

Course correction - The plane truth: on Rafale deal row As things stand, only greater transparency will clear the air on the Rafale deal

The Rafale deal has been the subject of heated claims and counter-claims on two broad issues — that the contract to purchase 36 French multi-role fighter aircraft was grossly overvalued and that it was tainted by crony capitalism. Ammunition for the second charge came from an unexpected quarter with former French President François Hollande stating in an interview that it was India that suggested the Anil Ambani-owned Reliance Defence Ltd. as the offset partner for the deal. This squarely contradicts what the Modi government has been saying all along. While the Centre has insisted that the choice of offset partners is entirely that of the manufacturer, or of Dassault Aviation, Mr. Hollande's remarks were widely perceived as bolstering the Congress allegation that the Rafale deal was structured to favour one industrialist. In the storm that ensued, the clarificatory statements issued — by the Centre, the French Foreign Ministry and Dassault — did little to clearly address what Mr. Hollande had said. The Defence Ministry's statement merely reiterated that governments have no role in offset contracts, which are purely commercial. The French government said pretty much the same thing, and Dassault's statement reaffirmed that it had chosen to tie up with Reliance Defence. But all this merely begs the question: did the Centre suggest a partnership with Reliance Defence as Mr. Hollande said? Also, if so, what form did it take? A firm nudge in that direction? A quiet whisper in someone's ear? Who suggested to who? And when? It remains to be seen whether Mr. Hollande will now choose to complete his half-finished remarks to the French investigative website.

No questions have been raised about the capabilities of the Rafale jet, and the corruption allegations have persisted in the absence — unlike in the case of some other defence deals such as Bofors — of a financial trail. But a fair part of the reason for the concerns about the deal relate to process. If it was the temptation to make a headline-grabbing announcement that led Prime Minister Modi to unexpectedly announce the decision to purchase 36 Rafale aircraft, during his France visit in April 2015, it was a bad mistake. It is true that the deal was signed only in September 2016, after clearance from the Cabinet Committee on Security, but Mr. Modi's 2015 declaration of a new deal clearly caught even many of his senior officials unawares, who were labouring under the belief that negotiations for the purchase of 126 Rafale aircraft, initiated by the UPA government, were still on. As things stand, greater transparency is the only way to clear the air. Private briefings to Opposition leaders and the disclosure of all information that doesn't jeopardise national security or impact the aircrafts' operational capability are good starting points. The decision to reject the formation of a Joint Parliamentary Committee to examine the deal should be reconsidered. If the political war over Rafale continues, it is defence modernisation that will become the real victim.

Meanings of Difficult Words :

- Plane - an aircraft with wings and at least one engine
- Transparency - the quality of being done in an open way without secrets
- Clear the air - to discuss a problem or difficult situation with someone in order to make it better

- Heated - a heated discussion or argument is one in which people get angry and excited
- Claim - to say that something is true, even though there is no definite proof
- Counter - something that you say to reply to a criticism or argument
- Broad - including many different things or people
- Grossly - extremely
- Overvalue - to give something a higher price than it should have
- Tainted - something that is tainted is spoilt by an unpleasant feature or quality that often makes people not want to be involved with it
- Crony - a friend or supporter, especially of someone powerful
- Capitalism - an economic system in which property, businesses, and industry are owned by individual people and not by the government
- Ammunition - bullets, bombs etc that can be fired from a weapon
- Defence - the system of weapons, equipment, and people that is used to protect a country
- Offset - to balance the effect of something, with the result that there is no advantage or disadvantage
- Squarely - in a clear and definite way
- Contradict - to say that the opposite of what someone has said is true
- Insist - to say very firmly that something must happen or must be done
- Manufacturer - a person or company that manufactures a product
- Aviation - the practice of flying planes
- Perceive - to understand or think about something in a particular way
- Bolster - to make something stronger or more effective
- Allegation - a statement that someone has done something wrong or illegal even though this has not been proved
- Ensue - to happen after something else, often as a result of it
- Address - to give attention to or deal with a matter or problem
- Merely - only / just
- Reiterate - to repeat something in order to emphasize it or make it very clear to people
- Reaffirm - to formally and officially state something again
- Beg the question - to make you want to know the answer to a particular question
- Nudge - to make something move gradually or a little way in a particular direction
- Whisper - to say something very quietly so that other people cannot hear you
- Allegation - a statement that someone has done something wrong or illegal even though this has not been proved
- Persist - to continue to do or say something in a determined way
- Concern - a feeling of worry about something, especially one that a lot of people have about an important issue
- Headline-grabbing - reported as a very important story in the news
- Negotiation - formal discussions in which people or groups try to reach an agreement, especially in a business or political situation
- Clear the air - to discuss a problem or difficult situation with someone in order to make it better

- Briefing - a meeting or document in which people receive information or instructions
- Disclosure - the process of giving information to people, especially information that was secret
- Jeopardise - to risk damaging or destroying something important
- Impact - an effect, or an influence
- Modernisation - the process of starting to use the most recent methods, ideas, equipment, etc
- Victim - someone who has been harmed, injured, or killed as the result of a crime

Course correction - On edge: on the volatility in Indian markets

Friday's panic sell-off raises the alarm about risks that face the Indian markets volatility is back in the Indian markets. Stock indices witnessed an extraordinary swing on Friday, with the Sensex moving 1,500 points between its high and low during the day and the Nifty almost by 370 points. The Sensex and the Nifty were down 279 and 91 points, respectively, at the end of trading on Friday after a significant recovery, but the day-end figures failed to capture the panic that struck investors during the day. Non-banking financial companies (NBFCs) were the major force behind Friday's extreme volatility. Shares of Dewan Housing Finance Corporation Ltd (DHFL) had lost 42% of their value by the end of trading, after having fallen 60% during the day. Other financials such as Indiabulls Housing Finance, LIC Housing Finance, and Repco Home Finance also witnessed similar steep falls. The market panic was attributed to DSP Mutual Fund's sale of bonds worth ₹300 crore issued by DHFL at yields higher than normal, leading to fears that it could be a precursor to higher borrowing costs that adversely affect the profitability of NBFCs. The Infrastructure Leasing & Financial Services Ltd.'s continuing default on its various liabilities also shook investors. The 29% fall in shares of Yes Bank, after the RBI refused to extend the term of its chief executive officer beyond January, further added to the panic. But Friday's fall was not simply limited to financials, as scrips across the board witnessed panic-selling.

The market's impressive recovery from the day's lows, which was fuelled by strong institutional buying, has offered some reason for optimism to investors, who believe the fall was simply a temporary correction in a bull market. Such optimism may be warranted, at least partially, after looking at how both the Sensex and the Nifty have recovered since their previous deep sell-off in February. That said, market breadth continues to remain a major concern since the last sell-off. Midcap and smallcap indices have failed to replicate the recovery that has been witnessed in the Sensex and the Nifty since February. The panic sell-off also raises the alarm about stretched valuations and other risks faced by the Indian markets. The depreciating rupee and the likely increase in the fiscal deficit in the run-up to the general election are the most immediate concerns. The need for corporate earnings to catch up with current valuations is another. The systemic risks posed by rising interest rates to corporate debt and various lenders also cannot be ignored. Investors, as well as financial market regulators, will do well to understand and act against these risks.

Meanings of Difficult Words :

- On edge - nervous and unable to relax because you are worried
- Volatility - liability to change rapidly and unpredictably, especially for the worse

- Panic - a sudden strong feeling of fear or worry that makes you unable to think clearly or calmly
- Sell-off - a situation in which a business or part of a business is sold
- Indices - a plural of index
- Extraordinary - very unusual and surprising
- Respectively - used for saying that something happens separately to each of the people or things mentioned in the order in which they were mentioned
- Significant - very large or noticeable
- Non-banking financial company - financial institution that offer various banking services, but does not have a banking license
- Extreme - very great in degree
- Witness - to see something happen
- Steep - sudden
- Attribute - to believe that something is the result of a particular situation, event, or person's actions
- Yield - to produce something
- Precursor - something that exists before something else, and is related to it or influences its development
- Adverse - negative, unpleasant, or harmful
- Liability - legal responsibility for causing damage or injury, or for paying something
- Scrip - extra shares that are given to someone who already has shares in a company, instead of a dividend
- Fuel - to make something increase or become worse, especially something unpleasant
- Optimism - a tendency to be hopeful and to expect that good things will probably happen
- Warrant - to make an action seem reasonable or necessary
- Breadth - the distance from one side of an object to the other
- Midcap - used to describe a company whose shares have a middle-size total value
- Smallcap - a term used to classify companies with a relatively small market capitalization
- Replicate - to do or make something again in the same way as before
- Raise the alarm - to tell people about something dangerous that is happening
- Stretched - having difficulty doing everything that you should because you lack the necessary time, money, people, or equipment
- Valuation - the process of deciding how much money something is worth
- Depreciate - to become less valuable than before
- Fiscal deficit - a fiscal deficit occurs when a government's total expenditures exceed the revenue that it generates, excluding money from borrowings
- The run-up to something - the period of time just before an important event
- Pose - to present a difficult or dangerous situation

**Course correction - Long road ahead: on Ayushman Bharat scheme
Budgetary support must be strengthened to make Ayushman Bharat a success**

Ayushman Bharat has been rolled out as a health protection scheme that will provide guaranteed access to treatment that is free at the point of delivery to about 40% of the population selected on the basis of censused socio-economic indicators. It is the essential first step on the road to universal health coverage, although it has been launched by the NDA government quite late in its term, possibly with an eye on the 2019 general election. Since the Centre has announced that 10.74 crore families identified through Socio-Economic Caste Census data will be given an annual Rs. 5 lakh cover under the Pradhan Mantri Jan Arogya Yojana (the insurance component of the scheme), the question of eligibility appears settled. But the late start makes it virtually impossible for all those who are technically insured to avail of the services that state agencies must make available, within a reasonable time-frame. And, the allocation of just Rs. 2,000 crore during the current year to the PMJAY cannot provide the promised cover to the large population sought to be included. Not all States and Union Territories are in a position to raise their own share, and a few have not even joined the scheme. The challenge of funding, therefore, remains. And without adequate budgetary commitments, the implications of pooling the financial risk for such a large segment of the population through insurers or state-run trusts or societies make the outcomes uncertain.

Guaranteeing health-care access using private or public facilities presumes tight cost control. In the case of the PMJAY, this is to be achieved using defined treatment packages for which rates are prescribed. Costs are a contested area between the care-providers and the Centre, and many for-profit hospitals see the government's proposals as unviable. In the absence of adequate preparation, the Ayushman Bharat administration is talking of a rate review. More importantly, a lot of time has been lost in the NDA government's tenure, when State governments should have been persuaded to regulate the hospital sector under the Clinical Establishments (Registration and Regulation) Act, which dates back to 2010. The law broadly provides for standardisation of facilities and reasonable rates for procedures. Apprehensions of fraud have prompted Ayushman Bharat administrators to announce that some key treatments should be availed through public sector institutions. But public facilities have been neglected for long. Going forward, there are some clear imperatives. It is essential to reduce the pressure on secondary and tertiary hospitals for expensive treatments by investing in preventive and primary care facilities. Here, the 150,000 health and wellness centres of the National Health Protection Mission can play a valuable role. The first-order priority should be to draw up a road map for universal health coverage, through continuous upgradation of the public sector infrastructure.

Meanings of Difficult Words :

- **Roll out** - to introduce a new product or service
- **Socio-economic** - involving a combination of social and economic matters
- **Essential** - completely necessary
- **General election** - an election in which every adult in the country can vote for the people who will represent them in parliament
- **Census** - an occasion on which government officials count the people who live in a country and record other information about them
- **Virtually** - used for emphasizing that a statement is almost completely true
- **Avail** - use, purpose, advantage, or profit
- **Adequate** - good enough or large enough for a particular purpose
- **Implication** - a possible effect or result

- **Pooling** - to share something such as money, ideas, equipment etc with a group of people, especially so that they can work more effectively together
- **Outcome** - the final result of a process, meeting, activity etc
- **Uncertain** - not clearly known or understood
- **Presume** - to think that something is true because it is likely, although you cannot be certain
- **Tenure** - the period of time during which someone has an important job or is an elected official
- **Persuade** - to make someone agree to do something by giving them reasons why they should
- **Regulate** - to control an activity, process, or industry officially by using rules
- **Standardisation** - the process of making things of the same type have the same basic features
- **Apprehension** - a feeling of worry or fear that something bad might happen
- **Fraud** - the crime of obtaining money from someone by tricking them
- **Prompt** - to cause something to happen or be done
- **Avail** - to obtain or use something
- **Imperative** - something that is very important and urgent
- **Tertiary** - in the place or position counted as number three
- **Expensive** - something that is expensive costs a lot of money
- **Preventive** - done so that something does not become worse or turn into a problem
- **Wellness** - the state of being healthy
- **Draw up** - to prepare and write something such as a document or plan
- **Road map** - a plan or set of instructions that makes it easier for someone to do something
- **Upgradation** - the process of improving the quality or usefulness of something, or of giving a person a more important job

SOME IMPORTANT IDIOMS AND PHRASES

1. Acid Test:

Meaning - Acid test proves the effectiveness of something.

Example - I practiced hard at the dance sessions but the acid test will come when the master will assess our solo performances.

2. Cut the ground from under feet :

Meaning - When you cut the ground from under someone's feet, you do something which weakens their position.

Example - When team India hit more than 350 runs in the ODI, they cut the ground from under the opponent's feet.

3. Chase your tail:

Meaning - Spending a lot of time and energy doing a lot of things but actually achieving too little.

Example - He's been chasing his tail all week collecting data but the report is still not ready

4. Whole bag of tricks -

Meaning - Means trying all the clever means to achieve something.

Example - It was really difficult to find the information even after applying the whole bag of tricks.

5. Deliver the goods -

Meaning - Do what is expected or promised.

Example - I have given my car to a new mechanic for repair, hope he delivers the goods.

6. Fine-tooth comb -

Meaning - Examining something carefully to not miss out any details.

Example - The boss examined my report with a fine tooth comb before submitting it to the senior management.

7. Explore all avenues

Meaning - Trying out every possibility to get a result.

Example - It is a difficult thing to do but if we really want it done, we must explore all avenues.

8. Fast track something -

Meaning - Rating something higher on your priority list to achieve the desired result.

Example - In view of the seriousness of the crime, the civil society is pressing up on a fast track decision from the court.

9. Get ducks in a row -

Meaning - Getting your things well organized.

Example - To ensure a successful product launch, we must get our ducks in a row.

10. Get the show on the road -

Meaning - Putting up a plan or idea into action.

Example - Now that we have completed all the legal formalities, let's get the show on the road.

11. Keep your fingers on the pulse -

Meaning - Being constantly aware of the most recent developments.

Example - An entrepreneur must keep his fingers on the pulse of the market to be successful.

12. Mean business -

Meaning - Being serious about what you announce.

Example - Now that all our policies about work are put up on intranet, we mean business.

13. Think on your feet -

Meaning - Adjusting quickly to changes and making fast decisions.

Example - A good sales man must be able to think on his feet to close the deal.

14. Sail through something -

Meaning - Being successful in doing something without difficulty.

Example - The presentation at the national conference was extremely important for the company. We sailed through it.

15. Tricks of the trade :

Meaning - Clever or expert way of doing something.

Example - Being into the construction business for last 10 years, I know all tricks of the trade.

16. Not let grass grow under feet -

Meaning - Don't delay in getting something done.

Example - As soon as he finished all the registration formalities, he put the house on sale. He doesn't let the grass grow under his feet.

17. Work like a charm -

Meaning - Works very well or has the desired effect.

Example - I had cloves from my sore throat and they worked like a charm.

18. Back-room boys -

Meaning - People who perform important work but have no contact with the public.

Example - Our back room boys deserve an applause for the success of this advertisement.

19. Dead wood -

Meaning - People or things which are no longer useful or necessary.

Example - The company bought in a lot of new computers. They no longer want the dead woods.

20. Get the axe -

Meaning - lose the job.

Example - The projects team was undergoing a major restructuring, recruitment executives were the first to get the axe.

21. Plum job -

Meaning - Desirable position which is well-paid and considered relatively easy .

Example - This looks like a plum job but it has its own bunch of complications.

22. Shape up or ship out -

Meaning - This expression is used to warn someone that if they do not improve their ways, they will have to leave their job.

Example - When Tom started neglecting the customers, he was told to shape up or ship out.

23. Golden handshake -

Meaning - Big sum of money given to a person when they leave a company or retire.

Example - The management of various PSUs wanted to cut down on the man power. They offered a golden hand shake to many of their aged employees.

24. Separate sheep from goats -

Meaning - Examining a group of people and deciding their suitability

Example - Audition test was conducted by the director to separate sheep from goats.

25. Waiting in the wings -

Meaning - Waiting for an opportunity to take action, mostly to replace someone else in their job.

Example - The senior manager is going to retire in next 2 months. Two of his juniors who are waiting in the wings will have a fierce competition.

☞ **Our Task, Regarding Creativity,**

Is To Help Children Climb Their Own Mountains,

As High As Possible. ☞