THE HINDU BusinessLine
MONDAY, JULY 31, 2017

Hyderabad blues

The recent RCEP meeting there was an example of how talks should not be conducted

India has become rather secretive about its negotiating stance in the Regional Comprehensive Economic Partnership (RCEP) — a trade bloc of 16 countries (Asean plus Japan, China, South Korea, India, Australia and New Zealand) which accounts for over 40 per cent of the world's population and output. If the outcome of the Hanoi meet held about two months back was unclear, the recently concluded Hyderabad meet has left stakeholders in the dark. Surely, this is no way to conduct discussions on tariff lines for farm and industry products, e-commerce, intellectual property, the opening up of services and government procurement, impacting the livelihoods of millions of people. Apart from an observation by the commerce secretary to a section of the media (the commerce minister was not present at the meeting) that 'there was enough political will to expedite the conclusion of the talks', perhaps indicating that India wouldn't walk out, no specifics were forthcoming. This is disconcerting in view of reports in the wake of the Hanoi meeting, which were neither confirmed nor denied by the Government, that India had agreed to 80 per cent free tariff lines (with a deviation of 6 per cent either way) against the demand of 92 per cent. This set off alarm bells in sections of industry and farmers' organisations, which turned out in large numbers at the 'alternative' groupings in Hyderabad. The earlier three-tier formula of offering 80 per cent free tariff lines to Asean (keeping the FTA status quo), 65 per cent to Japan and Korea and 42 per cent to China has evidently been dropped. There are no indications that India has secured any gains on services, supposedly its bargaining chip for allowing more market access. The Centre must explain the progress of its talks and the rationale of its positions. It should take stakeholders into confidence — ranging from business chambers, big and small, farmers' organisations and dairy cooperatives — before it sets off for the next round of talks in September.

Fears pertain in particular to opening up industrial sectors to China — India's largest trading partner with whom it already runs a trade deficit of over $50 billion, or about half of India's total trade deficit — besides the dairy sector to Australia and New Zealand. That India's FTA experience with Asean has not been a happy one has been acknowledged by the commerce ministry and the *Economic Survey 2015-16*. India's trade deficit with Asean has tripled to about $15 billion after the FTA was signed in 2010, whereas exports at about $25 billion are virtually stagnant, after rising to well above $30 billion in the intervening years. Imports of not just palm oil and coal, but chemicals, iron and steel, rubber, plastics and chemicals have impacted vast sectors of the economy.

This is not to argue against trade liberalisation per se, but to negotiate market access on our terms. While spurring competitive forces, India needs to put a better price on its large market and skilled workforce.

FROM THE VIEWSROOM

Bringing accountants to book

The oversight mechanism needs expertise and financial support

The time is ripe for the Government to revisit the disciplinary mechanism governing chartered accountants. The current system, introduced in 2006, has not paid dividends, going by the numbers reeled out by Prime Minister Narendra Modi on July 1. While some feel that data points such as "only 25 CAs being prosecuted in 11 years" do not project the right picture, others point out that the system is being weighed down by the rapid rise in the number of CAs.

Not surprisingly, the volume of cases has gone up in recent decades. India now has nearly 2.75 lakh CAs against a lakh-plus in early 2000. Changes in the CA Act in 2006 shifted the obligation of taking a *prima facie* view on misconduct to a single person — Director, Discipline. Earlier, the Central Council would take such decisions. Now, the lone individual faces the heat, as the number of complaints keep rising.

Looking into misconduct of professionals is no easy task. It calls for knowledge of accounting, auditing and company law. It is hard for an individual to grapple with all aspects. The Government should either go back to the pre-2006 regime, giving powers to the Central Council, or change the law to build capacity around the Director, Discipline.

The latter could be a good option. Instead of relying on one person, the law can add more people to assist the Director, Discipline. This requires recruitment of people and payment of more money by the CA Institute. There must be a system where the *prima facie* decisions are spelt in an open court system. That would prevent delays in communication of the *prima facie* opinion.

It is nearly a decade since the CA Institute made several suggestions to tone up the disciplinary mechanism, including the power to levy penalties on erring CA firms. The Government has not moved on the issue.

KR Srivats Senior Deputy Editor

How to make GST work for small firms

The GST exemption limit should be raised to ₹1 crore. Concessions should extend to exports, inter-State sales and e-commerce

AJAY SRIVASTAVA

How will the Goods and Services Tax change matters for the 5-crore plus informal and small enterprises? Will they grow and join the formal sector? Or will the businesses shrink as tax exemptions come down? Many small businesspersons feel that expanding the scope of concessions offered is necessary for survival and growth.

The GST package for small firms has two options. Those with annual turnover of up to ₹20 lakh (10 lakh for north-eastern States, Himachal Pradesh, J&K, and the UK) may remain outside the tax net. For slightly bigger firms with turnover less than ₹75 Lakh (50 lakh for the NE, HP), the GST allows a low tax option called the composition scheme by which firms can pay tax at a low 1-2 per cent and file four returns a year. This looks good as a regular dealer pays an average of 18 per cent GST and files 37 returns a year.

Many are not happy with this package. They feel these concessions come with so many conditions that they are no more an option for a growing firm.

Restricting conditions

1 *Low exemption limit*: Is the ₹20-lakh annual turnover limit for opting out of the GST net adequate? Consider an example. A grocery shop owner selling goods of value ₹2 lakh a month would not qualify for the exemption as his annual turnover crosses ₹20 lakh.

Now, guess his take-home income. Considering 10 per cent margin on sales, his monthly income would be a low ₹20,000. Forget his expenses on electricity, other charges, and taxes that reduce his income further. Do we expect a person earning about ₹15,000 a month to join GST as a regular dealer and file 37 returns online every year?

2 *No composition scheme to service sector*: So, shopkeepers, motor garage owners, transporters, storage and warehouse owners, and everyone else except restaurateurs do not have the low tax option.

The service sector comprises 70 per cent of all MSME units. They are big employment and value creators. The irony is that many of them, whether a shopkeeper or garage owner or laundryman, already face stiff competition from app-based service providers flush with VC funds.

3 *No export-import business*: Even if a firm's annual turnover is less than ₹20 lakh, it must register as a regular dealer to export or import. No registration would lead to loss of business for a lakh small firms that contribute over 40 per cent of India's exports.

4 *No sale on e-commerce websites*: A small firm must register as a regular dealer to sell. This condition will affect more than 50,000 entrepreneurs selling through eBay, Flipkart or Amazon, and other e-commerce websites. They could be housewives, students, small traders, retired army personnel, small craftspersons, or manufacturers.

Low risk and low investment make selling on e-commerce sites safe and attractive.

No wonder e-commerce is propelling an entrepreneurship boom in small cities. The e-commerce provisions have not become operational yet.

5 *No sale to other States*: A composition dealer cannot sell to other States. Earlier, large firms purchased from small firms of the same State to avoid paying Central Sales Tax, which was payable on purchases from other States.

But under GST, large firms are free to source from any State as they get input tax credit on such supplies. So small firms face double trouble. They may lose their existing customer base. Also, they cannot supply to other States.

6 *Loss of orders from large firms*: If one regular GST-registered firm buys from another GST-registered firm, the seller pays the tax and the buyer gets the input tax credit. But, if such firm buys from an unregistered firm or a composition dealer, the buyer has to pay tax. As this increases the buyer's compliance burden, he would avoid a non-registered firm.

Reluctant dealers

An inspector will knock on the doors of a garage owner with sales of ₹2 lakh a month unless he registers as a regular dealer. Others may expect a similar fate. Why then are small firms reluctant to enrol as regular dealers? There are two reasons for this.

For one, tax liability shoots up on registration. Consider an example. Pre-GST, a small firm making a product that attracted central excise duty @12.5 per cent and VAT @ 5 per cent paid only VAT as manufacturers with turnover below ₹1.5 crore were exempt from central excise. Now, if such a firm registers as a regular dealer, his liabilities shoot up from 5 per cent to 18 per cent. For large firms, tax liabilities remain more or less the same.

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For another, there is the high cost of regulatory compliance. A regular GST dealer must file 37 returns for each State in which it operates. He also must keep records, meet audit requirements. The small turnover does not justify high compliance costs. Also, most dealers are not tech savvy. In order to enter the GST regime, they need expert help and a mind-set change.

Way out

Two actions will help small firms. One, an increase in the GST exemption limit from the current ₹20 lakh to ₹1 crore will free them from the tax burden so that they focus on growth and job creation. This step would be broadly tax neutral if we factor the earlier available ₹1.5-crore central excise exemptions.

Two, treat small firms to do all the business large firms are allowed to do. Concessions should extend to exporters, inter-State sales and transactions on e-commerce websites.

The writer is from the Indian Trade Service. The views are personal

Bound hand and foot There's no room for engagement HELDER ALMEIDA/SHUTTERSTOCK.COM

'The economy's not a steam engine'

Principal Economic Advisor Sanjeev Sanyal believes in the power of adapting in an evolving economic ecosystem

RICHA MISHRA|SURABHI

"*Woh toh sirf history baat karta hai, economics bolega kya?,*" or "Isn't his approach to economics totally different?" — These were some common responses when Sanjeev Sanyal was appointed Principal Economic Advisor to the ministry of finance in February.

"Yes, my economics is very different from that of conventional economists as I do not believe in equilibriums. My idea of the economy is of an evolving ecosystem — a complex, adaptive system where there is no predetermined path or perfect end-state. For me, economic management is all about feedback-loops and adaptation," says the author of *The Indian Renaissance: India's Rise After a Thousand Years of Decline*.

Basically throwing a fish in the pond and allowing it to swim? "First make sure it is a fish, and then you throw it in the pond. Then you observe how it swims and react," says Sanyal.

Another perspective

Interesting, but how does his thinking fit into the government's scheme where every step is measured and there is a set method for doing things.

"I am against the socialist nanny state, but I am not a libertarian. I favour a strong but limited state — not a minimal state. The state must have a strong role in areas like internal security, defence, enforcement of contracts, justice, backbone infrastructure and other framework related issues," he points out.

An ideal situation! But, it's not easy for governments to let go power. There seems to be a contradiction between Sanyal's position and how governments usually react to situations.

Sanyal disagrees. "In my writings, I make the case that the Chanakyan state was far superior to the nanny state of Ashoka. Remember, Chanakya created the Mauryan empire and Ashoka caused its collapse... The kind of policies that are now coming relate to framework type things, for example the Goods and Services Tax. GST is not only about creating an internal market, but also a framework which feeds to many other things: extending the tax net, creating big data on how people earn money and how the economy functions," he says.

But, given the federal structure that India has, States play a strong role. So, can the GST concept be applied to agriculture, labour, jobs and above all the weak banking system?

FIRST ENCOUNTER

"The economy is not to be viewed as some sort of a Victorian steam engine — when it slows down, you put in some more coal, and when it speeds up too much, you apply the brakes," says Sanyal adding that "the most common approach to solving an economic problem is to design a good plan and implement it meticulously. This is why one hears *iska plan theek nahin tha*, or *plan achcha tha par implementation nahin chala*", he points out adding that "no one gives a third view".

The way to do it is to get a general framework and then use continuous feedback loops, he says, adding: "There is no perfect system…you use feedback and adapt along the way." This appears to be the way GST has been introduced.

But then, how will this work for the sector he is closely involved with — banking? A weak link in India's current economic framework and unlike GST, where a framework worked, here, the same shoe size may not fit all.

"The approach we have taken is to go directly to resolve the stressed asset as opposed to creating a bad bank. We know the bankruptcy process is untested, but we will watch closely and adapt," he says.

Critics believe that creating three-four big public sector banks may be a solution. Should the Government do it or is privatisation the answer? "Let's not confuse the two. The NPA and consolidation issues are separate, the former is the immediate priority," Sanyal says.

"In many sectors, ideally, the Government does not have to be involved, for example, running airlines. But in banking, it is to be mixed. Agreed there are problems in PSBs, but so is the case in private sector banks. There is no case for zero PSBs. A mix of public and private financial institutions is advisable. It is the same for other sectors like education and health. Similarly, many people argue for only four or five large public sector banks. However, we will end up with too much concentration and a too-big-to-fail problem. We will aim for something in the 10-15 range," he says.

While catching the bull by the horn could be a one way of dealing with challenges in banking sector, this is easier said than done.

Given that the Government would like banks to get out of non-core businesses, would it still make sense for PSBs to seek monetary help from the finance ministry to fill the gaps?

"The banking sector has NPAs. Some part of it is provisioned, some will be recovered, but some of it will be a hole in the balance sheet. The hole will have to be filled to meet norms. As the main owner, the Government will have to top it up in some way, but there are several options," Sanyal says, adding, "The number will be large but not unbearable. We can finance it in many ways including bringing down government stakes to 52 per cent, some money from the Budget, from the RBI, recap bonds… There are all kinds of ways to do it."

"The amount to recapitalise is not a constraint, the constraint is getting the NPA problem resolved because unless we do that there is no point in throwing good money after bad," he points out.

With a framework in place, Sanyal is confident that "once the machine gets running, lending will start. You will see things happening in the next few months".

BELOW THE LINE

The Jio war

The fight between the telecom majors has spilled over to the social media and personal messaging platforms such as WhatsApp. A write-up speculating on the drawbacks of Reliance Jio's ₹1500 phone has emerged and has been circulating online. The write-up is promoted by executives from competing networks and notes that the phone being offered by Mukesh Ambani is watered down and would not have the features required by the internet of today. Talk about corporate rivalry!

Goodbye, tradition

All eyes are on the RBI and the finance ministry: Will they let go the age-old tradition of selecting an RBI deputy governor (the post reserved for a banker) from the public sector banks? Reason: For the first time, representatives of the private sector have been invited for interviews to fill this seat.

There is another interesting dimension. An earlier norm requiring the CMD of banks appearing for interviews to have at least one year's experience as CMD has also been dispensed with. Clearly, new ground has been broken by the Government and the RBI in this interview process.

Time is also running out as Deputy Governor SS Mundra demits office on Monday. The fact that private sector representatives have been invited for interviews is a clear pointer that the Government and the RBI have an open mind on this and are looking to expand their horizons to get the right person, say banking industry observers. Whoever makes it is bound to face a tough time in the hot seat, especially in the current times, is the thinking. A 'yes man' is the need of the hour and, going by the list of those who've made it to the interview stage, this seems like a distinct possibility.

Jobs vs motherhood

The Centre may have brought in the Maternity Benefit (Amendment) Act, but on-ground execution still seems a far cry, going by the number of Twitter complaints being received every day by the women and child development (WCD) ministry's hashtag #HelpMeWCD. Last week, WCD Minister Maneka Gandhi sent an official release acknowledging this and pasting a few Twitter complaints pertaining to harassment by employers during pregnancy and termination of jobs across sectors. She is also taking up some cases with labour commissioners. With unions becoming scarce, the social media seems to be the only outlet available for aggrieved employees — regardless of the outcome, of course.

Family matters

The recent presidential and now vice-presidential elections have seen interesting methods of campaigning. No medium has been left untouched.

Constructive criticism? If Gopalkrishna Gandhi's listening

Check this out! A WhatsApp message doing the rounds is an open letter to vice-presidential candidate, Gopalkrishna Gandhi, which reads : "My dear Gopu mama, At the onset, I want to congratulate you on being a candidate for the post of the Vice-President of India. While one part of me is very happy for you — as this is a step in the direction of you realising your longstanding political ambition, the other part of me — the 'citizen common man', is once again dismayed by your choice of whom you offered your candidature to. One of my great grandfathers and one of my grandfathers, happens to be the same man — Mohandas K Gandhi. We therefore share a common heritage."

And the letter goes on…ending with: "I am sorry Gopu mama, but this decision of yours doesn't build confidence, at least not in me. Rather it is confidence betrayal (as they say in Tamil — *Nampikkai Throgam*)! My affection for you remains undiminished. I wish you good luck in your quest for being VP. With my love and *pranams*, I remain, Yours very truly, Krish (Shrikrishna Kulkarni), Bangalore, July 25th, 2017."

The footnote reads: "P.S. I am putting this letter on social media so that I can share my views with other citizens of this nation." Well, well!

Our Delhi Bureau

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The end of OPEC?

Shale, and now electric cars, are big disruptors

JULIAN LEE

You wait decades for an existential crisis, then two come along at once. At least that's how it must feel for OPEC's beleaguered ministers. In the short term the market for their oil is being eroded by rising production outside their control. Looking further ahead, oil demand itself is under threat from the electrification of road transport. OPEC may not yet be dead, but its days are surely numbered.

The most obvious short-term threat to the group comes from the rapid rise in US shale oil, but the risks have expanded to include other areas like Brazil's prolific sub-salt discoveries and more recent finds further north along the east coast of South America.

An increasing volume of US crude is finding its way to markets in Asia that used to be the preserve of the group's Middle Eastern powerhouses. China was the biggest foreign buyer of US crude in April — the most recent month for which EIA data are available — overtaking Canada for the second time this year. And Indian refiners are finding an appetite for heavier US grades that compete directly with Middle Eastern crudes.

Add to this there's been little letup in US oil production. The American surge began late last year, just as OPEC ministers were edging toward a deal to cut output after a two-year production free-for-all that saw WTI crude fall to little more than $26 a barrel.

This shows little sign of running out of steam — output from the Lower 48 states, which includes offshore activity in the Gulf of Mexico, edged above nine million barrels a day in the third week of July, its highest level for almost two years, according to weekly data from the Energy Information Administration.

The group's short-term worry is that any rise in crude prices above $50 a barrel will simply allow competing shale companies to hedge more of their future production and unleash another surge in output. This makes it almost impossible for them to engineer the price recovery they desire.

Outside the shale patch, big oil is learning to live with lower prices again. Royal Dutch Shell Plc "is getting fit for the $40s," Chief Executive Officer Ben van Beurden said on Thursday's second-quarter earnings call, after the company released results showing that it generated almost as much cash from its operations last quarter with crude around $50 a barrel as it did when it was above $100. These companies may be getting fit, but the budgets of the OPEC countries certainly aren't.

Van Beurden also articulated the second existential threat, when he said in an interview that he could see demand for liquid fuels peaking in the 2030s. A political trend towards growing electrification of transport poses a long-term problem. Nobody in their right mind is suggesting that oil is suddenly going to stop being the world's transport fuel of choice, but its market share will come under increasing pressure. Four countries in Europe have now proposed bans on the sale of gasoline and diesel-fuelled cars by 2040 at the latest.

Between them they account for around a third of all the passenger vehicles in use in Europe.

Rapidly falling battery costs will make electric vehicles as affordable as their gasoline or diesel rivals over the next 10 years, according to Bloomberg New Energy Finance.

Oil lost its place in power generation after the price rises of the 1970s, and has seen its share of the global energy market slowly decline ever since.

The one area where it had seemed virtually unassailable — the transport sector — now looks to be slipping from its grasp, too. BLOOMBERG

BOOK EXTRACT

Flying high on deceit

Kingshuk Nag's book depicts how Vijay Mallya took banks and employees for a ride

"The new loans did nothing to revive Kingfisher and the airline stopped flying in October 2012. In another month's time, lenders like BNP Paribas of France filed a petition in the Karnataka High Court to wind up Kingfisher Airlines and UB (Holdings), the company through which Mallya controlled his other companies. BNP wanted the ₹146 crore that it was owed. The petition was accepted by the high court after a year, in November 2013, and is still Kingfisher Airlines 39 being heard.

Over the years, many other lenders have also become party to the winding-up petition. This includes SBI and aircraft lessors and engine makers such as Rolls-Royce and IAE.

As of March 2016, Kingfisher Airlines owed eighteen Indian and other banks ₹6,939 crore in principal and interest dues. Of this, ₹1,600 crore was owed to SBI and ₹800 crore each to IDBI Bank and Punjab National Bank.

A relook that mattered

In August 2013, perhaps realising that Vijay Mallya and Kingfisher had taken the bank for a ride in offering the brand as collateral, SBI and some other banks decided to take a relook at the brand value. The new valuation — by a new agency — came up with a figure of ₹200 crore (down from ₹4,100 crore in 2010, on the basis of which the banks had given further loans to the airline).

Two years later, in September 2015, the brand value of Kingfisher was down to ₹100 crore. In November 2015, after a Herculean effort that had to be cleared by the Bombay High Court and the Supreme Court, SBI was able to tag Vijay Mallya, Kingfisher Airlines and United Breweries Holdings as 'wilful defaulters'.

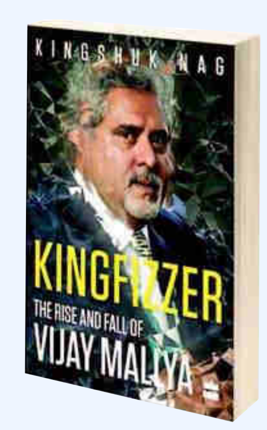
Under RBI norms, a person or company is declared a wilful defaulter if he/it meets one of four conditions: his loans are not repaid when he has the capacity to do so; he has not used the loan for the purpose for which it was borrowed and diverts the money elsewhere; he siphons off the funds and money is not available with him in any asset form; and he sells off the assets given as security against loans without informing the lenders.

SBI had contended before the courts that funds were diverted from Kingfisher Airlines to various UB group companies and other firms. SBI made the claim after a forensic audit of Kingfisher Airlines. Mallya denied all allegations. SBI also said that UB (Holdings) had deliberately avoided paying its lenders.

Three months after the SBI action, Punjab National Bank on February 16, 2016 also declared Mallya, Kingfisher Airlines and UB (Holdings) wilful defaulters.

Chairman and Managing Director of PNB Usha Ananthasubramanian declared: 'When people have the wherewithal to pay, they must pay,' adding that the bank had gone to the DRT and had sought other legal powers before describing Mallya as a wilful defaulter.

The United Bank and UCO Bank had also earlier declared Mallya and Kingfisher Airlines as wilful defaulters. Many government agencies like the CBI and the ED are on the trail of Vijay Mallya, Kingfisher Airlines, some of its executives, and the UB group.



Title: Kingfizzer: |The Mallya Story
Author: Kingshuk Nag
Publisher: Harper Collins India
Price: ₹399

The CBI has already got an FIR registered in the Kingfisher matter and is investigating a case regarding a loan of ₹800 crore it took from IDBI Bank in 2009. Besides investigating the manner in which the loan was given, the CBI is also investigating whether the loan was used for the purpose for which it was granted.

The agency, say newspaper reports, seems to suspect that a substantial chunk of the loan was misused to partly pay off other debts that had accrued to Kingfisher Airlines.

Part of the funds was also transferred overseas under false pretexts and stashed away in foreign havens. The ED is also investigating the money laundering angle. Mallya, before he left India on a diplomatic passport in March 2016, was questioned by the CBI in December 2015.

Some key officials of the UB group, like its long-time Chief Financial Officer Ravi Nedungadi and the CFO of Kingfisher Airlines A Raghunathan are still being investigated by the law Kingfisher Airlines enforcement agencies. The CBI has now decided to extend the ambit of its probe to look into a staggering 6,00,000 transactions made by Kingfisher Airlines. It is going to be a long while before the investigations wind up and the Kingfisher saga is finally over.

The other losers

The collateral damages were many, not least of them the indignities the staff of Kingfisher Airlines had to endure as their company went under. Many were literally left on the roads when the airline closed shop. *The Economic Times* reported on March 10 2016 that the company still owed salary arrears of ₹300 crore to 3,000 employees.

Some of the staffers started to get income tax notices much after the airline had stopped operations. Although the airline had made tax deductions from their salaries, it had not deposited the money with the tax authorities, and the tax sleuths were now demanding the money from the employees.

This was a double whammy for them, as they were not getting their salaries in the first place. The pilots at the company were able to bag jobs in rival airlines, but many of the cabin crew and technicians found it hard to find work. Many of the cabin crew joined the hotel industry and some of them even malls. Newspapers reported cases of technicians who had taken up odd jobs.

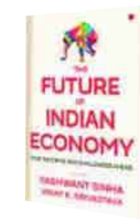
A news story on a Kingfisher technician who was making a living selling garments sewn by his wife was particularly poignant, while in October 2012 the wife of a Kingfisher employee committed suicide in Delhi as her husband had not been paid his salary for six months."

Extracted with permission from Harper Collins India

MEET THE AUTHOR

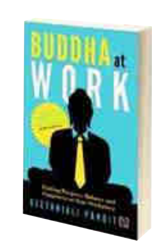
Kingshuk Nag was the *Times of India*'s resident editor in Hyderabad. He is the author of *The Double Life of Ramalinga Raju: The Story of India's Biggest Corporate Fraud* and *Battleground Telangana*, among others.

NEW READS



Title: The Future of Indian Economy: Past Reforms and Challenges Ahead
Edited by: Yashwant Sinha and Vinay K Srivastava
Publisher: Rupa
Price: ₹795
India's economic reforms have completed 25 years and the book debates on the achievements and failures of this policy.

Title: 2020: World of War
Author: Paul Cornish & Kingsley Donaldson
Publisher: Hachette India
Price: ₹699
From cybersecurity to geo-politics, what will the world look like in the year 2020?



Title: Buddha at Work: Finding Balance, Purpose and Happiness at Your Workplace
Author: Geetanjali Pandit
Publisher: Hachette India
Price: ₹399
The book claims to offer insights that will guide you through the challenges of the modern-day workplace.

5 THINGS to WATCH OUT for TODAY

- **India** and Pakistan will hold talks over issues related two of India's hydroelectricity projects under Indus Waters Treaty at the World Bank headquarters in Washington. Water secretary Amarjit Singh will lead the Indian team during the talks. The Indian team will comprise officials from the ministries of external affairs and water resources.

- **A Delhi** court will deliver its order on a plea seeking prosecution of app-based cab service providers, including Ola and Uber, for allegedly violating fare rules. The court had recorded pre-summoning evidence from complainant NGO, Nyayabhoomi.

- **InterGlobe** Aviation board meet may be held today to consider the unaudited financial results of the company for the quarter ended June 30 subject to a limited review by the statutory auditors. The board will consider the means of achieving the minimum public shareholding in the company in accordance with the applicable laws.

- **American** car maker Jeep is will launch the Compass SUV in India today. The 'Made-in-India' car will be the most affordable offering from the manufacturer which also has the Grand Cherokee and Wrangler in its India product portfolio.

- **Security** and Intelligence Services' public issue opens today. The company has fixed a price band of ₹805 to ₹815 per share for its proposal to raise funds through the IPO. The sale of shares will close on August 2. The funds raised would be used for repayment and prepayment of a portion of certain outstanding debt availed by the company.

BY THE WAY

DIPANKAR BHATTACHARYA looks at people and professions

BusinessLine TWENTY YEARS AGO TODAY

JULY 31, 1997

Pennar Refineries to take Nagarjuna as partners

In an interesting development of 'old friends' reuniting to add muscle to the Rs. 2,400-crore Pennar oil refinery project, Pennar Refineries and the Nagarjuna group have agreed to share the burden of implementing the project originally promoted by the Pennar group Chairman, Mr. N. Nrupender Rao. The Pennar Refineries' decision to take the help of the Nagarjuna group with which Mr. Nrupender Rao was associated for about 16 years, is expected to increase the pace of implementation of the project slowed down due to the revised project profile

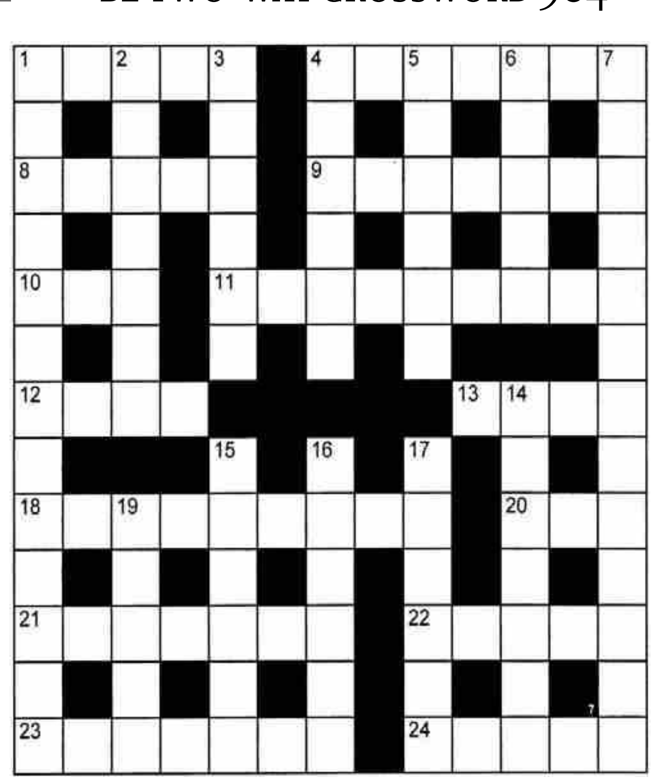
TELCO turnover drops 10%

Tata Electric and Locomotive Co Ltd (TELCO), which became the first Indian corporate to breach the Rs. 10,000-crore mark in turnover last fiscal, has registered a 10 per cent drop in turnover in the first quarter of current fiscal, the Chairman, Mr. Ratan Tata, said at the company AGM here on Wednesday. The turnover for the period is estimated at Rs. 1,880 crores. Exports in first quarter have fallen by 38 per cent to $17.74 millions, Mr. Tata added.

Laloo surrenders, remanded to judicial custody

The former Bihar Chief Minister, Mr. Laloo Prasad Yadav, was remanded to judicial custody till August 6 by a CBI court, after the Rashtriya Janata Dal president surrendered before the court earlier in the day. Rejecting the regular bail petition of Mr. Yadav in a conspiracy angle case of the Rs. 950-crore fodder scam, the designated CBI judge, Mr. S.K. Lai, handed over Mr. Yadav to Senior Superintendent of Police, Patna, Mr. Sunil Kumar. The court directed Mr. Kumar to decide the venue where Mr. Yadav would be kept under judicial remand. During the hearing of the bail petition, the CBI counsel had pressed for the remand.

BL TWO-WAY CROSSWORD 904



EASY

ACROSS
01. Smooths things out (5)
04. Seated (7)
08. Puff up the spirits (5)
09. Girl's name (7)
10. Spinning toy (3)
11. Warning of conflagration (4, 5)
12. One thing listed' (4)
13. Practise boxing (4)
18. In an unspecified place (9)
20. Facial twitching (3)
21. Greek short 'o' (7)
22. Christmas show, in short (5)
23. Young felines (7)
24. Regal (5)

DOWN
01. Jolt one gets from bare wire (8,5)
02. A 'for instance' (7)
03. Reprimand, get rid of (3,3)
04. Safe, fast (6)
05. Jewelled head-pieces (6)
06. The subcontinent (5)
07. Type of educational establishment (7,6)
14. Strength, effectiveness (7)
15. Suddenly deviate from course (6)
16. Ball game (6)
17. Custodian (6)
19. Damp (5)

NOT SO EASY

ACROSS
01. Nevertheless the South makes it smooth (5)
04. Session that's sharp and painful about it (7)
08. Last crane, being behind time, to lift one up (5)
09. She causes a ducal collapse about one (7)
10. It's the principal spinner (3)
11. As a result of which the brigade can go to blazes (4,5)
12. It's a piece of news and it sets me back (4)
13. A bit of wood to fight about (4)
18. May be placed, but in an unstated position (9)
20. Soundly, the second uncontrollable movement (3)
21. Room in Corinthian capital the Greeks wrote round (7)
22. It shortly goes to show it's wintertime (5)
23. Knitters may have no right to be young and catty (7)
24. Produce the eggs, or return to being blue-blooded (5)

DOWN
01. Too much hair producing sparks? (8,5)
02. An instance that used to be plenty (7)
03. Take one to the station to reprimand one? (3,3)
04. Make certain of being tight (6)
05. Headwear shown by Academician I sat for (6)
06. Where one met naiad without a mixture (5)
07. Where one is taught not to split infinitives? (7,6)
14. Copy 'X' with this sort of strength (7)
15. Verse form around the West will go off course (6)
16. A number do wrong to be upset in sport (6)
17. The man behind the wicket may look after the animals (6)
19. One gets in the greatest damp situation (5)

SOLUTION: BL Two-way Crossword 903

ACROSS 1. Wind machine 8. Kudos 9. Deprive 10. Faience 11. Stork 12. Lights 14. Gossip 18. Wages 19. Replica 21. Amphora 23. Pagan 24. Shepherdess
DOWN 1. Wakeful 2. Nodding 3. Mason 4. Cadger 5. Impasto 6. Eli 7. Break 13. Tussore 15. Shingle 16. Plaints 17. Preach 18. Wears 20. Piper 22. Pus