



PART A: News pertaining to Planning Commission



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नरेंद्र मोदी के विचार

“कड़ी मेहनत कभी थकान नहीं लाती,
वह संतोष लाती है।”

1 Laying the foundation for take-off

Business Standard, 28 Dec 2014; AJAY CHHIBBER

What are the reforms needed in 2015 to help achieve eight per cent-plus growth?

During 2014 India's prospects have improved somewhat. Inflation is declining steeply, fiscal and external imbalances are lower, and India appears to be in a better position to handle global volatility. While much remains to be done, sentiment about India has changed, reforms are on the anvil and the macro situation has been stabilised. The platform for transformation is being laid.



The new body that the prime minister promised on August 15 to replace the Planning Commission must now be set up, to take the reforms forward and spearhead the many transformations India needs over the next decade and a half

With inflation declining more rapidly than was anticipated — due to declining global commodity prices — the focus must shift to accelerating growth. Increasing the growth rate to the six per cent-plus in 2015 that the finance minister is predicting should not be that difficult. India's incremental capital output ratio (ICOR), which measures the return on capital invested, has risen sharply from around four in the period 2004-2009 to over six in the last five years. Reducing the ICOR to around five by quicker decision-making to complete projects, and better coordination among ministries and PSUs to improve capacity itself would do this without even an increase in India's investment rate. But India needs to raise itself to a much higher eight per cent-plus growth path. For this, reducing the ICOR is not enough; the overall investment rate must rise — with an increase in both public and private investment.

In the medium term, a good GST will help raise the tax intake as it helps widen the tax base. But, as international experience shows, this takes three to four years. What to do in the interim? How to raise public investment without compromising the fisc is the key question that must confront the finance minister. We don't need more PSU investment — that is a path towards uncompetitive growth. One solution is to put in place a much more ambitious disinvestment programme with the revenues raised earmarked for public goods investment. With lower international fuel prices a special levy to finance an accelerated transport investment programme would be another option. Finally, special infrastructure bonds could be raised for smart cities and the power sector. All these options should be on the front burner.

For reviving private investment the PM's "Make in India" campaign has the right ring to it. With India's manufactured exports forming less than 1.5 per cent of global manufactured exports India could easily expect to double its global share if it were to become more competitive.

China's share is over 15 per cent of global manufactured exports — some ten times India's share. So the room for growth in exports even in a sluggish global market remains huge. India does not need to choose between producing for the domestic market or for exports. Competitive industries — such as car parts, motorcycles, engineering goods, gems and jewellery — produce for both the export and domestic markets. Make for India is a subset of Make in India, not a substitute for it.

Much of what is needed for a successful “Make in India” lies in more competitiveness through structural and micro reforms — factor market reforms, better infrastructure and ease of doing business. This will bring in the FDI and domestic private investment for a major growth push like we saw in the 1990s. The GST that the finance minister is spearheading will also stabilise our finances and create a larger domestic market more attractive for foreign and domestic investors.

But India also does need to rethink its exchange rate and macroeconomic policy for a successful “Make in India” campaign. India has always erred on the side of a more overvalued rupee. The RBI's latest calculations of movements in the real exchange rate using the new CPI index show that the rupee was seriously overvalued by over 20 per cent between July 2009 and July 2013. It was during this period that the economy slowed sharply, the CAD rose alarmingly and eventually the rupee corrected sharply, first overshooting to almost ~70 to the dollar but eventually settling around ~60. Since then the rupee again appreciated in real terms as domestic inflation remained well above world inflation. The rupee is once again correcting to more realistic levels of ~64-65 to the dollar.

For a “Make in India” campaign India needs more FDI and less FII. The latter helps keep the rupee high, hurts exports and encourages imports. India has been obsessed with a strong-rupee policy as if it signifies a strong economy. The East Asian countries — especially China — have instead followed for a long time a policy of keeping their currencies undervalued by anywhere from 10-30 per cent. A strong rupee is also seen as necessary for lower inflation. But as we have seen, inflation has much more to do with commodity cycles, food policy and high fiscal deficits — not the exchange rate. There remains however a strong corporate, banking and importer lobby for a “strong” not a weaker rupee. This will have to change to make our macro policy consistent with the structural and micro reforms for Make in India.

The new body that the PM promised on August 15 on the ramparts of the Red Fort to replace the dead-end Planning Commission must now be brought out to take such campaigns and reforms forward. Why not call it a National Transformation Commission to signal the many transformations India needs over the next decade and a half to help reap our demographic dividend and emerge as the globe's third largest economy by 2030? Let us lay the foundations for that in 2015.

2 Minority affairs ministry draws flak

Times of India Syed Amin Jafri Dec 29, 2014

HYDERABAD: The standing committee on social justice & empowerment has expressed unhappiness over the failure of the ministry of minority affairs (MoMA) to utilize the budgetary allocations year after year. In its fourth report on the demand for grants 2014-15 for MoMA, tabled in the Parliament on 19th December, the committee observed that the ministry of finance had to decrease the allocations at Revised Estimate stage, year after year, because of 'under-spending' by MoMA. The committee further expressed its dismay that even the revised allocations were not utilized by MoMA, resulting in eventual surrender of substantial amounts every year.

Citing figures for the last three financial years, the committee pointed out that the actual plan expenditure of MoMA came to Rs 2,283 crore as against budgetary allocation of Rs 2,850 crore in 2011-12, Rs 2,158 crore against outlay of Rs 3,135 crore in 2012-13 and Rs 3,007 crore against budget estimate of Rs 3,511 crore in 2013-14. Consequently, an amount of Rs 504 crore was surrendered to the Union government in 2013-14 alone. The corresponding figures came to Rs 567 crore in 2011-12 and Rs 977 crore in 2012-13.

Due to the consistently less spending every year by MoMA, important schemes such as multi-sectoral development programme (MsDP), contribution to equity of National Minorities Development and Finance Corporation (NMDFC) and Maulana Azad National Fellowship for Minority Students have been affected. In this backdrop, the committee strongly recommended a complete revamp of the implementation machinery so that the allocated funds are utilized prudently and optimally.

The actual expenditure incurred by MoMA under MSDP during the last three financial years (2011-12 to 2013-14) was Rs 780 crore, Rs 641 crore and Rs 953 crore respectively, as against the budgetary allocations of Rs 1,218 crore, Rs 999 crore and Rs 1,250 crore respectively. The expenditure during the first half of the current financial year (2014-15) was Rs 659 crore as against the allocation of Rs 1,352 crore. Non-receipt of new project proposals and utilization certificates (UCs) from the states and union territories were the reasons cited by MoMA for less expenditure.

As MsDP is the most important programme of MoMA, the committee asked the ministry to impress upon all the state governments to send their proposals well in advance, that is, in the first quarter of the financial year itself so that evaluation/examination of the same can be done timely and funds released by the second quarter. The committee suggested that strict and meticulous monitoring of various schemes under MsDP in the states/ UTs should be undertaken to avoid under-utilization of funds.

The committee noted that in the restructured MsDP, the unit area of planning has been changed to blocks/ towns instead of districts for sharper focus on the minority concentration areas. As many as 710 blocks and 66 towns have been identified across the country for implementation of MsDP during the 12th Plan (2012-2017). The major projects undertaken under the scheme for minority concentration blocks/ towns (MCBs/MCTs) include education, skill development, health, anganwadi centres, drinking water, pucca housing and income generation infrastructure.

The committee noted that schemes like Indira Awas Yojana houses, skill development training programme for minority youth and bicycles for IXth Class students are individual beneficiary oriented projects but most of the states/UTs have not sanctioned these projects which are very vital for minorities. The committee asked MoMA to play a proactive role in obtaining proposals from the states which have not sent their projects besides framing a time-schedule so that the process of sanctioning these schemes is not unduly delayed.

To expedite the submission of proposals, the state governments and UTs have been reminded on various occasions. Meetings were held with principal secretaries/ secretaries of states and UTs for reviewing the progress of implementation of MsDP. Letters were sent to the states/ UTs for submission of project proposals and overdue UCs. Funds have been sanctioned for organising awareness and orientation programmes in blocks/ towns where MsDP is being implemented. Apart from conduct of baseline surveys, allocations have been made for appointment of block level facilitators.

The committee pointed out that though MoMA had submitted Budget proposals amounting to Rs 4,206 crore to the Planning Commission, the amount actually provided for different schemes in the Annual Plan 2014-15 is Rs 3,711 crore. Apparently, the Planning Commission and the finance ministry were skeptical about the ability of MoMA to utilize higher allocations. Still, the Plan allocation for MoMA in the current year represents a hike of Rs 704 crore (that is, 23 per cent) over the actual expenditure incurred last year.

3 Vocational education in schools can check dropouts

Times of India Ashish Roy, TNN | **Dec 27, 2014**,

NAGPUR: The Kelkar committee has by and large focused on regional imbalance and backwardness of Vidarbha and Marathwada but it has adopted holistic approach while analysing the education sector. The committee has recommended the government make efforts to educate targeted groups like women and tribals, introduce vocational education at school level and focus on quality rather than quantity.

The panel has used National Sample Survey Organization (NSSO) data to find out reasons for school drop out. The main reason for dropout is attitude towards education. The parents feel school education neither equips the child for life nor imparts skills for earning a livelihood.

Economic constraints come next. Access to schools is a factor for miniscule percentage of students.

While the government has opened several schools, most of them neither have necessary infrastructure nor adequate number of skilled teachers. This makes parents feel that education does not help the child. The government should set a target that every child should study up to Standard X.

The committee has studied industrial training institutes (IT IS) and found that most of them do not offer courses that the market needs. Private sector IT IS are better in this regard. The panel has suggested two solutions. First, introduce vocational education in Classes VIII, IX and X which will reduce dropouts. Second, start community colleges which impart region specific courses. Such colleges should be started in each taluka. Their numbers should be increased every five years based on the need.

Schools in interior areas do not have capable teachers. Here information technology (IT) should be used as a remedy. Virtual classrooms can help students in getting better teaching.

The report states [higher education](#) system in the state is in doldrums. Government intervention in this area is needed immediately. It only needs some resources and political will to change the scenario.

While dealing with engineering education, the committee has rightly observed that there is excess availability of seats. However, most students from backward regions do not get an opportunity to avail technical education. There should be a quota for students from backward regions and they should be provided subsidy on the lines of backward class students.

The report hasn't sought any intervention for business management colleges because market is removing incompetent players. However, direct intervention is needed in the field of medical education. Medical colleges should be started on priority basis by the government. It should also provide grants to private colleges of repute so that they lower the fee.

PART B

NEWS AND VIEWS

Monday 29th, December 2014

Polity

: PDP awaits BJP reply to 'alliance agenda'

Economy

: More reforms on the way to spur growth: FM

Planning

: On ordinance spree, govt may next take up changes to the land Act

Editorial

: The PPP route to growth

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More reforms on the way to spur growth: FM

BS REPORTER
New Delhi, 28 December

Finance Minister Arun Jaitley (pictured) said more economic reforms would be coming to spur economic growth, particularly manufacturing, and to improve the investment environment.

The government had lately issued an ordinance on the insurance sector and introduced a Constitution amendment Bill on a national goods and services tax.

On his 62nd birth anniversary on Sunday, Jaitley listed his priorities and also said



there'd be more focus on countering of unaccounted money, both within the economy and outside India.

"I complete 62 years today. The government has completed seven months. What are my priorities in the days to come?...Obviously, the first has to be to arrest the slowdown in growth and radically improve the investments' environment," he said.

The government in the past few months had undertaken several reforms, Jaitley said on his Facebook page. "More are to follow. Additionally, the liquidity in the market has to be encouraged and improved."

He said the services sector was doing well.

More investment in irriga-

tion was required. "The manufacturing slowdown has to be reversed. Changes and reforms which impact favourably on the manufacturing sector have to be undertaken. That is a focus I intend to pursue."

He said the menace of unaccounted ('black') money and the parallel economy was a curse. "The next few months will witness an increased focus by the government to fight black money, both within and outside the country. If we succeed, this will add an additionality of resource for the national economy," he said.

On ordinance spree, govt may next take up changes to the land Act

SANJEEB MUKHERJEE
New Delhi, 28 December

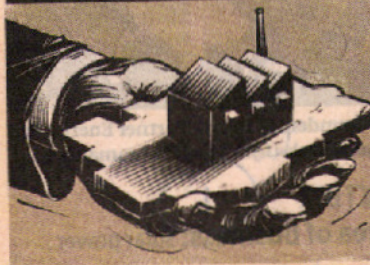
To make the land acquisition Act of 2013 industry-friendly, the government is likely to take the ordinance route for amending the provisions on land owners' consent. The main irritant — the compensation clause — might, however, see only procedural changes.

The government has lately gone for ordinances to increase the foreign equity cap in private insurers and allow e-auction of coal blocks. Now, an ordinance to tweak the land acquisition Act is expected to be taken up by the Union Cabinet as early as Monday.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, enacted by the previous government, allows acquisition for public-private partnership (PPP) projects after 70 per cent of the land owners have given written consent; the requirement for non-PPP projects is consent from 80 per cent land owners.

The land ordinance, it is learnt, will dilute the consent clause for PPP projects — either abolish it or bring the requirement down to 50 per cent of land owners. For projects carried out by the government for public purposes — where the land is to remain in the hands of the government — no consent would be required. PPP projects have faced difficulties due

MAJOR AMENDMENTS TO LAND ACT



- For PPP projects, clause on consent requirement could be abolished or brought down to 50% of land owners, against the current 70%

to issues related to land acquisition; these projects account for 60 per cent of the ₹18-lakh-crore stalled projects. The amendments might be aimed at giving a fresh lease of life to such projects. However, the Mid-Year Economic Analysis by Chief Economic Advisor Arvind Subramanian and his team recently said there was going to be difficulty in attracting new private investments even if the past backlog was cleared, given the current corporate debt overhang.

Under the new law, compensation is likely to be calculated from the date of preliminary notification of the acquisition,

- For compensation to land owners, there might be procedural changes but no tweaking in amount
- The mandatory social-impact study requirement may be diluted
- There could be a modification in the retrospective clause that stipulates annulment of acquisition if compensation is not paid or possession not taken within a given timeframe
- Sanctity of state-specific Acts on land acquisition could stay
- The definition of 'affected families' could be changed

unlike the current Act, which provides for compensation from the date of social-impact assessment study.

The amendments, though, are not likely to change the compensation amount. The Act currently provides for compensation of up to four times the market value in rural areas and twice the value in urban parts.

"If no change is being brought to the compensation clause, other amendments might not be of much help to private business. Their acquisition cost will not come down," said CARE Ratings Chief Economist Madan Sabnavis.

Bad loans: PM urged to take tough steps

New Delhi, Dec 28: Ahead of a high-profile meeting in Pune, a bank union has suggested to Prime Minister Narendra Modi that banking sector reforms should focus on the objectives of bank nationalisation and initiate stringent measures for recovery of bad loans.

"Any reform measure should simultaneously address strengthening of the objectives of bank nationalisation also," the All-India Bank Officers' Confederation (AIBOC) said in a letter to Modi and Finance Minister Arun Jaitley.

The government is holding two-day 'Gyan Sangam' of bankers at Pune on January 2 and 3 which will conclude with an address by Modi.

The AIBOC has specifically raised the issue of rising bad loans and suggested that "wilful default should be made a criminal offence... Wilful defaulters should not be considered for one-time settlement (OTS)". It also wanted the government to set up fast-track courts and make provisions for summary trials to ensure recovery of bad loans. The Confederation further said that of the Rs 2.5 lakh crore declared non-performing assets (NPAs), about 65-70% are from large corporate houses.



Cases of bad loans are rising in the banking sector

The government is holding a two-day 'Gyan Sangam' of bankers at Pune on January 2 and 3. The Prime Minister will address bankers on the last day

Raising human resource issues, the AIBOC underlined the need for proper remuneration and promotion policies to motivate the staff. It said depriving remuneration to staff on the basis of net profit would only demoralise bank employees.

AIBOC, with a membership of over 2 lakhs, is a top trade union of supervisory cadre employees. It has affiliates in all PSU banks and 10 private sector banks. PTI

Govt vetting spectrum auction draft

■ Defence and finance ministries being consulted ahead of the next auction in February

New Delhi, Dec 28: The Department of Telecom has sought views of defence and finance ministries on the draft note on spectrum auction.

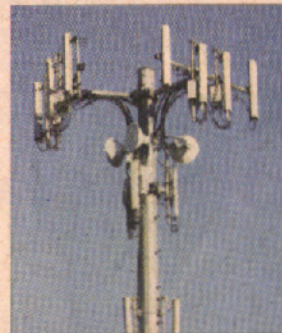
The auction is scheduled to take place from February 23 next year.

Government expects to auction some amount of 3G spectrum along with radiowaves in three sets of bands – 800 Mhz (used by CDMA operators), along with 900 Mhz and 1800 Mhz being

used by Airtel, Vodafone, Idea Cellular and Reliance Communications for 2G services across the country.

"The draft note on spectrum auction has been prepared by the Department and it has been sent to Finance and Defence Ministries for vetting," a DoT official said.

Since there are some technicalities and issues related to the spectrum in 2100 MHz band, the DoT is taking views of the Defence Ministry before sending the note for the



approval of the Cabinet, the official added.

The process is expected to

The DoT and the defence ministry have been working on a plan to get some spectrum freed from the latter for commercial mobile services

be concluded by next week (December 29, 2014 to January 3, 2015), the official said

without giving any specific time-frame.

The Defence Ministry has already agreed to vacate 5 Mhz in the 3G band, which is expected to be put up for auction in February.

Besides, the DoT has proposed that the Defence Ministry interchange 15 Mhz of spectrum in a frequency band with same quantum of 3G spectrum.

The DoT and the Defence Ministry have been working on a plan to get some spec-

trum freed from the latter for commercial mobile services and the waiver is part of an MoU signed between the two in 2009.

Government expects to raise at least Rs 9,355 crore from auctioning three sets of available spectrum.

The Union Government also expects to raise additional Rs 5,000 crore from auction of 3G spectrum in the 2100 Mhz band, provided it is vacated by the Defence Ministry.

PTI

TO SIDESTEP LENGTHY LAND ACQUISITION PROCESS

Govt may Offer Surplus PSU Land for New Infra Projects

Govt is eyeing nearly 18 lakh acres of land available with various state-run companies

Dheeraj.Tiwari@timesgroup.com

New Delhi: The government is eyeing nearly 18 lakh acres of land — or nearly five times the area of Delhi — available with various state-run companies, to quickly get manufacturing and infrastructure projects off the ground.

"The idea is that since land acquisition is a very long-drawn process, we can identify the land available and then match it with the requirements of a new project," said a senior official of the ministry of heavy industries and public enterprises.

Special emphasis is on projects that can be executed quickly with the help of the recently concluded the India-Japan investment promotion partnership, the person told ET.

The ministry has sought details of land available with public sector companies (PSUs) and a meeting is likely to be held next week to firm up details.

The ministry's own estimates suggest that there are 18 lakh acres of land available with PSUs. Out of this, about 8-10 lakh acres — some of which in top metros such as Mumbai and Delhi — can be utilised quickly.

A senior official with a state-run company confirmed that land details

have been sought. "We are in the process of compiling the data. Some land is free hold and other has been given by the respective state governments, so it is taking some time," he said.

This person said the government will first utilise land available with sick companies, where no operations are being undertaken.

The government has already identified around 12 state run companies that are no longer operational but have surplus land that can be used. The list includes Hooghly Dock & Port Engineers Ltd, British India Corporation, Elgin Mills Company, Hindustan Vegetable Oils Corporation and Birds

Jute and Export Ltd.

"Some of these companies are not in operation and have very few employees left. We are examining these firms from both financial viability and HR issues.

They have some land that can be utilised," the official said.

A cabinet note has been floated in regards with closure of six companies under the ministry of heavy industries — Hindustan Photo Films, Tungbhadra Steel, Hindustan Cable, HMT Bearings, HMT Chinara Watches and HMT Watches.

Last week, cabinet cleared an "improved" voluntary retirement scheme in Central Inland Water Transport Corporation, which will be followed by disinvestment. A committee of secretaries is likely to be tasked with this entire process of identifying and giving out surplus land.

Land Bank

Govt looking to use surplus PSU land for industrial, infrastructure development

This land can be made available to the projects under the India-Japan initiative

Why

Land acquisition is difficult under new law

Ready land will speed up development

Govt has asked for details from state-run cos

Surplus PSU land details not with Centre

How Much

18 lakh acres surplus estimated by heavy industries ministry	Land Available with select PSUs (in acres)
	Coal India 7 lakh
	Sail 1.5 lakh
	BHEL 15,000
	FACT 2,100
	RCF 1,800
	HMT 3,000
	NTC 2,800
	BSNL 14,000
	HEC 7,200
	Hind Fertiliser 1,800

Can work in case of sick cos by winding them up

Total land available with sick PSUs is estimated at 2.5 L acres

Taking away land from PSUs and listed firms will not be easy

I&B Ministry utilising new media like never before

New Delhi: With Prime Minister Narendra Modi leading from the front, social media outreach of Information & Broadcasting Ministry and its associated bodies has got a major boost with over 16 lakh followers on *Twitter*, nearly 90,000 *YouTube* subscribers and around 30 lakh likes on *Facebook*.

Senior officials say the Information & Broadcasting Ministry has utilised the new media to disseminate information in an unprecedented manner.

"The celebration of former PM Atal Bihari Vajpayee's birthday on December 25 as the Good Governance Day is just one of the examples of how I&B Ministry utilised the new medium aggressively. On *Facebook*, the Ministry posted 35 times, including around 22 plates with Vajpayee's poetry written on them.

"And as per our information, in a single day, the reach of these posts was approximately 7.5 lakh people," a

**SOCIAL MEDIA OUTREACH OF
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MINISTRY AND ITS ASSOCIATED BODIES
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AROUND 30 LAKH 'LIKES' ON *FACEBOOK***

senior official told *PTI*.

On the same day, officials of the I&B Ministry also posted another 43 posts on *Twitter* which reached another 4,82,000 people approximately, officials added. These posts were retweeted in one day more than 8,460 times, they added.

The Ministry of I&B and associated bodies like Press Information Bureau, All India Radio (AIR) and Doordarshan have established a sophisticated strategy to lead online coverage of important events live, an official said.

And this strategy is evolving and the Ministry is now planning to extensively use *Whatsapp* and develop mobile applications to expand its reach in the social media space.

Citing instances, where the ministry's use of social media has been quite successful, officials named PM's address at Madison Square Garden, IFFI opening and closing ceremonies, launch of flagship programmes etc.

"The kind of impact this social media strategy has can be assessed from the fact that the total number of impressions of

I&B Ministry's *Twitter* account during the period when International Film Festival was held was a substantial 26 lakhs," a senior official said. Having established a Standard Operating Procedure to set the ball rolling on social media spaces whenever an event happens, the Ministry is now taking its role of training other departments in the new media quite seriously.

In the recent past, workshops have been held on at least two occasions and another one is being planned in the near future, officials said.

As far as I&B Ministry is concerned, bodies like All India Radio, Doordarshan and Press Information Bureau, work in tandem to take the message to the new media.

Giving details, officials said that the *Twitter* handle of I&B Ministry has 2.39 lakh followers while there are an additional 3.71 people following the PIB handle. The *Twitter* handles of AIR, DD News Hindi and English also have around

4.14 lakh, 5.03 lakh and 60 thousand followers.

In all they reach a huge 16.14 lakh followers, according to data maintained by officials.

On *YouTube*, the Ministry has 16,000 subscribers while PIB has another 2,783 subscribers. Adding the *YouTube* subscribers of DD National (46,483), DD News (23,198) and AIR (2,421), the total number of *Youtube* subscribers of I&B and bodies associated with it is nearly 90,000.

On *Facebook*, the I&B Ministry page has seen in all 6.69 lakh likes, the AIR page another 18.28 likes and DD News 4.5 lakh likes. In all, they constitute nearly 30 lakh likes for all these bodies, officials said.

In addition, The Blog Page of the I&B Ministry has 7.2 lakh views while on *Google Plus* it has 947,612 followers and 23,385,575 views, officials said highlighting how the Government is adapting to the changing information scenario.

PTI

Collective deposit in accounts opened stands at ₹7,690 crore

Jan Dhan Yojana meets 10-crore accounts target

SURABHI

NEW DELHI, DECEMBER 28

A MONTH before the January 26 deadline, the government has met its target of opening 10 crore bank accounts under its flagship scheme, the Pradhan Mantri Jan Dhan Yojana.

Official data reveals that 10 crore accounts have been opened under the scheme by December 24 with a collective deposit amounting to Rs 7,690.89 crore.

A total of 7.74 crore RuPay debit cards have also been issued by banks to beneficiaries.

States including Goa, Kerala, Tripura and Madhya Pradesh as well as union territories of Chandigarh, Puducherry and Lakshadweep have opened at least one bank account in every targeted household.

However, nearly two-thirds of all bank accounts continue to have zero balance with the data revealing that 7.35 crore bank accounts are currently dormant.

While concerns have been raised about the large number of dormant accounts, the finance ministry has maintained that these will register transactions once the Direct Benefit Transfer scheme is launched from the New Year.

"We are still working on covering all targeted households with at least one bank account by the deadline. We expect that with the start of DBT,

TWO-THIRD REMAIN DORMANT



STATES including Goa, Kerala, Tripura and Madhya Pradesh as well as union territories of Chandigarh, Puducherry and Lakshadweep have opened at least one bank account in every targeted household

TWO-THIRD accounts totalling 7.5 crore remain dormant

A TOTAL of 7.74 RuPay debit cards have been issued by banks to the beneficiaries

TO EXPAND the scope of the scheme, the finance ministry has asked banks to open accounts for dairy farmers

there will be a sudden inflow of cash in most accounts," said a government official.

The scheme was launched by Prime Minister Narendra Modi on August 28 to financially empower the poor by providing them access to formal banking.

The scheme initially had a target of opening 7.5 crore bank accounts by January 26, 2015, which was later raised to 10 crore bank accounts.

The data also reveals that just a third of all accounts were seeded with Aadhaar numbers. That number stood at 3.12 crore bank accounts as on December 17.

The government has not made Aadhaar mandatory for DBT and it is optional to link it in the bank account. However, banks have been instructed by the finance ministry to try to seed Aad-

haar numbers in bank accounts to help with DBT.

Meanwhile, trying to expand the scope of the scheme, the finance ministry has also asked banks to open accounts for dairy farmers.

"Dairy farmers constitute a big basket of potential account holders, many of whom could be outside the banking fold. There are 15.4 million dairy farmers registered with various cooperatives in the country. They receive cash payment from milk cooperatives once in seven to 10 days," said a recent missive by the finance ministry, directing banks to bring them within the banking framework so that they can receive their payments in their accounts. Earlier, the chairman of the National Dairy Development Board too had written to public sector banks on the issue.

FinMin lists financial inclusion, GST Bill as achievements

NEW DELHI: Highlighting its achievements over the last seven months under the NDA government, the finance ministry on Sunday said that new schemes including the Pradhan Mantri Jan-Dhan Yojana, Varishtha Pension Bima Yojana were launched along with actions to curb black money and tabling of the Constitutional Amendment Bill for the Goods and Services Tax (GST).

"The first major decision taken by the present government after taking over reins of power in May, 2014 was to constitute a Special Investigating Team (SIT) to implement the decision of the Supreme Court on large amount of money stashed abroad by evading taxes or generated through unlawful activities," said an official release.

Further, finance minister Arun Jaitley also re-launched the Varishtha Pension Bima Yojana and the Kisan Vikas Patra. A Swachh Bharat Kosh (SBK) has been set up to attract Corporate Social Responsibility (CSR) funds from corporate sector and contributions from individuals and philanthropists to achieve the objective of Clean India (Swachh Bharat) by the year 2019.

ENS

Unorganised sector labour reforms are a priority, says Minister

Centre to provide labour ID number through Shram Suvidha portal

OUR BUREAU

Kolkata, December 28

Labour reforms for the unorganised sector are a priority for the Narendra Modi government, the Union Minister of State for Labour and Employment, Bandaru Dattatreya, said here. He added that the Centre is taking steps in this regard.

According to him, some of the measures being put in place include the setting up of the Shram Suvidha Portal (SSP), through which a unique labour identity number will be provided to unorganised sector workers. Dattatreya was in the city to attend the 'World Confluence of Humanity, Power and Spirituality' organised by Srei Foundation.

"My focus area will be the unorganised sector. We have taken a new initiative, the Shram Suvidha Portal (SSP), that will help provide labour identity numbers (LIN) to the establishments," he said.

So far, labour identity numbers have been provided by the Centre to 7.5 lakh institutions.

According to Dattatreya, the Centre has initiated moves to further decentralise labour services by allotting a Universal Account Number (UAN).

The UAN is a portable number that gives the members greater control over their money and links the EPF and ESI services.

Meeting

The Minister said that he has invited his West Bengal State counterpart, Moloy Ghatak, to Delhi to discuss various matters, including labour unrest.

He added that one of the



Bandaru Dattatreya, Union Minister of State, Labour and Employment, in Kolkata on Saturday ASHOK CHAKRABARTY

major areas of concern for his department was the "pathetic" situation of the plantation (tea garden) workers in West Bengal and Assam.

The Labour and Commerce Ministries are looking at various schemes to help improve working conditions, the Minister pointed out.

Centre keen to have real-time data for every commodity: Sitharaman

Says Govt has identified 25 sectors for 'Make in India'

OUR BUREAU

Coimbatore, December 28

"Absence of real-time data" is the biggest handicap in the present day decision-making process. Policy decisions taken without real-time data or involving industry stakeholders will prove to be disastrous, observed Minister of State for Commerce and Industry Nirmala Sitharaman.

Stating that the Centre is keen to have real-time data for every commodity, Sitharaman urged the industry to share ground level information and data.

"There is huge export potential not just for cotton or yarn but every commodity, be it spices, jute or tea. The Government is prepared to hear ground level issues and address them," she said, addressing a meeting of textile entrepreneurs at the Le Meridien hotel here.

"Ease of doing business is what we are aiming to do," she said, inviting industry

We are at the cusp of change. If we want big ticket reforms, we will have to tackle the smaller issues first, says Commerce Minister



Nirmala Sitharaman, Minister of State for Commerce and Industry

watchers to share their grievances, besides assuring them of taking up the issues at the December 29 meeting with the Prime Minister and Finance Minister in New Delhi.

"I understand your plight," she said, after watching a presentation that highlighted the complexity of doing business with Bangladesh.

Many issues

Admitting that there are a lot of issues that would have to be addressed, she said: "We are at the cusp of change. If we want big ticket reforms, we will have to tackle the smaller issues first, for the landing platform is full of unwanted growth". Addressing the media, she said the Government would enable and facilitate 'Make in India' by looking at aspects which are important for ease of doing busi-

ness. "We will look at aspects which need to be regulated, controlled, and remove archaic rules and regulations, simplify applications for registering, and so on."

"The Government has identified 25 sectors for 'Make in India' and these will be in priority for ease of doing business."

Foreign trade policy

To a query on foreign trade policy, Sitharaman said: "I do not want to engage in date speculation, but a majority of the work is done. It has a lot of financial commitment which will have to be made part of the policy... At least six States have finalised their export strategy and three States have appointed export commissioners. We are now in the process of digitising trade data. This work will be over soon."

On the status of foreign trade agreements (FTAs), she said: "We have reviewed both — SEZs and FTAs — to understand if Indian exporters have benefited. In the SEZs, the non-processing area has been proposed to be opened up for mixed use. This is expected to be in place within the next six months to a year."

The Government will be introducing the Exporter-Importer code, which would be available online from January 1. "This is part of good governance initiative and is aimed at simplifying the procedure," she said.

SJ(D) merges with JD(U)

Special Correspondent

THRISSUR: The Socialist Janata (Democratic) [SJ(D)], a constituent of the United Democratic Front, merged with the Sharad Yadav-led Janata Dal (United) [JD(U)] at a meeting here on Sunday.

Mr. Yadav handed over the JD(U) flag to M.P. Veerendrakumar, the party's new State unit president. Mr. Yadav said socialist parties should come together to save the country.

Former Bihar Chief Minister Nitish Kumar said discussions were on at the national level for a larger unity of forces opposed to divisive politics. "The unity of Samajwadi Party, Rashtriya Janata Dal, Janata Dal (Secular), Samajwadi Janata Dal, and Indian National Lok Dal will happen one day. There is no time frame set for this. But we are working in this direction," he said.

He said the Narendra Modi government had not fulfilled its electoral promises.

"The BJP has not honoured its promise of bringing back to the country black money in foreign banks, supporting farmers, and cre-



UNITED FRONT: Janata Dal (United) leader Sharad Yadav, Socialist Janata (Democratic) leader M.P. Veerendrakumar, and former Chief Minister of Bihar Nitish Kumar at the SJ(D)-JD(U) merger meet in Thrissur on Sunday. — PHOTO: K. K. NAJEEB

ating more jobs for youth. A BJP leader called Nathuram Godse a patriot and the government has not responded. There is also no clarity on the government's position on mass conversion," he said.

He said there should be no confu-

sion over the JD(U)'s political alignment in Kerala after the merger. "The SJ(D) was part of the UDF and Janata Dal (Secular) is with the Left. One will cross the bridge when one comes to it. Then the political alignment will be evaluated," he said.

FOG HITS 70 TRAINS; DISRUPTS VEHICULAR MOVEMENT, AIR TRAFFIC

Delhi shivers at 2.6 deg C

STATESMAN NEWS SERVICE
New Delhi, 28 December

Delhiites shivered at 2.6 deg C today, breaking the records of the last five years, and witnessed the lowest temperature with the minimum dipping five notches below normal.

The dense fog affected 70 trains and 55 flights in the last 24 hours.

According to the Met department, the minimum temperature recorded at 8.30 am was 2.6 degrees Celsius. The humidity recorded was 97 per cent and the visibility was less than 50 metres.

"This is the lowest temperature recorded in Delhi in the past five years. It could be the lowest in the past decade too but records for the same aren't immediately available," said the weatherman. Delhi's all time low of 1.1 degrees Celsius was



Dense fog in the Capital on Sunday. — Himanshu Sharma

recorded on 26 December, 1945.

The sky was clear throughout the day, as predicted by the weatherman.

"The maximum tem-

perature is likely to settle at 19.2 degrees Celsius and the minimum is likely to touch 3 degrees," added the weatherman.

According to airport

authorities, flight operations were severely affected.

"Fifty five flights were delayed due to fog and three international flights

were diverted," said the weatherman.

Early morning dense fog also affected movement of about 70 trains including 50 north-bound trains. Four trains had to be cancelled and six of them rescheduled, a northern railway spokesperson said.

Yesterday, the Capital had recorded the second lowest temperature of the season with mercury dipping to 4.8 degrees Celsius, three notches below normal, though the afternoon was comparatively warmer.

The maximum temperature settled at 19.2 degrees Celsius.

Tomorrow's maximum and minimum temperature are likely to hover around 17 degrees Celsius and 6 degrees Celsius. The Met department predicted a dense fog in the morning.

PDP awaits BJP reply to 'alliance agenda'

MAJID JAHANGIR
TRIBUNE NEWS SERVICE

SRINAGAR, DECEMBER 28

Amid the continuous deadlock, the Peoples Democratic Party (PDP), which is the single largest party in the newly elected Assembly, is awaiting the response of the Bharatiya Janata Party (BJPs) to the "agenda on alliance" forwarded before taking any call on government formation with it in Jammu and Kashmir.

Sources in the PDP said the "agenda on alliance" forwarded by the PDP com-

prises revocation of the Armed Forces Special Powers Act, strengthening of Article 370, soft borders to facilitate travel and trade, Mufti Mohammad Sayeed as the Chief Minister and a six-year tenure for him.

"We have put forth a political and economic agenda. It is up to the BJP to decide. If it agrees, the coalition may take shape," said a PDP insider privy to the developments. PDP patron Mufti had been holding consultations with party leaders and legislators for

the last five days.

He said party leaders, including Mufti, were of the opinion that the BJP, under the leadership of Prime Minister Narendra Modi, could take bold steps on Kashmir unlike the Congress, which had been ousted from power at the Centre.

"It was Atal Bihari Vajpayee who took bold steps on Kashmir. Modi can be effective as well for peace in the state and the region," said the PDP leader.

Party sources said it would be a political gamble for the

Manmohan calls up Mufti

Manmohan Singh called up Mufti Mohammad Sayeed late on Saturday. The former Prime Minister greeted the PDP patron for the emergence of his party as the single largest party and assured Congress support.

Kashmir-centric party, especially Mufti, as any tie-up with the BJP could backfire, which party leaders understood.

Ramesh Arora, vice-president of the state unit of the

BJP and in charge of Kashmir affairs, said consultations were taking place about government formation.

"The PDP has put forth its viewpoint and the BJP is holding consultations," he said. BJP general secretary Ram Madhav will visit the state again to hold further consultations over government formation.

The PDP is yet to hold its Legislature Party meeting. Party president Mehbooba Mufti is likely to call on Governor NN Vohra on December 31.

The party is not likely to hold a meeting of its newly elected legislators till something concrete takes place on formation of a coalition.

Party legislators have been calling on Mufti at his fortified Fairview residence at Gupkar and giving him their feedback on a possible future alliance.

"Early government formation is not in sight," said Naeem Akhtar, chief spokesman for the PDP. The party may call a meeting of its Political Affairs Committee once things became clear.

The PPP route to growth

While big-ticket reforms are held up, let's address infra concerns

That the Narendra Modi government ran into a wall of Opposition in Parliament in trying to push reform legislation in coal and insurance is unfortunate. Even so, ordinances cannot institutionalise a new model of governance; at best, they may only signal to a restive industry that the Centre means business and buy some time to cobble up a consensus in Parliament. But even if such a consensus on amending laws on land acquisition, labour, mining and the financial sector takes time in coming, there are enough areas where supply side constraints can be eased without breaking into so much as a sweat. One of these is allowing for renegotiation in new PPP projects, if not in existing ones. The 3P India initiative, announced by Finance Minister Arun Jaitley in the Budget, marks a salutary attempt to address "weaknesses of the PPP framework, the rigidities in contractual arrangements, the need to develop more nuanced models of contracting, and speedy dispute redressal". This process needs to be cranked up for the over 900 PPP infrastructure projects in the fray, involving a credit exposure of nearly ₹9 trillion.

In this context, the recent RBI circular extending the so-called 5:25 scheme to existing infrastructure projects is to be welcomed. These projects can now get finance over 25 years, with the banks being allowed to refinance or sell out their loans every five years. This is a way out of the stressed assets logjam that has frozen up both the supply and demand for credit. The growth of bank credit to infrastructure sectors fell from 45 per cent in 2011-12 to 18 per cent in 2013-14 and has been trending downward since. Banks cannot lend beyond a tenure of 10 to 12 years due to their asset profile, and this impacts both the viability of the loan and the costing/pricing of projects such as roads and metros, among others. The India Infrastructure Finance Company, set up in 2006 to overcome the asset-liability mismatch, does not seem to have made enough headway.

However, as the Finance Minister observed, finance is only one of the problems weighing down PPPs. Contracts need to be renegotiated when macroeconomic shocks overturn earlier assumptions. To ward off allegations of crony capitalism or litigation from bidders who lose out in the first stage, it is important to create a credible institutional mechanism. This is precisely what 3P India should set out to do, besides thinking up innovative financial instruments and concession agreements. It could ease up exit conditions, so that promoters can use the freed up capital for other projects. Pricing should combine public purpose considerations with those of risk and efficiency. Pushing big ticket reforms is no cakewalk in a raucous polity such as ours. Yet, a robust PPP framework can make a difference in cranking up investment and growth.