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COVER STORY

AIR-BORNE CRISIS

The United Nations Security Council fails to adopt Resolution 2166 in response to the shoot-down of Malaysia Airlines Flight 17

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EDITOR

PRASHANT TEWARI

ASSOCIATE EDITOR

DR RAHUL MISRA

POLITICAL EDITOR

PRAKHAR MISRA

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CORPORATE COMMUNICATION

SANJAY MENDIRATTA

GRAPHICS & DESIGN

GREY CELLS

ONLINE PRESENTATION

AMIT SONI

PHOTOGRAPHER

RATAN SHUKLA

OVERSEAS MARKETING

OEMCL (MAURITIUS), OEHCL (DUBAI)

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NCR: CAPT. VINAY GOYAL DHRUV JANAK & CO. R -51 BASEMENT, RAMESH PARK, LAXMI NAGAR, DELHI-92
TELE: +919871232631 FAX: 011-22056817

MUMBAI: VIJAY KALANTRI - ADVISOR NEW EXCELSIOR BUILDING, 6TH FLOOR, A.K. NAYAK MARG, FORT, MUMBAI - 400 001 (INDIA).
PHONE: 91 - 22 - 2201 9265 / 2201 9160 FAX : 91-22- 2201 9764 / 2201 9760

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EDITORIAL & CORPORATE OFFICE:

OPINION EXPRESS HOUSE 24 - A CLYDE ROAD, LUCKNOW-226001 (INDIA)
PH: 91-522-4045728/4060880 FAX: 91-522-4060880 24X7 MOBILITY +91 9984437000
Email: info@opinionexpress.in

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UN fails to adopt resolution to punish Malaysian aircraft crisis

The UN Security Council has failed to adopt a resolution that would have established an international tribunal for the purpose of prosecuting persons responsible for crimes connected with the downing of Malaysia Airlines flight MH17 on 17 July 2014 in Donetsk Oblast, Ukraine, following use of the veto by the Russian Federation, a permanent member.



The draft resolution, presented by the Minister for Transport of Malaysia on behalf of the Joint Investigation Team (Australia, Belgium, Malaysia, Netherlands and Ukraine), received 11 affirmative votes, three abstentions (Angola, China and Venezuela) and one negative vote (Russian Federation).

Had it passed, the Council, under Chapter VII of the United Nations Charter, would have adopted the Statute of the International Criminal Tribunal for Malaysia Airlines flight MH17 and demanded that all States and other actors refrain

from acts of violence against civilian aircraft. It would have called on all States and actors in the region to accord full cooperation in the conduct of the international investigation of the incident, as required by resolution 2166 (2014). By other terms, the Council would have requested the Joint Investigation Team to continue to keep the Council fully and regularly informed of progress, and urged the earliest possible finalization of the international technical investigation into the cause of the crash, and the criminal investigation.

The meeting, attended by five Government ministers, as well as representatives of several countries whose nationals had perished on the flight, began with a moment of silence in tribute to the victims.

Abu Mohammed al-Adnani, an Isis spokesman, defined the Islamic state's territory as running from northern Syria to the Iraqi province of Diyala north-east of Baghdad, a vast stretch of land straddling the border that is already largely under Isis control. He also said that with the establishment of the caliphate, the group was changing its name to the Islamic State, dropping the mention of Iraq and the Levant. Through his campaign, Mr Modi had vowed to reboot the economy and deliver efficient governance -he said today "development for all" would be his mission. With its allies, the BJP now has over 300 of the 543 parliamentary seats. The stunning numbers provide incontrovertible evidence of the "Modi wave" that the BJP name-dropped for months. The twin headline to Mr Modi's phenomenal win is the colossal defeat that he has enforced upon the incumbent Congress. Headed by Sonia and Rahul Gandhi, the party has crashed to its worst performance with less than 50 seats after 10 years in power.

The multinational search effort for the aircraft is the largest and most expensive in aviation history. The search began in the Gulf of Thailand and the South China Sea, where the aircraft's signal was last detected on secondary surveillance radar, and was soon extended to the Strait of Malacca and Andaman Sea. Analysis of satellite communications between the aircraft and Inmarsat's satellite communications network concluded that the flight continued until at least 08:19 and flew south into the southern Indian Ocean, although the precise location cannot be determined. Australia took charge of the search on 17 March when the search moved to the southern Indian Ocean. On 24 March, the Malaysian government noted that the final location determined by the satellite communication is far from any possible landing sites, and concluded that "Flight MH370 ended in the southern Indian Ocean."

—Prashant Tewari, Editor-in-Chief

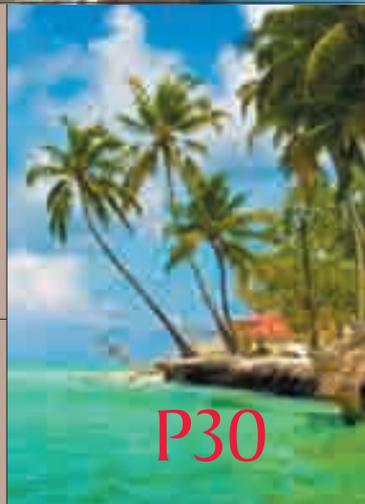
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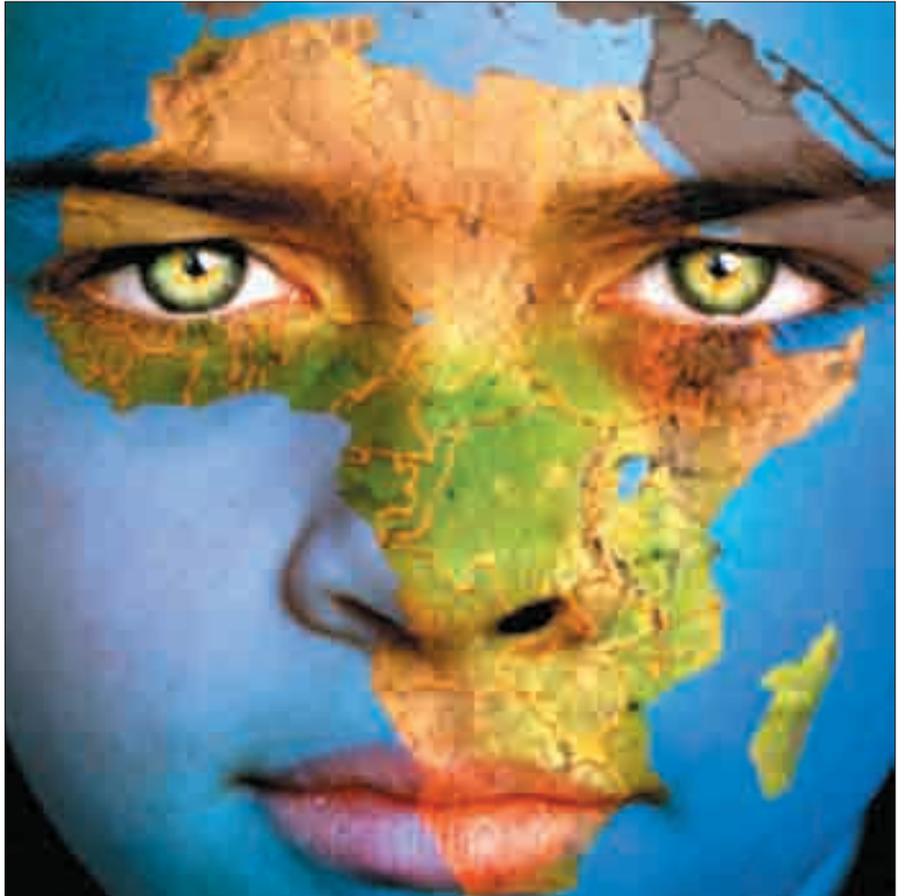
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The recent India-Africa Forum Summit in New Delhi is an effort of putting threads of friendship to both the countries with the plan of action focuses on furthering cooperation in areas like environment, health, education, energy and mining. Other issues also addresses broader areas of cooperation and common views on regional and international issues, including fight against terrorism, climate change and WTO negotiations.

The decision to strengthen relations between India and Africa is not a new phenomenon. We have a common colonial past and in the post-colonial period we have worked together. India did not want to impose any pattern on Africa and it was for Africa to choose its own pattern of development.

However, India would be privileged to be a partner in that process, headed. India's decision to expand unilateral duty free and preferential market access for exports from all the 50 Least Developed Countries, 34 of which are in Africa, and its offer of lines of credit amounting to \$5.4 billion are steps in this direction in making the bond stronger. The enhancement of India's budget, for technical as-



India must track chances in Africa

sistance and training programmes and, greater opportunities for African students to pursue studies in India reflect the priority India attach to human resource development and capacity building. India also offered its assistance in ushering in a Green Revolution in Africa through holistic capacity building in agricultural production, storage and transportation.

India has also begun to develop cooperation with the Regional Economic Communities of Africa and with the African Union (AU). Both India and Africa had agreed had agreed that Africa and India deserved permanent representation on the UNSC and would support each other. Both sides had been broadly working together for UN reforms and were now ready to strive to make the UN more representative and democratic. Towards the end of Nehru's tenure, India's Africa relation dipped to a low. By the mid-1960s India undertook a serious reassessment of its Africa policy and adopted some

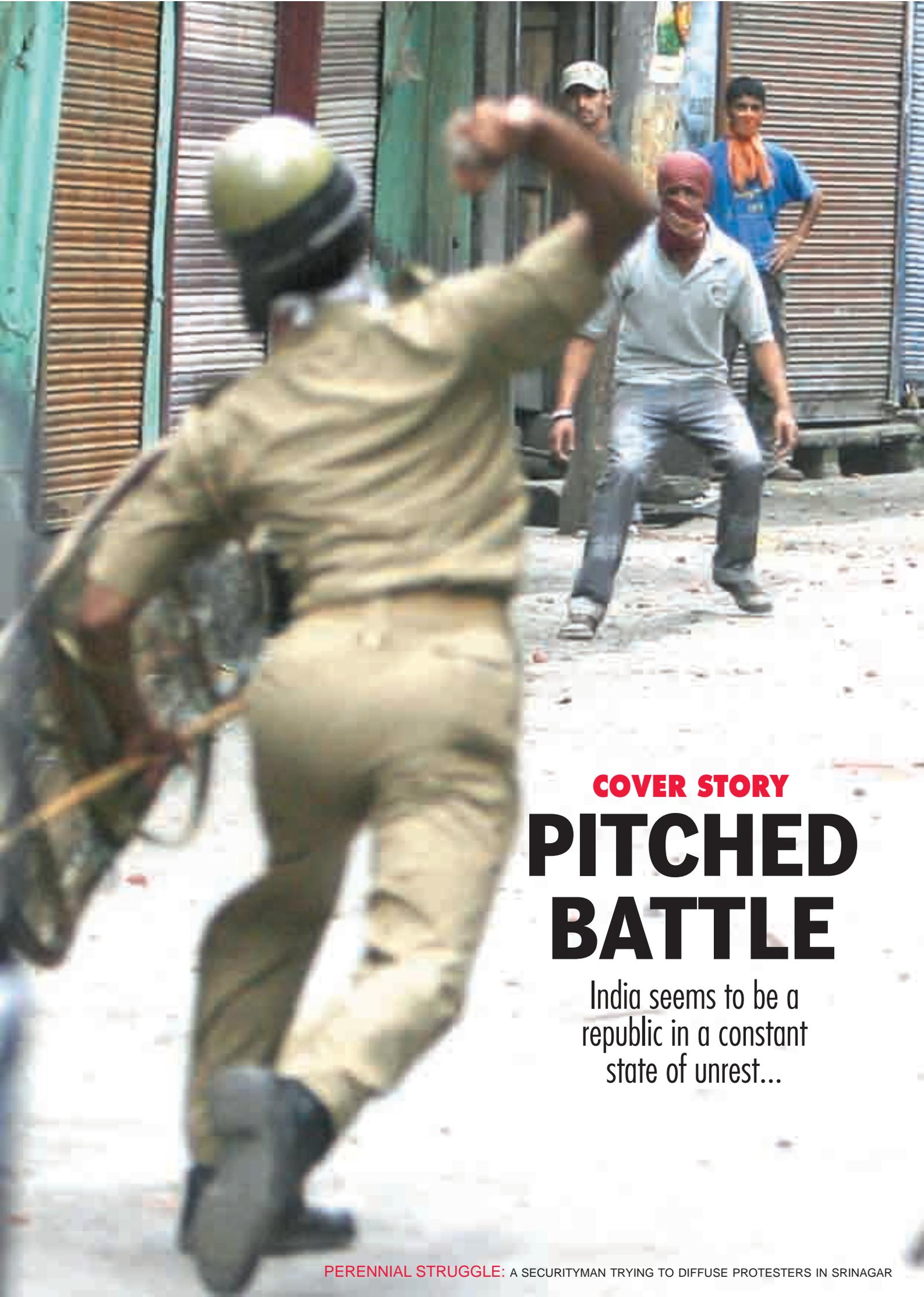
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fresh initiatives. By the 1970s, India's stature had risen in African eyes; the Indo-Soviet Treaty (1971), the 1971 war, the Green Revolution, and the Peaceful Nuclear Explosion (PNE) in 1974 probably contributed towards this change. In the 1970s and 1980s India continued to sup-

port liberation struggles in Africa. It worked closely with the Africans in the fight against South Africa and Namibia; not just at the UN but also at other multilateral for a as NAM, and the Commonwealth.

India had accorded diplomatic status to the African National Congress (ANC) in 1967 and SWAPO. India has been providing military training to officers and JCOs of the African defence forces. Most of the African countries lack military training institutions and, therefore, the officers are often sent abroad either to the military colleges of the former colonial powers or friendly countries in the developing world. Since the 1960s India has provided military training to a number of Africans, primarily from Anglophone Africa. Having gained a head start in Africa, observers stress, India should not allow itself to play second fiddle to China as a vigorously engaging ally of Africa.

— **Rajiv Agnihotri** from Mauritius



COVER STORY

PITCHED BATTLE

India seems to be a
republic in a constant
state of unrest...

UPA MUST MOVE QUICKLY ON NATIONAL SECURITY



GET UP: NOT THE TIME TO BE COMPLACENT

GURMEET KANWAL

The performance of the United Progressive Alliance government in its first five years in power presented a mixed bag of a few spectacular achievements and many dismal failures on the national security front. The successfully concluded Indo-US nuclear deal was a shining example of the government's single-minded resoluteness in furthering national interests in the face of stiff political opposition. The inability to speedily conclude major defence contracts to enhance national security preparedness in the face of growing threats and challenges, exemplifies the UPA's reluctance to grapple with systemic flaws in the procurement procedures and processes. It is a national shame that the budgetary allocations earmarked on the capital account for the modernisation of the armed forces continue to be surrendered year after year with complete lack of accountability.



TAJ UNDER ATTACK: LEAST INDIA CAN AFFORD IS A REPEAT

With explosive flashpoints around India and an unstable internal security environment, the new government has its work cut out. Right on the top of its defence and security agenda should be the formulation of a comprehensive National Security Strategy, including internal security. The NSS should be formulated after carrying out an inter-departmental, inter-agency, multi-disciplinary strategic defence review. Such a review must take into account current and future threats, challenges and vulnerabilities in the context of the emerging regional security environment in India's area of strategic interest.

Prime Minister Manmohan Singh has declared several times that left wing extremism or Maoist terrorism is India's number one internal security threat. Yet, the central and state governments have not been able to launch a coordinated campaign to come to grips with the rapidly deteriorating situation in the Naxalite dominated areas that encompass 35 per cent of India's population.

The weaponry, equipment, training standards and levels of junior leadership of the state and central police forces must be upgraded by an order of magnitude to enable them to face the growing challenges with professional competence and

rising confidence. The Mumbai terror attacks [Images] of November 2008 added a new dimension to the threat of urban terrorism. While many decisions have been taken to enhance intelligence and post-strike investigative capabilities and it has been decided to gradually establish hubs for NSG commandos in various metros to increase responsiveness to terror attacks, the UPA government must work towards bringing about substantive improvement in counter-terrorism capabilities.

Effective defence planning cannot be undertaken in a policy void. The government must commit itself to supporting long-term defence plans or else defence modernisation will continue to lag and the growing military capabilities gap with China's PLA will assume ominous proportions...

Though the probability of conventional conflict has receded, defence preparedness must not be compromised as long as outstanding territorial and boundary disputes with China and Pakistan are not satisfactorily resolved. The armed forces are now in the third year of the 11th Defence Plan (2007-12); yet, it has not yet been approved by the government. The government has not approved the long-term integrated perspective plan (LTIPP 2007-22) either. Defence procurement is being undertaken through ad hoc annual procurement plans, rather than being based on duly prioritised long term plans that are designed to systematically enhance India's combat potential.

These are serious lacunae as effective defence planning cannot be undertaken in a policy void. The government must commit itself to supporting long-term defence plans or else defence modernisation will continue to lag and the growing military capabilities gap with China's People's Liberation Army will assume ominous proportions.

This can be done only by reviving the dormant National Security Council as defence planning is in the domain of the NSC and not the Cabinet Committee on Security, which deals with current and near term threats and challenges and reacts to emergent situations.



CRACK TEAM: NSG COMMANDOS DURING A TRAINING SESSION

Major defence procurement decisions that have been pending for long must be expedited. The army is still without towed and self-propelled 155mm howitzers for the plains and the mountains and needs to urgently acquire modern weapons and equipment for counter-insurgency operations. The navy has been waiting for long for the Vikramaditya (Admiral Gorshkov) aircraft carrier, which is being refurbished in a Russian shipyard at exorbitant cost. The plan of the air force to acquire 226 multi-mission, medium-range combat aircraft in order to maintain its edge over the regional air forces is stuck in the procurement quagmire.

India's nuclear forces require the Agni-

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III missile and nuclear powered submarines with suitable ballistic missiles to acquire genuine deterrent capability. The armed forces do not have a truly integrated C4I2SR (Command, Control, Communications, Computers, Intelligence, Information, Surveillance, and Reconnaissance) system for network-centric warfare, which will allow them to synergise their individual single-service capabilities into a cohesive whole.

All of these high-priority acquisitions will require extensive budgetary support. In case the defence budget continues to languish at less than two per cent of India's GDP – compared with China's 3.5 per cent and Pakistan's 4.5 per cent plus US



THINK TANK: THE PM AND HIS SECURITY ADVISOR

military aid – it will not be possible for the armed forces to undertake any meaningful modernisation. The funds available on the capital account are grossly inadequate to suffice even for the replacement of obsolete weapons systems and equipment that are still in service well beyond their useful life cycles. The central police and para-military forces also need to be modernised as they are facing qualitatively greater threats while being equipped with obsolescent weapons.

The government must also immediately appoint a Chief of Defence Staff or a permanent Chairman of the Chiefs of Staff Committee to provide single-point advice to the CCS on military matters. Any further dithering on this key structural reform in higher defence management on the grounds of the lack of political consensus and the inability of the armed forces to agree on the issue will be extremely detrimental to India's interests in the light of the dangerous developments in India's

neighbourhood.

The logical next step would be to constitute tri-service integrated theatre commands to synergise the capabilities of individual services. International experience shows that such reform has to be imposed from the top down and can never work if the government keeps waiting for it to come about from the bottom up.

The softer issues that do not impinge immediately on planning and preparation for meeting national security challenges must never be ignored as these can have adverse implications in the long term. The numerous anomalies created by the implementation of the Sixth Pay Commission report must be speedily resolved so that the morale of the armed forces is not undermined and they are able to attract and retain the right talent. In fact, the ham-handed handling of this issue has led to a dangerous 'them versus us' civil-military divide. This does not augur well for the country and the prime minister must take

it as a personal challenge to bridge this gap quickly. The ex-servicemen too have had a raw deal and have been holding fasts for justice on their most legitimate demand of 'one rank-one pension'. Many of them have taken the extreme step of returning their medals to the President. One rank-one pension is an idea whose time has come and it must be implemented without further delay and without appointing any more committees of bureaucrats to look into the issue.

While a department of ex-servicemen's welfare has been created in the ministry of defence in keeping with the UPA's Common Minimum Programme, there isn't a single ex-serviceman in it! Such measures do not generate confidence in the civilian leadership among serving soldiers and retired veterans. Finally, unbelievably, India is still without a National War Memorial!

(Writer is Director, Centre for Land Warfare Studies, New Delhi)



TOUGH TASK: SECURITY PERSONNEL DURING A COMBING OPERATION AFTER LALGARH SIEGE

‘It’s high time to destroy the Naxalites’

Brigadier Basant Kumar Ponwar, the army's counter-Naxalite expert and director of Counter Terrorism and Jungle Warfare College, tells **R KRISHNA DAS** that this is the right time to destroy the rebels militarily and dismantle their network...

Q: The Union government has imposed a ban on Naxalites. How effective will this be in tackling the problem?

A: Very effective. Now, there will be one rule across the country that will help the states reeling under the problem to coordinate better. Now, Naxalites have been bracketed with terrorist groups, including Lashkar-e-Tayiba. This will help the army (if required) to take action against Naxalites.

Q: Chhattisgarh and a few other states had earlier banned Naxalites and their frontal organisations. But this did not yield results.

A: In Chhattisgarh, the Special Public Security Act helped authorities take action against the rebels' sympathisers. The Naxalite movement cannot be seen only as an armed movement. A number of intellectuals, including experts from different fields, are associated with them. They may not be di-



SCARY REMAINS: A HUGE CRATOR LEFT AFTER LANDMINE BLAST BY NAXALS IN BIJAPUR



MARTYRED: SLAIN RAJNANDGAON SP VINOD CHAUBEY

rectly involved in operations but they help Naxalites one way or the other. Chhattisgarh was fighting alone as Naxalites used to slip into other states after committing crimes.

Q: You have been insisting that the government should not fall for the Naxalites' offer of peace talks.

A: Yes. The offer of peace talks by Naxalites is a gimmick. They come out with such a formula when they are cordoned off or face pressure by security personnel.

By offering peace talks, the rebels buy time to re-group and get away to neighbouring states. They applied the formula in West Bengal to help their leaders cross from Lalgarh to Jharkhand once security operations slowed.

Q: What actually went wrong in Lalgarh?

A: The Lalgarh episode is part of the Naxalite ideology as they want to create 'liberated' zones. Today it is Lalgarh and tomorrow it will be 'Ramgarh' if lapses on the part of the authorities continue. Naxalites are now targeting Koraput to create another 'Lalgarh'.

Q: Do you mean more 'Lalgarhs' are in the offing?

A: Absolutely. More Lalgarhs are in the offing if we don't establish authority in remote and interior areas where Naxalites have established themselves. The rebels have been warning of creating more and more 'liberated' zones. We need to address the issue with strategy and seriousness.



DIFFERENT VIEW: TRINAMOOL CONGRESS PROTEST AGAINST GOVERNMENT ACTION IN LALGARH

Q: Was the Lalgarh episode a failure of security personnel?

A: Had police and security personnel patrolled the area regularly, Naxalites could not have established their base in the village. Even in the operation to flush out Naxalites, no strategy was fashioned.

Security personnel could have laid siege to a 20-sq-km area to eliminate the Naxalites holed up there by launching attacks from inner and outer cordons. For this operation, only four-five companies of security personnel were required. Co-ordination by seniors was also required in the operation as the left hand was not aware what the right hand was doing.

There was also fear among police personnel. There was not a single landmine blast in the Lalgarh area but security personnel cited the excuse that the area had been dotted with landmines to avoid entering the region.

Q: How serious is the Naxalite problem in the country?

A: The Prime Minister had termed the Naxalite problem the biggest internal security threat. I support the statement. In 2004, 55 districts were Naxal-infested. This has now increased to 231.

Q: Will recent developments in Nepal have any impact on the Naxal movement in India?

A: It is ideology that links Naxalites of Nepal and India. Occasionally, when there is ceasefire in one region, arms are supplied to the other war zone. But Naxalites are very weak. Their entire operation is underground. A response mechanism should be put in place with 'grid deployment' and 'constant dynamic deployment' of security forces.

Q: Should security forces now go on the offensive against Naxalites?

A: It is high time to destroy the Naxalites' arms and completely dismantle their terror network. Security personnel should fan out across the rebels' dens

and deliver the knockout punch. The government should pump in more

forces skilled in guerrilla warfare and neutralise them forever. For this, they require better weapons and the best possible leadership.

Q: In West Bengal, villagers are standing by Naxalites, while in Chhattisgarh, they have raised arms against them. How do you see this?

A: The people's movement against Naxalites in Chhattisgarh - the Salwa Judum - stands as an example in the country.

Other Naxal-infested states should follow it as Naxalites came under heavy pressure after the Salwa Judum started. The centre of gravity in any warfare is support of local population. In West Bengal, the population was with Naxalites. In Chhattisgarh, the rebels stand exposed before the people, who are now up in arms against them.

(Source: Business Standard)



DRAGON DREAD

Indian government is working on specific threat perception from China, yes on records. India government is wary of Chinese designs to establish strategic link-up with Pakistan in parts of Jammu and Kashmir under occupation by both the countries, saying this could have direct military implications.

The Defence Ministry's Annual Report for 2008-09 tabled in Rajya Sabha recently noted with concern the possibility of China "enhancing connectivity with Pakistan through the territory in Jammu and Kashmir, illegally occupied" by both these nations.

While China seized 38,000 sq km in Jammu and Kashmir during the 1962 war with India, Pakistan unilaterally ceded another 5,120 sq km territory it had occupied in 1947-48 to China under a pact in 1963.

However, the Annual Report has failed to mention Chinese military posturing along the Line of Actual Control (LAC) in Arunachal Pradesh, of which Beijing claims about 90,000 sq km territory as its own, and has positioned 30 military divisions that indulged in frequent incursions across the LAC. The report also expressed concern over the military assistance China was extending to

India must take serious note of its security needs.

An investigation



Pakistan and other countries in the neighbourhood.

Seeking "greater transparency and openness" in China's defence policy and posture in the backdrop of its fast growing military prowess, India also said it will "engage China, while taking all necessary measures to protect its national security, territorial integrity and sovereignty."

Noting that Chinese defence expenditure (that stood at seven per cent of its GDP) had grown by double digits over the last two decades, the report referred to China's 2008 White Paper on Defence that outlined its policy on developing strategic missiles, space-based assets and blue-water naval capabilities.

"China's stated objectives, in their White Paper, of developing strategic missile and space-based assets and of rapidly enhancing its blue-water navy to conduct operations in distant waters, as well as the systematic upgrading of infrastruc-

ture, reconnaissance and surveillance, quick response and operational capabilities in the border areas, will have an ef-

fect on the overall military environment in the neighbourhood of India," the report said.

Noting that Chinese defence expenditure (that stood at seven per cent of its GDP) had grown by double digits over the last two decades, the report referred to China's 2008 White Paper on Defence that outlined its policy on developing strategic missiles, space-based assets and blue-water naval capabilities.

Stating that China's armed forces' modernisation need to be "monitored carefully" for implications on India's defence and security, the Defence Ministry, however, struck a conciliatory note, saying it enjoyed a strategic and cooperative partnership with China, which had further progressed during high-level visits in 2008-09.

It observed with satisfaction Beijing's stated policy in its White Paper "never to seek hegemony or engage in military expansion in the future, no matter how developed it became."

The report said the two neighbours were engaged in negotiations on the 4,500-km boundary dispute and have agreed to maintain peace through mutually agreed confidence building measures, pending final settlement.



EXPERT'S VIEW

China may attack India

A leading defence expert has projected that China will attack India by 2012 to divert the attention of its own people from "unprecedented" internal dissent, growing unemployment and financial problems that are threatening the hold of Communists in that country.

"China will launch an attack on India before 2012. There are multiple reasons for a desperate Beijing to teach India the final lesson, thereby ensuring Chinese su-

premacy in Asia in this century," Bharat Verma, editor of the Indian Defence Review, has said.

Verma said the recession has "shut the Chinese exports shop", creating an "unprecedented internal social unrest" which in turn, was severely threatening the grip of the Communists over the society.

Among other reasons for this assessment were rising unemployment, flight of capital worth billions of dollars, depletion of its foreign exchange reserves and grow-

ing internal dissent, Verma said in an editorial in the forthcoming issue of the premier defence journal.

Fresh unrest has broken out in China's restive northwestern region of Xinjiang, where over 156 people have died in the worst communal flare up in decades leading to the arrest of over 1,400 people, including 55 women, in a massive crackdown. In addition to this, "The growing irrelevance of Pakistan, their right hand that operates against India on their be-



ON VIGIL: THERE IS NO ROOM FOR SLIGHTEST OF LAXITY

behest, is increasing the Chinese nervousness," he said, adding that US President Barak Obama's Af-Pak policy was primarily Pak-Af policy that has "intelligently set the thief to catch the thief".

Verma said Beijing was "already rattled, with its proxy Pakistan now literally embroiled in a civil war, losing its sheen against India."

"Above all, it is worried over the growing alliance of India with the US and the West, because the alliance has the potential to create a technologically superior counterpoise.

"All these three concerns of Chinese Communists are best addressed by waging a war against pacifist India to achieve multiple strategic objectives," he said.

While China "covertly allowed" North Korea to test underground nuclear explosion and carry out missile trials, it was also "increasing its naval presence in South China Sea to coerce into submission those opposing its claim on the Spratly Islands," the defence expert said.

He said it would be "unwise" at this point of time for a recession-hit China to move against the Western interests, including Japan. "Therefore, the most attractive option is to attack a soft target like India and forcibly occupy its territory

In view of the "imminent threat" posed by China, "the quickest way to swing out of pacifism to a state of assertion is by injecting military thinking in the civil administration to build the sinews. That will enormously increase the deliverables on ground -- from Lalgarh to Tawang," he says...

in the Northeast," Verma said.

But India is "least prepared" on ground to face the Chinese threat, he says and asks a series of questions on how will India respond to repulse the Chinese game plan or whether Indian leadership would be able to "take the heat of war".

"Is Indian military equipped to face the two-front wars by Beijing and Islamabad? Is the Indian civil administration geared to meet the internal security challenges that the external actors will sponsor simultaneously through their doctrine of unrestricted warfare?

"The answers are an unequivocal 'no'. Pacifist India is not ready by a long shot either on the internal or the external front," the defence journal editor says.

In view of the "imminent threat" posed by China, "the quickest way to swing out of pacifism to a state of assertion is by injecting military thinking in the civil administration to build the sinews. That will enormously increase the deliverables on ground -- from Lalgarh to Tawang," he says.

Bharat Verma



BHAI-BHAI!? INDIAN PM MANMOHAN SINGH WITH CHINESE PREMIER WEN JIABAO

Learn lesson from history: Policy-makers listening?

New Delhi's portrayal of the humiliating defeat at the hands of Chinese in 1962 as 'betrayal' and 'surprise' is untrue. The pacifist Indian leadership that was crying hoarse from rooftops for friendship at any cost remained blind to Communist China's repeated claims on Tibet and large part of Indian territories. Mao termed Tibet as the palm of a hand with its five fingers as Ladakh, Sikkim, Nepal, Bhutan, and North East Frontier Agency. He claimed that these were Chinese territories that needed to be 'liberated'. Tibet was 'liberated' by force while New Delhi slept.

The historical characteristics of the Chinese and the statements issued by the Communists from time to time clearly ex-

In view of the "imminent threat" posed by China, "the quickest way to swing out of pacifism to a state of assertion is by injecting military thinking in the civil administration to build the sinews. That will enormously increase the deliverables on ground -- from Lalgarh to Tawang," he says...

posed their expansionist ambitions in Asia that spelt out a direct threat to India's well being. Despite such overt indications, if we could not prepare ourselves to meet those challenges, the fault lies with us. Instead of pretending to be surprised or betrayed, it is time we face the truth for the fiasco in 1962 and prepare our military for the serious threat posed by the Chinese.

To Mao and the Chinese what singularly mattered was achieving the final goal. The means whether fair or foul to win were irrelevant. If New Delhi had deciphered what Mao was advocating in 1946 and studied the historical Chinese characteristics, alarm bells should have clearly rung in the South Block.

Mao repeatedly said from 1950 onwards that Taiwan, Tibet, and Hainan Islands were Chinese territories and they will be re-possessed. The predominant



LAST POINT: THE NATHULA POINT ON INDIA-CHINA BORDER

trait in this claim is the Chinese attraction for acquiring new territories. On the take over of China by the Communists, maps depicting large parts of Korea, Indo-China, Mongolia, Burma, Malaysia, Eastern Turkestan, India, Tibet, Nepal, Sikkim, and Bhutan as Chinese territories were produced. Despite such demands, New Delhi always overlooked the basic fact that Communists inherited both, the traditional Chinese expansionism as well as imperialism.

Tibet and China that were part of Mongolian Empire at one point in history now became part of the Chinese Empire under Mao, in reverse order. Strangely, from this it follows that since Tawang or Sikkim which have been closely related to Tibet in the past, needed to be 'liberated' and made part of the new Chinese empire. If the leadership of independent India had bothered to study and understand the British mantle that was inherited, Chinese aims would become crystal clear – Mao the great strategist, always announced his goals publicly and never

wavered.

Further Mao often quoted a famous Chinese saying, "If the east wind does not prevail over the west wind, then east wind will prevail over the east wind." This clearly indicates another trait of the Han

Tibet and China that were part of Mongolian Empire at one point in history now became part of the Chinese Empire under Mao, in reverse order. Strangely, from this it follows that since Tawang or Sikkim which have been closely related to Tibet in the past, needed to be 'liberated' and made part of the new Chinese empire.

Chinese of their obsession to dominate other nations in their vicinity. If Nepal in history paid tribute ever as a vassal state to the Chinese Emperor, than whenever the regime in Beijing [Images] was powerful, it would ensure Nepal accepts its orbit of influence. With Maoists taking over Nepal, the designs of the Communists in China have succeeded and pacifists in New Delhi stand compromised on our geopolitical interests.

While Indians were bending backwards to force their friendship in the last 58 years, China was busy consolidating its hold on Tibet and other occupied territories. It extended its influence in Asia through economic and military power, unprecedented development of logistic infrastructure and demographic invasion. By 1987 it poured in 75 million Han Chinese into Manchuria, 7 million in Eastern Turkestan (Xinjiang), 8.5 million into Inner Mongolia, and 7.5 million into Tibet. Similarly it bolstered itself against India militarily by building roads up to the borders in Tibet and connecting its



Sinkiang province by cutting a road through Indian Territory Aksai Chin. Yet we were not alarmed as a nation and continue to swim in the euphoria of five principals of Indo-Chinese friendship termed Panchsheel!

Historically Indian and Chinese influences in Asia have coexisted. However, possibly for the first time in history, India and China were rising almost simultaneously. This produced two contenders for the leadership of Asia. On the chessboard, while Nehru took the initiative to lead Asia – without developing military sinews and powerful international alliances – through The Asian Relations Conference in 1947 and a second Conference on Indonesia in 1949, a year later, Mao's army executed the liberation of Tibet in one masterstroke.

Mao, thus demonstrated to the world that China was the actual leader of Asia and India merely a paper tiger, good for holding conferences but incapable of defending a small country in its vicinity. He also understood strategic importance of Tibet, which provided the base in the Himalayas, from where a large part of

Asia could be engulfed in its sphere of influence.

Despite the invasion of Tibet, New Delhi did not understand the significance of the Chinese Communists growing up as a military organisation, unlike other movements. Their core competency lay in the Peoples Liberation Army and military virtues were promoted throughout the cadres. If China today dares to claim Arunachal Pradesh and piece of Sikkim, it is primarily based on its military prowess. On the other hand, the fine Indian military machine built by the British continues to be degraded and demoralised by the Indian civil leadership? it's like axing the branch one sits on.

Traditionally Chinese leadership leans on teachings of Master Sun Tzu. Mao in particular was highly influenced by Sun Tzu, who said, "To fight and conquer in all your battles is not supreme excellence; supreme excellence consists in breaking the enemy's resistance without fighting."

Therefore, a willing proxy was found in Pakistan. For the first time in history, nuclear weapons and missile technology were transferred to countervail and fur-

ther boost its hatred against India. Of course, we all know how preoccupied Pakistan has kept our national security managers and resources, while Chinese developed a free run in Asia.

Similarly Maoists in Nepal supported clandestinely by the Chinese are in cahoots with the Indian Maoists who now control 40 percent of India's territory. If you think that's not smart enough for warriors of Sun Tzu, than take a look at the borders from north to east –Nepal, Pakistan, Bangladesh, Myanmar are under the spell of Beijing, shrinking India's influence in its vicinity without recourse to war. It's a matter of time before the Chinese upstage Bhutan and Sri Lanka

Despite the invasion of Tibet, New Delhi did not understand the significance of the Chinese Communists growing up as a military organisation, unlike other movements. Their core competency lay in the Peoples Liberation Army and military virtues were promoted throughout the cadres.

due to our inaptitude.

China, over a period of time, has cleverly managed to deploy two authoritarian streams of threats against India to break its will and the territorial integrity. Foremost is the Communist threat that originates from Beijing and the second is the Islamic fundamentalist threat from its proxies. Besides other threats like Nepal Maoists or getting the Indo-US Nuclear deal blocked by their comrades in India.

Today for China to threaten Arunachal Pradesh and demand a slice of Sikkim after assured of its vice-like grip on India, is a natural progression even as New Delhi continues its slumber.

In 1999 the Dalai Lama in hindsight admitted, "When Tibet was free, we took our freedom for granted? In former times Tibetans were a war-like nation whose influence spread far and wide. With the advent of Buddhism our military prowess declined?" The Dalai Lama could easily have said the same for India.

Pacifist philosophies may be good for the individual's soul but are definitely bad for nation's security.

(The writer is editor, Indian Defence Review)



WATER FRONT: INDIAN COAST GUARDS PATROLLING THE BANGLADESH BORDER

Even sea route is unsafe now: What should be India response?

Srikanth Kondapalli

Google Earth's pictures of a new strategic submarine base in Hainan Province of China alerted several countries, including India, on the upcoming security challenges in 21st century.

The pictures and news about the Type 094 'Jin' submarine are not new, however. From at least late 1990s and more concretely from 2004, these developments have been reported widely, including the three tests of 8,000 km range, solid-propellant and MIRV-ed Julang 2 submarine launched ballistic missile and the building of infrastructure at Sanya.

Also, it was widely reported that the all-

powerful military body, the Central Military Commission decided in 1999 that the nuclear-powered ballistic missile submarine patrols be made a matter of routine in the early 21st century. However, as the only other SSBN, the Xia-class, is reportedly docked frequently at homeports, and as the Jin SSBN development prolonged due to cost and time overruns, in addition to technological challenges, this patrolling could not be enforced so far.

At a cursory look, the development of a new strategic submarine by China appear to be of marginal impact on India as Sanya base is far away from Indian shores and as such ground-based missiles in China could be deployed in the event of skirmishes between the two rising countries in Asia. Besides, the avowed

aim in developing the new Jin SSBN is not to target India but the United States, in the Chinese quest to become a great power in the world.

However, as the Cabinet Committee on Security is seized with the matter and is to hold a session, counter-measures are expected to be unveiled in the near future. Primary considerations appear to be four, viz., deployment of the new SSBN in a futuristic scenario of South Asian nuclear conflict; positioning of the SSBN in Indian Ocean with the intent of controlling the Straits of Malacca's; Chinese inroads into the Indian Ocean through the "string of pearls" concept; and SLBM deployment in anti-satellite missions.

To counter these challenges, current Indian options point towards matching



China with a similar indigenous platform, leasing such vessels from Russia [Images] (as India did in the 1980s and 1990s), or collaborating with the United States on such projects. A fourth option of concluding a nuclear de-targeting agreement with China is currently unavailable due to the intransigent attitude of the Chinese government, which signed such an agreement with Russia during the visit of then President Boris Yeltsin in 1994, while preferring to sign a 'non-targeting' nuclear agreement with President Bill Clinton [Images] in 1998. This indicates to the upcoming arms race between China, India (to be followed by Pakistan).

The significance of the Jin SSBN is in its ability to provide credible second strike capability for China, which the previous version, the Xia-class of SSBN was only able to provide notionally at best. It is believed that in the India-China match-up, while India enjoys conventional superiority, China has an overwhelming strategic superiority over India.

With an estimated 50 intercontinental ballistic missiles, and thousands of other series of missiles, China clearly has an edge over India, while the latter needs ages to bridge the gap. The test of Agni-III could provide some succour but only marginally. A few years ago the ministry of defence, in its annual reports, estimated that several (possibly 50-60) Indian cities are targeted from Greater Tibet [Images] areas in China. The Jin SSBN provides China with another route to counter India – through the Indian Ocean.

The Chinese submarine activity, however, is not new. While the Ming Dynasty expeditions through the Indian Ocean in the 15th Century to African shores was a surface vessel activity, accounts in the official history of the Indian Navy mention

The Chinese submarine activity in the Sea of Japan was stepped up as 'research' activities till the flare up between China and Japan when the Chinese Han-class nuclear submarine, which intruded into Japanese controlled areas in late 2004.

about the Soviet-supplied Romeo-class submarines surfacing in the Bay of Bengal during the 1962 skirmishes between the two countries.

However, in those times, war was not multidimensional but confined to the ground forces. 21st Century warfare trends increasingly exhibit full-spectrum and multi-dimensional engagements (on land, sea, air, space, electromagnetic spectrums). Jin SSBN entry in the Chinese inventory could provide China with several options. China's conventional submarines reportedly visited Bay of Bengal for testing marine temperature parameters useful for combat times.

As such the submarine activity of China was enhanced in the last decade with significant achievements. Despite the crash of the Ming-class submarine No. 361 at Neichangshan in 2003 killing 70 sailors, China's submarine build-up is the largest in Asia today. Currently China has more than 50 submarines – a majority of them

Romeo-class (under decommissioning process), Ming, Song, 4 Han-class nuclear attack and one Xia-class SSBN. In addition, China acquired Kilo-class submarines from Russia – with an estimate of about 18 in all joining the Chinese inventory by the next decade. Yuan class submarines are expected to be operationalised by the Chinese Navy in the near future.

More importantly, China builds on its own at least one submarine a year in several of its shipyards at Shanghai, Wuhan, Huludao and other places. These indigenous efforts contribute to China's strategic autonomy. China, however, is also in the process of upgrading the equipment and systems of these vessels through imports from Russia, Israel, France [Images], Italy [Images], US and other countries. Qualitatively, areas of improvements in submarine technology and functioning included enhancing endurance levels, firepower, production of specialized steel following reports of leakages, welding technologies, propulsion system, sonars, fire-control and acoustic suppression. The anti-submarine warfare capability of China was also enhanced with French support through Super Frelon helicopters and its variants and Ka-series of helicopters from Russia.

Certain recent submarine activities of China indicate its forays into the high seas. However, the initial efforts were largely dubbed as a part of the "learning curve". In October 1994, for instance, when the USS Kittyhawk's S-3 antisubmarine aircraft tracked China's Han-class SSN through sonobuoys in the Yellow Sea, and despite scrambling of two Chinese J-6 aircraft from the Qingdao naval bases, the Chinese Navy finally backed out. Later, in a decade's time, the Chinese navy inflicted a "sweet revenge" on the US when the Song-class submarine followed, without detection, the USS Kittyhawk in October 2006.

The Chinese submarine activity in the Sea of Japan was stepped up as 'research' activities till the flare up between China and Japan when the Chinese Han-class nuclear submarine, which intruded into Japanese controlled areas in late 2004. The intention appeared to master submarine routes into the Pacific. The Chinese government reportedly apologised to the Japanese government for the first time in its history after Empress Dowager Cixi in late 19th century. These are pointers towards India as well in near future.

(The writer is author of China's Naval Power, 2001. He is Chairman of Centre for East Asian Studies, Jawaharlal Nehru University)

India yearns for more



SAGA OF US-INDIAN TIES REMAINS SEAMLESS

M K Bhadrakumar

American Secretary of State Hillary Clinton's visit was the Obama administration's first high-level political consultation with India since assuming office in January. Clinton had no pressing engagements in Mumbai, but took her time to reach Delhi on Sunday. She may have underscored that the Obama administration looks forward to a broad-based relationship with India that goes beyond the highly militarised "strategic partnership" that the George W Bush administration sought and Delhi got used to.

Obama seeks a "greening" of the US-

India partnership whereas Indian strategists schooled in the eight-year cherished belief that the future of the US-India partnership lies in the two countries striding "shoulder to shoulder" in terms of a shared "vision".

From the Indian end, the "vision" meant that the US recognised India's primacy as the number one military power in the Indian Ocean region and built it up as an Asian counterweight to China. The "vision" had a dream run during the Bush era. India held something like 50 military exercises with the US during the past five-year period.

But Obama's priorities lie elsewhere. The America he inherited has different pri-

orities. The world, too, has changed following the global downturn and things are not the same. To be sure, Clinton is on a formidable diplomatic mission as the harbinger of startling tidings to Delhi. Her repertoire lacked rhetoric.

Her irrepresible predecessor, Condoleeza Rice, would have seized the moment with her school-girlish enthusiasm and brilliant smile to insist that her messianic mission aimed at making India a world-class power. Indians anxiously scoured the weekend papers and sorely missed Rice's rhetoric.

Of course, Clinton was not lacking in charm or enthusiasm as she walked around rain-swept Mumbai observing the



POWER LADIES HILLARY CLINTON WITH SONIA GANDHI



HAIL HILLARY!: HILLARY CLINTON AT A FUNCTION DURING HER INDIA TRIP

wonderful work done by social activists who championed the emancipation of downtrodden Indian women, or as she held the hands of movie stars who double up as educationists, and as she laughed and talked with the captains of Indian industry who make India's economic growth happen. In a manner of speaking, it is symbolic Clinton chose Mumbai for her first halt? a city that insolently mocks at Delhi for its pretentious airs.

The US-India relationship is a bit like a marriage where one partner simply needs some space. For the US, the centrality of Pakistan in its regional policies in Central Asia and the Persian Gulf in the coming period is a compelling reality. Therefore, Clinton chose to give an interview to the Pakistani media (even ahead of any Indian media interaction) so that Islamabad did not need to fear the outcome of her India visit.

Clinton said: 'Well, I think if you go back and look at the history between the United States and Pakistan, we were not always as sensitive or understanding of the needs of the Pakistani people. We were not always constant in our support and our friendship for Pakistan? So it's been, I would argue, a relationship that hasn't been as constant and as effective as we would want it to be? I mean, we are just human beings; we know that. But we want to be as honest in admitting them as possible, learning from them, and then trying to move forward? Our goal is to be there as a constant friend and a country that Pakistan can rely on to build up more

trust and understanding between us, and to be of assistance when asked by Pakistan'.

Yet, she was proceeding to India first. The Indians are intrigued. They were hoping to present Clinton with a list of convincing reasons why the US and India should collaborate as partners in pres-

Furthermore, as the great game accelerates in Central Asia and if the situation around Iran assumes critical proportions, Pakistan becomes a key partner. Pakistan's brusque integration into the North Atlantic Treaty Organisation is self-evident.

sureing Pakistan to amend its record of breeding international terrorism and proliferating nuclear technology. But Clinton made it clear that Washington is pretty pleased with Pakistan's performance in the war on terror and that Pakistani nuclear inventory was securely fastened, no matter Islamabad's past behavior – and that's all that mattered today.

Indians will be wrong to take this amiss. The heart of the matter is that the US cannot allow any third party interrupting the crucially important business of its close collaboration with Islamabad to stabilise Afghanistan through a dialogue with the Taliban. As the spokesman of the Pakistani military told the CNN in an interview recently, it is the Pakistani intelligence that can bring hardcore Taliban leaders like Mullah Omar and Jalaluddin Haqqani to the negotiating table with the US.

Furthermore, as the great game accelerates in Central Asia and if the situation around Iran assumes critical proportions, Pakistan becomes a key partner. Pakistan's brusque integration into the North Atlantic Treaty Organisation is self-evident. Indians, unfortunately, missed the plot. Up until last year, strategists in Delhi even fancied notions of an Indian military deployment in Afghanistan.

The Indians' deeply entrenched suspicion about Chinese intentions corrode their judgment and prevent them from connecting the dots that separate the Hindu Kush and the Pamirs and the Silk Road. They fail to comprehend the Great Game. Over the weekend, a prominent Indian commentator showed incredible naivety to argue New Delhi should use its influence with the northern Afghan tribes – Tajiks, Uzbeks, Hazaras – to quell Uighur ethnic tension in Xinjiang.

What perturbs Indian strategists is how Pakistan might take advantage of the US. Kashmir is the spectre that haunts Indian


THE K FACTOR: HILLARY HAD NO GOOD NEWS FOR INDIA ON KASHMIR FRONT

strategists. Clinton came dangerously close when the Pakistani interviewer probed her. 'I think that the disputes between India and Pakistan, which are historical and long-standing, should be looked at with fresh eyes? The United States stands ready to support the steps? But it's not just the government, but the people? Well, Kashmir certainly should be on the agenda of discussion between India and Pakistan'.

On the balance, however, India's testiness as it awaited Clinton was of its own making. Its regional policy touches a low point today and its regional influence in Central Asia is almost negligible. The top items on Clinton's agenda are to secure an investment protection agreement and an end-use monitoring deal with Delhi that met the US legislation making sure sales of military equipment are used for the purpose stated.

Meanwhile, the US signed a technology safeguards agreement that is a requisite first step (pending negotiation of a commercial space launch agreement), towards allowing India to launch US satellites or third country satellites that have US equipment on board. The US has a similar agreement with China.

The irony is that New Delhi did all it could in the recent years to harmonise its

regional policies with the US's. Its response to the new Cold War has been to keep a calibrated distance from its traditional ally Russia. Its response to the US-Iran standoff has been to atrophy India's close and friendly ties with Iran. Its re-

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sponse to the US's containment strategy toward China has been to identify with the strange idea of a quadripartite alliance with the US, Japan and Australia.

In comparison, Pakistan zeroed in on the potentials of the US intervention in Afghanistan and the implications of the

great game in Central Asia for the US's geo-strategy? especially the role of Islamist elements. An extremely rewarding relationship followed since 2001, as natural as daybreak. For a while, Pakistan got worked up that Bush might be tilting toward India when he signed the nuclear deal. But as Clinton's visit shows, the nuclear deal has become controversial.

The Obama administration is determined to bring the nuclear deal within an overall architecture of global nuclear non-proliferation. As a first step, the US got its G-8 partners accept at the recent summit meeting in Italy that countries like India, which reject the Nuclear Non-Proliferation Treaty, ought to be denied all enrichment and reprocessing technology.

Whereas Delhi estimated that the nuclear deal amounted to a tacit US acceptance of its nuclear weapon status, the opposite seems to be happening – a tightening of screws. While India hoped that the massive business opportunities in the Indian nuclear market would prompt avaricious Americans to jettison their non-proliferation agenda, Washington shall have it both ways – lucrative business as well as a reinvigorated NPT regime. All is not lost even if Delhi's maximalist claims about the nuclear deal stand badly exposed. There is a net gain insofar as India

can at least import nuclear fuel and reactors for its needs overcoming the 35-year US embargo.

Clinton sought fresh Indian reassurances to import US nuclear reactors worth billions of dollars in the near term. The Indians sound self-righteous by claiming the US is rolling back the nuclear deal. Actually, the Bush administration was transparent that the US hoped to bring India into the nuclear non-proliferation regime. But Indian discourses almost uniformly pillory Obama as the villain of the piece.

Where does the US-India relationship go from here? The unveiling during Clinton's visit of a new strategic dialogue architecture intended to take US-India relations to a higher level of 3.0 ? to use Clinton's phrase ? covering non-proliferation, security, education, health and development underscores the Obama administration's commitment to the partnership with India. Indeed, Washington has little reason to be apprehensive about the prospects of US-India relationship.

New Delhi has few options and less

Where does the US-India relationship go from here? The unveiling during Clinton's visit of a new strategic dialogue architecture intended to take US-India relations to a higher level of 3.0 ? to use Clinton's phrase ? covering non-proliferation, security, education, health and development underscores the Obama administration's commitment to the partnership with India.

inclination to shift from its US-centric foreign policy. India's political class is largely 'pro-US', especially the ruling Congress party's 'GenNext'.

The main opposition, Bharatiya Janata

Party, and its affiliates too are "pro-US". The Left parties, which clamored for an "independent foreign policy", are yet to recover from their huge defeat in the recent parliamentary poll. The Indian corporate media and the middle class root for Amrika.

En route to Delhi, Clinton thoughtfully interacted with the Indian corporate czars in Mumbai who keenly await the end-user deal to break into weapons production in collaboration with the US military-industrial complex.

No doubt, Washington knows a thing or two about how India's political economy works.

Last, but not the least, the US can always count on the umbilical chords of social kinship that tie Delhi elites to the Indian diaspora in North America. Thus, the saga of US-Indian relationship remains seamless. Differences over climate change or the Doha round are transient. Obama should know the US is irreplaceable as 21st century India's number one strategic partner.

(The writer is a former ambassador)



Non-committal on all major issues

Consider that United States Secretary of State Hillary Clinton had only landed in Mumbai around 11 at night on Friday, When she arrived at the Poolside of the Taj Mahal Hotel at 11.40 am on Saturday for a press conference for which the media had been summoned at 8.45 am, she had not yet had a single meeting of substance with anyone – her only real interaction till that point had been an informal breakfast discussion with prominent business leaders. t



GUN'S SHADOW: HAVE OUR SECURITY CONCERNS ADEQUATELY BEEN ADDRESSED?

Stands to reason she was in no position to announce any major breakthroughs in bilateral relations, any major policy decisions. It took the aplomb of a career politician to disguise that lack of substance up in a whole lot of words.

The press conference itself was a stage-managed affair. A member of her entourage called for questions from selected media persons; perhaps not coincidentally, all those selected with one exception were from the international media corps that had flown down with her.

Three of the five questions asked at the media conference – and yes, five was the total number of questions permitted – had to do with Pakistan.

Did she think Pakistan had done enough about the war on terror?

Would the US compel Pakistan to surrender the terrorists on India's most wanted list?

Did she have a comment to make on the angst now sweeping India over the government's decision to reopen dialogue without the precondition of quantifiable action on 26/11?

To all of those, Clinton said pretty much

the same thing: India and Pakistan were sovereign nations; it was no part of US foreign policy to play bear leader to the two nations and push them into an em-

She thought there was a new found determination in the government and the military to end the scourge. How effective this commitment would prove to be, time would tell - but, she said she had reason to think the next few days would provide some revelations on this front.

brace. Yes, the US would welcome, even encourage, dialogue – but what form it should take, and when it should happen, was entirely the business of the two countries concerned.

Yes, she did think Pakistan had over the last six months – "That is the period I can speak of", she said, pointing at her own tenure as Secretary of State - shown commitment towards rooting out terrorist elements on its soil.

She thought there was a new found determination in the government and the military to end the scourge. How effective this commitment would prove to be, time would tell - but, she said, perhaps hinting at some action behind the scenes, she had reason to think the next few days would provide some revelations on this front.

The rest of it was window dressing. The US, she said, had stood in solidarity with India over 26/11 just as India had stood in solidarity with America over 9/11.

Having thus twinned two tragedies separated by time, distance, perpetrator and motivation, she said India and the US, common victims of the scourge of nihilistic extremism of the kind that had manifested itself most lately in Jakarta yesterday, would join forces in a battle to end it.

— OEMCL News Services



OPEN SESAME: FINANCE MINISTER PRANAB MUKHERJEE BEFORE PRESENTING THE BUDGET

A lost opportunity

Much was expected from a veteran like Pranab Mukherjee, but his first budget after over two decades has prove to be a mixed bag

Rahul Misra

The silver lining expected from budget 2009 was missing which one can also see from the downside of sensex. One can strongly feel that the budget lacks fundamental growth plan. Two fundamental corners of growth chart education and healthcare are missing, Ernst & Young on how Budget 2009 will impact businesses and individuals.

DIRECT TAXES

TAX RATES

- Personal income tax exemption limit to be enhanced by Rs

15,000 and Rs 10,000 for senior citizens and other individuals, respectively. Surcharge to be removed for all non-corporate assesses.

- No change in corporate tax rates.
- MAT rate to be increased to 15% of book profits from 10%.
- Threshold limit for payment of wealth tax to be increased to Rs 30 lakh

EXTENSION OF SUNSET CLAUSE FOR STPI/EOUS

- Benefit of tax holiday to export oriented units (EoUs) under Section 10A and Section 10B extended by one year. It would now be available up to assessment year 2011-12.
- Tax holiday for SEZ units

SIMPLIFYING TAX ADMINISTRATION



- Revenue authorities to allot and quote Document Identification Number for every notice, letter, order, correspondence.

- Centralised Processing Centre to be set-up at Bangalore to ensure faster processing of tax returns.

- Service of notice, summon, requisition, order or any other communication may be made in prescribed manner including elec-

tronic mode.

ENHANCEMENT OF LIMIT FOR PAYMENT OF ADVANCE TAX

- Threshold limit for payment of advance tax increased from Rs 5,000 to Rs 10,000.

- Taxation of Limited Liability Partnership (LLP)
- Taxability of LLPs and their partners put on par with general partnership firm, ie taxation in hands of the entity and exempt in hands of partners.

RATIONALISATION OF TDS PROVISIONS

- TDS on rental payments for use of plant machinery or equipment and use of land building, furniture or fittings reduced to 2% and 10%, respectively.

- TDS on contractual payments proposed at 1%, where payee is an individual/and 2% in other cases. Lower rate of 1% in case of payments to sub-contractor/advertising contracts removed.

- No TDS on payments to transporters who furnish PAN details to deductors.

- Surcharge and cess not to be levied on tax deducted from payments, other than salaries, made to residents (Effective October 1, 2009 onwards).

- Time limits of two and four years prescribed for passing verification orders in the case of TDS matters.

- Failure to quote PAN shall

result in tax deduction at higher of rate specified under relevant provisions or 20%, with effect from April 1, 2010.

INDIRECT TAXES

CUSTOMS DUTY

IT/ELECTRONIC HARDWARE INDUSTRY

- Exemption from countervailing duty (CVD) provided on packaged or

canned software, on the amount charged for transfer of right to use such software for commercial exploitation. This exemption is only available if the importer is registered under service tax law.

- Full exemption from 4% special additional duty on parts/accessories imported for manufacture of mobile handsets re-introduced for one year.

MEDIA, ENTERTAINMENT & SPORTS INDUSTRY

- Basic custom duty (BCD) reduced from 10% to 5% on LCD panels for manufacture of LCD televisions.

- BCD exemption on set-top boxes (STBs) withdrawn; these goods will attract BCD at the rate of 5%.

- BCD on specified water sports equipment exempted.

- Five additional items exempted from BCD when imported by a manufacturer-exporter of sports goods.



PHARMACEUTICALS AND DRUGS INDUSTRY

- BCD on nine specified life saving drugs/bulk drugs and one vaccine reduced from 10% to 5%. CVD on these goods also exempted.

- BCD on specified artificial heart device reduced from 7.5% to 5%.

- BCD on patent ductus arteriosus/atrial septal defect occlusion devices reduced from 7.5% to 5%. CVD on these goods also exempted.



OIL AND GAS INDUSTRY

- BCD on permanent magnets used for manufacture of PM synchronous generator above 500 Kw for use in wind-operated

- electricity generators reduced from 7.5% to 5%.
- BCD on bio-diesel reduced from 7.5% to 2.5%.

TEA, COFFEE & RUBBER PLANTATION INDUSTRY

- BCD of 5% on specified machinery used for tea, coffee and rubber plantations' re-introduced for one more year.
- BCD on 'mechanical harvester' for coffee plantation reduced from 7.5% to 5%.

GEMS AND JEWELLERY INDUSTRY

- BCD on gold and silver increased as follows*:

ITEM PRESENT DUTY PROPOSED DUTY

- Gold bars (other than Rs. 100 Rs. 200 tola bars) and gold coins per 10 gms per 10 gms Gold in any form Rs. 250 Rs. 500 including liquid gold per 10 gms per 10 gms and tola bars Silver in any form Rs. 500 per Kg Rs. 1,000 per Kg
- Increase in duty rates also applicable to gold and silver ornaments (except those studded with stones or pearls) imported as personal baggage by prescribed passengers.



TEXTILE/ FOOTWEAR INDUSTRY

- BCD on cotton waste and wool waste reduced from 15% to 10%.
- Description changed for exempted specified machinery/equipment for



use in leather goods or footwear manufacture.

- The list of exempted goods imported by manufacturers-exporters of leather garments/textile garments/leather goods/footwear etc, extended.

MISCELLANEOUS

- BCD on rock phosphate reduced from 5% to 2%.
- CVD exemp-



tion provided to aerial passenger ropeway projects withdrawn; imports by such projects will now be subject to applicable CVD.

- BCD exemption on concrete batching plants of capacity 50 cum/hr or more withdrawn; such plants to attract BCD of 7.5%.
- BCD on un-worked coral reduced from 5% to Nil.

KEY AMENDMENTS TO THE ACT, RULES etc

- Import duty to be refunded for imported goods that are defective/not conforming to the specifications agreed upon between the parties.

● Benefit of rebate can be claimed for goods locally procured under the Duty Free Import Authorisation Scheme.

● The method of computation of eligible profits as a proportion of export turnover to the total turnover of the taxpayer, instead of the total turnover of the SEZ (special economic zone) undertaking, was discriminatory and is now sought to be corrected prospectively.

DISCONTINUATION OF FRINGE BENEFIT TAX (FBT)

● FBT to be abolished. Consequently, taxation in respect of following specified benefits would be levied in the hands of employee as perquisites:

- Allotment or transfer of specified security or sweat equity shares by an employer to its employees. Perquisite value shall be the difference between Fair Market Value (FMV) of the security/shares on the date on which the option is exercised and the amount actually paid by/recovered from the employee.
- Contribution in excess of Rs 100,000 by an employer to an approved superannuation fund for employees.
- Other fringe benefits as prescribed.



COMMODITIES TRANSACTION TAX

- Commodity transaction tax abolished (Effective from assessment year 2009-2010 onwards).

DEDUCTION OF INTEREST ON LOAN FOR HIGHER EDUCATION

- Definition of higher education for deduction in respect of interest paid on loan for purposes of higher education to be

widened to include any course of study pursued after passing senior secondary examination or its equivalent from recognised institutions.

DEDUCTION FOR MEDICAL TREATMENT OF DEPENDENT RAISED

- Deduction to be enhanced in respect of maintenance of dependent with severe disability from Rs 75,000 to Rs 100,000.

EXTENSION FOR UNDERTAKINGS IN POWER SECTOR

- Tax holiday available to an undertaking set up for purpose of reconstruction or revival of a power generating plant to be extended to undertakings set-up by March 31, 2011 (Effective assessment year 2009-10 onwards).

EXTENSION OF WEIGHTED DEDUCTION FOR IN-HOUSE SCIENTIFIC RESEARCH AND DEVELOPMENT

- The scope of claiming a weighted deduction of 150 per cent of the expenditure incurred on in-house scientific research and development expanded to include companies engaged in manufacture or production of any article or thing, except those specified in Schedule Eleven of the Income Tax Act.

DEDUCTION FOR UNDERTAKINGS ENGAGED IN COMMERCIAL PRODUCTION OF MINERAL OIL AND NATURAL GAS

- Refineries in private sector which commence refining of mineral oil before April 1 2012 are also eligible for tax holiday.

- Tax holiday has also been extended to undertakings engaged in commercial production of natural gas, provided the blocks are licensed under NELP-VIII and the production commences on or after April 1, 2009.

SPECIAL PROVISIONS FOR PRESUMPTIVE TAXATION OF SMALL BUSINESSES

- Scheme of presumptive taxation made applicable to all businesses (except for plying, hiring or leasing goods carriages or those claiming specified tax benefits) having total turnover/gross receipts of less than Rs 40 lakh.

- 8 percent of total turnover/gross receipts will be deemed to be the taxable income of the taxpayer and complete tax liability can be deposited by way of self assessment tax. Such tax payers also exempted from maintaining audited accounts.

- Presumptive tax regime available to individuals, HUF, partnership firm (not an LLP firm) who/which is a resident .

- The presumptive income of truck owners covered under section 44AE sought

to be enhanced.

FINCREASE IN LIMIT FOR DISALLOWANCE OF PAYMENTS MADE TO TRANSPORTERS

- Considering special circumstances of transport operators for incurring expenditure on long-haul journeys, limit for payments, otherwise than by an account payee cheque or account payee bank draft to be raised from Rs 20,000 to Rs 35,000 per transaction per day (Effective October 1, 2009 onwards).



TRANSFER PRICING AMENDMENTS

- Arm's length price is defined to mean the arithmetical mean of prices determined under the most appropriate method. It is sought to be clarified that, where the said arithmetical mean is not within 5% of the transfer price declared by the taxpayer, an adjustment to the extent of difference between the arithmetical mean and transfer price adopted by the taxpayer would be made (Effective in respect of TP assessments completed after October 1, 2009).

- Safe harbour rules proposed to provide for circumstances in which the authorities will accept the transfer price declared by the taxpayer (Effective assessment year 2009-10 onwards).

- oCreation of Alternate Dispute Resolution panel to deal with disputes pertaining to transfer pricing and taxation of foreign companies proposed from October 1, 2009.

INVESTMENT-LINKED TAX INCENTIVE SCHEME

- A deduction of 100% of capital expenditure (excluding land, goodwill, and financial instrument) proposed to incentivise setting up and operating following specified businesses:

- (a) cold chain facilities for specified products (should be set-up on or after April 1, 2009);

- (b) warehousing facilities for storage of agricultural produce (should be set-up on or after April 1, 2009);

- (c) cross-country natural gas or crude or petroleum oil pipeline network for distribution, including storage facilities being an integral part of such network (should be set-up on or after April 1, 2007).

Losses on account of aforesaid deduction can be set-off from profits of such business only and can be carried forward indefinitely.

TRANSACTIONS WITHOUT CONSIDERATION OR INADEQUATE CONSIDERATION CONSIDERED AS INCOME

- Currently, gifts in kind are not subject to tax. It is proposed that, subject to certain exceptions, value of property received in excess of Rs 50,000 without consideration/inadequate consideration shall be taxable as



CHEAPER: EXCISE ON VARIOUS COMPONENTS OF AUTOMOBILE INDUSTRY HAS BEEN REDUCED

'Income from Other Sources' (this will be effective from October 1, 2009 onwards).

MINIMUM ALTERNATE TAX ('MAT')

- Provision for diminution in value of any asset to be added back for computing book profits for purposes of MAT (Effective assessment year 1998-1999).
- Period of availing MAT credit increased from seven to ten years.

CENTRAL EXCISE

RATE OF EXCISE DUTY

Duty rate on items currently attracting 4% excise duty increased to 8% with the following major exceptions:

- Specified food items.
- Drugs and pharmaceutical products.
- Medical equipment.
- Paper, paperboard and articles thereof.
- Paraxylene.
- Power driven pumps for handling water.
- Footwear of maximum retail price (MRP) between Rs. 250 and Rs. 750 per pair.
- Pressure cookers.
- Vacuum and gas filled bulbs of MRP not exceeding Rs. 20 per bulb.
- Compact Fluorescent Lamps.
- Cars for physically handicapped persons.

Duty rate on the specified items of following types increased from 4% to 8%:

- Ink used in writing instruments.
- Heat resistance latex rubber thread, tension tape.

- Raw, tanned and dressed fur skins.
- Articles of wood, plywood, doors, etc.
- Articles of papers, paper board, folders, and other articles of stationary, etc.
- Goods containing more than 25% fly ash or phosphogypsum.
- Articles of mica.
- Concrete block and slabs.
- Ceramic tiles manufactured in a factory not using electricity for firing the kiln.
- LPG gas stoves.
- Electronic milk fat tester/solid non-fat tester.
- Contact lenses.
- Parts of drawing and mathematical instruments.
- Playing cards.
- Paint brushes, shaving brush, tooth brush, etc.
- Slide fasteners and its parts.

INFORMATION TECHNOLOGY/ELECTRONIC INDUSTRY

- Duty exemption on 'recorded smart cards' and 'recorded proximity cards and tags' made optional.
- Duty exempted on packaged or canned software on the amount charged for transfer of right to use such software for commercial exploitation. This exemption is only available if the importer is registered under service tax law.
- Duty increased from 4% to 8% on MP3/MP4 or MPEG 4 players with or without radio/video reception facility.

AUTOMOBILE INDUSTRY

Duty rate reduced on:

- Specific component of duty on large cars/utility vehicles of engine capacity exceeding 1,999cc from 20% + Rs. 20,000/-

per unit to 20% + Rs. 15,000 per unit.

- Petrol-driven trucks/lorries from 20% to 8%.
- Chassis of petrol-driven trucks/lorries from '20%' + Rs. 10,000 per chasis to '8%' + Rs. 10,000 per chasis.

TEXTILE/FOOTWEAR INDUSTRY

- The scheme of optional excise duty of 4% for textile goods made of pure cotton restored.
- Optional excise duty exemption on tops of manmade fibre manufactured from duty paid tow.
 - Duty exempted on EVA compound manufactured on job work for further use in manufacture of footwear.
 - Duty increased from 4% to 8% on:
 - Specified manmade fibre and yarn;
 - pure terephthalic acid (PTA) and dimethylterephthalate (DMT);
 - polyester chips; and acrylonitrile.
 - Duty increased from nil to 4% on goods of cotton manufactured wholly out of indigenous raw material and cleared by export oriented unit (EOU) in domestic tariff area (DTA).



OIL & GAS INDUSTRY

- Duty on special boiling point spirits reduced to 14%.
- Duty on naphtha reduced to 14%.
- High Speed Diesel blended with up to 20% bio-diesel fully exempted from duty.
- Branded petrol would now attract duty of Rs. 14.50 per litre instead of '6% + Rs.13 per litre'.
- Branded diesel would now attract total duty of Rs. 4.75 per litre instead of '6% + Rs.3.25 per litre'.
- Exemption from duty provided on Naphtha or Natural Gasoline Liquid used in manufacture of fertilizer and ammonia.



MISCELLANEOUS

- Duty increased from 4% to 8% on all goods (other than cotton), which is manufactured wholly out of indigenous raw material and cleared by EOU in DTA.
- Duty on branded jewellery reduced from 2% to Nil.
- Appropriate classification provided for coffee or tea pre-mixes which are fully exempt from excise duty.
- Full exemption from duty provided on goods stones, plaster, cement, asbestos, mica, etc manufactured at the site of construction for use in the construction work.
- Benefit of SSI exemption extended to printed laminated rolls bearing brand name of another person.
- Consequent to increase in duty rates from 4% to 8%, abatement rates revised on items subject to MRP-based levy.

OTHER AMENDMENTS TO THE ACT/ RULES, ETC (bold)

- Cenvat Credit Rules amended to clarify that 'inputs' shall not include cement, angles, channels, TMT bars and other items for construction of shed, building or structure for support of capital goods.
- Manufacturer of both dutiable and exempted goods, but not maintaining separate accounts of inputs will now be liable to pay

an amount equal to 5% (instead of 10%) on the total price of the exempted goods.

SERVICE TAX

NEW TAXABLE SERVICES PROPOSED TO BE INTRODUCED*

- Transport of goods by rail.
- Transport of coastal goods, goods through inland water including national waterways.
- Legal consultancy service.
- Cosmetic and plastic surgery service.

SCOPE OF EXISTING TAXABLE SERVICES PROPOSED TO BE EXPANDED*

- Definition of information technology software to be amended retrospectively from the date of its introduction, so as to replace the word 'acquiring' with the word 'providing'.
- Definition of 'business auxiliary service' amended to provide that only the processes resulting in the 'manufacture' of excisable goods (as defined in Central Excise Act) will be non-taxable.
- Definition of 'stock-broker service' amended, now sub-brokers will be outside the purview of service tax.

EXEMPTIONS FROM SERVICE TAX**

- Services of inter-state or intra-state transportation of passengers in a vehicle bearing 'contract carriage permit' exempted.
- Services provided by Federation of Indian Export Organisation (FIEO) and certain other specified export promotion councils exempted till 31 March 2010.
- Transactions between scheduled banks for purchase and sale of foreign currency exempted from service tax.

OTHER AMENDMENTS TO THE ACT/ RULES ETC.**

- Service tax made applicable to installations, structures and vessels in the entire Continental Shelf and Exclusive Economic Zone of India.
- Provider of both taxable and exempted services not maintaining separate accounts to pay an amount equal to 6% (instead of 8%) of the value of exempted services.
- Service provider to pay back amount of credit taken on inputs/capital goods if the same are fully written off in the books of account.
- Benefit of optional composition scheme under the Works Contract Rules to be allowed only if entire value of goods and services used in the execution of the works contract is declared as the 'gross value charged'.

REFUND SCHEME FOR EXPORTERS OF GOODS

- Relief granted to exporters of goods by proposing a simpler mechanism for grant of refund of input tax credits.

I strongly recommend more comprehensive competition bill, serious role of Serious Fraud Office, privatization in Higher education Governance in role of SEBI.

[* These changes will come into effect from a date to be notified, after the enactment of Finance (No 2) Bill, 2009. ** These changes will come into effect immediately]

(Writer is Associate Editor of Opinion Express)



DAMPENER: DALAL STREET REACTED 'VIOLENTLY' TO AN UNINSPIRING BUDGET

A lacklustre show

The finance minister has failed to rise to challenger, say experts

"The Union Finance Minister, Mr. Pranab Mukherjee has missed a golden opportunity to translate budget from poverty to prosperity which was an enormous and challenging task before him by putting disinvestment programme in right perspective, decontrol and deregulation of economy which would have given impetus to growth", said Mr. Ramesh Damani, a leading Stock Market Analyst at a panel discussion on "Implications of Union Budget 2009 -10" organized by the All India Association of Industries (AIAI) and World Trade Centre (WTC) at Mumbai.

Mr. Damani said by disinvestment in public sector to the tune of only 5% would have brought in the much needed revenue for infrastructure sector and public programmes which would have also resulted in accountability of public sector to their shareholders resulting into better efficiency and growth. There were many bud-

"By disinvestment in public sector to the tune of only 5% would have brought in the much needed revenue for infrastructure sector and public programmes which would have also resulted in accountability of public sector to their shareholders resulting into better efficiency and growth."

Ramesh Damani | Market Analyst

gets presented so far, the first was the path breaking budget by Dr. Man Mohan Singh in 1990 -91 introducing economic reforms, then a dream budget by Dr. Chidambaram, Former Finance Minister. This budget can be called as ritual exercise as it does not give any direction for future path the Government will take towards economic policies which will stimulate the industries in view of the recessionary trend, added Mr. Damani.

Mr. Damani further said that the DE-MAT accounts are in the ratio of 1:100 which the budget could have given thrust on disinvestment and other programmes which could have resulted in increasing the ratio to 4:100 which is possible the stock market earlier and what it is today is an example.

Mr. Damani in a lighter way said if Disinvestment is a bad name then the Government could give it a name in memory of any heads as given to various schemes existing today such as Rajiv

Gandhi Shram Shakti Programme and no one would object such a programme but instead support.

Mr. Damani said we expected the Government to open up Insurance and Aviation sector. Because of this, I say there is a missed opportunity as the economy may not see higher growth which could have been possible if the Government would have given thrust to some of the important issues. Market would have rebounded and the world would look at the investment opportunities over here who are fence sitters today.

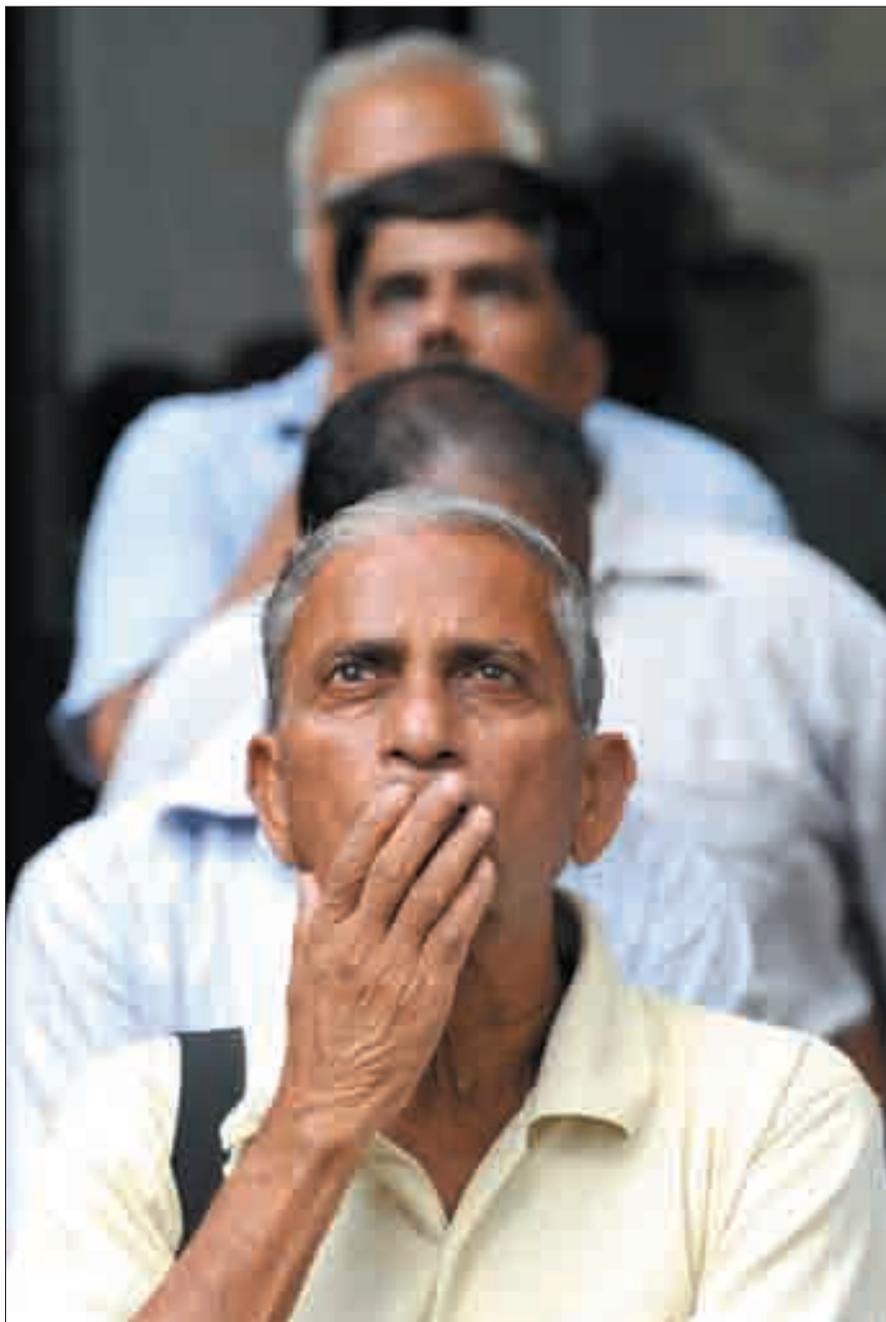
Today we could see growth in FMCG sector and rural sector but it could have been better if the Government could deregulate and make administration more efficient.

Government should have given some stimulus to the Small Scale Sector and Greenfield infrastructure projects such as road, highways and airport and not imposing service tax on railway and coastal Cargo component which the Government is proposing to levy... exemption given to individual could have been much higher rather than a meager rise

Vijay Kalantari | AIAI president

Mr. Firoze B. Andhyaruyjina, leading tax consultant said that one may appreciate doing away with Fringe Benefit Tax (FBT) and surcharge but education cess still remains. He said wealth tax provision introduced is nothing else but double taxation through back door. Mr. Andhyaruyjina, further said Exemptions given are very meager and if the Finance Minister would have taken bold step by doubling the exemption there would be more money in the hands of middle class and consumers which would have resulted in growth.

Mr. Andhyaruyjina said the increase MAT from 10% to 15% which originally started from 7.5% will bring in many companies to rethink on investment and growth. The various sections introduced are not keeping in tune with indexing. Budget could have given various incentives to spur growth which was expected



SHOCK-N-AWE: INVESTORS REACT TO THE BUDGET DAY FALL

but not seen in Budget. So it can be called as Ritual affair.

Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) welcomed the increase in the budgetary allocations towards the development of Infrastructure, agricultural sector, the SMEs for export as well as the abolition of Fringe Benefit Tax (FBT) and Commodity Transaction Tax (CTT). The higher allocation to Market Development Scheme and Rs. 4,000 crore Special Fund to be operated by Banks for SMEs and exports and extending tax holiday to exporters until 2011 would certainly assist the SMEs to revive from the recessionary trend.

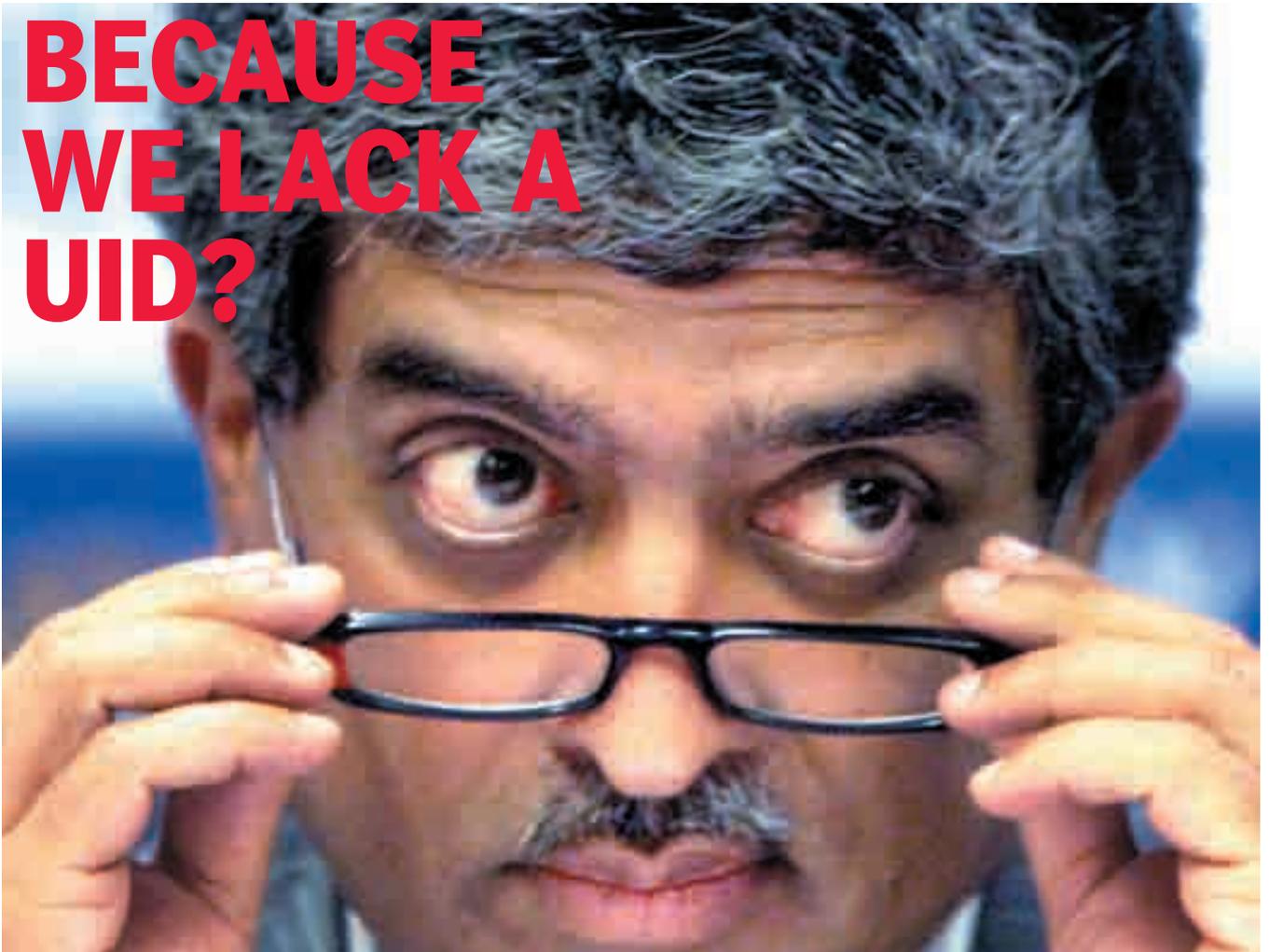
Mr. Kalantri expressed that the

Government should have given some stimulus to the Small Scale Sector and Greenfield infrastructure projects such as road, highways and airport and not imposing service tax on railway and coastal Cargo component which the Government is proposing to levy.

Mr. Kalantri said that the exemption given to individual could have been much higher rather than a meager rise. He said that Goods & Service Tax (GST) should be implemented by 1st April 2010 as announced in the Budget and the various simplifications announced for Direct and Indirect taxes should be implemented in letter and spirit by the concerned Department.

IS TERRORISM GROWING

BECAUSE WE LACK A UID?



Prakhar Misra

To establish my nationality as an India, we do have multiple ID cards issued by various government agencies like the election identity card, driving license, passport, PAN and what not. But the UPA-II government feels these cards are not enough and I, like all other citizens of the country, must possess one more card, that's the Unique Identification(UID) card.

The government seeks to achieve three-fold objectives by issuing the UID cards: 1. Enhance national security; 2. Check illegal immigration, particularly from Bangladesh; 3. Ensure that the benefits of government welfare schemes reach the targeted sections. Regarding the first objective, government thinks that UID will ensure identification of terrorists and thus curb the menace. But is cross-border terrorism growing just because we don't have a UID?

The failure of the intelligence machinery in India, absence of a well-trained anti-

About illegal immigration, the successive Central governments have been culpably indifferent to this problem, so much so most Bengladeshi immigrants in Delhi and Kolkata have managed to get even ration cards and electoral identity cards! In some constituencies, the illegal immigrant voters are said to be so strong as to determine the winner and the loser.

terror force, lack of aggressiveness in India's policy towards Pakistan and, above all, the overt support received by terror outfits from the Pakistani regime are some of the reasons why terrorism is growing? All these factors were as clear as daylight in the recent Mumbai attacks. How can UID curb terrorism if these factors are not addressed by the government?

About illegal immigration, the successive Central governments have been cul-

pably indifferent to this problem, so much so most Bengladeshi immigrants in Delhi and Kolkata have managed to get even ration cards and electoral identity cards! In some constituencies, the illegal immigrant voters are said to be so strong as to determine the winner and the loser. If the illegal immigrants can manage to get ration cards and election ID cards from the administration, why can't they get a UID? So the problem here is rampant corruption in administration, not the absence of a citizen identification mechanism.

Why do the benefits of government schemes not reach the targeted sections?

This is because the lion's share of the allocations for such schemes are siphoned off by the corrupt politicians and bureaucrats. This politician-bureaucrat nexus is responsible for irregularities prevailing in the public distribution system. If the government cannot break this powerful nexus and eliminate corruption, how can just a UID card ensure proper distribution of government's welfare package?

There are gross discrepancies in the issue of various identity cards in force now. It is no secret that a major portion of the BPL (Below the Poverty Line) cards issued to avail of subsidised food commodities through the PDS is bogus. A report states that there are 97 million BPL cards in the country whereas the number of BPL families come to only 58 million. Nandan Nilekani, who has been appointed chairman of the Unique Identification Authority of India (UIDAI), himself mentions in his celebrated book 'Imagining India' that the number of BPL cards in his home state of Karnataka exceeds the total population of the state. This is because the cards are issued indiscriminately, thus denying the benefits of PDS to the really deserving. The story is the same as regards an estimated 65 million kisan credit cards in circulation in the country.

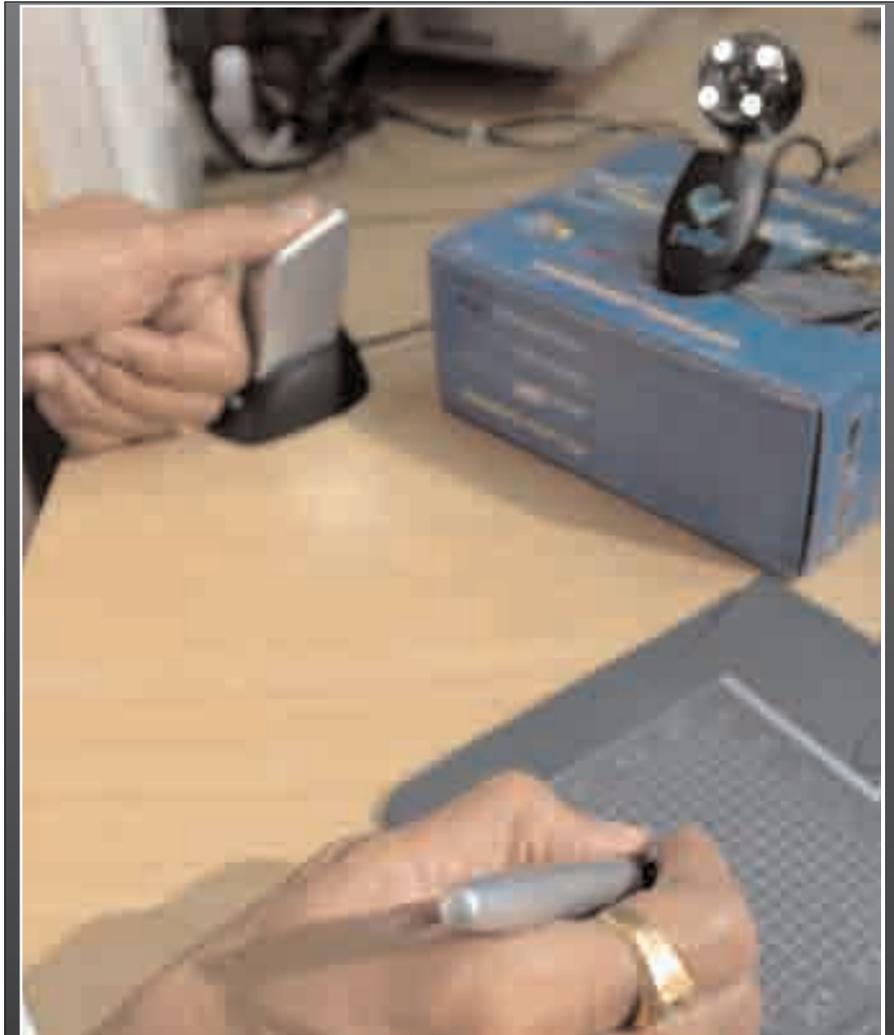
How does the government propose to prevent similar fraud in the issue of national ID card? Where is the guarantee that the same corrupt forces which took advantage of the BPL cards won't abuse the UID also? Is the government willing to give a public commitment that the issue of UID will be transparent and corruption-free?

The entire ID card project is estimated to cost around Rs 1.5 lakh crore. No doubt, it will offer a multi-billion dollar business opportunity for the domestic technology players, with the first phase of the project — which will cover ultra urban, urban, and semi-urban populations — alone offering a Rs 6,500 crore business opportunity. But the business part apart, is such a mammoth spending justified? If this ambitious programme falters at the implementation level like other such ID cards did, what will be the drain on the public exchequer? Rather than embarking on a new identification card at such colossal cost, shouldn't the government have made an honest attempt to plug the loopholes in the present system of issuing ID cards? Did the government set the right priority in taking up the UID project? Only time will tell.

Nilekani will log on to in the new ID project?

The Unique Identification Authority of India (UIDAI), to be headed by Nandan Nilekani — who has decided to step down from the board of Infosys Technologies to head this body — will have the responsibility to lay down plans and policies to implement the Unique Identity (UID) card scheme and shall own and operate the UID database.

The authority was notified on January 28 this year as an attached office under



The necessity for a centrally-issued ID was accentuated by the growing problems of illegal immigrants in various parts of the country. However, the events of November 26 in Mumbai accelerated the setting up of the UIDAI. The body was set up on January 27, 2009. The initial phase of the project is expected to cover nine states and four Union Territories.

the aegis of the Planning Commission with an initial core team of 115 officials and staff. The scheme will be implemented in three years.

The UID project, however, has been in the offing for over six years. For instance, in 2008, the government implemented a pilot project for a 'Multi-purpose National Identity Card (MNIC)' in 13 districts of 12 states and one Union Territory wherein more than 1.2 million identity cards were issued to people above 18 years of age. Besides, to facilitate the project, Section 14A was inserted in the Citizenship Act, 1955 to issue a national identity card to

every citizen of the country.

However, the MNIC project was initiated under the Vajpayee-led NDA government (2002), which was continued by the current UPA government under Prime Minister Manmohan Singh.

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The UID will be issued to people living in the coastal villages of Gujarat, Maharashtra, Goa, Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Orissa and West Bengal. The Union Territories of Dadar and Nagar Haveli, Lakshadweep, Puducherry and Andaman & Nicobar Islands shall also be covered in this first phase expected to deliver the identity cards by early 2010.

The government has earmarked Rs 100 crore in the interim budget to kickstart the UID project. This pilot is expected to be on the lines of the social security number in the US and will help in identifying and providing better services to below-the-poverty (BPL) line residents. Industry estimates indicate the entire project will be worth at least Rs 10,000 crore. It's a transformational project for the country as it will overlay many underlying projects, creating huge efficiencies for the country leading to enhanced governance and reduced costs.

The project envisages assigning a unique identification (ID) number to each resident in the country to eliminate the need for multiple identification mechanisms. Moreover, the project will eventually become the underpinning of the Citizens Smart Card Project, which will enable citizens to avail subsidies on food, energy, education, etc, depending on their entitlements, according to the 11th report of the Second Administrative Reforms

Commission.

The unique ID will require creation of a database that links an individual to unique identifier that remains constant over his life-span, like parentage, date and place of birth. The card automatically gets activated as a voter identity card at

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the age of 18. The identification will act as a check against illegal immigration into the country as it is a serious threat to national security. The project lays special focus on the border areas of the country with illegal immigration in mind.

Almost all the firms with an India focus will be eyeing this deal — players like

TCS, Infosys, Wipro, HCL Technologies, along with smaller players like Spanco, Bartronics, Gemini Traze and NXP Semiconductors.

All about MNIC

The 'Multi-purpose National Identity Card (MNIC)' is a smartcard with 16KB of memory, designed to be in line with specifications laid out in ISO/IEC 7816 and Smart Card Operating System for Transport Applications (SCOSTA). The cards are designed to retain data for at least 10 years.

The identity card has a microprocessor chip (imported) with a memory of 16 KB which is a secure card. Besides having several physical features in the design of the card, it is the cyber security using 'asymmetric key cryptography' and 'symmetric key cryptography' that has made the card secure against tampering and cloning. The National Informatics Centre (NIC) has made a major contribution towards developing the processes for database management and smartcard technology.

"A 16KB card will not hold much if the scope of data in the smartcard is humungous. An ideal memory would be around 64KB, which will help the government make the card have enough space to accommodate all service links," said Niju V, deputy director (Automation & Electronics), Frost & Sullivan.



Metro Railway, Kolkata, India, experiments with the Smart Card

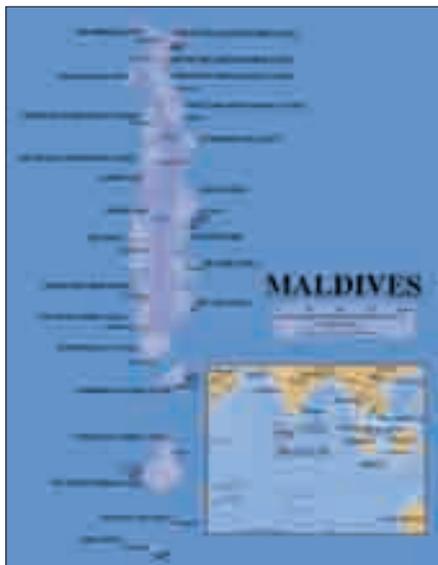
Heavenly Paradise



So you are worn out from working hard and want to take a vacation somewhere exotic, somewhere with tall palm trees and beautiful beaches. There are not many places like this which have been left relatively untouched but there is one place which holds a strong timeless feeling. This is of course The Maldives, where resorts are so natural that there are no cars, buses, traffic, no high rise apartments. The Maldives is actually a group of 1192 islands and these are in small groups of atolls.

The total area of 90,000 square kilometres that is Maldives islands consists of sparkling white beaches, palm-fringed islands, crystalline lagoons studded with colorful corals and warm, azure seas with exotic marine life - a mesmerizing mixture that remains the same throughout the year, continue to enthral visitors from far and wide.

Specks of emerald green enveloped by dazzling turquoise waters like scattered beads in the ocean; white powdery beach-



es, tall palms lean on towards the sea, crystalline white sands giving way to crystal clear waters, shades of turquoise blend flawlessly with deeper hues of blue; pristine coral reefs and some of the most incredible underwater life on our planet.

Rising from the deep blue of the vast expanse of the Indian Ocean are more than a thousand islands and thousands more reefs that form the Maldives.

What better place to relax and enjoy yourself than the romantic dunes that adorn these islands. Imagine a place that is nothing but surf and sun; where paradise meets reality. You can choose any of the ninety resorts islands across the Maldives for your honeymoon or holiday stay; allowing yourself the freedom to explore everything is amazing tropical wonderland has to offer. Everything has been designed with the luxury and comfort of travellers in mind, which is why per capita it is the busiest tourist area in the world. Half a million people every year rediscover this paradise.

The Maldives Islands

Sunny, unique and unspoiled, the Maldives is an archipelago comprising 1,190 low-lying coral islands scattered across the equator, in groups of 26 naturally occurring atolls which are divided into 20 for administrative purposes.

Maldives Islands are characterized by a unique coral nature and thus they possess unique tourism resources though in a one-sided way, namely in the submarine and littoral environment of the islands, lagoons and reefs, associated with the year-round tropical climate.



Maldives tourism

Tourism in Maldives which was introduced in 1972 has successfully developed in the past years. Maldives tourism has been rapidly growing the number of tourist arrivals and resorts islands over the last ten year period.

On the European market, Maldives today rank among the most attractive travel destinations in the tropics. Maldives offers large natural resources for tourism and encourages eco-tourism to protect the sensitive environment and underwater life.

It is not only divers and snorkelers who enjoy the profuse underwater resources, but also beach tourists are attracted by the nature of the beaches and the climatic conditions as well. This environment really guarantees relaxation and recreation.

The Maldives honeymoon

Celebrate your special honeymoon in Maldives at the most beautiful and romantic islands of Maldives.

You could enjoy the privacy and intimacy of a secluded, natural setting and a warm inviting atmosphere, where the sunsets are spectacular!

The Maldives resorts offer you not only the crystal clear waters and azure blue lagoons, food is tasty and services are excellent.

As a welcome token, almost all Maldives resorts offers honeymooners fruit plates and flower decorated rooms on the arrival night - a romantic promise of what lays ahead. On request, resorts also arrange romantic candlelit dinners on the beach and also champagne breakfast served.

Featured Article: Source Maldives Tourism.



SBI aims to become dominant bank in MAURITIUS

State Bank of India, the country's largest lender, plans to be a dominant foreign bank in select nations, including Mauritius.

"Plans are in place to be the dominant foreign bank in few identified countries such as Mauritius, Singapore and Nepal," a senior SBI official told PTI. SBI targets a major share in India-related business in high potential markets worldwide. In tune with the objective, two of the bank's subsidiaries in Mauritius were merged last fiscal to create a new entity called SBI (Mauritius) Ltd, he said.

The bank's two partly owned subsidiaries in Mauritius namely Indian Ocean International Bank Ltd and SBI International (Mauritius) Ltd were merged during the year to create a new entity SBI (Mauritius) Ltd.

The scheme of merger has been sanctioned by Bank of Mauritius from April 1, 2008, he said.

Consequently, the SBI's stake in SBI (Mauritius) Ltd has reduced from 98 per cent to 93.40 per cent after the merger, he said.

At the same time, SBI also increased its stake in the Nepal joint venture to 55 per cent from 50 per cent earlier. SBI bought 5 per cent stake of Nepal SBI Ltd through a com-

petitive bid process from Agricultural Development Bank. In 2008-09, SBI funded 22 outbound merger and acquisition deals by Indian companies, compared to 21 in the previous fiscal.

At the same time, it plans to strengthen its presence in countries including the UK and the UAE which have strong India links.

"Initiatives (are) under way to strengthen business in countries with a strong India linkage like the US, the UK and the UAE," he said.

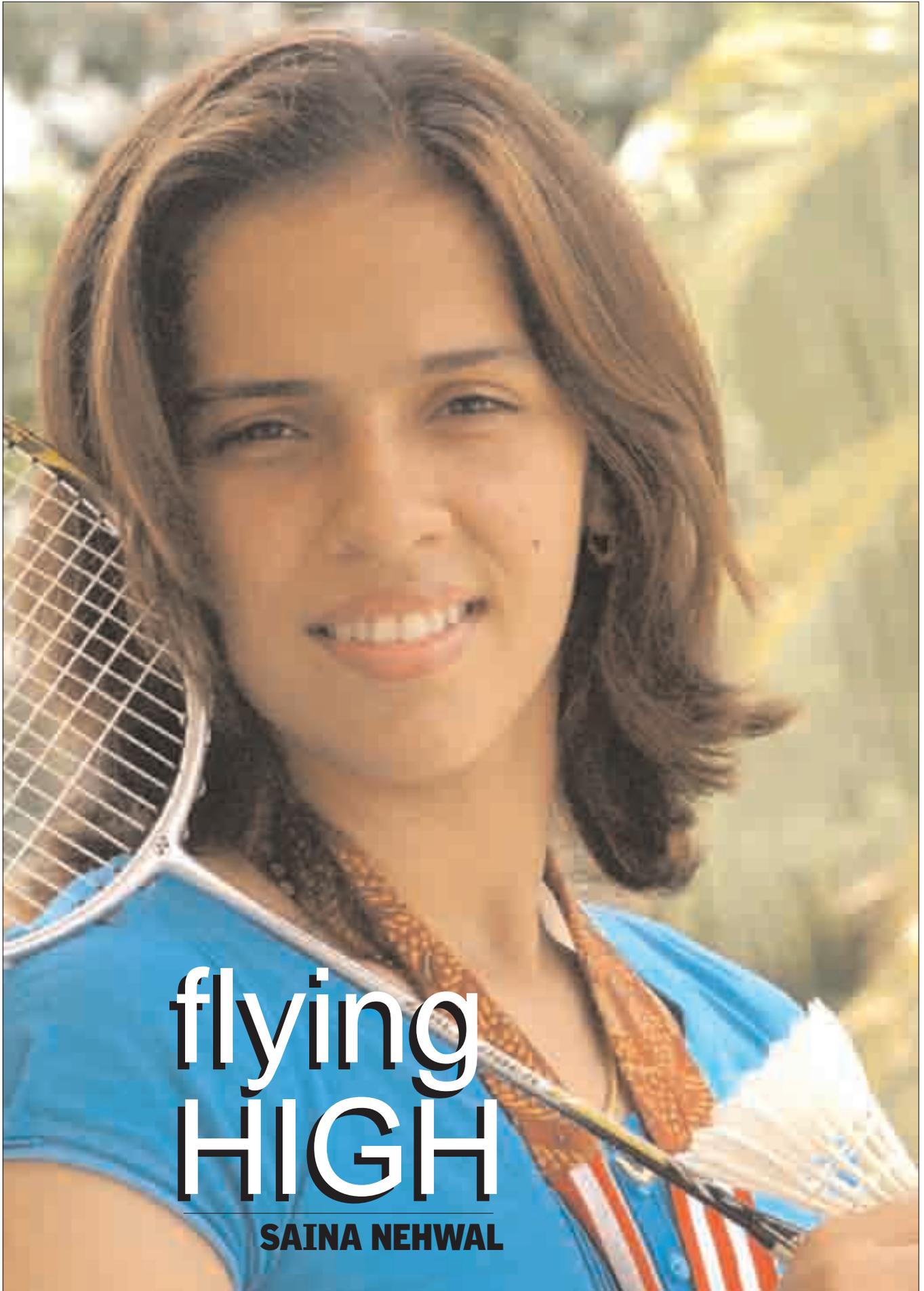
Currently, SBI has seven branches in the US and about six in the UK while the bank has exchange services in the United Arab Emirates (UAE).

SBI plans to become a major player for Non-Resident Indians (NRIs), he said, adding the restructuring of the international business is under way to enable new business model.

During 2008-09, the SBI international credit portfolio increased by 54 per cent to Rs 86,267 crore from Rs 56,196 crore in the previous year. There is significant credit growth despite the global meltdown, he said.

At the same time, the bank last year along with its subsidiaries and joint ventures abroad opened nine offices, including full-fledged retail operations in Singapore, last year.





flying
HIGH

SAINA NEHWAL

Saina Nehwal is a NEW YOUTH ICON

Saina Nehwal is an Indian badminton player. Currently ranked number 6 in the world by Badminton World Federation, Saina is the first Indian woman to reach the singles quarterfinals at the Olympics and the first Indian to win the World Junior Badminton Championships. Saina Nehwal scripted history on June 21 2009, becoming the first Indian to win a Super Series tournament after clinching the Indonesia Open with a stunning victory over higher-ranked Chinese Lin Wang in Jakarta.

She is first Indian woman to win the Indonesian Open Super Series.

Previously coached by S. M. Arif, a Dronacharya Award winner, Saina is the reigning Indian national junior champion and is currently coached by Indonesian badminton legend Atik Jauhari since August 2008.



GETTING PERSONAL

DATE OF BIRTH

March 17, 1990

PLACE OF BIRTH

Hisar, Haryana, India

WOMEN'S SINGLES

- **Country** India
- **Handedness** Right
- **Coach** Pullela Gopichand
- **Highest Ranking** 6 (July 9, 2009)
- **Current Ranking** 6[1] (July 9, 2009)

Her professional career is managed by GloboSport. Saina was born in Hisar, Haryana, India and spent her complete life in city of Hyderabad. Her foray into the world of badminton was influenced by her father Dr. Harvir Singh, a scientist at the Directorate of Oilseeds Research, Hyderabad and her mother Usha Nehwal, both of whom were former badminton champions in Haryana.

In December 1998, Saina's father took her to meet Coach Nani Prasad at the Lal Bahadur Stadium in Hyderabad. Seeing potential in the girl, Prasad asked Singh to enroll Saina as a summer trainee.

Harvir Singh and Saina, who was 8 yrs old at the time, would wake up at 6 every morning and head to the stadium which was 20 km away. After two hours of practice, Singh would drop Saina to school on

his way to work. Saina would often fall asleep on these journeys which prompted her mother to accompany them for the next three months.

Traveling nearly 50 km a day in order to accommodate the training schedule, Singh eventually decided to move closer to the stadium in 1999. This however didn't end the traveling ordeal as Saina was asked to attend evening training sessions as well. With the extra training sessions, traveling expenditure rose phenomenally. Added to the cost of equipment including shuttles, rackets, shoes, gutting and expenses rose to over Rs. 12,000 per month.

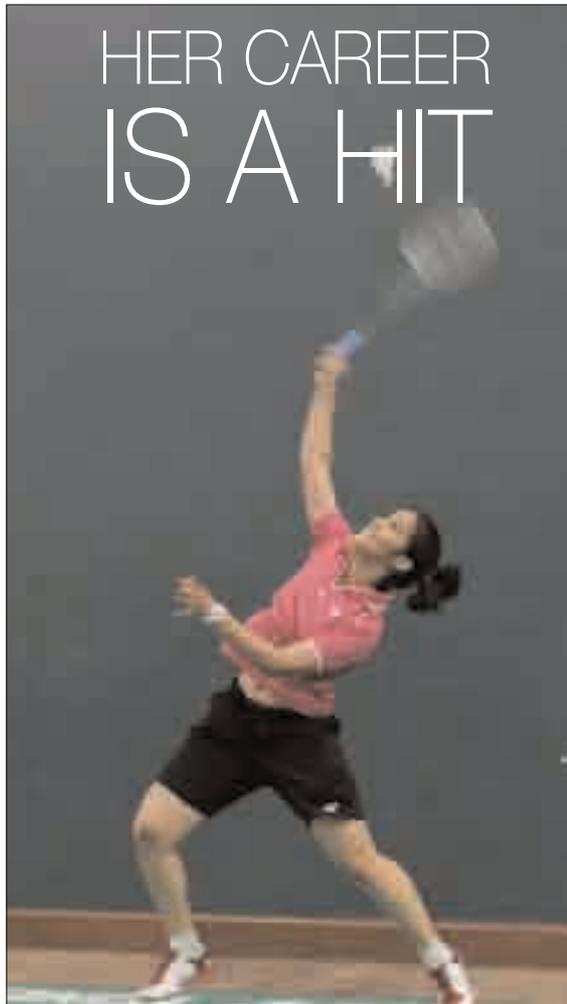
In order to keep up with the rising cost of her training, Saina's father withdrew money from his savings and provident fund. The tight-rope walk continued until 2002, when sports brand Yonex offered to sponsor Saina's kit. As her status and rankings improved, the sponsorships increased. In 2004, BPCL signed the rising star onto their payroll, and in 2005 she was spotted by the Mittal Champions Trust.

Saina is the reigning Under-19 national champion. Also a regular in the senior circuit where she lost to former India number one Aparna Popat, Saina created history by the winning the prestigious Asian Satellite Badminton tournament (India Chapter) twice, becoming the first player to do so.

In 2006, Saina appeared on the global scene when she became the first Indian woman to win a 4-star tournament, the Philippines Open[7].

Entering the tournament as the 86th seed, Saina went on to stun several top seeded players including number seed Huaiwen Xu before defeating Julia Xian Pei Wong of Malaysia for the title. The same year also saw Saina as runner up at the 2006 BWF World Junior Championships, where she lost a hard fought match against top seed Chinese Wang Yihan. She did one better in the 2008 by becoming the first Indian to win the World Junior Badminton Championships by defeating ninth seeded Japanese Sayaka Sato 21-9, 21-18.

She became the first Indian woman to reach the quarter finals at the Olympic Games when she upset world number five and fourth seed



Wang Chen of Hong Kong in a three-game thriller. In the quarter-finals Saina lost a nail biting 3-gamer to world number 16 Maria Kristin Yulianti. In September 2008, she won the Yonex Chinese Taipei Open 2008 beating Li Ya Lydia Cheah of Malaysia 21-8 21-19 [8]. Maria Yulianti had earlier lost her quarter-final match to Pia Bernadet, Saina's semi-final opponent, thus denying Saina a rematch.

Saina has been named The Most Promising Player in 2008. She reached the world super series semifinals in the month of December 2008.

On 21st June, 2009, she became the first Indian to win a BWF Super Series title, the most prominent badminton series of the world by winning the Indonesia Open. She beat Chinese Lin Wang in the final 12-21, 21-18, 21-9. Saina on winning the tournament said "I had been longing to win a super series tournament since my quarter final appearance at the Olympics". Saina is on the par with the likes of Prakash Padukone and her mentor Pullela Gopichand who both won the all England championships which are of similar status to the super series.



Career HIGHLIGHTS

Event	Year	Result
Czechoslovakia Junior Open	2003	Winner
2004 Commonwealth Youth Games	2004	2 Silver
Asian Satellite Badminton Tournament	2005	Winner
World Junior Badminton Championships	2006	Runnerup
2006 Commonwealth Games	2006	3bronze
Philippines Open (badminton)	2006	Winner
Asian Satellite Badminton Tournament	2006	Winner
Indian National Badminton Championships	2007	Winner
National Games of India	2007	1 Gold
Yonex Chinese Taipei Open	2008	Winner
Indian National Badminton Championships	2008	Winner
2008 Commonwealth Youth Games	2008	1 Gold
World Junior Badminton Championships	2008	Winner
Indonesia Open	2009	Winner

Aloe vera benefits dental health, say experts

Dr Vivek Dubey

Transparent gel from the pulp of the meaty leaves of aloe vera has been used topically to treat wounds, skin infections, burns, and numerous other dermatological conditions.

Now there is strong scientific evidence that aloe vera as an active ingredient in tooth gel, can soothe pain fight cavities and control mouth bacteria.

However, the ability of aloe vera tooth gel as an effective cleanser to fight germs as opposed to other commercial tooth pastes has been widely speculated.

In order to understand the criterion better, experts compared the effect of aloe vera tooth gel with two other popular pastes.

Benefits of aloe vera

The researchers observed that aloe vera tooth gel performs the same function as the popular toothpaste in destroying and eliminating pathogenic oral microflora (disease-causing bacteria) in the mouth.

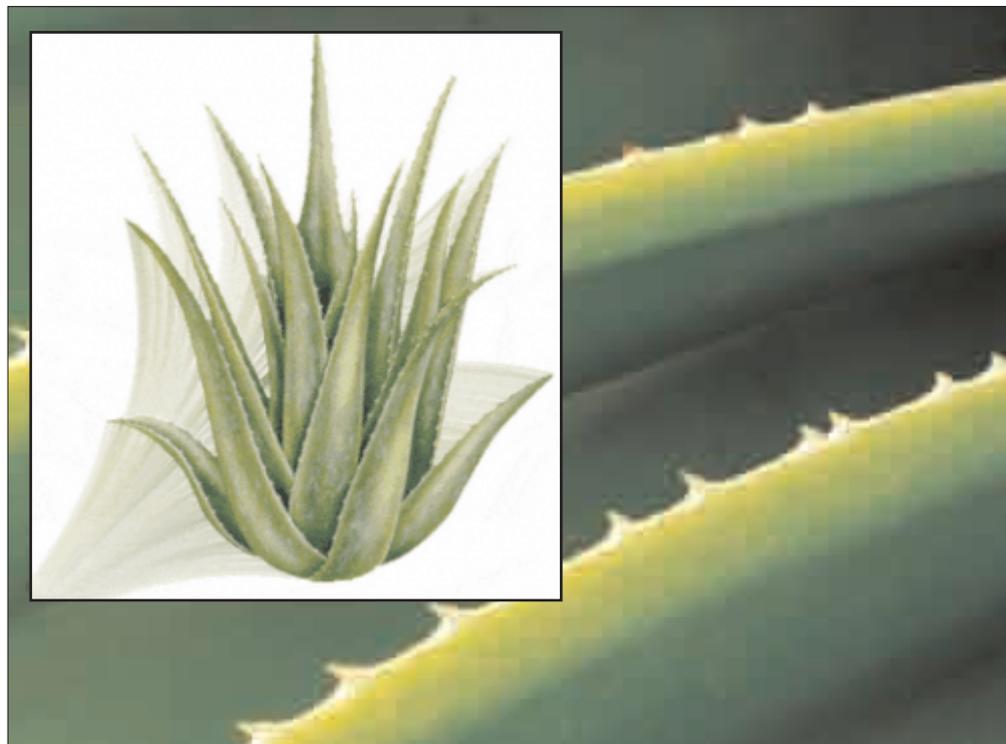
They further noticed that it was just as effective, and in some cases more effective, at fighting germs than other brands.

In addition, aloe vera reduces pain because it contains anthraquinones, an organic substance that produces an anti-inflammatory effect.

Another benefit of the gel is that it is less abrasive on teeth than conventional toothpaste, because it does not contain abrasive elements and may prove to be a better alternative for people with sensitive teeth and gums.

A word of caution from experts

However, the researchers cautioned that not all aloe vera



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gel products contain the anti-inflammatory compounds needed to combat cavity-causing germs.

Users should purchase the products that contain the stabilized gel that is located in the center of the aloe vera plant. Besides, it's vital products must follow certain manufacturing standards.

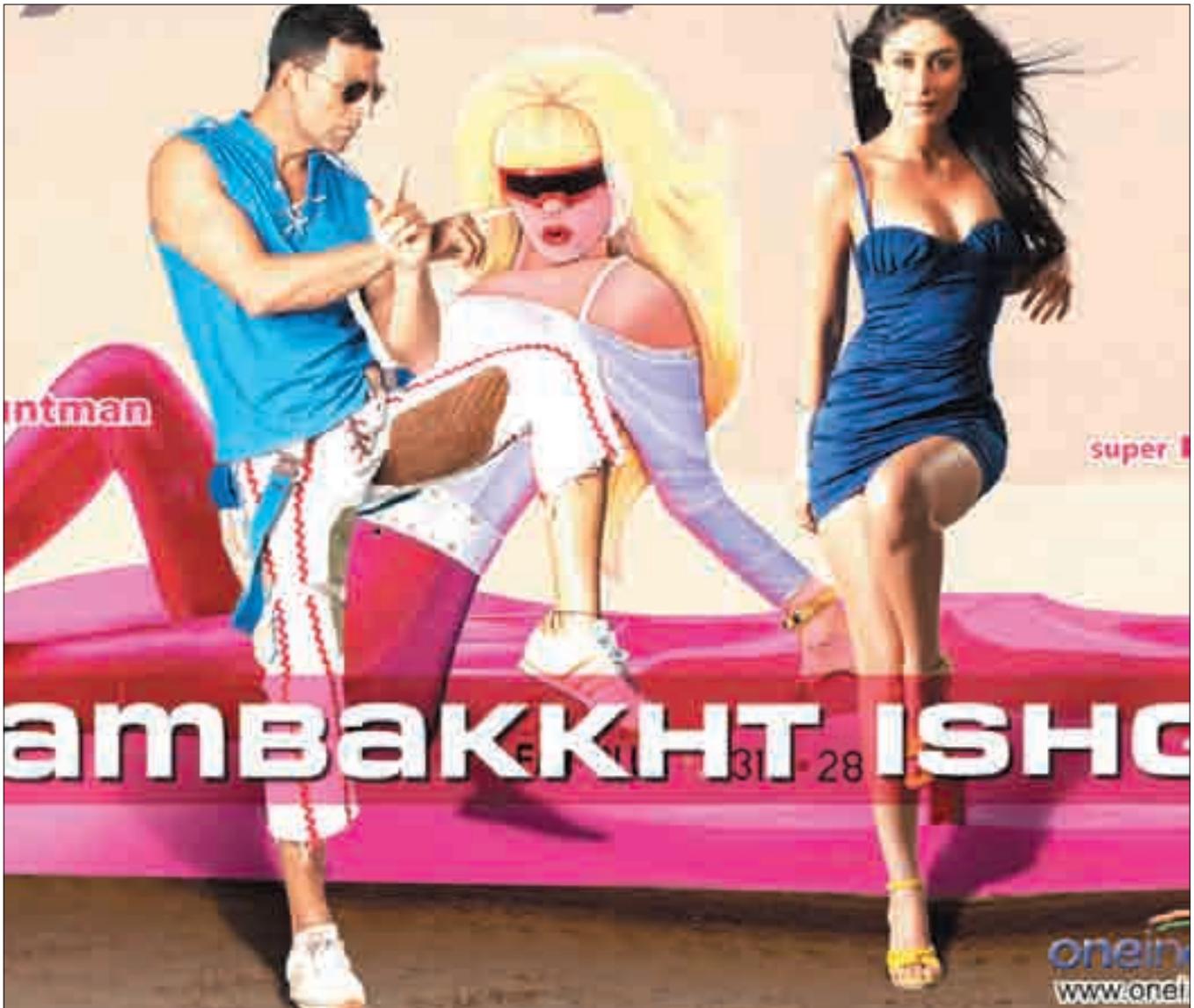
According to the study's co-author Dilip George of Pushpagiri College of Dental

Sciences, Tiruvallam, India, "Aloe must not be treated with excessive heat or filtered during the manufacturing process, as this destroys or reduces the effects of certain essential compounds, such as enzymes and polysaccharides."

Gels certified by the International Aloe Science Council, Inc., certified for purity and quality, are recommended. Eric Shapria, MS, DDS, MAGD, MA Academy of

General Dentistry spokesperson says, "Thankfully, consumers with sensitive teeth or gums have a number of choices when it comes to their oral health, and aloe vera is one of them.

"If they are interested in a more alternative approach to oral hygiene, they should speak with their dentist to ensure that it meets the standards of organized dentistry, too."



Sizzling show, no substance

There's no business like show-off business. And "Kambakkht Ishq" has plenty to show off. Fabulous Hollywood locales, Hollywood icons like Sylvester Stallone and Brandon Routh doing cameos and above all, crackling and smouldering chemistry between the film's lead pair.

Akshay Kumar and Kareena Kapoor make a super glamorous couple. Even when they're ready to bite off each others' heads, call each other names and scream like a double-banshee delight at a horror festival, there is just no way the compatibility of the combo can be repeated ... even by them.

Indeed if the supreme silliness of the plot in "Kambakkht Ishq" works it's because of Akshay and Kareena's glorious goofiness. The lead pair, never in better form, gets into the grandly caricaturish

Kambakkht Ishq

Cast: Akshay Kumar, Kareena Kapoor

Director: Sabbir Khan

groove effortlessly and convincingly.

For Akshay and Kareena it's hate at first sight. They pass sexist remarks about the opposite sex loud enough for the other to hear. They continuously carp about the vices of being of the opposite sex in a world polluted by bigotry and gender bias. Goodness, these two despicable creatures deserve each other!

The battle of the sexes is loud and aggressive, designed to create a cacophony of conflicts that leave us reeling in stupefied embarrassment.

Sure, we've seen other films about a goofy man and stuck-up woman who can't

stand each other. But none so engrossed their own self-serving hemispheres.

Seemingly rudderless and often risqué, "Kambakkht Ishq" is a film that doesn't endear itself with its plot. It's all about the styling often at the cost of what most moviegoers think of as substance.

But there is no real substance in "Kambakkht Ishq". The storyline is wispy slim and the gasbag gags are as cheesy as the goofy grin that Akshay wears like second skin. The veneer of vivacity seldom falls off, though admittedly some episodes wear us out with their svelte jibes at that old and baffling thing called the man-woman relationship.

The film is a no-holds-barred gender war - tangy, spicy and supremely smug in its silliness. And Akshay's character slowly realises that there's more to love than scoring.

The farce fest miraculously manages to sustain the mood of zany fun most of the way. But some episodes like Boman Irani's cameo appearance as a shrink fall flat.

But as far as eye-catching locales and protagonists go, "Kambakkht Ishq" goes a long way. The Akshay-Kareena pair just makes you stare. And if you are into clothes and accessories you could spend an evening with "Kambakkht Ishq" just checking out what Kareena wears and how well she carries it off.



Akshay's comic timing has now been honed to a fine art. He invests his completely caddish character's personality with a frank and fearless arrogance that borders on megalomania but finally settles on being plain outrageous.

Kareena matches him step by step. Just because she looks like a million bucks doesn't mean her performance is cosmetic too. Her satirical expressions as a man-hater are to die for.

Debutant director Sabbir Khan knows how to bring out the beast in his characters and milks the outrageous situations for all their mirth. Somewhere in this jokey binge of gender wars, Sylvester Stallone pops up for two of the film's most arresting sequences.

But 'Superman' Brandon Routh is utterly wasted. Where else but in Bollywood would Routh come across such a farcical feast designed in a slick-flick format where the hero is operated on by a supermodel who moonlights as a surgeon and leaves a watch in the hero's stomach?

The watch chimes a Hindu mantra into Akshay Kumar's ears ad nauseum. He's of course maddeningly annoyed. We're by then beyond that point.

Applaud this film for its audacity, vivacity and energy. And please don't look for a reason behind the comic chaos. Some things are not meant to mean anything beyond what they seem. This film is a marvel of packaging.

Clinton floors students

It was more than education, women empowerment and other such issues that the US Secretary of State Hillary Clinton spoke about when she visited the Delhi University Monday. From Hollywood-Bollywood, food and dieting to campaign tricks, Clinton shared quite a few light moments with the students.

On a five-day visit to India, Clinton Monday met the student community at the Convention Hall on Delhi University north campus here, talking about issues like climate change, agriculture, terrorism and women empowerment and taking a number of queries from them, ranging on just as many issues.

Among the scores of hands that shot up as soon as Clinton finished her 20-minute address was that of a student of the Jamia Milia Islamia University who wanted to know if there was a point of convergence between India and the US, which are so different culturally.

Literally conjuring up an image in response, Clinton said: If Hollywood and Bollywood was the way how we lived our lives, it would surprise me! And yet it's often the way our cultures are conveyed.

People watching a Bollywood movie in some other part of Asia think everybody in India is beautiful and they have dramatic lives and happy endings. And if you were to watch American TV and our movies you'd think that we don't wear clothes and we spend all our time fighting with each other!, Clinton said even as the crowd roared with laughter.

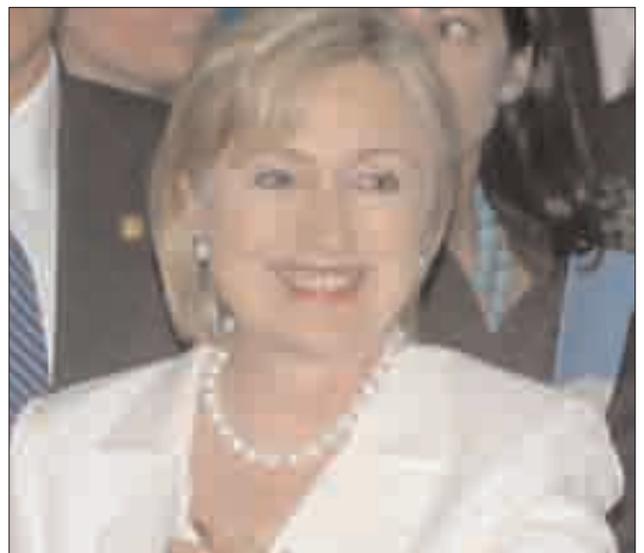
We, therefore, have to break these stereotypes and student exchanges are a way of cutting through the clutter and understanding that our hopes and values are similar, she added.

Another student asked how did she reconcile her policy views with those of President Barack Obama which were so evident during the presidential race.

To this Clinton replied: I think the campaign magnified the differences more than they actually are.

"That's what happens in campaigns. I'm sure you've noticed that. You draw differences and try to make them seem extremely large in order to convince people to vote for you rather than the other person, she said as the crowd roared again. Expressing her fondness and great admiration for India, and Indian cuisine, Clinton said, "I eat way too much food when I am here. I have to go on a diet of carrots and celery when I go back home!" she said.

(Courtesy BollywoodWorld.com)



GOPIO intl launches 20th anniv celebration effort

The Global Organization of People of Indian Origin (GOPIO International) and its chapters in the New York area inaugurated its 20th anniversary convention effort at the World's Fair Marina Banquet Hall in Queens, New York on June 5th evening. The chief guest at the event was Indian Consul General Prabhu Dayal. The program started with a welcome by the convention convener and GOPIO Secretary General Ashook Ramsaran.

"This year marks the 20th Anniversary of the formation of GOPIO - 20 years of remarkable and unprecedented achievements by GOPIO representing the interests and concerns of over 25 million people living outside of India. We encourage all of you to be part of this wonderful event at GOPIO's 20th Anniversary Convention, to know about it, its significance and how it matters to every one of us in the Indian Diaspora, to feel connected with a sense of belonging and to participate fully," said Ramsaran.

GOPIO Chairman in his remarks said that GOPIO was formed at the First Global Convention of People of Indian Origin in New York in August 1989 when there were widespread violations of civic and human rights of NRIs/PIOs as well as the issue of Indians being outside the political mainstream. "In the last 20 years, there have been substantial improvements in civic and human rights violations, although we have seen violence against Indian students in Australia recently, which GOPIO has condemn and call upon Australian Government to take immediate action," said Dr. Abraham.

Consul General Dayal said that GOPIO has made substantial contribution to sensitize the Indian government on issues such as the PIO Card and Overseas Indian Citizenship and that Govt. of India takes seriously GOPIO's suggestions on various issues and common interest. "NRIs and PIOs and particularly Indian Americans have contributed toward better relations with India and the countries they live in, as we saw the passage of US-India Nuclear Deal through the US Congress with the Indian American community," said Dayal. After the inaugural ceremony, Ramsaran introduced his team. The Co-conveners are Sangeeta Ahuja, Darshan Singh Bagga, Lal Motwani and Nohar Singh.



Consul General Dayal, panelists and GOPIO Officials at the GOPIO 20th Anniversary launch, From L. to R.: Prof. Arvind Pangariya, Joydeep Mukherji, Sangeeta Ahuja, Sreedhar Menon, Consul General Dayal, Dr. Thomas Abraham

A panel discussion titled "India and the Global Economy: Prospects and Challenges for the UPA II" followed the inauguration. The panelists were Dr. Arvind Panagariya, Professor of Economics and Jagdish Bhagwati Professor of Indian Political Economy, Columbia University School of International & Public Affairs and Mr. Sreedhar Menon, Former Deputy President of American Express Bank Ltd. and currently Chairman, Viteos Fund Services, Inc. It was moderated by Mr. Joydeep Mukherji, Former India Analyst and Currently Director, Latin American Sovereign Ratings, Standard & Poor's.

In his opening remarks, Mukherji said that the NRI/PIO economic output could be between \$300 to \$500 billion which is a substantial number compared to the GDP of India which is over trillion dollars. However, India's GDP is growing much faster now than that of the NRI/PIO economic output.

On a question what can be expected from Manmohan Singh administration, Dr. Pangariya said that after the elections, the expectations are high from the new government. In terms of economic liberalization, the govt. has to take series of steps to liberalize insurance and banking sector. Dr. Pangariya was also very positive on the selection of some of the ministers and noted the selection of Mr. Kapil Sibal as Minister for Human Resources Development and Mr. Kamal Nath as Minister of Infrastructure. Pangariya also felt that the Indian businesses have to have exit policy when the businesses are

not doing well similar to Chapter 11 in the US.

Mr. Menon on the hand said that the new government needs an agenda to protect ourselves from terrorism as a high priority. He also felt that infrastructure has to be improved and govt. has to work on reducing the budget deficit.

On a question on the relation with Obama and Manmohan Singh administrations, Dr. Pangariya said that the US has gone soft on Pakistan even though terrorism threat has increased from that country. "There are other pressing issues such as climate treaty which are to be agreed and both countries have to look forward to some long term strategies of cooperation," Dr. Pangariya added.

On the same question, Mr. Menon said that it is still too early to know what is going to happen. "However, there are many strategic cooperation between the two countries emerging, in technology sharing such as biotechnology and nanotechnology, in military and in trade." Mr. Menon was bullish on the US-India relation.

Dr. Maya Chadda, Professor of Political Science at William Paterson University in her concluding remarks said that at the recent Indian election, the two political grouping have emerged in the center as well as in the states which would provide political stability for the country.

Following the panel, audience participated in lively discussion. GOPIO-CT President and a Co-Convener of the convention Sangeeta Ahuja concluded the evening meeting.

Former Indian Prez delivers keynote address at GOPIO-FICCI conference Kalam highlights India's powerful potential

On June 9, 2009, Dr APJ Abdul Kalam, former President of India delivered keynote address at GOPIO-FICCI joint conference, entitled "Is a New Global Order Emerging? The Potential Role of India." Dr Kalam, known as the 'People's President', spoke about the powerful potential of India, its role in the scientific and business communities and the launch of his own project - the World Knowledge Platform. Other speakers included Indian High Commissioner Shiv Shankar Mukherjee, GOPIO International President Inder Singh, Federation of Indian Chambers of Commerce and Industry (FICCI) President Harsh Pati Singhania, Lord Diljit Rana, Lord Richard Newby, Lord Meghnad Desai, FICCI Secretary General Dr. Amit Mitra, and international human rights lawyer Dr. Bonita Meyersfeld.

The event, chaired by Lord Navnit Dholakia, considered the future role of India in the new global order. The conference aimed to engage a select community of business and political leaders to strategize both about the economic vitality of Indian commerce and its long-term potential to enhance global income and eradicate national poverty. The panelists, including economists, business leaders and lawyers, provided commentary on the potential of political and economic leadership of India and its responsibility to



Former Indian President Kalam in Belfast. From L to R: GOPIO Executive Vice President and Honorary Consul of India for Northern Ireland Lord Diljit Rana, Dr Kalam, Deputy First Minister of Northern Ireland Martin McGuinness and Indian High Commissioner Shiv Shanker Mukherjee

eradicate poverty at home and abroad. Lord Desai concluded that there is a pause in the economy, which Dr. Mitra identified as an opportunity for upsurge in meaningful development, sustainable growth and, coupled with a motivated new government in India, an empowered India in a new global order.

The conference was held at the Nehru Center, London and attracted members of the Indian community and many students of Indian origin in the fields of politics, science and international relations.

On June 10, 2009, Dr. Kalam spoke at

GOPIO organized luncheon in Belfast, Northern Ireland where over 100 people including GOPIO Int'l president Inder Singh and GOPIO Ireland president Dr. Prabhu Kulkarni of Dublin had come to attend the event. Lord Diljit Rana, GOPIO Executive Vice President, and resident of Belfast was the host of the gala function. The former president was also given an honorary degree by Queens University Belfast, whose Vice Chancellor Peter Gregson noted that "Few people so clearly personify the term 'Renaissance Man'."

INDIA evening at science and tech conference in New York

Columbia University in New York City was the venue for a rare convergence of two international groups of colloid and surface scientists from June 14 to June 19, 2009 at its Morningside campus. The triennial 13th International Conference on Surface and Colloid Science originating from the International Association of Colloid and Interface Scientists will occur jointly with the annual 83rd Colloid and Surface Science Symposium originating from the American Chemical Society. This confluence brought together top researchers and technologists spanning the wide range of topics that come under the umbrella of colloid and surface science; such as behaviors in particulate systems and at interfaces, and the application of this knowledge to a host of industrial technologies including: biomedical, material science, nano-engineering, water treatment, oil recovery, mineral process-



Photo below: Indian dancers of Kalashri School of Arts along with Irish and Hip Hop dancers at the India Evening

ing, papermaking, and energy and environmental stewardship.

Conference General Chairman Prof. P "Som" Somasundaran of Columbia University said "This was the Olympics in Surface Science, the largest conference event in colloids and surfaces since two major societies have joined together to organize the conference in the greatest city, i.e. New York, in an academic environment of Columbia

University."

"Being held in a city with a great diversity, we organized entertainment each evenings with a theme with Korean drum dancers welcoming the delegates on the first day evening followed by American contemporary dances on Monday, Indian dancers on Tuesday and Brazilian dancers on Wednesday," said the Conference Executive Director Dr. Thomas Abraham.

The India Evening with Western Fusion was put together by Ms. Bina Menon, Director and Choreographer of Kalashri School of Arts located Parsippany, New Jersey. Over 35 Indian dancers were joined by other Western dancers performing Irish, Hip-Hop and Swing. The 40 minutes program included Indian semi-classical dances followed by Western fusion dances and ending in a grand finale with everyone dancing to the tune of Slumdog Millionaire.

Singh is KING

Manmohan Singh has changed millions of lives

Time magazine



New York: Indian Prime Minister Manmohan Singh's speeches may not be winning him followers but his works do and his actions have "changed tens of millions of lives for the better", Time magazine has said.

The American publication has said that Singh first as Finance Minister and then as Prime Minister since 2004 has made the world's largest democracy one of the fastest growing economies through radical economic reforms.

"... he won the vote and then a sweeping victory in India's general elections this year. It is not Singh's speeches that win him followers; it's the fact that first as Finance Minister and since 2004 as Prime Minister, he has led India through a series of radical economic reforms that have made the world's largest democracy also one of its fastest-growing economies – and protected the poor too.

"It is Singh's actions that have changed tens of millions of lives for the better, not his words," Time said in an article published online.

Singh-led United Progressive Alliance was voted back to power in the general elections earlier this year. Singh is also credited with the economic reforms which he kicked off as Finance Minister in the early 1990s.

Why prosperous India is good for the US

As the world grappled to cope up with the "worst global recession in a generation," President Barack Obama said that prosperity in countries like India and China is good for the United States and West as it opens new markets for them and pushes their businesses to innovate.

"We meet in the midst of the worst global recession in a generation. I believe that the market is the greatest force for creating and distributing wealth that the world has known," Obama said addressing the 'New Economic School'.

However, he said that wherever the market is allowed to run rampant – through excessive risk-taking, a lack of regulation or corruption – "then all are endangered, whether we live on the Mississippi or the Volga."

"And while this crisis has shown us the risk that comes with change, that risk is overwhelmed by opportunity. Think of what's possible today that was unthinkable two decades ago. A young woman with an Internet connection in Bangalore, India can compete with anyone, anywhere. An entrepreneur with a start-up in Beijing can take his business global," he said.

"That's good for all of us – because when



US President Barack Obama, right, shares a word with India's Prime Minister Manmohan Singh during a round table meeting at the G8 summit in L'Aquila, Italy on Friday, July 10, 2009

prosperity is created in India, that's a new market for our goods; when new ideas take hold in China, that pushes our businesses to innovate; when new connections are forged among people, all of us are enriched," Obama said.

He said the greatest resource of any nation in the 21st century is its people, and the countries which tap that resource are the countries that will succeed.

T+
TISSOT
SWISS WATCHES SINCE 1853



TISSOT
Deepika Padukone

Deepika Padukone - Actress

Tissot, Innovators by Tradition.

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Swiss ETA manufacture movement, Water resistant to 30m/100ft

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