योजना आयोग
भारत सरकार
Planning Commission
GOVERNMENT OF INDIA

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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

- **NDA govt uses Katju complaint to underline need for judicial panel:** The Congress stood isolated in Lok Sabha Tuesday when the government acknowledged that a Supreme Court collegium recommended extension for a controversial judge in Tamil Nadu during UPA rule after the then Prime Minister's Office and the Department of Justice inquired about his case. Informing Lok Sabha that "the clock cannot be put back", Union Law Minister Ravi Shankar Prasad underlined the "imperative need to improve the system of appointment" of judges and how keen the government was to ensure the appointment of a National Judicial Commission System. The loneliness of the 44-member Congress, staring at rebellion in the states after the rout in the Lok Sabha elections, was evident when no party backed Mallikarjun Kharge's attempts to block the government from responding to an AIADMK clamour for answers. The AIADMK wanted to know whether the collegium had been forced — at the behest of an ally of the then UPA government — to accommodate the judge against whom there was an "adverse" report. The AIADMK aggression only highlighted what has not gone unnoticed in the new House. The Congress looks weary, weak, almost friendless, a pale shadow of its old self, finding it hard to be the opposition pivot. From the start of the budget session, regional parties opposed to the government have been more vocal, more energetic in seeking answers, drawing the attention of the House — with or without Congress support. (The Indian Express).

Economy

- **FinMin wants banks to be exempt from CSR spend:** Indian banks, particularly those owned by the government and facing an urgent need to raise capital, could get some relief. The finance ministry has written to the corporate affairs ministry, asking the latter to exempt banks from the corporate-social responsibility (CSR) spending mandated by the Companies Act. The Act, which came into effect from the current financial year, mandates companies to spend at least two per cent of their average net profit for the immediately preceding three financial years on CSR activities. The CSR provisions within the Act are applicable to companies that have annual turnover of Rs 1,000 crore or more, or net worth of Rs 500 crore or more, or net profit of Rs 5 crore or more. Almost all commercial banks have made profits of more than Rs 5 crore in the past three financial years. The Act also requires companies to set up CSR committees comprising their board members, including at least one independent director. Profitability growth of bank groups differed significantly last financial year. The new private banks were able to maintain a healthy growth rate of 19.7 per cent in their profit after tax during 2013-14, compared to a contraction of 30.7 per cent in the net profits of public-sector banks during the year. According to the finance ministry, since the country is considered a bank-led economy and as the economy is not doing well, banks should be exempted from spending on CSR activities till the economic conditions improve. (Business Standard).

Planning

- **National Food Grid on cards to help ease prices, cut wastage:** To bring down wastage and stem the rise in food inflation, the Government is planning to create a National Food Grid on the lines of the power grid. The proposed grid will ensure that all types of food are available in every part of the country all through the year. "As the first step, we are preparing a National Food Map, covering all food products, raw and processed, livestock, fisheries, poultry, etc.," Food Processing Minister Harsimrat Kaur Badal told *BusinessLine* here on Tuesday. She said the map was being made after collecting data from various sources, such as agri universities. "We are collecting whatever data is available, what is grown where and I am also going to appeal to my colleagues in Parliament to write to me about surplus food, and infrastructure required," she added. The map proposes to divide products and districts/clusters into two categories — critical and non-critical — with a focus on promoting agro-based industries and helping farmers who, at times, have to resort to distress sales or dump their produce. Admitting that creating storage infrastructure, especially for perishable products, was a challenge, the Ministry is also planning to set up a National Cold Chain Grid and will push for it to be declared a "priority sector infra project". The proposed cold chain grid will link key fruit and vegetable hubs in the country to 'critical' districts identified in the food map, says a Food Ministry approach paper. "Onions are produced in Maharashtra and their prices are rising in Delhi. There should be a way to get these across without prices soaring," said Badal. (Business Line).

Editorial

- **Spectrum Norms to Ward Off CAG Terror:** Trai's guidelines on spectrum-sharing mark an improvement on the current state of affairs but fall far short of what is desirable. They impose all kinds of arbitrary restrictions that limit utilisation of spectrum far below what technology and commercial conduct permit. This is unfortunate. India started off by offering operators tiny slivers of spectrum that did not allow optimal network design. Operators have had to carry out excessive investment to service their growing customer base because of this scarcity of the raw material of telecom. Yet, thanks to the policy of making spectrum available with minimal upfront costs, till the auctions started, and intense competition among a large number of licensees, consumers got some of the cheapest tariffs in the world. The common good lies in regulation and licensing terms encouraging, not blocking, evolution of services to the latest technology platforms and business models that incorporate available technological possibilities. It is against this requirement that we have to measure the Trai regulations and government policy. And the latest sharing guidelines fall far short. Why not allow sharing among more than two operators? Why insist that an operator would not be able to share spectrum in a band that it did not possess prior to sharing? Why limit the kind of services that any operator can provide using shared spectrum? After all, the government only needs to ensure that it does not lose any revenue as a result of companies pooling their spectrum resources. What Trai and the department of telecom are doing is, in everyday parlance, covering their backside. (The Economic Times)

Business Line

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plan

National Food Grid on cards to help ease prices, cut wastage

Govt preparing food map to identify 'critical' products and districts

SHISHIR SINHA / ADITI NIGAM

New Delhi, July 22

To bring down wastage and stem the rise in food inflation, the Government is planning to create a National Food Grid on the lines of the power grid. The proposed grid will ensure that all types of food are available in every part of the country all through the year.

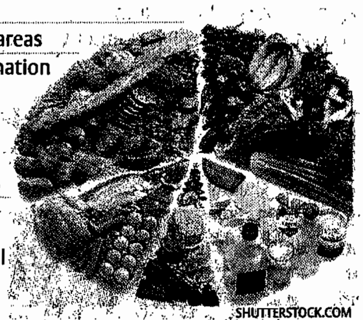
"As the first step, we are preparing a National Food Map, covering all food products, raw and processed, livestock, fisheries, poultry, etc.," Food Processing Minister Harsimrat Kaur Badal told *BusinessLine* here on Tuesday.

She said the map was being made after collecting data from various sources, such as agri universities. "We are collecting whatever data is available, what is grown where and I am also going to appeal to my colleagues in Parliament to write to me about surplus food, and infrastructure required," she added.

The map proposes to divide products and districts/clusters into two categories — critical and non-critical — with a focus on promoting agro-based industries and helping farmers who, at times, have to resort to distress sales or dump their produce.

Food for thought

- National food map being created to track processed and raw foods, livestock, fishery, poultry products
- Govt to divide products and districts into 'critical' and 'non-critical' categories
- Tax holiday for 'critical' areas
- Real-time, online information to be made available on essential foodstocks, perishable vegetables and fruits, poultry, fisheries, dairy products
- Surplus food will be transported to deficit areas to reduce seasonal disparity in prices



SHUTTERSTOCK.COM

Admitting that creating storage infrastructure, especially for perishable products, was a challenge, the Ministry is also planning to set up a National Cold Chain Grid and will push for it to be declared a "priority sector infra project".

The proposed cold chain grid will link key fruit and vegetable hubs in the country to 'critical' districts identified in the food map, says a Food Ministry approach paper.

"Onions are produced in Maharashtra and their prices are rising in Delhi. There should be a way to get these across without prices soaring," said Badal.

The cold chain grid will take care of sorting, grading, post-harvesting, storage and specialised transport to connect each district, in accordance with its criticality, as specified in the Food Map.

"Till the infrastructure is in place, we plan to use refrigerated trucks to check wastage at the harvest and transport levels," Badal added.

The food processing sector has got one of the biggest boosts in this year's Budget, with the Finance Minister earmarking ₹2,000 crore for it. Badal said she had also requested the Finance Ministry to include the food-processing sector in the farm loan category.

"This will help the processor to get credit at 7 per cent, just like farmers," she said. The Finance Ministry has set a disbursal target of ₹8-lakh crore for farm loans in 2014-15.

'16 States ready to de-list fruits and vegetables'

Harsimrat Kaur Badal

As many as 16 States are in the process of delisting fruits and vegetables from the APMC Act, said Food Processing Minister Harsimrat Kaur Badal.

"These States have amended the Act partially or totally," the Minister added, without naming any state.

To check hoarding and rising prices, the BJP Government had recently called for the delisting of fruits and vegetables from the Act so that farmers could sell their produce in the open market.

Business Standard

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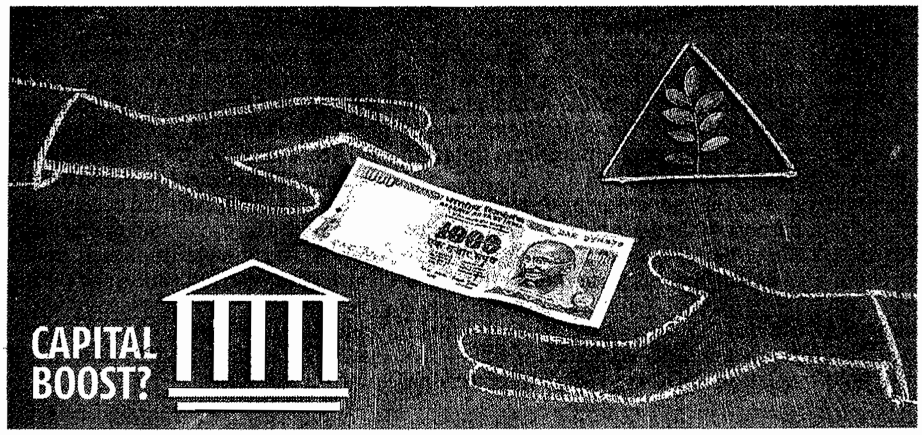
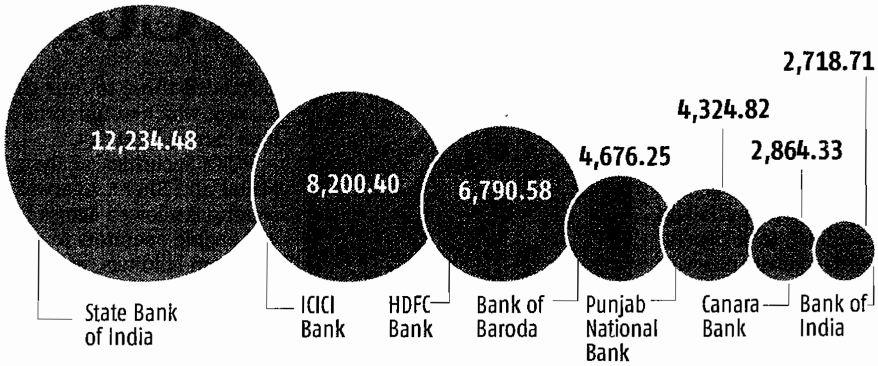
FinMin wants banks to be exempt from CSR spend

Letter to corporate affairs ministry cites slowing economy, capital challenges

MANOJIT SAHA
Mumbai, 22 July



Average 3-year standalone profits of top banks (as of FY14 in ₹cr)



Source: Capitaline

Compiled by BS Research Bureau

Indian banks, particularly those owned by the government and facing an urgent need to raise capital, could get some relief.

The finance ministry has written to the corporate affairs ministry, asking the latter to exempt banks from the corporate-social responsibility (CSR) spending mandated by the Companies Act.

The Act, which came into effect from the current financial year, mandates companies to spend at least two per cent of their average net profit for the immediately preceding three financial years on CSR activities.

The CSR provisions within the Act are applicable to companies that have annual turnover of ₹1,000 crore or more, or net worth of ₹500 crore or more, or net profit of ₹5 crore or more.

Almost all commercial banks have made profits of more than ₹5 crore in the past three financial years. The Act also requires companies to set up CSR committees comprising their board members, including at least one independent director.

Profitability growth of bank groups differed significantly last financial year. The new private banks were able to maintain a healthy growth rate of 19.7 per cent in their profit after tax during 2013-14, compared to a contraction of 30.7 per cent in the net profits of public-sector banks during the year.

According to the finance ministry, since the country is considered a bank led economy and as the economy is not doing well, banks should be exempted from spending on CSR activities till the economic conditions improve.

All private-sector banks, both old- and new-generation ones, are incorporated under the Companies Act, and so are foreign banks' branches.

Nationalised banks are incorporated under the Nationalised Bank Act. Though it is not clear if public-sector banks also need to spend on CSR activities — Reserve Bank of India laws allow them to make donations — the finance ministry wants all banks to be exempted from the stipulation for now. If the corporate affairs ministry agrees to the request, it will be a big relief for banks, particularly the public-sector ones.

The move comes at a time when the government is constrained in infusing capital into state-run banks. According to the government's own estimates, public-sector banks will need ₹2.4 lakh crore of capital infusion over the next five years, mainly to meet the Basel-III norms and to fund their business growth. Banks' capital positions are under pressure due to mounting non-performing assets (NPAs) and this is putting pressure on profitability. Also, from April 1 next year, banks will have to treat restructured assets as NPAs, for which provisioning requirement will go up sharply. At present, standard restructured assets require a provisioning of five per cent, while sub-standard assets need provisioning of 15-20 per cent, depending on whether a loan is secured or not.

Business Standard

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PF account holders to soon receive universal numbers

SOMESH JHA
New Delhi, 22 July

From October 15, employees will not have to apply for transfer of their provident fund (PF) accounts while switching jobs anywhere in India.

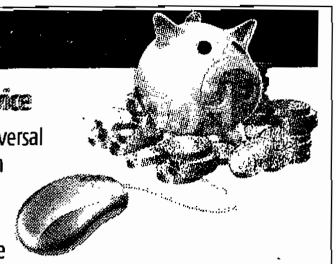
The Employees' Provident Fund Organisation (EPFO) is speeding up work on universal account numbers (UANs) for subscribers. Employees now are allotted another PF account numbers when they switch companies. Earlier, it used to take a while to get accounts transferred to new employers. Since EPFO switched over to online transfers in October 2013, this takes 30 days. This will become even faster with the UANs. Employees will merely need to update their new employee identity numbers provided by the new employers in their UANs when switching jobs and their accounts will be automatically shifted.

Once a UAN is allotted to an employee, he or she need not go through his or her employer to provide details to EPFO, unlike now. "There will be no need for an individual to go through the employer. This system will be employee-centric," Chief PF Commissioner K K Jalan told *Business Standard*.

However, companies would initially have to provide know-your-customer (KYC) details of employees, EPFO said in a letter. KYC details include other identification numbers like Aadhaar, the population register number, savings bank accounts and the income-tax permanent account number (PAN). The UAN would make settling claims easier as all key information would be available, Jalan said.

EPFO has asked its field officers to "impress upon employers that the Aadhaar/PNR must be seeded wherever available." According to an official, 70-80 per cent employees covered by EPFO have Aadhaar/NPR cards. EPFO, in its letter, has asked companies to use digital signatures, otherwise some of the services might not be available to their employees.

IN FAST LANE



Conditions for UAN service

- Employee has to obtain Universal Account Number (UAN) from his/her employer with member ID
- Employee has to activate the registration through the online portal
- User name and password need to be created for accessing UAN-driven member portal
- Scanned copies of KYC documents need to be uploaded

Steps involved

- Enter UAN, mobile number and member ID on portal site
- UAN credentials will be verified
- Create username and password
- You are now registered on the UAN member portal

On the portal, you can

- Download or print passbook
- List previous member ID
- Update your KYC information
- Download or print UAN Card
- File and view transfer claims

Business Standard

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International pressure on India to sign WTO trade agreement

Despite assurance from many nations on food security issue, India sticks to its guns

NAYANIMA BASU
New Delhi, 22 July

India has come under international pressure to sign on the protocol of amendment for the World Trade Organization's (WTO's) trade facilitation agreement (TFA) and help convert it into a legal document before the July 31 deadline.

The country, though, is sticking to its stand that it will not sign the agreement till it gets assurance that the food security issue, concerning stockholding of food grains and subsidies under WTO's Agreement on Agriculture, will be negotiated by the 159 member nations. This is even as India has received an assurance from US, Brazil, China, Africa and the G-33 group of developing countries that food security will be discussed.

Until the end of last week, India had not spelt out its stance on Post-Bali Work programme, officials involved in the negotiations at WTO's Geneva headquarters told *Business Standard*.

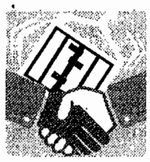
"India did not even clearly spell out what will be it's position... It was only last week that it came out with a half-baked proposal. Ever since Bali happened, India has been silent on the Bali package, which is waiting for a guidance from New Delhi. India has been saying for months it cannot debate on these issues, as its new government has not yet taken any position on the Bali talks," said a senior trade negotiator, asking not to be named.

The trade negotiator added India had this time been deserted by the BRICS, G-20, G-33 and the African group, all of which had agreed to adhere to the July 31 deadline for the trade facilitation agreement. The pact is to come into force from July 2015. The official also warned if India lost the opportunity on the agreement now, it would be "very difficult" to get everyone back on the table to talk on food security.

According to sources, Commerce & Industry Minister Nirmala Sitharaman held separate meetings with WTO Director-General Roberto Azevêdo, US Trade Representative Michael Froman and other senior officials, on the sidelines of the G-20 meeting in Sydney last week. All of them assured her food security would be negotiated as soon as work on the trade facilitation agreement was over.

"Not a single country, including the US and other developed countries, signalled in any way that there was a movement away from the promises made to India in Bali," said another official involved in the talks.

According to a 'Summary of Discussion' circulated to G-20 participants internally, which has not been made public, all members, including the developed world, have agreed that the trade pact was "not the only Bali outcome, and G-20 ministers are committed to working constructively on all elements of the Bali package of outcomes", explicitly saying issues concerning public stockholding for food security purposes will be discussed.



India has not responded to the Obama administration's calls, clearly spelling out the US' approach on food security

And, that's not all. Apparently, India was also assured by the US, twice, that it was "committed to what was agreed in Bali, with all the specific deadlines, including on the issue of trade facilitation." According to reliable sources, US has even assured India that it will start working towards food security issues once the work on the trade facilitation agreement gets over, as the deadline to find a permanent solution to the food security issue is 2017.

However, it seems, India has not responded to either of the US authorities' communications clearly spelling out the US' approach on food security. In an internal communiqué on the Post-Bali Work Programme to the WTO members, the US even suggested compiling a report on food security and how it should be negotiated. At a press conference concluding the G-20 trade ministers' meeting, Australian Trade Minister Andrew Robb said there was a "strong resolution" that India's concerns on food security should be addressed.

All eyes are now on what the Cabinet, chaired by Prime Minister Narendra Modi, will decide on the issue on Wednesday. It is unlikely to make its stance very clear but might show its intent of supporting TFA, provided talks on food security also moves on. Besides, the WTO Trade Negotiating Committee will meet in Geneva on July 24 to build a final consensus among all members.

Industry body Ficci, meanwhile, has come out in open support of the trade facilitation agreement and urged the government to sign the pact, which will help reduce transaction costs across international borders.

Bali pact to sharply lower transaction cost, says Ficci

Ahead of a meeting that is likely to decide on India's stand on World Trade Organisation (WTO) Bali agreement, industry body Federation of Indian Chambers of Commerce and Industry (Ficci) on Tuesday said the pact will sharply lower transaction cost for exporters, thereby boosting their competitiveness.

Ficci President Sidharth Birla said, "We certainly feel through this agreement, we will be able to see a significant reduction in the transaction cost involved in trading across borders. This is good for both trade and enterprise in India and we expect the government to take a considered view on signing of this agreement."

He added, "The benefits that would accrue to Indian industry in the long-term following this agreement would be sizeable and would help improve competitiveness of our exports."

India has opposed the process of implementation of the WTO's Bali agreements which include TFA, permanent solution on India's public stockholding of foodgrain for its food security programme and issues pertaining to least developed countries. PTI

The Financial Express
Date: 23/7/2014
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PFRDA to allow more players after 'fit and proper' test

Raj Kumar Ray

New Delhi, July 22: Armed with statutory status and more powers, pension regulator PFRDA is revamping all its guidelines to foster competition while ensuring all entrants pass the stringent 'fit and proper' test before they get to manage funds under the National Pension System (NPS).

After the PFRDA Act was passed by the UPA government in September 2013 and notified on February 1, 2014, the regulator has started framing regulations while reviewing all guidelines it had issued in the past so that provisions could be revised to conform with the new legislation and strengthen some clauses according to the need of the day.

"Earlier, we had issued guidelines. Now that the PFRDA Bill has been enacted, we are framing the regulations under the PFRDA Act," PFRDA chairman RV Verma told *FE*. "We have so far drawn up 12 regulations in all, including the two latest regulations on pension fund management and NPS Trust."

While the main thrust is to expand the scope and coverage of NPS across the length and breadth of the country and across all segments of the population in the formal and the unorganised sector, a market-based and sustainable approach by encouraging competition through entry of more number of players and ensuring efficient pricing, will make the pension market more robust and inclusive, he said.

The move assumes importance in the wake of rising demand for pension cover in a country where less than 20% of the population has some form of savings to fall back on after retirement. Since inception in 2004, the NPS subscriber base has grown to about 7 million by the end of June 2014, with the corpus growing to about ₹58,000 crore

In this context, Verma said the 'fit and proper' criteria has been made more specific to make due diligence for the pension funds more robust.

The move assumes importance in the wake of rising demand for pension cover in a country where less than 20% of the population has some form of savings to fall back on after retirement. Since inception in 2004, the NPS subscriber base has grown to about 7 million by the end of June 2014, with the corpus growing to about ₹58,000 crore.

The draft regulations put out by the pension regulator as per the PFRDA Act stipulate a cap on foreign stake at 26% in the sponsor company or such percentage as may be approved for an Indian insurance company, whichever is higher.

The eligibility criteria for a company to become a pension fund manager for the NPS also includes a minimum capital of ₹25 crore, five years of experience in fund management (both equity and debt), a positive networth for five years and a three-year profit record apart from being regulated by any of the financial sector regulators—RBI, Sebi and Irda.

To ensure that only serious players enter the pension sector, PFRDA has mandated that a company will not be given licence if the sponsor of pension fund or its principal officer or key management personnel has been convicted by a court for any economic offence or fraud. A company will be debarred from NPS also if any of the other financial regulators have cancelled its licence or charged any of its top official with market manipulation or insider trading or unfair trade practices.

Govt may set 'fraud trigger' for auditors' report

Fe Bureau

New Delhi, Jul 22: The government is actively considering fixing a minimum threshold of the quantum of frauds/potential fraud at companies that will need to be mandatorily reported by the auditors concerned.

The ministry of corporate affairs has sought suggestions from the Institute of Chartered Accountants of India (ICAI), the apex body of auditors, Parliament was informed on Tuesday. Under the Companies Act, 2013, auditors have the responsibility of reporting frauds at entities being audited by them. The rules will now specify the thresholds for the same. "ICAI has been asked to give its comments on the feasibility of having some criteria to determine the thresholds of the quantum of a fraud/suspected fraud for mandatory reporting to the government by the auditors," Nirmala Sitharaman, the minister of state for corporate affairs, said in a written reply to the Rajya Sabha. She was responding to a query on whether the norms relating to communication of auditor's report to government in cases of irregularities, embezzlement was under review.

About various concerns of the stakeholders with certain provisions of the new companies law, Sitharaman said that the ministry had "issued suitable circulars, statutory orders and amendments in the rules to provide transitional time, remove doubts or practical difficulties". She said amendments in Companies Act 2013 "will be considered" if such measures "prove inadequate". Asked if independent directors will be held responsible for decisions taken by the company's board, she said: "Section 149(12) of the Act already grants protection to independent directors from prosecution in matters without their knowledge, consent, connivance or where they had acted diligently."

Hindustan Times

Date: 23/07/2014

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Focus on needy blocks, is new MGNREGA mantra

Brajesh Kumar

■ Brajesh.kumar@hindustantimes.com

NEW DELHI: Continuing with its efforts at restructuring the rural job scheme MGNREGA, the NDA government on Monday directed states to concentrate on backward blocks instead of spreading thin in areas where there was no demand for work.

"For the year 2015-16 as a part of the labour budget exercise it has been decided that there should be greater focus on the backward blocks while conducting the labour budget exercise," R Subrahmanyam, joint secretary, rural development ministry wrote to all the states.

The latest move from government comes amid decreasing demand for work under the scheme with the average number of days worked by a beneficiary coming down to 45 in 2013-14 from 54 in 2009-10.

"By asking the states to focus on backward blocks the government has finally submitted to the argument by officials in the rural development ministry that there was absolutely no point in universalizing the scheme," a ministry official told HT.

The scheme, when started in 2006 covered the 200 most backward districts, but then was later universalized covering all districts in 2008.

What the latest directing means is 2500 backward blocks (identified by the planning commission) of the 6576 total blocks will see better implementation in terms of asset creating and job guarantee.

While the number of blocks identified by the planning commission as 2500 is indicative, the states will have to further carry out detailed survey to assess the kind of work to be carried out in these.

REVISED STRATEGY

- The directive means 2,500 backward blocks out of the 6,576 blocks will see better implementation in terms of asset creation and job guarantee.
- The number of backward blocks identified by the planning commission as 2,500 is indicative only. States will have to further carry out detailed survey
- Parameters of the backwardness index include percentage of persons primarily dependent on agriculture, female literacy rate, households without access to electricity, drinking water, toilets and access to banking facility
- Backwardness index prepared by plan panel will come handy

Hindustan Times

Date: 23/07/2014
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Gowda bats for FDI, PPP projects

RAIL BUDGET Minister allays fears, says investments will be used only in infrastructure development and not in operations

HT Correspondent
letters@hindustantimes.com

NEW DELHI: Railways Minister D V Sadananda Gowda reiterated his support for permitting FDI in the rail sector and described Public Private Partnership projects as a necessity in the Rajya Sabha on Tuesday.

He also sought to allay apprehensions that permitting FDI would "do some harm". "FDI will help fund big ticket projects such as high speed corridors, suburban corridors and freight corridors," he said in his reply to a debate on the rail budget in the upper house.

The rail budget was later approved by the house through a voice vote.

Responding to concerns of members about the feasibility of launching capital-intensive high speed projects, the railways minister said that such projects would be funded through bilateral agreements and FDI, without putting any burden on the common man.

Replying to criticism by members in the debate on the government's decision to hike passenger fare and freight rates ahead of his budget speech, Gowda reiterated that he had merely implemented the decision that had been taken by the earlier UPA government.

Sadananda Gowda in the Rajya Sabha on Tuesday. PTI PHOTO

Major reforms on anvil to put railways on track

Srinand Jha
srinandjha@hindustantimes.com

NEW DELHI: Making the chairman of the railway board — the Chief Executive Officer — and providing for a unified cadre for railway are among the major reforms the Modi government is in the process of finalising.

Aimed at bringing in business discipline in the functioning of the country's public transporter, the revamp plans are also seen as 'enabling measures' to attract private investments including Foreign Direct Investments (FDI) to boost infrastructure development in India's rail sector.

Setting up a Rail Tariff Authority (RTA) for providing a level playing field to all stake-holders also forms part of the plans.

With the fare and freight hike and the budgetary exercise out of the way now, railways minister DV Sadananda Gowda is now focusing on the organisational reform plan to separate policy and execution functions, sources said.

The restructuring plans largely flow out of the recommendations of the Sam Pitroda-headed modernisation group report submitted in February 2012.

GOWDA IS NOW FOCUSING ON THE ORGANISATIONAL REFORM PLAN TO SEPARATE POLICY AND EXECUTION FUNCTIONS

Empowering zonal general managers to execute sanctioned works without interference from the railway board and including experts and other stakeholders in policy making are among the other recommendations of the Pitroda committee.

Because of the policy dilemmas of the UPA government and resistance of officials and unions, the restructure plans had failed to take off. The decision on setting up the RTA has been hanging fire despite parliamentary approval.

Posts for the RTA Chairman and members were advertised on January 27 last year.

"The new government is taking a comprehensive view on such matters and the organisational reform measures will shortly be unveiled," sources said.

The Indian Express

Date: 23/07/2014
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Prime Minister meets Jaitley, Sitharaman to decide on issue

India sticks to tough stand on WTO pact; final call today

ENS ECONOMIC BUREAU
NEW DELHI, JULY 22

AMID the approaching deadline of July 31 for ratifying the World Trade Organization's trade facilitation agreement (TFA), Prime Minister Narendra Modi met finance minister Arun Jaitley and commerce minister Nirmala Sitharaman on Tuesday to finalise India's position on the issue.

According to official sources, India is likely to block the agreement if the developed countries refuse to address its concerns on food security issues at the meeting in Geneva later this week.

The sources said that the Cabinet will discuss the issue on Wednesday to formally decide India's stand on the TFA before the General Council of the WTO meets in Geneva on Thursday to adopt the trade facilitation deal. All 160 member countries have to ratify the deal for it to be implemented from 2015.

In the meeting, which took place early during the day, it was decided that New Delhi will not ratify the trade facilitation agreement (TFA) until a concrete framework to find a permanent solution on public food stockholding is worked out. Without India's support, the WTO will find it difficult to adopt the TFA.

Last week, commerce secretary Rajeev Kher had issued a statement saying that until India got an assurance that WTO members were ready to discuss a permanent solution on public stockholding, it would be difficult for it to sign the protocol on TFA.

While developed countries like the US and Australia are pushing hard for the agreement, which will reduce transaction costs by streamlining procedures, emerging nations, including India and South Africa, are insisting on implementation of the Bali package in return. The emerging nations are asking for a permanent solution for its food security programme. The TFA will help the developed countries to boost their economy through an unhindered international trade by way of uniform and easy procedures at customs. It is being seen as a deal that will favour developed nations more than the developing countries.

The WTO currently limits the value of food subsidies at 10 per cent of the total value of food grain production. However, with the implementation of the Food Security Act the subsidy will go beyond the existing 10 per cent. India is demanding that the method of calculating subsidy should be changed and calculated at the current prices and not with 1986 as the base year. The US gives about $120 billion as agriculture subsidy. Last week, at the meeting of G-20 trade officials in Sydney, Sitharaman had raised India's concerns on the food security and TFA.

An official said that while the developed nations have completed the work for TFA, not a single meeting has been held on India's food security related issues.

Cabinet to take up rail, defence FDI

NEW DELHI: The Cabinet is likely to take up the issue of liberalising foreign investment policy in the railways and defence sector on Wednesday.

According to government sources, the Cabinet Committee On Economic Affairs (CCEA) will decide on allowing up to 100 per cent FDI in railways in dedicated freight corridors and high-speed railway networks falling under the fixed-line category. It is also likely to decide on allowing up to 100 per cent FDI in the defence sector through approval route. Currently, there is a cap of 26 per cent in the defence sector. ENS