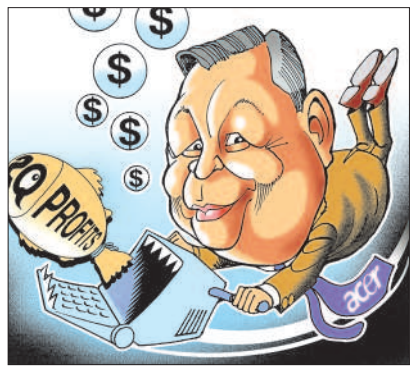


RBI'S MONETARY POLICY IS ABSORBING EXCESS LIQUIDITY, SAYS FM PRANAB MUKHERJEE

3% OF GDP IS WASTED DUE TO CORROSION OF MACHINES AND TOOLS: MINISTER VILASRAO DESHMUKH

EXECUTIVE DIGEST



COMPUTING PROFIT: J T Wang-led Acer's profit surged 54% in Q2. Analysts had expected that the firm's sales in Europe to be battered due to the Eurozone debt crisis

ITI posts Q1 net loss of Rs 63.83 cr

ITI, public sector telecom equipment manufacturer, reported a net loss of Rs 63.83 crore for the quarter ended June 30, 2010. The company had recorded a net loss of Rs 107.78 crore in the corresponding quarter of the 2009-10 fiscal, ITI said in a filing to the Bombay Stock Exchange.

Explaining the reason for the lower losses this year vis-a-vis the previous year, ITI chairman and managing director K L Dhinra said in a statement: "We have been able to achieve this due to our prudent financial management and deft handling of our operations."

"We are concentrating on new orders, diversification of products and rationalisation of all our activities to turn the company around as early as we can," he added.

Toyota said Wednesday it roared to a net profit of 190.4 billion yen, or \$2.2 billion, in the April-June quarter, as sales in emerging markets and aggressive cost-cutting offset a strong Japanese currency and the lingering effects of recalls on North American and European sales.

Cathay Pacific Airways first-half net income surged more than eight-fold to HK\$6.84 billion (\$881 million) helped by the sale of a stake in a maintenance provider and an 8.5% jump in passenger numbers.

United Microelectronics second-quarter net income more than tripled to NT\$5.3 billion (\$166 million) from NT\$1.5 billion a year earlier, the Hsinchu, Taiwan-based company said in a statement.

Foreign Direct Investment in the country declined by about 45% to \$1.41 billion in June this year, an official said. The FDI inflows in June 2009 were \$2.58 billion.

Welspun India posted a net profit of Rs 15.55 crore for the quarter ended June 30 this year. In the corresponding period last fiscal, the company had registered a net profit of Rs 33.27 crore.

TUV Rheinland, a global provider of technical, safety and certification services, has set up a large photo voltaic laboratory at Electronics City in Bangalore. The centre, costing \$3 million, is spread over 20,000 sqft, and has five climate chambers and two sun simulators.

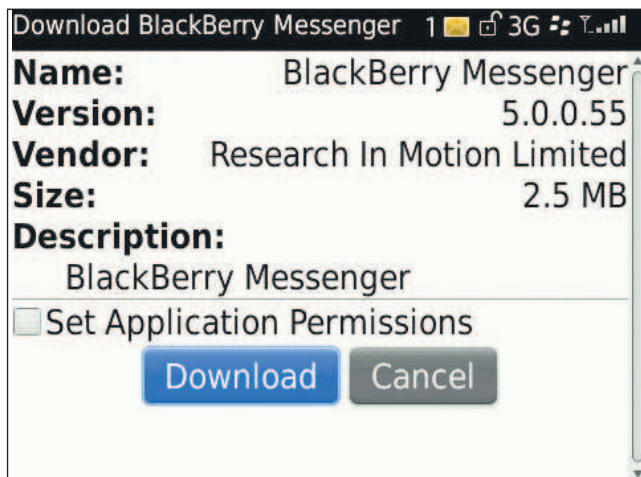
BlackBerry messenger service could be blocked, warns govt

TIMES NEWS NETWORK

New Delhi: A day after the BlackBerry makers — Research in Motion (RIM) — expressed their "inability" to provide access to security agencies to intercept its messenger service, the government on Wednesday warned that if the Canadian company does not come out with some 'technical solution', the users will have to face blocking of their 'BlackBerry-to-BlackBerry messenger' service even though they would be able to continue with its voice and email services.

Government sources said that once the company comes out with a 'technical solution' within seven to 10 days, as promised by it during a meeting with Intelligence Bureau (IB) officials, it will be tested by the security agencies randomly. If the testing fails to have the desired result, the agencies will have no option but to block the messenger service, they added.

Stating that the onus of giving access to security agencies to monitor the information on



these smart phones lies with the service providers, government sources said according to the licensing conditions, the service providers are liable to put in a mechanism to allow the security agencies to intercept any conversation or message of any subscriber whenever required.

As telecom service providers like Airtel, Vodafone, RCom, the Tatas and the government-run

BSNL and MTNL are offering BlackBerry services, it is the responsibility of these operators to ensure that the security agencies get access to all the services they offer.

Sources further said that RIM has so far only conveyed to the operators that services like email and voicemail can be intercepted by the security agencies.

"We told the service providers in categorical terms that the government will allow them to offer those services which could be intercepted by the security agencies. If any service is not allowed to be intercepted, we will not allow them to run such services," sources said.

While expressing its inability to share access, RIM had said on Tuesday that the security architecture for its enterprise customers is based on a symmetric key system whereby the customers create their own key and only they possess the copy of the encryption.

"RIM does not possess a master key nor does any backdoor exist in the system that would allow RIM or any third party to gain an unauthorised access to the key or corporate data," the company had said, adding RIM, therefore, will be unable to accommodate any request for a copy of a customer's encryption key since at no time does RIM, or any wireless network operator, ever possess a copy of the key.

India Inc watches BB row keenly

Swati Anand | TNN

Chennai: As the battle between BlackBerry maker Research in Motion (RIM) and the Indian government continues, India Inc is watching keenly. Governments are concerned they cannot monitor BlackBerry traffic, because unlike rivals Nokia and Apple, RIM controls its own networks, which handle encrypted messages through server centres in Canada and Britain.

India is estimated to have over 11 lakh BlackBerry users. "A significant majority of this base comprises of all top corporate honchos in the country," says Sujay Misra, MD of AZ Research Partners. "And around 30% of all BlackBerry users, have two BlackBerry — one for personal use and one for work related use." Misra himself carries two BlackBerry.

BlackBerry was among the first phones to introduce push mail service, where mail updates hit the phone like an SMS, in India and was instantly lapped up by corporates and entrepreneurs who were on the move. In time, companies began doling out BlackBerry to not just their senior managers, but also their mid-management employees. So now, when there is a possibility that India could go the UAE way and ban BlackBerry, the mood is that of concern.

"While national security is of paramount importance, business users too need a secure and efficient platform to communicate while on the move," says Keshav Baljee, president and co-promoter of the Royal Orchid group of hotels. Baljee himself has been using a BlackBerry for many years and has given out handsets to his senior staff and sales staff. "We have application wherein employees can access information on their desktop, while on the move. If there is a ban, it will be very difficult for us to find a suitable substitute."

Venture capital firm Ventureast runs on BlackBerry — 25 of its 32 employees, in its Chennai and Hyderabad offices, carry a BlackBerry handed out by the company. "Our mail is synced on Microsoft's business productivity online standard suite (BPOS). So if BlackBerry services were to be withdrawn, it would have a significant financial implication," says K A Srinivasan, CFO of Ventureast.

Many think that it would be prudent on RIM's part to tow the government line. "Security is not a perceived threat, but a very real one. So the government's stand is justified," says Kamlesh, principal research analyst at Gartner. "BlackBerry enjoys a sizable loy-

al market in India. If they're banned, other phones like the Nokia E series and Apple's iPhone stand to gain.

Snehal Mantri, marketing director of Bangalore-based real estate Mantri Developers, who is an avid BlackBerry user is considering switching to iPhone or Windows Mobile in case the ban comes through. The entire marketing team as well as senior management of the company has been assigned a BlackBerry.

Nokia is already at an advantageous position. Mobile advertising networks Admob India shows that Nokia smartphones occupy all the ten slots in its Top Ten smartphones list in May. In terms of share of operating systems in the smartphone market in India,

BlackBerry was among the first phones to introduce push mail service, where mail updates hit the phone like an SMS, in India and was instantly lapped up by corporates and entrepreneurs who were on the move. Many think that it would be prudent on RIM's part to tow the government line.

Symbian (Nokia's OS) and iOS account for 96% of the market.

Even globally, the European Commission (EU's executive arm employing more than 32,000 people) chose Apple's iPhone and HTC devices over BlackBerry when it deployed a new technology platform in 2008 after measuring the platforms against a number of criteria like security and financial impact. "The demands that the Indian government is making is one that any government can make. RIM should reach a common ground with the Indian government soon," says an industry expert.

The Indian market is a significant one globally and it would be foolhardy on RIM's part to miss out on a market like India, especially since it has already been facing bans in West Asian countries. "Bad enough, Indian BlackBerry users will now have to use a separate phone when they travel to places like Dubai," says Misra. "They better resolve the issue in India soon. After all, most users do not exchange information that is a threat to state security."

(With inputs from Ishan Srivastava)

Makers may resist government pressure

New York: Under pressure from countries like India and UAE to provide access to its customers' messages, the Canadian company which makes BlackBerry on Tuesday made it clear that it will not allow such a thing to happen as it would "imperil the firm's relationship with customers."

"We are not going to compromise that... That is what has made BlackBerry the No.1 solution worldwide," Mike Lazaridis, founder and co-chief executive of RIM, told The New York Times.

His comments came as Indian security agencies demanded that BlackBerry allow them to monitor its services.

It also comes close on the heels of Saudi Arabia ordering local cellphone providers to halt BlackBerry service, saying it failed to meet regulatory requirements. Dubai will ban some of the BlackBerry services from October 1.

He said allowing governments to monitor messages shutting across the BlackBerry network could endanger the company's relationships with its customers, which include major companies and law enforcement agencies.



ly false," he said.

He said the encryption that was causing alarm among foreign governments was used for many other purposes, including e-commerce transactions, teleconferencing and electronic money transfers.

"If you were to ban strong encryption, you would shut down corporations, business, commerce, banking and the internet," he said.

"Effectively, you'd shut it all down. That's not likely going to happen," he told The Times. AGENCIES

Lazaridis denied reports that the company had already granted special concessions to the governments of countries like India and China, which have large numbers of BlackBerry owners.

"That's absolutely ridiculous and patent-

Onus on operators to share information

New Delhi: In a new twist to the BlackBerry controversy, the government on Tuesday said the onus of giving access to security agencies to monitor the information on these smart phones lies with the service providers.

Government sources said, according to the licensing conditions, service providers are liable to put in a mechanism to allow security agencies to intercept any conversation or message of any subscriber whenever required.

As telecom service providers like Airtel, Vodafone, RCom, Tatas and the government-run BSNL and MTNL are offering BlackBerry services, it is the responsibility of these operators to ensure that the security agencies get access to all services they offer. Sources further said the maker of BlackBerry phones, RIM, has conveyed to the operators that services like email and voicemail can be intercepted by the security agencies but no commitment has been given to services like BlackBerry Messenger. RIM had said on Tuesday that not only the company but even operators can decipher the encrypted data on its smart phones.

"We told the service providers in categorical terms that the government will allow them to offer those services which could be intercepted by the security agencies. If any service is not allowed to be intercepted, we will not allow them to run such services," sources said. While expressing inability to share access, RIM had said on Tuesday that the security architecture for its enterprise customers is based on a symmetric key system whereby the customers create their own key and only they possess the copy of the encryption. AGENCIES

Deccan 360 now has two CEOs

Anshul Dhamija & Sujit John | TNN

Bangalore: Deccan 360, the cargo venture of aviation entrepreneur Capt G R Gopinath, has undergone a restructuring.

The 15-month-old enterprise now has two joint CEOs — one for the aviation business and the other for the express

logistics (land operations) business. Both will report to the Board.

Thomas Matthew, an Indian-Malaysian with over 25 years of experience in United Parcel Service (UPS) and who set up UPS' operations in In-

dia, has been hired to head the express logistics and distribution business.

The aviation business will see H L Rikhye as its CEO. Rikhye has over three decades of aviation experience, ranging from flight test engineer to CEO at large national and international carriers such as SriLankan Airlines, Indian Airlines and Expo Air. G K Anantha Raman continues as the CFO of Deccan 360.

"I got two CEOs because aviation and express logistics are two independent profit centres," said Gopinath. "Even in FedEx and UPS the person in charge of the express division doesn't know head or tail of the aviation business. The aviation division guy provides services to the express logistics guy. In my case, my aviation division

is also doing charters independently. So we will run it as an independent profit centre. Everything else is common.

Deccan 360 has 2,000 people working for it, of which 400 are on the company's rolls, while the rest are part of dedicated franchises. Gopinath has franchised the trucking and warehousing part of the business to local players across India.

"The local guy can chase a rupee better, he can save a rupee better, he's local, he understands the market, but he is bound by a common network, a common plan, a common IT, and we have built the IT in such a manner that he can today transfer the money from his account into the company's account as soon as he generates an airway bill," says Gopinath.

Daughter joins the biz

G R Gopinath's elder daughter Pallavi has joined Deccan



Pallavi

360. She previously worked with Airtel, then ATR and then did an MBA. She's an operations manager in Deccan 360, based in Bangalore. "I told her to look after all the trucking and warehousing, the land logistics. She has a small team under her," Gopinath said.

So what's the longer term plan for her? "She will inherit my shares, some of it, but she will not inherit the CEO's job because that will kill the spirit of the company. And with the kind of dilutions that takes place, you never know whether she would have the ability to automatically move in. In Southwest Airlines and Wal-Mart, the founders are there, they are shareholders, they are not running the companies. So this is basically a training ground for her, she may want to do something on her own."

Gas-and-brake pedal gets new look after recalls

Hiroko Tabuchi

Tamana (Japan): Two pedals, inches apart, one for gas and the other for brakes. For years, a Japanese inventor has argued that this most basic of car designs is dangerously flawed.

The side-by-side pedal arrangement, the inventor says, can cause drivers mistakenly to floor the accelerator instead of the brakes, especially under stress. The solution? A single pedal that accelerates the car when pressed with the side of the foot. More to the point, when the pedal is pushed down, it always activates the brakes.

"We have a natural tendency to stomp down when we panic," said the inventor, Masuyuki Naruse, who owns a small factory here in southwest Japan. "The automakers call it driver error. But what if their design's all wrong?"

Naruse, 74, is one of a handful of people who have designed combined brake-accelerator pedals in an effort to prevent accidents caused by unintended acceleration, which has come under a spotlight since charges that some Toyota vehicles accelerate without warning.

Regulators in Sweden are testing a single-pedal prototype by the inventor Sven Gustafsson. In Japan, about 130 cars equipped with Naruse's pedal, mostly owned by friends and acquaintances, have been declared street-legal, including Naruse's own Mitsubishi Diamante sedan. He holds patents for the Naruse (pronounced NAH-roo-say) Pedal in Japan, the United States and six other countries.

Yasuto Ohama, a security company executive whose Toy-



Masuyuki Naruse, right, in his factory in Tamana, Japan

ota Harrier has one of the pedals, said he switched after his foot hit the gas instead of the brakes and he almost struck a bicyclist.

"I can never go back," Ohama said. "I now have peace of mind, because there's no mistaking when there's only one pedal."

Ririko Takeuchi, a Tokyo-based spokeswoman for Toyota, said the company could not comment on Naruse's pedal design. But she said Toyota "listens to ideas we receive from the public, because we believe there's always room for improvement."

"If you ask whether the current pedal design is the best we can do, the answer is no," Takeuchi said.

Naruse's pedal, in various versions, has been around for two decades. But until recently his testimonials fell mostly on deaf ears — despite many accidents linked to pedal confusion.

In experiments in Japan by Katsuya Matsunaga, an engineering and psychology specialist at Kyushu Sangyo University in Fukuoka City, drivers were asked to switch feet

from the accelerator to the brakes on cue, at times while accompanied by startling noises. Subjects under stress sometimes hesitated or found it difficult to switch from one pedal to the other, he said.

The current standard pedal arrangement is a function of automotive evolution.

Naruse's design is a unified pedal, shaped to accommodate the entire foot. On the right side is an accelerator bar. At any point, the driver can push down on the pedal to activate the brakes, while automatically releasing the accelerator bar.

"Simply speaking, the conventional pedal setup, which forces drivers to switch back and forth between pedals, is dangerous," Matsunaga said.

"Naruse's pedal works because it takes into account how our bodies work," he said. "It makes sure that when we make a mistake, the car stops."

Replacing standard pedals with the Naruse device requires no big changes to a car's braking or acceleration systems, Naruse said, and retrofitting costs about 1,00,000 yen (\$1,156) each. NYT NEWS SERVICE

Be careful when you tweet about employers

Shilpa Phadnis & Mini Joseph Tejaswi | TNN

Bangalore: If you thought your joke about your employer or prospective employer online would go unnoticed, perish the thought. HR folk are tracking you online and many companies are running pre-employment checks by accessing your Facebook, Twitter, Orkut, MySpace and LinkedIn profiles. They are also hiring third-party verification agencies to track your digital footprint. And that can make or mar your career.

Employees should err on the side of caution while posting information related to companies on social networking sites. Nandita Gurjar, group head (HR), Infosys Technologies, says hiring is a

very subjective process, and HR managers have the freedom to hire or reject a candidate based on his/her online social networking behaviour.

LinkedIn profiles are increasingly becoming a must-see for hiring mid and senior management cadres. "It started with IT hiring, but is spreading to other industry verticals," says Madan Padaki, CEO of skill assessment firm MeriTrack.

Ajay Trehan, founder and CEO of background screening firm Authbridge, says one of his clients rejected a candidate for a director's position because they found a discrepancy in his graduation year mentioned in the company records and on LinkedIn. "When we did a due diligence, we found that he had failed in 1979 but



he had not revealed that to our client," says Trehan.

Manish Sabharwal, chairman, TeamLease Services, calls it a "hygiene exercise", where HR managers trawl the net for any piece of negative

news about candidates.

Vineeta Singh, director in HR solutions firm Quetzal Verify, says even blogs are examined. "A fresher from Kharagpur was rejected for the job after we found that he

was involved in a drunken brawl in Goa," she says. Though this information was not available in police records, an obscure online newspaper had reported the matter.

It can be cumbersome to scan social networking sites when you are hiring hiring freshers, and especially if you are hiring in large numbers. But some believe it will soon become part of the general hiring procedure.

Padaki says companies should also develop a judgment pattern, identifying what is good, bad, irrelevant or impactful, on the internet. Otherwise they could misinterpret a casual or frivolous comment and lose a good candidate.

Still, you should watch out before you ping and poke!