

Wednesday, 20<sup>th</sup> August 2014 Communication, IT & Information Division Phone # 2525

## **NEWS AND VIEWS**

**Polity** 

Amar Singh calls on Shivpal, Mulayam...

**Economy** 

❖ Indirect tax collection growth dips in July...

**Planning** 

❖ Govt Plans Power Booster for PSUs...

**Editorial** 

❖ Over-reaction to an irritant...

"No matter how carefully you plan your goals, they will never be more than pipe dreams unless you pursue them with gusto"

W. Clement stone

## **Polity**

Amar Singh calls on Shivpal, Mulayam: A day after SP general secretary Ramgopal Yadav ruled out Amar Singh's return to the party, the latter held a meeting with party chief Mulayam Singh Yadav at his residence Tuesday where Chief Minister Akhilesh Yadav was also present. Amar also called on senior minister Shivpal Yadav. While Amar termed his meeting with Mulayam personal and denied joining the SP, sources said talks of stitching an alliance of Ajit Singh-led Rashtriya Lok Dal (RLD) with SP for the Assembly elections were discussed in the meeting. "I am not Natwar Singh who will write a book. I have a lot of respect for Mulayam and will meet him again whenever he calls me and there is no mediator. I am in politics, but not a political person," said Amar. This is the second meeting of Amar and Mulayam in over two weeks. The two shared stage during the inauguration of Janeshwar Mishra Park in Lucknow on August 5 in what was the first meeting between the two after Amar was expelled from SP in February 2010. Sources in SP claimed that after the party's rout in the Lok Sabha elections, the possibility of RLD and SP joining hands cannot be ruled out. RLD had lost all eight seats it contested, including the ones where it fielded Amar, Jaya Prada, Ajit Singh and Jayant Choudhary. SP 'could win only five seats. If the alliance works out, SP could leave Rajya Sabha seats for Ajit Singh and Amar in November. Jayant could also be accommodated in Akhilesh's ministry. (The Indian Express).

## **Economy**

> Indirect tax collection growth dips in July: July's growth in indirect tax collection slowed to 4.9 per cent over a year before, against 13.5 per cent in June. The collection rose to Rs 41,890 crore in July from Rs 39,949 crore in the corresponding month last year. The rise in June was the highest this financial year (it began on April 1). The slowing in July was due to a sluggish pace in both Customs duty and service tax collection. The former levy's rise was only 0.2 per cent, from Rs 15,730 crore in July last year to Rs 15,756 crore this year. Central excise collection rose 7.5 per cent to Rs 14,127 crore this July, from Rs 13,143 crore in the corresponding period a year before. Service tax inflow was 8.4 per cent higher at Rs 12,007 crore, against Rs 11,076 crore in July 2013. The slower growth raises doubt about economic recovery. Industrial output had increased only 3.4 per cent in June, due to a big contraction in consumer goods, against five per cent in May. Data for July will be issued next month. During April-July this year, total indirect tax collection rose to Rs 154,350 crore, compared with Rs 148,588 crore in the corresponding period in 2013. At this level, it is 24.8 per cent of the full year's Budget Estimate. "An increase of 3.9 per cent has been registered during April-July over the corresponding period in the previous year," the finance ministry stated. The target for indirect tax collection this year is Rs 624,902 crore, about 26 per cent higher than last year's revised estimate. The finance ministry has said the target is challenging but achievable. Service tax collection increased from Rs 43,693 crore in April-July 2013 to Rs 50,850 crore during April-July 2014, a rise of 16.4 per cent. (Business Standard).

### Planning

Govt Plans Power Booster for PSUs: The government plans to create public sector energy giants with a massive restructuring exercise that will amalgamate all state-run hydropower firms and transfer their thermal projects to NTPC to create strong companies that can take on the rapidly growing private conglomerates. The exercise aims to merge all four central hydropower companies. According to the proposal, NHPC, SJVN, THDC and NEEPCO may be merged into one organization that will control 10,000 mw of existing and 32,500 mw of proposed capacity. It would also transfer 4,600 mw of thermal plants controlled by hydro firms to NTPC, which in turn would shed 1,400 mw of its hydropower plants if the proposal goes through. The proposal has cheered executives of big firms like NHPC but it has created a flutter among executive of smaller companies as they feel smaller firms were created for specific regional requirements. Also, amalgamation can create redundancies or shift a senior manager in a small firm to a mid-ranking position in the big one. It would also eliminate several positions of directors and chief executives. Power Minister Piyush Goyal first discussed the proposal at a meeting on July 2 with the public sector undertakings and gave SBI Caps the mandate to work out a plan, a senior government official said. (The Economic Times).

### **Editorial**

> Over-reaction to an irritant: Diplomacy is not a limited overs cricket match. But by calling off the Foreign Secretary-level talks with Pakistan scheduled for August 25, the Narendra Modi government has behaved precisely as if it was that. For more than a decade now leaders of the secessionist Hurriyat have regularly met Pakistani diplomats stationed in India, as well as visiting leaders starting with General Pervez Musharraf when he came for the Agra summit in 2001. Such meetings that demonstrate Pakistan's preference for the separatists are no doubt an irritant, but New Delhi's usual practice had been to register an objection and move on, not letting the issue derail the dialogue process. Implicit in this approach was the realisation that engagement was the key to normalising relations with Islamabad. Also, there has been grudging acceptance on the Indian side that an India-Pakistan agreement on Kashmir needs the Hurriyat on board. For, while there is an elected government, the separatist leaders do carry a great deal of influence in the Valley on the larger political questions about the State. The Centre too has been in both official and secret talks with the Hurriyat leadership. In the light of this, the proper course would have been to express displeasure at the Pakistan High Commissioner's invitation to the Hurriyat for consultations before the talks between the Foreign Secretaries. But to have cancelled the talks shows a shockingly inadequate grasp of history, and is short-sighted. India has called off engagement with Pakistan many times in the recent past for far more serious reasons, only to realise after each hiatus that there is no other alternative. (The Hindu)

# PM final authority on Lokpal, anti-corruption measures

New Delhi, Aug 19: Prime Minister Narendra Modi will decide on all matters relating to Lokpal, CVC and anti-corruption legislation under newly-formed delegation of powers on works handled by the ministry of personnel, public grievances and pensions.

The PM, who is also the Cabinet minister for the ministry, will have a final say in "major policy issues relating to Right to Information (RTI)" and "constitution of a new all India service".

The ministry has come out with an "internal delegation of powers for final disposal of cases" dealt by it. A notecarrying details of work and final authority for its disposal has been circulated by the Department of Personnel and Training, among the ministry officials.

The matters relating to CBI including grant of permission for filing extradition proceedings, framing of recruitment rules for Group 'A' posts in the agency deputation of its officers of the rank of DIG and above to other organisations will be disposed at the level of minister of state, said the note.

The Prime Minister will be deciding on disciplinary cases against IAS and Central Secretariat Service officers, Grade I and above, and Group' A'officers in CBI.

The appeals filed by these officers and cases relating to their sanction for prosecution will be disposed at the level of PM, it said.

# Govt mulling mining Bill in winter session to allow private players

**New Delhi, Aug 19:** The government is gearing up to bring coal mining amendment Bill in the Winter session of Parliament to permit private players to enter commercial mining in the sector.

According to an official, the government, will be consulting all the stakeholders, including the trade unions before formulating the CMN (Coal Mines (Nationalisation) Amendment Bill.

"We propose to introduce the Bill in the winter session of Parliament," the official said.

Coal mines (Nationalisation) Amendment Bill, 2000 was introduced in Rajya Sabha on April 24, 2000 to amend the Coal Mines Nationalisation Act. 1973

This was to allow Indian companies in the priyate sector to mine coal in the country without the existing restriction of captive mining, Goyal had earlier said.

According to the official, the said Bill could not be moved further for want of consensus with the trade unions. Goyal had discussed about the issue earlier with Prime Minister Narendra Modi, the official said.

The Bill was introduced in Rajya Sabha in April 2000 and a group of ministers was constituted to convince the trade unions to let it pass. However owing to their stiff opposition to the intent of the bill, it could not move forward.

The ministerial panel was reconstituted in August 2009 under the chairmanship of the then Finance Minister Pranab Mukherjee, but there was no further development in this regard. PTI/

**Business Standard** 

Date 50 8 2014 Page No. of

## WTO food subsidies cap not to be breached, says India

NAYANIMA BASU New Delhi, 19 August

The Union government is confident it will not breach the existing ceiling on food subsidies agreed to at the World Trade Organization (WTO).

rules, the amount of such subsidies given by member-countries is calculated on the external reference prices of 1986-88. The Indian government has demanded that the year be changed to a more recent lighted that India have nev-

period, taking into consider er demanded elimination. Clause is concerned, the eration the rise in food of the 10 per cent ceiling. prices and rate of inflation.

"As far as breaching the 10 per cent ceiling is concerned, we are not at default and not going to be, in the next few years to come. If we were to account for inflation, According to WTO the increase in minimum support price since 1986-88, we would be in negative as far as subsidies is concerned," said a commerce department official who did not wish to be named.

The official also high-

According to WTO's Agreement on Agriculture, developing countries such as India can provide subsidies of up to 10 per cent of the total value of production of the particular products. In India's case it is cereals and pulses.

"India never said it: wants to climinate 10 per cent ceiling ...We provide per capita subsidy less than \$200 compared to \$50,000

As far as the 'Peace pulses.

government has indicated it will not use the measure. This is because, as per the Bali Ministerial Declaration, in order to use the so-called 'Peace Clause' or the interim measure, the government has to notify the subsidies.

According to WTO's Agreement on Agriculture, developing countries like India can provide subsidies of up to 10 per cent of the total value of production of particular products. In in US," the official added. India's case, it is cereals and

# Govt reiterates need to phase out APMCs

DHIP KUMAR JHA Mumbai, 19 August

The Union government has reiterated the need to phase out the system of Agricultural Produce Marketing Committees (APMCs).

Ram Vilas Paswan, the Union minister of food & public distribution, told this newspaper here recently, "The government is looking to set up a nationwide spot market for agricommodities. The exact nature is still being worked out. But such a market will come into existence sooner than later."

Early this year, business chamber Assocham had said the APMC Act needed to be scrapped. The cumbersome rules, it sald, had resulted in cartelization of mandi intermediaries, fleecing both consumers and farmers.

"Phasing out of APMCs would be gradual for which the (national goods and services tax (GST) needs to be implemented. Once GST is in place, issues in transporting goods from one state to another would be resolved. This will ultimately help in phasing out APMCs," said Paswan. There are currently, 7,500 operational APMC

mandis across the country. The governments of Bihar and Kerala have scrapped their APMC Acts, allowing direct sale of agricultural commodities into mandis. Other states have continued with the Act, which restricts farmers within the ambit of one mandi to transport their produce to others.

Karnataka has initiated mandi modernisation with active interest from India's second largest commodity futures trading platform, the National Commodity & Derivatives Exchange (NCDEX). Farmers are allowed to transport goods to any mandi of their choice.

Maharashtra and Madhya Pradesh, though, have objected to scrapping of APMCs. Paswan said the Centre was in talks with states to resolve the differences. "Our Karnataka experience suggests that the government must look into the age old APMC Act per se. While we require spot mandis with modern infrastructure in place and without any restriction on farmers for trading, the APMC Act in the current form is not needed. First, we need to build a modern trading system and then, phase out the old one gradually," said Samir Shah,

managing director and chief executive officer of NCDEX.

The government's Economic Survey, issued last month, had said: "State APMC laws are a major hurdle to modernisation of the food economy. They have artificially created cartels of buyers who possess market power. The Essential Commodities Act, 1955, an enabling Act which gives powers of intervention to state governments, is incompatible with an integrated competitive national market for food."

And, had recommended, "Parliament has the power to legislate a national market under the Constitution, which gives it the ability to legislate the freedom to buy and sell, for farmers and traders, across state lines. This law can override state APMC laws and restrictions that have been placed on the farmer's right to sell food within and outside the state. Under such a law, APMCs would become one among many trading venues in a competitive market. Further, under the Constitution, Parliament can legislate the creation of a Commission that monitors the country for anti-competitive practices.

Date: 20/08/2014
Page No. 01,17

# Govt Plans Power\ Booster for PSUs

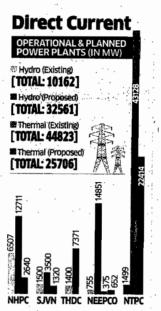
Hydel firms may be combined; thermal projects may be brought under NTPC

Sarita.Singh

@timesgroup.com

New Delhi: The government plans to create public sector energy giants with a massive restructuring exercise that will amalgamate all state-run hydropower firms and transfer their thermal projects to NTPC to create strong companies that can take on the rapidly growing private conglomerates. The exercise aims to merge all four central hydropower companies.

Execs of Big Cos Happy → 17



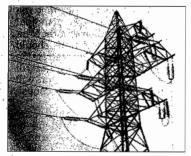
## **Execs of Big Cos Happy with Proposal**

#### → From Page 1

According to the proposal, NHPC, SJVN, THDC and NEEPCO may be merged into one organisation that will control 10,000 mw of existing and 32,500 mw of proposed capacity. It would also transfer 4,600 mw of thermal plants controlled by hydro firms to NTPC, which in turn would shed 1,400 mw of its hydropower plants if the proposal goes through.

The proposal has cheered executives of big firms like NHPC but it has created a flutter among executives of smaller companies as they feel smaller firms were created for specific regional requirements. Also, amalgamation can create redundancies or shift a senior manager in a small firm to a mid-ranking position in the big one. It would also eliminate several positions of directors and chief executives.

Power minister Piyush Goyal first discussed the proposal at a meeting



on July 2 with the public sector undertakings and gave SBI Caps the mandate to work out a plan, a senior government official said. The official said NTPC and NHPC welcomed the proposal during the meeting.

"SBI Caps has suggested merging the four hydro PSUs into one for increasing efficiency, better management and expertise. The power minister believes that one umbrella company will reduce costs and manage the related challenges in an efficient way," the official said.

The power ministry is yet to take a final call on the issue, he said adding the legal, financial and technical aspects of the amalgamation have to be explored in detail. A senior NHPC official said, "The move will result in cost reduction and easy management, and there will be competition with just private companies."

The company is struggling to add capacity to its existing 6,507 mw plants. The share of hydroelectricity in India has declined from 37% in 1956 to 17% currently.

Asenior official in Satluj Jal Vidyut Nigam Ltd (SJVNL) said that the proposal will have legal and financial complications. "There was a purpose for which we were formed. Amalgamation defeats that very logic as we cater to specific needs of the host and surrounding states," an official in Tehri Hydro Development Corp (THDC) said.

Industry experts said the merger was not possible and uncalled for Former power secretary Anil Razdan said integration of hydropower PSUS was not possible as two of them are joint ventures with states that might oppose the move. "SJVN is doing pretty well and is Centre's joint venture with Himachal Pradesh. THDC is a joint venture with Uttar Pradesh and North Eastern Electric Power Corporation Limited has a regional flavor. Integration is practically not possible," he said.

Shubhranshu Patnaik, senior director, Deloitte in India said the amalgamation was a bad move as world over, the trend is increasing competition and not creating monopolies, "It is a completely wrong way SJVN and THDC have lately performed well, forcing NHPC to pull up. When the UK brought reforms, it spilt its power sector that was consolidated. China too has a fairly diversified ownership," he said.

## The Financial Express

Date: 20 Page No. 02, 10

## PM invites ideas for new body replacing Plan panel

fe Bureau

New Delhi, Aug 19: Amid conjectures over the character of the new body replacing the Planning Commission, PM Narendra Modi on Tuesday invited ideas from people on what shape the new institution should take. "We envision the proposed Institution as one that caters to the aspirations of 21st century India and strengthens participation of the states. Let the ideas flow," Modi said in a statement. A special open forum has been created on the websits my-



govnic.infor suggestions.

FE reported on Monday that the overhauling of the decades old institution was longpending and the previous PM Manmohan Singh attempted certain changes but could not succeed fully.

Experts including many former members of the com-

A special open forum has been created on mygov.nic.in for suggestions. Experts and ex-members of the panel have appreciated the attempt to replace it

mission appreciated the need to restructure/replace the commission, while they cautiously welcomed the plan to have a new body, saying what

 $\Delta'$ 

exactly its mandate would be important.

On Independence Day Modi said within a short period the government will replace the Planning Commission with a new institution having a new design and structure, a new body a new soul, a new thinking, a new direction, a new faith towards forging a new direction to lead the country based on creative thinking, public private partnership optimum utilisation of resources, utilisation of youth power of the nation, to promote the aspirations of states.

Date: 20/08/2014

Page No.03

## Plan to ease regularisation



Union Parliamentary Affairs Minister M Venkaiah Naidu chairs a meeting of Delhi MPs and Mayors on Tuesday

PTI

#### STAFF REPORTER IN NEW DELHI

The Central Government will prepare a draft policy on regularisation of unauthorised colonies in the national Capital within 15-20 days to clear the ambiguity on the existing policy for regularisa-tion. Delhi BJP chief Satish Upadhyay, after a meeting with Union Urban Development Minister M Venkaiah Naidu, said the existing rules were creating hurdle in regularisation of 895 colonies announced by the erstwhile Congress-led Delhi Government. All seven MPs, several municipal leaders, led by Upadhyay, held a meeting with Naidu where Urban Development Secretary of Delhi, all the three Municipal Commissioners, senior officers of DJB, DDA, CPWD,

NDMC were also present.
"In the meeting, Naidu directed officials of concerned departments that draft policy be prepared within 15-20 days on the regularisation of unauthorised colonies. The minister has also given directions for clearing all hurdles coming in the way for regularising these colonies," Upadhyay told reporters. Upadhyay said that they also demanded the Central Government should give permission for regularising colonies which have come up till 2013. "We have also requested him to allow municipal corporations to start development works in unauthorised colonies so that people living in these colonies get basic amenities," the Delhi BJP president said. He also said that as per Minister's directions, all departments will start 'Better Delhi Campaign' with a time-frame of September 30.

In this campaign, there will be complete land mapping of Delhi so that the public services like parking, schools, hospitals, women hostels, land for public conveniences may be marked and work could be started. Giving further details, Upadhyay also said that Naidu has directed all the officers concerned that by the September 30, land for sanitary field must

#### Losing the plot!

■ In a move that would benefit lakhs of Delhi residents, the three municipal corporations in the city have sought exemption for sanctioning of building plans for construction on plots measuring up to 200 square yards. The civic bodies have requested the UD Ministry to increase the limit from existing 100 sq. yards to 200 sq. yards. Union Urban Development Minister Venkaiah Naidu has assured that the matter will be decided within 15 days. "In the meeting, the three civic bodies raised the need of ending the requirement of getting the layout plan passed by the Corporations for the plots up to 200 metres and requested that the building bye laws should be amended appropriately so that

UDM Minister Naidu asks officials to prepare draft policy within 15-20 days on regularisation of unauthorised colonies

be earmarked and modernisation work for waste management may be started besides production of power from garbage. "We will observe Special Sanitation Week from September 25 to October 2 during which MCD will launch cleaning drive in different parts of Delhi," he added.



Building plan relief for small plot owners

there is no need for getting the certificate and other permissions from the architect and structural engineer for small plots," Delhi BJP president Satish Upadhyay said. According to civic body officials, the hurdles in sanctioning of building plans was one of the main reasons for corruption and the move aims at bringing in transparency.

## **Amar Singh calls on Shivpal, Mulayam**

"Discuss RLD-SP alliance"

FAISAL FAREED

LUCKNOW, AUGUST 19

A DAY after SP general secretary Ramgopal Yadav ruled out Amar Singh's return to the party, the latter held a meeting with party chief Mulayam Singh Yadav at his residence Tuesday where Chief Minister Akhilesh Yadav was also present. Amar also called on senior minister Shivpal Yadav.

While Amar termed his meeting with Mulayam personal and denied joining the SP, sources said talks of stitching an alliance of Ajit Singhled Rashtriya Lok Dal (RLD) with SP for the Assembly elections were discussed in the meeting.

"I am not Natwar Singh who will write a book. I have a lot of respect for Mulayam and will meet him again whenever he calls me and there is no mediator. I am in politics, but not a political person," said Amar.

This is the second meeting of Amar and Mulayam in



**AMAR SINGH** 

over two weeks. The two shared stage during the inauguration of Janeshwar Mishra Park in Lucknow on August 5 in what was the first meeting between the two after Amar was expelled from



**MULAYAM SINGH YADAV** 

SP in February 2010.

Sources in SP claimed that after the party's rout in the Lok Sabha elections, the possibility of RLD and SP joining hands cannot be ruled out. RLD had lost all eight

seats it contested, including the ones where it fielded Amar, Jaya Prada, Ajit Singh and Jayant Choudhary. SP could win only five seats.

If the alliance works out, SP could leave Rajya Sabha seats for Ajit Singh and Amar in November. Jayant could also be accommodated in Akhilesh's ministry.

On Tuesday, Amar first came to Shivpal's residence and had breakfast. Thereafter, he went to Mulayam's residence where he was received by Akhilesh. After a meeting of 45 minutes, he left for his Gomti Nagar residence

in Lucknow.

Talking to reporters at his residence, Amar said there was no distance between him and Mulayam: "Hungama hai kyon barpa, chori to nahi ki hai, sirf mulaqat hi to ki hai (why there is so much hullabaloo, I have not committed any theft... I just had a meeting)."

Claiming that his relations with Shivpal were always intact, he said: "I used to have regular meetings with Shivpal and there is nothing new in it."

Amar parried queries on bete noire Azam Khan who is of late being sidelined in the party.

# PPF deposit limit raised to ₹1.50 lakh

**OUR BUREAU** 

New Delhi, August 19

You can now deposit up to ₹1.5 lakh a year in the public provident fund (PPF),

The Finance Ministry has amended the Public Provident Scheme following this year's Budget announcement enhancing the investment limit for tax benefits under Section 80C of the Income Tax Act.

The new limit can be used for tax benefits in the current fiscal year itself.

Any change in investment limit under Section 80C automatically reflects in life insurance polices, national savings certificates, equity-linked savings schemes and contribution to Employees' Provident Fund, but not in PPF, which is an independent scheme with

different features. PPF, a 15year savings scheme, carried an annual interest rate of 8.7 per cent in 2013-14. The interest, which is revised annually, is yet to be announced for the current financial year.

The minimum amount that can be deposited in a PPF account is ₹500, which, if not paid even for one year, invites a penalty. Unlike other instruments, the interest earned in this scheme is tax-free.

Although, the normal maturity period is 15 years, one can withdraw partially from the seventh year of opening an account.

Also, in the third year, it can be used as a pledge for a loan. The account cannot be attached under a court decree order.

## Modi draws flak for 'burying' Planning Commission

Why were States not consulted, ask Congress and the Left

OUR BUREAU

New Delhi, August 19

On the day Prime Minister Narendra Modi invited ideas from people on the new institution to replace the Planning Commission, Opposition parties accused him of sidestepping Parliament and the National Development Council (NDC).

Terming Modi's Independence Day announcement as arbitrary and knee-jerk, Congress spokesperson Anand Sharma said the Prime Minister should have consulted the States before making such a move.

"Making an arbitrary announcement to scrap Planning Commission without putting in place an alternative model first is totally wrong. It's a kneejerk and halfbaked decision. The Prime Minister should have taken on board



the views of Chief Ministers before taking such a decision," Sharma told reporters here on Tuesday.

He further said the Government should have convened a meeting of the NDC to discuss the issue.

The Modi Government is not trying either to restructure or downsize the pl an panel, but to scrap it entirely, he pointed out. "He has done exactly the opposite by unilaterally announcing a decision to replace the plan panel without seeking the views of

"Making an arbitrary announcement to scrap Planning Commission without putting in place an alternative model first is totally wrong. It's a kneejerk and half-baked decision."

ANAND SHARMA
Congress spokespersor

the States," Sharma said.

The Left parties said the role of the Planning Commission has already been curtailed in the last two decades under liberalisation. The CPI(M) said the step was taken a day after the Parliament session ended, without any discussion in Parliament or consultation with political parties or other concerned entities.

"What Modi has done is to give it a final burial. The Planning Commission had been tasked with certain allocation of resources under the plan, providing for a balanced development keeping in mind regional disparities and monitoring of important schemes and projects," the CPI(M) Polit Bureau said in a statement.

The party suggested that the Planning Commission should be made an executive wing of the NDC so that it becomes a truly federal institution.

"But if the Planning Commission itself is dismantled, the allocation for States will be decided by the Finance Ministry, which will only lead to further centralisation and bring in political bias, as far as the States are concerned," the statement added.

The CPI said the abolition of the Planning Commission is part of a policy to usher in a fullfledged market economy, a freefor-all to benefit the private sector, leading to anarchy in the system.

"It will result in (the nation) losing all the development priorities and poverty alleviation getting lost. The nation will suffer badly," the National Executive of the CPI said.