

Online CAT may use open source code post glitch

IIMs Explore Using Foss Rather Than Going For Proprietary Software

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BANGALORE

THE leading IIMs, still smarting under the recent fiasco over the online CAT debut, are creating their own firewall against similar disasters in future. After an elaborate post-mortem of the recent disaster, many IIM officials are exploring the idea of using free and open source software (Foss) rather than going in for proprietary software to prevent online common admission test (CAT) disasters in future. "Online exams can be conducted using Foss as it can not only reduce costs by over 50%, but it is also safe against virus and malware attacks", said one of the IIM officials.

Infact, US-based Prometric, which bagged the high-profile \$40-million contract to organise the online CAT using proprietary software like Microsoft Windows along with NIIT, has pinned the main reason for this year's disaster on the virus attacks. Despite installing several security measures, they were unable to circumvent the virus attacks which impacted over 20,000 candidates. Unlike the open source software, proprietary software is not free and has to be bought.

Experts like T Vignesh Prabhu, a hacker at 'deeprootlinux' which is dedicated to developing and supporting Foss said that virus attacks form the major concern of IIMs. "The only solution is to discard the virus-prone operating system you have been using and install Foss such as GNU (a free software) and Linux-based operating systems," he says. Foss software which grants users the right to study, change, and improve its design through its source code, is the most preferred option. He said there is enough statistics to prove that GNU/Linux-based operating systems are less prone to virus attacks. The only other way is to keep fighting the viruses by installing the latest updates of various anti-virus softwares.

"And, you have to keep your fingers crossed hoping that developers of anti-virus companies are just as fast as the virus-writers", he said. Officials at Prometric, which had used proprietary software this time, said many centres were affected by mainly two viruses — Conflicker and W32.NIMDA. IIM officials said this happened despite the fire-walls systems installed. They said the CAT computers were sourced and leased from local colleges in the cities where the examinations were held. They said most of the CAT computers got infected through the servers and other computers in various colleges through the local area network (which is a computer network covering a

small physical area like a group of buildings). Also, the existing data on some of the 17,000-20,000 CAT work stations has not been deleted.

IIM officials said many of these 17,000-20,000 computers were prone to virus attacks as they may not have used the genuine proprietary software. "I doubt whether Prometric really checked this. Many colleges may have used pirated software," said one of the IIM officials.

The Foss model is already working successfully in states like Kerala, where the state government's IT@School provides IT-enabled education to 1.6 million students a year in the state using Foss. "We will use Foss to handle over four lakh admission application forms in a period of 10-15 days for two lakh 11th standard seats in government and government-aided institutions", says IT@School executive director K Anvar Sadath. He said the CAT exam can be run successfully on Foss without any virus threats. Despite all these advantages, some IIM officials also said that it will be difficult to conduct exams like CAT on Foss as it is not user-friendly and there is very less awareness about it.

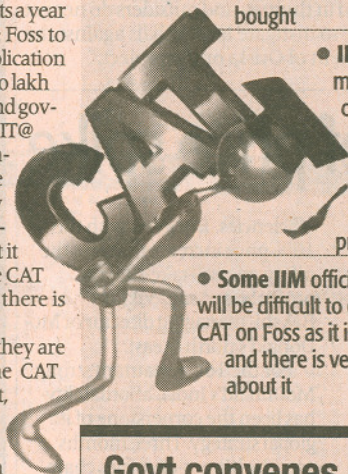
Meanwhile, top IIM officials said they are determined to continue to hold the CAT exam according to the online format, and not go back to traditional paper-pencil one.

"Online tests take place globally on a large scale. IT-enabled education is the way ahead", IIMB director Pankaj Chandra told ET on Wednesday. He said they are reviewing student grievances and are coming up with new guidelines to screen those who deserve to be given a retest to ensure that only genuine candidates enter IIMs. IIM officials said they were reviewing thousands of hours of video recording of the entire CAT 2009 exam to screen such candidates. Infact, EU or European Union is one of the biggest supporters of Foss, at present having shifted all its public administration details to the Foss format. Japan aims to switch some of its government computers to the free Linux operating system and reduce its dependence on Microsoft Windows. Japan saw the use of Linux as a way of lowering procurement costs and bolstering its defence against cyber-attacks.

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POINT COUNTERPOINT

- **IIM officials** say, online exams can easily be conducted using Foss as it can not only reduce costs by over 50%, but is also safe against virus and malware attacks
- **US-based Prometric**, which used proprietary software to conduct on-line CAT examination, has pinned virus attacks as the main reason for the trouble
- **Unlike the open source software**, proprietary software is not free and has to be bought
- **IIM officials** said many of the computers used for CAT were prone to virus attacks as they may not have used the genuine proprietary software
- **Some IIM officials** also feel that it will be difficult to conduct exams like CAT on Foss as it is not user-friendly and there is very less awareness about it



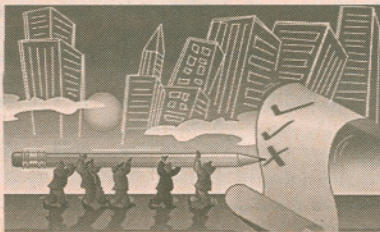
Govt convenes IIM directors' meet

UNHAPPY over thousands of students failing to write the common admission test (CAT) due to technical problems, the government has convened a meeting of IIM directors on Wednesday to express its concerns. Higher Education secretary Vibha Puri Das will chair the meeting of IIM directors to discuss the issue in detail, a human resource development ministry official said. Human Resource development minister Kapil Sibal has already expressed displeasure over students facing problem during the computerised test which was marred by glitches from its beginning. The issue was raised in Parliament when BJP members criticised the government for the fiasco.

Takeover norms: Tossed, not turned

GUEST COLUMN

SANDEEP PAREKH



- The 1997 regulations were amended 19 times over the past 13 years
- A vast majority of these amendments kept modifying numbers in trigger points for disclosure and compulsory tender offers contained in the regulations
- What is needed is a simple regulatory regime which determines the triggers for the disclosure norms and the tender offer

Control in a listed company could be acquired by acquiring a small number of shares in a company with a highly dispersed shareholding. In addition, indirect control includes acquisition of control of the target company by acquisition of parent companies, whether listed or unlisted and whether in India or abroad. Acquisition of control would however not trigger the regulations if approval by special resolution of the general body of shareholders of the target company is obtained through postal ballot. The rationale for this exemption is not clear, and it should perhaps have been deleted with the exemption for other friendly acquisitions like the preferential allotment exemption under the erstwhile exemption for preferential allotments. In the year 2002, the large loophole of an exemption from a compulsory tender offer to preferential allotments was deleted. With this deletion a vast bulk of friendly takeovers which were exempted under this provision, were no longer exempt.

The erstwhile exemption created a disparity between friendly acquisition and hostile acquisition. The exemption ran counter to the philosophy of the regulations, as it was wholly immaterial to the public shareholders whether the acquirer was friendly to the existing management/promoters of the company or not. In the circumstances, the exemption created regulations which had robust doors for security but which had no walls. This was clearly recognised by Sebi as inappropriate in 2002, though part of the inappropriate law was not deleted.

The takeover regulation were amended in 2002 replacing the words 'in any period of 12 months' with 'in any financial year ending on 31st March'. This unnecessary amendment to regulation 11 which relates to triggering of a compulsory tender offer beyond a creeping acquisition, results in a completely unfair situation. For instance, the regulations restrict a person from acquiring more than 5% shares in a whole year i.e., 365 days. With the amendment, a person can acquire 10% shares in just two days between 31st of March and 1st of April of any year.

The original definition ought to be brought back because though the regulations seem to indicate that no person should acquire over 5% in a whole year, it permits acquisition of 10% in just two days. This unfair amendment ought to be reversed with the original wordings brought back.

I do not try to portray a particular combination of numbers as the best possible set of trigger points and compulsory acquisition numbers but advocates that whatever numbers are adopted should not be changed for several decades. I am for a simple regulatory regime which determines the triggers for the disclosure norms and the tender offer. Arguments that state that the changing economic condition requires constant changes with these numbers, it is argued is wrong. There is much that needs to be worked on, and also, there should be no tinkering in the regulations for several decades after the regulations are cleaned up.

(The author is faculty, IIM, Ahmedabad)

THE takeover of substantial number of shares, voting rights or control in a listed Indian company attracts the provision of Sebi (Substantial Acquisition of Shares and Takeovers) Regulations 1997. The 1997 regulations have been amended 19 times over the past 13 years. At the same time a number of obvious problems have not been rectified in the regulations. The large number of amendments have also created requirement of a compulsory tender offer of such unnecessary complexity as to make it virtually unintelligible to even a well qualified professional. The complexity in the trigger points for disclosure and tender offer introduced over the years needs to be simplified making compliance of the regulations straight forward and easy to understand by management of listed companies.

A vast majority of these amendments kept modifying numbers in trigger points for disclosure and compulsory tender offers contained in the regulations. To give just one example, the concept of 'creeping acquisition' exemption was modified from 2% in 1997 to 5% in 1998 to 10% in 2001 to 5% in 2002 to a modified 5% in 2008. In other words, most of them tried to second guess the wisdom of the original or amended numbers.

The takeover regulations mandate a compulsory tender offer to public shareholders in a dozen circumstances. It is proposed that there should only be one trigger on acquisition of over 5% unless the acquirer owns less than 15% shares of the target company. This would enable a person to acquire up to 15% shares i.e., up to a control figure, and not trigger a compulsory tender offer. Where a person owns any number of shares up to 50% such person should be entitled to purchase shares or voting rights up to 5% each year by way of creeping acquisition. Any acquisition over 55% should not be allowed without a compulsory tender offer of such number of shares as would result in a post acquisition public shareholding of at least 25%. This is consistent with the view of the finance ministry that gradually all companies should be mandated to have a minimum of 25% public shareholding.