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NEWS AND VIEWS

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

W. Clement stone

Polity

- **Open to all options, says Delhi BJP chief on govt formation:** Two days after Lt-Governor Najeeb Jung told The Indian Express that government formation in Delhi was a possibility without dissolving the existing House, state BJP chief Satish Upadhyay said his party was "open to all options". This a complete departure from the stand taken by his predecessor and now Union Health Minister Harsh Vardhan, who had said that the BJP would go for fresh polls rather than rustle up numbers for government formation. Asked if the BJP was ready to form the government amid allegations of horse trading by the AAP, Upadhyay said, "We do not have numbers at present, but we will take a decision which will benefit the people. We have taken the opinion of MPs and MLAs, which is very vital for any decision-making process." Party sources said MLAs and some of the MPs are in favour of the BJP forming the government. "We have been telling our leaders that we should form the government in Delhi but there is a mixed response from the top brass. Until they give us a clear signal, we cannot take a step forward. If the party brass agrees, we will form the government," a senior BJP MLA said. But sources said if the party brass had been in favour of BJP forming the government in Delhi, a decision to this effect would have come a week ago and the BJP would have staked its claim on government by now. BJP MLA from Rajinder Nagar R P Singh said there was no question of forming a government and the party was ready for fresh elections in Delhi. (The Indian Express).

Economy

- **Monsoon revival might not make up for rainfall deficit:** After playing truant for almost 45 days, the southwest monsoon has started showing strong signs of revival in the critical western, central and northern parts of the country since Tuesday but this has not totally erased fears of drought in some pockets. The weatherman says if the momentum generated by these showers is maintained in August, the drought fears will subside. According to the India Meteorological Department (IMD), the southwest monsoon has revived in parts of northwest and central India on Tuesday, bringing respite to people from heat and humidity. The rains, which have been caused by a low pressure area developed over the entire region, might remain so for the next three-four days, after which there can be brief lull. "The revival in rains seen over the past one or two days is expected to remain so in the coming three-four days as well, and thereafter things need to be seen as monsoon patterns can change in 24-48 hours," D S Pai, director of Long Range Forecast at IMD, told Business Standard. Pai said though the showers have been better than expected, it might not be enough to wipe off the entire season deficiency, which presently stands at around 40 per cent as against 43 per cent last week. The Australian Weather Department's recent forecast, too, has fuelled the optimism wherein it said El Niño weather phenomenon that curtails July-September rains is unlikely to be intense this year. The monsoon entered India in June after a delay of four days. Since then, its progress, too, has been rather patchy. (Business Standard).

Planning

- **Fiscal deficit target appears daunting as non-Plan spend surges, say economists:** The surge in non-Plan expenditure has left economists divided over the Government's ability to achieve the fiscal deficit target. Non-Plan expenditure makes up over 68 per cent of the total expenditure. The fiscal deficit in the first two months has already crossed 45.6 per cent of the Budget target for the full fiscal. This deficit is the difference between the Government's income and expenditure and is bridged by borrowing. Non-Plan expenditure refers to spending on interest, subsidy, Defence and salary as well as pensions. The Government has set a fiscal deficit target of 4.1 per cent of GDP for the current year. Non-Plan expenditure is estimated at Rs. 12.19-lakh crore, of a total expenditure of around Rs. 18-lakh crore. Monthly data from the Controller General of Accounts, who tracks Government revenue and expenditure, show that non-Plan expenditure in the first two months (April-May) of the current fiscal clocked was 48 per cent higher than in the corresponding period last fiscal. According to the Chief Economist and Senior Director of India Ratings, Devendra Kumar Pant, this means that for the remaining 10 months of this fiscal, non-Plan expenditure growth will have to be reined in at 3.4 per cent to attain the Budget target. "Given the committed nature of non-Plan expenditure, this again looks difficult. In such a scenario, the 4.1 per cent fiscal deficit and 2.9 per cent revenue deficit targets clearly look difficult to achieve, unless planned expenditure is compressed as in previous years or expenditure is rolled over to the next fiscal," Pant said. (Business Line).

Editorial

- **That's public money too:** Civil aviation minister Ashok Gajapathi Raju is probably right when he says that Air India is so out of shape, few would be interested in buying it. But while he goes around putting in fresh government equity to fund its losses—these totalled R18,439 crore in the last three years—he needs to take a call on whether Air India can make profits given the intensifying competition in the sector. While Kingfisher has gone bust, Jet is a much stronger competitor after the Etihad deal and global network; there is then the competition from Tata-SIA and Air Asia that needs to be factored in. In which case, after having spent R30,000 crore to revive the airline—this is what the government has promised to infuse—the government may well find that the lossess are as large a few years down the line. And surely, matters would change if potential suitors were told the Air India purchase would come along with R5,000 crore each year for the next 5 years, say? For good measure, some juicy bilaterals could be thrown in to sweeten the deal. In the case of BSNL-MTNL, similarly, the huge employee costs and falling competitiveness are a fact that need to be kept in mind before promising to spend R40,000 crore to revive them over the next 5 years. MTNL's losses have risen from R2,611 crore in FY10 to R5,321 crore in FY13, while BSNL's from R1,823 crore to R7,884 crore in the same period. Not surprising, given MTNL's mobile market share has fallen from 10.9% in March 2009 to 4.8% in May 2014 and BSNL's from 14.9% to 11%. (The Financial Express)

The Pioneer

Date: 17/07/2014
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Mega projects await mega discount

Gadkari's ambitious road plan seeks 40% price cut from cement makers

JAYA SHROFF BHALLA
NEW DELHI

CONCRETE PLAN

The move comes against the backdrop of Union Minister Nitin Gadkari announcing the new Government's intention of building all new roads using indigenously manufactured cement, replacing the more expensive and imported bitumen

Cartelisation is not only unfavourable to the cause of the consumers but will also adversely affect the country's economy as cement is an integral part of all construction activity and infrastructure industry, an official in the Ministry said

The NDA-led Government has also given its nod for building 16 new ports. Finance Minister Arun Jaitley has set aside ₹11,600 crore in the Budget for developing outer harbour Tuticorin Port

New projects worth ₹2 lakh crore are in the pipeline in the roads and port sector

Ministry of Road Transport & Highways and Shipping is holding parleys with cement industry leaders to negotiate a huge cut in cement prices to start ₹3 lakh crore worth infrastructure projects, including highways' building and ports' construction.

The move comes against the backdrop of Union Minister Nitin Gadkari announcing the new Government's intention of building all new roads using indigenously manufactured cement, replacing the more expensive and imported bitumen.

Sources in the ministry said that Gadkari has also warned the cement majors in the country from forming cartels. Gadkari said that he will not tolerate cement companies limiting and controlling supplies in the market and determining prices through an anti-competitive agreement.

"Cartelisation is not only unfavourable to the cause of the consumers but will also adversely affect the country's economy as cement is an integral part of all construction activity and infrastructure industry. Moreover cement is vital to the economic development of the country," said a ministry official, claiming to echo Gadkari's view on the subject.

In a meeting with stakeholders earlier this week, Gadkari said that he was holding onto cement projects worth ₹3 lakh crore, but would give them a go-ahead, if the cement companies desisted from forming cartels.

"The new Government has decided to go for cemented roads as they can now be four per cent cheaper than bitumen roads. I have spoken to four cement companies to consider this and have warned industry not to form a cartel and raise prices," he said.

"Gadkari is in talks with cement companies to give us good rates. If we give them volumes, we can also press them for 30 to 40 per cent discount from the current prices," said a source in the Ministry.

The Minister has repeatedly announced the new Government aspiration of building an average of 30 km highways daily.

The Government intends to get stalled highway projects worth ₹1,80,000 crore started after removing hurdles like delays in land acquisition and green nods latest by August 15.

The NDA-led Government has also given its nod for building 16 new ports. Finance Minister Arun Jaitley has set aside ₹11,600 crore in the Budget for developing outer harbour Tuticorin Port.

New projects worth ₹2 lakh crore are in the pipeline in the roads and port sector, which will be given out in this year itself.

"Detailed project report is being drafted for these projects worth ₹2 lakh crore. Soon after it is ready, we will initiate the required steps for acquiring land and getting forest and environment clearances," Gadkari said in a meeting on Tuesday.

"After two years, roads and port sector will help India's GDP, which is now at 4.5 per cent. It will see a growth of at least by 2 per cent in the roads and shipping sectors," he said.

Business Standard

Date 17/07/2014
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Exports continue to grow at double-digit rate in June

Rise 10.2% to $26.4 billion; imports grow 8.33% to $38.24 billion in the month

BS REPORTER
New Delhi, 16 July

Merchandise exports grew 10.22 per cent to $26.4 billion in June from $24.02 billion in the same month last year, driven by strong demand for engineering goods, ready-made garments and petroleum products. This was even as the export number for June 2013 was revised upwards from $23.78 billion, thereby increasing the base.

This was a second straight month of double-digit growth in exports, with the rate in May higher at 12.40 per cent, official data released on Wednesday showed.

After contracting for almost 13 months, imports grew 8.33 per cent to $38.24 billion in June from $35.3 billion in the same month last year. The figure for imports in June 2013 was revised from $36.03 billion. The June trade deficit widened to a 13-month high of $11.76 billion from $11.24 billion in May 2014.

Exports during the April-June quarter stood at $80.11 billion, up 9.31 per cent from $73.28 billion in the corresponding period last year. However, imports during April-June 2014 contracted 6.92 per cent to $113.19 billion from $121.61 billion during the same period last year.

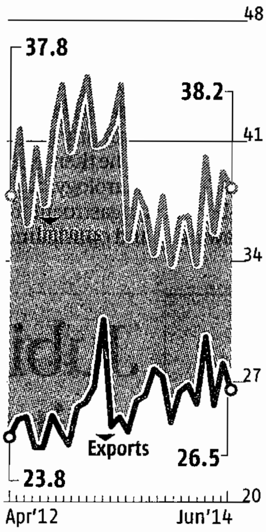
In June, oil imports soared by 10.90 per cent to $13.34 billion, compared with $12.03 billion in the same month a year ago. Oil imports during April-June also grew by four per cent to $40.78 billion from $39.20 billion. Non-oil imports during the month were up seven per cent to $24.9 billion. Non-oil imports during April-June reached $72.41 billion, down 12.1 per cent from $82.40 billion in the same period last year.

Gold imports were up 65.13 per cent to $3.12 billion in June from $1.88 billion in the same month last year, due to a partial easing of import restrictions and a lower base. According to credit rating agency CRISIL, since large private gold importers were allowed to resume purchases and nominated banks were permitted to offer gold loans to jewellery manufacturers from May, gold imports doubled in June from $1.7 billion in April 2014.

Non-oil, non-gold imports, an indicator for domestic demand and industrial growth, rose 1.42 per cent to $21.78 billion in June. In May, these imports were up for the first time in 10 months, at a lower rate of 0.5 per cent. This shows industrial production is on its way to a slow recovery. According to experts, outbound shipments are slowly seeing a turnaround on account of an improved global economy, coupled with a low base effect. Exports in June 2013 contracted 4.5 per cent.

RECOVERY PATH

India's exports, imports jump in June ($ bn)



Export of major commodities in June

	Value ($ bn)	Chg* (%)
Petroleum products	6.1	38.37
Engineering goods	5.4	21.57
Gems & jewellery	3.3	-4.97
Readymade garments	1.4	14.39
Drugs & pharma	1.3	0.48

Import of major commodities in June

	Value ($ bn)	Chg* (%)
Petroleum products	13.3	10.9
Gold	3.1	65.13
Electronic goods	2.9	7.97
Transport equipment	1.2	-10.86
Project goods	0.2	-40.39

* From June 2013

Source: Commerce & industry ministry

Business Standard

Date 17/07/2014
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Government may relax contract timelines on RIL's new oil finds

Petroleum ministry seeks CCEA nod for the firm's $1.45-billion discoveries

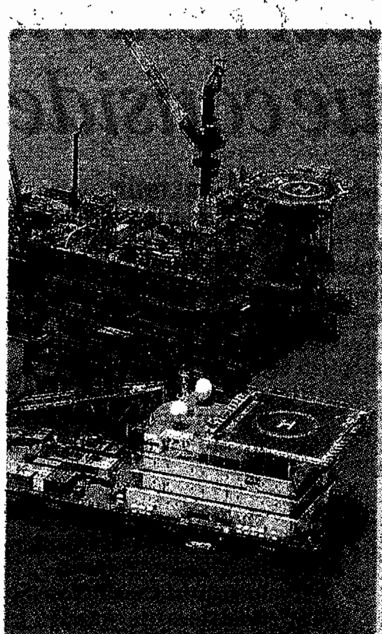
PRESS TRUST OF INDIA
New Delhi, 16 July

With development of three gas finds in Reliance Industries' KG-D6 block held up due to a technical dispute, the petroleum ministry is seeking Cabinet nod to relax timelines to allow the firm retain and produce from the discoveries worth $1.45 billion.

RIL had notified the Dhirubhai-29, 30 and 31 in 2007 and submitted a formal application for declaring them commercial in 2010, well within the timelines set in the production sharing contract. But the ministry's technical arm Directorate General of Hydrocarbons (DGH) refused to recognise them in absence of prescribed confirmatory test.

The issue was intensely debated between RIL, DGH and the ministry since then. The Mukesh Ambani-run firm finally agreed to do the drill stem test (DST) but the DGH declared that the contractual time period for development of the finds is over.

The petroleum ministry feels that taking away the discoveries, which hold an estimated 345 billion cubic feet of reserves, and rebidding them may lead to delay in development, sources privy to the case said.



POLICY CONTINUITY

345 billion cubic feet Estimated capacity of the discoveries, namely, Dhirubhai-29, 30 and 31 reserves

$1.45 billion Total value of the three finds at current gas price of $4.2 per million British thermal units

1.032 trillion cubic feet Capacity of RIL's four gas discoveries — D-9, 10, 32 and 40 — in northeast coast block

7,645 sq km Total area of KG-D6 block in Bay of Bengal

1,4462.12 sq km Area allowed by government last year to be retained by RIL and its partners BP Plc of UK and Canada's Niko Resources

5,367 sq km Area taken away from RIL, which the company had offered to relinquish voluntarily. It contained 5 discoveries — D4, D7, D8, D16 and D23. DGH had said RIL missed deadlines for submission of investment plans for these

Also, it feels RIL may go for arbitration that may lead to further delay in production and extra legal cost. The three finds, which can be quickly put on production by RIL using existing infrastructure of currently producing gas fields, as well as those being developed, are worth $1.45 billion at current gas price of $4.2 per million British thermal unit.

Sources said the ministry was moving the Cabinet Committee on Economic Affairs (CCEA) for relaxation in the production sharing contract (PSC) timelines to help RIL monetise the finds. Comments on a draft CCEA note are being sought from the ministries of finance and law besides the planning commission before taking it to the CCEA for approval.

Sources said RIL would have to conduct DGH prescribed DST on D29, 30 and 31 discoveries and only half of the $93 million cost of the test will be allowed to be cost recovered.

Originally, the petroleum ministry under the previous UPA regime's oil minister M Veerappa Moily had in April prepared a draft CCEA note seeking relaxation for RIL.

The Financial Express

Date: 17/07/2014
Page No. 2

On fast track: Ambitious EPE project split into three

Timsy Jaipuria

New Delhi, July 16: In a bid to fast-track the construction of the ambitious Eastern Peripheral Expressway (EPE), the first expressway to be awarded by the Centre, the government has decided to break the project into three parts. The decision was taken since the expressway has as many as 90 structures (underpasses, over bridges, flyovers), which make it heavy on costs.

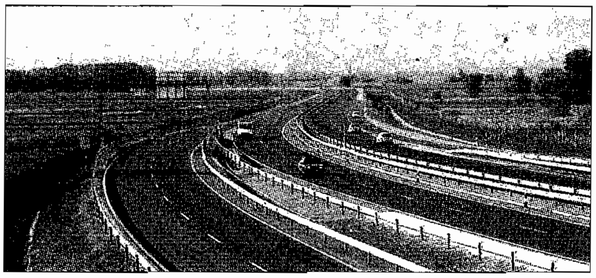
"Since the costs will be huge, any one engineering procurement construction (EPC) contractor may find to difficult to execute it. Also, splitting of the project would allow the work to begin simultaneously at three segments of the project, enabling early completion of the whole project," an official said.

It is understood that the three parts of the expressway, with a total length of 135 km, would connect portions of National Highway (NH) 1, NH 24, NH 58 — Sonipat, Ghaziabad and Palwal. The proposed expressway will also be connected to Yamuna Expressway between Delhi and Agra.

"The detailed project report (DPR) for this is already under preparation and the projects are expected to be bid out soon," the official added.

The move comes after the government decided to scrap the plan to use the public-private partnership (PPP) model to build the ₹6,290-crore EPE project.

The project was decided to be bid out on EPC model after the National Highways Authority of India did not receive a single bid for the project before the April 4 deadline. In July last year, the Prime Minister had directed that the eastern peripheral expressway be awarded by December end, but the project is still running behind the schedule.



Meanwhile, sources said the government has also recived an expression of interest for the funding of EPE by the Japanese government. "Representatives from Japan International Cooperation Agency (JICA) and other Japenese agencies recently met with the senior road ministry officials and expressed interest to have an exposure in the project if need be," the sources confirmed.

According to officials, the bidding for the EPE project remained open for almost two months, but closed without anyone showing interest.

The EPE project, whose completion is key to easing the traffic congestion in the National Capital Region, was among the four projects cleared by the Cabinet in July 2013 for PPP ventures.

According to Vishwas Udgirkar, senior director (infrastructure) at Deloitte: "The investor sentiment in the road sector is at its lowest now. Developers are not keen to pick up projects on the PPP mode. Therefore, the timing of launching such projects is not right. Also, developers are wary about the financial viability of an expressway project at this juncture due to lack of clarity on traffic projections and tariff structure."

Business Line

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India fares poorly in poverty reduction

Needs to do much more on infant mortality, sanitation fronts: MDG report

OUR BUREAU
New Delhi, July 16

India's fight against poverty, child mortality and open defecation, among other key areas, needs to be intensified, says UN's Millennium Development Goals report 2014.

According to the report, "In 2010, one-third of the world's 1.2 billion extreme poor lived in India alone."

In fact, a recent recommendation to revise India's poverty line, made by a panel headed by C Rangarajan, estimated that about one-third of India's population, or 363 million (as of 2011-12), are below the poverty line.

"However, in real terms India's "poor" population may be larger as this estimation is made on a very low daily-spending capacity of ₹32 in rural and ₹47 in urban areas."

Further, the international poverty line, as defined by the World Bank keeping in mind the standards of the world's poorest countries, stands at $1.25 a day, which translates to about ₹75 (if $1 = ₹60). This is the definition used by the UN as well.

The World Bank also predicts that, by 2015, 40 per cent of the estimated 970 million people living on less than $1.25 a day will be from Southern Asia.

"China leads the way in global poverty reduction, with extreme poverty (living under $1.25 a day) dropping from 60 per cent in 1990 to 16 per cent in 2005 and 12 per cent in 2010," the MDG report noted. China still has about 13 per cent of the world's extreme poor.

Infant deaths

In another depressing statistic, the UN report said, "India had the highest number of under-five deaths in the world in 2012, with 1.4 million children dying before reaching their fifth birthday."

This is despite the fact that globally the mortality rate for children under-five has dropped by almost 50 per cent in 2012.

Sanitation is another area which brings woe for India. It retains its infamous status as having the biggest population without access to proper toilets. "Close to 60 per cent of the one billion people practising open defecation live in India," the UN report notes.

Though the UN's MDG report is more region specific, these references have been made specifically to India, which is the largest country of the South Asia region. This region itself has fared poorly on most parameters of development.

For example, the report notes that in 2012 the prevalence of under-nutrition of children was highest in South Asia, with 30 per cent of under-five children being underweight. The region also accounted for 24 per cent of all maternal deaths worldwide in 2013.

Business Line

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Fiscal deficit target appears daunting as non-Plan spend surges, say economists

'For next 10 months, non-Plan spend will have to grow at 3.4% to reach target'

SHISHIR SINHA
New Delhi, July 16

The surge in non-Plan expenditure has left economists divided over the Government's ability to achieve the fiscal deficit target. Non-Plan expenditure makes up over 68 per cent of the total expenditure.

The fiscal deficit in the first two months has already crossed 45.6 per cent of the Budget target for the full fiscal. This deficit is the difference between the Government's income and expenditure and is bridged by borrowing. Non-Plan expenditure refers to spending on interest, subsidy, Defence and salary as well as pensions.

The Government has set a fiscal deficit target of 4.1 per cent of GDP for the current year. Non-Plan expenditure is estimated at ₹12.19-lakh crore, of a total expenditure of around ₹18-lakh crore.

Monthly data from the Controller General of Accounts, who tracks Government revenue and expenditure, show that non-Plan expenditure in the first two months (April-May) of the current fiscal clocked was 48 per cent higher than in the corresponding period last fiscal.

Expenditure control

According to the Chief Economist and Senior Director of India Ratings, Devendra Kumar Pant, this means that for the remaining 10 months of this fiscal, non-Plan expenditure growth will have to be reined in at 3.4 per cent to attain the Budget target.

"Given the committed nature of non-Plan expenditure, this again looks difficult. In such a scenario, the 4.1 per cent fiscal deficit and 2.9 per cent revenue deficit targets clearly look difficult to achieve, unless planned expenditure is compressed as in previous years or expenditure is rolled over to the next fiscal," Pant said.

Overshooting the targets

	April-May (actual)	Full year (estimated)	10 months (required)
Non-Plan expenditure (₹ cr)			
2014-15	2,20,730	12,19,892	9,99,162
2013-14	1,49,046	11,14,902	9,65,856
Growth (%)	48.1	9.4	3.4
Plan expenditure (₹ cr)			
2014-15	59,609	5,75,000	5,15,391
2013-14	68,309	4,75,532	4,07,223
Growth (%)	-12.7	20.9	26.6
Total expenditure (₹ cr)			
2014-15	2,80,339	17,94,892	15,14,553
2013-14	2,17,355	15,90,434	13,73,079
Growth (%)	29.0	12.9	10.3

The Budget assumes nominal GDP growth of 13.4 per cent in 2014-15, against 12.3 per cent in 2013-14.

This will lead to a net tax revenue growth of 16.9 per cent as against 12.7 per cent in 2013-14 and non-tax revenue growth of 9.9 per cent, against 40.7 per cent in 2013-14.

Pant said given that the economy is in a sluggish phase, attaining the estimated tax revenue growth looks difficult. He said the disinvestment target seems too optimistic. In fact, the disinvestment target set out in the Budget, at ₹63,325 crore, is the highest till now.

Another take

Meanwhile, Aditi Nayar, Senior Economist with ICRA, has a different view. She said that non-Plan revenue expenditure (total non-Plan expenditure minus capital expenditure) in April-May 2014 rose by 56 per cent over 2012-13. Around 27 per cent of this increase is on account of interest payments. Additionally, major subsidies in these two months appears to be substantially higher than in the same months of 2013.

"However, this up-fronting of release of subsidy by the Government is more likely a matter of sequencing and does not necessarily point to an overshooting of targets set in the Budget for 2014-15," she said.

The extension of the deadline for identification of beneficiaries by State Governments under the National Food Security Act, the allocation for food subsidy for 2014-15 appears to be adequate.

The fuel subsidy amount carried forward from last fiscal is estimated at over ₹30,000 crore and gross under-recoveries of oil marketing companies are projected at ₹1.04-lakh crore in 2014-15.

"ICRA believes the fuel subsidy allocation for the current fiscal could be largely adequate if the absolute burden of upstream companies remains at 2013-14 levels — ₹67,000 crore," she said.

PC

The Tribune

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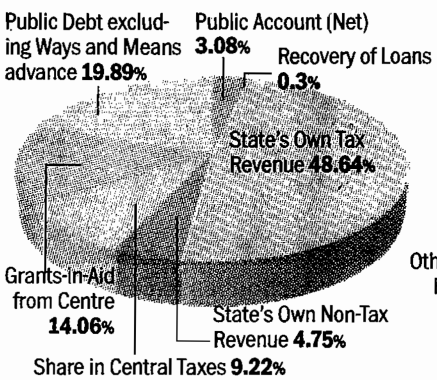
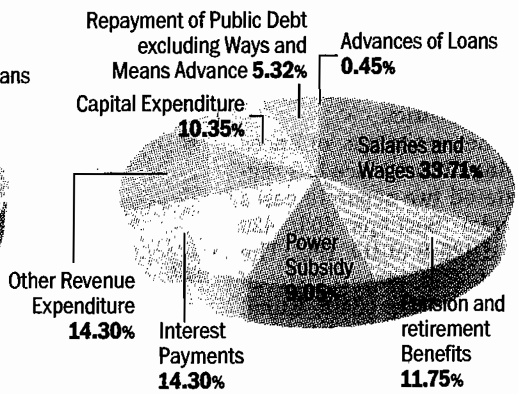
Worrying signs: Share of primary sector in GSDP on the decline

Fall in share of manufacturing sector too but that of service sector up

Revenue receipts



Expenditure



SARBJIT DHALIWAL
TRIBUNE NEWS SERVICE

CHANDIGARH, JULY 16

The share of the primary sector, on which about half of the state's population is directly dependent, in the Gross State Domestic Product (GSDP) has been on a steady decline. This sector includes agriculture and livestock. Even the share of the manufacturing sector has been on falling since 2009-2010. But the share of the service sector has been going up constantly.

The Budget proposals indicate that the share of agriculture and allied sectors in the Gross State Domestic Product (GSDP) came down to 20.84 per cent in 2013-2014 from 32.67 per cent in 2004-05 and that of the secondary sector, that includes the manufacturing and construction, declined to 28.30 per cent in 2013-14 from 30.86 per cent in 2009-10.

"Both primary and secondary sectors are productive sectors and a decline in their share in the economy is a bad sign. This means that the economy is no more dynamic. Consequently, there is fall in the income and living standards of the people dependent on these sectors. Suicide by farmers is clearly linked to the falling share of the farm sector in the GSDP," says Lakhwinder Singh Gill, Director, Centre for Development Economics and Innovations Studies, Punjabi University, Patiala. The share of the tertiary sector in the GSDP went up to 50.86 per cent in 2013-14 from 42.59 per cent in 2004-05. The state government had held high-profile summits to promote the agriculture and manufacturing sectors a few months ago.

> "There is fall in the income and living standards of the people dependent on the primary sectors. Suicide by farmers is clearly linked to the falling share of the farm sector in the GSDP."
>
> **Lakhwinder Singh Gill,** PUNJABI UNIVERSITY

Slow growth rate

Punjab's growth rate vis-a-vis several states is relatively low. Whereas Madhya Pradesh's growth rate was 11.08 per cent in 2013-14, in Punjab it was 5.30 per cent. Likewise, Gujarat, Jharkhand, Tamil Nadu, Kerala, Chhattisgarh and Bihar are also ahead Punjab. During the Tenth Plan and the Eleventh Plan, Punjab was one of the slowest growing states in the country.

In the last fiscal year, the growth rate of the primary sector was 0.44 per cent and that of agriculture was in the negative (0.37%). The state government in its Budget today neither announced any concrete proposal nor a commission to address issues related to a slowdown in the economic growth, especially the decreasing share of the agriculture and manufacturing sectors in the GSDP that has resulted in increased unemployment in the villages. Surveys conducted by universities indicate that more and more people are exiting the primary sector and turning to casual labour.

Some relief

However, what should come as some comfort the state government is that the devolution of resources from the Centre during this fiscal would be Rs 13,588 crore against last year's figure of Rs 9,932 crore. Punjab has been constantly urging the Centre to increase the state's share from 39 per cent to 50 per cent.

The Tribune

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Rainfall deficit pegged at 64%, drought scare looms

PRADEEP SHARMA
TRIBUNE NEWS SERVICE

CHANDIGARH, JULY 16

With the average rainfall deficit pegged at around 64% this monsoon, a severe drought is staring Haryana in the face, taking a heavy toll on the sowing of the Kharif crops in the election year.

In fact, the rainfall deficiency has been widespread across Haryana from June 1 to July 16 with the deficiency ranging from 40.1% in Kurukshetra, to 94.5% in Chief Minister Bhupinder Singh Hooda's home district, Rohtak.

The districts facing heavy rainfall deficiency and virtual drought-like conditions include Panipat (90.5 per cent), Panchkula (88.5 per cent), Sonepat (86.1 per cent), Palwal (77.4 per cent), Hisar (73.3 per cent), Yamunanagar (70.7 per cent), Jind (68.2 per cent), Gurgaon (67.6 per cent), Mewat (62.2 per cent), and Mahendragarh (60.6 per cent).

Meanwhile, the deficiency in rainfall has taken its toll on the sowing of Kharif crops, with only 68.6% of the total targeted area being sown till now. As against a target of 30.71 lakh hectares, the Kharif crops could be sown on an area of 21.08 lakh hectares ony.

Haryana had already prepared a comprehensive contingency crop plan under which farmers had been advised to grow short-duration varieties of bajra, moong and urad.

Chief Minister Bhupinder Singh Hooda has gone on record demanding a bonus of at least Rs 300 per quintal and Rs 100 on other Kharif crops, to motivate and compensate farmers for the additional expenditure incurred by them on sustaining their crops by using alternate means of irrigation.

Hooda said, "The state has demanded an additional allocation of Rs 160.96 crore, including Rs 50.61 crore for seed distribution, from the central government. Besides, a special allocation of Rs 100 crore has also been demanded for compensating farmers for the expenses incurred by them to deepen tubewells due to receding water table."

A FARMER LOOKS SKYWARDS WAITING FOR RAIN.

DISTRICT-WISE RAINFALL DEFICIENCY

Panipat	90.5
Panchkula	88.5
Sonepat	86.1
Palwal	77.4
Hisar	73.3
Yamunanagar	70.7
Jind	68.2
Gurgaon	67.6
Mewat	62.2
Mahendragarh	60.6

(FIGURES ARE IN PERCENTAGE)

Grim situation

- Maximum rainfall deficiency in Rohtak at 94.5%; minimum in Kurukshtra at 40.1%
- Kharif crops sown on 21.08 lakh hectares against 30.71 lakh hectares
- Haryana rolls out contingency plan; asks Centre to chip in
- Hooda demands bonus of ₹300 per quintal on paddy

The Tribune

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FDI proposals worth ₹2,327 crore cleared

NEW DELHI, JULY 16

The government has cleared 19 foreign investment proposals, including that of Walt Disney Company and Reckitt Benckiser (India), entailing total investment of Rs 2,326.72 crore.

"Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held on June 11, 2014, the Government has approved 19 proposals of foreign direct investment (FDI) amounting to Rs 2326.72 crore approximately," the Finance Ministry said.

The FIPB, however, rejected an investment proposal of Multi-Commodity Exchange of India (MCX) for a post-facto approval of the foreign investment made by Alexandra Mauritius Ltd prior to the period when FDI in commodity exchanges was brought under approval route.

In addition to MCX's proposal, the FIPB also rejected foreign investment application of George Institute for Global Health (Hyderabad), BIESSE Manufacturing Company (Bangalore) and three others.

The Finance Ministry further said decision on seven FDI proposals has been deferred. These include proposal of Ahlcon Parenterals (India), Indian Rotorcraft Ltd and UBM Medica India. — PTI

The Statesman

Date: 17/07/2014
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East reports lowest peak power deficit

STATESMAN NEWS SERVICE
New Delhi, 16 July

The eastern part of India comprising West Bengal, Odisha, Bihar and Jharkhand was least affected by power cuts as they reported a deficit of 1.7 per cent as against national average of 3.7 per cent, the data released by the Central Electricity Authority (CEA) reveals. The requirement in these states was 16,628 MW as against a supply of 16,342 MW.

The CEA data showed that an increase of nearly 20,000 MW of generation capacity narrowed the country's overall peak power deficit to 3.7 per cent last month from 6.3 per cent in June 2013.

Peak power deficit or shortfall in electricity supply when the demand is at its maximum was 5,295 MW or 3.7 per cent last month.

The total power requirement during the month stood at 1,42,647 MW of which 1,37,352 MW was met.

Power shortage in June last year was to the tune of 8,597 MW, when the demand was 1,35,561 MW against a supply of 1,26,964 MW.

The peak electricity deficit in May this year was 7,061 MW or five per cent. The power requirement was 1,41,855 MW of which 1,34,794 MW was met.

Another reason for decline in peak power deficit is lower industrial production as the country is undergoing a severe industrial slowdown.

The North-eastern region comprising Assam, Meghalaya, Manipur, Mizoram, Tripura, Arunachal Pradesh and Nagaland was the worst affected, recording a peak power deficit of 9.2 per cent during the month of June.