योजना आयोग
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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

- **Ready to talk with separatists: Jaitley:** Defence Minister Arun Jaitley said on Sunday that the Narendra Modi government was ready to engage Kashmiri separatists in a dialogue process but there would be no compromise on India's Constitution and sovereignty. "We are willing to talk to anybody who wants to function within the framework of India's Constitution and sovereignty. These are two issues with which there can be no compromise," Mr. Jaitley said to a question whether the Centre was willing to talk to the separatists. Mr. Jaitley refused comment when a journalist referred to the recent statement of Jitendra Singh, BJP leader from Jammu and Minister of State in the Prime Minister's Office, on a re-look at Article 370. "I have not come here to discuss these issues," he said. Mr. Jaitley made it clear that the return and rehabilitation of the displaced Kashmiri Pandits was high on the agenda of the Modi government. "All political groups in the Valley support the idea of return and rehabilitation. You will have to wait for a few days to allow us to announce further policy measures." Defence Minister Arun Jaitley said on Sunday the ceasefire on the Line of Control and the International Border was the "biggest CBM" (confidence building measure) between India and Pakistan. Referring to recent incidents of exchange of gunfire on the border, he said ceasefire violation from the other side was continuing. There could be no forward movement without respect for the 2003 ceasefire. (The Hindu).

Economy

- **PMO Seeks Ideas to Revive Investment Flows, Spur Growth:** The Prime Minister's Office has asked economic ministries to come up with strategies to revive investment flows into the country on a war footing by changing the negative global narrative about India's credibility as an investment destination. A first step in this direction could be liberalising foreign direct investments in defence, with Prime Minister Narendra Modi backing indigenous production of defence equipment using cutting-edge technology on Saturday. Over the weekend, Nripendra Misra, principal Secretary in the prime Minister's Office chaired a meeting with secretaries from core economic ministeriew to discuss steps to expedite investment flows into India. The meeting underlined the Modi government's emphasis on undoing the damage to the investment climate caused by a series of mis-steps by the previous UPA administration in recent years, such as retrospective tax policies and scam-tainted opaque allocation of natural resources like telecom spectrum and coal."The PM's Office conveyed its concerns about improving the business environment in order to revive investments and stir job creation," said an official aware of the meeting called by the PMO. "There was a general brainstorming on some of the immediate steps that could help, such as resolving conflicts between investors and the government," the official said. Though officials were tight-lipped about the specific deliberations at the meeting, the foreign direct investment policy in the defence sector is learnt to have been discussed. (The Economic Times).

Planning

- **Govt may tweak oil & gas production contracts:** To make the country's hydrocarbon sector more investor-friendly, the petroleum & natural gas ministry is working on a proposal to remove bottlenecks in the way of existing production-sharing contracts. The ministry will also look at sharing of revenue for future oil & gas contracts and seek certain changes in the pacts for faster resolution of legal disputes. The exact nature of changes is being discussed, but petroleum ministry officials say Minister Dharmendra Pradhan's primary emphasis is on removing the hurdles to starting of commercial production from existing blocks. At present, of the 165 discoveries under the New Exploration Licensing Policy (Nelp) regime, only Reliance Industries' KG-D6 field and a small field of Niko Resources are under production. Nelp has been in existence since 1997-98. Even the KG-D6 field is facing several legal disputes, including one on production shortfall of 154 million standard cubic metres a day (mscmd) in the past four years. This also figures as a priority in the presentation the ministry's officials prepared for Prime Minister Narendra Modi. "Production-sharing contracts, beset by legal disputes, should have been revised on the basis of experiences from working of the existing blocks," the presentation said. "Our focus is on a complete clean-up of hurdles in the functioning of the existing production-sharing contracts, to make those more industry-friendly," confirmed an official close to the development. (Business Standard).

Editorial

- **Why the long FCI wait?:** For a government that has been so quick in giving permission to raise the height of the Narmada dam as well as to start the $2billion phase II of the Karwar naval base in Karnataka—both stuck for years due to environmental reasons—it is not clear why it should be taking so long to begin its fight against inflation. Given how long experts have been talking about the need to dump 10-15 million tonnes of foodgrain held with the Food Corporation of India (FCI)—a zero cereals inflation would shave off a fifth from the inflation numbers—this was one of the first things the Modi government should have done. Dumping FCI stocks in themselves are only a temporary solution, and so it is just as well that Modi told party workers the time had come for tough solutions, necessary if the economy was to be revived over the next couple of years. The reason why dumping stock from FCI is only a temporary solution is that, given the current open-ended procurement system, FCI will just go and buy up the stock all over again. Indeed, given that state governments like Madhya Pradesh and Chhattisgarh offer huge bonuses over what FCI pays, the stocks tend to swell up hugely—right now, FCI has around 71 million tonnes of foodgrain compared to the norm of 32 million tonnes on July 1. Based on current costs, that's an additional expenditure of R88,000 crore the government has made. So, immensely unpopular as the step will be, Modi needs to stop the open-ended procurement by FCI and he needs to stop the chief ministers of BJP states at least from offering large procurement bonuses—indeed, procurement targets should be linked to removing mandi taxes that are as high as 14.5% in states like Punjab. (The Financial Express)

Business Standard

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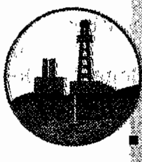
Page No. 01

Govt may tweak oil & gas production contracts

Pacts to be made more investor-friendly

SHINE JACOB
New Delhi, 15 June

To make the country's hydrocarbon sector more investor-friendly, the petroleum & natural gas ministry is working on a proposal to remove bottlenecks in the way of existing production-sharing contracts. The ministry will also look at sharing of revenue for future oil & gas contracts and seek certain changes in the pacts for faster resolution of legal disputes.



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Even the KG-D6 field is facing several legal disputes, including one on production shortfall of 154 million standard cubic metres a day (mscmd) in the past four years. This also figures as a priority in the presentation the ministry's officials prepared for Prime Minister Narendra Modi. "Production-sharing contracts, beset by legal disputes, should have been revised on the basis of experiences from working of the existing blocks," the presentation said.

"Our focus is on a complete clean-up of hurdles in the functioning of the existing production-sharing contracts, to make those more industry-friendly," confirmed an official close to the development.

The ministry's effort is also to attract foreign investors, upset with certain stringent regulations. "The move may give more powers to the directorate general of hydrocarbons for extension of work flows. For example, we will check whether the time period for extension of submission of declaration of commerciality, besides field development plans, can now be extended by the hydrocarbon regulator."

REMOVING BOTTLENECKS

- **1.26%:** India's share in the 9,216 mscmd of global natural gas production
- **22%:** The proportion of India's 3.14 mn sq km of recognised sedimentary basins on which the country has managed to conduct moderate exploration
- **302:** Number of exploration blocks offered under the nine Nelp auctions since 1998 (48 in the first round, 14 in the 9th in 2012)
- **$20 bn:** Investments in the sector in India over the past 5 years (only $1.86 bn in 2011-12, the least)

Business Standard

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BHARAT TO BHUTAN

PM Modi vows to nurture 'B2B' ties on first foreign trip

PRESS TRUST OF INDIA
Thimphu, 15 June

Making Bhutan his first foreign destination, Prime Minister Narendra Modi on Sunday vowed to nurture bilateral relations which he described as "B2B – Bharat to Bhutan", as he held talks with the Bhutanese King and the Premier, discussing an entire gamut of ties.

Embarking on a two-day trip here to display "special and unique" status for Bhutan in India's foreign policy, Prime Minister Modi also inaugurated the Supreme Court complex built by India as part of the developmental cooperation.

"The primary focus of both the meetings was the extensive development cooperation between the two countries and measures to enhance the economic ties," an official said.

Modi described the bilateral relations as "B2B relations – Bharat to Bhutan relations," the sources said on his meeting with Bhutanese King Jigme Khesar Namgyel Wangchuk and Prime Minister Tshering Tobgay. He announced doubling of scholarships being provided to Bhutanese students in India which will now be worth ₹2 crore.

Prime Minister Modi also promised to assist Bhutan in setting up a digital library which will provide access to Bhutanese youth to two million books and periodicals.

The fact that the Prime Minister chose Bhutan as his first foreign destination assumes significance since China has lately intensified efforts to woo it and establish full-fledged diplomatic ties with Thimphu.

Modi, accompanied by External Affairs Sushma Swaraj, National Security Advisor Ajit Doval and Foreign Secretary Sujatha Singh, was accorded a grand welcome as he arrived at the Paro airport and was received by Tobgay and several of his Cabinet colleagues.

Prime Minister Narendra Modi (*left*) greets his Bhutanese counterpart Tshering Tobgay at the Paro International Airport in Bhutan on Sunday PHOTO: PTI

The Bhutanese government rolled out the red carpet as Modi was given a ceremonial guard of honour.

The prime minister drove down from Paro to Thimphu, a distance of about 50 km, traversing through the picturesque mountainous ranges. Common people, including children, in colourful attire lined up most of the road between Paro and Thimphu, waving Indian and Bhutanese flags. Big hoardings carrying Modi's photographs also could be seen en route.

Modi's meeting with the Bhutanese King lasted for nearly an hour and then he held talks with Tobgay.

Modi expressed satisfaction at India being considered as a privileged partner of Bhutan and underlined that his government "would not only nurture these strong bonds but would also strengthen them."

The Economic Times

Date: 16/06/2014
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IN THE WORKS Civil aviation, mines, coal and power sectors may see reforms

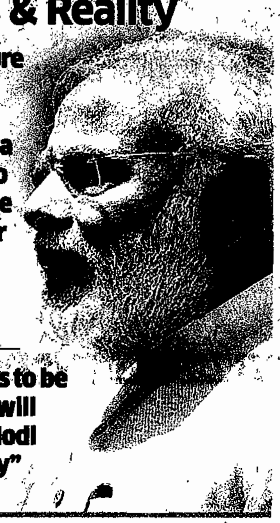
It's a Guessing Game as Modi Talks Tough

Balancing Expectations & Reality

MIDDLE CLASSES expect tax relief, but it will be difficult for govt to let go of its scarce accruals, says a BJP leader

TO SPRUCE UP Railways, govt may hike fares, reduce employee strength and privatise certain services

"There is pressure from exporters that the rupee gaining beyond a point will lead to losses. The rupee is likely to hover around 60 to a dollar"
A GOVT OFFICIAL



"Petroleum subsidy is an issue that needs to be tackled, but at what cost? Very soon, we will have polls in Maharashtra & Haryana... Modi is trying to balance expectations & reality"
A BJP FUNCTIONARY

OUR POLITICAL BUREAU
NEW DELHI

Prime Minister Narendra Modi's attempt to rein in his supporters' soaring expectations by talking about tough, unpopular, decisions to revive the economy has left his own party speculating about the direction of his government's first budget early next month. While one section of the BJP leadership points towards the possibility of curtailing petroleum subsidy, a senior BJP functionary explained that Modi's attempt was to make his cadre base realise that the impact of inflation and high food prices cannot be reversed overnight.

The leader said personal income tax sops that are being widely expected and speculated can lead to serious revenue losses that the government cannot afford at this juncture.

The middle classes expect tax relief that will leave more money for them to spend, but the BJP functionary pointed out that without the economy growing it will be difficult for the government to let go of its scarce accruals. "I am well aware that my steps dent the immense love that country has given me. But when my countrymen would realise that these steps would result in getting the financial health back then I will regain the love," Modi had said in Panaji on Saturday.

But all leaders do not accept that this implies cutting subsidies that will immediately pinch BJP's middle class support base. "Petroleum subsidy is an issue that needs to be tackled, but at what cost? Very soon, we will have elections in Maharashtra and Haryana. We need the euphoria to continue the whole of the first year. But at the same time we need to take tough measures. So, Modi is trying to balance expectations and reality," said a BJP functionary.

The crude oil prices are increasing with the situation in West Asia turning worse by the day. But even if oil companies are forced to bear the brunt of the rising prices, the middle classes have been expecting a climate of large investments and great spending.

"The situation is too grim to offer too many concessions. But the government can still offer some concessions. It is left to the finance minister and the PM to decide whether to offer concessions to the corporates or directly to the voters and the middle classes," said a BJP leader.

Well-placed sources said those hoping that the government and RBI will ensure that the Rupee gains impressively against the US dollar may be disappointed. "While some improvement is likely, there is pressure from exporters that the rupee gaining beyond a point will lead to losses. The rupee is likely to hover around ₹60 to a dollar," a government official said.

'Tough measures in various ministries can be taken only in the beginning of the five-year term of a government'

To spruce up the Railways, which has been ailing due to populist steps taken by previous railway ministers, the government is likely to take corrective measures. This may include hike in fares, initiating plans for cutting down on employee strength in the near future, privatising certain services and so on.

"Tough measures in various ministries can be taken only in the beginning of the five-year term of a government. This is the right time to end the policy paralysis and lack of governance of the Manmohan Singh government," a Union minister said.

The percentage of GDP spent on defence and HRD is likely to go up, according to sources. HRD Minister Smriti Irani has already demanded that her ministry should be given more funds. Civil aviation, mines, coal and power sectors, which have been in the news for all the wrong reasons during the UPA regime, may see far-reaching reforms which may be resented by people, sources said.

The Economics Times

Date 16/06/2014

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Govt May Raise Dividend Target from PSUs

Move aims at linking payouts with firms' capital expenditure plans to generate more revenue for containing fiscal defict

DHEERAJ TIWARI
NEW DELHI

The government may raise the dividend receipt target from state-run firms and link it with their ability to achieve capital expenditure plans, a move aimed at discouraging "idle money" at these firms and generating more revenues to contain the fiscal deficit.

The country's fiscal deficit stood at 4.5% of GDP in 2013-14. The government has targeted to bring it down to 4.1% in the current fiscal.

"Instead of forcing PSUs to shell out last minute special dividends, the overall cap may be increased, which will be linked with the achievement of their capital expansion plans," a senior government official told **ET** on condition of anonymity.

In the 2014-15 interim budget, the government estimated receipt of around ₹27,815 crore from dividend and profit of PSUs, against the revised estimate of ₹43,074 crore in the previous fiscal.

Fiscal deficit stood at 4.5% of GDP in 2013-14, Govt has targeted to bring it down to 4.1% in the current fiscal

At present, the dividend payout is limited to 20% of the profit after tax (PAT) or 20% of a company's equity. Oil and infrastructure firms, however, have to shell out 30% of their PAT as dividend.

"The government is committed to keep the fiscal deficit under control. It will support capital expansion plans but PSUs will not be allowed to keep money idle," the official said. The government is expected to look at both dividend and disinvestment proceeds from PSUs to generate higher revenues this fiscal.

"If the government goes ahead with Sebi's mandate of 25% public float in PSUs, then the disinvestment target may also see a revision," said an official with the finance ministry's disinvestment department. In the interim budget, the government kept the disinvestment target at ₹56,925 crore, which includes ₹15,000 crore from the sale of government stake in residual companies.

Experts agree with the move and favour a regime where dividend rate should be lower for companies with well laid out capital expenditure (capex) plans.

"Instead of performance alone, dividend rate should be decided factoring in the future capex plans of a PSU," said Jagannadham Thunuguntla, strategist and head of research at SMC Global Securities.

Last fiscal, public sectir undertakings spent ₹2.48 lakh crore on capital expansion against the initial expenditure plan of ₹2.57 lakh crore.

According to the Public Enterprises Survey 2012-13, there was only a 0.22% year-on-year increase in the total contribution of central public sector enterprises to the exchequer at ₹1.62 lakh crore.

Money Matters

Interim budget 2014-15 targets dividend from public sector firms at ₹27,815 crore

Current dividend payout cap for oil and infrastructure companies is 30%

The Economic Times

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Coal India, Gencos, Rlys Officials Discuss Ways to Improve Fuel Supply

MITUL THAKKAR
NEW DELHI

Prime Minister Narendra Modi's move to have a common minister for the power and coal ministries seems to have started showing its impact.

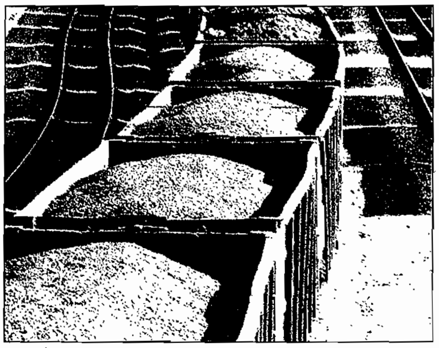
Executives from power producers and Coal India Ltd, as well as officials from the two ministries and the Indian Railways met for four hours in New Delhi on Friday to resolve key differences over the quantity and quality of coal supplied to power plants. They have agreed to make coordinated efforts to improve the production and supply of the dry fuel that fire more than half the nation's power capacity, several industry executives who attended the meeting said.

Coal India, the state-run monopoly that has been struggling to meet increasing demand for coal, and power producers have until recently been fighting over the fuel's supply. While the power companies had accused the miner of providing low-quality fuel that also often does not meet the contracted quantity, Coal India had staunchly opposed the allegations and also partly deflected the blame towards the railways saying that pilferage during transportation was a problem. The power and coal ministries, which could not solve the problem because of a lack of cooperation, now have a common minister, Piyush Goyal.

Goyal apparently directed officials from both coal and power ministries to assess the state of affairs in coal production and supply after Gujarat officials complained against Coal India during his visit to Gandhinagar earlier this month, said one of the executives who attended the meeting.

"We are glad that the government acted promptly and Coal India officers at least listened to us unlike before. Improving efficiencies and governance of Coal India will be a major relief for struggling power producers," this executive added.

Close to 150 representatives from the government including the railways, Coal India and its consumers from the private and public sectors attended the meeting on Friday. Power producers demanded better sampling practices to ensure desired quality, introduction of e-billing for efficient payment systems and making the railways responsible for unloading what was loaded at coal mines. Power producers' aggressive demands over quality and sampling-related issues and responses from Coal India representatives led to some heated arguments and the coal ministry's additional secretary AK Dubey and power ministry's joint secretary



Jyoti Arora had to intervene often, the executives said. Dubey sought an explanation on differences between domestic and imported coal based on logistics and economics, while Arora suggested to form a joint committee with the railways to resolve problems related to traffic management and adulteration. The coal ministry is expected to soon make a presentation to the minister on issues discussed at the meeting and possible short-term solutions.

Coal India and government officials weren't available for comment.

The functional directors of marketing, technical, and personnel departments represented Coal India at the meeting as the position of its chairman and managing director is vacant. Power producers such as NTPC, Tata Power, Adani Power, Avantha Power, Reliance Power, Indiabulls Power besides state utilities of Haryana, Gujarat and Punjab sent their representatives. Executives from companies like Steel Authority of India and the Sterlite group, which procure coal for their captive power projects, also attended.

The executive cited above said they discussed quality and sampling-related issues for at least two hours, while the rest of the time was spent on discussing allocations and rationalisation of coal linkages to ensure that power plants get coal from the nearest mines.

The meeting comes at a time when the coal ministry expects local supplies to fall as much as 185 million tonnes short of the country's projected demand of 950 million tonnes in 2016-17.

Coal India hasn't been able to meet its production targets, primarily because of environmental and other issues affecting commissioning of new mining projects. The shortfall had hurt the power sector the most.

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The Pioneer

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Fiscal discipline required to put economy back on track: FM

PTI ■ SRINAGAR

Finance Minister Arun Jaitley on Sunday said fiscal disciplining is required to put the economy of the country back on tracks as India has witnessed two successive years of sub-five per cent growth.

"At this time, you will require to take some decisions to make sure that the economy is put back on the track," Jaitley, who is on a two-day visit to Kashmir for security review meetings as Defence Minister, told reporters here.

The Finance Minister said initial amount of fiscal disciplining will enable India and its people to enjoy fruits of sounder economy at a subsequent stage.

"But any kind of fiscal indiscipline at this stage will put us in further doldrums," he added.

Jaitely said the situation on the economic front was challenging.

"We had two continuous years of less than 5 per cent growth. You had higher level of inflation. Your tax buoyancy has come down," he said.

Asked to elaborate on the steps he intends to take, Jaitley replied: "You certainly don't want me to make budget announcement here."

Prime Minister Narendra Modi had yesterday warned of "tough decisions" over the next couple of years to improve the country's financial health, which he said may not go down well with some sections, and attacked the way the previous UPA government had handled the economy.

"Taking tough decisions and strong measures in the coming one or two years are needed to bring financial discipline which will restore and boost the country's self-confidence", he had said addressing BJP workers in Mumbai.

India's economic growth remained below the 5 per cent mark at 4.7 per cent in 2013-14. It remained subdued at 4.6 per cent in the fourth quarter of 2013-14 and during the entire fiscal, mainly due to a decline in manufacturing and mining output.

The country's economy, or gross domestic product (GDP), had expanded at 4.5 per cent in 2012-13, the slowest pace in the previous decade.

The Financial Express

Date: 16/06/2014
Page No. 02

Next stop Tehran: Delhi steps up talks with Iran for $5-bn railway export plan

Arun S

New Delhi, June 15: Even as New Delhi keeps a close watch on the recent unrest in Iraq, it is expediting talks with Tehran for over $5-billion worth project exports from India to Iran's railway sector.

Official sources told FE that Tehran has agreed to seek lines of credit (LoC) from the Export-Import Bank of India (Exim Bank) in rupee for financing such railway project exports (of relatively long term in nature) from India to Iran. India had given Iran the option of choosing either using the rupee payment mechanism or the LoC.

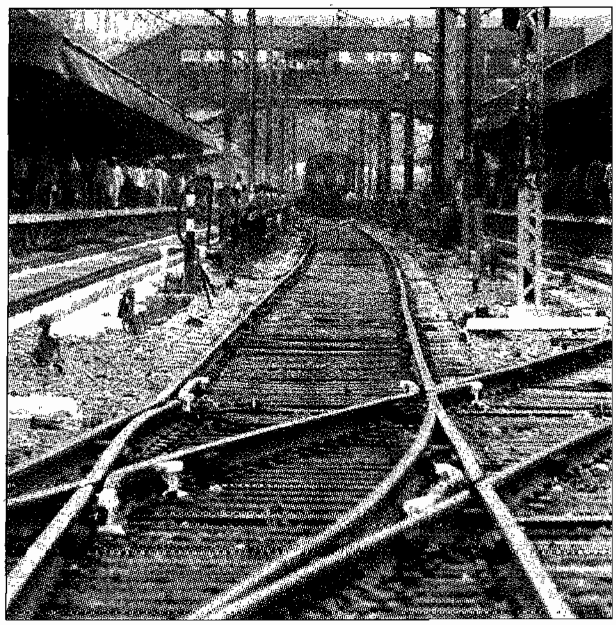
India is exploring the possibility of helping build more railway lines in Iran -- in addition to the Chabahar railway project -- to connect their manufacturing and mining centres to their ports, the sources said. Project exports from India to Iran in the railway sector will include supplying and laying of tracks, building signaling systems, carrying out electrical work and upgrading existing rail operations. The Iranian government, according to reports, is planning to expand the country's railway network annually by 500-1,000 km to ensure it touches 25,000 km by 2025 from around 13,000 km now.

The Exim Bank data as on January 10 shows that it had in December 2009 disbursed a $200-million general purpose LoC (with tenure of up to 8 years) to many Iranian commercial banks for financing India's exports to Iran. The ministries of finance and commerce are in discussions on LoCs in rupee to Iran for long-term project exports, especially in the rail sector.

"Iran's interests in expanding their rail network match our economic and strategic interests too. Once the initial projects take off, it will lead to large orders from Iran. In the near-term, we are targeting project exports in the rail sector worth at least $5 billion," an official said. India's motive in helping build rail links within Iran, especially to Chabahar and other ports, is that they can then be used as a gateway for accessing other Central Asian markets and Afghanistan.

Public sector companies such as Ircon International are taking forward their work on laying tracks and setting up other related equipments, while others such as SAIL, Essar and Jindal are looking at exporting steel for building railway infrastructure. Iran had also sought help from the public sector consultancy firm RITES and logistics major CONCOR for feasibility studies.

RITES has already helped to design the new locomotive overhaul workshops at Karaj and a design of rail system for sugarcane transportation for the Iran railways, while Ircon had completed a relay-based interlocking system (a signaling project) for 25 stations in Shahrood-Mashad section for $25 million during 1999-2006 and supplied signalling equipment to Iran railways worth $1.2 million in 2008.



The Financial Express

Date: 16|06|2014

Page No. 03

Power min to focus on transmission

New Delhi, June 15: Vowing to end the misery in the electricity sector, new Power Minister Piyush Goyal has set transmission and distribution as his focus areas and is working to bring states on board for reforms.

As much as 30 per cent of the power generated in India is lost during transmission and distribution. In some areas, power does not reach users -- even when it is available -- due to the lack of transmission capacity, most recently demonstrated when a storm snapped lines and caused long outages in the national capital.

Sources in power ministry said BJP-ruled Rajasthan and Andhra Pradesh have agreed to work with the Centre to reform the transmission and distribution sector.

Goyal is likely to visit these states soon to ascertain their demands in the power sector and how the central government can provide the requisite assistance. The minister views transmission and distribution of electricity to the end consumer as the major challenges, rather than generation of power.

The installed capacity of power stations in the country was 2,48,509.63 MW at the end of May, according to data on the Central Electricity Authority website. Rajasthan had 14,945.68 MW and Andhra Pradesh 17,731.07 MW.

"Now, the country has enough generation capacity. What is needed is operationally efficient and financially healthy transmission and distribution utilities. The Centre is absolutely right in focusing on T&D segment," said Debasish Mishra, senior director at Deloitte India.

Cong protests over power, water crisis

Keeping up its offensive over long power outages and water crisis in the national capital, Congress today held a protest in Karol Bagh area of central Delhi and demanded immediate intervention of the Centre to address the problems. All Indian Congress Committee (AICC) general secretaries Shakeel Ahmad and Ajay Maken, and Delhi unit chief Arvinder Singh Lovely led scores of party workers, who also brunt effigies of Prime Minister Narendra Modi and former Delhi Chief Minister Arvind Kejriwal, holding them responsible for the crisis.

Lovely said as Delhi was under President's Rule it was the BJP-led central government's responsibility to address the outages and water crisis. *PTI*

The Indian Express

Date: 16/06/2014
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Simpler retrenchment with safeguards in NIMZs; trade unions open up to proposal

Govt working towards liberalising labour laws to boost factory jobs

SURABHI
NEW DELHI, JUNE 15

THE NDA government has begun a fresh review of the country's labour laws that have remained unchanged since Independence, and tailor them to meet the needs of the National Manufacturing Policy with an aim towards boosting growth in the manufacturing sector.

Accordingly, the labour ministry has proposed changes to the Industrial Disputes Act, 1947, for easier retrenchment of workers in the National Investment and Manufacturing Zones (NIMZs).

Under the proposal, workers in any unit in the NIMZ may be removed without notice or compensation if the employer provides them with alternative employment in the same zone at the same pay and conditions of work.

In case alternative employment is not possible, the employer will have to pay compensation to the worker at the rate of 20 days' wages for every completed year of continuous service or any part over six months.

This is a significant change from the current law where such a provision is not available for workers in the manufacturing sector. Companies with over 100 workers cannot terminate the services of workers who have been employed for over one year without prior permission of the state government and three months' notice.

However, a clause in the Industrial Disputes Act, allows workers in mining operations to be retrenched if the mine shuts down due to exhaustion of resources, provided the employer provides them with alternative employment under him from the date of closure, on the same wages and terms of service or compensation, based on the workers' service period.

"Such a provision is already present in the Act for workers engaged in mines. Based on a recommendation of the department of industrial policy and promotion, we want to extend it to cover the manufacturing sector as well," said a senior labour ministry official, adding that the objective is not to make retrenchment of workers easier, but to give some flexibility to employers.

The labour ministry has now called a tri-partite meeting with trade union representatives and employers before finalising amendments to the Industrial Disputes Act.

Interestingly, while trade union leaders had opposed the amendments in negotiations held in September 2012, this time around they are willing to provide some flexibility.

"It is in the interest of the country and workers if there is some progress in the manufacturing sector. We are willing to make some compromises, but the government has to ensure that rights of workers are safeguarded," said a leader with a trade union who has been invited for the consultations with the labour ministry next week.

Under the National Manufacturing Policy (NMP) that the UPA government released in 2011, NIMZs are envisaged as industrial townships with world class infrastructure that would help increase the contribution of manufacturing to GDP to 25 per cent by 2022 from 16 per cent then. The ambitious plan notwithstanding, complicated and inflexible labour laws have been the biggest stumbling block to its success.

Apart from the Delhi-Mumbai Industrial Corridor, five NIMZs have been given an in-principle approval but actual work on the ground is yet to begin.

Current data from the government shows that the manufacturing sector's contribution to the GDP dwindled to 14.9 per cent in the provisional estimates of GDP for FY14.

"It is a welcome move but at the same time the government also needs to review other laws including the Factories Act to bring about a comprehensive overhaul of the labour laws," said Michael Dias, secretary, Employers' Association of Delhi and a member of the Council of Indian Employers.

The labour ministry, which has also begun a review of the Factories Act, is hopeful that if changes in the Industrial Disputes Act can be made for the NMP, these can then be expanded to across the industry.

Following consultations, the ministry will begin preparing a draft Cabinet note for the amendments.

It has already finished consultations on the issue with the department of industrial policy and promotion that is responsible for the NMP. Views and comments of all other ministries have also been taken on board.

THE CHANGES

THE PROPOSAL: Extend Provision of Section 25FFF(1A) of the Industrial Disputes Act, 1947 provided for mining operations to the manufacturing sector too

ON RETRENCHMENT: Workers in a unit of the NIMZ can be removed without any compensation or notice but the employer would have to provide alternative employment at the same conditions in the same unit

ON COMPENSATION: In case, alternative employment is not possible, the employer will have to compensate the worker at the rate of 20 days wages for every completed year of continuous service

The Tribune

Date: 16|06|2014
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Ensure uninterrupted power, LG tells discoms

TRIBUNE NEWS SERVICE

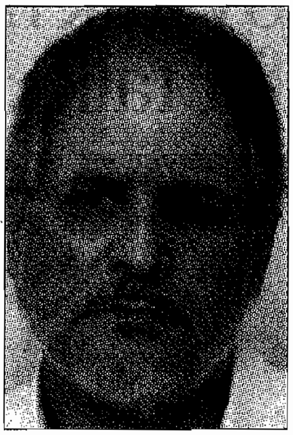
NEW DELHI, JUNE 15

The Lt. Governor, Najeeb Jung, today directed the Chief Secretary and senior officers of Power Department and power distribution companies (discoms) to ensure uninterrupted power within the deadline set by the Union Power Minister.

Delhi Chief Secretary S.K.Srivastav inspected the Bawana-Rohini 220 KV project today along with Arun Goel, Principal Secretary (Power) and other officers. He inspected the progress of the towers and directed the project engineers to work 24x7 and ensure completion of the project before the target date.

"The peak demand during the day today was below 4300 MW. There was no major loadshedding today. Various task forces set up for individual projects are working round the clock. Senior officers of Delhi government are keeping a close watch and reviewing the projects regularly," said a senior official of the Power Department.

"Permanent restoration of the Bamnauli-Pappan Kalan line is going on as per schedule and will be completed on June 16 while the work on the Mandola-Gopalpur line is expected to be completed today," said the official.



Lt. Governor Najeeb Jung

Maharani Bagh-Ghazipur 220 KV line was inspected by Jyoti Arora, Joint Secretary, Ministry of Power. "The work is proceeding as per the timeline. The stringing work for tower no. 7 to 12 is still in progress. So far five conductors out of six were installed. Shortage of tower material is being met locally through on-site fabrication," she said.

The Tribune

Date: 16/06/2014
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Govt to decide fate of 7 key Bills pending in RS

NEW DELHI, JUNE 15

The fate of seven key legislations of the Law Ministry introduced by the previous UPA government and pending in the Rajya Sabha, including one seeking to scrap the present system of appointing judges, will be decided by the NDA government in the coming days.

With the Budget session of Parliament slated to commence in the second week of July, the Legislative Department of the Ministry has started compiling the Bills so that the Union Cabinet can take a call.

According to a recent circular of the Cabinet Secretariat, the Bills cleared by the Union Cabinet but yet to be enacted as laws will "need to be placed before the Cabinet" for decision as to whether they are to be pursued in the present form or any change is required to be carried out.

"The establishment of a National Judicial Commission to give the executive a say in the appointment of judges is a priority for the Narendra Modi government. The commission was part of the BJP manifesto"

Ravi Shankar Prasad, LAW MINISTER

While assuming charge last month, Law Minister Ravi Shankar Prasad had said, "The establishment of a National Judicial Commission to give executive a say in appointment of judges is a priority for the Narendra Modi government."

Responding to questions on the move of successive governments to replace the present collegium system where judges appoint judges, Prasad, who is himself a lawyer, said the establishment of the National Judicial Commission was part of the BJP manifesto.

"Surely, I will go through the existing instrument. If there is a need for some improvement or some more consultation, we may consider it," he had told mediapersons. — PTI

The Statesman

Date 16/08/2014
Page No. 08

GOVT OFFICES, COLLEGES MUST INSTALL SOLAR POWER PLANT OF MINIMUM TWO KWP

Solar power generation must in houses, malls

PRESS TRUST OF INDIA
Chandigarh, 15 June

The Haryana government today said it has decided to implement an energy conservation action plan under which solar power generation will be made mandatory in different categories of buildings or areas with a suitable enforcement mechanism.

Haryana Chief Minister Bhupinder Singh Hooda in a release here said this will lead to generation of 200 MW of power, annual saving of Rs 151 crore on coal and 16.60 lakh kilo litres of water. The annual energy saving by implementing the mandatory provisions will be 320 million units. Three lakh MTs of annual carbon emission will also be prevented in the atmosphere, he said.

In case of all residential buildings built on a plot size of 500 square yards and above falling within the limits of MCs and HUDA/HSIIDC sectors, the mandatory installation of solar power plant to be installed will be of minimum one KWp or five per cent of connected load, whichever is higher, the official release said.

The user share on installation of minimum proposed capacity system after availing 30 per cent central financial assistance (CFA) would be Rs 52,500. In case of all private hospitals and nursing homes, industrial establishments, commercial establishments, malls, hotel with connected load of 50 KW to 1000 KW, the solar power plant would be of minimum 10 KWp or five per cent of connected load, whichever is higher. The estimated share on installation of minimum proposed capacity system after availing 30 per cent CFA would be Rs five lakh.

In case of more than 1,000 KW, it will be mandatory to install solar power plant of minimum 50 KWp or three per cent of the connected load, whichever is higher.

The user share on installation of minimum proposed capacity system after availing 30 per cent CFA would be Rs 22 lakh to Rs 25 lakh, it said.

In the category of all private schools, educational institutes, colleges, hostels, technical, vocational education institutes, universities having connected load of 30 KW and above will have the mandatory installation of solar power plant to be installed of minimum five KWp or five per cent of connected load, whichever is higher.

Government buildings, offices, government colleges, educational institutions, universities, having connected load of 30 KW and above, it will be mandatory for them to install solar power plant of minimum two KWp or five per cent of connected load, whichever is higher.

In case of new housings developed by group housing societies, housing boards, developed on a plot size of 0.5 acre to one acre, mandatory installation of solar power plant will be minimum 10 KWp with user share on installation of proposed capacity system after availing 30 per cent CFA will be Rs five lakh.

In case of more than one acre to two acres of plot size, the mandatory capacity of the plant will be 20 KWp and user share Rs 10 lakh.

PEOPLE'S PROJECT

- **CM Bhupinder Singh Hooda said this will lead to generation of 200 MW of power, annual saving of Rs 151 crore on coal and 16.60 lakh kilo litres of water.**
- **The user share on installation of minimum proposed capacity system after availing 30 per cent central financial assistance would be Rs 52,500.**

The Statesman

Date: 16/06/2014
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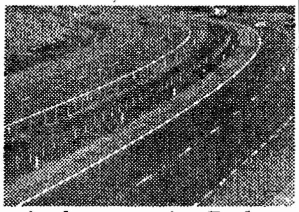
Road ministry may seek Rs 35,000 crore

STATESMAN NEWS SERVICE
New Delhi, 15 June



The Road Ministry may pitch for lesser levy on vehicles using cleaner fuels and duty exemption on purchase of public transport besides seeking an allocation of Rs 35,000 crore in the upcoming Budget.

"The road ministry, which was allotted Rs 23,000 crore in the provisional budget, is likely to ask for an allocation to the tune of Rs 35,000 crore in the current fiscal," sources said.

The wish-list includes excise duty relief on purchase of public transport vehicles by state transport or private utilities. The Ministry may also seek 2 per cent excise duty on electric or hybrid cars and vehicles using bio-fuels, sources said.

At present, electrically operated vehicles attract excise duty in the range of 2-27 per cent. Lesser levy on bio-fuel based vehicles is likely to encourage use of cleaner fuels.

The budget allocation for the Road Ministry for the 12th Plan period (2012-17) is Rs 1,44,000 crore, of which Rs 38,000 crore has been spent so far. The Ministry requires a budget of Rs 35,000 crore in FY 2015, Rs 40,000 crore in FY 2016 and Rs 45,000 crore in the FY 2017, sources said.

In the interim Budget, excise duty on small cars, scooters, motorcycles and commercial vehicles were cut to 8 percent from 12 percent earlier. The same for SUVs was slashed to 24 per cent from 30 per cent, while on large cars it was reduced to 24 per cent from 27 per cent and mid-sized cars to 20 per cent from 24 per cent earlier. PTI

Hindustan Times

Date: 16/06/2014
Page: 13

FinMin asks disinvestment deptt to set the stage for PSU stake sale

Press Trust of India
letters@hindustantimes.com

NEW DELHI: The finance ministry has asked the department of disinvestment (DoD) to complete the groundwork for stake sales in state-owned companies soon after the budget to take advantage of the bull phase in the stock market.

The government is expected to retain the disinvestment target of ₹36,925 crore proposed in the interim budget for 2014-15 when it presents the final budget next month. A good realisation from the sale of shares would help keep the fiscal deficit under check.

The benchmark 30-share BSE Sensex has gained 14.5% in this financial year, with the PSU index touching a 52-week high of 9,091.04 on June 10.

"Current market conditions will offer good valuations for most PSUs. We will push for divestment of PSUs post-budget and we are doing due diligence for the same," officials said.

The DoD has identified blue chip companies including Coal India and the Steel Authority of India for stake sales in this financial year, as well as the long-pending sale of its residual stake in Hindustan Zinc and Balco, which could yield ₹15,000 crore.

DoD may also look at NHPC, Rural Electrification Corp and Power Finance Corp for stake sales.

While a 10% stake-sale in Coal India and SAIL is on the cards, the DoD proposes to sell 11.6% in NHPC and 5% each in REC and PFC.