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Finance Minister Pranab Mukherjee arrives in Parliament House to present the General Budget 2011-12, in New Delhi on February 28, 2011.

India unveils Budget 2011-12

■ INDIA'S \$280 BILLION BUDGET FOR 2011-12 SEEKS TO FURTHER ADVANCE GROWTH AND CURB INFLATION

■ INDIA'S ECONOMY LIKELY TO GROW BY 9 PC IN 2011-12, SAYS CHIEF OF THE PM'S ECONOMIC ADVISORY COUNCIL

■ INDIA HIKES EXPORT TARGET TO \$220 BN FOR FISCAL 2010-11 FROM THE EARLIER ESTIMATE OF \$200 BN

FEDERAL BUDGET TO ADVANCE GROWTH, REFORMS

Finance Minister allows registered mutual funds to accept money from foreign investors and hikes the cap on investments in infrastructure bonds



Finance Minister Pranab Mukherjee arrives in Parliament House to present the General Budget 2011-12, in New Delhi on February 28, 2011. Ministers of State of Finance S.S. Palanimanickam (left) and Namo Narain Meena (right) are also seen.

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India's ₹12.58 lakh crore (₹12.58 trillion or \$280 billion) Union Budget for 2011-12 on February 28 sought to address every stakeholder with tax reliefs to cheer households and corporates alike while also promising reforms on subsidies and foreign investment along with measures to curb inflation and push growth.

Finance Minister Pranab Mukherjee also proposed more

money toward health, infrastructure, education, farming and defense, and outlined measures to check the fiscal deficit. In a 110-minute Budget Speech in the Lok Sabha, the Lower House of Parliament, Mukherjee said he proposed to enhance the income tax exemption limit to ₹180,000 (\$4,000) for the next financial year from ₹160,000 (\$3,543) and said corporate tax surcharge would be lowered to 5 percent from 7.5 per-

cent. He also proposed a "very senior" category of income tax payers, above the age of 80, for whom the tax exemption will be up to ₹5 lakh. In addition, he lowered the qualifying age limit for senior citizens to avail of tax cuts to 60 from 65.

The Finance Minister also promised to bring down the fiscal deficit to 4.6 percent of India's gross domestic product (GDP) from 5.1 percent of GDP in the revised estimates, while

hiking allocation for education by 24 percent, health by 20 percent, infrastructure by 23 percent and defense by 11 percent. Mukherjee's proposals for a new subsidy regime on farm nutrients and direct cash transfers to the users of fertilizers and kerosene addressed a long-pending reform.

"As an emerging economy, with a voice on the global stage, India stands at the threshold of a decade which presents immense possibilities," the Finance Minister said in his speech.

He set the tone for what was his sixth budget by stating that India had bounced back after the global financial crisis with broad-based growth, even as inflation remained a matter of concern, especially food prices — even though these had dipped from over 20 percent — to around 7 percent now.

This apart, Mukherjee said the foreign direct investment policy was being revamped, which may result in the entry of multinational firms in the country's \$300 billion retail trade industry, apart from promising to liberalize norms for pension, insurance and banking sectors.

"We are reaching the end of a remarkable fiscal year. In a globalized world, with its share of uncertainties and rapid changes, this year brought us some opportunities and many challenges as we moved ahead with steady steps on the chosen path of fiscal con-

The Finance Minister said that the foreign direct investment policy was being revamped, which may result in the entry of multinational firms in India's \$300 billion retail trade industry, apart from promising to liberalize norms for pension, insurance and banking sectors

solidation and high economic growth," he said. "Our growth in 2010-11 has been swift and broad-based. The economy is back to its pre-crisis growth trajectory. While agriculture has shown a rebound, industry is regaining its earlier momentum. Services sector continues its near double-digit run. Fiscal consolidation has been impressive," the Finance Minister said.

The proposals drew immediate praise from Prime Minister Dr. Manmohan Singh, who was particularly pleased with the decision to hike the income tax limit. "The Finance Minister deserves congratulations for

maintaining a high growth rate despite the adverse international economic climate," the Prime Minister observed.

Mukherjee also laid significant emphasis on the institutional framework in rural and semi-urban areas by hiking outlays for rural banks and micro-finance units, while promising 11 food parks and major initiative for cold chains.

The Finance Minister also allowed all registered mutual funds to accept money from foreign investors and hiked the cap on investments in infrastructure bonds and intra-fund trading during the lock-in period. "To liberalize the portfolio investment route, it has been decided to permit SEBI (Securities and Exchange Board of India) registered mutual funds to accept subscriptions from foreign investors who meet the KYC (know your customer) requirements for equity schemes. This would enable Indian mutual funds to have direct access to foreign investors and widen the class of foreign investors in Indian equity market," Mukherjee said.

On the tax front, the Finance Minister proposed to keep the excise duty rates virtually unchanged, even as 130 new items were brought under tax coverage with a nominal duty of 1 percent. The customs duty rates, however, were retained at existing levels.

Highlights of budget for 2011-12

- Growth at 8.75 percent to 9.25 percent in 2011-12. Economy could have performed better in 2010-11
- Goods and Services Tax rollout on April 1, 2012; bill for this would be presented in Parliament this year
- Independent debt management office being set up; public debt management bill to be introduced in Parliament
- Tax exemption limit raised from ₹160,000 to ₹180,000; for senior citizens, qualifying age reduced from 65 to 60 years
- Age for below poverty line old age pension scheme to be reduced from 65 to 60 years
- ₹164,415 crore (\$36 billion) for defense; more will be given if required
- Twenty-four percent increase in educational outlay
- ₹58,000 crore (\$12.8 billion) for Bharat Nirman — increase of ₹10,000 crore (\$2.2 billion)
- Mahatma Gandhi National Rural Employment Guarantee Scheme wage rates linked to consumer price index
- Infrastructure critical for development; 23 percent higher allocation in 2011-12
- Food storage capacity to be augmented; 15 more mega food parks to be set up in 2011-12
- Cold storage facilities to be recognised as infrastructure sector
- Service tax to stay at 10 percent
- FIs can invest \$40 billion in corporate bonds
- Foreign investment in mutual funds allowed

Gary Locke meets CIM Anand Sharma

US Secretary of Commerce discusses further strengthening of India-U.S. relationship in business and trade with the Indian Minister for Commerce & Industry

Leading delegation of U.S. companies on a business development mission to promote U.S. high technology in India, U.S. Secretary of Commerce Gary Locke called on Indian Minister of Commerce and Industry Anand Sharma on February 7, 2011.

In their discussions, the two leaders focussed on deepening mutually beneficial trade, providing win-win opportunities for both countries. Secretary Locke and Minister Sharma had earlier met during President Barack Obama's November 2010 visit to India. "The US-India bilateral relationship is stronger than ever before, and President Obama's recent visit highlights the priority this administration places on this relationship," Locke



Secretary Gary Locke with Minister Anand Sharma in New Delhi on February 7.

said. "We welcome the significant growth of investment and trade in goods and services between our two countries, but we believe our bilateral commerce is far from its potential."

In his remarks after the meeting, Minister Sharma said, "The bilateral trade with the U.S. in 2010 was \$50

billion. We hope that it will continue to improve further given the nature of engagement, and also the investments. Both ways will see an upward trend, particularly the U.S. companies coming and setting up manufacturing facilities and participating in India's infrastructure building and agro-processing and food processing sectors."

Minister Sharma said the two countries would continue to work toward further improving bilateral trade. "This is a follow-up to consolidate the bilateral economic partnership, and also strengthening the commercial dialogue between us. We have reviewed the progress that we have made and also the issues of market access, non-tariff barriers to further improve upon the bilateral trade," he added. ■■

India-US Aviation Cooperation Program

Minister for Overseas Indian Affairs and Civil Aviation Vayalar Ravi met with Gary Locke, the U.S. Commerce Secretary, in New Delhi on February 7, 2011. Both sides acknowledged the excellent cooperation the two countries have had through the Memorandum of Agreement and India-U.S. Aviation Cooperation Program (ACP).

The ACP bilateral partnership which was launched in 2007, targets mutual interests in supporting modernization requirements of India's rapidly growing aviation sector. The United States Trade and Development Agency is the lead sponsor of the ACP and funds technical assistance programs for the Directorate General of Civil Aviation (DGCA) and Airports Authority of India (AAI). Minister Ravi thanked Locke for the projects already under way which have helped the Indian civil aviation sector on the whole. Both



Minister for Overseas Indian Affairs and Civil Aviation Vayalar Ravi meeting U.S. Secretary of Commerce Gary Locke in New Delhi on February 7, 2011.

sides exchanged views on how to further this cooperation.

Ravi also said that the Executive Agreement for the Bilateral Aviation Safety Agreement between the two sides may be signed soon once it

receives the internal approvals in India.

The two sides discussed the benefits of the ACP partnership in being able to identify and execute technical collaboration projects. The Indian side said that projects in the pipeline such as the grant agreement for the inspector training programme or TMODT for the DGCA may be given priority.

Minister Ravi thanked Locke for committing to fund a technical assistance program for the AAI for the installation and operational certification of a pilot Ground Based Augmentation System at the Chennai International Airport which will help to improve the safety and efficiency of India's air traffic management systems.

The two sides agreed to hold the Third India-U.S. Aviation Summit in India sometime this year. The two ministers also presided over a business delegation in which business heads of various companies participated. ■■

K. Subrahmanyam: A Visionary

His far-reaching influence over India's strategic thinking came not from a title, but through the power of his ideas, says **Ambassador Meera Shankar**

K Subrahmanyam, who died at the age of 82 in New Delhi, on February 2, 2011, was the doyen of India's strategic community. India's Prime Minister, Dr. Manmohan Singh, described him to *The Hindu* as "an outstanding public servant, visionary and thinker who will be missed by the generations ... who were inspired and influenced by his thoughts."

He founded India's Institute of Defense Studies and Analysis in 1968 and served as its director until 1975. After serving as chairman of India's Joint Intelligence Committee and secretary in the Ministry of Defense, Subrahmanyam returned to lead the Institute in 1980 until he retired in 1986. He continued to write and speak on strategic issues in India in retirement. For almost 40 years, his real influence came not from a title or government post but through the power of his ideas and the vigor of his intellect.

The discipline of strategic writing and analysis in India emerged and grew under his influence. A sharp and forceful thinker and writer, he also mentored many of India's leading strategic thinkers. In discussion and debate he was formidable, and his mastery over facts and details would invariably leave a profound impression on those who interacted with him.

Subrahmanyam's life and influence is testament to the power that clear ideas and argumentation can wield in a democracy. His role in shaping policy and strategic thinking in India only grew throughout his lifetime, though he never held an office of critical responsibility within the government during his last three decades. Successive prime ministers and their key aides turned to him for advice and counsel. He was guided by a hard-headed appreciation of power and its role in contemporary affairs. This was



combined with a passionate commitment to the dream of India's "tryst with destiny" as articulated in 1947 by Prime Minister Jawaharlal Nehru in a speech marking the country's moment of independence; Subrahmanyam was then just 18. When he first began analyzing the role and importance of hard power in India, it was something new — a marked contrast to the prevailing framework of idealism that marked the country's peaceful freedom movement, a time when politicians and activists espoused the high moral principles of peaceful coexistence, distance from power blocs and universal disarmament. Subrahmanyam's prodding role was timely. The consequences of India's neglect of hard power were clear in the border conflict of 1962.

He came to champion India's right to acquire strategic capabilities, including nuclear capabilities. When India became nuclear in 1998, he argued for restraint. The principles he articulated of "no first use" and having only a minimum credible deterrent are today part of India's nuclear doctrine.

He was also one of the earliest and strongest proponents of closer ties between India and the United States. He was ahead of the curve in seeing the growing convergence of interests anchored in our shared commitment to the values of democracy and open markets. The characterization in 2010 by Prime Minister Dr. Singh and

President Barack Obama of the India-U.S. relationship as "one of the defining partnerships of this century" is an outcome for which Subrahmanyam worked tirelessly over his last decade, even as he battled cancer.

I had the good fortune of working with him as a young Foreign Service officer and knew him closely for 30 years. He represented the best in the Indian scholastic tradition in being genuinely indifferent to creature comforts, wealth, and formal recognition. He enjoyed living in the world of ideas and had little patience for small talk. When a visiting scholar asked him what exercise he did to keep fit, he responded with the quip, "jumping to conclusions"! If you disagreed with him, he would argue and debate fiercely, but treated you as an equal and expected you to respond as one, and if you did, he respected you for it. In this, he embodied a refreshing contrast to the prevailing ethos of strong hierarchies demanding deference to rank. He was willing to go against the tide.

Few who only saw his writings and heard him speak at seminars in recent years could have imagined the continuous, painful, and difficult struggle he had with cancer and the extraordinary will power that he displayed in coping with it and still being so productive and prolific. In my visits to India as ambassador, I would inquire from mutual friends about the state of his health — before I knew it, we were meeting for a spirited discussion over lunch or dinner. He was a giant of a man. India will miss him.

(Ambassador Meera Shankar's tribute to K. Subrahmanyam was originally published in *Foreign Policy* dated February 4, 2011. The full text is available at: http://www.foreignpolicy.com/articles/2011/02/04/k_subrahmanyam_a_tribute)

Keynote Address at Emory University's Emerging India Summit on 'Why India Matters'

Excerpts from the address by Ambassador Meera Shankar on February 24, 2011

I am delighted to be here today at the Emerging India Summit of the Emory University and to have the privilege of speaking to you on the interesting subject why India matters.

It can be said that India has always mattered even from historic times. As one of the ancient civilizations of the world, India made significant contributions to the advancement of human thought, be it in the realm of religion or philosophy, mathematics or literature. Mark Twain described it, as the "cradle of the human race, the birthplace of human speech, the mother of history, the grandmother of legend, the great grandmother of tradition..." Allowing for some literary exaggeration, he got the big picture right!

Today India matters because of the democratic values it stands for and the economic transformation it is undergoing, which not only brings hope for a better future for its one billion plus people but could become an anchor of stability and opportunity for the global economy.

Today India is among the few countries which became independent in the mid-20th century, which has sustained an unbroken democratic tradition. It is the world's largest democracy with an electorate of more than 700 million people. When India goes to elections as it did two years ago in 2009, it is a spectacle that is watched eagerly across the world, not only because of the massive scale and color of the exercise, but more importantly because of the message it conveys of governance based on the choice and will of the people.

India is a land of incredible diversity. Like the United States, it celebrates pluralism. This is a tradition that is rooted in our civilization.

With a population of more than 1.1



billion people, India is already the second largest country in the world. The population is likely to continue to grow though at an increasingly slower rate and is likely to stabilize at 1.5 billion by 2050. We are likely to surpass the population of China by about 2030. The sheer number of people representing one sixth of humanity implies that whatever India does, be it in terms of social or economic development, will have an impact globally.

Today the median age in India is just over 25 years and a vast majority of our population is less than 65 years old. This implies that over the next several decades, we would continue to see a rise in our work force which would also provide the critical energy and dynamism to sustain our high economic growth path. India already has a large pool of skilled workers including highly skilled professionals like engineers and doctors. The existing pool is also increasing rapidly. What this means is that Indian companies can work with other international companies in partnership to better synergize their respective resources. We have already seen this in the Information Technology sector, where multinational firms have been able to benefit by utilizing the services of India's skilled workforce, and increase their profitability and competitiveness.

While there is some misapprehension in the U.S. that this leads to job losses, this is not borne out by facts. As President Obama noted in his remarks in Mumbai during his visit to India last year these are old stereotypes, which ignore today's reality that increased economic interaction between India and the United States can be a win-win proposition for both of us.

A second significant implication of these statistics is that India also represents a rapidly growing market. We have today a large and growing middle class. While estimates of its size vary from 50 million to 300 million people, what is true is that this is the fastest growing segment of our population. A study by McKinsey predicts that if India continues on its current economic growth, the income levels of population will almost triple, and India will climb from its position as the twelfth-largest consumer market today to become the world's fifth-largest consumer market by 2025.

A case in point is the fast growing mobile telephony market. Today India is the world fastest growing market for mobile telephony. The number of active mobile telephone subscribers now is poised to reach 800 million. What is remarkable is that this growth in numbers has happened over the last 8-10 years. Mobile telephony was introduced in India about 15 years ago, but was seen initially as a luxury.

A growing population also implies that government will need to invest in improving and further developing essential services so that we can reap the advantage of the demographic dividend. These would include delivery mechanisms in both urban and rural areas including public infrastructure, development of new educational and training facilities for our young popu-

lation to impart them the necessary skills and upgrading our health care systems. In each of these areas the government is making efforts to rapidly increase our capacities.

However government's efforts alone would not be sufficient and we are increasingly working with the private sector both in India and outside to provide the necessary resources. For instance for development of infrastructure, including building of new roads, ports, airports and augmenting our power generation capacities, it is estimated that we would require an investment of close to \$1.7 trillion over the next decade. This represents a huge economic opportunity for our international partners.

In 2010, the Indian economy rebounded robustly from the global financial crisis — in large part because of strong domestic demand — with growth expected to be around 8.5 percent in the present financial year that ends in March 2011 and similar levels expected to be sustained in 2011.

Today we are already the fourth largest economy in purchasing power parity terms and if we sustain these high levels of growth, we are likely to become one of the three largest economies in real terms as well in the decades ahead.

India's example shows that democracy and development can go together. Our policy choices for development have been the product of a healthy debate resulting in a broad political consensus. Our key national priority is to have sustained rapid and inclusive economic growth while ensuring that the fruits of our economic develop-

ment reach all sections of society.

Indeed our economic growth has not followed the traditionally accepted model of economic transformation from agrarian to manufacturing and then to the services economy. It has been propelled by the services sector utilizing the advances in technology and innovation.

I had mentioned a while ago about our development solutions having relevance for other countries as well. Indeed tele-medicine and tele-education are two areas where this is already happening. Today we are providing tele-medicine services to our neighboring countries such as Bhutan. A similar effort is underway to connect countries of Africa through a pan African e-network. India is now increasingly being seen as a solutions hub, a base for conducting sophisticated R&D and a technology innovator.

Our foreign policy always had a broad and open outlook. Thanks to our economic growth and development over the last two decades, we now also have increased capabilities and capacities to contribute to global peace and security. We have today a broad agenda of cooperation with the major countries and regions of the world. In Asia, India is seen as an anchor of moderation and stability. We are also expanding our ties with our extended neighborhood through greater economic, commercial and political engagement. Our growth has helped contribute to regional economic growth. Countries such as Sri Lanka and Bhutan have been able to leverage this for their own economic prosperity.

With the U.S., we now have a strategic partnership. Our shared values of democracy and pluralism and our increasingly convergent interests provide a firm foundation for our relationship. We see our relationship with the United States, which is one of our largest trade, investment and technology partners, as a vital element of our endeavor to transform our socio-economic conditions and the successful visit of President Obama to India last November has significantly expanded and deepened our cooperation particularly in areas such as health, education, agriculture, infrastructure and trade and commerce which are vital for our own development.

These areas also represent tremendous opportunities for American businesses and companies, and would also help further strengthen the bonds between our peoples. Our relationship with the U.S. is people-centric. The nearly 3 million strong Indian American community has come of age and is a vital bridge between our nations. Today, India is confident and aware of its capabilities. We are inspired by the success that we have achieved and driven by the aspirations of our young population. But at the same time we have not lost sight of the ideals that give us our strength.

(The full text of the keynote address can be read at: <http://www.indianembassy.org/prdetail1685/keynote-address-by-ambassador-meera-shankar-at-emory-universityandrsquo%3B-emerging-india-summit-on-24th-february-2011-andquot%3Bwhy-india-matter-sandquot%3B>)

Ambassador Meera Shankar extends invitation to South Carolina Governor Nikki Haley to visit India

Governor Nikki Haley of South Carolina met Ambassador Meera Shankar in Washington DC. At their meeting, Ambassador Shankar recalled the impressive ceremony marking Governor Haley's inauguration where she was amongst the distinguished audience and said that this was a proud moment for the Indian-American community.

Governor Haley said that she looked forward to strengthening trade and economic relations between the State of South Carolina and India and was particularly interested in attracting investments to South Carolina, which would provide momentum to their economy.

Ambassador Shankar discussed with Governor Haley the great potential for a mutu-

ally beneficial economic engagement with the fast-growing Indian economy and briefed her on developments in the Indian economy and on India-U.S. relations. She also extended an invitation to Governor Haley to travel to India with a trade and business delegation. At the meeting, they agreed to finalize a mutually convenient timeframe and to prepare for the visit.

BRIEFING ON INDIA'S FOREIGN POLICY



Ambassador Meera Shankar addressing students from universities in the Greater Washington, DC area, at the Embassy on February 13.



Foreign Secretary Nirupama Rao briefing the students on 'India's Foreign Policy' at the Embassy on February 13.



A section of the audience.

PRESS BRIEFING BY FOREIGN SECRETARY



Foreign Secretary Nirupama Rao (right) addressing a press conference at the Embassy of India in Washington, DC on February 15. Also seen in the picture is Ambassador Meera Shankar.



A section of the audience.

NATIONAL COUNCIL OF INTERNATIONAL VISITORS' BRIEFING



Ambassador Meera Shankar addressing members of the National Council of International Visitors at the Embassy on February 18.



Guests in attendance.

INTERACTIVE DISCUSSION ON UNION BUDGET 2011-12

The Consulate General of India, New York organised an interactive panel discussion on the Indian Union Budget on 28th February 2011, at the Consulate Ballroom. Representatives of financial institutions, academicians from various universities, company executives, media persons, and community members attended the lively interactive discussion.

Dr. A.M. Gondane, Deputy Consul General, welcoming the guests introduced broad outlines of the Budget and the Economic Survey. He said that the Indian economy had come out of the sluggishness consequent to the global financial crisis in 2007 and was on the path of recovery with achievement of 8.6 percent growth during the current financial year and is projected to grow at slightly over 9 percent in the year 2011-12.

He said the Budget aimed at consolidating the Government's fiscal position by pegging the deficit to 4.6 percent in 2011-12 and 3.5 percent in year 2013-14, encompassing inclusiveness through increased social spending on education, health and rural development, and



A view of the interactive panel that discussed the Union Budget 2011-12 imparting developmental orientation by way of increased spending on infrastructure, Bharat Nirman and the other vital sectors of the economy.

Dr. Rajiv Sobti, MD, Chief Investment Officer, Nomura office at the World Trade Center, New York stated that the Budget was balanced with several vital sectors focused for growth. He said that some explicit measures for developing the secondary market in derivatives would give a fillip to investments by financial institutions and funds from abroad. He appreciated the opening of investments in mutual fund by foreigners.

HOUSTON CELEBRATES BOHRA EVENT



Consul General Sanjiv Arora addressed a function held at the Dawoodi Bohra Community Center in Houston on 13 February, 2011, to celebrate the 100th birthday of their spiritual leader, His Holiness Syedna Mohammed Burhanuddin (tus). In the photo, Consul General is being greeted by His Holiness's son, Shehzada Malikul Ashtar Bhaisaheb Shujauddin, along with Shaikh Nooruddin Yamani ('Amil Saheb'), President, Dawoodi Bohra Community of Houston.



Shehzada Malikul Ashtar Bhaisaheb Shujauddin honouring Consul General Sanjiv Arora with a traditional Shawl.

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The new Executive Committee of India Culture Center (ICC), Houston, met Consul General Sanjiv Arora on 11 February, 2011, and discussed issues of mutual interest, especially the long-standing cooperation between ICC and the Consulate. Col. R.P.S.Bhalla is presenting a memento to the Consul General. Others in the picture are (r to l): Mr. Surender Talwar, Vice President, Mr. Swapan Dhairyawan, Immediate Past President and Mr. Hemant Patel, Treasurer.



Picture shows Consul General Sanjiv Arora addressing a well-attended Road Show on Govt's New Exploration Licensing Policy (NELP IX) in Houston on 14 February, 2011.

'INDIA TO GROW 9 PERCENT IN 2011-12'

India's economy is likely to grow by 9 percent in 2011-12 on the back of 10.3 percent growth in services and 9.2 percent expansion in industry sector, the Chairman of the Prime Minister's Economic Advisory Council said on February 21.

"We hope that the economic growth in the next fiscal year will be about 9 percent. Services as well as industry are expected to do better," said C. Rangarajan, Chairman of the Economic Advisory Council to the Prime Minister, while releasing the Review of the Economy for 2010-11. Rangarajan said the Indian economy was expected to expand 8.6 percent in the current fiscal, broadly in line with the Council's last year projection and budget



C. Rangarajan

estimates. The services sector is expected to grow 10.3 percent in 2011-12 as against the estimated growth of 9.6 percent in the current fiscal and industry is likely to grow 9.2 percent next fiscal as against 8.1 percent projected growth this fiscal.

However, agricultural growth is likely to be slow next fiscal because of high base. "Agriculture has done well this year. But you will also recognize the fact that the strong growth rate in agriculture of 5 percent plus comes on top of somewhat poor agricultural performance in the two previous years," he said. Rangarajan said industry as a whole could grow by 8.1 percent and pegged manufacturing output at 8.8 percent for the current fiscal.

Indian economy grows 8.2 percent in third quarter



Official figures released on February 28 show that the Indian economy has grown 8.2 percent in the third quarter of the current fiscal, slower than an average of 8.9 percent in the first two quarters.

Quarterly gross domestic product (GDP) at factor cost at constant prices (2004-05) for third quarter of 2010-11 is estimated at \$279.5 billion, as against \$258 billion during the same period last year, registering a growth of 8.2 percent, according to data released by the Central Statistical Organization. Agriculture, forestry and fishing grew at 8.9 percent, construction at 8.0 percent, trade, hotels, transport and communication at 9.4 percent, and financing, insurance, real estate and business services at 11.2 percent in the quarter under review. The growth rate in mining and quarrying, manufacturing and community, social and personal services is estimated at 6 percent, 5.6 percent and 4.8 percent, respectively.

\$42 bn UN pension fund scouts for investment opportunities in India

In a boost for the Indian stock markets, the United Nations is looking to ramp up the India portfolio of its \$42 billion pension fund with more investments, especially in private projects in infrastructure and real estate.

The members of the investment committee of the United Nations Joint Staff Pension Fund (UNJSPF), an expert group that advises on where to invest pension funds, were in India recently and held a series of meetings with asset management firms in New Delhi.

"We are looking more strategically at diversification of our investments, particularly in emerging markets and specifically with regard to more opportunities the fund could take advantage of here," said Warren Sach, the UN Secretary-General's representative for investment of UNJSPF assets.

Sach pointed out that India had bright prospects for sustained growth, based on factors like demography and growth of the working population.

India approves foreign investment worth \$300m

The Indian government on February 23 approved 19 proposals of foreign investment worth ₹1,358 crore (over \$300 million) including a big-ticket deal from Shriram Capital Ltd.

According to a statement from the government, the biggest proposal is from Shriram Capital Ltd. which intends to bring in ₹1,180 crore (\$262 million) through induction of foreign equity in an investing company.

Other major investors include FM radio broadcasting company Reliance Broadcast Network Ltd, foreign institutional investors and non-resident Indians.

INDIA BACK ON PRE-RECESSION GROWTH PATH: WORLD BANK

The Indian economy appears to be back to the growth trend before the global financial crisis with a particularly strong GDP growth over the first half of the 2010-11 fiscal, though there have been some inflationary worries, the World Bank has said.

The Reserve Bank of India (RBI) is likely to continue its policy of cautious rate hikes in an uncertain environment, the World Bank said in the second of its semi-annual series of India Updates released on February 22.

The signals are not clear whether core inflation was caused by more general demand pressures, which would best be addressed with more aggressive policy tightening, or by second round effects of earlier food and commodity price shocks, for which the current monetary policy stance is likely to be adequate, it said. The December 2010 Update notes that India's agricultural



sector bounced back strongly after the 2010 monsoon brought normal levels of rainfall, and the industrial sector registered double-digit growth for three consecutive quarters.

The current account deficit in the 2009-10 fiscal year was the largest ever in dollar terms and the monthly deficit widened further during the first half of the 2010-11 financial year, but the trend then reversed with import growth slowing and export growth accelerating in September-December 2010.

India raises export target to \$220 billion

Buoyed by nearly 30 percent increase in the first 10 months, India has hiked its export target to \$220 billion for fiscal 2010-11 from the earlier estimate of \$200 billion, Commerce Secretary Rahul Khullar said on February 12.

The country's exports went up 32.5 percent to \$20.6 billion in January, led by a 70 percent surge in engineering and a 36 percent jump in petroleum and oil products. Exports increased 36.4 percent to \$22.5 billion in December. In April-January, the total exports reached \$184.6 billion — just \$15.4 billion short of the financial year target of \$200 billion.

Exports increased 29.4 percent in the first 10 months of 2010-11 against a whole year target of 15 percent.

“On the whole, export performance

is pretty good. My reckoning is by next month we will cross \$200 billion and we should end this financial year at \$220-\$225 billion,” Khullar said.

India's total imports grew 17.6 percent to \$273.6 billion in the April-January period, resulting in a trade deficit of \$89 billion. In January, India imported goods worth \$28.6 billion.

Khullar said exports of engineering products surged 70 percent to \$45 billion in the April-January period, mainly because of huge demand for Indian products in South American countries.

Other sectors that helped in better than expected performance in export data include: gems and jewellery (9.3 percent increase at \$24.5 billion), petroleum and oil products (36 percent up at \$30 billion), and cotton yarn (52 percent up at \$4.7 billion).

BP to buy 30 pc stake in RIL oil blocks for \$7.2b

Mukesh Ambani-led Reliance Industries (RIL) has said that London-based global energy major BP was buying a 30-percent stake in 23 of its oil and gas blocks for a whopping \$7.2 billion.

The pact, which would constitute one of the largest single foreign direct investment proposals for India, was signed in London by Ambani and Robert Dudley, the chief executive of BP Group, formerly called British Petroleum.

“The partnership across the full value chain comprises BP taking a 30 percent stake in 23 oil and gas production sharing contracts that Reliance operates in India, including the KG D6 block,” the \$44.6 billion Indian oil to retail giant said in a statement on February 21.

BP would pay Reliance Industries an aggregate consideration of \$7.2 billion for the interests to be acquired in the 23 production sharing contracts, RIL added.

India releases ₹150 commemorative coin

A coin of ₹150 denomination (\$3.33) was released by Finance Minister Pranab Mukherjee in New Delhi on February 26, bearing the portrait of Chanakya, the lotus and the honeybee, to conclude the celebrations marking 150 years of India's Income Tax Department.



Chanakya, often called India's Machiavelli, though he predated the Italian thinker by some 1,800 years, was advisor to the first Mauryan emperor Chandragupta (from 340 BC to 293 BC), and laid the foundation for governance with his treatise, the *Arthashastra*. Why the flower and the bee? “Ideally, governments should collect taxes like a honeybee, which sucks just the right amount of nectar from the flower, so that both of them can survive. The lotus is our national flower,” explained the Finance Ministry.

The ₹150 coin is not only unique for its denomination, but also in terms of its size and metal composition. This 44-millimetre circular coin is made of 50-percent silver. Also released was a coin of ₹5 denomination.

INDIA'S GOLD CONSUMPTION UP BY 66 PC IN 2010

The World Gold Council's (WGC) Indian chapter on February 18 reported that the country consumed 66 percent more of the precious yellow metal in 2010 as compared to the previous year — a total of 965.1 tons valued at ₹1,733.3 billion (about \$38.4 billion).

The WGC said the growth was primarily driven by increase in gold jewellery consumption and investment in gold bars and coins in the country, which has seen an exorbitant increase in gold prices last year.

"The year 2010 saw one of the highest growths in gold consumption in the country till date," said Ajay Mitra, WSG's Managing Director for Middle East and India.

Mitra said the yellow metal would likely be on a bull run even in 2011, as prices may increase due to massive buying by central banks of many Asian



countries and the uncertainty in the international currency market. "If we look at the strong growth in January in which the country consumed around 85 tons of gold — which was higher than the previous year's like period — we foresee a sustainable demand this year," he said.

Regarding prices, Mitra said the high demand in 2011 may drive up even further the price of the high value

metal. "If we look at some indicators like a 22 percent increase in prices in the last three years, then gold prices this year may go up, but then this is not certain," Mitra said.

While the demand last year was led by gold jewellery consumption, which grew by 69 percent at 745.7 tons valued at ₹1,342.1 billion, that of investments in gold products like bars and coins grew by 60 percent at 217.4 tons priced at ₹391.3 billion.

The astronomical rise in the consumption of gold, according to Mitra, is due to many factors, including stocking up of gold and diversification of assets by several central banks of Asian countries, coupled by geo-political conditions and heavy buying of gold jewellery in India and China.

"Last year, the country imported 918 tons of gold — the highest in a year," Mitra said.

Civil aviation sector can absorb investment of over \$120b: PM

Prime Minister Dr. Manmohan Singh said on February 12 that India's civil aviation sector had witnessed unprecedented growth in the recent past and would have the potential to absorb investment of over \$120 billion. "I am told the projected growth of India's aviation sector has a potential to absorb investment of over \$120 billion with attendant job creation for lakhs of workers directly and indirectly," Dr. Singh said, while inaugurating the new terminal at the Thiruvananthapuram International Airport in the southern Indian state of Kerala. "The government fully understands the importance of the civil aviation sector to the Indian economy, particularly as it gets more and more integrated to the global economy," the



Prime Minister said.

"The Ministry of Civil Aviation and the Airports Authority of India have started the development and modernization of existing airports on a mission mode to create world-class air infrastructure in our country," he said. Dr. Singh said: "Air transport in India has witnessed unprecedented growth in the recent past. During the last seven years, domestic air traffic has tripled and international traffic has more than doubled. An exponential growth in passenger traffic is expected in this decade as well." The new terminal is a three-storeyed fully air-conditioned facility with a floor area of 20,000 sq meters. It will now be open to international traffic, as domestic operations will continue at the old terminal.

Artin Dynamics signs \$4.5 million deal with US firm

Technopark-based artificial intelligence company Artin Dynamics on February 14 signed an agreement with Triune Infomatics in California to distribute its flagship product SPARA in the U.S. market.

The \$4.5-million, three-year deal with Triune Infomatics will come into effect from the first quarter of 2011, a senior company official said.

SPARA is a power-saving product that works on artificial intelligence technology. It uses innovative hardware engineering to reduce power wastages from an idling computer, according to the company.

Nitin Prabhakar, Managing Director of Artin Dynamics, said the latest deal was another significant step for the company's global expansion.

"We are pleased to partner with Artin Dynamics. This agreement will enable us to introduce SPARA and other energy-saving products from Artin to the U.S. market," said Rahul Kuruvilla, President of Triune Infomatics, one of the leading IT consulting firms in the U.S.

India to issue \$11 bn tender for six more subs

India will this year issue a \$11 billion global tender for building six more next generation vessels, Navy Chief Admiral Nirmal Verma said in New Delhi on February 16.

The new submarine program, known as Project 75I, will be a follow-on to the six Scorpene-class submarines that are being built at the Mumbai-based Mazagon Docks Limited (MDL) under Project 75. "The government has already cleared Project 75I. At the moment,



Defense Minister
A.K. Antony

we are going through the process of Request For Information. I hope within this year we will be able to push the tender," Verma said.

French firm DCNS is now executing the Project 75 Scorpene orders in collaboration with MDL at a cost of \$4 billion.

Currently, the Indian Navy operates 14 diesel-electric submarines after it decommissioned two Foxtrot class submarines last year. Of the 14 submarines, 10 are Kilo class Soviet-origin vessels and the rest are HDW German-origin vessels.

The Indian Navy issued the RFI for Project 75I in September last year. The Defense Acquisition Council chaired by Defense Minister A.K. Antony gave the approval for Project 75I last July.

Production of upgraded indigenous tanks by 2014

India will begin production of an upgraded version of the indigenous Arjun main battle tank (MBT) by early 2014, an official said on New Delhi on February 14.

The Defense Research and Development Organization (DRDO) is readying the Mark-II version of the Arjun for its first summer and winter trials this year.

Among the upgrades, the Mark-II tank would feature an indigenous engine that would replace the existing German engines of the 58-ton Arjun Mark-I. The developments come within a year of the government sanctioning the Arjun Mark-II project last May.

"In 24 months from now or early



2014, the Arjun Mark-II tanks will be ready for production," the DRDO official said. The Army has already ordered 248 Arjun Mark-I tanks for induction into its armored regiments. The first lot of 124 tanks, for which the orders were placed on the Avadi-based Heavy Vehicles Factory in 2004 at a cost of \$4 million each, has been handed over to the Army.

Disney buys Indian-American's social networking site

Entertainment giant Walt Disney Co has acquired Togetherville, a social network for elementary school-age children founded by an Indian-American, to strengthen its offerings in online gaming.

Togetherville seeks to mimic the experiences of social networks such as Facebook, but in a way that's protective of children younger than 10 and allows for parental supervision.

The site lets children connect with their real-world friends in their virtual neighborhood, according to founder and Chief Executive Mandeep S. Dhillon.

"Togetherville is very focussed on trying to really reflect what the adult community has been doing on the Web and build a real online experience that adults enjoy for kids, but do it in a safe, COPPA-compliant way," Dhillon said.

He was referring to the safeguards established by the Children's Online Privacy Protection Act (COPPA).

Dhillon further told the *Los Angeles Times* that the strategic acquisition, the terms of which were not disclosed, was completed on February 18. The Togetherville transaction is the latest digital acquisition by Disney, which in July bought social gaming company Playdom for \$563 million and mobile application developer Tapulous.

DRDO mosquito repellent launched

An insect repellent that keeps Indian soldiers safe from mosquito bites in the interiors of the northern state of Jammu and Kashmir and the north-east is now commercially available in the market.

The product, a spin-off of military research, was

launched in New Delhi on February 14 by India's Defense Research and Development Organization (DRDO), in association with Jyothy Laboratories Limited, a private firm. Developed by the Defense Research and Development Establishment, a DRDO laboratory, the multi-insect repellent is

based on the diethyl phenyl acetamide formulation and is meant primarily for Indian Army personnel posted in forward areas.

Jyothy Laboratories will market the repellent as a wet wipe, Maxo Safe and Soft, priced at ₹3 a pack and a cream, Maxo Military, available for ₹36.

Law giving voting rights to NRIs comes into force

Non-resident Indians can now get their names registered in the electoral rolls, with the amended legislation coming into force on February 10.

A press release by the Ministry of Law and Justice on February 10 said that the government has issued the necessary notification bringing the Representation of the People (Amendment) Act 2010 into force.

“The amended Act confers voting rights to citizens of India who are absenting from their place or ordinary residence in India owing to their employment, education or otherwise outside India (whether temporarily or not),” the release said.

It said that Indian nationals, not residing in India, will be entitled to have their names registered in the electoral rolls in the Assembly or parliamentary constituency in which their



File photo of a woman casting her vote using the Electronic Voting Machine at a polling station in Sheeri, near Srinagar, India, in 2004.

place of residence is in India as mentioned in their passport.

“Overseas Indians can now furnish

the documents self-attested by them,” said the press release. **(IANS)**

In a galaxy far away, Indian-origin scientist finds her calling

US-based Indian origin astrophysicist Sukanya Chakrabarti has found her calling 260,000 light years away in a galaxy that can barely, if at all, be seen. Galaxy X, at a distance which is modest on the cosmic scale, is where she is perfecting her theoretical skills.



Sukanya Chakrabarti

Dealing with structures of the Milky Way that seem to exist more by their gravitational signature than by actual observational fact, Chakrabarti, of the University of California, Berkeley, has perfected a technique that could give scientists some key answers to deeply troubling questions. The most baffling of them relates to dark matter, which forms over 80 percent of the universe. Dark matter is a mysterious matter that cannot be seen as it does not interact

with light. Its presence is inferred by the gravitational forces it exerts on matter that can be seen. Chakrabarti deployed a method to predict Galaxy X that is similar to the way Neptune was discovered 160 years ago. Then Neptune was called Planet X, and hence the name Galaxy X for now. “The dark matter theory is successful at recovering the large-scale distribution of galaxies, but when you look on sub-galactic scales, it far overpredicts the number of dwarf galaxies relative to what we actually observe,” Chakrabarti, who came to the U.S. as a 10-year-old, said.

Growing up in a family of academics in Kolkata, Chakrabarti said she was always interested in studying “complex structures”. **(IANS)**

First Indian-American elected to Chicago City Council

Thirty-year-old Ameya Pawar has become the first Indian-American to be elected to the Chicago City Council. Pawar was elected on February 22 as the alderman for the 47th Ward on Chicago’s North Side that has been represented by outgoing alderman Gene Schuler for over 30 years.



“It is amazing. It was really amazing,” Pawar, who was a virtual unknown when he entered the race, told ABC7 after the election. Pawar, the son of Indian immigrants, and an emergency preparedness expert working on his third master’s degree, won with 50 percent of the vote.

“I don’t think it mattered what my background was. They just wanted to get involved. They wanted a say in what was going on in their local government,” he said. Pawar promises to have an elected ward council to guide his actions at City Hall and to give \$50,000 of his salary to help offset the city’s deficit or offer community grants. **(IANS)**

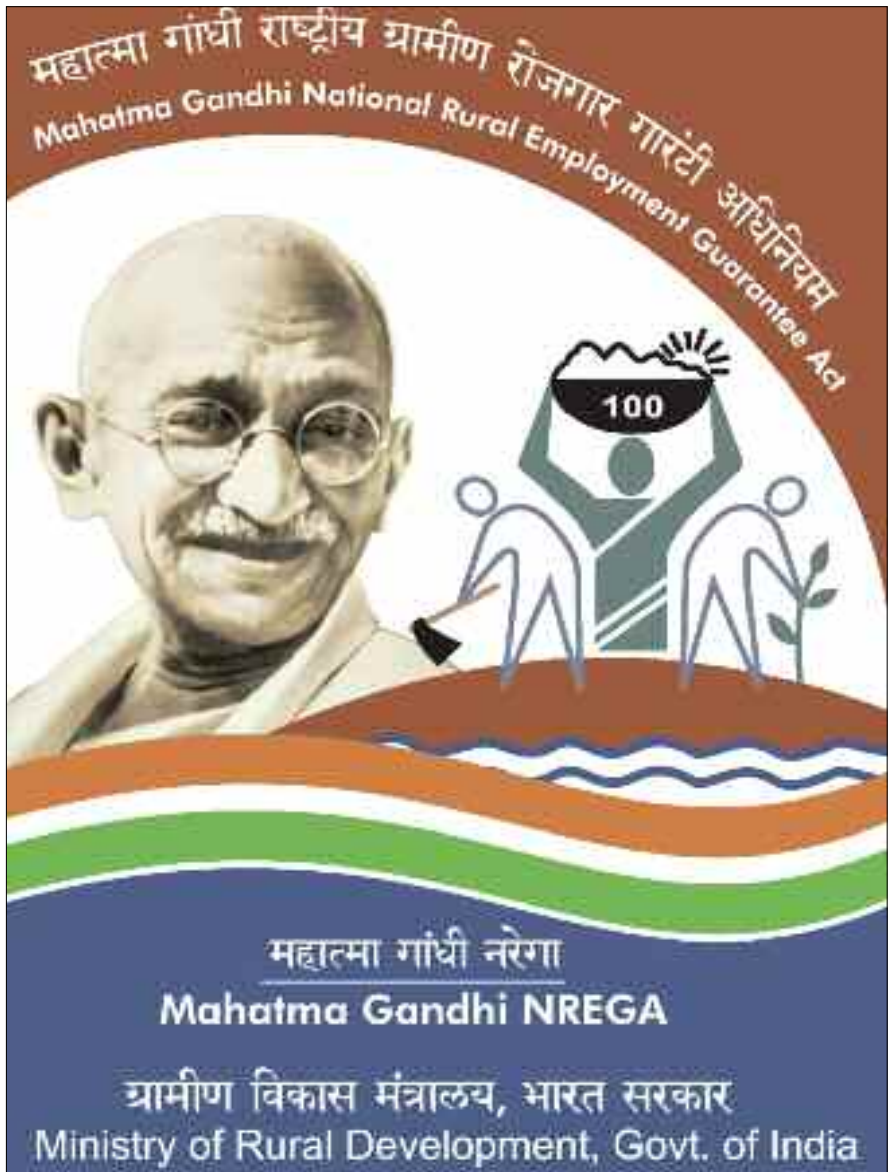
Innovation in Rural India:

Treasures from India's Bottom of Pyramid

The Bottom of the Pyramid (BoP) has emerged as a dominant concept in business, much encouraged by Late Dr. C.K. Prahalad, a renowned management thinker and a distinguished professor at the Ross School of Business, University of Michigan. His work, "The Fortune at the Bottom of the Pyramid", clearly demonstrates the growing importance of the bottom of the pyramid, which is undergoing a rapid transformation in terms of income level, awareness, and propensity to consume. The Indian rural economy is getting stronger and rural consumer demand is on the rise. The bottom of the pyramid, thus, is made up of the mass and needs to be addressed to ensure sustainable growth.

The BoP is the largest, but poorest socio-economic group. India has made a mark on the global map with the concept and has been successful in changing its image-perception from a manufacturing and back-end processing hub into a research and innovation hub. It's worth noting that rural India contributes to more than 54 per cent of India's GDP, has 64 per cent of its consumption expenditure and accounts for 33 per cent of the national savings.

It's interesting to note that the lower income class has reduced by almost 67 per cent in the last 15 years, according to estimates by the National Council of Applied Economic Research (NCAER). In rural India, there now exists a growing middle class having a monthly income independent of monsoons, cropping season etc; thus ensuring a definite growth in the prosperity levels, and a sustainable periodic expenditure.



Key Drivers

Changes in occupation pattern (reduced dependence on farming), is ensuring steady and regular income. Better infrastructure, increased investment, a good monsoon, farm-loan

waivers and improved income levels are stimulating activity in rural India. Consumerism is on the rise and the propensity to spend is quite visible.

The government of India is funding rural development and fueling its

growth through various sponsored schemes like the Mahatma Gandhi National Rural Employment Guarantee Act, and Sampoorna Grameen Rozgar Yojana etc — the government has allocated a total of ₹535 billion (\$11.78 billion) in 2009-10 and has also provided subsidies for rural initiatives. It is implementing initiatives like Financial Inclusion, Unique Identification, and encouraging the uptake of internet and mobile connectivity for the BoP. NGOs are working on income generating activities in rural India through various initiatives, including the establishment of Self-Help Groups. Enhanced connectivity by road is improving the employability quotient of the rural population. This is allowing them to earn more and, therefore, have a higher disposable income, especially in non-harvest seasons. The BoP consumers are fairly ambitious. They are focussed on improving their lives, using education as a tool to improve life, and dreaming big for their children.

Multinational Initiatives

Indian and multinational corporations have not limited their innovative solutions for Indian markets only. They are actually taking these innovations to the international platform and are treating India as a BoP Innovation and Research Hub.

Sector-specific milestones: Fast Moving Consumer Goods

In the FMCG sector, the rural share is 34 per cent of national FMCG sales and growing at a faster pace than urban India — 18 per cent versus 12 per cent in cities. In categories such as soap, washing soaps and powder, rural India accounts for more than 55 per cent of the overall market. According to a study by research firm The Nielson Company, the FMCG market in rural India should definitely touch the \$100 billion mark by 2025 on the back of “unrelenting” demand driven by rising income levels. At present, rural consumers spend about \$9 billion per annum on FMCG items and product categories, with the pace of consump-

The BoP consumers are fairly ambitious. They are focused on improving their lives, using education as a tool to improve life, and dreaming big for their children

tion growing much faster than urban areas, as per the findings.

Consumer Durables

The growth of the consumer durables market is much larger in rural areas compared to the semi-urban or urban markets. According to a study “Rise of Consumer Durables in Rural India” by an industry body, India’s rural consumer durable market is tipped to attain an annual growth of 40 per cent in the next fiscal 2011-12, as against the current pace of 30 per cent.

Telecommunication

Owing to India’s growing population and disposable income, the rural markets are expected to be the propellers of the Indian telecom sector as well. Rural users account for at least 50 per cent of new subscribers for some of India’s leading telecom providers.

Banking

Banks have come up with specific programs to cater to rural banking requirements. Kisan credit cards, launched jointly by RBI, NABARD and nationalized banks, for the farmer community, aim to address short-term credit needs of farmers for cultivation of crops.

In 2009, over 31 million Kisan Credit Cards were issued — much more than the 18+ million credit and debit cards issued in India.

Insurance

Close to 50 percent of LIC’s policy holders is from rural areas. The total rural population, thus, offers a huge potential for insurers.

Rural Healthcare

It is estimated that rural healthcare in 2015 would be Rs. 240 billion (\$5.29 billion), which is 24 per cent of the total market size.

Recent Trend : The Social Aspect

It would be wrong to assume that companies think of approaching this market by reducing the goods to their bare minimum and delivering them at a large scale. Large companies not only approach these markets to improve their bottom line, but also to improve consumers’ lifestyles. Following are some examples to corroborate this:

Project Shakti of Unilevers: While the Shakti Ammas’ help in promoting range of Lever products, they also work toward improving the general well being of the village they work in. For instance the Scojo Foundation of U.S. works with Shakti Ammas in providing reading glasses to the poor at very affordable costs. Scojo Foundation has trained Shakti Ammas to test the eyes and provide reading glasses to artisans for better efficiency.

The Nokia Life Tools Program: By providing its farmer subscribers with latest crop rates in the *mandi*, or teaching them English, Nokia is ensuring that customers improve their standard of living and do not get exploited. IFFCO Tokio leverages its association with IFFCO and sells micro crop insurance, at a premium of ₹1 that is bundled with the cost of fertilizers. Today IFFCO Tokio serves over 8 million farmers across the country.

Conclusion

A high potential in the rural segment does not mean rushing with initiatives to capitalize on the opportunity. Greater emphasis should be given on identifying the important products that have great significance in a rural consumer’s life. Companies need to focus their efforts on empowering the rural consumer with the latest trends and technology and teach them ways to improve their standard of living.

(Courtesy: Overseas Indian Facilitation Center)

WAITING FOR THE BUDDHA

By Anil Chandra

The author, a former Indian bureaucrat, is a short story writer and a scholar. Chandra has also written three books on history covering ancient India and China

In 629 A.D. Srong-tsan-gamp of Yarlung dynasty ascended the throne at Lhasa and at the behest of his two queens (one from Nepal and the other from China) introduced Buddhism in Tibet. However, it was under his great grandson Trisong Deutsen that Tibet became Buddhist. Padmasambhava, a tantric Buddhist living in Uddiyana in north-west India, was invited to Tibet in 747 A.D. and it was his association with King Deutsen that led to the spread of Buddhism in this land. This is the story of how it happened.

In Lhasa in 751 A.D., there lived a cobbler, Tongstan, by name. He had a tiny room in a basement, the one window of which looked out on to the street. Through it one could only see the feet of those who passed by, but Tongstan recognized the people by their boots. He had lived long in the place and had many acquaintances. There was hardly a pair of boots in the neighborhood that had not been once or twice through his hands, so he often saw his own handiwork through the window.

Tongstan had always been a good man, but in his old age, he began to think more about his soul and God. While he still worked for a master, his wife had died, leaving him with a three-year-old son. None of his elder children had lived; they had all died in infancy. At first, Tongstan thought of sending his little son to his sister in the country, but then he felt sorry to part with the boy, thinking: "It would be hard for my little boy to have to grow up in a strange family. I will keep him with me."

In order to earn more money,

Tongstan left his master and began to work on his own. But he had no luck with his child. No sooner had the boy reached an age when he could help his father and be a support, than he fell ill; and after being laid up for a week with a burning fever, died. Tongstan could no longer hold his remorse and gave way to despair so great and overwhelming that he murmured against

Tongstan could no longer hold his remorse and gave way to despair so great that he murmured against God. In his grief he prayed again and again that he too might die, reproaching God for having taken the son he loved, his only son

God. In his grief he prayed again and again that he too might die, reproaching God for having taken the son he loved, his only son, while he, old as he was, remained alive.

One day, Gyatsho Tshering, an old man from Tongstan's native village who had become a monk, called in on his way from the Samye monastery. Tongstan opened his heart to him and told him of his sorrow.

"I no longer even wish to live, holy man," he said. "All I ask of God is that I may soon die. I am now without any hope in the world."

The old monk replied: "You have no right to say such things, my friend. Birth and death are part of life. So is suffering. Your problem is you wish to live for your own happiness."

"What else should one live for?" asked Tongstan.

"For Nirvana," said the monk. "Sorrow, suffering, dissatisfaction, and all other forms of unpleasantness are inherent in life. By giving up our craving for desire, personal gratification and selfish living, we can attain Nirvana."

Tongstan was silent awhile, and then asked: "But how can one attain Nirvana?"

Gyatsho Tshering replied: "How one may attain Nirvana has been shown to us by Buddha. He preached his message of compassion and true happiness many centuries back. Follow his teachings and you shall be more content."

The boot maker bowed humbly and asked from where he could obtain the teachings of Buddha.

"The teachings of Buddha are contained in the scriptures called The Turning of the Wheel of Law. This is in Sanskrit whereas our language is Bhot. If you want I will come to you for the next few days and tell you of the message of Buddha."

"That will be most kind of you holy Gyatsho Tshering," said Tongstan.

And so began the education of Tongstan. At first, they met only on holidays. But having once started, Tongstan found his heart so light that he wanted his friend to come every day. Sometimes he got so absorbed in the discussions that the oil in his lamp burnt out before he could think of bid-

ding his friend goodbye.

Earlier, when he went to bed, he used to lie with a heavy heart, moaning as he thought of his son but now he only found peace and contentment.

From that time, Tongstan's whole life changed. He became peaceful and calm. The more he discussed the teachings of Buddha, the better he understood life and the clearer and happier he felt in his mind.

Now, Tongstan was also the boot maker of the king of Tibet, Trisong Deutsen, who lived in his majestic Khritse Marpo (the Red Palace). Tongstan frequently went to the king to make or mend his shoes. This had brought him quite close to the king and he frequently shared his grief and sorrow with him.

One day the king asked him: "Tongstan, you lost your only son sometime back and had lost all desire to live. Now I notice your sorrow seems to have lessened and you are at peace with yourself. What has brought about this miracle?"

"My Lord," replied the boot maker, "It is the teachings of Buddha. He has taught me the meaning of life."

"You know Tongstan, I too have heard of the many wonders of Buddha. But I have never understood the full meaning of this religion. I still get confused between our earlier beliefs when we followed the Shamanistic religion and worshipped our local Gods and these teachings of the Buddha. Very recently, a man from Uddiyana in northwest Aryadesh has come to my court. His name is Padmasambhava. He, too, speaks of the many wonders of Buddha. Why don't you bring your monk friend to me so that we may all learn something more?"

"Of course, Your Majesty. I shall do as you bid."

And so, Gyatsho Tshering was brought to the king and there again began a long series of discussions between this Tibetan monk, Padmasambhava, the king and the boot maker. As King Trisong Deutsen knew how to read, he also began

studying the Buddhist scriptures. Meanwhile, Gyatsho Tshering, the old Tibetan monk, fell sick and died.

His death had a profound effect on the king. He relapsed into sorrow and began wondering about the meaning of life. Not able to contain himself any longer, he one day asked Padmasambhava what is happiness and how it could be obtained.

"There is no absolute happiness, Your Lord," replied Padmasambhava. "Indeed, dukh, or suffering, is inherent in our lives. It is due to our craving for individual satisfaction; it can be stopped by stopping this craving; and this can only be done by taking a middle path as propounded by Buddha."

"And what is this middle path?" asked the king.

"This, My Lord," replied

Padmasambhava, "is following a course between self-indulgence and extreme asceticism; and leading a moral and well-ordered life."

Trisong Deutsen thought about this for some time. After a long silence, he asked: "How can one follow this middle path?"

"My Lord, it is called the Noble Eightfold Path," replied the man from India. "It is Right Views, Right Resolve, Right Speech, Right Conduct, Right Livelihood, Right Effort, Right Recollection and Right Meditation."

The king remained quiet for a long time. The more he thought about this path, the more he liked the idea.

"Did Buddha preach this?" he asked.

"Yes, My Lord," replied Padmasambhava. "That is why we call him Tathagata. It means he who has attained enlightenment."

"He certainly was a great man, Padmasambhava," said the king. "Did he say anything about suffering?"

"Yes, Your Majesty," replied the man from Aryadesh.

"What?"

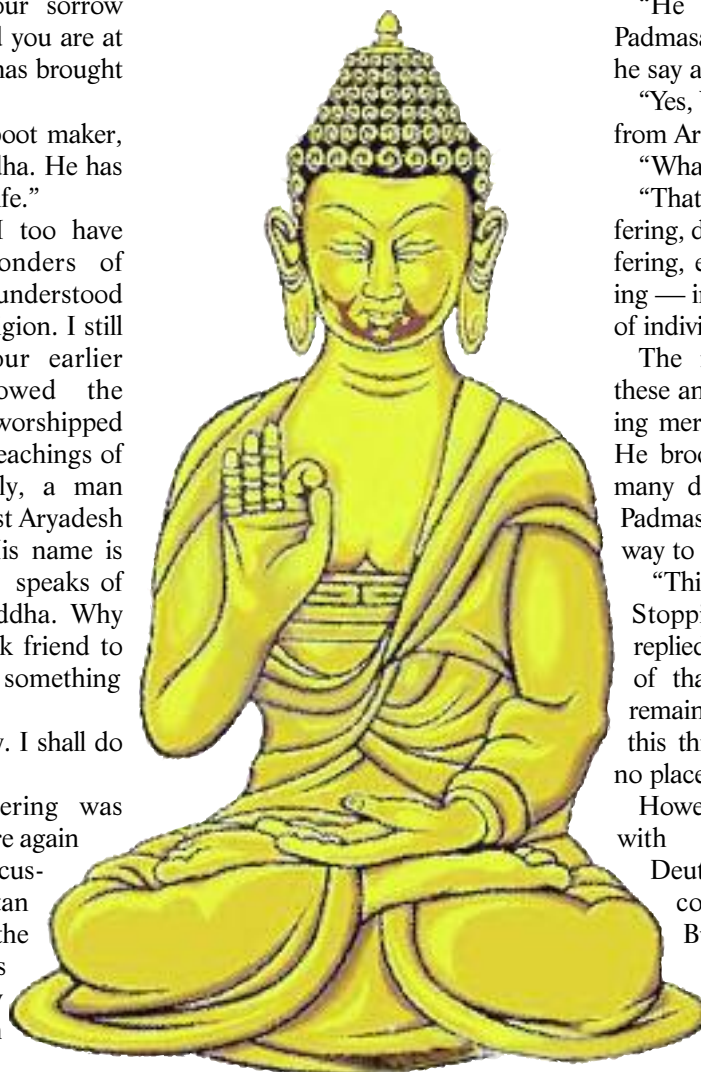
"That birth is suffering, aging is suffering, disease is suffering, death is suffering, every wish unfulfilled is suffering — in short, all the five components of individuality is suffering."

The more Deutsen contemplated these answers, the more he began seeing merit in the teachings of Buddha. He brooded about these answers for many days. Then one day, he asked Padmasambhava: "What is the best way to avoid these sufferings?"

"This is called the Noble Truth of Stopping of Suffering, My Lord," he replied. "It is the complete stopping of that thirst, so that no passion remains. It means completely leaving this thirst, being free from it, giving no place to it."

However, despite these long talks with Padmasambhava, Trisong Deutsen was still not completely convinced of the merits of Buddha's teachings compared to his own beliefs of local Gods.

So one day, he asked his Indian friend: "Holy man,



you also know something of occult sciences. Why can't you ask your Buddha to come and speak to me and tell me the truth about life?"

Padmasambhava contemplated the king's question for a long time. "Very well, Your Highness. I will today do something. I am sure Buddha will grant your wish and come to you in person."

That night as Deutsen was gloomily contemplating about life, he laid his head upon both his arms, and before he was aware of it, he fell asleep.

"King Deutsen!" he suddenly heard a voice, as if someone had breathed the words above his ear.

He started from his sleep. "Who's there?" he asked.

He turned around and looked at the door; no one was there. They called again. Then he heard quite distinctly: "King Deutsen, King Deutsen! Go to your friend, the boot maker's room tomorrow, ask him to leave you alone for a day and look out for me, for I shall come. Be sure to be alone."

So the next morning Deutsen rose well before daylight and after eating some food, quietly went to the room of his friend, Tongstan. There, he told Tongstan that he wished to spend the whole day alone in his room for contemplation. Much shocked and confused, Tongstan left the king alone. He himself went to spend the day in the monastery of Samye.

So Deutsen sat by the window, looking out into the street, and whenever any one passed the window, he would crane his neck to see who was passing by. A porter passed in torn clothes; then a water carrier. Some children playfully ran past the window. Presently, an old army soldier came near the window, spade in hand. Deutsen knew him by name as they had both fought in many wars together. His name was Tsering Wangyal and he began clearing the snow in front of the window.

"I must be growing crazy," said Trisong Deutsen, laughing at his fancy. "Tsering Wangyal comes to clear away the snow, and I am imagining its Buddha coming to visit me. I am a fool."

Yet after he had waited for sometime

he felt drawn to look out the window again. He saw that Tsering Wangyal had leaned his spade against the wall, and was either resting himself or trying to get warm. The man was old and broken down, and had evidently not enough strength even to clear away the snow.

"What if I called him in and gave him some tea?" thought Deutsen.

He slowly rose and putting the samovar on the table, made tea. Then, he tapped the window with his fingers. Tsering Wangyal turned and came to the window. Deutsen beckoned him to come in and went himself to open the door.

"Come in," he said, "and warm yourself a bit. I'm sure you must be cold."

Seeing the king, Wangyal was shocked. "My king," he said. What brings you to this humble abode?"

"Hush," whispered the king. "I am here to meet someone. But let that not disturb you. Come, my friend, first have some tea with me."

"You are a very kind man," Wangyal answered. "My bones do ache to be sure, but then I am an old man." He started shaking off the snow, and lest he should leave marks on the floor, began wiping the soles of his shoes. But as he did so he tottered and fell.

Deutsen rushed to lift him and gently put him in a chair. Filling two tumblers, he passed one to his visitor, and pouring his own into the saucer, began to blow on it.

But while Wangyal drank his tea, Deutsen kept looking into the street.

"Who are you expecting, My Lord?" asked the visitor after some time. "If I am an intrusion, I may be permitted to leave."

"Pray do not be cruel," said Deutsen. "It is true I am expecting someone. But that does not mean you

should leave." And so saying, Deutsen poured more tea into the visitor's tumbler. They sat in silence for a long time. Then Wangyal Tsering got up and said: "Thank you, Your Majesty. You have given me food and comfort both for soul and body. You are much more than a king. You are a noble man."

Slowly Tsering walked to the door and while going out blessed his host. Deutsen again began looking out of the window, waiting for Buddha and thinking about him and his doings. His head was full of his preachings.

Two town-people went by; then a baker carrying a basket. Then a woman came up in a peasant made shoes. She passed the window, but stopped by the wall. Deutsen glanced up at her through the window and saw that she was poorly dressed and had a baby in her arms. Deutsen heard the baby crying, and the woman trying to soothe it. He rose, and going out of the door, called her.

"Why do you stand out there with the baby in the cold? Come inside. You can wrap him up better in a warm place. Come this way."

The woman was surprised, but she followed him inside his room. He took her near the stove and said: "Sit down my dear and warm yourself. Also please feed the baby."

"Haven't any milk. I have eaten nothing myself since early morning," said the woman, but still she took the baby to her breast.

Deutsen shook his head. He brought out a tumbler and some bread. Into it he poured some cabbage soup and said: "Eat my dear and I'll mind the baby."

The woman began eating while Deutsen put the baby on the bed and sat down beside it. He chuckled and chuckled, and soon the baby was

"That birth is suffering, aging is suffering, disease is suffering, death is suffering, every wish unfulfilled is suffering — in short, all the five components of individuality is suffering"



laughing. He drove his finger straight at the baby's mouth and then quickly drew it back, and he did this again and again. This made the baby laugh all the more and Deutsen felt quite pleased.

The woman sat eating and talking, and told him who she was, and where she had been.

When she had finished eating she got up to go. Deutsen sighed.

"Haven't you any warmer clothing?" he asked.

"No," she replied. "I cannot afford anything better." Then the woman came to the bed and took the child. Deutsen picked his long cloak, which he had earlier hung on a nail in the wall and gave it to her.

"Here," he said. "It will do to wrap him up."

The woman looked at the cloak, then at her host, and taking it, burst into tears. While leaving, she thanked and blessed him. After the woman left, Deutsen ate some cabbage soup, and again began waiting. Presently he saw

an old woman selling apples just in front of his window. She had a large basket, but there did not seem to be many apples in it; she had evidently sold most of her stock. She placed the basket on the ground in order to rest, and while she was looking further towards the street, a boy in a tattered cap ran up, snatched an apple out of the basket and tried to slip away. But the old woman noticed it and caught the boy by the sleeve. The boy screamed and the old woman began scolding and beating him. Deutsen rushed out and heard the boy saying, "I did not take it. What are you beating me for? Let me go."

Deutsen separated them. He took the boy by the hand and said, "Let him go, Mother. Forgive him. He is just a child."

"I'll teach him a lesson so that he won't forget for a year! He is a rascal!"

"Let him go, Mother. He won't do it again. Please let him go."

The old woman let go, and the boy wished to run away, but Deutsen stopped him.

"Ask the lady's forgiveness," he said. "And don't do it another time. I saw you take the apple."

The boy began to cry and to beg pardon.

"That's right. And now here's an apple for you," and Deutsen took an apple from the basket and gave it to the boy, saying, "I will pay you, Mother."

"You will spoil them that way, the young rascals," said the old woman. "He ought to be beaten so that he would remember it for a week."

"Oh, Mother," said Deutsen, "that's the simple way, but it's not the correct way. If he should be beaten for stealing an apple, what should be done to us for our sins?"

The old woman was silent.

"We should forgive, dear Mother," said Deutsen, "or else we shall not be forgiven. And we should forgive a thoughtless youngster most of all."

"It's true enough," she said, "but they are getting terribly spoiled."

"Then we must show them better ways," Deutsen replied.

Soon enough, the old woman was about to move, and as she picked her

basket, the boy sprang forward to her, saying, "Let me carry it for you, Mother. I'm going that way."

The old woman nodded her head, and as they moved away, she blessed Deutsen, but quite forgot to ask him to pay for the apple.

When they were out of sight, Deutsen returned to his room to again await the arrival of Buddha. But no one came and presently it was evening. Feeling tired, he lay down to rest.

As he was about to go to sleep, he seemed to hear footsteps, as though someone was moving behind him. Deutsen turned around, and it seemed to him as if people were standing in the dark corner, but he could not make out who they were. And a voice whispered in his ear: "King Deutsen, King Deutsen, don't you know me?"

"Who is it?" muttered Deutsen.

"It is I," said the voice. And out of the dark stepped Tsering Wangyal, who smiled, and vanishing like a cloud, was seen no more.

"It is I," said another voice, after a few minutes. And out of the darkness stepped the woman with the baby in her arms, and the woman smiled and the baby laughed, and they too vanished.

"It is I," said a third voice, and this time, Deutsen saw the old apple woman and the boy stepping out of the darkness and smiling. They, too, vanished quickly like the others.

And Deutsen felt good. He understood that Buddha had visited him through these people and had shown him the correct way to live. He understood that only by following his message could he and his people attain enlightenment. He understood that by the Buddha visiting him, he was blessed, and now he should spread his message throughout his kingdom.

King Deutsen called Padmasambhava the next morning and after narrating to him his experiences of the previous day, said: "My friend, you are truly a remarkable man. I waited for the Buddha and he came. I am blessed. From now onwards I will call you Guru Padmasambhava. As for me, I will devote the remainder of my life to spreading the message of Buddha." ■

M.F. Husain revives 'Mughal-E-Azam' through paintings

Noted painter M.F. Husain has paid a personal tribute to K. Asif's epic film *Mughal-E-Azam* by recreating the movie's fabulous scenes in a series of exquisite paintings.

"I love India. I loved the film and really wanted to show the grandeur and the power the film shows," Hussain said in a 22-minute documentary on Asif's timeless classic.

Superstar Shah Rukh Khan presented the documentary made by his production house, Red Chillies Entertainment, at JW Marriot hotel on February 24. The documentary shows how the film was transformed from



M.F. Hussain

black and white to color and preserved for future generations.

The documentary was an initiative by K. Asif's son, Akbar Asif, to keep the cinematic treasure alive. Along with Sharooji Mistry, he had released the color version of the epic film in 2006.

"There are lots of such classics in the archive. However, being stacked for a long time, the prints and negatives of those timeless films are decaying," Shah Rukh said.

"My motive of making this documentary was to let us come together and spend some money to revive or preserve these films," he said.

Veteran actor Dilip Kumar, who played the role of Salim in the film, is the only actor alive among the whole cast and he would be shown the documentary, said Shah Rukh.

"I have to go and show him the documentary. He would love to see it," Khan said.

On V-Day, 'Pyaasa' among Time's top romantic movies

Indian director Guru Dutt's fifties' classic musical-drama *Pyaasa* has been listed fifth among *Time* magazine's Valentine's Day list of top Romantic Movies.

For the February 14 day celebrating love and affection between intimate companions, "*Time.com* has a list — from the songs you need to ease the pain to the movies that will sweep you up in a romance nearly as epic as your own." In choosing *Pyaasa*, *Time* asked: "Where did classic Hollywood go when it died?" And itself answered: "To India, where the nation's pop cinema (Bollywood to you) still attends to antique conventions of family fealty, personal integrity and, of course, all-conquering love."

"In this achingly lush tale of a poet



Top ten romantic movies

- *Son of the Sheik* (1926)
- *Dodsworth* (1936)
- *Camille* (1936)
- *An Affair to Remember* (1957)
- *Pyaasa* (1957)
- *Jules and Jim* (1962)
- *Chungking Express*
- *Moulin Rouge* (2001)
- *Talk to Her* (2002)
- *Brokeback Mountain* (2005)

whose one true friend is a prostitute, director-star Guru Dutt creates a musical drama as ethereal as the poet's verses, as sultry and earthy as Waheeda Rehman, the 20 year old actress who became Dutt's mistress and muse," *Time* said.

India Post releases stamps on six legendary actresses

A set of six stamps on as many legendary actresses of Indian cinema was released by India Post at the world philatelic exhibition in New Delhi on February 13. The actresses who have been honored are Meena Kumari, Nutan, Kanan Devi, Devika Rani, Leela Naidu and Savitri Devi. The stamps were released by Gurudas Kamat, Minister of State for Communication and Information Technology.



India Post had earlier honored actors Madhubala, Nargis, Guru Dutt and Raj Kapoor, singers K.L. Saigal, Mukesh, Kishore

Kumar, Mohammad Rafi, Hemant Kumar and Begum Akhtar, and directors Dadasaheb Phalke, Satyajit Ray and Bimal Roy.

Legendary heroines of yesteryears Asha Parekh and Vyjayanthimala Bali graced the occasion and paid homage to the actresses and work culture of those days.

The Minister also released a coffee table book 'Pigeon to Post' by Steve Borgia on Indian postal history on the occasion.

SPIRITUALITY OF AUROVILLE

A fine blend of serenity and spiritual aura, Puducherry rests in a small enclave surrounded by Tamil Nadu. A Union Territory, Puducherry possesses a serenity of its own and a gentle, laid back charm that soothes your senses. Situated 200 km from the southern part of Chennai, Puducherry is an important travel destination where the quiet beaches are bound to take your breath away.

The word 'Puducherry' has been derived from the Tamil language, which means 'New Town'. It is a small town which possesses a cosmopolitan flair of many nationalities. Walking on a busy street, one can hear snatches of conversation in English, French, German, Tamil, Telugu, Malayalam and Hindi.

Aurobindo Ashram

Think Puducherry and the first thing that strikes you is the Aurobindo Ashram. Shri Aurobindo Ghosh was an accomplished linguist, philosopher, scholar and an ardent advocate of Indian independence. The Ashram was founded in 1920 upon his arrival. The ashram houses the 'samadhi' of Aurobindo Ghosh and the 'Mother', his French disciple Mirra Alfassa.

Auroville, the City of Dawn

Founded in 1968, this unique township is one of the major tourist attractions of Puducherry. At its center stands Matrimandir, built in the form of a globe.

It is a place for quiet meditation. There are 80 settlements and over 1,500 people engaged in reforestation, organic agriculture, health care and village development.

Puducherry beach, Promenade

Promenade street, a 5-km scenic stretch alongside the main Puducherry beach, the Rock Beach, is a huge attraction. A statue of the Mahatma and a 150-year-old light house are a visual treat.



MAHE:

Separated at birth

Mahe, which is part of Puducherry, is ironically situated in Kerala, on the west coast, where the Mahe river meets the Arabian sea. This tiny 'Heaven on Earth', Mahe has a character of its own with its serene beaches from where one can have a good look of the Dharmadam islands luring you with its lush green trees and placid ambiance. Well connected by roads, other means of reaching the place is the Kozhikode Airport and the Kozhikode Railway Station.



The churches

It is the churches that lend Puducherry its European flavor. The church of Our Lady of the Immaculate Conception or Notre Dame de la Conception is almost 300 years old. The church of Our Lady of Angels is known for an oil painting that was gifted by Napoleon III. The most awesome, however, is the grand

gothic Sacred Heart Church with three stained glass panels portraying the life of Christ.

Temples

Among other places of interest are the temples which reflect the Indian style of architecture. The oldest one dates back to the 10th century A.D. Chola Dynasty.

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■ Invoking Lord Shiva



Devotees conduct a traditional 'aarti' on the occasion of Maha Shivaratri on March 3, 2011. The festival is marked by special prayers and a day-long fast offered to invoke Lord Shiva.

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