

NATIONAL CURRENT AFFAIRS

INDIA-US ACCORD 2006

On March 3, 2006, reversing decades of U.S. policy, President George W. Bush took a major step towards ushering India into the world's exclusive nuclear club with a landmark agreement to share nuclear reactors, fuel and expertise in return for its acceptance of international safeguards. The accord, if it is cleared by the US Congress, will end India's long isolation as a nuclear maverick that defied world appeals and developed nuclear weapons.

India agreed to separate its tightly entwined nuclear industry — declaring 14 reactors as commercial facilities and eight as military — and open the civilian side to international inspections for the first time.

Significance of the Deal

The U.S.-India nuclear deal was seen as the centerpiece of better relations between the world's oldest and most powerful democracy and the world's largest and fastest-growing one. India has more than 1 billion people, and its booming economy has created millions of jobs along with consumer demands that have attracted American businesses. India's middle class has swelled to 300 million — more than the population of the U.S. But, 80 percent of Indians live on less than \$2 a day.

Apprehensions over the Agreement

The U.S. Congress must approve the agreement, and Bush acknowledged that might be difficult because of India's insistence on not signing the Nuclear Non-proliferation Treaty.

Perceived roadblocks : The landmark deal between Washington and New Delhi would enable India to receive American atomic technology and fuel, though it has not signed the NPT pact and has atomic bombs. The deal came just as the Europeans, the U.S. and other leading countries were stepping up efforts to limit the nuclear activities of Iran, which is a NPT signatory.

International Perspective

Germany categorically criticized the timing of the Indo-US nuclear energy deal given that it came in the midst of talks on curbing Iran's nuclear ambitions. It warned against condemning the deal itself however, saying such agreements could help bring countries into the nuclear Non-Proliferation Treaty (NPT) regime. India's neighbour Pakistan, and Israel, both of which are known to possess nuclear weapons, also remain outside the NPT.

OFFICE OF PROFIT POLITICS

Samajwadi Party MP Jaya Bachchan was disqualified from the Rajya Sabha on March 6, 2006, on the ground that she held an office of profit by being chairperson of the UP Film Development Council. Ending the proceedings on a petition filed in October 2005 by one Madan Mohan, the candidate who lost against her in the election from UP, the EC recommended Bachchan's disqualification.

The Legal Aspect

Under the Constitution, the President decides whether a sitting member has incurred disqualification in consultation with the EC. Article 102 (1)(a) bars a MP from holding any office of profit under the government of India or in any state other than an office declared by Parliament by law not to disqualify its holder. Legal experts say that the President is bound by the EC recommendation, which is notified in the official gazette.

Opposition Targets Congress

As the Bharatiya Janata Party-led National Democratic Alliance and the Samajwadi Party mounted a major political campaign against Congress president Sonia Gandhi, the 59-year-old MP sprang a surprise that could take away the sting from the Opposition's attack that the government's move for an Ordinance to redefine office of profit was aimed at saving her from 'a certain disqualification' as MP.

Sonia resigns : On March 23, Sonia Gandhi announced her resignation from the Lok Sabha and as chairperson of the National Advisory Council, an office that threatened to cost her seat in Parliament. The resignation came on a day when the BJP had petitioned President A P J Abdul Kalam seeking her disqualification from the Lok Sabha on the ground that she held an office of profit as NAC chairperson. Significantly, Chief Election Commissioner B B Tandon had stated that the law was the same for everybody and he would consider the petition against Gandhi when it is referred to him by the President.

More petitions filed against ministers : In all about 62 MPs are said to be in various posts. Petitions have been filed for the disqualification of Lok Sabha Speaker Somnath Chatterjee (Chairman of Sriniketan-Santiniketan Development Authority), Amar Singh, Rajya Sabha MP (Chairperson of the UP Industrial Development Council), Union Minister T Subbarami Reddy (Chairman, Tirumala Tirupati Devasthanams), senior Congress leader Karan Singh (ICCR), nominated Rajya Sabha member Kapila Vatsyayan and V K Malhotra (former president of the All India Council of Sports).

Parties Agree to Propose the Bill

On March 25, 2006, the way was cleared for the passage of a Bill to save MPs holding offices of profit from being disqualified after all political parties pledged their support to

the idea. The proposed Bill is expected to be introduced in Parliament when the House reconvenes in May after the assembly elections.

BEST BAKERY CASE

On March 9, 2006 the Supreme Court charged Gujarat Best Bakery massacre witness Zaheera Sheikh and four of her family members with contempt, sentencing them to one year imprisonment and Rs 50,000 fine. By its unequivocal decision, the Supreme Court has set the benchmark for higher standards of jurisprudence. It punished them for changing testimonies and lying under oath.

A Mumbai trial court has issued perjury notices to Zaheera and her family. This is a landmark in legal history because for the first time, a witness is in the dock for both contempt and perjury. Pushed into the limelight after the gruesome Gujarat riots, Zaheera apparently became a pawn in the hands of vested interests. She first identified those in the rampaging mob who burnt down the Best Bakery in Baroda in 2002, retracted her confession in 2003, went on to accuse a human rights activist of coercing her into changing her testimony, sought a retrial and then faded away after allegations that certain politicians had paid her off.

OIL-FOR-FOOD SCANDAL

K. Natwar Singh, India's External Affairs Minister, as well as the Congress Party were listed in the report of the Volcker Committee as "non-contractual beneficiaries" of Iraqi oil sales in 2001 under the United Nations Oil-for-Food Programme. The contracting company in both cases is named as Masefield AG. Mr. Singh is shown in the Report as the non-contractual "beneficiary" in connection with 4 million barrels of oil allotted to Masefield AG, the contracting company, which actually lifted 1.936 million barrels out of this. The Congress Party is listed as the non-contractual "beneficiary" in connection with 4 million barrels allotted.

Volcker Drama: The Key Players

The U.N. investigative officer, Paul Volcker : Before the oil for food report, he was chairman of the American Federal Reserve from 1979 to 1987, when Jimmy Carter and Ronald Reagan were President. Volcker is credited with having stemmed an inflation crisis in America in the 1980s. In April 2004, the United Nations gave him the task of investigating charges of corruption in the oil-for-food programme the UN had devised to help sanction-riddled Iraq to survive.

The Iraqi Connections : *Saddam Hussein*: Iraqi dictator overthrown by America's Operation Iraqi Freedom. After Saddam's Iraq invaded neighbouring Kuwait in 1990, the UN imposed economic sanctions on the country. In the face of a global appeal to save the people of Iraq from bearing the brunt of the sanctions on its dictatorial regime, the UN started the oil-for-food programme in December 1996. Under the programme, Iraq could

sell its oil at UN-prescribed prices in exchange for humanitarian goods. Iraq sold \$64.2 billion worth of oil to 248 companies and 3,614 firms sold \$34.5 billion worth of humanitarian goods to Baghdad before the programme ended in 2003.

Saddam's regime devised an elaborate scheme to pilfer money from the oil-for-food programme, the full details of which came to light with the Volcker Committee report.

Tariq Aziz : He was the deputy prime minister in the Saddam regime, and the only Christian in the deposed dictator's inner circle. Aziz was the Saddam regime's global face, before America invaded Iraq. It is now being alleged that the kickbacks received by the Indian non-contractual beneficiaries came after a series of meetings Natwar, his son Jagat Singh, and family friend Andy Sehgal had with Aziz and other Baath Party officials.

The Indian Players : *K Natwar Singh*: India's former external affairs minister and veteran Congress leader. The Volcker report says Iraq 'selected oil recipients in order to influence foreign policy and international public opinion in its favour.' Thus the oil vouchers went to prominent pro-Iraq global voices, who the report classifies as 'non-contractual beneficiaries. These 'non-contractual beneficiaries', in turn, sold the vouchers to oil companies who bought oil at UN-prescribed low prices. Natwar is one of the Indian non-contractual beneficiaries named in the Volcker report. The others are Jammu and Kashmir Panther's Party leader Bhim Singh, and the Congress party. Natwar has maintained he had no role in the oil-for-food scam.

Jagat Singh: Natwar's son and Congress legislator from Lachhmangarh in Alwar, Rajasthan. He has admitted he visited Saddam Hussein's Iraq, but maintains he did so as part of a Youth Congress delegation, and not for personal gains through the oil-for-food scam, as has been alleged. Jagat is not a stranger to being in the news for all the wrong reasons. His name figured prominently in the media when his wife Natasha and sister Ritu committed suicide within two months of each other in 2002.

Andaleeb 'Andy' Sehgal: Sehgal owns Hamdan Exports, which was named in the Volcker Report for paying \$748,540 as illegal surcharge payments on behalf of Masefield AG, a Swiss oil company. According to the Volcker Report, Masefield bought Iraqi oil against coupons given to Natwar Singh and the Congress.

Aneil Mathrani: He served for over 20 years in the All India Congress Committee's foreign affairs department, and helped the party develop ties with political parties across the globe. When the United Progressive Alliance government was sworn in, Mathrani was made officer on special duty in the ministry of external affairs. He was the Indian Ambassador to Croatia, till he was recalled following his disclosures to a television channel that Natwar was fully aware of the oil-for-food scam. Mathrani was secretary of the Congress' foreign cell when Natwar Singh was its chairman. According to reports, Mathrani flew to Jordan on January 18, 2001, the same day as Natwar's son Jagat Singh did. Reports also say Mathrani flew back to Jordan in April the same year. The visits coincide with the period when Volcker Committee says 'illegal surcharge' payments were made in the Jordan National Bank.

Key Points of Volker's Report on the Oil-For-Food Investigation

- On February 3, 2005, the Independent Inquiry Committee (IIC), chaired by Paul Volcker, released its first interim report, which provides extensive information on a number of important issues related to the United Nations Oil-for-Food Programme. The findings of the interim report are based on the review of more than five million pages of UN documents by over 75 investigators and about 400 interviews conducted in 25 countries.
- According to the interim report, the UN Secretariat's use of funds to administer the Oil-for-Food Programme was generally disciplined and the accounting of funds appears to have been appropriately carried out. In fact, the UN used \$327 million or 27 percent less than it was given for programme administration. These funds were instead used for the direct benefit of the Iraqi people. However, other findings and conclusions are extremely troubling. The IIC found: Resources committed to auditing the programme were inadequate; some important areas of the programme were not reviewed; and the audit function of the programme's work should have been more independent and transparent. The procurement process of three UN contractors did not conform to established rules. Political interests were one notable influence on the process. Benon Sevan, former director of the programme, created "a grave and continuing conflict of interest" by repeatedly soliciting oil allocations from Iraq under the programme.
- The IIC is expected to release another interim report that will look more thoroughly into several facets of the programme, including the procurement of a contractor that employed the Secretary-General's son, Kojo Annan.
- Recently, 70 Nobel Laureates announced their support for the Secretary-General citing his record of reform.

KUMARASWAMY, THE NEW CM OF KARNATAKA

Janata Dal (Secular) rebel leader H D Kumaraswamy was on February 3, 2006 sworn in as Karnataka's 18th chief minister. Senior BJP leader B S Yediyurappa took the oath as deputy chief minister. Former Prime Minister H D Deve Gowda, who had vehemently opposed his son and his followers joining hands with the BJP to form the government, was conspicuous by his absence. The decks for the new government were cleared on February 2, 2006 when the Karnataka High Court refused to stay the swearing-in ceremony on a petition that sought disqualification of Kumaraswamy and JD-S rebel legislators from the assembly membership on the ground of defection. The path to power for the new combination became much smoother after JD-S rebel legislators firmly told Gowda at a meeting with him that they were in no mood to change their course and instead sought his 'blessings' for the alliance with the BJP. The BJP and JD-S have struck an alliance on the pattern of the Congress-National Conference government in Jammu and Kashmir. Accordingly, Kumaraswamy will

head the government for the first 20 months after which a BJP nominee will take over for the remaining term of 20 months. Under the agreement, the BJP will have 18 ministers, including Yediyurappa, while the JD-S will have 16, including the chief minister.

NITISH KUMAR SWORN-IN AS BIHAR CM

Janata Dal (United) leader Nitish Kumar was on November 24, 2005 sworn-in as the 33rd chief minister of Bihar. The Janata Dal(United)-BJP combine got a majority in the Bihar polls in November 2005. In the elections, second in eight months, forced by a premature dissolution of the 243-member assembly, the Nitish Kumar led-National Democratic Alliance bagged 140 seats, 18 more than the halfway mark of 122. Kumar's Janata Dal-United won 86 seats and BJP 54 seats against 55 and 37 won in the March elections, which had thrown up a hung verdict, President's rule and the consequent dissolution. State BJP President Sushil Kumar Modi was sworn-in as the deputy chief minister.

NEW MADHYA PRADESH CHIEF MINISTER

The BJP on November 27, 2005 replaced Madhya Pradesh Chief Minister Babulal Gaur with backward leader Shivraj Singh Chauhan, the state BJP president. He has the backing of a considerable section of the party. The parliamentary board met after Gaur, in a communication to party president L. K. Advani, expressed his desire to step down. Gaur sent his resignation to Madhya Pradesh Governor Balram Jhakar soon after Jaitly's announcement.

NARAYAN RANE WINS MALWAN (MAHARASHTRA) BY-ELECTION SEAT

Maharashtra Revenue Minister and Congress candidate Narayan Rane won the Malwan assembly seat on November 22, 2005 by 63,372 votes defeating his rival Parshuram Uparkar, who lost his deposit. Rane bagged 78,616 votes, while Uparkar got 15,244 votes. The by-election was necessitated following the resignation of Rane, who has been representing the Shiv Sena from Malwan in the past. The loss of deposit of the Sena candidate came as a shock for the Sena leaders.

AZAD'S 13-MEMBER COALITION GOVT SWORN IN J&K

Mr Ghulam Nabi Azad was sworn in as Jammu and Kashmir Chief Minister on November 2, 2005 succeeding Mufti Mohammad Sayeed as per the agreement between the two main alliance partners, Congress and the PDP, each leading the team for three years. Twelve others, including two ministers of state, were also sworn in. Of the 13, two ministers were new faces with all others having served their term as ministers in the Mufti government. The Governor, Lt-Gen (retd) S.K. Sinha, administered the oath of office to the ministers.

ABU SALEM CASE

In what is seen as a major breakthrough for the Central Bureau of Investigation (CBI), one of India's most wanted gangsters, Abu Salem alias Abdul Saleem Ansari, wanted in over 60 cases was finally deported from Portugal. Getting him to India was not an easy job for the police, as the country does not have an extradition treaty with Portugal. The Indian government had to give an assurance to Portugal that Abu Salem won't be given a death penalty. Immediately after he landed in Bombay he was produced in a special court and remanded to judicial custody till November 23, 2005. Prime accused in the deadly Bombay serial blasts of 1993 that killed 250 people and destroyed properties worth million, Abu Salem is also wanted in connection with the sensational murder of film producer and music czar Gulshan Kumar and few other high profile attempts to murder cases involving Bollywood film personalities. The mafia don was also involved in abduction of prosperous businessmen for extorting huge sums of money.

Abu Salem's Arrest in Lisbon

To evade arrest by the Indian security service, Salem underwent plastic surgery but as luck would have it, Interpol arrested him in the Portuguese capital along with his girl friend Monica Bedi after his satellite phone was tracked.

Abu Salem interrogated: Salem gave a wealth of information on underworld activities and even revealed details of incidents that happened 15 years ago, during a narco-analysis test in Bangalore on December 30, 2005. Salem was "unstoppable" during the three-hour test conducted at the Bowring Institute and has "given all the information that the police wanted". The gangster, in a sub-conscious state, also elaborated on the statement he made before the Mumbai police in which he disclosed the names of certain persons who were part of his financial chain of collection and distribution of money. Salem had a long list of questions to answer. He was subjected to polygraph (lie-detector) and brain-mapping tests at the FSL.

DELHI BOMBING

Sixty-one persons were killed and at least 188 injured in three explosions in Delhi on October 29, 2005. The bombings came just two days before Diwali. The bombs were triggered in two markets in central and south Delhi and in a bus in the Govindpuri area in the south of the city. A Pakistan-based terrorist outfit, the Islamic Inquilab Mahaz claimed responsibility for the blasts. This group is known to have links with the Kashmir separatist/ Islamic militant group Lashkar-e-Toiba. The tactics—using multiple strikes simultaneously or near-simultaneously—are a format used previously by the Al Qaeda.

CONTROVERSY OVER QUATTROCCHI CASE

Amidst snowballing controversy over defreezing of accounts of Italian businessman Ottavio Quattrocchi, Union Minister of State for Home Shriparkash Jaiswal on January 17, 2006 said the CBI was an independent agency and was playing a neutral role in the entire affair. The investigation agency had done what it thought was right in the case, he told a meet-the-press programme.

TELEPHONE TAPPING CASE

Under growing opposition attack on the phone tapping issue, the Centre on JAN 11, 2006 said in view of the spurt in information and telecom technologies, a need was felt for more effective laws to tackle the problem. There has been a barrage of allegations by political leaders of their phones being tapped, starting with Samajwadi Party leader Amar Singh.

ECONOMIC AFFAIRS

HIGHLIGHTS OF UNION BUDGET 2006-07

Finance Minister P. Chidambaram presented the third budget of the UPA government on February 28, 2006 in the backdrop of a booming economy, stable prices and a satisfactory fiscal situation compared with budget targets. The challenge is to ensure that this pace doesn't slacken.

For the first time since Independence, the Indian economy has grown at an average 8.0% over a three-year period ending FY06 i.e. 2005-06 (April-March). The main thrust of Chidambaram's budget for the coming fiscal is to maintain this momentum. However, the execution of this aim will be a tight ropewalk for the finance minister. He would need to strike a balance between funding his government's ambitious social sector and infrastructure programmes and carrying forward the fiscal reform process.

The UPA government has drawn up plans to invest crores of rupees over the next few years to improve rural and urban infrastructure. While providing for these infrastructure and social sector projects, the finance minister will have to revert to the fiscal correction process laid down in the Fiscal Responsibility and Budget Management Act.

General Economy

* Savings up 21.9% of GDP * FY05 GDP growth was 7.5% * GDP growth likely to be 8.1% in 2006-07 * Govt has met first aim of high growth rate * Growth is best antidote to poverty * Govt determined to take country to 10% growth rate

Fiscal Strength

* Gross capital formation up 30% in 2004-05 * Non-food credit growing over 25% * Investment rate up from 25.3% in FY03 to 30.1% in FY05 * FY07 budget support for plan up 20.4% to 172,728 crore rupees * more than Rs. 131,200 crore budget support for central plan * FY07 budgetary support for Northeast 12,041 crore rupees * Rs. 16,901 crore equity support to central PSUs * More than Rs. 122,700 crore outlay in FY07 for public sector * Rs. 10,000 corpus for RIDF-XII in FY07 * Separate window for rural roads under RIDF * To unwind special securities by converting to SLR papers * Defence allocation raised to Rs. 89,000 * To provide Rs. 3,000 crore as VAT compensation to states * States' revenue share up at Rs. 94,400 crore * Tax-GDP ratio 10.5% in FY06 vs 9.8% a year ago * FY06 fiscal deficit revised to 4.1% of GDP vs 4.3% * FY06 revenue deficit revised to 2.6% of GDP vs 2.7% * FY07 non-plan expenditure seen at Rs. 39,100 crore * FY07 fiscal deficit pegged at 3.8% of GDP * FY07 total expenditure pegged at Rs. 563,900 crore * FY07 petroleum subsidy Rs. 30,800 crore * FY07 fertiliser subsidy Rs. 17,200 crore * FY07 food subsidy Rs. 24,200 * FY07 nominal GDP growth seen at 12% * FY07 interest payment Rs. 14,000 crore * FY07 subsidy bill Rs. 46,200 crore * Govt aims to eliminate revenue deficit by FY09 * Govt targets revenue deficit at 1.1% of GDP in FY08 * Govt targets FY09 fiscal deficit at 3% of GDP * Govt targets FY08 fiscal deficit at 3.4% of GDP

Direct Tax

* No change in personal, corporate income tax rates * Minimum Alternate Tax rate up to 10% from 7.5% * To abolish 1/6 income tax norm * MAT cos' credit period extended to seven years * Rate for STT increased 25% * Bank deposits of over 5 year under section 80C of IT Act * Rs. 10,000 ceiling on pension contribution removed * Open, close-end equity MFs on par for dividend distribution tax * PAN needed for more transactions * To continue with cash withdrawal tax * FBT is justified, no need for more debate * Announce changes in computation of fringe benefit tax * Lauds cash withdrawal tax role in curbing money laundering * Retirement contribution cap of Rs. 100,000 for FBT * To issue statement of revenue foregone * Include LPG under declared goods for CST * States taxing LPG at high rates * Direct tax proposals to yield Rs. 4000 crore more * Dividend tax exemption only for funds investing over 65% in shares.

Revenue, Expenditure

* FY-06 net borrowing Rs. 1,000 crore * FY07 net borrowing Rs. 1,14,000 crore * FY07 gilt repayment Rs. 39,100 crore * FY07 gross borrowing via gilts Rs. 1,53,000 crore * Sees govt borrowing Rs. 15,000 crore more in FY06 * FY06 cash drawdown revised to Rs. 15,000 crore from 31.4 bln * FY07 divestment receipts seen at Rs. 3,84,000 crore * FY07 corporate tax target Rs. 1,33,000 crore vs Rs. 10,300 crore a year ago * FY07 excise duty target Rs. 11,900 crore * FY07 service tax target Rs. 34,500 crore vs Rs. 23,000 crore a year ago * FY07 income tax target Rs. 77,400 crore vs Rs. 66,240 crore a year ago * FY07 non-tax revenue Rs. 76,300 crore * FY07 total revenue receipts Rs. 4,03,000 crore * States'

share in FY07 tax revenue pegged at Rs. 1,13,000 crore * FY07 gross tax revenue Rs. 4,42,000 crore * FY06 net receipts under MSS Rs. 46,000 crore

Agriculture

* Food grain output 209.3 million tonnes, up 5 million from last year * Farm credit to be raised to Rs. 1,75,000 crore in FY07 * Banks asked to add 5 million more farmers to credit portfolio * Interest subsidy of 200 bps for farm loans taken in 2005-06 * To provide Rs. 17,00 crore for farmers' relief * Banks asked to add 5 million more farmers to credit portfolio * Short-term credit to farmers at 7% * Special new NABARD credit line for self-help groups * Central institute of Horticulture to be set up in Nagaland * Food processing to be priority sector for bank credit * NABARD to set up Rs 10-bln centre for food processing * Government doesn't see difficulty in meeting FY07 market borrowing target * RBI can buy gilts from primary market only in specified circumstance * RBI not to buy gilts from primary market from FY07

Industry

* Manufacturing sector to grow at 9.4% in 2006-07 * Barring mining, all sectors performing satisfactorily * Set up special purpose tea fund with Rs. 1000 crore corpus * National Fisheries Board to be constituted soon * Rs. 53,500 crore in FY07 for textile upgradation scheme * Jute Technology Mission, National Jute Board to be set up * Government proposes Handloom Mark * To develop 3 investment regions for oil sector in FY07 * 180 SSI items identified for de-reservation * To recognise small, medium enterprises in services sector * For cut in SSI credit guarantee fee to 1.5% vs 2.5%

Infrastructure

* Highway schemes progressing at 4.4 km/day * 5,083 MW capacity to be added in 2005-06 * 96% of Golden Quadrilateral will be completed by June * 870,000 rural houses built under Bharat Nirman * 71,182 villages got telephones under Bharat Nirman * 8,70,000 rural houses built in April-January * Budget support of Rs. 18,696 crore for Bharat Nirman FY07 * Education allocation up in FY07 to Rs. 24,154 crore * Sarva Siksha Abhyan outlay for FY07 at Rs. 10,041 crore * FY07 mid-day meal allocation Rs. 4,813 crore * FY07 drinking water outlay Rs. 4,680 billion vs Rs. 3,645 crore * Rs. 14,300 crore outlay in FY07 for Rural Employment Scheme * Rs. 4,595 crore outlay for National Urban Mission in FY07 * 20,000 water bodies to covered under renewal plan * Indian Infrastructure Investment Co. to be established * Tourism ministry to develop 15 tourist centres * To set up empowered ministers' group on cluster development * FY07 allocation for tourist sector Rs. 830 crore * Rs. 1,500 crore in FY07 to boost telephone connectivity * To electrify 40,000 more villages in FY07 * 82 new power projects underway * To electrify 40,000 more villages in FY07 * 4.75% rise in power generation so far; government not happy * Rs. 597 crore for non-conventional energy resources in FY07 * Rs. 9945 crore budget support for NHDP in FY07 * To build 1,000 km of access controlled expressways * Rs.

735 billion for development of sea ports in FY07 * 1,000 km of new expressways on BOT basis

Sectors

* Committed to strong, efficient public sector * Expert body to look into gems, jewellery sector taxation * 20-bln-tn coal to be de-blocked for power sector by 2012 * 45 coal blocks allocated for power, coal, steel sectors * Rs. 22,000 crore investment expected in refinery sector * Plan to introduce comprehensive Bill on insurance in FY07

Debt markets : * Cap on FII in gilts raised to \$2 billion * Cap on FII investment in corp debt raised to \$1.5 billion * To remove 10% cap on overseas investment by mutual funds * NDS-OM to be extended to some MFS, PFs, pension funds * To create unified exchange traded market for corporate bonds * NDS-OM to be extended to some MFS, PFs, pension funds * To hike mutual funds' overseas investment cap to \$2 bln * Mutual funds permitted to invest \$1 billion in overseas ETFs

External sector : * FDI estimated at \$4 billion until November 2005 * Confident of more FDI, especially in infrastructure * to double world export share to 1.5% by FY09

Customs duty : * Non-farm imports customs peak rate cut to 12.5% from 15% * Duty on alloy steel cut to 7.5% from 10% * Customs on steel melting scrap raised to 5% * Import duty on ores, concentrates cut to 2% from 5% * Customs duty on inorganic chemicals cut to 10% from 15% * Customs on steel melting scrap raised to 5% * Import duty on ores, concentrates cut to 2% from 5% * Customs on mineral products cut to 5% vs 15% * Duty on catalysts cut to 7% from 7.5% * Customs duty on inorganic chemicals cut to 10% from 15% * Customs duty on anti-AIDS, anti-cancer drugs cut to 5% * Customs on packaging machines cut to 5% * To impose countervailing duty of 4% on oil imports * Customs duty on vanaspati raised to 80% * Import duty on man-made fibre yarn cut to 8% from 18% * Customs duty on primary metals cut to 7.5% from 10% * Customs duty of 5% imposed on iron, steel scrap * Customs duty on natural gas unified at 5% * Customs duty on ferro alloys cut to 7.5% vs 10% * Customs on naphtha cut to 5% from 10% * Customs duty on natural gas unified at 5% * Customs duty on potassium chloride cut to 10% from 15% * FY07 customs duty target Rs770.6 bln.

Excise duty : * All excise rates to converge at CENVAT rate at 16% * Excise duty on small cars cut to 16% * Condensed milk, ice-creams exempted from excise duty * 8% excise on packaged software in FY07 * Excise on idli, dosa pre-mixes cut to 16% * Excise duty on aerated drinks cut to 16% * Excise on glassware will be 16% * DVD, flash, combo drives exempted from excise duty * Duty on naphtha on plastics to be nil * Petroleum product duty measures not to affect retail prices * Excise duty on printing paper, ink cut to 12% from 16% * Excise on cigarettes hiked by 5% * Excise on footwear priced 250-750 rupees cut to 8% * Excise duty exempted on gold concentrate for refining * Excise duty on pan masala unified at 66% * Excise duty of 12% on computers

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Service tax : * More services brought under service tax net * Registrars, share transfer agents under service tax net * Service tax to be extended to PR firms * ATM operation, maintenance to come under service tax * Services industry contributing 54% of GDP * Service tax raised to 12% from 10% * Apr 1, 2010, deadline for national level goods, services tax

Social sector : * To eliminate polio by Dec. 2007 * Leprosy eliminated in December * Rs. 4,595 crore outlay for National Urban Mission in FY07 * To raise old age pension to 200 rupees/month vs 75 rupees * Allocation for SC/STs raised by 14.5% to Rs. 2902 crore * 20,000 merit scholarships for minority students * Rs. 16.47 crores for National Minorities Development Corp. * To grant Rs. 100 crore each to 3 universities * New grants to Calcutta, Madras, Mumbai universities * to allocate Rs 970 mln for upgrading ITIs in FY07 * Rs. 5000 crore rupees for new fund under Panchayati Raj in FY07 * Rs. 1,300 crore special aid to J&K for power reforms

RAILWAY BUDGET 2006-07

On February 24, 2006 Railways Minister Mr. Lalu Prasad presented the Railway Budget for 2006-07 (April-March) in the Lok Sabha. This is the third rail budget presented by Prasad. Its highlights are:

Freight and Fares

* Dynamic pricing policy for passenger fares * Passenger fares not to be increased * AC I passenger fares cut 18% * AC II passenger fares cut 10% * No across-the-board increase in freight rates * To hike parcel rates 25% in FY07 * Diesel, petrol freight charge cut 8% * FY06 freight target revised up to 668 million tones * Rationalisation of goods tariff to continue * Non-peak season freight discount scheme launched * Up to 30% discount on non-peak incremental freight * FY07 freight loading target set at 726 million tonnes * Long-term freight discount scheme launched * New freight corridor to up freight movement by 25% * 50% fare concession for farmers in sleeper class * Highest freight class to be lowered below 200 in 3 yrs * AC second class fare to be 6.5 times of 2nd class * AC first class fare to be 11.5 times of 2nd class * Sleeper class e-ticket charges cut by 15 rupees/ticket * Higher class e-ticket charges cut by 20 rupees/ticket * Super-fast charges for season tickets cut by 75% * Plans dynamic pricing policy for freight * To offer freight rebate of 15% during monsoon season * 1% freight discount if 90% steel output taken by rail * Freight rate on sugarcane seen up on reclassification * Freight rate on paper seen up on reclassification * Freight on automobiles seen up on reclassification * Coffee freight rate seen down on reclassification * Hydrogenated oil freight rate seen down * Leather freight rates seen up on reclassification * Sponge iron freight rates seen up on reclassification * Freight rate on acid seen down on classification * Freight rates on gases seen lower on reclassification * To give priority to freight booked beyond 800 km * Passenger fare for military to be rationalized.

Plans and New Trains

* To start 55 new train services in FY07 * Private container trains to be permitted by Mar 21
 * Commodity groups cut to 28 from 80 * To construct freight corridor for Rs 220 billion *
 To start new wagon production in 2007-08 * To seek new technology for wagon making *
 To up Chennai coach factory capacity to 1,500 coaches * Targets 26% rise in coach making
 to 2,900 in FY07 * Low fare AC trains 'Garib Rath' planned for FY07 * Planned 'Garib
 Rath' fare 25% below AC III fares * To start new wagon production in 2007-08 * 37 trains
 to be extended * Plans 150 km/hour Delhi-Lucknow passenger service * To up frequency
 of 12 passenger trains * To run 25-tonne-axle load trains on 2 routes * To upgrade 200 mail,
 express trains to super-fast * Plans double rail tracks on 435 km of lines in FY0 * 200
 passenger trains to be converted to super fast * To build new aluminium, stainless steel
 wagons * To load 4-8 tonnes more per wagon * Unit cost of freight traffic seen down on
 higher loading * To up wagon production by 25% in FY07 * To invest in new inland container
 depots * To upgrade lower class passengers at no extra cost * To increase coaches in 190
 passenger trains to 23/24 * 23 new lines to be surveyed in FY07 * Platforms at 250 more
 stations to be lengthened in FY07 * Plan ticket issuing facilities in rural areas * Coaches to
 be raised to 23-24 in 190 passenger trains * To up wagon production by 25% in FY07 *
 Super speciality hospital to be constructed in Patna * Goods train carrying capacity to be
 doubled in 5 yrs * To offer 30% discount under empty flow direction plan * To offer loyalty
 scheme for iron and steel cos *

Balance Sheet

* Railway fund balance at record high of Rs. 11,000 crore * Fund balance seen at Rs.
 12,819 crore in end-FY07 * To borrow Rs. 4,170 crore in FY07 * FY07 plan outlay 32%
 higher than current year * FY07 plan outlay seen at Rs. 23475 crore * Fuel cost rise to lift
 expenditure to Rs. 1,200 crore in FY06 * FY07 gross traffic receipt target Rs. 60,000 crore
 * Higher loading to generate Rs. 5,000 crore in FY07 * FY07 passenger revenue seen at Rs.
 16800 crore * FY07 freight revenue seen at Rs. 40300 crore * FY07 ordinary working
 expenses seen at Rs. 38300 crore * FY07 internal generation before dividend is Rs. 14,300
 crore * To cut losses in passenger business by Rs. 1,000 crore * Increase in coaches to earn
 Rs. 200 more each yr * FY06 loss on parcel services Rs. 1,000 crore * FY07 operating ratio
 seen at 84.3% * Higher loading to generate Rs. 5,000 crore in FY07 * East-west freight
 corridor in FY07 at Rs. 22000 crore * Fund constraint not to impact network expansion

Miscellaneous

* To encourage public, private partnership in railways * To ask states to partner rail
 infrastructure upgrade * Cyber cafes, bank ATMs planned at all major stations * To double
 Chhapra's rail wheel capacity to 100,000/yr * Seeks Rs. 2100 crore from government for
 J&K, northeast project * Permission for private container trains before Mar 31 * FY07
 electric locomotive production to rise by 17% * FY07 diesel locomotive production to rise
 by 5% * Leasing policy of brake, parcel vans liberalised * Ceiling on booking luggage in

brake van removed * Leasing of train guard cabin to courier cos planned * Considering declaring Kapurthala coach factory a PSU * Links to seaports around Kolkata to be upgraded in FY07 * Links to seaports around Gujarat to be upgraded

ECONOMIC SURVEY 2005-06

The Economic Survey for 2005-06, tabled in Parliament on Feb 27, 2006 by Finance Minister P. Chidambaram carries on the tradition of positioning his ministry as the “voice of reason” in the economic reforms’ process. Its major highlights are given below:

Inflation, Interest Rates

* FY06 inflation rate likely to remain around 5% * Inflation likely to see declining trend in medium term * Hardening of interest rates may dampen investment * Rising global interest rates may hit local investment boom * Near, medium-term inflation risks appear manageable * Inflation to be within tolerable limit in medium term * Decline in inflation in FY06 on sound macro mgmt * Danger of unexpected oil price hike ‘ever present’ * Inflationary pressures successfully contained * Containing inflation high on government’s agenda * 2005-end inflation rate at 4.7% vs 6.5% year ago * Primary food items main driver of inflation in FY06 * Domestic prices have remained at comfortable levels * Deceleration in manufacturing inflation continuing * 2005-end inflation rate at 4.7% vs 6.5% year ago * Need to change inflation indices’ base to recent yr * To study possibility of new real estate price index * Planning switch over from WPI to PPI * Rise in steel prices in 2005-06 moderate vs last yr * Price stability continues to be monetary policy’s main task * Lower government demand for credit helping benign interest rates * Need to appropriately price petroleum products * Continuance of incomplete fuel pass through not sustainable * Management of lingering oil crisis needs bold policy steps * Inflation due to oil prices impacts interest rate scenario

Economy

* Indian economy projected to grow at 8.1% in 2005-06 * Need to deepen reforms for higher savings, investment * 8% growth in FY07 to give average 7.2% growth in 10th plan * Signs of new phase of economic cyclical upswing from FY04 * Industrial recovery that started in 2002-03 continues * Industrial growth driven by manufacturing, construction * Buoyant import growth reflects higher domestic investment * Economic upturn maintained without undue rise in prices * Credit growth due to investment demand in economy * Signs of pickup in investment have strengthened in FY06 * “Odds loaded heavily in favour” of continuation of growth * “Virtuous cycle” of growth, saving to continue for some yrs

Banking

* Utility of RBI Bank Rate as signal may have declined * Banks cut SLR spend in FY06 to meet credit demand * Bank credit to cos main source of FY06 M3 growth * Feb 3, MSS

outstanding at Rs. 34,800 crore vs Rs. 78,900 crore in Sep * Revisit of instruments for managing liquidity needed * FY06 began with growth rebounding along with inflationary pressures * Banks cut SLR spend in FY06 to meet credit demand * Accretion to FX reserves slowed in FY06 * High global commodity, oil prices influenced domestic inflation * Millennium Deposits maturity was smooth on RBI's prudent monetary measures * Total outflow for Millennium Deposits maturity was Rs. 32,000 crore * Bank credit to companies main source of FY06 M3 growth * Interbank liquidity comfortable, * Call weighted average rate 6% in Dec vs 5.96% in Nov and 5.01% in Apr-Oct * Credit quality may fall on loan growth sans safeguard * Bank credit still needs push for growth, efficiency * Tackling credit price is a challenge of monetary policy * Rate seen pressured up on slow FX flow, loan growth * MSS unwinding needed to ease pressure on rates * Balance between credit quality, risk needed for banks to lend * Banks' deposits grew 15.4% FY05 vs 16.4% a year ago * Big rise in net owned funds, borrowings to meet huge loan demand * Borrowings grew Rs 227.49 billion in FY05 * Banks raised equity capital to keep pace with rise in risk weights * Banks' net interest margin rose to 2.92% in FY05 vs 2.88 year ago * Banks' operating profit fell 3.1% in FY05 vs rise of 29.3% year ago * Banks' FY05 operating profit dropped on fall in non-interest income * Banks' investments rose 7.3% in FY05 vs 23.8% year ago * Banks' FY05 investments in government bonds rose 9.1% vs 23.8% year ago * NBFC deposits comprised 1.1% of total deposits in FY05 * NBFC net NPAs rose to 3.4% in FY05 vs 2.4% a year ago * Commercial, regional rural banks outperformed farm growth target in FY05

Public Finance

* Fiscal consolidation under FRBM to resume in 2006-07 * Pause button on revenue deficit in 2005-06 "one-off" step * Need to unburden Indian industry from high tax levels * Likely to meet FY06 fiscal, revenue deficit targets * Expenditure compression to help govt meet deficit target * Govt likely to achieve FY06 gross tax revenue targets * Slippage seen in FY06 corporate, excise tax mop-up * High deficit, wasteful spending constraining economy * Fiscal consolidation critical for 8-10% GDP growth * High oil prices challenge to economic stability * Critical to raise tax-GDP ratio to 13% by FY09 * Gross tax revenue likely to grow at average rate of 22% * Need to converge social sector schemes with similar goals

* Savings, investment rates rising in Centre, states * Fiscal policy under FRBM aiming at revenue led consolidation * Government aims to bring most goods to median CENVAT rate of 16% * Service tax to be a "buoyant source" of revenue * Average cost of FY06 government borrowing budgeted at 8.1% vs 8.4% * Cutting borrowing cost, interest outgo critical for growth * Oil cos' revenue loss likely at Rs 400 billion in FY06 * Need to create modern, sustainable pension system * Retired persons likely to draw pension for at least 17 yrs * Need to phase out central sales tax

Industry

* Need to liberalise FDI restrictions in coal mining * Passenger car output likely to top 1

million mark in 2005-06 * Capital goods sector growth to increase in FY06 * Improvement in domestic, foreign investment scenario * Power sector cause for concern on poor private investment * Overall industrial recovery seen continuing in FY06 * Strategy needed for more equitable regional FDI flows * FY07 auto sector investment seen at Rs. 80,000 crore * Automobile export potential yet to be fully tapped * Turnaround in textile growth more visible * National Steel policy to be implemented soon * Gas pipeline network needs to be increased

Agriculture

* Terms of trade to be in favour of agriculture in FY06 * India FY06 farm growth seen 2.3% vs 0.7% yr ago * Bias in minimum support price (MSP) favouring grains distorting crop pattern * Bias in MSP in favour of grains needs correction * Recommends shift from MSP, public procurement policy * * Pulses, oilseed output below domestic consumption * India Apr-Oct farm exports at \$4.8 billion, up 17% on yr * India Apr-Oct farm imports at \$76.4 bln vs \$56.7 billion.

Infrastructure

* Infrastructure limitation limiting industrial resurgence * Infrastructure investment remains far below requirement * India's infrastructure can absorb \$150 billion FDI in 5 yrs * Plans to increase scope of national highway project * Substantial completion of Golden Quadrilateral by June * Apr-Nov fuel cess adds RS 24 bln for highway plan * Government to involve private parties for future road projects * Model concession pact to help complete road projects * North-South, East-West Corridors' completion by Dec 2008 * Award of contract for NHDP Phase-II by March * Government plans model concession pacts for ports * Port Connectivity 'soft underbelly' of port sector * Port connectivity to up freight movement in mid term * Government to set independent Airport Economic Regulator * Hyderabad, Bangalore airports to be ready by 2008 * In principle approval for new airport in Goa * New airports at Navi Mumbai, Kannur, Sikkim, Ludhiana * Advisors for 10 non-metro airports appointed * 15 more non-metro airports to be developed * Techno economic feasibility study for 5 new airports * Total of 35 non-metro airports to be developed * Revised air services agreement signed with US * Pact signed with 18 countries for air services * FY06 domestic air traffic up 24% per yr, global by 18% * Private airlines account for 68.9% of domestic traffic * International cargo records 11.7% growth in Apr-Dec * Domestic cargo records 6.6% growth in Apr-Dec * Government plans model concession pacts for airports

External Sector

* IMD outflow, weak dollar, widening deficit hit FX reserve * Outflow from FX reserve so far vs \$28 bln accrual in FY05 * Textile export growth not satisfactory despite quotas * Apr-Sep 2005 services export up 75% at \$32.8 bln * Apr-Sep 2005 software export up 32% at \$10.3 bln * Services export rises by 75% to \$32.8 billion in Apr-Sep 2005 * Software

services export rises by 32% to \$10.3 billion in first half of FY06 * High growth in export of engineering goods, gems and jewellery * High growth in export of chemicals and related products * Notable 91% growth in export of petroleum products in 2004-05 * Petroleum products export up on enhanced refining capacity, tariffs structure * Ores and minerals' export growth rapid; induced by strong demand, high prices * Rise in export of poultry, dairy products, fruit and vegetable seeds * Textiles export growth not satisfactory despite quotas * Low scale of textile mfg deprived India of comparative advantage in labour * Imports of fertiliser, ores and scraps, iron and steel up steeply in Apr-Oct 2005 * Total share of 11 major trading partners not changed much since 2000-01 * US largest trading partner but its share falls in 2004-05 and Apr-Oct 2005 * Share of trade with China and Hong Kong rises to 9.4% in 2005-06

THE STORY OF INDIAN ECONOMIC GROWTH

In 2005-06, the Indian economy is projected to grow 8.1% compared with 7.5% and 8.5% in the previous two years. This higher growth trajectory in the last three years despite one bad monsoon has come mainly on the back of the boom in the services and manufacturing sectors. The last three years have seen a sharper delinking of manufacturing and services from the agrarian economy. It is by no accident that the higher economic growth path since 2003-04 has coincided with a sharp rise in savings, consumption and investment ratios. Gross savings ratio rose to 29.1% in 2004-05 from 26.5% in 2002-03, while the investment ratio shot up to 30.1% in 2004-05 from 25.3% two years ago. So has the consumption expenditure. This combination is feeding the spurt in overall demand—be it for houses, vehicles, or consumer durables. The budget's main challenge would be to create a climate to sustain the investment demand in the economy.

FISCAL STABILITY OF THE GOVERNMENT

On the face of it, the Central government's finances seem to be in a reasonably good shape. With the last scheduled market borrowing over, the government has so far borrowed Rs 1.21 trillion through dated securities in the current financial year, compared with the estimate of Rs 1.39 trillion. Despite borrowing Rs 80 billion less, the government still has a cash surplus with the Reserve Bank of India. This could be partly explained by the fact that state governments have parked their cash surplus in 14-day treasury bills. In the first nine months of 2005-06, the fiscal deficit of the Central government stood at Rs 1.08 trillion, accounting for 71.7% of the budget target of Rs 1.51 trillion. The fiscal deficit during April-December in the last financial year accounted for 65.7% of the budget target. The budget for 2005-06 had set the fiscal deficit target at 4.3% of gross domestic product. However, the challenges for Chidambaram could mount next financial year as he will have to press on with fiscal correction measures laid down in the FRBM Act. In 2005-06, the finance minister had pressed the 'pause' button on fiscal deficit and revenue deficit reduction targets, in view of the additional expenditure due to the implementation of the Twelfth Finance Commission

recommendations. The FRBM Act stipulates that the government reduce fiscal deficit by 0.3% of GDP annually, and revenue deficit by 0.5% so as to reduce fiscal deficit to 3% and eliminate revenue deficit by Mar. 31, 2008. For 2006-07, the finance minister is widely expected to keep the fiscal deficit target at 4.0% of GDP. .

Inflation

The year 2005-06 saw moderate inflation despite unprecedented rise in international crude oil prices. So far, the year had an average inflation of 4.5% compared with 6.6% in the same period of last year. However, inflation rate could pose a threat in 2006-07, as full pass-through of high global crude oil prices on retail fuel prices has not taken so far. State-owned oil marketing companies have run up huge revenue losses in the current financial year, as the government has not allowed retail sale of oil products at import parity prices. The Reserve Bank of India, in its quarterly review last month, had also warned that pass-through of high global prices could push up inflation. Even the International Monetary Fund said in its recent assessment of the Indian economy that while inflation rate was contained, underlying pressures including strong domestic demand pointed to upside risks. Inflation rate for the week ending Feb. 4 was at a three-month low of 4.08%. The Central bank has projected March-end inflation rate of 5.0-5.5%. Keeping the upward pressure on inflation rate in mind, the RBI has already taken pre-emptive measures. The real test before the finance minister is to strike a balance between these competing challenges.

BILATERAL/MULTILATERAL TREATIES

INDIA, OMAN SIGN DEFENCE MOU

India and Oman recently signed a Memorandum of Understanding on defence cooperation, which would allow training facilities for the Omani forces besides also allow India to supply weapons to the Gulf nation. The MoU, signed by the visiting Omani Defence Minister Sayyid Badr Bin Saud Hareb Al Busaidi, also envisages exchange of expertise in military training and information technology, utilisation of military educational courses and programme and sending of observers to each other's military exercises. The MoU also provides for working out technical specifications of military equipment in a bid to facilitate direct agreement with manufacturing companies of both the countries and maintaining quality assurance of defence supplies by ministry of defence for contracts signed within its framework.

INDIA–PAKISTAN

The first of three points on the Line of Control (LoC) between India and Pakistan was opened on November 7, 2005 for earthquake relief work. Indian and Pakistani Army officers shook hands and exchanged pleasantries at the frontier point of Chakhan-Da-Bag. Amid hundreds of locals and media persons, officers of both countries hugged each other and

exchanged white flags. Locals were swept away in a sea of emotion, as they rushed to meet near and dear ones separated for half a century. The crossing point at Kaman in Uri and Tithwal in Tangdhar were opened in November 2005.

INDIA–RUSSIA

On December 6, 2005 during the Russia-visit of Indian PM. Manmohan Singh, the Russian president. Vladimir Putin offered India two 1000 MW reactors for the Kudankulam nuclear power plant. Russia eyes India as a major nuclear power partner and has expressed desire to build four more reactors at the Kudankulam, when Nuclear Suppliers’ Group lift curbs against New Delhi, a step flowing out of the historic Indo-US nuke deal signed during President George Bush’s India visit in March. Russia recently supplied 60 metric tons of uranium pellets to fuel the two units of Tarapur Atomic Powers Station invoking safety clause of NSG guidelines. In a recent interview, a senior Russian disarmament official called for making exception for India in the nuclear Non-Proliferation Treaty (NPT), taking cognizance of her energy requirements.

SUPREME COURT VERDICTS

Establish Holder of Assets in Graft Cases

The Supreme Court has held that for proving a corruption case against a public servant, the prosecution has to establish beyond doubt that the assets recovered from his family premises are exclusively accounted in his name when his spouse and wards are also earning members. “In case of joint possession, it is very difficult when one of the persons accepted the entire responsibility.... It is very difficult to segregate how much wealth belonged to the husband and how much to the wife,” a Bench of Mr Justice B.N. Agrawal and Mr Justice A.K. Mathur said while upholding the acquittal of former Tamil Nadu health secretary K. Inbasagan in a corruption case.

Waqf Board Order on Taj

The Supreme Court has stayed the order of Uttar Pradesh Sunni Central Waqf Board (UPSCWB) declaring the Archaeological Survey of India (ASI), the custodian of the world heritage monument, challenged Taj Mahal a “waqf property” after its order. Taking cognizance of an appeal filed by ASI against the UPSCWB’s July 13 order, a Bench of Ms Justice Ruma Pal, Mr Justice S.B. Sinha and Mr Justice S.H. Kapadia issued notices to the Waqf Board, UP Government, its Commissioner for Ancient Archaeological Sites and Mohammed Irfan Bedar who had filed a petition before the Board regarding the Taj Mahal’s title. While seeking replies from them, the court said all issues pertaining to the maintainability of the ASI’s petition were kept open at this stage. Solicitor General (SG) G.E. Vahanvati, appearing for the ASI challenged the order of the UPSCWB on the ground that there was sufficient reliable historical evidence to show that the title of Taj was vested in the Government of India under British rule. The ASI in its petition said if the Waqf Board order

was not immediately stayed, Taj could lose the status of “world heritage” monument conferred by UNESCO. It asked whether a national monument, declared as world heritage, could be declared the property of a particular entity or community. Besides, it would open a Pandora’s box on various issues pertaining to the Taj Mahal, including its maintenance, security and protection of environment around it. If the order of Waqf Board was accepted a “mutawalli (caretaker)” will have to be appointed to look after the monument. The Waqf Board in its order had said that apart from Taj, other monuments like Roza Tahmahal, Jamatkhana and the adjacent mosque were waqf properties and they should be registered under the control of UPSCWB.

On Damage Caused Due to Taj-Corridor Project

In another Taj-related matter, the Bench also appointed a five-member committee to assess the damage caused to Yamuna bed behind the monument due to construction of Taj corridor project illegally during the tenure of former UP Chief Minister Mayawati. The committee comprised advocate Krishan Mahajan, who is amicus curiae in all Taj related cases, R.C. Trivedi, a scientist from Central Pollution Control Board, one more representative from it, an expert nominated by Ministry of Environment and Forests and ASI’s Agra range Superintending Engineer.

The committee was directed to submit its report within eight weeks on three aspects whether soil dug from river bed and debris left there after the project was stayed had been lying there or removed, effect of the project on the environment around Taj and restoration of the ecology of river bed to its original shape.

On Reservation in Private Unaided Institutions

The Supreme Court has rejected a petition for the review of its judgement striking down reservation in unaided private professional institutions other than those run by the minorities across the country. The Tamil Nadu Government sought the review of the August 12 judgement of the apex court on the grounds that it had passed an Act in 1993 “obliging” the state to provide reservation even in unaided private institutions and the verdict came in the way of the state implementing its law. A seven-judge Constitution Bench, headed by Chief Justice Y K Sabharwal, rejected the petition in a chamber hearing holding that the validity of the Tamil Nadu Act on reservation was not questioned before the apex court when it had decided the issue of reservation in the unaided private institutions on August 12, and, therefore, seeking a review on this ground could not be sustained.

GOVERNMENT BILLS AND ACTS

Bill to Make HIV Test Must For All

On December 6, 2005 the Rajya Swasthya Samiti Executive Director K.K.Pathak announced the Centre was contemplating to bring a Bill in Parliament soon to make HIV test mandatory

for all in the country in view of the slow but steady spread of AIDS in several states. Bihar too was considered as a high- risk zone with a huge migratory population. As the country observed World AIDS Day on December 1, it was reported that there were at least 111,608 confirmed AIDS cases in India, of which 95,941 were the results of “unsafe sex”. Quoting the report published by National AIDS Control Organisation (NACO) on July 31 this year, the Director of Rajendra Memorial Institute of Medical Science in Patna, Dr P.K.Das, apprehended that actual number of confirmed AIDS cases might be more once a better scientific survey was carried out. According to Dr Das, the number of HIV-infected cases could be estimated around 10 lakh. Out of the 1,11,608 confirmed AIDS cases, Tamil Nadu figured on top with 52,036 cases, followed by Maharashtra (13,747), Andhra Pradesh (12,349) and West Bengal (2,397). Jharkhand, Arunachal, Chhatisgarh were among the few states where NACO recorded no AIDS cases as on July 31 last year.

Criminal Law Bill Introduced in LS

Union Home Minister Shivraj Patil on December 22, 2005 introduced in the Lok Sabha the Criminal Law (Amendment) Bill, 2005, which provides for introduction of the Western concept of plea-bargaining to reduce time frame of criminal trials. The Rajya Sabha earlier passed the Bill on December 13. Patil informed the House that the government was trying to insert new sections aimed at punishing a person who induced someone to give false evidence.

Government Mulling Repeal of Armed Forces Act

The government is considering Justice Jeevan Reddy Committee recommendations to repeal the Armed Forces Special Power Act, now in force in the Northeastern states. The report of the former Supreme Court Judge set up by the Ministry of Home Affairs to review the Act, 1958 as amended in 1972, was under examination. On detenuess, Minister of State for Home Sripakash Jaiswal told the Rajya Sabha that the Jammu and Kashmir government ordered the release of 44 detenuess, including seven women activists of Dukhtaran-e-Millat, on the recommendation of the Joint Screening Committee, which reviewed the cases of all detenuess held under the Jammu and Kashmir Public Safety Act, 1978. The review was conducted in line with the meeting between Prime Minister Manmohan Singh and the Hurriyat delegation held in Delhi on September 5, 2005. The number of foreigners who were found staying illegally in India as on December 31 in 2002, 2003 and 2004 were 46,818, 46,587 and 46,502, respectively, Jaiswal said.

DEFENCE/SCIENCE AND TECHNOLOGY

Navy to Acquire 27 Warships

The Indian Navy is set to acquire three more Russian Krivck class missile-carrying stealth frigates in a bid to bolster its falling force levels and is in the process of floating proposals for purchasing more spy planes and anti-submarine helicopters. Addressing a news

conference ahead of the Navy Day on December 4 Chief of Naval Staff Admiral Arun Prakash said 27 warships and submarines were on order. He disclosed that the government clearance was also in process for inducting 36 more indigenous warships of various tonnages ranging from fast petrol craft to missile-carrying destroyers and frigates, which would greatly enhance Indian Navy's capabilities. He said Navy had completed the selection of buying a Deep Sea Rescue Vehicle (DSRV) for undertaking rescue of submarines in distress by identifying the vendor. Navy was in the process of buying at least two of these DSRV's. Pending their induction in the next three years, it was in the process of formalising an agreement with the US Navy for its help in case of any of the Indian submarines getting into distress in the high seas.

On the acquisition of the long-range maritime reconnaissance aircraft, the Naval chief said Request For Proposals (RFP) for these would be floated soon and mentioned the US offer of leasing out its new P3C Orions in this connection. Admiral Prakash pointed out that if India went in for the P3C Orions offer, it would be an interim measure. He said Navy would be getting back its two IL-38 maritime spy planes, which had been sent to Moscow for midlife upgrades by the end of the year. The Naval chief said it was in the process of building up a force level for this and mentioned that Gorshkov carrier acquired from Russia would be delivered on schedule by mid-2008, while the country's first ever indigenous carrier being built at Kochi was also progressing on schedule.

INSAT-4A in Space

Direct-to-Home (DTH) services are set to get a major fillip with the successful launch of the country's most advanced INSAT-4A telecommunications satellite from the spaceport of Kourou in French Guyana. Indian Space Research Organisation (ISRO) Chairman G. Madhavan Nair said the satellite signals had been picked up by the Master Control Facility (MCF) of the satellite in Hassan in Karnataka. The ISRO Chairman described the health of the satellite as "good", adding that the satellite was the most advanced engineered by India. Nair said the satellite, the heaviest the country had produced so far, was expected to give a major boost to DTH services, as it was equipped with 12 ku and 12 c band high-power transponders with a design life of 12 years. INSAT-4A was originally planned for launch in the first half of 2005 but due to certain difficulties faced by the Ariane Space Centre, the launch had to be recast. While the MCF is expected to carry out regular operations of the satellite and also control it, Tata Sky has already signed an agreement with ISRO to lease all 12 ku band transponders so that DTH services can be provided in the country. INSAT-4A, which weighs 3,080 kg, was shot into space about 29 minutes after the European launch vehicle Ariane-5 was blasted off at 4.03 am. The rocket also deployed INSAT-4A's co-passenger, European Meteorological Payload MSG-2, seven minutes later. The satellite is the first of the INSAT-4 series under which seven satellites have been planned, according to ISRO officials. The thrust of the satellites is towards revolutionising the telecommunication sector in the country.

Akash Test-fired

Akash, India's surface-to-air missile was test fired from the Integrated Test Range (ITR) at Chandipur, on December 3, 2005. Aiming at a moving target, the missile was fired from a mobile launcher as a Pilotless Target Aircraft (PTA) supported the exercise.

Dhanush Test-fired

India on December 28, 2005 successfully test fired 'Dhanush', the naval version of the indigenous 'Prithvi' medium-range surface to surface missile, from a ship anchored in the Bay of Bengal between Paradip and Chandipur, off the Orissa coast. Sources, at the Integrated Test Range (ITR) on Chandipur-on-Sea, said the missile was test fired at 1.58 pm.

Chandrayan, India's Lunar Mission

On November 30, 2005, India's Foreign Secretary Shyam Saran announced that ISRO's plans to put an Indian into space by 2015. The Indo-US HTCG (High technological Cooperation Group) is also discussing the possibilities of accepting American payloads on *Chandrayan*, India's lunar mission set for launch in 2008.

Blocking Strategic Indian Military Sites at Google Earth

Indian military was successful in using high tech evasive techniques to fool Google Earth. India has taken steps against intrusive photographs of strategic installations shown on Google's satellite image service. The army has blocked access to high-resolution images posted on the web at <http://earth.google.com>. India's army is the fourth largest in the world. President Abdul Kalam raised the alarm four months after the US-based search engine launched the service in June 2005. The site contains aerial photos of the national parliament and Kalam's residence in New Delhi as well as airfields and other sensitive locations in India, where various Islamic and ethnic separatist groups are spearheading insurgent campaigns.

INTERNATIONAL CURRENT AFFAIRS

IRAN'S NUCLEAR AMBITIONS

In June 2005, Iran elected a new president—former Teheran mayor Mahmoud Ahmadinejad, a hard-liner and conservative—who staunchly supported the continuation of Iran's nuclear pursuits. In Aug. 2005, he rejected an EU disarmament plan, backed by the U.S., which had been negotiated over the past two years, and resumed uranium conversion.

In Sept. 2005, the fourth round of nuclear negotiations involving North Korea took place. Since 2003, all six-nation talks among the U.S., Russia, China, Japan, South Korea, and North Korea had ended in deadlock. This time, however, North Korea made a vague promise with an unspecified timetable agreeing to abandon its nuclear-weapons programme and

rejoin the Non-Proliferation Treaty. But December 2005 follow-up negotiations again ended without progress and with an exchange of hostile rhetoric: the U.S. ambassador to South Korea called North Korea a “criminal regime” seven times in one speech, and North Korea retorted that the Bush administration is “made up of political imbeciles”.

Until now, Washington has refused to talk directly with Iran on its nuclear programme, preferring to let the so-called EU3 — Britain, France and Germany — handle negotiations. But some European diplomats believe direct U.S. involvement may be the only way to break the impasse. The U.S. severed diplomatic relations with Iran in the wake of the 1979 Islamic revolution after a group of militant students stormed the U.S. embassy in Tehran and held dozens of embassy employees hostage for 444 days.

NATIONS

AFGHANISTAN

Newly elected parliament, first in 30 years, held inaugural session on December 19, 2005: Members of Wolesi and Meshrano Jirgas (lower and upper houses) were sworn in by President Karzai. Former Shura-yi Nazar member and Karzai rival, Younus Qanooni, elected head of Wolesi Jirga with Karzai appointee Sebghatullah Mujaddedi leading Meshrano Jirga. NATO announced intention to send additional 6,000 peacekeeping troops to south in 2006, mainly Canadian and UK troops with Dutch commitment still being debated. Washington expected to withdraw 2,500 troops from Operation Enduring Freedom. UNSG Annan appointed German peacekeeping official Tom Koenigs as Special Representative to replace Jean Arnault in early 2006.

AUSTRALIA

Ethnic tensions erupted on December 11, 2005 into running battles between the police and a mob of thousands of youths, many chanting racial slurs, at a beachside suburb in southern Sydney. At least three persons were arrested and several injured in alcohol-fueled fights. Television images showed police protecting an ambulance being pelted with beer bottles and a group of young women attacking another woman. Other youths stamped on police vehicles and police officers fought back with batons and pepper spray.

AZERBAIJAN

Police used violence to break up peaceful rally in Baku on November 26, 2005. Hundreds injured, 24 detained. Around 10,000 protesting the November 6 parliamentary elections that failed to meet OSCE and Council of Europe standards. Protest was latest in series of moves by the opposition who claimed election was fraudulent. It also announced boycott of seats in parliament. Ruling New Azerbaijan Party (YAP) won overwhelmingly: Turnout

low at 46.8%. Election Commission annulled results in 4 constituencies and 460 polling stations; 2 extra seats awarded to opposition. Govt fired 7 officials for illegal interference in voting.

BANGLADESH

Suspected Islamist militants intensified attacks on judiciary: At least 9 killed in Chittagong and Gazipur blasts on November 28, 2005 while 2 senior judges were killed on November 14 2005. Lawyers and judges held widespread protests against violence. General strike held by main opposition Awami League on November 24 calling for government's resignation. World Bank and other donors conditioned further aid on improved anti-corruption efforts and legislation aimed at improving government transparency.

BOLIVIA

Evo Morales won historic victory in December 18 presidential election. First round poll, described by observers as "free and fair", gave Morales over required 50% of vote to become Bolivia's first indigenous head of state. High turnout. Morales' party Movement Toward Socialism won 65 of 157 seats in Lower House and Senate; will need to form alliances to pass new legislation.

BOSNIA-HERZEGOVINA

Representatives of leading Bosnian parties agreed in principle - under heavy U.S. and EU pressure - to constitutional amendments strengthening central institutions of government. Declaration signed in Washington on November 22, 2005; many details still to be worked out. Agreement came day after Brussels authorised negotiations on Stabilisation and Association Agreement as a step towards EU membership; expected to start by year-end. UN Security Council extended EU Stabilisation Force (EUFOR) mission for 12 months.

CHINA

Rural unrest worsened as police opened fire on rioters in Guangdong province protesting land seizures for state projects; villagers claimed 20 killed. Trial began over similar June incident in Hebei province. UN rapporteur on torture accused officials of interfering with his investigation; stated torture in prisons widespread but in decline.

CHAD

Security and relations with Sudan deteriorated as rebel group Rally for Democracy and Liberty attacked Chadian forces in Adre near Sudanese border on December 18 and 19, with estimates of over 100 killed. Chad and Sudan continued to trade accusations over

support to each other's rebel movements. Chad blamed Khartoum for clashes and declared "state of belligerence" against Sudan. President Deby faced increasing dissension within army and government, and defections from inner circle of advisers to new Zaghawa-dominated rebel movement SCUD.

Chad situation tense between government and army deserters calling themselves Rally for Change, National Unity and Democracy (SCUD). SCUD said it possessed means to topple President Deby. President reshuffled top military posts after gunmen raided army bases in N'djamena on November 14 2005. Chad accused Sudan of using deserters to help fight Darfur rebels and destabilise Chad, sparking accusation from Khartoum of Chadian support for Darfur rebels. Sudanese army claimed it clashed with deserters in Darfur.

COLOMBIA

FARC carried out worst attack since Uribe elected, killing 37 in 2 attacks on security forces. Attacks came after government proposal for troop pullout from area in southwest in exchange for hostage/prisoner swap. Optimistic start to talks in Cuba between leftist ELN rebels and government, with commitment to further talks in January. AUC paramilitaries broke ceasefire with government in clash with ELN in early December that killed 8. 2,000 more AUC members disarmed, raising total to 13,000. AUC leader called for 2 seats in Congress in return for disarming.

EGYPT

Violence, arrests and reports of police blocking access to polling stations marred final round of parliamentary elections: 12 killed, 130 injured in December 7 run-off vote. Ruling National Democratic Party won over 70% of parliamentary seats, while Muslim Brothers - despite official ban - won record 88 seats (19.7%). Runner-up in 2005 presidential election Ayman Nour sentenced to 5 years in jail for allegedly forging signatures to register opposition Ghad party. 23 killed as police stormed Sudanese refugee camp outside UN office to break up protest.

REPUBLIC OF CONGO

First democratic vote in 4 decades saw overwhelming majority (78%) approve constitution in December 18-19 referendum, paving way for 2006 presidential and parliamentary elections. Pasteur Theodore Ngoye, presidential candidate and leader of "No" vote during referendum, arrested; called for referendum annulment due to "irregularities". In Katanga, 11,000 fled violence adding to 30,000 recently displaced as a result of DRC military operations against Mai Mai militias. Situation slowly began to improve in east, with army and UN conducting joint operation against Ugandan rebels. 185 FDLR returned to Rwanda to disarm. UN Security Council threatened sanctions if rebels do not disarm.

ERITREA

Ethiopia/Eritrea border tensions continued to rise with high concentrations of troops deployed on both sides. Ethiopian soldiers breached demilitarised zone, withdrawing on November 23 2005. UN Security Council passed resolution threatening sanctions if sides failed to reduce troop numbers and if Eritrea refused to lift restrictions on UNMEE monitors, including ban on helicopter flights; also called on Ethiopia to respect boundary commission ruling on border demarcation, but did not threaten punishment. Eritrea dismissed resolution as biased.

ETHIOPIA

Opposition protests over disputed May 2005 elections sparked massive crackdown by security forces; killing many. Over 8,000 detainees later released after calls from U.S and EU, but as many as 3,000 remain in custody, including top opposition Coalition for Unity and Democracy party officials. PM Zenawi said opposition leaders and newspaper editors would face at least 46 treason charges for their role in protests, which carry the death penalty.

FRANCE**Paris Riots**

The 2005 civil unrest in France and neighbouring countries saw a series of riots and other forms of violent clashes between thousands of youths (predominantly of French Muslim background) from poor suburbs and the French Police (as well as the police of neighbouring countries). The riots began on Thursday, October 27, 2005 in the Banlieues of Paris. They peaked on the night of November 7, affecting 274 communes. On November 17, the French police declared a return to a normal situation throughout France, saying that the 98 vehicles torched the previous night corresponded to the usual average. According to the official count, 8,973 vehicles were torched during the 20 nights of rioting, with 2,888 arrests, and 126 police personnel injured.

IRAN

On December 12, 2005 Iran successfully tested surface-to-sea missiles with a range of 110 km, the state television reported. The testing of the Silkworm missile was the most important part of the military manoeuvres in southern Iran. It said the Silkworms have a speed of 290 km per second and a range of 110 km. These can detect targets from a distance of 15 km and have the capacity to destroy a warship. The report did not say whether the missiles could carry nuclear warheads. Iran's armed forces undertook their biggest military manoeuvres in national waters in the Sea of Oman and Indian Ocean, close to Pakistan. The drills involved submarines, warships, missiles, jet fighters and gunships.

IRAQ

Investigation of Prisoner Abuse

Prime Minister Ibrahim al-Jaafari announced on November 15, 2005 a prompt inquiry into alleged torture of more than 170 prisoners—mostly Sunnis—by Shiite police officers.

ISRAEL

Prime Minister Ariel Sharon incapacitated after stroke. Fighting for life. Israel on December 2, 2005 successfully tested its indigenous Arrow anti-missile system, carrying out the most complicated interception so far. India is also said to have evinced interest in the system which was tested at a secret location in the centre of the country and is being seen by many as a response to the growing threat from Iran. The Arrow system was activated to intercept a long range ballistic test missile of sophisticated manoeuvring capabilities, which it intercepted and destroyed. Defence Ministry officials told daily Ha'aretz that the test was a response to the increasing threat of ballistic missiles in the region, an oblique reference to Iran. However, other sources denied any such connection in interviews to 'Ynet' calling it a "routine test". The test launch comes amid reports that Iran has signed a deal to buy Russian tactical surface-to-air missile systems and a day after then Prime Minister Ariel Sharon warned of the dangers of a nuclear Iran. The simulated enemy missile used in the test resembles the Iranian Shahab-3 and is capable of carrying a nuclear warhead, the daily's online version said.

Rice Brokers Gaza Travel Deal

On November 15, 2005, the agreement between Israelis and the Palestinian Authority—mediated in a marathon session by U.S. secretary of state Condoleezza Rice—allows Palestinians to travel in and out of the Gaza Strip with minimal restrictions.

Israel-Occupied Territories

Internal Fatah divisions intensified after problematic party primaries prompted faction headed by imprisoned Marwan Barghouti to present separate electoral list for January 25, 2006 general elections. Dispute resolved by negotiations but split and popular dissatisfaction allowed hardline Hamas to win major West Bank cities in mid-December local elections. Israel imposed buffer zone in northern Gaza in response to rocket fire; launched air strikes after Islamic Jihad suicide bomb in Netanya on December 5. Former PM Binyamin Netanyahu elected new leader of Likud.

JORDAN

Iraqi suicide bombers launched 3 coordinated attacks on Western hotels in Amman on

November 9, killing 60 and wounding over 115. Al Qaeda in Iraq, led by Jordanian-born militant al-Zarqawi, claimed attack retaliation for Jordanian assistance to U.S. in Iraq. Fourth would-be bomber detained by police. King Abdullah II dismissed government and top officials of royal court, including national security adviser. Former military intelligence officer and ambassador to Israel and Turkey Marouf Bakhit named PM, given strong mandate to fight Islamist militancy.

Suicide Bomber Kills Dozens In Jordan

On November 10, 2005, three bombs explode simultaneously in three hotels in Amman, killing 57 people and wounding hundreds. The popular hotels are the Days Inn, the Radisson SAS, and the Grand Hyatt. Al-Qaeda in Mesopotamia, claims responsibility, saying Jordan had been targeted because it was friendly with the U.S. On November 13, 2005 Jordanian authorities arrest an Iraqi woman, Sajida Mubarak al-Rishawi, who they say intended to be a fourth attacker. Her husband was one of the attackers.

LEBANON

Anti-Syrian journalist and MP Gibran Tuani killed by car bomb on December 12, latest in series of political murders. Cabinet called for international probe into killings. In protest, 5 pro-Syrian Shiite ministers suspended participation in government, putting already fragile coalition in jeopardy. UN investigators presented second report into assassination of ex-PM Hariri, confirmed that Syrian officials were key suspects. UN Security Council extended Hariri investigation by 6 months; asked UNSG Annan to look into expanding commission's mandate to investigate other attacks on top Lebanese officials.

LIBERIA

Woman Wins Presidential Election

On November 11, 2005, the Harvard-educated economist Ellen Johnson-Sirleaf defeats soccer star George Weah in runoff election. She is Africa's first woman head of state.

MACEDONIA

EU Commission recommended candidate status for Macedonia on November 9. Negotiations start. Date announcement expected at 15-16 December EU Summit. EU established EU Policy Advisory Team.

NEPAL

Landmark deal announced between 7 political parties and Maoist rebels on November 22: Maoists agreed to accept multi-party democracy, stop terrorising civilians and accept

democratic process. Maoist chief Prachanda committed to “march ahead peacefully” into political mainstream and work with political parties to end absolute powers of monarchy. Maoists’ 3-month unilateral ceasefire to end on December 2. Two high-level Maoist commanders reportedly killed in November aerial 30 attack. India pressed King Gyanendra to restore multi-party democracy at South Asian regional summit. Supreme Court refused to block law banning criticism of king and barring private radio stations broadcasting news; thousands protested new law.

NORTH KOREA

Nuclear negotiations reached an impasse, erasing five months of apparent progress. Pyongyang announced intention to resume work on 2 light-water reactors previously developed under now defunct Agreed Framework and abandoned multinational KEDO project to provide reactors in exchange for freeze on weapons programmes. New U.S. ambassador to South Korea publicly labelled north a “criminal regime”. UN General Assembly adopted first-ever resolution condemning NK’s widespread human rights violations.

PAKISTAN

Violence escalated in Waziristan tribal area and Balochistan province. In South Waziristan, 12 persons were killed by market bomb in Jandola while 22 were killed in separate clashes between Islamist students and bandits in neighbouring North Waziristan. Balochistan unrest worsened as insurgents attacked railway line, fired rockets at government buildings and blew up a bridge in response to military operation launched on December 18, 2005. There were unconfirmed reports of heavy casualties. Madrasa leaders rejected government deadline to expel foreign students from religious schools by year-end.

PERU

Government declared a state of emergency after Shining Path guerrillas killed 8 police personnel on December 20, 2005 in Huanuco region northeast of Lima. Earlier, guerrillas killed 5 policemen near southern town of San Francisco.

Former Peruvian President Arrested

On November 7, 2005, Alberto Fujimori, who fled Peru in 2000 and has since been living in Japan, was arrested shortly after his plane landed in Chile. He had been planning to return to Peru to run for presidency, defying a ban. . He was charged with 21 human-rights violations and corruption.

RUSSIA

On December 28, 2005, heralding a new era in satellite navigation, Russian carrier rocket Soyuz-FG launched the first 600 kg Giove-A satellite of the European Global Positioning System Galileo from the Baikonur cosmodrome (Kazakhstan). The GPS is currently the only worldwide system offering services ranging from driver assistance to search-and-rescue help. The satellite is expected to demonstrate key technologies required for Galileo, the \$ 4 billion sat-nav system Europe hopes to deploy by 2010. If successful, the satellite will mark a major step in Europe's biggest ever space programme, involving firms such as European aerospace giant EADS, France's Thales and Alcatel, Britain's Inmarsat, Italy's Finmeccanica and Spain's AENA and Hispasat. The system will be organised as a public-private partnership, with the commission wanting two-thirds of the funding to come from the industry and the rest from public coffers. The new network will provide the European Union countries guaranteed access to a space-borne precise timing and location service independent of the U.S.

SIERRA LEONE

Tensions escalated between Vice President Berewa and opposition leader Margai, threatening political turmoil. Margai was arrested on charges of provoking instability after his supporters reportedly harassed Berewa in November 2006. There were violent protests and the situation was somewhat defused upon Margai's release on bail. Media censorship continued.

UGANDA

Uganda Opposition leader Kizza Besigye, seen as President Museveni's main challenger in first multi-party polls on March 2006, arrested on November 14, 2005 soon after returning from exile: accused of treason, rape, terrorism and weapons offences. Arrest sparked worst riots in decades and strong police response; 1 killed, 57 arrested. 14 of Besigye's co-accused granted bail, but returned to jail for fear of being killed outside court. Government banned public demonstrations on November 23 prior to Besigye's court appearance. Lord's Resistance Army (LRA) reportedly made overture for talks with government. LRA killed 23 in attacks in north Uganda and south Sudan, including an aid worker. Sudan extended agreement allowing Ugandan troops to pursue LRA into Sudanese territory. Commanders of Ugandan and Sudanese forces as well as Sudanese People's Liberation Movement agreed on joint strategy to execute International Criminal Court arrest warrants against top LRA commanders.

SUMMITS AND ORGANISATIONS

SAARC 2005

The two-day summit of the South Asian regional grouping ended in Dhaka on November 13, 2005. Afghanistan has been admitted as a new member of the group. SAARC already brings together seven nations - India, Pakistan, Sri Lanka, Bangladesh, Nepal, Bhutan and the Maldives. Increasing economic ties are seen as crucial to reducing South Asia's crippling poverty but negotiations were stalled over disagreements about which industries would remain protected by high tariffs.

ASEAN-India

India and ASEAN (Association of South East Asian Nations) held their fourth annual summit on December 13, 2005. They reaffirmed their strategic relationship, considered new initiatives that can be undertaken and exuded confidence in achieving their target of 30 billion US dollars worth trade by year 2007. There was a major realignment of political forces and India was in the frame. Keen interest in India was shown by virtually every leader of the region, and also during the bilateral meetings Prime Minister Manmohan Singh had with Japanese Prime Minister Junichiro Koizumi and South Korean President Roh Moo-Hyun. Japan and South Korea are not members of ASEAN but are part of ASEAN Plus Three with China as the third power.

While clearing the air on the emergence of the nascent East Asia Summit (EAS), Malaysian Prime Minister Abdullah Ahmad Badawi said the new forum was neither a replacement nor an alternative for Asean+3. It was agreed that the EAS would meet annually wherever and whenever the ASEAN summit is held.

G7

Britain sought to break a deadlock over world trade liberalisation at talks among finance ministers on December 3, 2005, but prospects of anything more than a declaration of good intent looked slim. In a move that troubled the French in particular, Britain's Gordon Brown, chairing the London meeting, called for an end to subsidies for farmers in rich countries — aid and tariffs that were worth about \$280 billion a year.

Brazilian finance minister Antonio Palocci said his country was ready to give ground on industrial tariffs as long as the U.S. and the European Union did the same on agriculture. Brown said India was willing to compromise too. Proposals for changes to farm support were insufficient, Palocci said. Brazil had been demanding compensation from the U.S. for subsidising cotton exports, which depressed prices and squeezed Brazilian farmers. The ministers and central bankers also discussed the outlook for the world economy and the high cost of oil at the meeting. Brown's main aim was apparently to secure some kind of

political statement of support for a deal in Hong Kong on the Doha round of further trade liberalisation. The G7 meeting was also devoted to discussing risks facing the world economy, such as huge US deficits, weak growth in Europe, where the European Central Bank had just raised interest rates, and China keeping its currency too low, making cheap Chinese exports even cheaper.

ANTI-CORRUPTION TREATY

On December 10, 2005 India, seeking to project its objective of zero tolerance against corruption globally, signed the United Nations anti-corruption treaty, which among other things, envisages return of ill-gotten assets to countries of origin. India's Ambassador to the United Nations, Nirupam Sen, signed the UN Convention Against Corruption during a brief ceremony at the world body's headquarters. So far, 118 countries, including China, Pakistan, Nepal, Sri Lanka and Maldives in India's neighbourhood besides the U.S, Russia, the UK, France, Germany, Japan, Australia and South Africa, have signed the convention. The countries agreed on asset-recovery which will support the efforts of nations to redress the worst effects of corruption while sending at the same time a message to corrupt officials that there will be no place to hide their illicit assets. The provisions of the convention provide for international cooperation and mutual legal assistance in investigation of cases of corruption. Countries are bound by the convention to render specific forms of assistance in gathering and transferring evidence for use in court to extradite offenders. Countries are also required to undertake measures, which will support the tracing, freezing, seizure and confiscation of the proceeds of corruption. Topics covered by the 71-member treaty include bribery, illicit enrichment, misappropriation, money laundering, protection of whistle blowers, freezing of assets and cooperation between states to uncover corruption.

WTO MEET

On December 15, 2005, developing nations cranked up pressure on the rich to open their long-protected markets as world trade talks floundered, while the US. and Europe blamed each other for the deadlock. As WTO nations haggled in Hong Kong, over 1,000 anti-globalisation activists marched peacefully under the watchful eyes of the riot police a short distance away. The US also came under fire over the \$4 billion a year in subsidies enjoyed by its cotton farmers and won little respite when it announced its willingness to offer duty-free access for cotton from impoverished West African states. The European Union, for its part, took flak for a banana import system that Latin American growers say favours former European colonies and for its refusal to lower import tariffs for farm goods from developing countries. The Hong Kong meeting was initially intended to approve a draft trade treaty that would free up business in farm and industrial goods and services, and lift millions out of poverty. That plan was abandoned because of differences between rich and poor, particularly the EU's stand on market access for farm goods from developing countries without further concessions from them on industrial goods and services. The 149 WTO

member states still hope to reach a deal by the end of 2006. Saddled with that impasse, the WTO had hoped to come away from Hong Kong with at least a duty-free and quota-free deal for the 49 poorest nations and their 700 million people. But the US has been reluctant to allow poor exporters free access to sensitive areas such as textiles, sugar and cotton, and Japan does not want to open up its rice market. The EU, meanwhile, came under pressure for refusing to endorse a 2010 date for ending farm export subsidies. The 25-nation EU says Washington must first indicate how it plans to reform its food aid system, arguing that — because the aid is in kind rather than cash — it amounts to as great a subsidy for US farmers as European export subsidies.

TRANS-ASIAN RAILWAY

On November 30, 2005, 27-countries, including India, reached an agreement on the 80,000-km railway network that will link Russia to Indonesia. The draft intergovernmental agreement on the trans-Asian railway network was given final shape after a three-day discussion. The four-corridor network aims to offer landlocked countries efficient freight movement and improved access to major seaports. Initiated by the Bangkok-based UN Economic Commission for Asia and the Pacific (UNESCAP) in 1960, the trans-Asian Railway project will link Russia, Central Asia and Turkey to China, Mongolia, the Korean peninsula and South and South East Asia. The trans-Asian railways includes a northern corridor linking rail networks in China, Kazakhstan, Mongolia, the Russian Federation and the Korean Peninsula. A southern corridor connects Thailand and the southern Chinese province of Yunnan with Turkey through Myanmar, Bangladesh, India, Pakistan and the Islamic Republic of Iran. Sri Lanka is also part of the corridor. Another corridor connects the South East and Indo-China sub-regions while a north-south corridor links northern Europe to the Persian Gulf through the Russian Federation, Central Asia, and the Caucasus region and across the Caspian Sea

ARAB WORLD'S FIRST PARLIAMENT

The Arab world's first regional Parliament held its inaugural meeting in Cairo on December 27, 2005, but officials say it could be many years before the new institution gains enough clout to influence events in the region. The 88 members, four from the Parliament of each Arab League member, met at the league's Cairo headquarters for a session addressed by Secretary-General Amr Moussa and Egyptian President Hosni Mubarak. The interim Parliament has no binding legislative authority and can give its opinion only on matters referred to it by the Arab League Council, which represents Arab governments. Based in Syria, it will meet twice a year. Some Arab countries, such as Saudi Arabia and the UAE, do not have elected Parliaments. So their representatives in the Arab Parliament are drawn from appointed advisory councils, which have little power.

SAFTA

Bangladesh has ratified the South Asian Free Trade Area (SAFTA) hoping its export would boom when the arrangement comes into effect on December 27, 2005. Prime Minister Khaleda Zia's Cabinet ratified the SAFTA agreement hoping that SAFTA would help boost its economy by way of increased exports within the South Asian region. Bangladesh would be the top gainer among the LDCs in the region as it has the ability to offer more products for trading regionally than countries like Nepal, Bhutan and the Maldives.

NEWSMAKERS**NATIONAL AND INTERNATIONAL**

Amrita Pritam: Doyenne of literature and the first woman recipient of Sahitya Akademi Award, Amrita Pritam, died on October 31, 2005. The 86-year-old writer, who had become a household name through her writing, had been ailing for some time.

Mohammad Arif: A special court in Delhi awarded death sentence to Lashkar-e-Toiba's Pakistani terrorist Mohammad Arif, alias Ashfaq, for the attack on Army installations inside the Red Fort four years ago.

Mahinder Singh Dhoni: MS Dhoni smashed 183 not out in 145 balls to power India to a six-wicket victory over Sri Lanka in their third one-day international in Jaipur on October 31, 2005. The win gave India a 3-0 lead in the seven-match series.

K Natwar Singh: External Affairs Minister K Natwar Singh dug in his heels in the United Nations' Oil-for-Food Programme scam where he has been named as a non-contractual beneficiary and trashed the Volcker report as having "as much validity as the report by the CIA Director about the alleged existence of weapons of mass destruction in Iraq".

Raj Thackeray: Shiv Sena leader Raj Thackeray on November 27, 2005 resigned from the party's executive committee and as head of the party's students wing.

Vijaypat Singhania: On November 26, 2005, Chairman-emeritus of Raymond Group (India), Vijaypat Singhania, created a new world record in Mumbai for the highest flight in a hot air balloon and reached the fringes of outer space surpassing 21,000 metres in about two hours. He overcame the earlier record of 19,811 metres set by Per Lindstrands of Sweden in June 1998.

Ghulam Nabi Azad: Ghulam Nabi Azad was sworn in as Jammu and Kashmir chief minister succeeding Mufti Mohammad Sayeed as per the agreement between the two main alliance partners, Congress and the PDP, each leading the team for three years.

President K.R Narayanan: Former Indian President K.R Narayanan died on November 9, 2005 of pneumonia and renal failure, the government said in a statement. He was 85. The scholarly Narayanan was president of the world's second most populous nation from 1997 to 2002. He was India's first president from the Dalit community. In a country where the president's post is largely ceremonial, Narayanan took a firm stand against the federal government on two occasions when he refused to dismiss opposition-ruled state governments. Narayanan, who often described himself as a "citizen president", worked as a lecturer and a journalist before joining the diplomatic service in 1949. He has served as India's ambassador to Thailand, Turkey and China.

Priya Dutt: The daughter of late Bollywood filmstar-turned-politician Sunil Dutt, Congress candidate Priya Dutt on November 22, 2005 won the Mumbai North West Lok Sabha seat defeating veteran Shiv Sena leader Madhukar Sarpotdar. The election was the first after the demise of her father, who was the sitting MP in this constituency.

Buta Singh: On January 24, 2006, the Supreme Court criticized Bihar's Governor, Buta Singh, for recommending the dissolution of the Bihar State Assembly in 2005. The apex court also blamed this unconstitutional and illegal action for preventing the Janata Dal (U) leader Nitish Kumar from staking claim to form the government in Bihar. Buta Singh had to resign on January 26, 2006.

Vijay Shanker: Vijay Shanker was appointed the new CBI Director following the retirement of incumbent Uma Shankar Misra on December 6, 2005. Shanker took charge from the officiating chief, J.K. Dutt. During his stint as additional director of the CBI, Shanker investigated several important cases like the deportation of underworld don Abu Salem, Bilkis Banu case and the Telgi scam. During his stint in the CBI, Shanker had also handled several sensitive cases, including the IC-814 Hijack case, poetess Madhumita Shukla murder case and the whistle blower Satyendra Dube's murder case.

Paul A. Volcker: Paul A. Volcker is former North American Chairman of The Trilateral Commission. He is former Chairman of Wolfensohn & Co., Inc., as well as Professor Emeritus of International Economic Policy at Princeton University. In April 2004, the United Nations assigned him to research possible corruption in the Iraqi Oil for Food programme. In the report summarising the research, Volcker criticized Kofi Annan, son of UN Secretary-General Kofi Annan, and the Swiss company Cotecna Inspection SA, Annan's employer, for trying to conceal their relationship.

George Best: George Best, a Northern Irish international footballer, passed away on November 25, 2005. He is mainly remembered for his time with Manchester United F.C.. He played for United between 1963 and 1974, helping them win the Football League Championship in 1965 and 1967, and the European Cup in 1968. The same year, he was named European Footballer of the Year and Football Writers' Association Player of the Year.

Brian Lara: West Indies batsman Brian Lara has become the leading Test run scorer of all time, passing the 11,174 total of former Australian captain Allan Border. The 36-year-old scored his 11,175th run on the second morning of the third Test against Australia in Adelaide. Glenn McGrath eventually bowled him for 226 after improving the record to 11,187.

Nursultan Nazarbayev: On December 5, 2005, the oil-rich Kazakhstan's veteran President Nursultan Nazarbayev won a landslide re-election to a new seven-year term. The opposition in the Central Asian country demanded that the vote be declared invalid.

Robert Parton: Robert Parton, an investigator who quit an UN-established inquiry into the Iraq oil-for-food scandal, charged that the probe favoured UN Secretary-General Kofi Annan, according to a congressional report. Parton, a lawyer and a former FBI agent, resigned from the inquiry in April. .

Mohamed ElBaradei: On December 10, 2005 the International Atomic Energy Agency (IAEA) and its chief Mohamed ElBaradei received the Nobel Peace Prize for their work to prevent the spread of nuclear arms and promote the safe use of atomic power. ElBaradei and the Chairman of the Board of Governors of the IAEA, Yukiya Amano, received gold medals and Nobel diplomas at a ceremony at Oslo City Hall. They will share 10 million Swedish crowns (\$ 1.25 million), which accompany the award established by Swedish philanthropist Alfred Nobel.

Jack Anderson: On December 18, 2005 Jack Anderson, the Pulitzer Prize-winning muckraking columnist who struck fear in the hearts of corrupt politicians, died. Anderson died (83) at his home in Bethesda, Maryland, of complications from Parkinson's disease.

Bill Gates and Melinda Gates: Microsoft chief Bill Gates and his wife Melinda were named Time magazine's "Persons of the Year" along with Irish rocker Bono for being Good Samaritans who made a difference in different ways. The three were chosen for their work in trying to find ways to eradicate such calamities as malaria in Africa besides HIV, AIDS and poverty that kills 8 million people a year, said James Kelly, Time Managing Editor. Time also named former U S Presidents George Bush and Bill Clinton as "Partners of the Year" for their humanitarian efforts after the Asian tsunami and Hurricane Katrina.

Hwang Woo-Suk: Researcher Hwang Woo-suk apologized on December 23, 2005 and resigned from a South Korean university after the school said he fabricated results in stem-cell research that had raised hopes of new cures for hard-to-treat diseases. However, Hwang still maintained he had produced the technology to create patient-matched stem cells as he claimed to do in a May article. A panel of Seoul National University experts announced Hwang had faked results of at least nine of the 11 stem cell lines he claimed to have created in the May paper — the first confirmation of allegations that have cast a

shadow over all his purported breakthroughs in cloning and stem-cell technology.

Michael Manga: A geophysicist of Indian origin has been selected the 'Sexiest Man Alive' by the People magazine along with Hollywood superstars Johnny Depp and Brad Pitt on December 26, 2005. Michael Manga, a 37-year-old geology professor of UC Berkeley, who won the \$500,000 Macarthur 'genius' grants recently, was included in the People magazine's world's 14 sexiest men list including Matthew McConaughey, Matt Damon, Jake Gyllenhaal and Orlando Bloom among others.

Kerry Packer: Australia's richest man Kerry Packer (68), who controlled Publishing and Broadcasting Ltd (PBL), one of the country's major media groups, died in his sleep overnight on December 27, 2005. Billionaire Packer owned 30 per cent of PBL, which operates Australia's Channel Nine television network and publishes a string of magazines besides having interests in Australian casinos. In 1990, he had a heart attack while playing polo in Sydney and was clinically dead for eight minutes until emergency medical officers revived him through electric shock treatment.

AWARDS AND HONOURS

NATIONAL AWARDS

B M Birla Science Prize : Ajay Kumar Parida, Programme Director (Biotechnology) at the MS Swaminathan Research Foundation in the field of Biology

Jamanalal Bajaj Awards 2005 : P Gopinathan Nair (constructive work); Rajindra Singh (application of Science and Technology for rural development); Arunaben Desai (uplift and welfare of children and women); Dr. D. Ideka of Japan (promoting Gandhian values outside India)

Lal Bahadur Shastri National Award : C.P. Shrivastva in field of maritime exploration and excellence in public administration, academics and management.

Indira Gandhi Prize for peace, Disarmament and Development 2004 : Maha Chakri Sirindhorn (Princess of Thailand)

New India Book Prize 2005 : *The promise of the Metropolis: Bangalore's Twentieth Century* by Janaki Nair

GD Birla Award for Scientific Research 2005 : Prof. Dipankar Das Sarma

INS Homi Bhabha Lifetime Achievement Award : VK Sharma (for his role as principal designer of India's first 540-MWe pressurized heavy water reactor (PHWR)-based power plant.

INS Industrial Excellence Award for 2004-05 : BHEL (Bharat Heavy Electricals Ltd.) for its role in the development and manufacture of nuclear equipment for power plants and research centres.

Jnanpith Award 2003 MB Vyas Samman : Vinda Karandikar (Marathi poet) Ajay Kumar Mishra for his works in Sanskrit language

Vyas Samman 2005 : 'Katha Satisar' (Hindi) a novel by Chandrakanta.

Udhyog Rattan Award 2005 : SK Garg, CMD of NHPC.

Indian Science Award 2004 : Prof. CNR Rao for his pioneering contribution to solid state and materials chemistry.

Homi J Bhabha Memorial (ISCA) Award 2004 : Prof. P.K. Iyengar

Pravasi Bharti Samman 2006 : Shivnath Rai Bajaj (Thailand); Eliahu Bezale (Israel); Abdool Raouf Bundhun (Mauritius); Pratima Kale (Philippines); Dr. Majid Uddin Kazi (Saudi Arabia); C K Menon (Qatar); Sir Gulam Kaderbhai Noon (UK); Dr. Sudhir Parikh (U.S.); Yesu Persaud (Guyana); Dr. V. Ramadoss (Seychelles); Sisupal Rambharos (South Africa); Niranjana S. Shah (U.S.); Rusy M Shroff (Hong Kong); Jean-Paul Virapoule (Reunion Island -France); Fareed Zakaria (U.S.)

Corporate Governance Award 2005 : Indian Tobacco Company (ITC)

Golden Peacock Award for Excellence in Corporate Governance 2005 : Punjab National Bank (PNB)

93rd Norman Borlaug Award : Dr. DS Paroda, DG of Indian Council of Agricultural Research (ICAR)

Netaji Award 2006 : Shyam Benegal; Sachin Khedekar, and late Col. Habib-ur-Rehman

Padma Awards 2006 (some of the notable Padma Awardees 2005 are listed here) : J.N.Dixit, Karan Singh, Milon Kumar Banerji, Mohan Dharia, R.K.Laxman, MVS Valiathan, Andre Beteile, Azim Premji, GV Ramakrishna, GC Saxena, Irfan Habib, Kiran Majumdar Shaw, MT Vasudevan Nair, Romila Thapar, Syed Mir Qasim, Manna Dey, V.S.Ramamurthy. Mark Tully, Yash Chopra, Anil Kumble, G Bakthavatsalam, Gladys Staines, Kavitha Krishnamurti, Komala Varadan, KS Chitra, Kunnakudi Vaidyanathan, Mammen Mathew, Muzaffar Ali, Pallela Gopichand, Major S.Rathore, Sharukh Khan, Shobana Bharti

National Bravery Awards 2006 : Presented to 17 children on Jan 24, 2006; The Bharat Award– Ratal Rabha and Rituparna Boro (Assam) ; Geeta Chopra Award – Seidalyne Mawtyllup (Meghalaya); Sanjay Chopra – Sanmesh Mahesh Kalyanpur (Maharashtra)

Gallantry Awards 2006 : The Param Vishisht Seva Medal winners (17) included Lieutenant General Arvind Sharma, Vice Admiral Arun Kumar Singh, Air Marshal Avinash Deodatta Joshi, Air Marshal Avdesh Kumar Singh, Lieutenant General Vijay Kumar Chopra and Lieutenant General Ramji Rai. The Padma Bandopadhyay (first woman to reach the rank of Air Marshal in the Indian Air Force), Lieutenant General Aditya Singh and Lieutenant General Kulwant Singh Dogra were awarded Bar to Ati Vishisht Seva Medal.

Ati Vishisht Seva Medal winners (25) included Major General Arun Roye, Major General Deepak Anand, Major General Darshanjit Singh Grewal, Major General Vijay Kumar Singh, Major General Amarjeet Singh Sekhon, Rear Admiral Satish Soni, Air Vice Marshal

Keshava Murthy Rama Sundara, Air Vice Marshal Rakesh Yadav and retired Commodore T.H. Ram.

The Shaurya Chakra winner - Wing Commander Alagaraja Perumal; Ishwar Singh; Squadron Leader Sushil Vijay Sansare and Squadron Leader P.R.S. Panickar. It was posthumously awarded to Havildar Rathwa Gordhan Bhai Kalji Bhai (posthumously); Naik Rameshan J, Sanjai Kumar, Sukumar Sharma, Christopher F, Laxman Singh and Vikram Singh; Havildar Chandra Bahadur Gurung and Major Salman Ahmad Khan.

DN Agarwal Memorial Award 2005 : Nirmal Guha

Saraswati Samman 2005 : Dr. Ayyappa Paniker (Malayalam poet)

Sahitya Akedemi Awards 2005 : Famous novelists G. Thilakavathi (Kalmaram in Tamil), Raghavendra Patil (Teru in Kannada), Yeshe Dorje Thongchi (Mouna Ounth Mukhar Hriday in Assamese) and Manohar Joshi (Kyp in Hindi) are amongst the 23 selected for the Sahitya Akademi awards for 2005. Those who won awards for their collection of short stories included Abburi Chayadevi (Tana Margam - Telugu), G. V. Kakkanadan (Jappana Pukayila - Malayalam), N. Shivdas (Bhaangarsaall - Konkani), Krishnan Sharma (Dhaldi Dhuppe Da Sek - Dogri), M. Nabakishore Singh (Pangal Shonbi Eische Adomgeeni - Manipuri), Ramchandra Behera (Gopapura - Oriya), Gurbachan Singh Bhull (Agni-Kalas - Punjabi) and Chetan Swami (Kisturi Mirag - Rajasthan). Famous poets Mangalsingh Hazowary (Jiuni Mwgthang Bisombi Arw Aroj - Bodo), Suresh Dalal (Akhand Zalar Vage - Gujarati), Hamidi Kashmiri (Yath Miani Joye - Kashmiri), Vivekanand Thakur (Chanan Ghan Gachchiya - Maithili), Swami Rambhadracharya (Sri Bhargava Raghaviyam (Epic) - Sanskrit), Jadumani Besra (Bhabna - Santhali), Dholan 'Rahi' (Andhero Roshan Thiye - Sindhi) and late Arun Kolhatkar (Bhijaki Vahi - Marathi) are among those who have won the awards.

Lokmanya Jayaprakash Narayan National Award 2005 : Sawai Singh

51st Filmfare Awards : Best Actor- Amitabh Bachchan (*Black*); Best Actress - Rani Mukerjee (*Black*); Best Film – (*Black*); Best Director - Sanjay Leela Bhansali (*Black*); Best Performance in a Negative Role - Nana Patekar (*Apaharan*); Best Actor in a Comic Role- Akshay Kumar (*Garam Masala*); Best Supporting Actor - Abhishek Bachchan (*Sarkar*); Best Supporting Actress - Ayesha Kapoor (*Black*); Best Debut (Male) - Shiney Ahuja – *Hazaron Khwaishein Aisi*; Best Debut (Female) - Vidya Balan – *Parineeta*; Best Playback Singer (Male) - Himesh Reshammiya - Aashiq Banaya Aapne (*Aashiq Banaya Aapne*); Best Playback Singer (Female) - Alisha Chinoy - Kajra Re (*Bunty Aur Babli*); Best Music - Shankar-Ehsaan-Loy (*Bunty Aur Babli*); Best Choreography - Howard Rosemeyer - Kaisi Paheli Hai (*Parineeta*); Best Lyrics - Gulzar – Kajra Re (*Bunty Aur Babli*); Critics Award - Amitabh Bachchan, Rani Mukherjee, Sanjay Leela Bhansali (*Black*); Filmfare Power Award - Yash Chopra and Aditya Chopra; Lifetime Achievement Award - Shabana Azmi; Fair One Face Of The Year - Vidya Balan (*Parineeta*); R. D. Burman Award - Shantanu Moitra; Best Cinematography - Ravi K Chandran (*Black*); Best Background Score - Monty (*Black*); Best Editing - Bela Sehgal (*Black*); Best Sound Design - Bishwadeep Chatterjee (*Parineeta*); Best Art Direction - Keshto Mondal, Tanushree Sarkar

and Pradeep Sarkar (*Parineeta*); Best Screenplay - Nina Arora and Manoj Tyagi (*Page 3*); Best Dialogue - Prakash Jha (*Apaharan*); Best Story - Shiv Kumar Subramaniam, Ruchi Narain and Sudhir Mishra (*Hazaaroon Khwaishein Aisi*); Best Action - Allan Amin (*Dus*);

INTERNATIONAL AWARDS

Nobel Prize 2005 : for LITERATURE Harold Pinter (*who in his plays uncovers the precipice under everyday prattle and forces entry into oppression's closed rooms*). for: ECONOMICS Robert J. Aumann and Thomas C. Schelling (*for having enhanced our understanding of conflict and cooperation through game-theory analysis*). for PEACE International Atomic Energy Agency (IAEA) and Mohamed ElBaradei (*"for their efforts to prevent nuclear energy from being used for military purposes and to ensure that nuclear energy for peaceful purposes is used in the safest possible way"*) for CHEMISTRY Yves Chauvin, Robert H. Grubbs and Richard R. Schrock (*"for the development of the metathesis method in organic synthesis"*.) for PHYSICS Roy J. Glauber (*"for his contribution to the quantum theory of optical coherence"*) and John L. Hall, and Theodor W. Hänsch (*"for their contributions to the development of laser-based precision spectroscopy, including the optical frequency comb technique"*.) for PHYSIOLOGY or MEDICINE Barry J. Marshall and J. Robin Warren (*"for their discovery of the bacterium Helicobacter pylori and its role in gastritis and peptic ulcer disease"*.)

Man Booker Prize 2005 : *The Sea* (a novel by Mr. John Banville)

Miss Earth 2005 : Alexandra Braun Waldeck (Venezuela)

Miss Fire : Jovana Marjanovic (Serbia and Montenegro)

Miss Water : Katarzyna Borowicz (Poland)

Miss Air : Amell Santana (Dominican Republic)

Chevalier de la Legion d' Honner : Dhiru Sawhney, former President of the Confederation of Indian Industry (CII); the award is French award popularly known as 'Knight of the Legion of Honour'

Chevalier de l'Ordre National de la legion d'Honner : E. Sreedharan, MD of Delhi Metro Rail Corp. Ltd. The award is the highest civilian award by the French government.

Asian Achievers Awards 2005 : Laxmi Niwas Mittal for his exceptional accomplishments in the global steel industry.

World Food Prize 2005 : Dr. M. Vijay Gupta

Global Diversity Award 2005 : Aishwarya Rai, for being a real international symbol for diversity.

Wisden Cricketer of the Year : Glenn McGrath (Australia)

'*Entrepreneur of the Year*' (*E&Y*) Award 2005' : CP Jain, CMD of NTPC

US Presidential medal of Freedom : Muhammad Ali

Kind Faisal International Award 2006 : MS Narsimha (India)

UN Correspondents Association Award 2005 : Siddharth Varadarajan, Dy. Editor of The Hindu

Whitebread Prize : *The Accidental*, a novel by Ali Smith (Scotland)

Olof Palme Prize : Aung San Suu Kyi (Myanmar)

Asian Excellence Awards : Ismail Merchant, Indian born film-maker (posthumously)

73rd Annual Academy Awards (Oscar Awards 2006) : Performance by an Actor in a Supporting Role : George Clooney *SYRIANA*; Achievements in Visual Effects : *KING KONG* Joe Letteri, Brian Van't Hul, Christian Rivers and Richard Taylor; Best Animated Feature Film of the year : *WALLACE AND GROMIT IN THE CURSE OF THE WERE-RABBIT* Nick Park and Steve Box; Best Live Action Short Film : *SIX SHOOTER* Martin McDonagh; Best Animated Short Film : *THE MOON AND THE SON: AN IMAGINED CONVERSATION* John Canemaker and Peggy Stern; Achievement in Makeup : *THE CHRONICLES OF NARNIA: THE LION, THE WITCH AND THE WARDROBE* Howard Berger and Tami Lane; Best Performance by an Actress in a Supporting Role: Rachel Weisz *The CONSTANT GARDENER*; Best Documentary Feature : *MARCH OF THE PENGUINS* Luc Jacquet and Yves Darondeau; Achievement in Art Direction : *MEMOIRS OF A GEISHA* John Myhre (Art Direction); Gretchen Rau (Set Decoration) Achievement in Sound Mixing : *KING KONG* Christopher Boyes, Michael Semanick, Michael Hedges and Hammond Peek; Achievement in Sound Editing : *KING KONG* Mike Hopkins and Ethan Van der Ryn; Best Foreign Language Film : *TSOTSI* South Africa; Achievement in Film Editing : *CRASH* Hughes Winborne; Performance by an Actor in a Leading Role : Philip Seymour Hoffman *CAPOTE*; Achievement in Cinematography : *MEMOIRS OF A GEISHA* Dion Beebe; Performance by an Actress in Leading Role : Reese Witherspoon *WALK THE LINE*; Original Screenplay : *CRASH* Screenplay by Paul Haggis and Bobby Moresco; Story by Paul Haggis; Achievement in Directing : *BROKEBACK MOUNTAIN* Ang Lee; Best Motion Picture of the Year : *CRASH* Paul Haggis and Cathy Schulman

Grammy Awards 2006 : Album of the Year: "How to Dismantle an Atomic Bomb," U2; Record of the Year: "Boulevard of Broken Dreams," Green Day; New Artist: John Legend; Male R&B Vocal Performance: "Ordinary People," John Legend; Pop Vocal Album: "Breakaway," Kelly Clarkson; Song of the Year: "Sometimes You Can't Make It on Your Own," U2; Female Pop Vocal Performance: "Since U Been Gone," Kelly Clarkson; Country Album: "Lonely Runs Both Ways," Alison Krauss and Union Station; Rap Album: "Late Registration," Kanye West; Rock Album: "How to Dismantle an Atomic Bomb," U2; Rap Song: "Diamonds From Sierra Leone," D. Harris and Kanye West; Hard Rock Performance: "B.Y.O.B.," System of a Down; Metal Performance: "Before I Forget," Slipknot; Alternative Music Album: "Get Behind Me Satan," The White Stripes; Male Pop Vocal Performance: "From the Bottom of My Heart," Stevie Wonder; Pop Instrumental Performance: "Caravan," Les Paul; Classical Album: "Bolcom: Songs of Innocence and of Experience," Leonard Slatkin, conductor (Christine Brewer and Joan Morris, University of Michigan School of Music Symphony Orchestra); Song Written for Motion Picture,

Television or Other Visual Media: “Believe,” Glen Ballard and Alan Silvestri, songwriters from “The Polar Express”; Traditional World Music Album: “In the Heart of the Moon,” Ali Farka Toure and Toumani Diabate; Contemporary World Music Album: “Eletracustico,” Gilberto Gil; Musical Album for Children: “Songs From the Neighborhood — The Music of Mister Rogers,” Various Artists; Comedy Album: “Never Scared,” Chris Rock.

SPORTS NEWS

MELBOURNE 2006

The 2006 Commonwealth Games were held in Melbourne, Australia between March 15 – 28, 2006. Ace shooter Samresh Jung might have missed out on a record seven gold medals but the Indian more than made up for it when he was adjudged the “Best Athlete of the 18th Commonwealth Games”. Jung, who won five gold, silver and a bronze in pistol shooting competitions, becomes the first Indian ever to bag the honour in Commonwealth Games history. India is to hold next edition of the Games in 2010.

Brief History of Commonwealth Games

The first Games were held in Hamilton, Ontario, Canada in 1930. From 1930 to 1950, the Games were known as the British Empire Games. Later, it came to be known as the British Empire and Commonwealth Games till 1962. and from 1966 to 1974 as the British Commonwealth Games. From 1978 onwards, they have been known as the Commonwealth Games. Since 1930 the Games have been held every four years except 1942 and 1946 when the World War II. was on. The competing nations are unique in that they are not brought together by geographic or climatic factors, as in the case of the African Games or the Winter Olympics, but by history. Often referred to as the ‘friendly games’, the athletes and officials from member countries all share English as a common language, and come together every four years to enjoy the friendship, entertainment and sporting performances that make the Games such a distinctive sporting and cultural exchange.

Key Points of Melbourne Games

Host city	Melbourne, Australia
Nations participating	71
Athletes participating	approx. 4,500
Events	247 in 16 sports
Opening ceremony	March 15, 2006
Closing ceremony	March 28, 2006
Officially opened by	Queen Elizabeth II

Queen's Baton Final Runner	John Landy
Main Stadium	Melbourne Cricket Ground, (venue for 1956 Olympics)
Motto	United by the moment
Mascot	Karak, a red tailed Black Cockatoo (a threatened species)

The Final Medal Tally

Rank	Country	Gold	Silver	Bronze	Total
1	Australia	84	69	68	221
2	England	36	40	34	110
3	Canada	26	29	31	86
4	India	22	17	11	50
5	South Africa	12	13	13	38
6	Scotland	11	7	11	29
7	Jamaica	10	4	8	22
8	Malaysia	7	12	10	29
9	New Zealand	6	12	13	31
10	Kenya	6	5	7	18

INDIA–SRI LANKA ODI SERIES

India and Sri Lanka came together for the seven match ODI series after their clash in the Indian Oil Cup where the Lankans beat the Indians in all the three matches that they played. India defeated the visitors comprehensively 6 – 1 to clinch the series. The final results are: 1st ODI (Nagpur): India won by 152 runs; Second ODI (Mohali D/N): India won by 8 wickets; Third ODI (Jaipur): India won by 6 wickets; Fourth ODI (Pune): India won by 4 wickets; Fifth ODI (Ahmedabad D/N): Sri Lanka won by 5 wickets; Sixth ODI (Nagpur): India won by 7 wickets; Seventh ODI (Baroda): India won by 5 wickets.

INDIA–SOUTH AFRICA ODI SERIES

South Africa kept sniping back at regular intervals, but with only 222 needed for victory, India were in the box seat to win the 5th and final ODI played in Mumbai and level the five-match series 2-2. The final result of the series are: 1st ODI – Hyderabad [S. Africa won by 5 wickets]; 2nd ODI - Bangalore (D/N) [India won by 6 wickets]; 3rd ODI – Hyderabad [match abandoned due to rain]; 4th ODI - Kolkata (D/N) [S. Africa won by 10 wickets]; 5th

ODI - Mumbai (D/N) [India won by 5 wickets]. Man of the series: shared by G. Smith (S.Africa) and Yuvraj Singh (India).

INDIA-PAKISTAN

Pakistan defeated visiting Indian team 1 – 0, when they won the final test played in Karachi. However, Indian bounced back to clinch the ODI series 4 – 1 by defeating Pakistan in the last four matches in a row. The results are: Pakistan A – Lahore (Match Drawn); 1st Test – Lahore (Match Drawn); 2nd Test – Faisalabad (Match Drawn); 3rd Test – Karachi (Pakistan won by 341 runs); 1st ODI – Peshawar (Pakistan won by 7 runs D/L); 2nd ODI – Rawalpindi (India won by 7 wickets); 3rd ODI – Lahore (India won by 5 wickets); 4th ODI – Multan (India won by 5 wickets); 5th ODI – Karachi (India won by 8 wickets)

INDIA-ENGLAND CRICKET SERIES

England drew the 3 match test-series 1-1 when they defeated India by a massive margin of 222 runs in the 3rd test played in Mumbai. The series results are: 1st Test – Napery (match Drawn); 2nd Test- Mohall (India won by 9 wickets); 3rd Test – Mamba (England won by 212 runs). India clinched the ODI series 5 – 1. The results are: 1st ODI – Delhi (India won by 39 runs); 2nd ODI – Faridabad (India won by 4 wickets); 3rd ODI – Goa (India won by 49 runs); 4th ODI – Cochin (India won); 5th ODI - Guwahati (washed out due to rain); 6th ODI – Jamshedpur (England won by 5 wickets); 7th ODI – Indore (India won by 7 wickets).

BANGLADESH TEAM WINS NEHRU HOCKEY MEET

Yelper Koalas Senior Secondary School, Jalandhar, ran out of luck during the ‘sudden death’ shootout after putting up a fine display in regulation time to lose by 4-5 to Bangladesh Institution of Sports, in the final of the 34th Nehru Junior Boys Hockey Tournament on October 31, 2005.

SOUTH EASTERN RAILWAY WINS HOCKEY TITLE

South Eastern Railway, Kolkata, gave a superb performance to dethrone reigning champions and five-time title holders Northern Railway, Delhi, to emerge champions in the All-India Mohinder Partap Singh Grewal Memorial Women’s Hockey Tournament played in Ludhiana.

GONZALEZ WINS SWISS INDOORS TITLE

Fourth-seeded Fernando Gonzalez of Chile defeated Cypriot qualifier Marcos Baghdatis 6-7 (8), 6-3, 7-5, 6-4 to win the Swiss Indoors title on October 31, 2005 and strengthen his chances of qualifying for the Masters Cup in Shanghai.