

PART A: News pertaining to Planning Commission



11.12.2014

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(महापुरुषों के प्रेरणात्मक विचार)

(A theory must be tempered with reality. एक सिद्धांत को वास्तविकता के साथ संतुलित किया जाना चाहिए)

Jawaharlal Nehru जवाहरलाल नेहरू

1. Moily on offensive

The Telegraph: 11.12.2014



Moily: Critical mood

New Delhi, Dec. 10: Congress leader Veerappa Moily today said the Reserve Bank governor "should quit on moral grounds" after a flip-flop by a committee headed by Raghuram Rajan that had recommended the names of people to fill top executive positions at half a dozen state-owned banks during the UPA regime only to withdraw the list after the Modi government came to power.

Moily launched an attack on the Modi government's poor handling of the economy during a debate in the Lok Sabha on the supplementary demand for grants - and used that occasion to try and drive a wedge between Rajan and finance minister Arun Jaitley.

Turning to Jaitley, Moily said, "The committee headed by the governor of the Reserve Bank of India selected six or seven chairman and managing directors (CMDs) of the banks after due diligence and... that was suddenly cancelled. Who cancelled it? It may not have conformed to your standards of selection. But I do not expect these things to happen under Arun Jaitley. We always considered you a professional man."

Jaitley immediately responded to the provocation by suggesting that the process of evaluating the candidates was seriously flawed.

"Each candidate, who in the normal performance rating of the last few years was not placed high, as a rule got 29 out of 30 marks in the interview. Therefore, after a CBI report, the matter was referred for reconsideration to the RBI governor. If you want to see those records, I will show you the records," Jaitley said.

Moily riposted, "The RBI governor was the chairman of the selection committee and it was the same RBI governor and the members of the committee who cancelled the appointments. The RBI governor should quit on moral grounds. I do not blame you for it."

The Congress leader then wondered why Jaitley continued to repose faith in a committee that already stood discredited.

"How can you rely upon the same committee, which recommended those names? How do you rely upon that committee's judgement in future," he asked Jaitley.

Moily also went on to suggest that both the government and the RBI were insensitive to the demands of industry and agriculture by doggedly resisting the growing clamour for a cut in interest rates to revive the economy.

He said both Japan and China had cut their interest rates to restore the fortunes of their sagging economies. But the Modi government was proving to be insensitive to the "problems of the agriculturists, farmers, industries and manufacturing sector. That is why, it (the economy) does not take off."

Moily then waded into the controversy over Prime Minister Modi's unilateral decision to scrap the 64-year-old **Planning Commission**. He said Modi had tried to buttress his arguments for winding up the plan panel by claiming that former Prime Minister Manmohan Singh and a high level committee under Dr C. Rangarajan had also supported the move.

The Rangarajan report on public expenditure had never recommended the winding up of the Planning Commission, Moily said. "In fact, the idea was to strengthen the Planning Commission and not to wind it up," he added.

He also quoted from a speech by Manmohan Singh to show that the former prime minister had never spoken of winding up the planning commission. He said Singh had only talked of the need to use new tools and approaches to re-define the role of the Planning Commission in an increasingly open and liberalized economy. "He (Manmohan Singh) very clearly said the Planning Commission should be strengthened," Moily added.

Earlier this week, Prime Minister Modi had called a meeting of state chief ministers that remained deeply divided on the move to wind up the commission, with Congress-ruled states calling for a "re-orientation" of the plan panel as that could potentially destroy Centre-state relations.

Moily accused the Modi government of trying to foist a Chinese model as a replacement for the plan panel. "You want to have a China model. The China model is a government within a government - it's a parallel government without democracy."

2. Scrapping of Planning Commission demanded

Deccan Chronicle: 11.12.2014

50 YEARS AGO IN
DECCAN Chronicle

Scrapping of planning commission demanded

(By Our Staff Reporter)

HYDERABAD,
Dec. 10.

Scrapping of the Planning Commission and abolition of the Panchayati Raj department at the state level were demanded by the leader of the Swatantra Party, Mr G. Latchanna, in the Legislative Assembly today.

Participating in the debate on the penultimate day of the four-day discussion on the Fourth Five-Year Plan, Mr Latchanna hit out at the very philosophy of planning and said that so long as the Planning Commission was retained at the Centre, there could be no real development in the country.

The ushering in of Panchayati Raj in the State, he said, had only resulted in various administrative wings working in opposite directions and the district collectors were not able to co-ordinate their activities. It was time the Panchayati Raj department which is functioning as the mother-in-law of the administration was abolished, he said.

Quoting some "facts and figures," Mr Latchanna pointed out that the only achievement that the Andhra Pradesh Government could boast of under the three Plans was an increase in the death rate, which has surpassed even the All-India average.

Except this, there was no progress on any other front.

3. No clarity on Plan panel revamp

Deccan Chronicle: December 09, 2014, 07.12 am IST

When Prime Minister Narendra Modi spoke of jettisoning the Planning Commission in his Independence Day speech, it became evident that the plan body created by Jawaharlal Nehru would soon be history. Through this single announcement, the country's new leader made a declaration of faith — that the ancien regime piloted by the Congress was to be buried and forgotten.

But what would take its place still seems unclear though the Prime Minister held a conference with CMs on Sunday to discuss the matter. New reports suggest that most of those present endorsed the Modi agenda of knocking out the Planning Commission. Expressions like “cooperative federalism”, which seems a favourite of the PM, making the plan exercise “bottom up” instead of “top down”, and getting rid of “one-size-fit-all” planning were bandied about without any concrete underpinning to them.

Four months after Mr Modi gave us an inkling that he has no love lost for the Planning Commission, we still heard banalities on Sunday. In these four months, the government has encouraged no public debate and discussion — unlike the case with the Swachh Bharat campaign, for instance — on the subject. Does the government itself have a clear mind on the matter? Even that is not known. All that seems clear is that the PM sees the PC as part of the Nehruvian legacy, and hence deems it fit to be thrown out.

Nehru began with the premise that the market could not be relied upon to allocate resources efficiently in a poor, post-colonial, economy if the aim was to address the question of intensive poverty and uneven development. The Indian capitalist class was not strong enough even to take baby steps, and hence had no quarrel with the state playing a significant role in the economic sector at the time.

A lot has changed since then for the better, but poverty still remains the lot of 40 per cent of our population. Should the state play a minimalist role now and let the market decide how resources will be allocated? Should states now direct the planning process (can Maharashtra have a clear thought on Orissa's potentials and needs and vice versa, for instance)?

Much was said at the Sunday conference about states being represented in the planning process. It is not clear what this means, for states were always closely aligned with the working of the plan body. In fact, much of what transpired seemed like hot air. Nothing concrete was spelled out. It was not even said that the entity that supplants the PC in Mr Modi's vision will simply be a mundane think tank.

4. New Body Replacing Planning Commission Will Empower States: Jaitley Outlook: 10.12.2014

Advocating greater powers for states, Finance Minister Arun Jaitley today said a principle of 'cooperative federalism' is being followed in setting up the new body in place of Planning Commission.

"Our government stands by the principle of cooperative federalism, empowering states, least number of central schemes and more state schemes," Jaitley said while replying to a debate in the Lok Sabha.

Prime Minister Narendra Modi had called meeting of all chief ministers on Sunday to deliberate on the structure of the new body which would replace the Planning Commission where a majority view was in favour of decentralisation of power.

Advocating more autonomy for the states, the finance minister said: "Allow states to rule because they have as much mandate to rule their states as much as we have to rule Delhi. We will maintain the spirit of cooperative federalism."

He added: "Even the Congress Chief Ministers (during the meet) that I heard, subject of their speech was decentralisation, cooperative federalism. One size does not fit all. Let the states decide and give more power to states."

He further said, "But because probably you (Congress) told them that it is our baby, the first sentence used to be, Planning Commission did a very good job. It should not be replaced. The rest of speech of even regional parties was broadly the same."

Jaitley said: "Do you only pay lip sympathy to cooperative federalism that you have a central government structure by an executive order or you have structure where centre, states and experts decide to minimise the number of central schemes."

The government concluded the consultations for deciding on the structure of the new body with Chief Ministers on Sunday. It is expected that the new body will be in place by the January 26.



योजना आयोग की जगह लेगा संघ विकास आयोग

अब केंद्र सीधे विकास पर देगा ध्यान

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केंद्र सरकार अब योजना नहीं बनाएगी, बल्कि सीधा विकास पर ध्यान देगी। यही संजह है कि योजना आयोग को खत्म कर उसकी जगह पर संघ विकास आयोग (यूनिऑन डेवलपमेंट कमिशन) को अगली जगह पहचान का काम शुरू कर दिया गया है। वह आयोग सीधे प्रधानमंत्री के नीचे काम करेगा। सभी मुख्यमंत्री और जूनिव केन्द्रीय मंत्री इसके सदस्य होंगे। वहीं प्रशासनिक मशीनरी सेक्रेटरी जनरल खुर संभालेंगे और इसके लिए स्याई सचिवालय बनाया जाएगा।

ऐसी होगी गवर्निंग बॉडी

टीम : प्रधानमंत्री, मुख्यमंत्री, जूनिव केन्द्रीय मंत्री, स्याई आर्म्बित सदस्य।
सचिवालय : आयोग का स्याई सचिवालय सेक्रेटरी जनरल की आवाज में काम करेगा। इसमें प्रिंसिपल एडवाइजर होंगे। साथ ही अन्य बॉरिड विशेषज्ञ भी रखे जाएंगे हैं। प्रत्येक राज्य का प्रतिनिधित्व भी इसमें रहेगा। इसमें मुख्य सचिव को सदस्य बनाया जा सकता है। स्याई आर्म्बित सदस्यों की एक्ज्यूक्यूटिव बॉडी भी होगी।

केंद्र शासित प्रदेश पर मंथन

संघ विकास आयोग सभी राज्यों के लिए काम करेगा। इसमें केंद्र शासित राज्यों को लेकर विचार-विमर्श हो रहा है कि उनके लिए

कुछ ऐसा होगा नई संस्था का रूप

- प्रधानमंत्री से लेकर सभी मुख्यमंत्री होंगे सदस्य
- स्याई सचिवालय होगा तैयार, विषय विशेषज्ञ होंगे विशेष सलाहकार

लक्ष्य पर यूं होगा काम

- डिस्ट्रीब्यूटड डेवलपमेंट गोल्ट्स तय होंगे।
- सामूहिक लक्ष्य सचिवालय के अनुच्छेद-39 से तय होंगे
- इंफ्रस्ट्रक्चर डेवलपमेंट के 10-15 साल के लक्ष्य तय होंगे
- हर लक्ष्य का सालाना रिपोर्ट कार्ड रहेगा

किस प्रकार आयोग काम करेगा। केंद्र शासित प्रदेश के प्रतिनिधित्व का प्रारूप अभी तय नहीं है।

केबिनेट संकल्प से बनेगा

आयोग को बनाने के लिए किसी अधिनियम का सहारा नहीं लिया जाएगा। ऐसी व्यवस्था की जा रही है कि केवल मंत्री परिषद के संकल्प के जरिए ही इसे स्थापित करेंगे। इससे काउंसिल ऑफ चीफ मिनिस्टर की अलग से व्यवस्था की जरूरत नहीं रहेगी।

PART B

NEWS AND VIEWS

Thursday, 11th December 2014

Polity

: Sonia rues coalition polities, says BJP not fulfilling poll promises

Economy

: FM again pokes RBI to cut interest rates

Planning

: Govt Planning Institutes on Indology

Editorial

: Goodbye Sec 309

Communication, IT Information Division
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Child rights' crusaders Satyarthi, Malala receive Nobel Peace Prize

OSLO, DECEMBER 10

Indian activist Kailash Satyarthi and Pakistani teenager Malala Yousafzai, shot by the Taliban for refusing to quit school, today received the Nobel Peace Prize for 2014 after two days of celebration honouring their work for children's rights.

"Satyarthi and Yousafzai are precisely the people whom Alfred Nobel in his will calls 'champions of peace'," Thorbjorn Jagland, chairman of the Norwegian Nobel Committee, said in his speech before awarding them the prestigious prize here.

"A young girl and a somewhat older man, one from Pakistan and one from India, one Muslim, the other Hindu; both symbols of what the world needs: more unity. Fraternity between



Kailash Satyarthi (R) and Malala Yousafzai (L) at the Nobel Prize Concert in Oslo on Wednesday. AFP

Modi congratulates 'champions of peace'

NEW DELHI: PM Narendra Modi on Wednesday congratulated Nobel laureates Kailash Satyarthi and Malala Yousafzai. "The entire nation watches the ceremony in Oslo with great joy and immense pride. Congratulations @k_satyarthi! "I also congratulate the young Malala Yousafzai for the momentous achievement," Modi tweeted.

the nations!," he said. Satyarthi, who gave up his job as an electrical engineer to run an NGO for rescuing children from forced labour and trafficking, said: "I refuse to

accept that the world is so poor, when just one week of global military expenditure is enough to bring all of our children into classrooms."

"I refuse to accept that

the shackles of slavery can ever be... stronger than the quest for freedom," said 60-year-old Satyarthi, who asked the audience to feel the child inside them and globalise compassion.

"Let us inculcate and transform the individuals' compassion into a global movement. Let us globalise compassion. Not passive compassion, but transformative compassion that leads to justice, equality, and freedom," Satyarthi said after receiving the award here at ornate Oslo City Hall.

Malala became by far the youngest laureate, widely praised for her global campaigning since she was shot in the head on her school bus in 2012.

"I tell my story, not because it is unique, but because it is not," said Malala. — Agencies

Centre to scrap law that makes suicide bid a crime

18 States, 4 UTs
Back Move To
Repeal Sec 309

Bharti.Jain@timesgroup.com

New Delhi: The government has decided to decriminalize "attempt to suicide" by deleting Section 309 of the Indian Penal Code from the statute book. Currently, a person attempting suicide faces imprisonment for up to one year or fine, or both.

TIMES VIEW: P 15

Replying to a question in Rajya Sabha on Wednesday, minister of state for home Haribhai Parathibhai Chaudhary said the government had given the nod for repealing Section 309 after 18 states and 4 Union territories backed the recommendation of the Law Commission in this regard.

UNDESIRABLE LAW: LEGAL PANEL

> Centre to decriminalize 'attempt to suicide' after backing from 18 states and 4 Union territories

> Law Commission report had noted that attempt to suicide should be seen as a manifestation of a diseased condition of mind, deserving treatment and care, rather than punishment

> Pointed out that only handful of nations like Pakistan, Bangladesh, Malaysia, Singapore and India have "persisted with this undesirable law"

> Bihar, MP, Delhi, Punjab and Sikkim had expressed reservations, citing suicide bombers and agitators fasting to pressure govt



Government sources told TOI that a Cabinet note on the IPC (Amendment) Bill had already been circulated by the home ministry among the health and law ministries among others.

The law panel, in its 210th report submitted in 2008, had noted that attempt to suicide may be regarded more as a manifestation of a diseased

condition of mind, deserving treatment and care rather than punishment. It recommended that the government initiate the process for repeal of the "anachronistic" section.

Among the opposers was Bihar, which raised the issue of suicide bombers who fail to blow themselves up.

Insurance bill gets nod, likely to be tabled in RS today

TIMES NEWS NETWORK

New Delhi: The Union Cabinet on Wednesday approved a clutch of decisions on the economic front and approved the Insurance Amendment Bill paving the introduction of the legislation in Parliament.

The Bill seeks to raise the composite foreign investment cap in the sector to 49% from the existing 26% and is expected to have all amendments approved by a select committee of Parliament. The bill is likely to be introduced in the Rajya Sabha on Thursday.

The bill has been pending in Parliament for several years and its passage is expected to attract foreign capital while strengthening the sector. It has been identified as one of the key reforms by the Narendra Modi administration and the parliamentary approval to the bill is expected to add to the reform credentials.

"The Bill is aimed at removing archaic and redundant provisions in the relevant legislations and to enable the insurance sector to work for the betterment of the insured with greater efficacy," a government statement said.

The Cabinet also allowed public sector banks to raise funds to meet their additional capital requirements under BASEL-III by diluting government holding up to 52% in a phased manner.

Out of 27 PSBs, the government controls 22 through majority holding. In the remaining five banks, SBI holds majority stake. These 27 PSBs control 70% of total branches, deposits and credit in the Indian banking system. The government has regularly been infusing incremental capital in the state run banks.

The total support provided to PSBs towards capitalisation during the last four

Besides the Insurance Amendment Bill, the Cabinet also allowed public sector banks to raise funds to meet their additional capital requirements by diluting government holding up to 52% in a phased manner



years stands at Rs.5,863 crore. The provision for the current year is at Rs. 11,200 crore and the total market cap of government shareholding as on May 20 stands at Rs.4,19,711 crore.

If the PSBs are permitted to bring down GOI holding to 52% in a phased manner, they can raise up to Rs.1,60,825 crore from the market. The budgetary support needed for 2015-19 would be Rs.78,895 crore only, which will maintain government holding at 52%.

However, as the government is likely to receive an amount of Rs.34,500 crore from PSBs as dividend, the net outgo will only be Rs.44,395 crore, the official statement said.

The cabinet also approved continuing the interest subvention to public sector banks, private sector banks, regional rural banks (RRBs), cooperatives banks and National Bank for Agriculture and Rural Development (NABARD) to enable them to provide short-term crop loans up to Rs 3 lakh to farmers at 7% during the year 2014-15.

For the full report, log on to www.timesofindia.com

Nod to dilute stake in public sector banks

Phased shedding of govt. holding to raise over Rs.1.68 lakh cr.

Special Correspondent

NEW DELHI: The Union Cabinet gave its approval on Wednesday to allow Public Sector Banks (PSBs) to dilute government holding up to 52 per cent in a phased manner to raise over Rs. 1.68 lakh crore to meet their additional capital requirements under BASEL-III capital adequacy norms. It also approved the insurance amendment bill that raises the foreign investment cap in the sector to 49 per cent from the current 26 per cent.

"Out of 27 PSBs, Government of India [GoI] controls 22 through majority holding. In the remaining 5 banks, State Bank of India holds majority stake," official sources said. "These 27 PSBs control 70 per cent of total branches, deposits and credit in the Indian banking system. GoI has regularly been infusing incremental capital in PSBs. Basel-III capital adequacy norms will be fully phased in and applicable by March 31, 2019," it was added.

Basel III is the international regulatory framework

for banks. "The quantum of capital support needed by banks is huge, which cannot be funded by budgetary support alone," an official release said. "If the PSBs are permitted to bring down GOI holding to 52 per cent in a phased manner, they can raise upto Rs.1,60,825 crore from the market. GoI budgetary support needed for 2015-19 would be Rs.78,895 crore only, which will maintain GoI holding at 52 per cent. However, as Govt. is likely to receive an amount of Rs.34,500 crore from PSBs as dividend,

the net outgo will only be Rs.44,395 crore," it added, explaining the need for the decision.

The Cabinet also approved the scheme for setting up 25 solar parks each with a capacity of 500 MW and above and Ultra Mega Solar Power Projects in various parts of the country where large chunks of land can be spared for this purpose, a separate release said. These parks will be able to accommodate over 20,000 MW of solar power projects that will be set up over the next five years.

RS panel calls for equity to strengthen insurance sector

Gargi Parsai &
Jatin Gandhi

NEW DELHI: Following the Cabinet's approval to the Insurance Laws (Amendment) Bill, 2008, it is expected to come up for consideration and passage in the Rajya Sabha next week. However, it may not have a smooth sailing in a House where the ruling National Democratic Alliance does not have majority. The Congress is on board but not keen on passing the Bill in this session before the arrival of U.S. President Barack Obama, who is the chief guest at the Republic Day ceremony, highly placed sources told The Hindu.

The report recommends that the composite cap of 49 per cent be inclusive of all forms of foreign direct investments and foreign portfolio investments. "Incremental equity should be ideally used for expansion of capital base so as to actually strengthen the insurance sector," it said.

The report of the Rajya Sabha select committee on foreign direct investment in

the insurance sector recommended that the composite cap of 49 per cent be inclusive of all forms of foreign direct investments and foreign portfolio investments.

"Incremental equity should be ideally used for expansion of capital base so as to actually strengthen the insurance sector," it said, adding that the term 'control' in terms of ownership and control of a company should be defined in the Act itself.

It further recommended that the term 'control' shall include the right to appoint a majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements.

The report modifies the definition of re-insurance" to bring clarity against the backdrop of foreign insurers wanting to set up operations in the Indian markets. It suggests that re-insurance may be defined as the insurance of part of one insurer's risk by another insurer who accepts the risk for a mutually acceptable premium".

Approval for amendments to Lokpal Act

NEW DELHI: The leader of the largest opposition party in the Lok Sabha will be included on a committee to select the chairperson and members of the Lokpal under the amended law governing the functioning of the anti-corruption body, approved by the Cabinet on Wednesday.

The approved amendments to the Lokpal and Lokayuktas Act pave the way for the inclusion of Congress leader Mallikarjun Kharge in the selection panel. "The Act, as now proposed to be amended, seeks to provide for the alternative of leader of the single largest opposition party in the Lok Sabha, an official release said. — PTI

Approval for 49% FDI in insurance

RS panel favours composite cap

Gargi Parsai & Jatin Gandhi

NEW DELHI: Chairman of the Rajya Sabha Select Committee Chandan Mitra on Wednesday tabled the report on the Insurance Laws (Amendment) Bill, 2008, recommending a hike in FDI in insurance sector from 26 per cent to 49 per cent. The report, carrying dissent notes from four of the 15 members, incorporated the Congress's demand for a composite cap on such investments.

The dissenting parties include the Samajwadi Party, the Trinamool Congress, the Communist Party of India (Marxist) and the Janata Dal (United). These parties are opposed to further opening up of the insurance sector to

CLOSER TO REALITY

• Parliamentary panel endorses Bill to amend Insurance Act in report to Rajya Sabha

• Insurance Laws (Amendment) Bill, 2008 proposes to raise FDI in insurance sector from 26% to 49% in private sector



foreign investment.

The Union Cabinet, which met late in the evening, approved the incorporation of amendments suggested by a parliamentary select panel in the Insurance Laws (Amendment) Bill, 2008, sources said.

Cabinet clears paring of govt's bank stakes to 52%

HT Correspondent

✉ letters@hindustantimes.com

NEW DELHI: In a major initiative, the Cabinet on Wednesday gave its approval for public sector banks to raise capital by diluting government holdings up to 52%, to meet their additional capital requirements.

Banks need capital to meet stringent international standards, also known as Basel III norms, which will become applicable by March 31, 2019.

The exercise would be done in a phased manner through the issue of shares, largely to retail investors.

If state-owned banks are allowed to bring down government holdings to 52% in stages, they would be able to raise up to ₹1,60,825 crore, a statement said.

Banks require an estimated ₹2,40,000 crore as equity by 2018 to adhere to the Basel III norms.

The government has provided ₹11,300 crore for recapitalisation



■ **FM Arun Jaitley in the Lok Sabha on Wednesday** PTI

of public sector banks in 2014-15.

"It is a welcome step as banks need capital infusion to continue with the expansion process and meet credit demands" a bank chairman who did not wish to be identified told HT.

With the level of non-performing assets (NPAs) rising for banks, the capital adequacy ratio — the ratio of a bank's capital to its risk and a measure of how much loss it can absorb — has

been declining.

NPAs or loans that do not yield returns have risen to ₹2.6 lakh crore in 2013-14, raising concerns about banks' ability to keep the credit tap flowing to aid economic revival.

The total support provided to government banks towards the capitalisation exercise during the last four years was ₹58,634 crore. The total market value of government shareholding in state-owned banks stood at more than ₹4 lakh crore.

Out of 27 state-owned banks, the government controls 22 through majority holding, an official statement said. In the remaining five banks, State Bank of India holds majority stakes.

Sources said banks would have to come up with their own proposals to carry out this fund-raising exercise. Besides, hiving off of non-core businesses is another option that is being considered.

Govt to give states ₹11,000-cr CST compensation for GST rollout: FM

HT Correspondent

✉ letters@hindustantimes.com

NEW DELHI: Responding to a key demand of state governments on the proposed rollout of the unified goods and services tax (GST), finance minister Arun Jaitley on Wednesday announced a package of ₹11,000 crore as the first tranche of compensation for revenue loss to states arising from reduction in the central sales tax (CST).

A day ahead of his scheduled meeting with state finance ministers to discuss the draft Constitution Amendment Bill to roll out GST, Jaitley made this

announcement in Lok Sabha while replying to a debate on supplementary demands for grants.

The GST, which will subsume indirect taxes such as excise duty and service tax at the central level and value-added tax (VAT) and local levies by states, has missed several deadlines. States have been demanding that petroleum, alcohol and tobacco be kept out of the purview of the GST.

The Lok Sabha subsequently passed the supplementary demands though a voice vote for an additional expenditure of over ₹12,500 crore, with an actual cash outgo of ₹500 crore.

The finance minister expressed confidence that India would achieve 6% growth next year and indicated the government's willingness to work for making the tax regime "civilised" to attract overseas investments.

The easing of foreign investment in defence has already generated lot of interest from top global manufacturers, he said.

Economic growth fell to sub-5% levels in 2012-13 and 2013-14, Jaitley said, adding it had an impact on revenue collection, fiscal deficit and the government's expenditure on developmental works.

FM again pokes RBI to cut interest rates

Offers ₹11,000cr GST Sweetener To States

TIMES NEWS NETWORK

New Delhi: Finance minister Arun Jaitley on Wednesday made a strong pitch for interest rates to be eased against the backdrop of moderating inflation and announced a compensation of Rs 11,000 crore to win over states for a nationwide rollout of the goods and services tax (GST).

"If you bring down rates, people will start borrowing from banks to pay for flats and houses. The EMIs will go down. We are waiting to take the situation to that and I am sure the authorities who are competent to deal with it are fully seized of this view notwithstanding the balancing exercise between inflation management and growth which they have to do," Jaitley said in Lok Sabha. The RBI earlier this month had left rates unchanged but hinted that it may ease them early next year.

He was replying to a debate on supplementary demands for grants for an additional expenditure of over Rs 12,500 crore, out of which the cash outgo would be Rs 500 crore. The opposition had raised issues of failed promises, federalism and cut in social spending. The demand for grants was approved by the LS.

Jaitley also announced the release of Rs 11,000 crore to states in the current fiscal

NREGA, social sector funding cuts a myth, says Jaitley

New Delhi: Finance minister Arun Jaitley on Wednesday rejected claims of the opposition and civil society groups that the allocation for NREGA and social sector expenditure has been cut. Seeking to bust the myths on various claims by several groups, Jaitley said the government has allocated Rs 34,000 crore this year against the allocation of Rs 33,000 crore last year. "What has already been released, out of Rs 34,000 crore, is Rs 25,856 crore. The unspent balance with states is Rs 3,943 crore. So if in your state somebody says 'I have not been paid', then please ask your state government because there are unspent balances," he said. "Now, we have four months left wherein the balance is also going to be paid to them. But a myth has been spread that the allocation for NREGA has been cut." He also categorically said that drug prices have not been raised and neither was there a proposal to amend the Patents Act. **TNN**



Arun Jaitley

as part payment towards CST compensation to facilitate roll-out of the GST, a day ahead of his meeting with state finance ministers to iron out issues holding up the ambitious tax reform.

Referring to the select committee report on further opening of insurance sector, Jaitley said, "Large investments are waiting to come in. We have to open the doors." The panel has suggested a composite foreign investment cap of 49% in the insurance sector as against the existent 26% FDI cap.

The government would en-

deavour to usher in a "civilized tax policy" to attract overseas investments, Jaitley said, adding that the FDI regime has already been relaxed in the defence sector and has generated lot of interest from top global manufacturers.

"The retrospective tax only brought bad name to the country without realising any revenue. Ultimately it was struck down by the court. We want to have a predictable and civilised policy. We don't want to flex muscles unnecessarily," Jaitley said.

For the full report, log on to www.timesofindia.com

RBI may allow FIIs to trade in commodities

Market players call for checks and balances to restrict fund flow

SURESH PIYENGAR

Mumbai, December 10

In a major boost to the sagging commodity market, the Reserve Bank of India is considering a proposal to allow foreign institutional investors (FIIs) to trade in commodities.

The commodity market regulator, Forward Markets Commission, is expected to meet the RBI in this regard shortly, according to sources.

The proposal has surprised market participants, who were expecting the RBI to allow banks to trade first on the commodity exchanges before opening the doors to the FIIs.

As banks actively lend to traders and farmers against warehouse receipts, it would have been logical to allow banks in first, said an analyst, who did not want to be identified.

Under the Banking Regulation Act, banks are not allowed to participate in commodity trading. Though time consuming, amending the Act and letting the banks enter the commodity market would be wiser, the analyst said.

The move comes at a time when the turnover on the four national commodity exchanges

has more than halved in the last one year because of a new commodity transaction tax and an unprecedented trade default of ₹5,600 crore by National Spot Exchange Ltd.

But Navin Mathur, Associate Director (Commodities & Currency), Angel Broking, said participation of foreign investors in the commodity market would improve the sentiment and build confidence among traders.

Panel report

In April, a detailed report, 'Steps to Fulfil the Objectives of Price Discovery and Risk Management in the Commodity Derivatives Market', by a panel headed by DS Kolamkar, a senior economic advisor in the Ministry of Finance, was submitted to the Government.

The report dealt with the pros and cons of allowing banks, domestic institutions and foreign institutions to enter the commodity market.

"If foreign players can swing the stock market as they like, their huge fund flow into commodity markets can cause havoc with no counter balance from domestic institutions and banks," said an analyst.

Market participants feel that the regulators should put in checks and balances to restrict foreign fund flow as the market currently lacks depth, particularly in agriculture commodities.

Centre, States to discuss contours of GST Bill today

OUR BUREAU

New Delhi, December 10

The Centre and States will meet on Thursday to thrash out a consensus on the Constitutional Amendment Bill for introduction of a Goods & Services Tax (GST).

The government aims to usher in the new indirect tax from April 1, 2016.

"We are working on a variety of issues with States. There is a meeting of State Finance Ministers with the Union Finance Minister tomorrow (Thursday) to discuss some of the challenges that they see. Once these are resolved, we can come up with that legislative calendar," said Jayant Sinha, Minister of State for Finance, on the sidelines of the Delhi Economic Conclave.

Sinha said the legislative aspects of the GST are compli-



Minister of State for Finance Jayant Sinha (centre), with Singapore Deputy PM Tharman Shanmugaratnam (left) and Finance Secretary Rajiv Mehrishi at the 'Delhi Economic Conclave' KAMAL NARANG

cated and have to be approved by the States.

Central Sales Tax (CST) compensation is one of the items under discussion. It may be noted that this Bill was also introduced by the previous UPA Government, but had lapsed as the 15th Lok Sabha was dissolved.

GST aims to subsume central indirect taxes such as excise duty and service tax into Central GST (CGST), and various State levies, such as Value Added Tax and CST, into a State GST (SGST).

There are three key issues in the draft Bill on which the States are yet to agree.

The first on is on the threshold limit that will be subjected to GST. The empowered panel agreed on a limit of ₹10 lakh for general category States and ₹5 lakh for special category and North Eastern States. However the Centre is in favour of a higher limit of ₹25 lakh.

Compensation issue

The second issue relates to compensation in lieu of phasing out of CST and dues to States, amounting to ₹33,000 crore.

The third issue is on petroleum products. States want to keep petroleum out of the GST net, but the Centre plans to keep it within GST with a 'nil' rate, giving flexibility to both the Centre and States to impose duties over and above the Goods and Service Tax.

Norms for refinancing existing projects soon: RBI

Special Correspondent

KOLKATA: The Reserve Bank of India (RBI) plans to come out with guidelines for banks on refinancing existing infrastructure projects. Deputy Governor S. S. Mundhra said here on Wednesday.

In July, norms were put in place by the central bank for new infrastructure projects and affordable housing in response to representations made by banks, which were facing difficulties in providing long-tenor financing owing to asset-liability mismatch.

Banks needed the flexibility to structure loans to mitigate risks as well as to ensure easy refinancing. Called the 5/25 system, this structure allowed banks to rewrite the terms of the loan of an asset (whose life may be of 25 years) every five years for the duration of the asset's life cycle.

Efforts were now on to issue guidelines for existing projects too, Mr. Mundhra said.

Pointing out that getting finance was easy in India, Mr.



Mundra cautioned industry against having thin equity. "This is like skating on thin ice... things become tricky when the economy slows down and then projects falter and signs of distress creep in," he observed at an interactive meeting with the microfinance sector, organised by the Confederation of Indian Industry.

For the highly-leveraged companies, banks might demand higher equity before offering fresh loans, it was learnt.

Mr. Mundhra also advised

banks as well as corporates not to live on a quarter-to-quarter basis as this often led to mindless chasing of profits and lowering of safeguards. "Quarter-to-quarter chasing can be detrimental to the health of business," he observed.

On rate cuts

On the possibility of rate cuts, he said there was room for rate cuts in case inflation was reined in. Food prices were lower and oil prices were easing, he said, adding that uncertainties on factors such as monsoon would have to be taken cognisance of.

"RBI's policy rests on five major planks, which included monetary policy, whose main component was inflation targeting."

The central bank was keen to introduce more players in the market place, and by April, it hoped to issue licences for new category banks (payment banks). Universal banking licences would also be available on tap soon against the earlier practice of giving them out once in a decade.

Structural reforms can bring sustained growth at 8%: Sinha

ENS ECONOMIC BUREAU
NEW DELHI, DECEMBER 10

UNDERLINING the need for structural reforms in the economy, minister of state for finance Jayant Sinha on Wednesday said these would help achieve a sustainable and non-inflationary growth rate of 7-8 per cent in the long term, helping India become a \$5 trillion economy over the next decade.

"Structural reforms will lead the economy to a high growth trajectory with non-inflationary impact," Sinha said at the Delhi Economics Conclave 2014, adding that the government is planning to methodically and systematically pursue reforms. "We recognise this is not a T-20 game. As



Minister of State for Finance Jayant Sinha speaking in New Delhi on Wednesday. PTI

long as we keep hitting the ball and methodically and systematically pursue reforms...there will be a dramatic change in the economy," he said.

Sinha added that India's economy, which is currently

valued at \$2 trillion can move to a \$4 trillion economy over the next 10 to 12 years if there is sustainable 7-8 per cent growth. "If rupee strengthens we may end up getting closer to \$5 trillion economy."

Listing the priorities before the government, he said, there is a need to pursue macroeconomic stability, build world class infrastructure, unlock entrepreneurial energy and put in place a social security system.

However, Tharman Shanmugaratnam, deputy Prime Minister of Singapore, said that India while working on transforming itself into a global manufacturing hub, must decide whether its manufacturing would be for the domestic market or global markets.

CORRECTING 'FLAWS OF EDUCATION SYSTEM'

Govt Planning Institutes on Indology

To offer PG courses like diplomas, Masters and PhD in ancient texts, languages

Ritika.Chopra@timesgroup.com

New Delhi: The government is planning to establish the country's first centrally-funded institutes of Indology on the lines of the Indian Institutes of Technology and Management (IITs, IIMs) in its biggest push for promoting research on ancient knowledge and practices.

The proposal of the Smriti Irun human resource development ministry is aimed at correcting the "flaws of the present education system", an official said.

Indology is understood as the study of classical Indian languages, literature and philosophical systems. A ministry official said the move is aimed at expanding the knowledge base of students.

I haven't seen blue-print of this proposal... but there is a need to focus on Indological studies: Rao

He explained that currently a student of political science has little idea of the ancient texts on politics and governance, a science graduate is not aware of the scientific achievements of India in the last three millennia and someone interested in agriculture does not know the country's farming traditions and practices.

The institutes will offer PG courses such as diplomas, Masters and PhD programmes in ancient literary texts and languages, economy and business, governance and administration, archaeology, history and philosophy of science and technology, traditional organic agriculture, water management and construction practices, among others. "They could also explore the option of offering online courses at a later stage," said an official. The ministry is expected to seek the approval of the finance ministry for it.



Thumbs Up From Experts

"History as a subject in India mainly covers political developments of the past. We haven't been able to touch upon all branches of history and if an institute can offer opportunities of research on all aspects of Indian studies, then I think this is a good idea"

YS SUDERSHAN RAO
Chairman of the Indian Council of Historical Research

"A project like (this) can yield results if it's inclusive in nature, giving importance, for instance, not only to Sanskrit but also to other ancient languages like Pali, Prakrit & Tamil. It should be looked after by scholars of international repute & by that I do not mean Mr Dinanath Batra"

DN JHA Historian and Former DU Professor

The Indology schools will encourage "inter-disciplinary research on traditional forms and ancient histories to yield a meaningful relationship with contemporary knowledge" and also "evolve newer models of research pertinent to the Indian ethos".

The institutes are expected to follow the structure of the IITs, where the governing council is the highest decision-making body for such centres of excellence.

Consumer Protection Authority mooted to regulate e-commerce, direct selling

Inter-Ministerial group says body can set norms for direct selling too

TOMOJIT BASU

New Delhi, December 10

A Consumer Protection Authority after amending the Consumer Protection Act (1986) was suggested by some representatives at the first meeting of an inter-Ministerial group chaired by the Ministry of Consumer Affairs (MoCA) to iron out issues related to regulating the e-commerce and direct selling space.

The meeting, held on Monday, was attended by members from the Department of Financial Services (DFS), Enforcement Directorate, Department of Industrial Policy and Promotion (DIPP), Information Technology Department (DoIT) and the Ministry of Corporate Affairs, sources told *BusinessLine*. "Instead of setting



MAXX-STUDIO/SHUTTERSTOCK.COM

up a new institution, it was suggested that the new authority could take up the role of laying down direct selling and e-commerce norms. This needs to be looked into further," said a Government official.

Independent body

A recent study by Google and For-

rester Consulting pegged the Indian e-tailing space to be worth \$15 billion by 2016 with about \$100 million online shoppers.

Consumer Affairs Minister Ram Vilas Paswan had stated last month that the act will be amended to strengthen the grievance redressal system and expand its ambit to cover e-commerce, false

advertising and product liability. The proposed authority is likely to include 'classes' of consumers unlike the present stipulations which only pertain to individuals.

Last week, the minister said he was in favour of a regulator for the nearly ₹7,500-crore direct-selling sector.

"What most recommended was a body, independent of Government, which registers, controls, directs and regulates," said the official, adding that the departments have been asked to provide written submissions over the next few days in order to proceed on the matter.

A date for the second meeting is yet to be decided.

Sole purview

The official also said the Prize Chits and Money Circulation Schemes (Banning) Act (1978), cited by direct sellers, such as Amway, as an obstacle to the sector's growth, will continue to be under the sole purview of the DFS.

Scheme to make scientists adopt villages, promote best farming practices

SANJEEB MUKHERJEE
New Delhi, 10 December

Following the footsteps of Prime Minister Narendra Modi, the agriculture ministry is planning to start a scheme under which all scientists of the Indian Council of Agricultural Research (ICAR) will adopt one village each and promote best farming practices and government's policies.

To be called "Mera Gaon... Mera Gaurav" (My Village... My Pride), the programme seeks to imbibe a sense of ownership among the agricultural scientists of the country.

"The programme will be first implemented with the help of ICAR scientists, which will be later extended to students from agriculture universities as well," a senior agriculture ministry official said.

He said the basic idea was to bring a sense of ownership among agriculture scientists and also ensure that farmers benefit from best farm practices.

ICAR has 6,000-8,000 scientists on its rolls across all grades, while the number of

agriculture science students is much higher. India has around 600,000 villages spread across the country.

Prime Minister Narendra Modi's ambitious Sansad Adarsh Gram Yojana (Parliamentarians Model Village Scheme) was launched on August 15, where all the over 800 members of Parliament (Lok Sabha and Rajya Sabha) have been asked to adopt one village in their constituencies.

These will be turned into model villages by 2016 or two or more model villages by 2019. Till date, many MPs have adopted

one or two villages in their constituencies. Prime Minister Narendra Modi has himself adopted Jayapur village in the Varanasi constituency represented by him in the Lok Sabha.

Officials said in the *Mera Gaon Mera Gaurav* concept, a similar model will be adopted, but special emphasis will be on inculcating best agricultural practices and executing schemes and programmes related to the agriculture sector.

Agriculture Minister Radha Mohan Singh has held several review meetings in the last few days to formalise the scheme.

Pranab to open ceremonial hall at Rashtrapati Bhavan

STATESMAN NEWS SERVICE
New Delhi, 10 December

President Pranab Mukherjee, who steps into his 80th year tomorrow, will over the next two days launch a number of initiatives, including opening a brand new ceremonial hall for hosting important ceremonial events and a meeting place for senior citizens at the sprawling Rashtrapati Bhavan estate where they can get free health check-ups and participate in recreation activities.

On his 80th birthday, Mr Mukherjee will inaugurate 'Samagama', a community initiative for senior citizens residing in the President's Estate that will offer a place for all senior citizens to gather together daily, secretary to the president Ms Omita Paul told journalists on a pre-view visit today.



He will launch an Electronic Art Catalogue titled 'Art Heritage of Rashtrapati Bhavan: A Selection'. The Electronic Art Catalogue containing over 113 high quality photographs of paintings and select art objects in the collection of Rashtrapati Bhavan will be added to the President of India website.

Through this initiative, Rashtrapati Bhavan is opening to people from across the

world for the first time a cross-section of the entire art collection of Rashtrapati Bhavan, Ms Paul said. Mr Mukherjee will also lay the foundation stone for the President's Estate Housing Complex near Dr RML Hospital comprising Type II/III houses for staff. This complex will comprise two 10-storey residential towers of a total of 72 houses. The President will also launch the RB Cycle initiative aimed at

reducing the use of motorised vehicles within the President's Estate. Under this, 50 cycles will be made available at four locations in the estate to promote fitness and health among residents of the estate and to create awareness about environment issues.

The Rs 25-crore Hall will form part of an integrated Rashtrapati Bhavan Cultural Center with an Art Gallery, multi-purpose halls and auditorium.

Built as an extension of the existing auditorium, the 55m x 41m Ceremonial Hall has been built keeping in mind the requirements of the 15 August 'At Home' Receptions and 'Guards of Honour' for visiting foreign dignitaries during inclement weather. Construction of the Hall has been completed within a year, in fact, a week ahead of schedule.

Sonia rues coalition politics, says BJP not fulfilling poll promises

HT Correspondents

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JAMMU/SRINAGAR: Congress president Sonia Gandhi Wednesday blamed "coalition compulsions" for the failure to implement all people friendly programmes in Jammu and Kashmir.

Gandhi said: "I know we could not fulfill all the pro-people programmes like the food security bill and land compensation bill because of coalition compulsions during the last six years.

"But we have remained in the forefront of helping the people of Kashmir in times of need," she said at an election rally in

Shangus constituency in south Kashmir's Anantnag district.

"The response of the Congress-led government in the state was prompt and effective during the 2005 earthquake.

"During the recent floods, the Congress workers promptly came to the help of the people in villages and towns."

Addressing a rally at MA Stadium Sonia also charged Prime Minister Narendra Modi with not fulfilling the promises he makes. She said Modi announced ₹1,000 crore for flood relief to Jammu and Kashmir, but the amount was not released.

"State government submitted a request of ₹39,000 crore... that has also not been approved", she alleged.

The Congress president said her party, when in power, had provided enough legal and administrative means to tackle corruption, but alleged after the present central government took charge, "wrong and misleading statements are being made to mislead the masses".

Gandhi appealed to people to maintain the secular character of Kashmir and for that she urged them to vote for Congress candidates in assembly elections.

A large number of people turned up to hear Gandhi in the small village of Renipora, 85 km from Srinagar.

Congress leaders Ghulam Nabi Azad, Ambika Soni, Saifuddin Soz and Ghulam Ahmad Mir accompanied Gandhi during her visit to the Kashmir Valley.

Gandhi said her party had carried out people-friendly programmes during the last six years in the state but admitted that not all such programmes of the then central government could be implemented in Jammu and Kashmir because of coalition compulsions.



■ Congress president Sonia Gandhi greets supporters after addressing a rally in Anantnag on Wednesday.

WASEEM ANDRABI/HT

Trial run of Guwahati-Dhaka bus



Assam PWD Minister Ajanta Neog flags off the trial run of the much-awaited Guwahati-Dhaka bus service at ISBT in Guwahati on Wednesday.

- PHOTO: RITU RAJ KONWAR

Sushanta Talukdar

GUWAHATI: A technical survey to restore a 496-km-long historic road link between Guwahati and Dhaka via Shillong and Sylhet, snapped during Partition, began on Wednesday.

Assam Public Works Department Minister Ajanta Neog flagged off the trial run of the Guwahati-Dhaka bus service here.

A decorated, deluxe air-conditioned bus of the Assam State Transport Corporation (ASTC) left with a joint delegation of Indian and Bangladeshi officials on board for the survey of the route for starting a regular service to facilitate passenger movement

between the two South Asian neighbours through a third route.

India and Bangladesh started the first bus service between Kolkata and Dhaka in 1995 and another one between Agartala and Dhaka in 2002.

"We hope the road connectivity between the two countries will promote and enhance trade and commerce," said Ms. Neog at a function.

Joint Secretary (Administration), Ministry of Home Affairs, Bangladesh, Sheikh Abdul Ahad hoped that a new avenue would be opened for people of both the countries.

The ASTC bus took the delegation to Borapani in Megha-

laya, from where they travelled in a smaller bus up to the Dawki border. From there the delegation will travel in a Bangladesh bus. After a night halt in Sylhet, it will leave for Dhaka on Thursday morning to conclude the survey.

The Indian part of the route from Guwahati to Dawki is 196 km, while the Bangladesh part from the Tamabil border point to Dhaka via Sylhet is 300 km.

Secretary, Transport Government of Assam, Dhruba Hazarika told journalists that a regular bus service on the route was expected to start in two months after the joint delegation submits the survey report and the modalities are worked out.

The Times of India

Editorial

Goodbye Sec 309

Decriminalising suicide is an excellent move, government should delete other outdated laws

The government's move to delete the legal statute that criminalises attempted suicide is a welcome step forward in a heated and seemingly interminable legal debate that has raged at least since 1981. That was when Delhi high court first condemned Section 309 of the Indian Penal Code as "unworthy of society". A two-judge bench of the Supreme Court in 1994 went so far as to call it "irrational and cruel and hence void", before a five-judge constitutional bench of the apex court subsequently overruled these judgments and reinstated the law in the 1996 Gian Kaur vs State of Punjab case. The government's landmark decision not to treat attempted suicides as crimes is a sensitive and humane step.

In a country where suicides have emerged as the second highest cause of deaths, this was a much-needed legal corrective. The Law Commission has repeatedly argued in favour of this, saying in 2008 that people who try and take their lives need compassion and emotional support. Decriminalisation would make it "easier for all of us to extend our hands and support in reducing suicides in India". This paper has consistently advocated in favour of this position and in support of euthanasia as long as it is uncoerced. As the Supreme Court held in 1994, the right to life and liberty, under Article 21 of the Constitution, must also be interpreted to include the right to die.

Internationally, France was the first country to decriminalise attempted suicide after the French Revolution. All European and North American countries subsequently followed suit and India is now catching up. But that's only relatively speaking, because in another sense India's been here much before. Many Indic religions, such as Jainism and Hinduism, have ancient traditions of voluntary ending of one's life when it is seen as having served its purpose.

Now that this outdated relic of colonial law has been removed, government must go ahead and proactively remove other illiberal laws which get in the way of people's lives. One such is the draconian Section 66A of the IT Act, which makes sending any message deemed to be "offensive" on any communication device a punishable offence. Unless this is done innocent people will continue to be punished and the justice system remain clogged.

