human lives and well-being and appropriate policy choices and actions are what matters.

The writer is Honorary Fellow, Centre for Development Studies, Thiruvananthapuram

## GST is no game changer for farmers, yet

Agri-tech firms or farmer producer companies enjoy no benefits under GST. This will hit entrepreneurial spirit in the sector

## SATHYA RAGHU V MOKKAPATI

In 1991, India saw an LPG blast — liberalisation, privatisation and globalisation that changed the face of the country permanently. After 25 years from 1991, a fortnight ago, we experienced another revolutionary reform — GST with the promise of "One country-One tax". Like any other person, I started reading GST from the viewpoint of how it affects me and our work with small farmers on providing climate-smart farming solutions such as greenhouses. It appears to me that the GST is good for our farmers.

Why is climate-smart farming critical? Climate change is one of the risks farmers can't articulate enough, but they are large victims of that. The NSSO reports that on an average, small farmers lose money or just break away from agriculture and must depend on other forms of livelihood mainly due to environmental risks. Industry body Assocham estimates that farmers lose ₹50,000 crore yearly from pest attacks, which increase with increasing temperatures. A Nature study re-

cently found yields dropping 10 per cent annually due to increasing heat. So it is important that India focuses on climate-smart farming.

## GST benefits

In the pre-GST era, for material purchases into Telangana, which we made from a company in Tamil Nadu, in addition to the excise duty of 12.5 per cent, we had to pay the Central Sales Tax (CST) of 5 per cent. When the same greenhouses are sold in Telangana, farmers had to pay VAT (local sales tax) to the State government at 5 per cent. This made the final landing price to the farmer 24 per cent more than the original cost without taxes. However, with GST, there will be an option to set off such inter-State taxes and, as a result, the final landing price to the farmer is just 12 per cent more than the original cost. Essentially, taxes paid by farmers in this regard now are just half of what was paid in the past.

Granted, GST is good. But is it good enough? Is this sufficient to attract the 75 per cent of farmers who are forced to quit farming? The answer seems to be 'no'. Till we

demonstrate viability for small farmers, our roads will see more and more farmer demonstrations. I really wish the Government thought more wisely about essential technology tools for climate-smart farming such as drip irrigation, greenhouses and shade nets. They should ideally be designated under the 'Zero GST' category along with food, milk, etc, as this will be essential for us to ensure farmer prosperity and achieve food security.

Tax reforms go a long way in giving a leg up to a sector and in getting some of the good brains to think about it more seriously. For instance, in the power sector, after 100-per cent deductions under section 80(I)(A) of the Income Tax Act 1961 was introduced soon after liberalisation, power generation tripled. This attracted many entrepreneurs and investors to enter the area. Similarly, I strongly

# Short on detail

GST becomes a confusing affair for exporters

MOHAN R LAVI

**A**fter the implementation of GST, the Government has gone on an extensive media campaign clarifying various issues under the tax law apart from extolling its benefits. The GST Twitter handle is responding to an eclectic variety of questions from taxpayers. Exporters had a lot of questions to ask since the procedures for export of goods under GST were not laid out unlike the erstwhile Central Excise procedures. The Central Board of Excise and Customs has responded in what is going to be a norm in the GST era – issuing a notification and a circular that draw reference to each other.

## Export matters

Under GST, it appears that exporters have three options: pay IGST and claim a refund; provide a letter of undertaking (LUT) or provide a bond. Notification No 16/2017 states that a status holder (which means a trading house which has earned itself one to five stars) who has received the due foreign inward remittances amounting to a minimum of 10 per cent of the export turnover, which should not be less than ₹1 crore in the preceding financial year and who has not been prosecuted for any offence either under the erstwhile indirect tax laws or under GST can provide a LUT. The prosecution should have been for an offence exceeding ₹25 crore. One is not sure if the intention really was to fix the limit at ₹25 crore.

The LUT would be valid for a period of 12 months. All exporters who do not meet these criteria would need to file a bond. Circular No 4/4/2017 clarifies that the bond would cover the amount of tax involved in the export based on estimated tax liability as assessed by the exporter himself. The exporter shall ensure that the outstanding tax liability on exports is within the bond amount. In case the

bond amount is insufficient to cover the tax liability in yet to be completed exports, the exporter shall furnish a fresh bond to cover such liability.

Rule 96A of the CGST Rules requires furnishing a bank guarantee with the bond. The Board has clarified that that the jurisdictional Commissioner may decide about the amount of bank guarantee depending upon the track record of the exporter. If the Commissioner is satisfied with the track record of an exporter then furnishing of bond without bank guarantee would suffice. In any case the bank guarantee should normally not exceed 15 per cent of the bond amount.

The instructions get even more interesting. It states that the Bond/LUT shall be accepted by the jurisdictional Deputy/Assistant Commissioner having jurisdiction over the principal place of business of the exporter. The exporter is at liberty to furnish the bond/LUT before Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of taxpayers to respective authority is implemented. However, the Commissioner of State Tax can direct the Bond/LUT in all cases to be accepted by Central tax officer till such time the said administrative mechanism is implemented. In short, the notification seems to suggest that the Bond/LUT can be submitted to any tax authority.

Though there is some clarity on exports, taxpayers have reasons to worry. The circular states that the notification is dated July 1, but the actual date of the notification is July 7. The notification draws reference to Paragraph 5 of the Foreign Trade Policy of 2015-2020 but the reference should have been to the summary of the Foreign Trade Policy and not the policy itself. In its bid to hasten clarifications, the CBEC is missing many detail and the smaller aspects of the law.

The writer is a chartered accountant

# We need a newer energy policy

Niti Aayog's emphasis on coal as the source for India's future power needs is at variance with the ideals of sustainability



SHASHI THAROOR

I have often remarked that India is a land of paradoxes. The old joke about our country is that anything you say about India, the opposite is also true. We like to think of ourselves as an ancient civilisation but we are also a young republic; our IT experts stride confidently into the 21st century but much of our population seems to live in each of the other 20 centuries.

Yes, it's a cliché. And yet, clichés are clichés because they are true, and the paradoxes of India say something painfully real about our society.

Keen followers of Prime Minister Modi's endeavours abroad might recall his recent visit to Germany and the signs of a heady friendship with Chancellor Angela Merkel, in significant part based on both countries' commitment to address climate change and their joint ventures into renewables. One also remembers the tense hours following US President Trump's rather dramatic (although predictable) decision to withdraw his country from the hard-fought Paris Climate Accord and the plaudits India won across the world, when New Delhi promised to uphold its signature on the deal, winning moral brownie (or greenie!) points for the Government's stand.

**Muddled vision**  
But in keeping with India's talent for paradox, at the very time the country was earning plaudits abroad for its resolute defence of environmentalism, the government's highest thought body, charged with the task of creating structures and implementation

strategies for the government's lofty ideals, is busy undermining such a commitment.

To be fair, the Niti Aayog's latest draft National Energy Policy is an ambitious vision statement as it exhorts de-carbonisation, energy efficiency and renewable energy. However, it is also fraught with contradictions and omissions, thanks to its projected dependence on coal for the future energy needs of the country.

This is because, while it foresees India's power demand shooting up over four-fold by 2040 (assuming 8 per cent annual economic growth), it also estimates coal-fired power capacity to grow to 330-441 GW by 2040, anticipating an annual coal demand of 1.1-1.4 billion tonnes.

Such a scenario is in direct conflict with the declared twin goals of sustainability and security and comes ironically at a time when solar and wind tariffs appear to be reaching historic new lows. These plummeting tariffs, when seen in conjunction with how energy storage for renewable power is making enormous technological advances, make it clear that going forward, solar and wind power (along with hydro power) will be the logical economic and ecological choice to power India's energy transformation. Even banks are increasingly reluctant to fund thermal power projects, given how much more viable alternative energy sources seem to be.

It seems odd that when the future of coal

(and fossil-fuel based power in general) is decidedly bleak, the Niti Aayog has chosen to place such high emphasis on, and seek future dependence on, coal-fired power.

## Perpetuating what's passé

The sarkari think-tank also forecasts that "our coal industry will emerge as an exporter of coal". It seems the Niti Aayog is out of touch with the shocking drop in demand for coal from most industrialised economies – a trend that will only amplify as renewable power attains grid parity in more regions. Given our country's laudable international commitments to tackling climate change, it

really does beg the question – where would India export its poor quality coal, and how will it justify such a move to the global community?

In terms of tackling air pollution, the draft policy proposes "geographic concentration of power plants... so situated that they do not damage air quality in human habitations. Water supply to power plants ought to be priced as per its scarcity value." This makes little sense; building dirty power stations that are further away from human habitation and that are supported by our increasingly stretched fresh water resources is simply not an answer to the problem.

Instead, the focus should be on phasing out our existing thermal power stations and replacing them with clean energy alternatives. But rather

than doing so, the Niti Aayog suggests out-of-date approaches such as bailing out stranded gas projects. Such double-speak is not only unfortunate, but it also creates doubt in the minds of the very investors the country is seeking to attract.

## Public health concerns

In terms of public health, the draft policy again falls short of expectations. While it briefly touches upon public health in terms of exposure to indoor air pollutants (from household cooking fuels), such consideration is immediately relevant only to the semi-urban and rural regions of India. What about the millions of inhabitants in our cities, who have to grapple with air pollution caused – in no small measure – by dirty thermal power stations? There are already a multitude of studies that show how our average life expectancy is being dangerously cut short due to air pollution, including some studies that have reported that the combustion of coal releases mercury into the atmosphere – a devastating killer if inhaled.

## Is nuclear power viable?

We should also not forget nuclear power. The draft classifies nuclear energy as the only "green energy" source to be relied upon for base-load power requirements. This is indeed surprising, because even if the assertion is true today, given how rapidly energy storage technology is maturing, it won't be so in the next few decades. Also, investing in nuclear power is highly cost-intensive. Recent news reports suggest that the fifth and sixth units of the much celebrated Kudankulam nuclear power plant will cost the country ₹50,000 crore. And the units will only go online more than five years after construction, with Russia lending India \$4.2 billion to help construct the units in the first place. Surely we can spend less and gain more by shifting our

And lastly, what about India's ageing reactors? Will the government borrow even more money to upgrade them? Or wouldn't it be instead more prudent to invest that amount in technologies that are actually infinitely scalable, deployable almost anywhere and sustainable, such as solar, wind and tidal energy? India is certainly well endowed with natural resources when it comes to any of these technologies.

A World Bank report has claimed that India is emerging as a front-runner in the fight against climate change. The report's release coincided with the G20 Summit where India stood strong on climate action along with 18 other world leaders at the Summit from the north and south, isolating the US. Despite this, for the Niti Aayog to project coal-based power as the bedrock of India's energy policy for many more years seems to be an acutely contradictory and myopic approach.

If the Government is serious about breaking away from old paradigms, it needs to stop perpetuating paradoxes. Send Niti Aayog back to the drawing board. We need a newer energy policy.

The writer is a Congress MP

## 5 THINGS to WATCH OUT for TODAY

RADHIKA MERWIN

### STATISTALK

## Honey, what shrunk the inflation?

**Consumer price index (CPI)-based inflation eased to 1.5 per cent in June, pegged as the lowest in many years. This has once again triggered hopes of a rate cut by the RBI in the upcoming policy. So what has led to the fall in inflation over the past year?**

### Weighing down

*Food that has 45 per cent weight in the CPI basket has led the fall*

Month	Food and Beverages (%)	Overall CPI (%)
Jun '16	7.0	6.5
Jul '16	5.5	5.5
Aug '16	4.5	4.5
Sep '16	3.5	3.5
Oct '16	2.5	2.5
Nov '16	2.0	2.0
Dec '16	1.5	1.5
Jan '17	1.5	1.5
Feb '17	1.5	1.5
Mar '17	1.5	1.5
Apr '17	1.5	1.5
May '17	1.5	1.5
Jun '17	1.5	1.5

### Sharp fall in vegetable and food prices has led to lower food inflation

Month	Pulses (%)	Vegetables (%)
Jun '16	28.0	25.0
Jul '16	25.0	22.0
Aug '16	22.0	20.0
Sep '16	18.0	18.0
Oct '16	15.0	15.0
Nov '16	12.0	12.0
Dec '16	10.0	10.0
Jan '17	8.0	8.0
Feb '17	6.0	6.0
Mar '17	4.0	4.0
Apr '17	2.0	2.0
May '17	0.0	0.0
Jun '17	-2.0	-2.0

### Core inflation which has been under the RBI's radar has also fallen steadily

Category	Jun '16 (%)	Jun '17 (%)
Clothing and footwear	5.5	4.5
Housing	5.5	4.5
Health	5.0	4.0
Transport & communication	8.0	4.0
Recreation and amusement	4.5	3.0
Education	6.0	4.0

Graphic: Visveswaran V

## BusinessLine

### TWENTY YEARS AGO TODAY

JULY 14, 1997

#### SEBI trips Govt. on VSNL proposal

The Government's plan to disinvest shares of the Videsh Sanchar Nigam to retail investors by reducing the market lot to 10 has been rejected by SEBI. Following this rejection, the Task Force set up by the Government is considering the option of dematerialisation of part of the VSNL holding to woo the retail investors. VSNL, which is planning to divest part of the government holding, had sought SEBI's approval for issuing shares to retail investors in market lots of 10.

#### Corporate ECBS mount to \$1.9 billion

India's external commercial borrowings by corporates have amounted to a hefty \$1.9 billions in the first four months of 1997, against \$800 millions in the same period of 1996. The latest Financial Markets Survey by OECD said Indian companies raised loans amounting to \$1.1 billion through dollar bonds during these four months in 1997, against \$200 millions raised in the corresponding months of 1996. Banks, including financial institutions, and private corporations tapped this market on a greater scale this year, following gradual liberalisation of the norms governing the recourse to ECBS in recent months.

#### PNB back in black

Punjab National Bank has bounced back into the league of top profit-making batiks by registering a net profit of Rs. 238 crores for fiscal 1996-97. During 1995-96, PNB had declared its first ever loss of Rs. 95.92 crores. PNB's operating profit for 1996-97 has shot up to Rs. 610 crores, showing a 58 per cent increase over the previous year's figure of Rs. 384 crores. PNB Chairman-cum-Managing Director, Mr. Rashid Jilani, expressed satisfaction over the results of the bank, which were cleared by the board.

### EASY

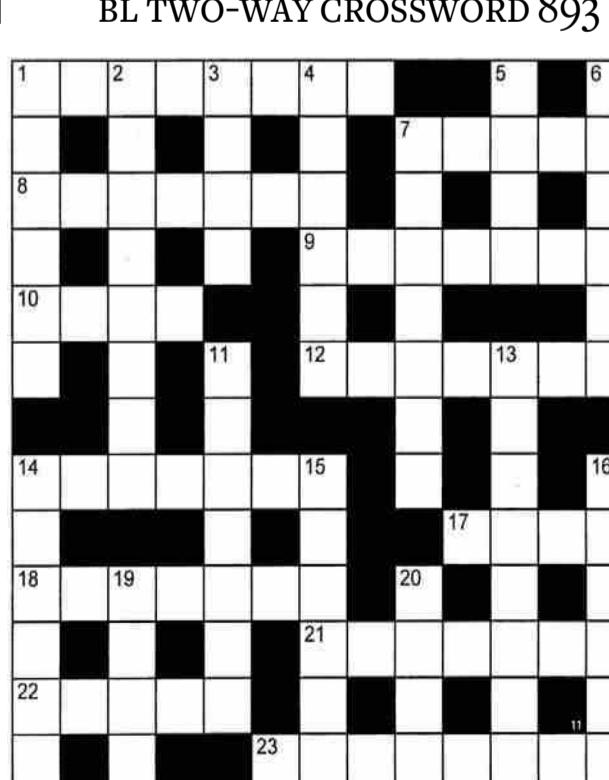
#### ACROSS

- 01. Rushed about wildly (8)
- 02. American march composer (5)
- 03. Incidents, occurrences (6)
- 04. Male elephant (4)
- 05. Walk in shallow water (6)
- 06. Composed (7)
- 07. Daring, romantic undertaking (7)
- 08. Writing points (4)
- 09. Absence of sound (7)
- 10. One who saves a person (7)
- 11. Deep mud (4)
- 12. This point, a favourable position (7)
- 13. Flourish on trumpets (7)
- 14. Awaken in the mind (5)
- 15. Verdure (8)
- 16. Blanched stalks eaten with cheese (6)
- 17. Advertising sign gas (4)
- 18. At a former time (4)
- 19. Using oars (6)

#### SOLUTION: BL Two-way Crossword 892

ACROSS 7. Clerical error 8. Double entry 12. Refers 14. Summer 16. Itches 18. Angers 19. Free-and-easy 23. Everlastingly DOWN 1. Clad 2. Prau 3. Scolds 4. Alters 5. Fret 6. Tory 9. Officer 10. Rompers 11. Arms 12. Ruin 13. Rye 15. Urn 17. Seaman 18. Audits 19. Five 20. Eire 21. Anna 22. Yolk

### BL TWO-WAY CROSSWORD 893



### NOT SO EASY

#### ACROSS

- 01. The racket, though old, was running wild (8)
- 02. Thus America was one to produce marches... (5)
- 03. .... and got this to stop on tour, electioneering (7)
- 04. Is stung by having caught it from the sea when about fifty (7)
- 05. Papal edict is eyed at the centre (4)
- 06. Go with trousers rolled up to shift the canoe? (6)
- 07. Resolved the argument and paid the bill (7)
- 11. Sex appeal, in unrefined circumstances, caused a holy war (7)
- 13. Formally propose one with no name, it appears (8)
- 14. Look again at what the critic has written (6)
- 15. Coat at which one may drag (6)
- 16. To weep about half the eleven sticks (6)
- 19. Light the gas? (4)
- 20. Solitary occasion when cone was put out (4)