योजना आयोग
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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

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Polity

- **Cong accuses BJP of copying UPA policies:** The Congress and BJP exchanged fire in the first debate in Rajya Sabha after the general elections on Tuesday. In his maiden speech as Leader of Opposition, Ghulam Nabi Azad asserted that the Narendra Modi government had "copied" the schemes and policies of its predecessor and listed them out as its agenda in the President's address. Finance Minister Arun Jaitley hit back, saying the NDA government has inherited an economy that is in the shambles. Jaitley, also the leader of the House, said the investment cycle had been broken and argued the UPA time witnessed domestic capital flying out of the country and infrastructure development coming to a halt. Former prime minister Manmohan Singh was present during the debate. "We don't know whether to support or oppose. Because there is nothing in it which can be supported," Azad said, beginning his speech on the Motion of Thanks on the President's address. "Even for copying one should be intelligent." He said the Modi government's agenda was a copy of the UPA government's policies and schemes, of which 90 per cent have already been implemented. Even the slogan "sabka saath sabka vikas" was a translation of the "inclusive development" model of the Manmohan government, he said. Claiming the NDA government is in its infancy, he said, "An infant obviously will not know what to do." (The Indian Express).

Economy

- **Jaitley for hitting 'undo' button to revive economy:** Hitting out at the last UPA government for the labyrinth the economy has got into, finance minister Arun Jaitley on Tuesday hinted that many of the regime's policies that stymied economic growth could be reversed. "The UPA left the economy in a bad shape. Things that have been done have to be undone," he said in the Rajya Sabha in what was seen as an oblique reference to the UPA's costly welfare schemes that strain government finances and investor-unfriendly policies like retroactive taxation. He rued many opportunities missed by India to become a low-cost manufacturing hub for the world and said it can't afford to miss another chance, which could be the last. "For the last two year India has grown at less than 5%, which is disappointing," the minister said, adding rhetorically that even if the country did not have a government, the economy would still have grown at 5%. Earlier in the day, bankers and officials from financial institutions, hit by the double whammy of tepid consumption spending in the economy partly caused by the prevalence of high interest rates transmitted from the central bank's tight monetary policy on the one hand and paucity of capital on the other, impressed upon the minister the need to take bold steps to bolster their lending prowess and improve the government's own finances. (The Financial Express).

Planning

- **Govt may take a fresh view on mining Bill:** The government is likely to take a fresh look at the Mines and Mineral Development and Regulation (MMDR) Bill, 2011, which has now lapsed. The new Bill proposed sharing of 26 per cent profits of mining with the project affected people. "The MMDR Bill (of 2011) is lapsed. The government has to decide on three things - either do nothing, keep the same Bill or pick up what is the best thing," Mines Secretary Anup Pujari said, when asked if a new Bill would be brought in. The UPA government in 2011 had tabled the Bill in the Lok Sabha, but it could not be passed. The Bill sought to introduce competitive bidding process to encourage the participation of private parties in the sector. The 1957 Act of the same name has already been amended several times and further amendments might not clearly reflect the objects emanating from the new National Mineral Policy.The Bill also sought to empower the state governments to constitute special courts for the purpose of providing speedy trial of the offences relating to illegal mining. Besides, it had provisions for empowering the central government to intervene in the cases of illegal mining. Confederation of Indian Industry (CII) has also asked the government to declare mining as a strategic and infrastructure sector, which is critical for the manufacturing growth of the nation. In a recent presentation to the mines ministry, it said critical steps such as allowing transfer of mining licences from one company to another seamlessly could be taken with almost immediate effect. (Business Standard).

Editorial

- **Building on traditional links:** The swift visit by China's Foreign Minister Wang Yi was a sign that Beijing wants to lose no time in establishing contact with the Narendra Modi government and acquainting itself with its strategic and foreign policy objectives. As Mr. Wang told *The Hindu* , he came as a "special envoy" of Chinese President Xi Jinping, who is scheduled to visit India later in the year; Premier Li Keqiang was among the first foreign leaders to call the Prime Minister after he assumed office. Foreign Minister Wang struck all the right notes during the visit, describing India and China as "natural partners", and the sensitive issue of the border dispute as "a question left over by history" to which there had to be a "fair" solution but which should not be allowed to adversely affect other aspects of India-China relations. He held substantive discussions with External Affairs Minister Sushma Swaraj and National Security Adviser A.K. Doval before his meeting with Mr. Modi, during which he is reported to have conveyed a message from the Chinese President, that "[u]nder your leadership, India will achieve greater development and progress." Clearly, China's top leadership is eager to send positive signals to the new government. Mr. Modi has been an old friend: he visited the country four times as Gujarat Chief Minister. Beijing also likes to deal with decisive leaders and strong governments — Mr. Modi's reputation and the BJP's definitive electoral victory check both boxes. (The Hindu)

The Financial Express

Date: 11/06/2014
Page No. 01

After GoMs, NDA puts Cabinet panels in cold storage

fe Bureau
New Delhi, June 10

AFTER dissolving all groups of ministers (GoMs) and empowered groups of ministers (EGoMs) set up by the previous UPA government, Prime Minister Narendra Modi on Tuesday scrapped four Cabinet committees in an attempt to get rid of redundant structures that slowed down decision making.

Modi, who promises better governance by a smaller government, dissolved the Cabinet Committee on Unique Identification Authority of India (UIDAI), the Cabinet Committee on Prices, the Cabinet Committee on Management of Natural Calamities and the Cabinet Committee on World Trade Organisation Matters to make decision making simple and easier.

There were nine EGoMs and 21 GoMs under the UPA government that deliberated on many key issues.

An official statement said that with regard to the Cabinet Committee on UIDAI-related issues, major decisions have already been taken and the remaining issues would be brought before the Cabinet Committee on Economic Affairs (CCEA). The functions of the Cabinet Committee on Prices will also now be handled by the CCEA. The functions of the Cabinet Committee on Management of Natural Calamities will be handled by the committee under the Cabinet Secretary whenever natural calamities occur.

The affairs of the Cabinet Committee on World Trade Organisation Matters will also be handled by the CCEA and, whenever necessary, by the full Cabinet.

The Prime Minister is also planning to reconstitute the Appointments Committee of the Cabinet, the CCEA, the Cabinet Committee on Parliamentary Affairs, the Cabinet Committee on Political Affairs and the Cabinet Committee on Security.

The Indian Express

Date: 11/06/2014
Page No. 03

Cong accuses BJP of copying UPA policies

EXPRESS NEWS SERVICE
NEW DELHI, JUNE 10

THE Congress and BJP exchanged fire in the first debate in Rajya Sabha after the general elections on Tuesday. In his maiden speech as Leader of Opposition, Ghulam Nabi Azad asserted that the Narendra Modi government had "copied" the schemes and policies of its predecessor and listed them out as its agenda in the President's address. Finance Minister Arun Jaitley hit back, saying the NDA government has inherited an economy that is in the shambles.

DEBATE IN RAJYA SABHA

Jaitley, also the leader of the House, said the investment cycle had been broken and argued the UPA time witnessed domestic capital flying out of the country and infrastructure development coming to a halt. Former prime minister Manmohan Singh was present during the debate.

"We don't know whether to support or oppose. Because there is nothing in it which can be supported," Azad said, beginning his speech on the Motion of Thanks on the President's address. "Even for copying one should be intelligent." He said the Modi government's agenda was a copy of the UPA government's policies and schemes, of which 90 per cent have already been implemented.

Even the slogan *"sabka saath sabka vikas"* was a translation of the "inclusive development" model of the Manmohan government, he said. Claiming the NDA government is in its infancy, he said, "An infant obviously will not know what to do."

Jaitley hit back, saying the UPA government committed the mistake of "buying its own propaganda and believing what they put out in advertisements". BJP vice-president Mukhtar Abbas Naqvi said the era of dynastic politics was over. While reiterating his praise for Singh, Jaitley said he would have done better had he been given the "last word" and the right to overrule others.

Jaitley also spoke about the Lokpal Bill's counterproductive rules and indicated that it will be undone soon. Azad indicated the Congress is ready to move on after the election defeat. "People's verdict, power and money do not remain permanently with anyone. It keeps revolving," he said. Reminding the BJP it should not become arrogant, he said, "We too had got the mandate of 415 Lok Sabha seats... Whoever took pride over mandate lost the chair and got finished."

Attacking the BJP over its promise of welfare of minorities, Azad said, "This is like music to my ears... BJP talking about minorities... We have yearned for years to hear this." He wondered it was a change of heart or just lip service.

BSP's S C Mishra targeted the Centre for remaining silent on reservation in promotions for Scheduled Castes in government jobs. CPM's Sitaram Yechury said he was pained to see that in the House, there was neither magnanimity in victory nor humility in defeat.

Business Standard

Date: 2014

Page No. 1

UPA govt's gas-pricing call to be reviewed

Cabinet may tweak Rangarajan formula; new price may be further delayed

RIDING ON A PRICE HIKE
What companies lost because of higher prices not taking effect from April 1

ONGC	OIL	KG-D6	Centre
Additional revenue of over ₹12,000 cr (production of 60 mscmd)	₹1,500 cr (production of 8 mscmd)	₹3,000 cr (13.11 mscmd output)	₹12,000 cr on petroleum profit

SHINE JACOB
New Delhi, 10 June

In its first major review of a decision taken by the United Progressive Alliance (UPA) government, the new Narendra Modi-led central government might tweak a formula, suggested by the Rangarajan committee, to end the controversies around the impending increase in price of domestic natural gas.

The Rangarajan committee had proposed that the price should be determined by taking an average of the US, Europe and Japanese hub prices and then averaging it out with the netback price of imported liquefied natural gas (LNG).

According to officials familiar with the development, the Union Cabinet could, within 15 days, take a call on the formula and decide whether an increase in gas price should take effect from July 1. State-run Oil and Natural Gas Corp (ONGC) and Oil India Ltd, besides the Mukesh Ambani-controlled Reliance Industries and Anil Agarwal-led Cairn India will be among the major gainers of a gas price hike.

"To sort out all the issues related to gas price hike, there may be a comprehensive, high-level review of the formula. The priority is not time; it is ensuring the formula is comprehensive and without any legal or political controversies," said a person privy to the development. This implies there might be a further delay in the gas price increase, which was earlier expected to happen from April 1 but had to be deferred as the model code of conduct for the Lok Sabha elections kicked in.

Dharmendra Pradhan, minister of state (independent Charge) for petroleum & natural gas

The old gas price, of \$4.2 a million British thermal units (mBtu), had been set for five years that ended in March. It was expected the price would be doubled to \$8.4 an mBtu. Asked about this, Petroleum Minister Dharmendra Pradhan said: "We are examining all aspects of the issue. We are deeply into it. A right decision will be taken at the right time." The ministry had informed RIL on April 21 that the new price would be announced on July 1.

The Rangarajan formula had issues related to calorific value of gas, as there was no clarity on whether it was based on gross calorific value or on net present value. Besides, critics had highlighted that the formula gave a very high weight to pricing of LNG bought by Japan.

The UPA government had given the formula a go-ahead in June last year and it was officially notified on January 10 this year. During the elections, the Bharatiya Janata Party had indicated it would take a fresh look at the formula if it came to power.

Ambani's RIL, along with partners BP and Niko, had on May 9 slapped an arbitration notice on the government over a delay in gas price increase. The companies had said they were unable to sanction planned investments of close to \$4 billion this year in the absence of a clarity on the pricing issue.

Business Standard

Date: 11|06|2014
Page No. 05

Poor progress of monsoon alarms govt

First week rain 44% less than normal; bureaucracy told to monitor food prices, use all penal laws to check hoarding and black marketing

SANJEEB MUKHERJEE & VRISHTI BENIWAL
New Delhi, 10 June

With a below-normal monsoon threatening to derail the ruling coalition's growth agenda, the government has directed all departments to strictly monitor prices of essential food items on a regular basis, if required even daily, and initiate immediate intervention if necessary.

It has also issued orders for a stringent control on black marketers and hoarders, and to ensure action is taken against them on a weekly basis. Onion, potato, rice and pulses are commodities whose prices are of particular importance, as their supplies can go down at a very short notice.

Officials in the know said directions to this regard were given during a review meeting on food prices taken by Cabinet Secretary Ajit Seth last week.

The issue of food inflation due to low rain also figured in Tuesday's meeting between economists and the finance minister, some of whom suggested reducing import duties to facilitate supply.

Senior officials from the departments of food, agriculture, consumer affairs and finance participated in the meeting.

The southwest monsoon, lifeline for millions of farmers across the country, has till now made shaky progress after a delayed entry into the country.

Data from the India Meteorological Department showed the monsoon, as of Tuesday around Tamil Nadu and the northeastern states — during this period, it should have also covered much of Maharashtra, Karnataka, Andhra Pradesh and parts of West Bengal and Bihar. Rainfall across the country between June 1 and 8, the first week of the four-month southwest monsoon season, was almost 44 per cent less than normal.

At the meeting, some government departments had said clear measures needed to be taken immediately to ensure inflation was under control.

"Some thought it was an alarming situation, particularly with regard to food inflation," a senior official said.

Another official who was present said the focus would be on tackling supply-side issues. So far, the Reserve Bank of India (RBI) has tried to address the issue of price rise by keeping interest rates high but the core of the problem is supply-side bottlenecks.

Beside the short-term measures, introduction of the Goods & Services Tax and amendment or abolition of the Agricultural Produce Marketing Committees (APMC) Act could help combat inflation over a long term.

The government, it has been indicated, will evolve a mechanism which addresses the structural issues that create supply bottlenecks.

It will put in place strict measures and special courts to stop hoarding and black marketing. It will work on a single agriculture market and real-time information dissemination on prices to farmers and consumers in cooperation with states.

President Pranab Mukherjee, in his address to the joint session of Parliament on Monday, had highlighted inflation control, especially food inflation, through supply-side reforms, as the key concern of the government.

Wholesale Price Index-based inflation fell 0.5 percentage points to 5.2 per cent in April from 5.7 per cent in March, providing some relief to a new government but economists cautioned downside risks remained.

The movements were in contrast to Consumer Price Index-based inflation, the new nominal anchor for RBI, which rose to a three-month high of 8.59 per cent in April. Increase in prices of food and vegetables contributed to both.

ACTION PLAN

Directions after review meeting by Cabinet Secretary Ajit Seth

- Control black marketers and hoarders
- Take action against them; monitor it every week
- Introduce single agriculture market
- Real-time information dissemination on prices to farmers and consumers
- Evolve a mechanism to addresses structural issues that create supply bottlenecks
- Onion, potato, rice and pulses are commodities under watch

Business Standard

Date: 11/06/2014
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States may get more time to roll out food security Act

Poor infrastructure in the way of legal entitlement of grain for poor

SANJEEB MUKHERJEE
New Delhi, 10 June

In line with the Centre's promise to work in close coordination with state governments, the Union government is considering extending the deadline given to states for identification of beneficiaries under the National Food Security Act beyond July 5.

This could give much-needed breathing space to state governments to implement the ambitious programme. Some states have been complaining about the near absence of infrastructure in their regions to implement the programme successfully.

Officials said the matter was raised with the Union food minister, who was expected to take a decision in the next few days. "The logical step seems to be extending the deadline as many states are yet to complete the process," an official said.

The food security Act, passed by Parliament last year, promises to provide legal entitlement for cheap grains to almost 67 per cent of the population.

A MATTER OF TIME

- Union food minister expected to take a decision in the next few days, after states raised the issue
- According to the National Food Security Act, 2013, the deadline expires on July 5
- Govt may consult law ministry to get clear view on the matter
- Food Act promises to provide 5 kg of cheap wheat, rice & coarse cereals to identified beneficiaries

However, for delivery of grains, state governments have to identify the beneficiaries and inform the Centre within a year of enforcement of the Act — July 5, 2014 — so that it can then make arrangements accordingly. Till date, officials said just around 11 states and Union territories out of the 36 had identified the beneficiaries.

"There is little clarity on what stage the beneficiary identification process is in at the remaining 25 states and Union territories, in the absence of which the rule that mandates completion of the identification process by July 5 needs to re-looked," a senior official said.

The food ministry may even consult the law department to address the issue as it will involve making changes in an Act.

The Centre claims that till date, foodgrain has been distributed to less than half of the total states and Union territories — including Rajasthan, Punjab, Haryana, Delhi, Chandigarh, Uttarakhand, Karnataka, Chhattisgarh, Himachal Pradesh and Maharashtra — under the Act.

Some officials said this could also be the reason why the Union finance ministry, in its interim Budget, had not set aside a huge amount for food subsidy.

The 2014-15 interim Budget provisioned just ₹115,000 crore as food subsidy, of which ₹88,500 crore was exclusively for the food bill, almost the same as the 2013-14 Budget Estimates of food subsidy pegged at ₹90,000 crore.

Business Standard

Date: 11/06/2014
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Govt may take a fresh view on mining Bill

BS REPORTER
New Delhi, 10 June


The MMDR Bill, 2011 proposed sharing of 26 per cent profits of mining with project-affected people BS PHOTO

The government is likely to take a fresh look at the Mines and Mineral Development and Regulation (MMDR) Bill, 2011, which has now lapsed. The new Bill proposed sharing of 26 per cent profits of mining with project-affected people.

"The MMDR Bill (of 2011) is lapsed. The government has to decide on three things - either do nothing, keep the same Bill or pick up what is the best thing," Mines Secretary Anup Pujari said, when asked if a new Bill would be brought in.

The UPA government in 2011 had tabled the Bill in the Lok Sabha, but it could not be passed. The Bill sought to introduce competitive bidding process to encourage the participation of private parties in the sector. The 1957 Act of the same name has already been amended several times and further amendments might not clearly reflect the objects emanating from the new National Mineral Policy. The Bill also sought to empower the state governments to constitute special courts for the purpose of providing speedy trial of the offences relating to illegal mining. Besides, it had provisions for empowering the central government to intervene in the cases of illegal mining.

Confederation of Indian Industry (CII) has also asked the government to declare mining as a strategic and infrastructure sector, which is critical for the manufacturing growth of the nation. In a recent presentation to the mines ministry, it said critical steps such as allowing transfer of mining licences from one company to another seamlessly could be taken with almost immediate effect.

It has also asked for a reduction in the role of GSI as an explorer and instead focus its activities in creating an environment which attracts exploration activity.

Business Line

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Centre diverts gas to mitigate power crisis in national capital

Additional 400 MW to start flowing from Bawana plant immediately

OUR BUREAU
New Delhi, June 10

In an attempt to mitigate the power crisis in the national capital, the Centre has asked state-owned gas distributor GAIL to divert some of the gas allocated to power producer NTPC to Delhi's Bawana plant. The gas will help the plant produce another 400 MW.

Power from Bawana is expected to start flowing from Tuesday night, said Piyush Goyal, Minister of State (Independent Charge) for Power, addressing reporters after his meeting with Delhi Government officials and electricity distribution utilities.

"Bawana has the capacity to produce 1,500 MW and it is producing 290 MW as of now," said Goyal. "But since the Delhi grid can handle only 400 MW of additional power, that's the amount of gas we are providing now," he said. The Petroleum and Natural Gas Ministry has already been asked for the additional gas, which will be provided by 8 pm on Tuesday, he added.

No uninterrupted power

Despite this, the nation's capital will not have 24 hours of uninterrupted power. Goyal said the "weak grid capacity could lead to more power cuts".

He said that after discussions with the distribution utilities in Delhi, it has been decided that the scheduled time for load shedding would be put up every day at 8 am.

"There has been a spike in demand and Delhi now requires around 5,800 MW. But due to the constraints we are currently working towards getting anywhere between 5,300 MW and 5,600 MW," Goyal said while blaming the previous Sheila Dixit-led Congress Government in Delhi for the power crisis.

Piyush Goyal, Power Minister

The Minister has also directed BHEL to commission one unit of its Pragati gas-based plant in Delhi, which is under repair. The repair work will take six months, Goyal said.

New power lines

In addition to increasing the generation capacity within Delhi, Goyal said some additional power lines are also being planned to provide respite to East Delhi.

Of the new power lines, the Dadri-Loni-Harsh Vihar line requires forest clearance and right of way from the Uttar Pradesh Government. Goyal said if the permissions are given, the lines would be up by July 7.

More transformers

The Power Ministry has also approved the setting up of transformers for South Delhi and East Delhi.

"A 100 MVA transformer at Masjid Moth in South Delhi will be set up in the next 48 hours and BSES engineers have already started work," he said. Another transformer is being set up in Mandola.

Power woes

Current peak power demand in Delhi
5,800 MW

Current maximum power supply in Delhi
5,300 MW

Additional power supply that Delhi grid can handle
400 MW

After implementing additional measures, Power Ministry aims to provide
5,600 MW

Modi scraps 4 Cabinet Standing Committees

Plans to reconstitute Cabinet panels on economic affairs, security, political affairs

OUR BUREAU
New Delhi, June 10

Ending another legacy of the previous regime, Prime Minister Narendra Modi has decided to discontinue four Cabinet Committees, including the one on prices.

An official statement said the Prime Minister would be reconstituting the Appointments Committee of the Cabinet, and the Cabinet Committees on Economic Affairs, Parliamentary Affairs, Political Affairs, and Security.

The functions of the Cabinet Committee on Prices will now be handled by the Cabinet Committee on Economic Affairs (CCEA). The CCEA will also take care of issues previously handled by the Cabinet Committee on the Unique Identification Authority of India, and Cabinet Committee on the World Trade Organisation.

The Prime Minister heads the CCEA. Its members include the Finance, Commerce & Industry, Home and Defence ministers.

The previous Government had 12 Cabinet Committees, including the latest one on investment. The Prime Minister used to head 10 while two Committees — the Cabinet Committee on Accommodation and Cabinet Committee on Parliamentary Affairs — had the Defence Minister as the Chairperson.

There is no clarity on whether the investment and skill development committee will continue.

CCEA purview

The CCEA continuously reviews economic trends, problems and prospects with a view to evolving a consistent and integrated economic policy framework for the country.

Another important function of the CCEA is to deal with the increase in prices of essential commodities or bulk goods under any form of formal or informal control.

Apart from all these, any foreign investment involving an amount of ₹1,200 crore or more cleared by the Foreign Investment Promotion Board also needs to be cleared by the economic affairs committee.

The committee on security is considered to be powerful as it normally has the big four — Home, Finance, External Affairs and Defence ministers — as members. The Prime Minister is its Chairman. This panel reviews all key internal and external security-related issues.

The release also said that the Prime Minister has decided to disband the Cabinet Committee on Management of Natural Calamities. The functions of this Committee will now be handled by a Committee headed by the Cabinet Secretary, whenever natural calamities occur.

Business Line

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With 3 new projects ready to take off, urea imports set to decline

Government to notify changes in new investment policy shortly

SHISHIR SINHA
New Delhi, June 10

Urea imports are set to dip with the Government expected to notify changes in the new investment policy shortly.

"Apart from increasing availability of domestic urea, the revised policy has the potential to bring investments of ₹15,000-20,000 crore in the next three years," Fertiliser Secretary Shaktikanta Das told *BusinessLine*. The previous Government had already approved changes in the new investment policy, but these could not be notified due to the elections.

The changes in the policy include removing guaranteed buy-back and provision of bank guarantee by the companies. In order to attract only serious players, each project developer will have to provide bank guarantee of ₹300 crore which will be gradually returned once stipulated milestones are achieved. A committee would be set up under the chairmanship of the Fertiliser Secretary, with Secretaries of other key Ministries as members, to sort out difficulties, if any, arising in setting up the new plant.

Currently, the total demand for urea in the country is 30 million tonnes while domestic production is approximately 22 million tonnes. The difference in demand and domestic availability is met through supply of 2 million tonnes from IFFCO's joint venture in Oman and the rest through imports from other countries.

New projects

With the revised policy, the Ministry sees implementation of at least three projects immediately. These include revival of the defunct unit of Fertiliser Corporation of India at Talchar in Odisha, setting up a new project at Thal in Maharashtra and a third one from the private sector. One more private sector project is expected to take wings. However, no details are available on these private sector projects.

Each of the first three will have a manufacturing capacity of 1.3 million tonnes and involve an investment of approximately ₹5,000 crore each. Once these projects are completed, domestic availability is expected to rise by around 4 million tonnes, thus reducing dependence on imports.

Boost to production

Meanwhile, the Fertiliser Ministry is hoping that more domestic natural gas will be provided to meet the demands of the new projects. "It is essential to have additional domestic natural gas for producing urea to keep subsidy budget under check," Das added. If the proposed units do not get domestic natural gas, then they will have to rely on imported and costly LNG (liquefied natural gas). This will raise the subsidy bill.

Urea is the only controlled fertiliser where difference between the cost of production as assessed by the Fertilizer Industry Coordination Committee (known as the retention price) and the statutorily fixed sale price is paid as subsidy under the Retention Price-cum Subsidy Scheme (RPS). Currently, the fixed sale price is ₹5,360 a tonne.

Business Line

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Govt plans amendments to clear NTPC, NPCIL joint venture

MoU to set up a plant was signed in 2011

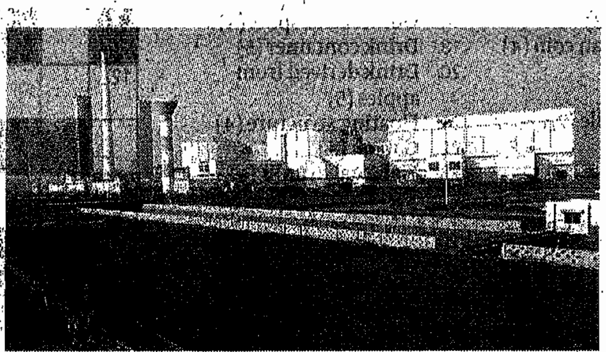
OUR BUREAU
Hyderabad, June 10

The Government is trying to bring in some amendments in the Atomic Energy Act to pave the way for the proposed joint venture between Nuclear Power Corporation of India Ltd and NTPC to set up a nuclear power plant.

The joint venture is facing some legal issues, as under the law only the government or its agencies can take up activities in the atomic field, CBS Venkataramana, Additional Secretary, Department of Atomic Energy, said.

Under the Atomic Energy Act, activities in the nuclear field are exclusively limited to the Union Government and PSUs owned by the Government.

"We have already submitted the amendments. The Law Ministry has approved them and it has to go before Parliament for approval," Venkataramana said on the sidelines of the foundation day celebrations of the Nuclear Fuel Complex here on Tuesday.



The Tarapur Atomic Power Station in Maharashtra run by NPCIL.

Reactor

The two public sector corporations had signed a memorandum of understanding to incorporate a joint venture for setting up nuclear power plants in 2011.

India's first 500-MW prototype fast breeder reactor is all set to go critical by the end of this year, according to Sekhar Basu, Director of Bhabha Atomic Research Centre.

About 98 per cent of the construction work has been completed on the reactor, which is being set up by Bharatiya Nabhikiya Vidyut Nigham (Bhavini).

"The commissioning work is on. One of the most important steps is when we take in sodium as it works at very high temperature," he said.

The Economic Times

Date: 11/06/2014
Page No. 17

Govt Plans to Exit Sick State-run Cos

DHEERAJ TIWARI
NEW DELHI

The heavy industries ministry is in the process of identifying sick state-run companies that it believes are terminally ill and can be sold off.

There are about 15 companies on the ministry's radar, including HMT Bearings, Tyre Corporation of India, Tungabhadra Steel, Richardson & Cruddas, Hooghly Dock & Port Engineers and CITW. Earlier, the Board for Restructuring of Public Sector Enterprises (BRPSE) had recommended revival of seven companies through joint venture or disinvestment.

The government has already decided to appoint valuers for its 29.54% stake in Hindustan Zinc, sending a signal that it is not averse to exiting assets.

According to senior officials, the ministry of heavy industries and public enterprises has pitched for greater powers for BRPSE.

"There is a case made for reorganistaion of BRPSE and giving it more powers, so that the recommendations are accepted within a time frame," said the heavy industries ministry official quoted earlier, adding that the observations were part of the presentations made to the Cabinet secretary and the minister.

The ministry will also seek to fast track the implementation of the revival package and in cases where such stimulus has failed, it will press for the companies to be sold off.

"There will be two sets of companies, one which is terminally ill and the second which has failed after revival," said the official, adding that companies which are generating income through non-operating profits will be dealt with at a later stage.

Around 50 central public sector enterprises (CPSEs) have been making continuous losses for the past three fiscals. These include Air India, BSNL, MTNL and ITI.

"As of now, strategic sale is a long-winding procedure, which involves BIFR and, under the new Companies Act, National Company Law Tribunal (NCLT). We want that once BRPSE has recommended a stance, within an acceptable time frame that decision be implemented," said another official aware of the deliberations.

Sick state-run companies may also be kept out of the purview of NCLT so as to expedite the process of their winding up.

So far, the government has approved revival of 44 CPSEs envisaging a total assistance of ₹28,333.10 crore.

Experts are not too optimistic of the government being able to sell sick PSUs.

"Any strategic sale pursued with all due diligence may still court controversy and would be a tedious process," said Jagannadham Thunuguntla, strategist and head of research at SMC Global Securities.

The UPA government, in its interim budget for 2014-15, had budgeted ₹36,925 crore from disinvestment and an additional ₹15,000 crore through sale of its residual stake in private companies.

State of Affairs

- **Sick state-run cos:** HMT Bearings, Tyre Corporation of India, Tungabhadra Steel, Richardson & Cruddas, Hooghly Dock & Port Engineers, CITW
- **Loss-making after revival:** Bharat Wagons & Engineering, Instrumentation Ltd (Kota), Hindustan Antibiotics, Hindustan Organic Chemicals