

Newspaper Clips September 4-6, 2010

06 SEP 2010

Indian Express ND 06/09/2010 P3

JNU reverts to old admission policy, fills only 15.9 pc OBC seats

DEEPU SEBASTIAN EDMOND
NEW DELHI, SEPTEMBER 5

AFTER a last-minute flip-flop that saw the reinstatement of its controversial tailor-made admission process, the Jawaharlal Nehru University (JNU) has managed to fill only 15.9 per cent of its allotted 27 per cent OBC seats this year.

In other words, the university managed to fill only 396 of its 683 OBC seats. Many of the vacant seats have already been allotted to general category candidates.

Though this year's figure of 15.9 per cent is a tad better than last year's 14.2, it may be noted that the quota was only 18 per

cent of the intake back then. Consequently, 330 of the 413 OBC seats had been filled last year.

Newsline had reported last year's admission statistics on January 4, 2010. The analysis of the data showed that JNU was not struggling to find suitable OBC candidates; instead, they were being kept out by the peculiar way in which the institution has designed its admission procedure.

The university has filled 24.1 per cent of its OBC seats in its BA courses. However, in MA courses, it has managed to fill only 13.6 per cent of the 27 per cent OBC seats. The corresponding number of M Phil

courses offered for the Social Sciences is 14.3 per cent.

Sciences usually tend to perform better than courses in social sciences, as far as admissions are concerned. In MA Economics, 29 of the 35 OBC seats allotted have gone vacant, while it was 24 of 25 in MA Political Science, 22 of 23 in MA Sociology and 18 of 19 in MA Arts and Aesthetics.

On the other hand, all the 16 allotted seats were filled in MCA, while the number for MSc Life Sciences was two more than the 14 allotted seats. The 11 allotted OBC seats were filled in MTech Computer Science as well as M Phil Life Sciences.

As per the recommendations made by the Aditya Mukherjee-

chaired committee in 2009, the university had put in place two criteria for the selection of OBC students. There was a "cut-off" mark fixed at 10 marks below the JNU entrance exam score secured by the last selected general category student and a "qualifying mark", which is the minimum eligibility mark acquired in the entrance exam.

JNU students have long been campaigning against this procedure, calling for the "cut-off" of the University to be made the same as the "qualifying mark." Convinced by the logic in their argument, several senior faculty members had expressed their support for them.

Intense lobbying by students

using admission data from the first two years of OBC reservations led to the Academic Council meeting of March 18 scrapping the Aditya Mukherjee committee's model.

The AC called for the adoption of the Hyderabad Central University's reservation policy, with pre-fixed cut-offs, and referred the matter to the Deans' Committee. The Mukherjee committee was flayed for essentially tying the fate of OBC candidates to that of the last unreserved category student.

Then, on June 17, the Deans' Committee decided to treat the minimum qualifying mark in the entrance examination as the cut-off. Youth For Equality, the or-

ganisation that has been campaigning against OBC reservations, decided to throw a spanner in the works.

On June 27, the YFE's lawyer sent a legal notice to the JNU, threatening action — including contempt proceedings — for contravening the Supreme Court's orders. Following this, on July 9, the JNU administration obtained legal opinions from two lawyers — advising the university to revert to the controversial method.

On July 12, just a day before the BA/MA results were announced, JNU reverted to the OBC admission policy recommended by the Mukherjee committee.

UGC breather for DU teachers

RESPIRE 300 teachers to benefit from UGC directive, get two years to be NET/SLET-qualified

Joyeeta Ghosh

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NEW DELHI: Around 300 ad hoc teachers of Delhi University (DU) have got a breather.

The teachers were on the verge of losing their jobs, for not having met the minimum qualifications set by the University Grants Commission (UGC).

In a letter addressed to the Deputy Registrar (Colleges) of DU, dated August 31, 2010, the UGC has allowed colleges to re-appoint lecturers who worked in the last academic year, even

if they do not meet the minimum required qualification.

The letter mentions, "...those presently working as teachers in ad-hoc capacity but not National Eligibility Test (NET) qualified, shall be given a time period of two years (i.e. four attempts at NET) to qualify in the NET/SLET (State Level Eligibility Test) and during this period of time of two years, colleges and universities may not fill teaching posts presently held by them on ad hoc or regular basis..."

This letter upholds the earlier time period granted to the

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UGC DIRECTIVE

ad hoc teachers to meet the minimum qualifications.

A letter issued by the UGC to the vice chancellors of universities on August 29, 2009 had mentioned, in a similar manner

as narrated earlier that, "...those presently working as teachers in ad hoc capacity; but not NET-qualified, shall be given a time period of two years to qualify in the NET/SLET and during this period of time of two years, colleges, and universities may not fill teaching posts presently held by them on ad hoc basis or regular basis."

This means the ad hoc teachers have time till August 2011 to clear the NET/SLET, which, as per the UGC's (Minimum Standards And Procedure for Awards of M.Phil/Ph.D degree) Regulation 2009, has been made

HINDUSTAN TIMES HAD FIRST REPORTED THAT AD HOC TEACHERS MAY LOSE THEIR JOBS SINCE THEY HAD NOT CLEARED NET/SLET.

mandatory for appointment of ad hoc lecturers in universities. The new regulation came into effect from July 16, 2010.

In compliance with the UGC regulations, Delhi University on April 20, 2010 had sent a letter to principals of colleges, asking

them to abide by the above guidelines.

The All India Researchers' Coordination Committee had pointed out that this order of DU was in violation of the earlier letter issued by UGC on August 29, 2009.

The varsity authorities had written to the UGC on June 28, 2010 about shortage of candidates who meet the UGC norms for the post of ad hoc teachers.

In reports published on July 15 and 25, HT had first reported that ad hoc teachers may lose their jobs since they had not cleared the NET/SLET.

Hindustan Times, ND 06-Sep-10 p-14

'Give reason in writing for rejecting selection'

COURT RULES SC rejects Centre's plea; says appointments panel has to record reason

Satya Prakash

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NEW DELHI: Ruling in favour of transparency in high-level bureaucratic appointments, the Supreme Court has said the Appointments Committee of Cabinet (ACC) must give reasons in writing for its decision rejecting recommendations for a bureaucrat's appointment to a particular post.

A bench headed by Justice H.S. Bedi turned down the Centre's plea that there was no rule requiring reasons to be recorded by the ACC for such decisions. The apex court upheld the verdict of the Delhi High Court, which asked the Centre to reconsider the case of Bhaskarendu Datta Majumdar for appointment as Director, Marketing in the State Trading Corporation (STC).

The verdict comes as an embarrassment to the government that had contended that the ACC was the final authority to make the selection and appointment and "it alone had the jurisdiction to determine the suitability of an officer".

The government also claimed that ACC decisions were not open to challenge except on grounds of mala fide or other exceptional reasons. The court, however, emphasised that this authority was not absolute.

If the government was not accepting the recommendations of the departmental promotion committee, the SC ruled citing a 1995 case, "it must give reasons for so differing to ward off any attack of arbitrariness. Those reasons will have to be



ILLUSTRATION: ABHIMANYU

recorded in the file".

Majumdar, who joined STC as Executive Secretary to the chairman-cum-managing Director in April 2001, was chief general manager when he applied for the post of Director (Marketing) in December 2005.

In March 2006, the Public Sector Enterprises Board shortlisted Majumdar and Neeraj Mishra. The Department of Commerce forwarded Majumdar's name to the ACC for approval with his vigilance clearance.

Majumdar contended that

the Home Minister, as the second member of the ACC, had also endorsed his name. But the then Cabinet Secretary — B.K. Chaturvedi, who had earlier been MD of STC — allegedly scuttled his appointment taking note of some serious allegations which at one point in time had been levelled against him.

This included departmental inquiries and two CBI cases involving Majumdar. But all the inquiries exonerated him. Ignoring the clean chits, the ACC did not clear his appointment.

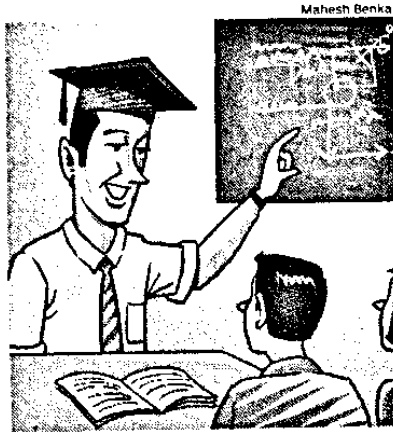
IIT undergrads start new chapter of tutoring juniors

Hemal Chhapla | TNN

Mumbai: Most IITians think that they are as different from their faculty members as MS-DOS is to Windows. Taking the same corollary a bit further, when it comes to their teaching assistants, the latter apparently are still stuck in the faded age of Orkut. But these gaps will soon be bridged with the launch of a novel programme, in which the Indian Institute of Technology, Bombay will have senior undergraduates teaching freshers.

Bright undergraduates tutoring their juniors is common on most American campuses but this is the first time that an Indian institute is attempting this teaching model. With the number of students rising, teaching assistants are becoming all the more important in the tutorial system being conducted after lectures.

"On an experimental basis, 50 undergraduates have been appointed as UGTAs (undergraduate teaching assistants) who will help faculty members take first- and second-year core courses. These students will have sim-



ilar assignments as that of regular postgraduate teaching assistants," said IIT-B dean (academic affairs) Supratim Biswas.

"We are being very careful while selecting students for the programme. Not only do they need to have brilliant academic credentials in IIT (without any backlogs) but they also should be able to handle the additional load of tutoring juniors beside completing their own studies."

Usually, IITs appoint their PG and PhD students as teaching assistants, who are also offered financial support. However, some of the schools have woken up to the fact that many of these assistants did not study their UG courses at an

Indian Institute of Technology; so, their methods of teaching often differ from that of a teacher, sometimes ending up confusing a student.

"We have observed that our undergraduates can relate to their seniors who are well equipped in handling the rigour of bread-and-butter institute-level core courses both academically as well as temperamentally," said Biswas.

In fact, IIT-B has infused a catalyst — a respectable honorarium of Rs 48,000 a year — to its experiment. If the arrangement yields good results, the next year may see more third- and fourth-year students (of the dual degree programme) being selected for coaching.

With the rising student population on campus, lectures for all core courses are being held four times a year, to make up for the paucity of faculty members and classrooms. Last year, the large hall meant for convocation was used for classes, but several students and teachers said it was irrational to have a class of 880 at a time. Lab sessions and workshops are held in shifts.

'We're launching Chandrayaan-2 for a total coverage of the moon'

On August 30, India's second unmanned scientific mission to the moon, the Rs 425-crore Chandrayaan-2, slated for launch in 2013, a joint Indo-Russian flight, from Sriharikota, took a definite shape with the seven scientific instruments or payloads - five on the India-built orbiter and two on the indigenous rover - being announced by ISRO. A high-level committee headed by U R Rao, chairman, Advisory Committee on Space Sciences, made the choice of instruments. Srinivas Laxman talks to Rao, who was also chairman of ISRO between 1984 and 1994.

■ India's first lunar mission Chandrayaan-1 had accomplished nearly 95 per cent of its scientific objectives and is considered a success internationally. Why is India returning to the moon?

There are still a lot of

outstanding issues about the moon, which have to be resolved in greater depth. Some of the experiments of Chandrayaan-1, moreover, achieved only 50 per cent to 70 per cent of their objectives. Again, due to power limitations, the Terrain Mapping Camera of Chandrayaan-1 could map only 45 per cent of the moon. We are launching

Q&A

because we need a total coverage of the moon, employ improved and new technology and obtain better quality photo imageries. The orbiter with the five payloads will be flying at an altitude of 200 km above the lunar surface and we estimate that its lifespan would be for two years depending on the use of the propellant.

■ A significant aspect of Chandrayaan-2 is that the orbiter, unlike in Chandra-



yaan-1, does not have any foreign payloads even though NASA and the European Space Agency showed interest. Is there any reason why foreign payloads have been removed?

As per the present plan we do not have any weight in the orbiter for foreign payloads. We were keen on giving an opportunity to our scientists. This is why we decided not to invite international participation this

time. Keeping this in view we, unlike in Chandrayaan-1, did not issue a formal Announcement of Opportunity calling for international participation. Even at the last moment if we decide to have foreign payloads on Chandrayaan-2 after making weight allowances, we have to issue an Announcement of Opportunity, an elaborate exercise, which can delay the flight. The total mass of the five payloads on the orbiter is about 40 kg at the moment and we are trying to reduce it, which may be difficult.

■ In Chandrayaan-1 many Indian scientists regretted that their achievements were sidelined especially with regard to the discovery of water and NASA took away the credit. Is this a reason why the committee eliminated foreign instruments on board Chandrayaan-2?

[Laughs] The instruments were chosen based purely on their scientific merit.

■ The weight of Indian rover was earlier stipulated as 15 kg. Has this been finalised and what will be its lifespan?

It will be more than that. It will function only for a few days on the surface of the moon because of power limitations. It will carry its own power. The design and development of the rover is a new technology for us. For the orbiter we have selected the right altitude of 200 km above the moon's surface for it to fly because too many corrections are not needed at this altitude. (The flight plan envisages the lander with the rover detaching from the orbiter at a certain point near the moon and soft landing on the lunar surface, the place has yet to be finalised. Thereafter, the rover will move out of the lander.)

US dynamism makes downsizing its importance very difficult, admits Infosys

BIBHU RANJAN MISHRA
Bangalore, 5 September

Infosys has time and again expressed its desire for reducing exposure to the US market. But each time it vows to do so, the US market grows even more stronger.

S (Kris) Gopalakrishnan, the MD and CEO, recently trotted out the same old cliché, but with a specific figure. "We are pro-actively investing in increasing our non-US business. Today, about 65 per cent of our business comes from the US, but we want to get a ratio of 40 per cent. This is

not by reducing the US business, but by growing other geographies faster," he said.

It is not as easy as it sounds. Kris himself knows that. While talking to analysts in January 2008, Infosys' top management had announced the plan was to bring down the US contribution to its total revenue to around half. But the slowdown of 2008-09 changed everything. While it was the first among global economies to show signs of recovery, the US' contribution to the country's second-largest information technology (IT)

service provider's overall revenue went up further after the downturn.

"It's a challenge before us. That's why we have not set a time frame for this - it's directional," says Kris. "It (to keep US revenue contribution at 40 per cent) is difficult because the US is the best and the most dynamic market. In this recovery itself, the US has done better than other geographies," adds the Infosys co-founder.

Before the downturn, the contribution of the US to the Bangalore-based company's overall revenue was 60 per cent. It is now



The US continues to be the best market for technology-related services, agrees Kris Gopalakrishnan, MD and CEO, Infosys

close to 66 per cent. The share of Europe has further come down, though the

company attributes it to a weak euro. Infosys' Europe revenue share in the last

quarter came down to 20 per cent from the earlier 29 per cent.

"Europe is expected to grow much slower than the US in the next few years, and it's because of the way they reacted to this downturn. The US has reacted more aggressively, so they are starting to recover much faster," explains Kris.

Infosys agrees the US market continues to remain at centre stage for most Indian IT service providers, despite the new wave of protectionism measures. There are still a lot more untapped opportunities in

the US market for Indian IT services' providers.

Infosys, for example, serves about 130-odd Fortune 500 companies in the US. "So, there are still a lot of opportunities to grow in the US market," says Kris.

Adding: "The US continues to be the best market for technology-related services. The US also adopts new practices fast. When offshore was introduced, US was the first to adopt that and use that model. That's the reason why the US will continue to be the largest and one of the important markets for us."

Boeing offers Isro tech help for 2016 manned space trip

Prashanth G N | TNN

Bangalore: The Indian Space Research Organisation has an offer too tempting to resist: Boeing has said it is ready to collaborate and offer technological know-how to Isro for its human space flight programme, scheduled tentatively for 2016.

This will include construction of a crew vehicle to the International Space Station (ISS), journey to the station and re-entry into earth's atmosphere, which is the most crucial aspect of the programme. Dr Vivek Lall, vice-president and India country head, Boeing Defense, Space and Security told TOI: "Boeing has initiated discussions with Isro to offer our support to India's human space flight programme. With our legacy in space exploration design, development and integration, we believe we can provide value-added assistance to In-



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dia's national programme."

Lall added: "We plan to submit a formal request to the US Department of State to enable us to proceed down this path should our services be accepted." The senior Boeing official pointed out that Nasa had offered a Commercial Crew Development (CCDev) contract to Boeing with Bigelow Aerospace as a key

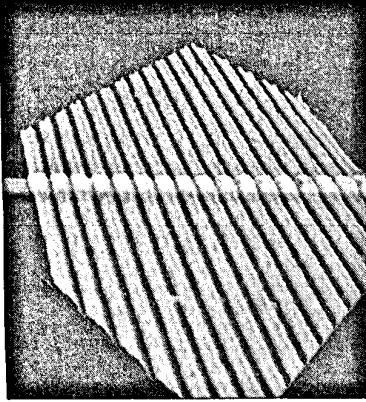
Data of Chandrayaan mission to go public

Voluminous scientific data, including rare images of the moon, from India's maiden lunar mission Chandrayaan-1 will be made public by the year-end. "People will have free access to the huge data obtained from our first moon mission on a web portal that will be launched by this year-end," a senior scientist of the Indian Space Research Organisation (ISRO) said. IANS

team mate to initiate the design and development architecture of commercial transport to and from ISS. "This programme opens the door for collaboration between Boeing and Isro in areas of commercial crew transportation."

Boeing has offered collaboration in four specific areas, one of them in which Isro has already begun work.

HP, Hynix to make next-gen memory chips



JOHN MARKOFF
SAN FRANCISCO

Sept. 5: Hewlett-Packard said Tuesday that it would commercialize a new computer memory technology with Hynix, the South Korean chip maker.

Hynix's agreement to build computer memories using a technology HP scientists developed called memristors indicates that more computer memory will be packed in even smaller devices in the second half of this decade. The two companies said the memristors will be commercially available in about three years.

To date, the memristor's most likely application is for dense nonvolatile memories, which is what is used in

flash memory cards for products like cameras and PCs. It is not out of the question, however, that it might play a role in other kinds of chips, including microprocessors, in the future.

The agreement to build the memory chips validates the work of Leon O. Chua, a University of California, Berkeley, electrical engineering professor. In 1971, he proposed a fourth basic circuit element (the other three are the resistor, capacitor and inductor) and called it a memristor, or memory resistor, as a simpler alternative to transistors. The idea languished for many years before a team of HP researchers found a way to use it in 2006. Since then, memristors have attracted

Memristors are still viewed as laboratory experiments by semi-conductor firms.

industrial, academic and military interest, but have not gone beyond being laboratory curiosities.

Competing in the memory business will not be an easy battle. Memristors are still viewed as laboratory and academic experiments by the majority of the world's leading semiconductor firms, most of whom have settled on a competing technology known as Phase Change Memory, or P.C.M. However, HP scientists said

they traveled the world discussing memristors with all of the leading chip makers before settling on their commercial development agreement with Hynix, the world's second-largest maker of memory chips behind Samsung Electronics.

"Right now the memristor outperforms flash," said Stan Williams, an HP Labs scientist who has led the development effort. He said the tiny switches could be turned on and off more than 100 times as fast as flash, use a tenth of the energy and have a much greater lifespan.

The storage densities are already staggering and will become even more impressive in the future. Next year

the most advanced flash storage chips will have a capacity of roughly 64 billion bits per square centimeter, according to the industry's annual road map. By 2014, that is expected to increase to 170 billion bits per square centimeter. Rice University scientists said that memristive storage devices could be five times as dense as the industry standard in 2014 and that the technology was more easily adaptable to three-dimensional packaging. HP researchers have described ways to design 1,000-layer memristor-based chips, although they acknowledged that with current manufacturing techniques such devices would not be practical. —NYT

Busines Standard ND 06/09/2010 p-12

Is supply of software a sale or a service?



SERVICE TAX

S MADHAVAN

In a very recent and interesting judgement, the Madras High Court has come to some fundamental conclusions, in relation to taxability of supply of software to customers under a typical software licensing agreement (Infotech Software Dealers Association Vs. UOI).

The petitioners were dealers in software and approached the High Court through writ petitions impugning the extension of the service tax law, as contained in the Finance Act 1994, to software, on the grounds of being null and void, ultra vires and against the Indian Constitution. Specifically, the challenge related to the taxable serv-

ice of provision of information technology software. It was the case of the petitioners that it was settled law, as per the judgement of the Supreme Court in TCS vs. State of Andhra Pradesh (2005) 1 SCC 308, that software was goods and hence transactions relating thereto could only be construed as sale of goods. Consequently, the States alone had the legislative competence to tax such transactions and hence the imposition of service tax in relation to such transactions by the Centre must be held to be without basis in law. It was also argued that while considering the transactions, the dominant intention of the parties would also be relevant, in terms of the Supreme Court's decision in the BSNL case, and in this regard as well it must be held that there could never be an intention for the contracting parties in relation to a software supply to provide a service to the other. It was also argued that the sale of software was, in any event, subject to VAT and hence the subsequent extension of the service tax in relation thereto was incorrect in law.

The particular transaction

in question was in relation to software supplied in terms of a typical licence agreement, whereby the end user was given a limited right to use the said software. Of course, there were other transactions in relation to the software as well but it was the licencing agreement that was the subject matter of the detailed findings of the Court.

To begin with, the Court took note of the decision in the TCS case (supra) and concluded that the TCS judgement (supra) but also following its own earlier decision in the case of Infotecs Technologies Vs. CTO (2008) TIOL 509 as well as the decision of the Karnataka High Court in Amrix Corporation Ltd. Vs. Assistant Commissioner of Commercial Taxes (2010) TIOL 515. Having taken note of the settled position as above, the Court then went into the nature of the underlying transactions. The Court came to the initial conclusion that notwithstanding that software was goods, the transactions whereby it was supplied to the customers would need to be considered for the purpose of taxation. The Court visualized cases of exclusive sales of software, exclusive services relating to software and cases where both the elements of sales and services were involved.

The Court thereafter considered the typical software

license agreements, both the master agreements between the software owner and dealers/distributors as well as the end use agreements between the software owner & the individual end users. The Court took note of certain specific clauses thereof which stated as follows:

■ the agreement was between the software IP owner (Licensor) and the end user (Licensee)

■ the IP owner retained the IP in the software & contained to remain the owner of the software in that regard

■ the licensee could not sell, license or distribute copies of the software

■ the licensee did not acquire any right to transfer or license or distribute the software and only obtained a limited right to use the software in question

The Court arrived at a conclusion that the software owner retained the copyright in the software, regardless of whether it was canned, packaged or customized and that the transfer that took place was of a limited right to use, with copyright protection retained by the owner. The members of the petitioner association entered into master end use licence agree-

ments which enabled them to market the software to individual end users, under the end use licensing agreements in question. On a consideration of these factors, the Court held that in a situation as above, no transfer of the software took place at all and hence the provisions of the Constitution, under Article 366(29A)(d) thereof, in terms of deemed sales of goods were also not attracted to the case in hand. The Court therefore came to the conclusion that it could not be held that merely because software was goods, all transactions relating thereto must be outside the purview of the service tax, as they necessarily could only amount to actual sales of such software or deemed sales of such software, in the form of a transfer of the right to use such software. The Court held that such a conclusion could not be drawn and it was entirely possible to visualize situations where the transactions in relation to software, which was admittedly goods, were not covered within the ambit of either actual sales or deemed sales. Specifically, the typical software end user licence agree-

ment in question visualized the contracting parties to enter into a services contract, whereby one contracting party would provide a service to the other, in relation to software. The Court therefore held that while it undoubtedly concurred with the Supreme Court in regard to the dominant intent test to consider taxability, that test was necessarily a factual one, to be conducted qua the actual transactions that were under consideration. There could not be any automatic or axiomatic conclusion that since software was goods, the dominant intent of the contracting parties, in relation to such software, could only relate to sales and not to services.

The Court therefore concluded that the provisions in the service tax law introducing the taxable service of information technology services were constitutionally valid and it could not be held that the Centre had no Constitutional powers to tax transactions relating to software. The Court said that it was always open for the petitioners to argue their case regarding the dominant intention of the parties and they could hence resist the imposition of service tax by demonstrating that the transaction was a sale and not a service.

It will be interesting to see

how the impending GST addresses this tricky question. The central challenge of whether a transaction is a supply of goods or a supply of services would continue to be relevant since it is likely that the GST rates could be different across goods and services, at least for the initial years of the GST. As is known, the present understanding is that goods will be charged to a standard GST rate of 20 per cent or a concessional GST rate of 12 per cent, as the case may be, and there would be a convergence to a 16 per cent rate, over a three year timeframe. On services, the understanding is that the rate would be a 16 per cent from inception. If this were to come about, the challenge of determining the appropriate rate of GST on transactions relating to software supplies will continue to plague the industry for this initial period. It is therefore critical that the GST incorporates special rules in relation to taxation of software supplies and that they are uniformly and consistently applied.

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ALUMNI PLEDGE TO SERVE ALMA MATER

Raising funds for scholarships, faculty bonus and expansion

PROUD OF OUR PAST, BUILDING THE FUTURE



- The IIM-Bangalore alumni gave ₹13 lakh for the construction of a gymnasium on the campus.
- The IIT-Bombay alumni pledged 1% of their salary towards paying signing bonus to faculty and improving hostel infrastructure.
- The XLRI alumni is considering to divert donations for scholarships, foreign faculty and infrastructure.
- IIM-A raised ₹18 crore through alumni contributions. A former student of the 1989 batch donated ₹2.3 crore

KALPANA PATHAK
& VINAY UMARJI
Mumbai/Ahmedabad

The alumni associations at premier B-schools and engineering institutes are going beyond handing out an annual donation cheque to their alma mater. They are contributing at every level and helping the institutes build their brand, both nationally and internationally.

"It's a moral calling towards our alma mater. We are together to support our institute. It's our responsibility to see that our institute stays on top," said Rakesh Godhwani, head, IIM Bangalore, alumni association.

Godhwani, who joined IIM-B three years ago, said the B-school has put in a lot of effort to institutionalise alumni involvement. "We made a professional secretariat at the office by making the alumni association a legal entity. Earlier, it was a problem reaching out to the alumni with their various yahoo and google groups," said Godhwani.

Every year, IIM-B is in-

creasing its alumni base by 1,000 students. From 1,500 members in 2007 the institute now has over 5,500 members.

The Indian Institute of Management, Ahmedabad (IIM-A) has set a target of raising ₹250 crore by the end of next year through alumni contributions. According to officials, the premier B-school is aiming not only to replenish its dwindling corpus, but being self-sufficient and attract better faculty and research.

So far, IIM-A has raised ₹18 crore through alumni contributions. One of the former students of the 1989 batch has donated ₹2.3 crore. The alumni includes some prominent names like Rasesh Shah, chairman of Edelweiss, Sanjeev Bikhchandani, founder of Naukri.com, Nirmal Jain, chief executive officer of India Infoline and Rahul Bhasin, managing partner for Bearing Private Equity.

At Xavier Labour Relations Institute (XLRI) in Jamshedpur, alumni members are helping the institute decide on how to use their financial contributions. They have decided to use

the funds either for student scholarships, recruiting international faculty or improving the infrastructure.

The institute has also developed an interactive alumni portal that has already seen around 5,000 registrations. XLRI has developed a database to keep track of the alumni and allow better interaction between students and the alumni members.

"Both B-schools and the alumni are now realising the need to bridge the gap further.

Even at XLRI, we are involving alumni more and more to improve various areas of the institute. For instance, we have created an 'XLRI Endowment Fund' that is aimed at alumni contributions. Most of the members on the board of the endowment fund are XLRI alumni," said E. Abraham, director, XLRI Jamshedpur.

The Indian Institute of Technology, Bombay (IIT-B) has found an innovative way to increase alumni participation on the campus—a new fund-raising drive called 'Give one for IIT-Bombay'. Every alumnus, who is part of the voluntary movement, pledges one

per cent of his or her salary to IIT-B every month.

So far, more than 735 students out of the 1,000 in the graduating class of 2010 have signed up for the initiative.

An IIT-B graduate earns an average annual salary of ₹7 lakh. This means the institute will be able to generate over ₹51 lakh (₹7,000 per student per annum) when these students start contributing in the first year.

"The aim is to engage our alumni early. We would be using the funds to meet various needs like infrastructure, joining bonus for faculty, green initiatives on the campus or benevolent fund for the faculty members and IIT-B staff," Bakul Desai, ideator, IIT Bombay Alumni Association, told *Business Standard*.

All these institutes have decided to keep an account of the contributing members and provide them a timely update on how the funds are being used. The former students can suggest to the association if they wish to divert the fund to a specific venture on the campus.

**Business
Standard ND p-17
06/09/2010**

AIMA OFFERS E-PG DIPLOMA IN MANAGEMENT

The All India Management Association's Center for Management Education (AIMA-CME) has launched an e-Post Graduate Diploma in Management (e-PGDM) programme on the e-Learning platform in collaboration with Hughes Communications India. There will be four modules in the programme. The first, second and fourth modules are common to all students. The third module offers specialisation modules on marketing, finance, human resource and operation management. Students can opt for either of these fields.
HYPERLINK:
["http://www.hugheseducation.com](http://www.hugheseducation.com)

**Business Standard p-17
ND 06/09/2010**

IIT-Bombay launches Eureka!

The Entrepreneurship Cell, IIT-Bombay launched Eureka! — its business plan competition this month. With a total prize money of ₹21 lakh (\$50,000), top 50 shortlisted teams will be provided free financial and legal consultancy. The winners of Eureka! 2010 will get a chance to pitch their idea before a panel of investors and venture capitalists from Indian Angel Network and Mumbai Angels. Participants will also get access to the knowledge library of Mentor Square.
HYPERLINK:
["http://www.ecell.in/eureka](http://www.ecell.in/eureka)

Carleton sets up India Centre of Excellence

BS REPORTER
Mumbai

Canada-based Carleton University has set up a Canada-India Centre of Excellence in Science, Technology, Trade and Policy at Carleton.

The centre will look at joint research projects, exchange of faculty and students and internship opportunities for engineering students in Canada and India. The centre is also looking at creating international job opportunities for students.

"It's the only centre in the world for science & technology and policy. In the university, we are educating the future generation, who will need science and technology to solve pres-

ent and future problems. This initiative will look at joint research projects, exchanges, conferences of interest to India and Canada," said Roseann O'Reilly Runte, president and vice-chancellor, Carleton University (CU).

The centre will create a network of selected universities for research. Carleton, for instance, has established relations with Delhi University, Kolkata University and Mumbai University among others.

"We are also working with labs of many companies and we are an-

nouncing an agreement with the Tata Institute of Fundamental Research in the area of computer science. This will run for a period of five years," said Runte.

Carleton has also signed an agreement with the Birla Institute of Technology and Science (BITS) Pilani. The agreement allows faculty and student exchange programmes, internships and joint research projects, especially in international health environment and engineering.

The centre will share campuses with the Norman Paterson School of

International Affairs, the School of Public Policy and Administration and the Sprott School of Business. The centre will also provide opportunities for many co-operative ventures.

Research will be carried out in nano-science, computer science, aero engineering, robotics and networks. "India and Canada have complementary situations. In both countries we have extraordinary researchers. Together they can be a powerhouse. Both countries have committed to environment and sustainability issues and researchers are looking at new innovative forms of energy. The interest in health care is very strong in both countries," Runte signed off.

The centre encourages joint research projects, faculty and student exchange programmes and internship opportunities for engineering students

Financial Express ND 06/09/2010 p1

Computer-based system shines as active fund managers underperform

Ashley Coutinho

Mumbai, Sep 5: It was perhaps the first litmus test for ING Investment Management's quant fund. With approaching election results, the market was gyrating wildly and many mutual fund houses were holding anywhere between 25-40% cash in April 2009. However, against prevailing wisdom, ING's recently launched large-cap focused FMS quant fund stayed invested (98%) in the market.

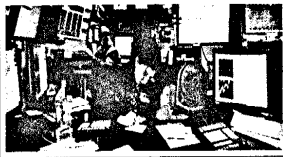
The strategy paid off. On May 8, the Sensex rose 2,000 points when it became certain that the Congress-led UPA would sweep the polls. While most fund houses lost out, ING's quant portfolio took a quantum leap.

Instances such as this have encouraged some Indian players to experiment with a new style of managing mon-

PROCESS-DRIVEN APPROACH

Indian players are experimenting with quant—an automated, computer-based model—instead of flesh-and-blood fund managers

According to recent report by S&P Crisil Spiva, almost two-thirds of equity-oriented funds have underperformed the benchmark index over a 5-year period



ey—through automated, computer-modelled 'quants' instead of flesh-and-blood fund managers. The abysmal track record of active fund managers has also prompted high net worth individuals

(HNIs) to give these passive, mechanical models a try. According to recent report by S&P Crisil Spiva, almost two-

thirds of equity-oriented funds across both large-cap and equity-linked savings schemes have underperformed the benchmark index over a 5-year period.

"After the global financial crisis, HNIs are more willing to try out process-driven approaches. There is a focus on the investment process

rather than on short-term returns or a few great stock picks," says Radhika Gupta, director and one of the founding members of Forefront Capital Management, a boutique quant firm.

To be sure, quants have been around for more than two decades globally. In India, though, it's largely a two-year-old phenomenon. ING Investment Management, Forefront Capital Management and Benchmark Mutual Fund currently offer quant products through the portfolio management services route. Reliance Quant Plus Fund, Motilal Oswal's M50 Exchange Traded Fund and Religare Agile Fund are among the existing quant funds in the mutual fund space. Pramerica Asset Managers and IDFC MF are believed to be launching quant funds soon.

Continued on Page 2

Computer-based system shines as active fund managers underperform

"Quants are relatively new to India where 99.9% of investors, including HNIs, are invested into traditional products," says Navin Suri, chief executive of ING Investment Management, which has three quant products under its portfolio, without under management (AUM) of about Rs 1,000 crore. "In the US, about 20% of the investment corpus is in quants."

Quants are modelled on mathematical and statistical parameters based on a company's historical data such as earnings, profits, valuations and macro-economic data such as interest rate movements. It can take anywhere between six months and 2 years to build a particular model and a few more months for back-testing it. These funds are targeted at HNIs and super-HNIs. Typically, the minimum investment required is Rs 10 lakh with fixed charges akin to mutual fund expense ratios ranging between 1.5-2.5% p.a. There is no lock-in period.

Diversification and risk management are the two primary benefits of a quant fund. One of the popular strategies is multi-asset allocation where the corpus is invested across asset classes such as equity, gold, cash and fixed income. "Today, in-

vestors are anxious as the market is dancing to global tunes. Quants can help manage risks arising out of volatility," says Vijai Mantri, MD & CEO, Pramerica Asset Managers. According to Suri, unlike human analysts, quants can analyse a wider breadth of companies equally well—and without behavioural bias.

Interestingly, the global demand for quants took a nosedive in the aftermath of the Lehman collapse in 2008 as investors yanked billions of dollars from several products. According to a recent New York Times article, the combined assets of quantitative funds specializing in US stocks have plunged to \$467 billion, from \$1.2 trillion in 2007, a decline of 61%. "The assets of quant hedge funds have dwindled by about \$50 billion and one in four quant hedge funds has closed since 2007."

The performance of these funds took a beating as time-tested relationships between asset classes fell apart and mathematical programmes which relied on historical data came to naught. In fact, most of these funds are reported to have gone short on the same scrips during the crisis, triggering a cascading collapse in their prices. What's worse, some of the quant hedge

funds were highly leveraged.

Their fall from grace, however, hasn't dampened the enthusiasm of Indian fund managers, who are quick to defend these models. "Quant strategies are not the only strategies that suffer from the Black Swan risk," insists Gupta. According to her, it's the high leverage strategies and not quants per se that have backfired. "No one strategy can perform all the time. Quants work well as a supplement to the more traditional methods of investing," admits Suri. Indian quant managers have also learnt from the mistakes of their global counterparts. One lesson is that it is important to tweak models to suit newer macro-economic realities rather than religiously follow a rigid pattern.

Thankfully by some measure, quants haven't done too badly in India so far. For instance, as on August 2010, ING's Adapt portfolio has given 1-year returns between 9.18% (very conservative) and 23.07% (very aggressive) against Nifty's 15.8%. As on July 2010, Reliance Quant Plus Fund

has given a 1-year return of 18.6%, while Forefront's flagship product India Opportunities claims to have outperformed Nifty by nearly 7% in its live portfolio over one year.

Yet, it's difficult to judge their absolute performance. For one thing, returns vary significantly depending on the risk profile of the investor. For another, many funds claim that returns can also vary significantly depending on the exit and entry strategy of individual investors as there is no lock-in period. "Most of these funds are less than three years old. So, it is too early to meaningfully assess their performance," says Dharendra Kumar, CEO at Delhi-based MF tracker Value Research India.

"Expectations from quant funds are too high in India," reveals Gupta. "Just because it is a new investment style doesn't mean it's going to work magic. If you look at global numbers, the best a quant fund can do is give returns in line with the best performing mutual fund. But that doesn't

make it a bad investment."

Talent may be an issue as well. Currently, "only a handful of the brightest IITians are picked up and trained from India by global quant firms," reveals Sandeep Juneja, an associate professor at Tata Institute of Fundamental Research, who has headed Bank of America's quantitative operations in India for about a year. Globally, quant models are prepared by top-notch economists, mathematicians, physicists and computer science PhDs.

Understandably, investors are reluctant to repose their faith in these complex, and often abstract, mathematical models. Total AUM are still pegged at about Rs 1,500 crore. Internationally, Goldman Sachs Asset Management and AQR Capital Management together manage around \$70 billion. What's more, there is still no institutional market for quants in India. That itself hints at both the disparity and potential for quants here.

Quants players are well aware of this and are doing all they can to woo investors—through client seminars, education programmes, one-on-one meetings and advisory services of their distributors, mostly banks. "The future for quants is very bright

India. Besides, quants is a scalable business model and billions of dollars are managed by investment teams of 10-20 people globally in quant strategies," says Gupta. Suri is optimistic quant products will comprise 8-10% of HNI portfolio in the next 5 years. Many players, in fact, are already planning to introduce new quant products.

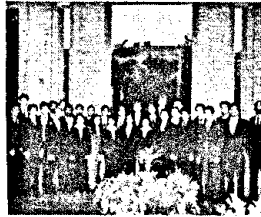
It won't be smooth sailing, though. Structural issues such as low liquidity in Indian markets may in some ways, mar the performance of quants. "Many a times, trading volumes in the market is not driven by fundamentals. Also, volumes drop significantly as you go below the top 60 to 70 stocks," says Sanjay Shah, executive director, Benchmark Mutual Fund, which currently offers three quant products. And since many of the quant strategies like mean reversion work on the principle of reducing risk (buy at dips and sell at highs), it might be difficult for investors to maximize returns.

"Quant funds tend to underperform in an uninterrupted bull market," confesses Mantri. But, as professor Juneja points out, "the demand for quants will rise as Indian markets mature and more foreign banks set up shop here."

CAMPUS ROUNDUP

IIM Lucknow students head to foreign universities
This year 53 students from IIM Lucknow (IIML) are heading to foreign universities as part of the Student Exchange Programme, 2010. The international student exchange is at the forefront of IIML's efforts towards international exposure and recognition. IIML has alliances with prestigious institutions across the globe, spread across 4 continents and 22 universities. IIML will also play host to 30 foreign students from other countries. The students proceeding

to the foreign partner universities will leave as 'ambassadors' of the country and their institute. In addition to acting as brand ambassadors of IIML, these



students promote the Indian culture, ethos and values in the respective partner institutes.

JIM's new campus at Indore (JIM-I) established
Jaipuria Institute of Management (JIM) has launched its new campus in Indore—which is now being recognised on the national map as a hub for professional education with the presence of IIT and IIM—by announcing admissions open to its PGDM programme with a new curriculum on Digital Management Practices with a focus to take

traditional organisation management functions as well as business to the 'e' platform. JIM has been operating for the past 15 years with campuses in Lucknow, Noida and Jaipur. JIM-I campus is spread over an area of 10 acres and plans to have two academic blocks with a covered area of 60,000 sq ft each.

We invite colleges and universities to send in information—on new faculty, courses, alliances, projects and other events—for this section.
Email: fecampusroundup@expressindia.com

DESI PLAY IN SOCIAL MEDIA COMES ALIVE

Social networking in India is not just about Facebook and Twitter anymore. Sites such as Minglebox, Parentree and CommonFloor are making waves with their unique offerings. Though they are still no match for the giants of social networking, they have been able to attract eyeballs nevertheless. Their future is still a guessing game with analysts doubting their engagement models. But they have decided to make the most of it when the going is good

Goutam Das

IN THE small town of Khatauli, 30 km from Meerut, Sumit Jain watched his father sell paints and hardware from the family-owned retail store everyday. The first lessons of business management began here; he would rush back every weekend from IIT Roorkee, where he got admitted, to be at the shop. The idea of entrepreneurship had coloured his mind.

Now 25, Jain manages a new economy business, one that helps communicate, inform and manage things over the internet. He interned mostly with start-ups before co-founding CommonFloor along with IIT batchmate Lalit Mangal and friend Vikas Mishra. CommonFloor is a social media platform for apartment owners, helping in local networking. Know what book your neighbour is reading, what he thinks of the swimming pool no one visits; of dog menace in the locality; is he open to car pooling?

There are 20,000 apartment communities on his platform from 35 Indian cities. About 500 businesses—starting from banks to car makers—are either advertising on the site or paying a fee to get recommended to consumers who need a product or service. There is "clear visibility" of raking in \$100 million in top-line over the next five years, Jain tells us confidently sitting in his bungalow-like office in Indiranagar, a posh locality in Bangalore. He migrated to the city four years ago to pursue his entrepreneurial ambitions.

Far, far away from the big and busy world of Facebook and Orkut, Indian entrepreneurs have started to discover their own sweet spot in social media. There's no point in aping a Facebook. A niche, vertical approach would be easier to handle and not pinch the purse too much. Over the last three years, a string of networking companies have mushroomed with a singular focus on areas such as education, parenting, lifestyle, gossip and music among others.

The venture capitalists (VCs) are lov-

Top social networking sites in India

	Total unique visitors ('000)	Jul 2009	Jul 2010
Social networking	23,255	7,472	33,158
Facebook.com	17,089	19,871	20,873
Orkut	4,292	4,432	4,432
Bharatstudent.com	NA	3,507	3,507
Yahoo! Pulse	984	3,341	3,341
Twitter.com	NA	3,287	3,287
LinkedIn.com	1,787	3,206	3,206
Zedge.net	1,562	2,960	2,960
ibibo.com	542	1,807	1,807
Yahoo! Buzz	407	1,550	1,550
Shyle.fr			

Growth of top 10 social networking markets worldwide

	Total unique visitors ('000)	Jul 2009	Jul 2010
North America	3,78,892	3,45,840	3,45,840
United States	331,688	314,429	314,429
China	NA	97,151	97,151
Germany	25,743	37,938	37,938
Russian Federation	20,245	35,306	35,306
Brazil	21,968	35,211	35,211
United Kingdom	30,587	35,157	35,157
India	23,255	33,158	33,158
France	25,121	32,784	32,784
Japan	23,691	31,957	31,957
South Korea	15,910	24,962	24,962

Source: comScore

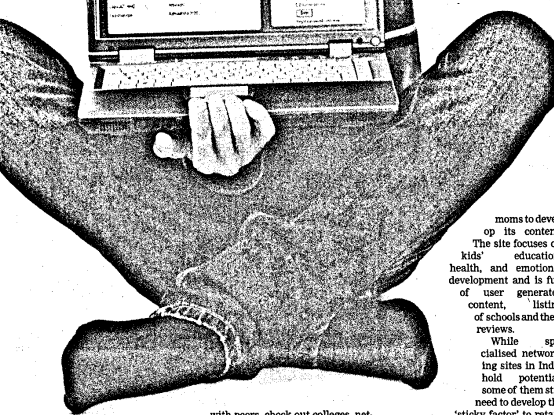
ing it; a niche focus implies targeted advertising opportunities and in verticals like education, scalability is never an issue. And social networking is increasingly becoming a tool for businesses to connect better with customers. Minglebox, which started as a com-

pus networking site and morphed into an education platform, secured two rounds of funding worth \$8 million from Trident, Sequoia Capital and Silicon Valley Bank. CommonFloor raised capital from Accel Partners, a firm that has also invested in Facebook. Food turned lifestyle site Burrp managed an angel funding of \$1,00,000 initially and was acquired by Infomedia 10 in April last year.

"The future definitely is in verticals. Nobody is building horizontal portals any longer," Anand Jain, Barry's co-founder says. The site is clocking five million page views every month. Consulting firm Browne & Mohan estimates the number of unique visitors to such sites growing 85% year-on-year. FY10 revenues of India based social media companies, it found, were at \$1.6 million, up from \$0.7 million in FY09. Revenues are seen growing to \$4.2 million in FY13. The total revenues of India based players and international players such as LinkedIn, Facebook and others operating in India, is estimated to be \$3.4 million in FY10 and could touch \$10.3 million in FY13.

Some experts find these projections rather conservative, considering the growing number of internet users, most of them young. The Boston Consulting Group sees India's number of internet users tripling to 237 million from the 81 million now by 2015.

However, international social media companies are likely to bag most of the user pie. "International firms are expected to witness higher revenue growth as they begin to customise the service and revenue mix. For example, LinkedIn has recently made a substantial change for job posting from Rs 9,000 for a single listing to more competitive Rs 1,200 for a single listing," S Harmeet Kaur, associate consultant with Browne & Mohan says.



with peers, check out colleges, network, share links, join groups. There are more than 5,000 college communities and the site is clocking one million unique visits a month. CEO of Minglebox Kavita Iyer says the firm's top-line is growing 10 times every year, albeit from a small base, and the company is close to breaking even. Business is being fuelled by the explosion of private education institutes in the country in the last five years. "There is a big need for these colleges to get students. We have created microsites for universities," she says. Another site that is looking at multiple monetisation opportunities is Parentree, founded by two mothers Gita Dayal and Shobha Durairajan and who in turn may have engaged an army of

customers and grow customer relationships—there is a lot to learn from Facebook's success. "From a stickiness angle, the engagement model of Indian firms is weak," says Harmeet Kaur of Browne & Mohan. "Social media savvy companies need to understand the offline behavioural patterns in which the online communities live and connect with each other in order to map well several distinct offline needs on the online platform," she adds. Until that happens, most of the promising firms of today may remain forever small. Some companies, says Harmeet, are just making revenues of less than Rs 10 lakh a year. It may be difficult for them to be profitable given the high people and content creation costs.

moms to develop its content. The site focuses on kids' education, health, and emotional development and is full of user generated content, listing of schools and their reviews.

While specialised networking sites in India hold potential, some of them still need to develop the 'sticky factor' to retain customers and grow customer relationships—there is a lot to learn from Facebook's success. "From a stickiness angle, the engagement model of Indian firms is weak," says Harmeet Kaur of Browne & Mohan. "Social media savvy companies need to understand the offline behavioural patterns in which the online communities live and connect with each other in order to map well several distinct offline needs on the online platform," she adds.

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fe@campus, a collaborative and cynosure initiative taken by *The Financial Express* in sync with a variety of higher education institutes representing today's youth, provides students an opportunity to open their views on trends and trendsetters in the world of business. For this week, we put forth the topic: "How can the government tackle the growing threat of Maoist violence?" Students of the Shailesh J Mehta School of Management, IIT, Bombay, sent us their essays. Here are three of the best:



**THEME OF THE WEEK:
HOW CAN THE GOVERNMENT TACKLE THE GROWING THREAT OF MAOIST VIOLENCE?**

We are fighting an ideology, not a movement

Apoorva Shah

THE Maoist problem is more than a law and order issue—the tribals actually feel marginalised and exploited. So, we must ensure equitable development. But how to achieve it in such a violent territory, which even the security forces find difficult to traverse? Maoist intellectuals have always rationalised their actions as a mass movement against an oppressive government. But the doctrine of war says—judge the intent of the enemy not from what he says to you, but only from what he does to his own people. Voluminous literature recovered from Maoist leaders has pointed out that under the garb of "leading the people" the ultimate aim



through an armed struggle by 2050, and establish communist dictatorship. Any effective response to this threat cannot be devised without recognising this reality. Many strategic weaknesses of our paramilitary forces have been exposed in the recent ambushes. Apart from reliable weapons, they need to be trained in all functions of civilian combat—thorough study of terrain, operational planning, command control, networking, and intelligence collection and sharing.

However, in spite of all provocations, we should resist a direct army intervention. Any involvement of the army in a conflict area will allow Maoists to strengthen their basic theory of state atrocity. A long-term military presence has always led to flames

role should be restricted to combat training, intelligence development and logistics. In event of any major attacks with even more human and collateral damage, this decision will test the state's patience and resilience.

State agencies must work with visible commitment and pro-people sensitivity to build roads, schools, hospitals, etc. and run the existing ones with better efficiency. Local industry, agriculture and services, which can provide sustainable employment, should be promoted. The common people should feel that the court, police and officials treat them with dignity, and do not appear pro-rich. This is absolutely necessary to destroy the Maoist claim of serving the people's cause. Remember, we are fighting an ideology, not just the movement.

The author is Master of Management student (Class of 2010) at SJMSOM

Treat the disease, not the symptoms

Vikas U Masker

WHILE we are celebrating 63rd year of Independence, we are also battling the insurgency of Maoists in our country. Maoists command a following in about a third of districts in India. The state and central governments have taken counter-measures and are developing strategies to reduce the influence of Maoists by force. But is violence the real answer to violence? Have we forgotten Mahatma Gandhi's words, "An eye for an eye leaves the whole world blind"?

So what do the Maoists really want? Surprisingly, their demands are nothing but fundamental rights conferred by the Constitution to every citizen: Right to Equality, Expression, Speech, Movement and Choice of Occupation. The government should make a serious effort in reaching out to the people

to understand their grievances and increase allocations in education, employment, healthcare and infrastructure, and effectively implement the same through efficient delivery mechanisms and proper governance. Government schemes like Bharat Nirman should create adequate infrastructure for development and NREGA can be utilised to provide employment to the tribals. The government should motivate its ground staff to work towards developing those backward areas. The government must use Air Force not to drop bombs but to deliver basic necessities to people living in those inaccessible terrains. This will bring about a perceptible change in their mindset. Once the deprived realise concrete gains, their focus will shift

towards growth and consolidation, and they will not supporting violent strategies for achieving their goals. Undoubtedly, above steps are easier said than done. They require careful planning and sensitivity to address the issues concerned. Certainly they don't require the use of any armed movements such as Salwa Judum or AFSPA. Isn't this in line with Gandhi's mission of reaching goals through non-violence and truth? Can't we adopt his universal and timeless principles to once again give freedom to some regions of India?



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Sometimes, force is the answer

Indranil Biswas

AS India enters into its 64th year of Independence, the biggest internal security challenge since Independence looms large—the Maoist insurgency. The government, which has already decided to use force against the Maoists, should remain firm in its stand, despite the call of some intellectuals in the country to promote dialogue before security operations.

The recent attacks of the Maoists on innocent civilians show that dialogue isn't the solution to the problem. To counter the Maoist threat an effective security operation should be conducted that can break their will. Nothing less would do. The highest priority for such an operation



are in a position to influence the electoral outcome in the 'red corridor', generating political consensus is not easy. It is highly unlikely that all the state governments will be on the same page as the Centre, so what can be done? First, a serious consideration should be given to Article 355, which states, "It shall be the duty of the Union to protect every State against external aggression and internal disturbance." Appropriate amendment to this article will help the Centre to deploy forces in Maoist affected areas.

Next, adequate police reforms should take place. Lot of lives have been lost due to the ineffectiveness of the police force. Adequate training should be given to them that they are needed in Maoist affected areas. In

states where a joint operation is going on by the central and state forces, there should be an effective strategy in place and proper demarcation of duties. At the moment, it is not clear whose responsibility is what. Sustained efforts should be made to prevent the cross-border smuggling of arms to cut off the supplies of the Maoists and if necessary, air assault should be considered.

Finally, the government should make a concerted effort to promote development in the Maoist-affected areas and educate the people living there, who have started to believe that the abolition of state control is a solution to their problems. Only when adequate development takes place, local people will realise that they are being led on a wrong path by the Maoists.

The author is 1st year Master of Management student at

Enriching higher education

There is a need to include a course on domestic and global economic environment

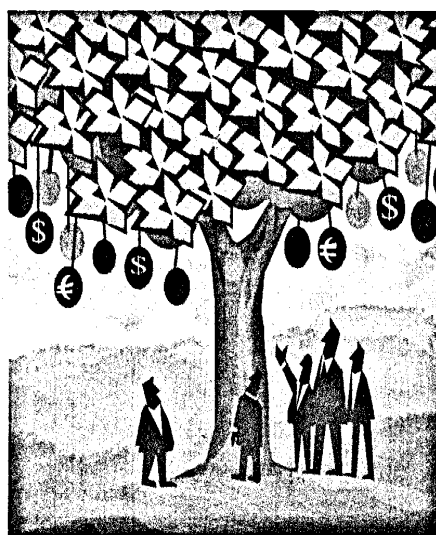
Shubhada Sabade

IT'S both amusing and interesting to notice the similarity between a fully grown tree and the education system. Like the roots of the tree spread across vast expanse of land and draw on every possible inch of the soil, school level education takes the children through the spectrum of subjects from drawing to maths; and from sports to history. Like the roots, once above the ground, converge into the narrow tree-trunk and move the nutrition upwards in a more focused manner, undergraduate level college education specialises students in their chosen area. Like the branches and leaves of the tree spread across vast space in the air, drawing from sunlight, atmosphere and clouds, so should higher education at post-graduation level. This article emphasises the need to include a course on domestic and global economic environment in higher education of all streams. To exemplify, it elaborates on how better knowledge about trade cycles would further enrich higher education.

Trade cycles, or business cycles, are the ups and downs in economic activity, viz. GDP growth rate, employment level and inflation. Trade cycles are a necessary evil of any market economy and as the world converges towards an economic system of regulated market forces, the incidence of trade cycles is inevitable and mea-

sures to smooth out the cycles will be sought on all fronts. In a hypothetical situation of complete absence of government, the 'overheated' or prosperity phase of a trade cycle tips the economy into a downturn by virtue of overoptimism of the business, leading to too much of capacity creation and investments. At the tipping point, something falls short, maybe finances, market, raw material, or human resource and it marks the end of the prosperity phase. At the bottom of the trade cycle, if enough businessmen make the apparently irrational decision of investing to replace their worn-out machinery, it generates employment, incomes, demand and further investments, thus lifting the economy out of the recession.

It's curious that prosperity is self-defeating; carries its own seeds of destruction, or digs its own grave, while recession becomes self-correcting at one point. The overheated phase is undesirable for the economy because of the high inflation and misallocation of resources it causes and recession is undesirable because of the huge unemployment and mass misery it generates. In presence of government, economic policy is used to reduce the intensity of trade cycles, so as to limit the undesirable effects of both the phases. This is done through fiscal policy wherein government uses the budget deficit to either boost or contract the



ASIT BAGCHI

economy, and monetary policy wherein the central bank increases or reduces the money supply in the economy. All this is one of the simpler theories of trade cycles. The question is, how effective are economic policies? Isn't there anything short of government intervention? Can higher education do something to avert the painful incidence of trade cycles? Let's examine all these questions.

Economic policies can be a bit too

effective due to three reasons. One, there is a time lag in some of the policy instruments and if it is misjudged, the policy instrument can have a stronger effect than desired. Two, economic policies work through the multiplier and accelerator effects. It's rather difficult to calculate and predict these numbers exactly, and hence the policy instruments can sometimes be a shot in the dark. Three, a democratic government needs to do 'something' to

ECONOMIC POLICIES IN RECESSION CAN BE LIKE THROWING MONEY INTO A BOTTOMLESS PIT. NOT REGULATIONS, BUT UNDERSTANDING OF SUCH ECONOMIC PHENOMENA BY THE YOUTH CAN CURE THIS

tackle situations of high inflation, or high unemployment and often ends up over-doing it. Good politics can be bad economics. An example of over-effective policy is the tight credit policy in India in late 1990s, causing a recession. And the decade-old liquidity trap with almost negative real interest rates in Japan. And the historic German unification, fiscal expansion, overheating and subsequent 'tightening', causing pains to the European countries who were facing recession, but were committed to fixed exchange rate with Deutsche Mark. And the debt trap faced by the 'PIGS'. And the scary possibility of the US entering a liquidity trap by December 2010 rendering the monetary policy ineffective.

Just short of government intervention, the only effective thing can be self-restraint by the business. The unscrupulous material pursuit of 'more'—more production, more incomes, more marketing, more demand, more depletion of resources,

more pollution, yet more production, more waste, more market share, more revenue and more profits are the culprit causing trade cycles and pains to the entire society and indeed themselves. Realisation that this 'more' has no end and is bound to boomerang one day, will lead to this self-restraint. Economic policies in recession can be like throwing money into a bottomless pit, as seen after the US sub-prime crisis. No amount of regulations would cure this ill of 'more'. If anything can, it's the understanding of such economic phenomena by the highly educated youth that is poised to take on the productive activity of the nation.

The Biotechnology dept of Pune University has brilliantly added an entire course on such economic and business matters for their MTech students. It's necessary to give inputs on macro-economic environment to all post-graduate students, not only MBA, but also ME, MSc, MA, MSW for the simple reason that almost nothing is untouched by economic environment. By creating an entire generation of 'aware' youth, we will be spreading the branches of our 'tree' of education thick and dense and capable of giving shadow, fruit, shelter and protection to all under it.

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Asian Age ND 06/09/2010 p-16

Living room is Apple's focus

ALEX DOBUZINSKIS

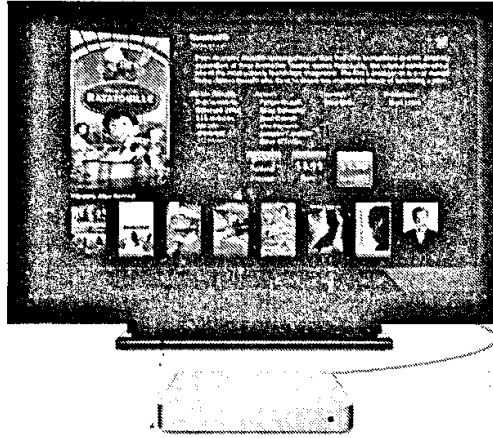
LOS ANGELES

Sept. 5: Critics hoping for more from Apple Inc's Web-to-TV plans — a device, say, that would revolutionise living room entertainment the way the iPad changed tablet computing — may just need to wait a bit longer.

Shortly after Apple unveiled its latest Apple TV product on Wednesday, complaints surfaced from some circles that the company had failed to live up to its own high standards. The device is smaller and cheaper than the one it brought out in 2006, but it also has shortcomings.

Kaufman Brothers analyst Mr Shaw Wu, for instance, called the Apple TV product "underwhelming" and said some innovative applications, such as those on the iPad, would have helped. "It seems it's strictly more of a rental machine."

But most expect that Apple has more groundbreaking plans for a future version of Apple TV, and for marrying the Web to the television, up its sleeve.



"Longer term, I do think they have more ambitions in the living room," said Mr Ashok Kumar, an analyst with Rodman & Renshaw LLC.

"They didn't announce it today, but we're talking literally about an Apple TV, not a gateway product, which integrates a TV and a Mac. That's a 2011 event. I'm not sure which other features it could have," Mr Kumar said.

Analysts said the ability to

run applications on a TV-connected device would be a key development down the line for Apple.

As it tackles the TV frontier, Apple will increasingly battle with the likes of Google Inc, Microsoft Corp and Amazon.com Inc, which have all sought to forge ties with Hollywood studios to distribute movies and shows online.

That has been a minefield for technology companies because of the rights issues

Most analysts expect that Apple has more groundbreaking plans for a future version of Apple TV, and for marrying the web to the television, up its sleeve.

involved. Hollywood studios and cable operators have pushed back, with Google encountering some resistance to its Internet-connected Google TV, which would allow users to search for content on the Web.

Apple co-founder, Mr Steve Jobs, gave an indication of the company's overall strategy by announcing Apple TV will stream content from iPhones and iPads through its AirPlay wireless technology. "The most important hint of Apple's real ambitions in the living room come from AirPlay, which puts iPhones and iPads in the driver's seat and makes the TV just an output device for the Apple ecosystem," said Forrester

Research analyst, Mr James McQuivey. "Expect Apple to gradually push more and more in that direction, but as of this moment in 2010, Apple has not yet made a significant play for control of the TV," he said.

Only 12 per cent of US adults who use the Internet are familiar with the original Apple TV, according to Forrester Research. Analysts said that the new \$99 price point for Apple TV, down from \$299 before, could give it wider adoption.

Meanwhile, consumers already have access to a broad range of devices that connect TVs to the Internet media players, from Blu-ray players to video game consoles like Microsoft's Xbox and the PlayStation.

And then there are stand-alone media players such as those from Roku Inc, which CEO Anthony Wood said is closing in on 1 million unit sales in three years.

Wood said of Apple TV's relaunch, "I was initially worried it would be better than it was but it's not something we couldn't compete with." — Reuters

Economic Times ND 06-Sep-10

p-1

Indian IT funding cash-strapped client projects

Infy, Wipro Invest Up Front In Building Systems For Customers & Offer Them On Pay-As-You-Go Basis

Pankaj Mishra & Srividya Iyer
BANGALORE

INDIAN software companies such as Infosys Technologies and Wipro are entering the unfamiliar area of vendor financing, at the urging of cash-strapped US customers, by using reserves accumulated over years to invest in so-called software platforms that run activities like payroll processing.

The country's \$50-billion outsourcing industry has flourished for close to two decades by maintaining the IT systems of US companies at sharply lower costs by writing software applica-

tion codes in India. But as customers such as JP-Morgan, Philips and Citibank attempt to cope with lower IT budgets by avoiding expensive licensed software, they are asking vendors to invest in building systems and to link payment to the number of transactions.

"We will have to bite the bullet now—if we wait, there may be no option left for us to have such conversations with customers later," said Subhash Dhar, Infosys' global head of sales and marketing and a member of the company's executive council.

"All said and done, if you look at balance sheets and profit and loss, ours look better than them.

And by and large, if you look at all the industries, tech is looking pretty okay from all the way from chip to software companies, they are looking good, so why not?" added Mr Dhar, referring to the demands of customers that software companies invest their own money to build platforms or what the industry refers to as software solutions.

This sort of investment is different from traditional vendor financing because companies like Infosys are not offering credit to their customers. Nonetheless, it is a distinct shift from selling software to users and, at least to some extent, is similar to that of companies like IBM, which bundle computer hardware, software

and services together in large outsourcing contracts, according to a consultant.

"The IBM issue was really around freeing up cash during hard times, and the overall value to the company was getting cash while over the long term, IBM probably made a return on the financing they did for that specific customer," said Rodney Nelsestuen, senior research director at US-based TowerGroup. Mr Nelsestuen, who consults with top vendors and customers about their new outsourcing strategies, said the Indians were doing it a little differently.

► Investments are not large: P 17



We will have to bite the bullet now; if we wait, there may be no option left for us to have such conversations with customers later.

SUBHASH DHAR
GLOBAL HEAD OF SALES & MARKETING, INFOSYS

Learn from the mistakes of others

Small IT firms are targeting the small and medium enterprises market to bring in the numbers

They are not trying to reinvent the wheel. Instead these small IT companies are trying to learn from the mistakes larger companies have made in the past. If they are successful, they could be the next Oracle or McAfee.

For a number of these companies, the winning strategy is simple—to tap the huge SME population out in the market and provide products and services to them. The SME market is hugely underserved and there is big opportunity waiting to be tapped there.

Kolkata-based Coral Softwares sees the SMB segment in India as its main driver for growth. The company builds customised ERP solutions for small companies, which currently do not have an option beyond large, unwieldy enterprise packages. Prem Chand Kankaria, managing director, says that they key is understanding local requirements. "Our software encompasses things like excise, service tax, and VAT," says Kankaria, pointing out why Coral has an edge over more generic packages.

The firm has also developed products like X-ise, which they claim is India's first central excise software to manage records related to, as the name suggests, central excise. Apart from SME clients, some large companies such as Amul, Glaxo SmithKline, Kodak and Lafarge have also implemented it.

For the company, though, the recession last year got sweeter tidings. Earlier, he had customers who wanted to implement ERP



without 'really knowing much about it'. Today when purse strings are tighter, he sees customers having a more focused approach and are informed about what they want.

In the complex world of financial software, InfracsoftTech has made inroads in selling its solutions to top Indian banks. For this company, the good news is that SMEs in the sector have lapped it up.

Hanuman Tripathi, CEO of company says that most international product companies are very risk-averse when it comes to making changes to their product and bringing out new upgrades. "Because of this, maintenance of international software products becomes difficult for companies," he says. In comparison, Indian software product companies keep upgrading their products. A fifth of InfracsoftTech's business comes from the Indian market and it has seen consistent growth here, though slower than in its in-

ternational markets. "People buy international products because of the strong branding. These companies have worked very hard on brand recall. We have done the same," says Mr Tripathi.

Branding is something that security solutions firm MicroWorld has been conscious of since its inception. This Mumbai-based SME has a range of web and computer security solutions and boasts of having names like Godrej, Crompton Greaves, Essel Packaging, etc in its customer list. MicroWorld became the first Indian anti-virus security company to start retail operations in India two years ago. Govind Rammurthy, CEO & MD, MicroWorld says, "Indian product companies are very strong technically and there is no doubt the stage is set for a fight in the online security market between local and international players. International security software like McAfee and Norton are difficult to deploy and upgrade. Our nimbleness is what separates us from the competition."

NIRVAN GHOSH

READ HOW SMEs FOCUS ON BRINGING IT EXPERTS ON BOARD TO ENSURE SECURED DATABASE AT IT ZONE. ITZONE.BIZXCHANGE.IN

Economic Times ND 06-Sep-10 p-17

Banks may base education loans on placement track

Dheeraj Tiwari
NEW DELHI

YOUR education loan application has a better chance of getting a favourable response from banks if the institute you propose to study in has a good placement record. Faced with rising bad debts in their education loan portfolios that are not backed by collateral, banks are looking at the placement record of institutes to judge the repayment capacity of students seeking loans.

"The college may enjoy the government recognition, but if placement record is poor, how do you expect a student to get a job and repay?" said an official in the country's largest lender State Bank of India.

The government rules do not allow banks to demand collateral or security for education loans up to ₹ 4 lakh, a measure to ensure funds are easily available to needy students.

This unsecured lending, according to bankers, has seen a sharp spurt in instances of non-payment. They want to now ring fence these loans through other qualitative measures. So far banks have sanctioned ₹ 34,192 crore towards education loan.

Instead of sanctioning loans merely on the basis of the student's educational track record



and whether the course and the educational institute was approved by the government, banks are also looking at the minimum and maximum package offered to the students at the institute to assess repayment capacity, though the Indian Banking Association has not yet said anything on the issue.

"It's up to the sanctioning officer to take ad-

ditional measures if he's not convinced with the application. However, due care is taken not to unnecessarily harass the student," said an Indian Bank official.

One major public sector lender is asking for life insurance cover from its student applicants. "The policy is assigned in the favour of the bank and works as a double check," said a senior official with Punjab National Bank. The insurance policy helps to keep a track of the student and if there is an unfortunate event it protects the bank's investment.

The annual premium is paid by the student himself, or by the co-applicants, but the premium is generally very low. "In case the loan turns bad, there is some limited amount which can be recovered by surrendering that policy," explained an official with Bank of Baroda.

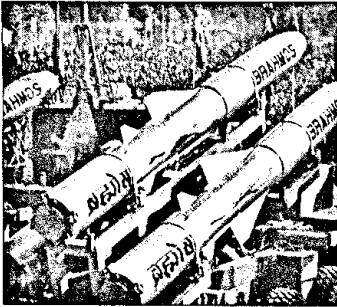
Banks are also looking to restructure education loans that have gone sour. Indian Bank is exploring the option of giving one-year relaxation to students for repayment towards their loans.

Generally banks give a payment moratorium period of six months from the time a student completes his course. Banks have found that most loans turned bad in cases where students are unable to find jobs.

Economic Times ND
06-Sep-10 p-3

p-2

BrahMos cruise missile successfully test-fired



SUCCESS STORY: BrahMos Missiles

Our Political Bureau
NEW DELHI

INDIA on Sunday test-fired the supersonic BrahMos cruise missile, which has a range of 290 kms, from the Integrated Test Range (ITR) at Chandipur off the Orissa coast.

The missile did a steep dive while flying at a speed nearly thrice that of sound. A DRDO official said it was a user's trial by the defence forces, as part of the fine-tuning exercise.

The BrahMos-II, a result of an Indo-Russian joint venture, can be potentially used for surgical strikes, including at terror camps, without causing collateral damage. It can carry conventional warheads up to 300 kg and effectively engage ground targets from an altitude of just 10 metres. The missile is named after rivers in India and Russia — the Brahmaputra and the Moskva.

It can be launched from multiple platforms — submarines, ships, aircraft and land-based Mobile Autonomous Launchers (MAL). However, the focus is on the development of its air-launched and the submarine-launched versions.

"The launch met all mission requirements. It was a 100% fantastic launch," director of the test range S P Dash was quoted by a news agency as saying after the test.

The BrahMos Block-II variant has been developed to take out a specific small target, with a low radar cross-section, in a multi-target environment.

A regiment of the BrahMos-I variant, consisting of 67 missiles, five mobile autonomous launchers on 12x12 Tatra vehicles and two mobile command posts, among other equipment, is already operational in the Army. The Navy has begun inducting the first version of BrahMos missile system in all its frontline war ships since 2005, the agency quoting defence sources said.

The Army is set to induct two more regiments of the BrahMos Block-II land-attack cruise missiles (LACM) designed as "precision strike weapons" capable of hitting small targets in cluttered urban environments, it said.

CIVIL SERVANTS: NOTHING CALLED RETIREMENT

Do they have a tag, 'recycle after use'?

It's difficult to see them without a white Ambassador car

Our Political Bureau
NEW DELHI

Old soldiers never die, they just fade away. General MacArthur had said upon his retirement after World War II. India's retired bureaucrats, on the other hand, are showered with critical jobs that entitle them to perks of office, including a bungalow in Lutyens Delhi, the red-beaconed white Amby and a retinue of servants.

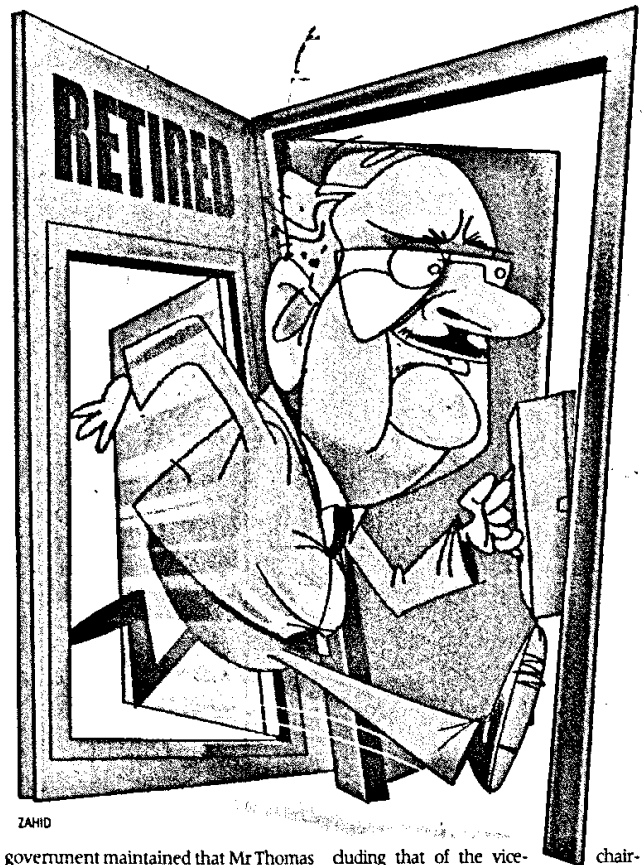
The latest to join the army of such appointees is telecom secretary P J Thomas, who has been named the next Chief Vigilance Commissioner, a post that he will occupy for at least four years. He pipped at least four other senior bureaucrats in the fray for the job.

There is a tinge of irony in the selection of Mr Thomas as India's top anti-corruption watchdog: His name figured in Kerala's infamous palmolein scandal of 1991-92. Mr Thomas was secretary of the state food department when it signed a controversial deal for importing palmolein. The Congress-led UDF government withdrew the case when it came to power in the state.

Opposition leader Sushma Swaraj, who was part of the team to select the next CVC, raised this issue at the meeting that cleared Mr Thomas' name. "I had told the meeting that it will not be proper to appoint a person whose name figured in a vigilance case as CVC. If they feel that Mr Thomas merits a post-retirement job, they should have considered him for some other assignment," Ms Swaraj said.

But what could make his tenure more controversial is that one of the major tasks of the CVC is to unravel the 2G spectrum scandal. There have been reports of the telecom department under Mr Thomas trying to place hurdles before a CVC probe. In a recent note to the law department, telecom department's legal advisor Santokh Singh had said bodies like CVC have no power to challenge policy decisions of the department. This stand had invited adverse reaction from the law ministry.

At a meeting of Prime Minister Manmohan Singh, home minister P Chidambaram and Ms Swaraj on Friday, the



ZAHID

government maintained that Mr Thomas was the right choice as CVC when Ms Swaraj pointed out that he cannot be expected to conduct a credible probe into the 2G spectrum allocation. Ms Swaraj alleged that the government had virtually presented a one-man panel as it was not willing to consider anyone else.

Meanwhile, 'friendly' bureaucrats are waiting for the next biggest appointment spree — six members of the National Disaster Management Authority (NDMA) in-

cluding that of the vice-chairman. NDMA, formed after the 2004 tsunami disaster, had shown how bureaucrats convert even national tragedies into opportunity for post-retirement jobs.

Hectic lobbying is already on for the job of vice-chairman of the organisation headed by the prime minister. It's a tough race as three between three officials — Mr N Madhavan Nambiar, Mr M Ramachandran and T Nanda Kumar. Sources say that Mr Nambiar is the front-runner.

'In the event of a nuclear incident, victims must get prompt compensation'

Interview with Dr. Srikumar Banerjee, Chairman, Atomic Energy Commission.

While the Lok Sabha passed the Civil Liability for Nuclear Damage Bill, 2010, on August 25, the Rajya Sabha passed it five days later. In this context, Srikumar Banerjee, Chairman, Atomic Energy Commission (AEC) and Secretary, Department of Atomic Energy (DAE), spoke to T.S. Subramanian on September 2 in Chennai. Dr. Banerjee answered questions about the Bill, India's nuclear-powered submarine programme, the uranium enrichment capability and so on. Excerpts.

It is a year since India's nuclear-powered submarine, Arihant, was launched. Has the Light Water Reactor (LWR), using enriched uranium as fuel, on board the submarine been started up?

Our nuclear steam supply system is ready 100 per cent. From our (DAE) side, everything is ready. We are only waiting for other systems to become operational so that we can start the commissioning activity of the reactor. I really do not know when the harbour trials will be done.

The Navy will need three or four nuclear-powered submarines for this arm to be a viable force. Will you build more LWRs for these submarines?

We are already doing that. I will not be able to tell you the number, but it is a fact that we are in that game. The next nuclear steam generating plants are getting ready for future applications.

Where will the enriched uranium for these boats come from? There is only one Rare Materials Plant at Ratnahalli, near Mysore, to produce enriched uranium. Will the proposed Special Material Enrichment Facility in Chitradurga district in Karnataka be helpful?

Chitradurga will come a little later, not immediately. Our Ratnahalli plant capacity has been enhanced. But more than that, there is significant improvement in our technology. Usually, a term called Separating Work Units (SWUs) defines the technology level that we have achieved in this, and I can assure you that there has been considerable improvement in SWUs of our next generation caskets of centrifuges. The separating capacity of our centrifuges has improved. So total capacity enhancement at Ratnahalli has been done. We are confident of supplying the entire fuel for the set of...

You cannot say anymore that India does not have enrichment technology. India has its own technology and we can produce [enriched uranium]. We have not started doing it for large-scale commercial nuclear power stations, which require a much larger quantity of enriched uranium. We will be able to do that once we go to Chitradurga.

There is an impression that the



SRIKUMAR BANERJEE: 'We want to make a victim-friendly legislation and make the operator liable.' - PHOTO: V.V. KRISHNAN

Federation of Indian Chambers of Commerce and Industry (FICCI) and the Confederation of the Indian Industry (CII) were scaremongering that the American companies would not give India nuclear reactors and that the Indian companies would not provide components and equipment to them if clause 17(b) of the Civil Liability for the Nuclear Damage Bill, 2010, remained in the legislation. (Clause 17 says that "The operator of the nuclear installation, after paying the compensation for nuclear damage in accordance with section 6, shall have a right of recourse where - (a) such right is expressly provided for in a contract in writing; (b) the nuclear incident has resulted as a consequence of an act of supplier or his employee, which includes supply of equipment or material with patent or latent defects or sub-standard services; (c) the nuclear incident has resulted from the act of commission or omission of an individual done with the intent to cause nuclear damage"). Top officials of the Nuclear Power Corporation of India Limited (NPCIL) went on record that clause 17(b) would deter the suppliers from engaging in nuclear commerce with India. Why are the DAE/the NPCIL battling for the American suppliers?

No. Before discussing the right of recourse of the operator, let me tell you about the basic purpose behind the introduction of the nuclear liability Bill. In

supply [in the equipment] which has been the primary cause of the incident. The Bill establishes prompt compensation from the operator to the victim.

This whole Bill is between the victims and the operators. It creates a new legal authority called the Claims Commission or the Claims Commissioner. That authority will determine, depending on the scale of the event, how much compensation should be given. The Bill also mentions that the Indian laws, whatever is available today, are in no way affected by the introduction of this new Act. The right of recourse in this case is available to the operator through other Acts [also].

Tort law?

Tort is there. Defect liability is there... Only in this Act, it has been mentioned that they have the right of recourse. We [the DAE] are not taking sides. We just want to make a victim-friendly legislation and make the operator liable. One of the points is that you are inculcating safety-consciousness in the operator because you are introducing a heavy liability in case any incident occurs which affects the people. We sincerely believe that no situation will arise where it will be necessary to invoke this law.

There was an attempt in June to delete clause 17(b). There was a DAE internal note to that effect.

It was not an attempt.

The perception is that there was pressure on the DAE from the Prime Minister's Office to delete the clause.

No. Let me explain. There are two contradictory requirements. On the one side, you have to look at the international practice, what are the laws available in several countries. In most of these legislations, there is no mention of the right of recourse... In some way, there is a mention and statements are similar to what is indicated in 17(a) and (c).

On the other side, when you are getting equipment and components from several suppliers, in case a fault in any of them leads to a nuclear accident, there should be some suppliers' responsibility. This is the contradiction.

That is why this point was discussed in detail during several discussions of the Parliamentary Standing Committee. Based on its recommendations and a broad political consensus, the present language in clause 17 was evolved.

Was there no pressure at all from the American suppliers to remove 17(b)?

It is a legislation made in India. So we have to ensure that it is India-centric. It cannot be based on what you are calling pressures from other countries. In any case, there will be many things published in the press, many viewpoints being expressed. But you cannot say that an Indian lobby is being created by pressure from other countries.

the very unlikely event of a nuclear incident, we do not want the victims to go for an extended process of litigation to claim compensation. The victims must get prompt and no-fault compensation. Prompt in terms of time, and no-fault meaning that you don't have to prove the fault of the operator or anyone to get the compensation.

The Bill identifies clearly who takes the liability. It is clear that the liability is taken by the operator.

There are many undue apprehensions that all this is being done for the private sector's entry into the Indian nuclear business. Private participation even today is very high. If you look at the nuclear industry in India, all the major manufacturers of equipment and components are in the private sector. However, for this Bill, there is a specific requirement that the nuclear power plant operator will be either the Government itself or a Government company, as defined in the Atomic Energy Act. So this apprehension that this is only a precursor to allowing the private sector to come in as operators of nuclear power plants is totally dispelled.

The second point is the suppliers' liability. What is the meaning of the phrase, "the right of recourse" of the operator? It means the operator first takes his own liability to compensate the victims and after the compensations are paid, he has the right of recourse to sue the suppliers, provided he has definite proof of faulty

Hindu, ND 06-Sep-10 p-18

Check ragging, Pratibha tells teachers

"Students should be made to think in terms of welfare of humankind and progress of nation"

Aarti Dhar

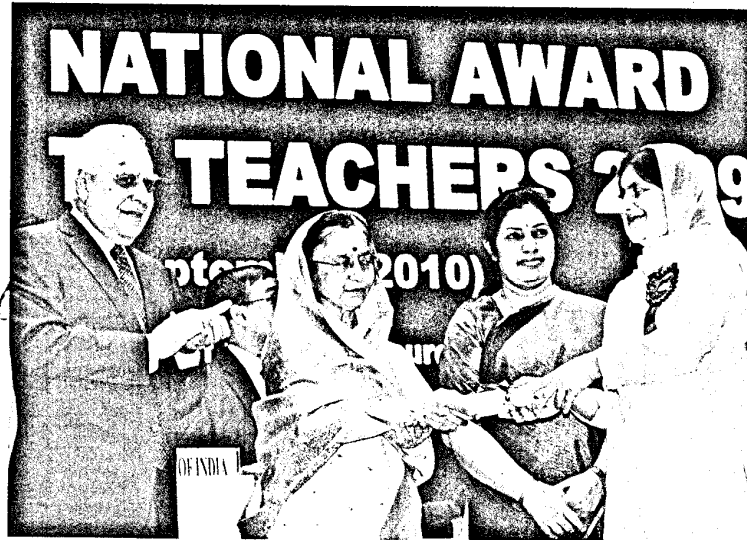
NEW DELHI: President Pratibha Patil on Sunday expressed concern over incidents of ragging in educational institutions and asked teachers to take steps to prevent the menace.

Speaking at a function got up to present National Awards to teachers on Teachers Day, Ms. Patil said ragging must be strongly condemned and it should not take place in any institution of the country.

"Today, one sees the disturbing trend of ragging in our institutions of higher education. I have often said that this practice is not healthy, as it is a manifestation of intolerance on the part of senior students towards their juniors, who are new to the campus. You have a role in preventing it," she said.

Pointing out that in today's world it was all the more necessary that children understood the inter-linkages with other countries, as also the human values of love, respect and tolerance, which were essential for a peaceful world, the President said it was, therefore, vital that teachers emphasised the importance of these values, which are part of the country's ancient civilisational heritage. Students should be made to think in terms of the welfare of humankind and progress of the nation.

"I am sure all teachers, whether they teach social sciences, environmental stud-



RECOGNITION: President Pratibha Patil presents the National Teachers Award 2009 to Fareeda Akhtar of the Government Boys Higher Secondary School at Handwara in Kupwara district of Jammu and Kashmir, in New Delhi on Sunday. Union Minister for Human Resource Development Kapil Sibal and Minister of State D. Purandeswari are also seen. — PHOTO: RAJEEV BHATT

ies, science or mathematics, subjects very important in themselves, would also inculcate in their students a sense of pride in our cultural heritage," she said.

Schools were the basic units of an educational sys-

tem, where children spend the formative years of their lives. "It is here that the process of learning begins, and the opportunity is given to children to acquire skills and values necessary for their growth as confident and self-

assured adults."

"A milestone"

Ms. Patil said, "The coming into force of the Right to Free and Compulsory Education Act is a milestone. It places greater responsibility on all

stakeholders. The challenge before teachers is to ensure that children actively participate in school activities. They particularly in rural and distant areas, should hold classes regularly and ask students to attend school every day.

They should remain in contact with parents and pay personal attention to the difficulties that their students may face."

Students should be made aware of the many hues of life, and the reality that along with opportunities, there would invariably be obstacles and difficulties. "Challenges are a daily occurrence; we should not get intimidated by them, but rather learn to surmount them. As self-discipline is that one quality that can help tide over many difficulties, due emphasis must be placed on this aspect."

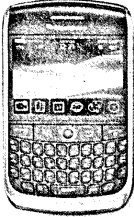
Human Resource Development Minister Kapil Sibal asked the State governments to prepare enforceable rules to ensure a rational and transparent system of postings and transfers in the light of the implementation of the Right of Children to Free and Compulsory Education Act.

"Domestic responsibilities"

"It should also be kept in mind that women teachers have demanding domestic responsibilities and their special circumstances should be given due consideration."

Mr. Sibal said RTE also laid emphasis on full involvement of teachers in school management committee. The country could not afford to tolerate aberrations such as wilful absence from duty or appointment of substitute teachers. "There should be no compromise with the errant behaviour of teachers."

Safety concerns vs privacy issues



HOOPINDER SINGH

BlackBerry blinked first, and the government gave it a 60-day reprieve to find a way to meet India's internal security concerns. It also lifted the impending ban on some BlackBerry services in India. Soon thereafter, the government announced that it would also ask other service providers to ensure that they comply with laws that require them to provide access to security agencies in India.

The genesis of the present show-down goes back to the horrific Mumbai terrorist attacks of November 26, 2008, in which cell phones, satellite phones and other electronic devices were used by the terrorists and their handlers. The government then decided to act in a decisive manner such that it would have access to all forms of electronic data that goes out of India.

Unlike other service providers like

India re-thought its cyber strategy after the Mumbai terrorist attacks and demanded more access to the electronic data that emanated from its shores. International service providers like BlackBerry, Google and Skype now have to respond to our national security concerns.

Google Inc, Nokia and Microsoft Corp, BlackBerry uses its own servers and security software, as well as centralised data centres for its customers. It thus became the primary target of security forces, even though none of the terrorists had actually used a BlackBerry device. Other service providers use encryption software made by specialised companies like Symantec Corp and McAfee Inc, more familiar to Indian users as the main providers of anti-virus software.

BlackBerry also provides its corporate customers a server called the BlackBerry Enterprise Server (BES) which encrypts mail according to special software "key" that is set up by the customers. It is because of this feature that BlackBerry says that it can't provide any "open-all" access key, because there is simply no such key.

On the other hand, the government maintains that it must have the ability to monitor the data sent across the servers because of national security concerns and to prevent criminals from using BlackBerry phones to transact business. One way out is that BlackBerry could install an "eavesdropping box" on each BES, and give the agencies access to that box.

By far, India is not the only country that has issues regarding BlackBerry. France, Saudi Arabia, the United Arab Emirates, Lebanon,

Kuwait are among the nations that had had security concerns regarding BlackBerry services.

The government has also asked other service providers to install servers in India. Nokia has announced that it will do so soon, and now the Gmail and Skype are also being specifically targeted. Once the servers are in India, their operators have to comply with Indian laws, and thus cooperation will become more proactive.

While the security concerns have been addressed, the larger question of providing privacy to the users remains. Indian citizens are well within their right to demand that a proper, transparent and effective system be set up to ensure that the security agencies do not misuse the access granted to them.

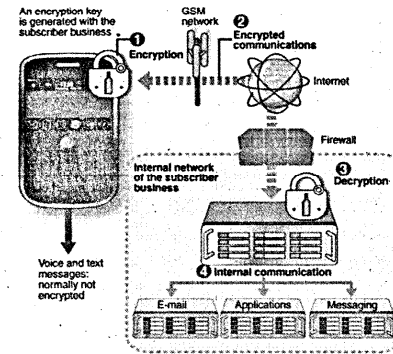
The Intelligence Bureau and the National Technical Research

INDIVIDUAL PRIVACY SHOULD BE INVOLABLE, UNLESS IT IS BREACHED FOR SPECIFIC LEGAL REASONS.

Organisation are the two organisations that will primarily deal with electronic surveillance. They will

BlackBerry encryption system

Based on a security key held by the subscriber the system makes communications surveillance very difficult.



Source: RIM

AFP

would give. A system of adequate judicial supervision should be chalked out to ensure that only those specific phones or e-mail IDs are tapped which are justified and necessary. Sometime ago, illegal tapping of mobile phones was exposed by the media. It raised a storm, even in Parliament, but there is no information on what is being done to prevent such incidents in future. The government must ensure accountability among the security agencies.

Individual privacy should be inviolable, unless it is breached for specific legal reasons. Data integrity is crucial to all kinds of transactions, including business transactions which have made BlackBerry phones a preferred choice of the corporate world. The independent BES servers provided a lifeline to the survivors of the 9/11 New York tragedy, and it became the only network that continued to work even in that trying time.

But then, as BlackBerry, Google and Skype must also realise, while at one level, the world is increasingly borderless, at another, it is not so—all have to conform to the law of the nations they operate in. They must demonstrate their commitment to the security concerns of these nations and work out ways in which they can continue to provide the best service possible to law-abiding users there.

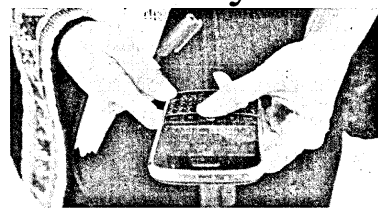
DEVIVANI SINGH.

Come September and our favourite BlackBerry would have been reduced to just another mobile, sans its two features of the BlackBerry Messenger Service and BlackBerry Enterprise mail. This crackdown on the BlackBerry services by the government came in the wake of the ever-looming threat of terrorism.

The Indian government had threatened to shut down the core features of the BlackBerry by August 31 if they did not provide access to their heavily encrypted email and messenger services. The Canadian Company RIM (Research In Motion), makers of BlackBerry, and have now been given a reprieve.

The main issue that RIM seems to be facing in complying with the Indian government's request is that it maintains that it does not have a master key for decoding the encrypted information. Do the RIM have a backdoor to access their encrypting system? Ethically no company would do such a thing as to make a loophole in its own system as it would make it very vulnerable to hackers.

BlackBerry blues



The end of the world as they knew it did not come for users of the smart phone

India has more than a million BlackBerry users and the number is ever increasing. RIM cannot afford to ignore this potential market and it will have to provide the codes for accessing its services to the government and to try and come out with a feasible solution like it has done in the case of other countries.

In fact this move against the BlackBerry could have a snowball effect all over the world if other nations start following suit.

The RIM claim that they cannot give any details regarding their decrypting procedure as they have none. They are unwilling to bring down their 256 bit encrypting to 40

bit which is the acceptable Indian standard. They also say that since the BlackBerry servers are located in Canada, these exigencies could kill e-commerce.

The BlackBerry has become a lifestyle, a fashion statement, an indispensable business and personal accessory and even a necessary evil at social gatherings. To have all your contacts, emails, Facebook and Twitter accounts, Google Talk, Yahoo Messenger, the ability to send voice notes, pictures and videos instantly—all this in the palm of your hand anywhere you go, anytime — is a heady proposition indeed.

Added to this feature is the ability to set a password on the device so it stealthily shuts itself down. This kind of secrecy is a boon to many a clandestine office affair. Why, you can even keep the boredom of a boardroom meeting at bay by typing away to your loved ones secretly on your BlackBerry.

I see people on the streets 'BlackBerry walking' in slow motion like zombies while messaging away, their faces illuminated by the eerie light of their BlackBerries, giving a whole new angle to the popular

mobile add 'walk while you talk'. Now its 'type as you walk'. There is even the careless driver who can't resist a peek into his BlackBerry to check his email or messages every time it goes ping! There is a law against driving and talking on the mobile but no law against peeking at your messages which is an even more dangerous habit.

The iPhone has already found a partial solution to this in the form of an application that displays a transparent view of what's directly in front of you. But that still won't guarantee your safety. So you see there are other ways the messaging can kill you and its not just the terrorist!

It is a Catch-22 situation we find ourselves in — we want the government to ensure our protection without giving away any of our freedom. The reality of our times is such that the threat of terrorism is so interwoven into our social fabric these days that it has become virtually impossible to isolate it. So is it a terrorist you pass on the street everyday who holds that fancy BlackBerry Pearl, Curve or Storm or just another citizen in the real world lost in his BlackBerry? Guess we will never know.

FACT FILE

The provocation

The 2011 terrorist attacks in 2008 in Mumbai led to a review of information security since the attack was coordinated with cell phones, satellite phones and Internet calls.

Indian stand

The Ministry of Home Affairs says "any communication through the telecom networks should be accessible to the law enforcement agencies and all telecom service providers, including third parties, have to comply with this."

Where they are based Google

BlackBerry is based in Canada. Google has unit in India, but Gmail is run by Google Inc., an American company. MSN Hotmail is an American company. Skype is based in Luxembourg. It has no operations in India.

What is Skype?

Skype is a software application that allows users to make voice calls over the Internet. Calls to other users within the Skype service are free, while other calls can be made for a fee using a debit-based user account system. Skype has also become popular for its additional features which include instant messaging, file transfer, and video conferencing. The network is operated by a company called Skype Limited, headquartered in Luxembourg and partly owned by eBay.



Business Line ND 06/09/2010

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BlackBerry and national security



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EUROSCAPE

► In Europe, the right to privacy in electronic communications is subject to national security concerns. India should adopt a similar approach.

About a 150 years ago, Samuel Morse sent the first public message over a 60-km telegraph line between Washington and Baltimore, and through that simple act he ushered in the age of telecommunications.

Privacy has been a concern since those early days of electronic communications. The International Telecommunications Union (ITU) treaties provide the basic legal template in this regard, which have been incorporated in the laws of many countries. These treaties lay down the principles regarding privacy in telecommunications.

Nevertheless, basic texts of the ITU also are endowed with the legal basis for lawful interception. The procedural implementation of those two disparate requirements in Europe – secrecy and intervention – is a matter that is constantly debated.

LAWFUL INTERCEPTION

Although the Europeans are believed to be more concerned about privacy, their laws concerning data retention can be characterised as exacting and severe in relation to those elsewhere.

The vast majority of countries within Europe with cell networks already have laws in place that require cell providers to enable lawful intercept of calls and messages.



Different governments have different issues in relation to BlackBerry-maker RIM.

In general, the law is known as Lawful Interception (LI). In the US there is Communications Assistance for Law Enforcement Act (CALEA).

Research In Motion (RIM) was an anomaly in the past because it provided no lawful intercept capability to European Union countries. Now RIM devices in Europe and the US are already subject to lawful intercepts.

DATA RETENTION

Within Europe, one of the major parameters in electronic surveillance is data retention. Retention refers to 'the storage of telephony and Internet traffic' by companies that provide these services. This data specifically includes call detail records, or details of the incoming and the outgoing calls, sent and received emails, visited web sites of the customers of ISPs, and the location of the customers of telecommunications companies.

The maintenance of such data gives governments the ability to collect, analyse and

monitor the life of hundreds of millions of individuals, thereby allowing mass surveillance of almost the entire population.

DEALING WITH BLACKBERRY

These are times when national security takes precedence over corporate security concerns. In such a scenario, RIM must either deliver what is required by India, or find other markets where it can escape with the standard slogan about BlackBerry being 'interception proof'.

A number of European governments have threatened to ban the use of BlackBerry in their country, citing threat to security. In Europe, many countries had to force RIM to provide access to information that crosses their service networks. Others decided to directly ban BlackBerry usage for high officials, because of servers located in the UK and the US.

Russian Secret Services reached an agreement with RIM and now can snoop BlackBerry

email and web traffic in Russia. In France, the government banned BlackBerry for use by officials and also replaced the device for voice encryption use.

The US National Security Agency initially prohibited President Obama from using BlackBerry for his official work. Only recently, they managed to secure it with a custom encryption layer done specifically by NSA, and allowed Obama to use a custom-secured BlackBerry.

France blacklisted RIM for government use because of espionage-related risks. In Germany, RIM was banned for government use because of risk related to surveillance by foreign governments. So it can be understood that different governments have different issues in relation to RIM.

INDIAN CONTEXT

We are at a critical point in national security and time is always of the essence. When the nation's security is at risk due to RIM's system of en-

crypting data and retaining them in third country servers, India's Home Ministry should not grant to RIM any latitude whatsoever. BlackBerry services in India must be discontinued, till national security concerns are completely resolved and restored.

The Union Government can issue a notification under Section 70 of the Information Technology Act 2000 and declare RIM systems relating to India and their networks extended to India as a "protected system".

The Government ought to direct RIM to discontinue its services in India until it relocates its server in India, decrypts customer data and content and subjects its systems and networks to scrutiny by the government agencies concerned.

As for the users, the days of unqualified privacy are gone forever.

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