

PART A: News pertaining to Planning Commission



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and Communication, IT & Information Division

(महान लोगों के विचार)

एक घर बनाने के लिए एक योजना की आवश्यकता होती है. ज़िन्दगी बनाने के लिए यह भी ज़रूरी हो जाता है कि हमारे पास एक योजना हो, एक लक्ष्य हो.

Zig Ziglar जिग जिगलर

1. Abandoning the idea of India

- R. Sudarshan, The Hindu:12.11.2014

The death of Jawaharlal Nehru signalled an end to an era of open- mindedness. It remains to be seen if India will ever recover a Nehruvian self- confidence and recreate institutions, which in their heydays brimmed with brilliant ideas

On May 28, 1964, I was a 10- year- old carried across by waves of mourners in Delhi, from the ramparts of Red Fort towards the Yamuna, to see flames rising from the funeral pyre of Prime Minister Jawaharlal Nehru. Twenty years later, I was again a part of several processions for peace near my home in Jangpura Extension, this time fearfully watching flames leap out of shops and homes belonging to Sikhs, which had been singled out and become the target of arson in the aftermath of the assassination of Prime Minister Indira Gandhi. In those 20 years, the idea of India, embodying diversity and democracy, tolerance and self- confidence, had given way to a closing of the Indian mind and an upsurge of xenophobia. The “foreign hand” phobia was particularly strong during Prime Minister Indira Gandhi’s many years in office, especially during the internal state of Emergency.

In June this year, an Intelligence Bureau (IB) report accused some “foreign- funded” non- governmental organisations, including Greenpeace, of “serving as tools for foreign policy interests of western governments,” by sponsoring agitations against nuclear and coal- fired power plants across the country. Their actions, according to the IB, had a negative impact on India’s GDP growth!

Receptivity to ideas

Immediately after Independence, we might have expected India to suspect the motives of imperialist powers. But there was actually no xenophobia at that time. Jawaharlal Nehru’s receptivity to ideas from all quarters was phenomenal in its range and depth. S. Gopal, Nehru’s biographer, points out that the socialist Nehru believed in the marketplace of ideas, not commodities. He invited a number of intellectuals to be his interlocutors. Mahatma Gandhi had affirmed with supreme confidence: “I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any” Sardar Patel, remembered as the Iron Man, played a key role in safeguarding India’s “steel frame.” He granted constitutional protection to all Indian Civil Service (ICS) officers who opted to serve independent India (Article 314, repealed in 1972). In 1934, Nehru had declared that he would have nothing to do with the ICS tradition, as it was neither Indian, nor civil and much less a service. But he did not object to Sardar Patel’s proposal to provide constitutional safeguards to ICS officers and its successor services.

Powerful countries will always want to advance their foreign policy agenda and they are bound to gather all manner of intelligence to that end. But this need not create paranoia and bans on foreign funds. In 1950, the U. S. State Department must have worried about Nehru’s admiration of the achievements of the Soviet Union and his sympathy for the 1949 revolution in China. Anxiety about the advance of communism in Asia may have prompted the U. S. to encourage Paul Hoffman, former administrator of the Marshall Plan and president of the Ford Foundation, to visit India. When Nehru learnt that Hoffman wished to visit India, he sent to him a warm and welcoming letter in which he

praised his leadership of the Marshall Plan and told him that India, recently liberated from colonial dominance, was more deserving of reconstruction and development than countries ravaged by World War II.

Bold experiments

Paul Hoffman visited India in 1951, later followed by Douglas Ensminger, a rural sociologist from the U. S. State Department, Nehru sent them to visit a rural development project in Etawah which he greatly admired. This project was a brainchild of Horace Holmes, an agricultural extension specialist, and Albert Meyer, a city planner. Hoffman's visit led to the Ford Foundation opening its first international office in New Delhi with Ensminger as its representative. Ensminger's claim that he was Nehru's closest confidant should be taken with a pinch of salt. But it is a fact that the Indian Prime Minister granted this private American foundation diplomatic privileges and authorised land to be leased to it in the Lutyens's Bungalow Zone, where an American architect, Joseph Allen Stein, built his "Steinabad" to blend with Lodi Garden.

Nehru turned to Paul Appleby, a Ford Foundation consultant, for ideas to restructure the machinery of government. He accepted Appleby's recommendation that India needed a premier institution to train officers in the art and science of policymaking. Nehru became the founding president of the Indian Institute of Public Administration in 1954. In his foreword to his first report on public administration, Appleby said: "it is my general judgement that the Government of India is a highly advanced one, and in the revelation of the government's hospitality to criticism and its insistent search for improvement." Nehru encouraged the Ford Foundation to prepare a report on India's food crisis. He went through the report carefully. He asked for more specific proposals to implement its recommendations. The second report resulted in the Intensive Agricultural District Programme, piloted initially in seven agriculturally wellendowed districts. These districts became the proving ground for the Green Revolution launched in 1965 under the stewardship of C. Subramaniam. The confidence which Nehru reposed in India's scientists and his encouragement to them to seek out foreign interlocutors, was inspiration enough for M. S. Swaminathan to invite Norman Borlaug to India in 1963 and followed up his visit with experiments in India to adapt Mexican wheat varieties to Indian conditions.

Nehru took a personal interest in many of the innovative projects and ideas of consultants brought to India by the Ford Foundation. Wolf Ladejinsky impressed upon Nehru the urgency of land reforms to arrest the growing numbers of landless labourers. Land to the tiller became his rallying call. But it fell on the deaf ears of the Congress party's leadership in many States which remained imbued with the "old zamindari mentality," as Nehru called it. Unlike the land reforms programme, which failed, there were other foreign-inspired ideas which had more successful outcomes. Nehru encouraged the Ford Foundation to support the National Council of Applied Economic Research (NCAER) established in 1956 to provide independent policy advice to both government and the private sector. P. S. Lokanathan, its first director, left a legacy of professional integrity that has endured to this day. On the advice of Pupul Jayakar, Nehru invited Charles and Ray Eames to visit India. The 1958 Eames Report was warmly received by Nehru. It led to the establishment of the National Institute of Design (NID), which is a tribute to the genius of Indian design and what the Eameses called "vernacular expressions of design" (they wrote paens of praise for the lota) and "everyday solutions to unspectacular problems". NID remains an invitation to "make in India," for civilisational reasons, not for the crass and commercial reasons now in vogue.

A remark by Vinobha Bhave, to the effect that the days of politics and religion were gone and the days of science and spirituality have come, greatly impressed Nehru. He was struck by the symbolism of the Trimurti of Elephanta Caves gazing benignly across the Arabian Sea at the Atomic Research Centre

in Trombay, a monument to the triumph of India's scientists. Nehru kept in touch with Robert Oppenheimer, listened to J. B. S. Haldane, and entrusted to Verrier Elwin plans to safeguard tribals in the northeast of India.

Inputs for policy

Nehru welcomed the participation of a number of foreign scholars in a grand experiment of democratic socialism. He handpicked Mahalanobis and Pitambar Pant to shape the Planning Commission. The Planning Commission and the Indian Statistical Institute were encouraged by Nehru to invite brilliant minds to visit and work in India — these included Ragnar Frisch, Jan Tinbergen, Oskar Lange, Charles Bettelheim, Richard Stone, Simon Kuznets, N. Georgescu- Roegen, Branko Horvat, Paul Baran, Ian Little, Michał Kalecki, Nicholas Kaldor, Gunnar Myrdal and Joan Robinson. No other institution anywhere in the world would have welcomed, with such supreme self- confidence, such a vast range of ideas and debates concerning India's most important policy choices. Milton Friedman visited India and criticised the Mahalanobis model. Nehru, ever an ardent disciple of Harold Laski, did not find those ideas compelling.

The death of Nehru signalled an end to an era of open- mindedness. The Planning Commission's collaborative project with the MIT Center for International Studies ended in 1964. Sukhamoy Chakravarty, Kirit Parikh, Henri Lefebvre, Richard Eckhaus, Alan Mann, all scholars of impeccable integrity, came under the Central Intelligence Agency (CIA) cloud. This was the moment when the Planning Commission became fearful of foreigners. It remains to be seen if India will ever recover a Nehruvian self- confidence and recreate an institution which in its heyday brimmed with brilliant ideas.

(R. Sudarshan, former staff of UNDP and the Ford Foundation, is Dean, Jindal School of Government and Public Policy, Sonipat.)

2. Powering India's smart cities

- ASHOK GULATI & ASTHA UMMAT, *The Financial Express*: 12.11.2014

Renewables must be made a part of the energy mix for these cities

India has choices abound in conventional energy sources like coal, oil and gas, and in renewable and clean energy sources like solar, wind, hydro, biomass based electricity and nuclear energy. However, price and availability of these sources are two major constraints that would decide how these cities would be powered

Prime Minister Narendra Modi's announcement of his dream of making 100 smart cities, building new or retrofitting the old ones, has stirred many a minds, including investors. Some are asking what is a smart city, is it feasible for India to do it, or is it just a pipe dream? Many others, including foreign investors, are getting ready to invest in this dream and looking forward to making it a reality.

The concept of smart cities revolves around internalising following features: smart energy (smart meters, demand response, co-generation and renewable energy generation), smart transport (intelligent transportation systems, real-time information sharing about traffic conditions and public transport availability), smart water and waste management (digitised distribution of water to minimise leakages by using geographic information systems, and recycling of waste), maximisation of e-governance services and smart buildings (building energy management systems, energy-efficient building designs and retrofitting of existing buildings). However, to keep these systems running, ensuring a sustainable power supply is of prime importance. So, how will India power these 100 smart cities?

India's resource endowments for energy are not very encouraging: while India supports about 17% of world's population, it has only 0.4%, 0.4% and 6% of the world's oil, natural gas and coal reserves, respectively—a gross deficiency, considering that it is the fourth-largest consumer of energy in the world after USA, China and Russia. The fact that India is importing nearly 80% of its crude oil consumption, 15% of its coal consumption and 35% of its natural gas consumption makes it even more challenging to power the dream of 100 smart cities.

The potential answer to these challenges, therefore, lies in innovations, ranging from innovative ideas to processes and products that are likely to make this dream come true.

One potential innovation would be to dovetail renewable energy into powering cities in a big way. Looking around the world for innovative methods, it may be interesting to note that the Eiffel Tower in Paris, which uses about 7.8 million kWh per year, has recently installed four solar panels that will provide about 50% of the hot water allocation of coal mines. But the key issue in the choice of alter native technologies is the cost and pricing of power. The price of domestic coal is currently about 40% cheaper than imported coal, despite the fact that India is a net importer of coal, and so is the story of gas pricing. This under-pricing of our energy resources not only makes us more dependent on costly imports but also thwarts the development and spread of non-conventional and renewable energy sources. While the costs and pricing of energy from coal hovers around R4/ kwh, that from solar and wind would be almost

double of this rate (without any subsidy), and that from diesel, almost 4 times the rates from coal. Although solar power is being motivated under the Jawaharlal Nehru National Solar Mission, which used for the tower. Vertical and hydraulically powered wind turbines are being installed on the first platform of the tower to generate 8,000 kWh/year of electricity. In addition, the tower's first floor water supply network will have its own water-powered turbines producing 4,000 kWh/year of electricity.

India has choices abound in conventional energy sources like coal, oil and gas, and in renewable and clean energy sources like solar, wind, hydro, biomass based electricity and nuclear energy. However, price and availability of these sources are two major constraints that would decide how these cities would be powered.

Coal-based thermal generation is the mainstay of the Indian power sector, contributing roughly 70% of the total electricity generation in 2012. Lately, it has suffered badly due to the fiasco over aims at creating capacity of 22,000 MW by 2022, but it looks very unlikely without correcting the pricing structure, especially for coal that reflects the negative externalities it produces.

Coal-based generation puts high demand on water, pollutes air, and has high health costs. A study by Harvard Medical School estimates that the life cycle effects of coal—extraction, transport, processing, and combustion and the waste streams thus generated cost the US public a third to over one-half of a trillion dollars annually. Accounting for these externalities conservatively would double or even triple the price of electricity from coal per kWh generated. For **India**, too, this would be no different. But this price correction in coal-based energy is not going to come soon and, therefore, the apparent gap between coal- and solar-based pricing of energy would remain wide for some more time to come.

What is therefore needed is a focussed research and development effort in solar energy, with a view to cut down its costs. In Israel, known as the land of innovations, a solar power company has developed a technology that can store heat from the sun, giving impetus to the solar thermal power industry by enabling plants to run at full capacity night and day. Although in nascent stages right now, the technology claims to produce electricity at a price comparable to that generated by conventional sources of energy. China has also been able to bring down the cost of its solar panels. It is only such technical gains, along with economies of scale, would help solar power become more competitive in the market and, thereby, provide a stable source for powering the new cities.

Within **India**, Gujarat envisioned the first state-specific solar policy in 2009. Rajasthan, Karnataka, Madhya Pradesh, Andhra Pradesh, Tamil Nadu, Chhattisgarh and Uttar Pradesh followed suit. Attracting foreign investments for developing solar power capacities in the country is also key. The Clinton Climate Initiative (CCI) had announced setting up of a 3000 MW solar power plant in Gujarat with an estimated investment of ₹50,000 crore likely to flow into the state. Similarly, Rajasthan has laid the foundation for another 3000 MW solar power plant at Bhadla of Jodhpur District in 2013. With some amount of convergence, these targets can be tied with the development of smart cities in these states so that the new cities being modelled can derive their power from the energy generated by renewable resources. That would be quite an innovation to synergise the development of sustainable and clean sources of energy along with development of 100 smart cities.

Gulati is Infosys Chair Professor for Agriculture at ICRIER and Ummat is a Consultant with the **Planning Commission**

3. Cost overruns, delays in 83% infra projects, plan panel tells PM Modi

Priyadarshi Siddhanta, Indian Express: 12.11.2014

Highlighting the plight of the country's infrastructure sector, the **Planning Commission** has told Prime Minister Narendra Modi that 83 per cent of over 700 central sector projects have sustained cost overruns of nearly Rs 1,90,000 crore and delays of up to 12 years.

In a telling commentary of the infrastructure projects, the commission in a presentation to Modi last week said investments of Rs 5.6 lakh crore have already been made on 707 central sector projects including roads, railways, airports, ports, telecom and power sectors, but another Rs 5.7 lakh crore is required to ensure their completion. Of these 707 projects, the Railways incurred the biggest delays, with 274 of its projects missing completion targets. Of these 274 projects, 236 have no date of commissioning, including the coal evacuation projects in Jharkhand.

Railways is followed by the road sector as 118 of its projects are delayed, with 26 having no date of commissioning. The Road Transport and Highways Ministry has been able to toll only 435 km of highways in 2013-14 against a target of 2,148 km. The ministry along with National Highways Authority of India has completed construction of 1,984 km out of targeted 6,300 km, according to the presentation that was made on November 5.

According to the plan panel, the projects are delayed due to a variety of reasons including delay in land acquisition, relief and rehabilitation issues, environment and forest norms and adverse law and order situation in some cases.

Similarly, in the ports and inland waterways sector, the government had set a target for bidding out 26 ports but the Shipping Ministry has managed to bid out only half of the number. While enhancing tonnage capacity to 218 million tonne is targeted in 2014-15, a capacity of 50.97 MT has been achieved so far.

Most importantly, although an investment target of Rs 22,536 crore has been set for the Shipping Ministry, the sector has witnessed an investment of Rs 6,893.04 crore from April to October this year, according to the presentation.

In the power sector too, the government has been able to ensure electricity generation of 11,715 MW against a target of 20,882 MW during the April-October period. According to the presentation, electricity has been provided to 181 towns against a target of 350 towns.

In coal production, the state-run Coal India has achieved an output of 313.97 million tonne during the April-October period against a target of 630.25 MT for 2014-15, while coal imports to the tune of 50 MT took place against target of 94 MT.

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4. After 'Make in India', government to promote 'Served from India'

Business Standard: 12.11.2014

Idea to bring stakeholders together and explore ways to increase export of services from India

After the Make in India blitzkrieg to encourage manufacturing here, the government is going to showcase India's prowess in the services sector under the concept Served from India. As a result, the second leg of a Services Conclave is going to start from Wednesday to bring stakeholders together and explore ways to increase export of services from India. It will be jointly organised by the ministry of commerce and industry and the Confederation of Indian Industry (CII).

J S Deepak, additional secretary of the commerce department, said, "This will be our effort to showcase India's competitiveness in various services sectors. Export of services has been critical in meeting the deficit that was created due to merchandise exports. We are going to promote the concept of Served from India through this new strategy."

The two-day event will focus on expanding the export of services such as education, health tourism and creative entertainment that have huge export potential. The first part of the conclave was held last year here, where various sectors were identified through which India can acquire considerable market access in traditional and newer markets.

He said services exports will also get a major thrust this year under the new Foreign Trade Policy 2014-2019, expected to be released by this month-end. Deepak also said to promote services exports from India, the policy measures will focus on three key areas such as market access, export promotion and promotional schemes.

He said the government will promote services from sectors such as entertainment, logistics, architecture, chartered accountants and health care. On the issue of mutual recognition agreements (MRA), he said, it will be done on the basis of reciprocity with partner countries such as Japan, Korea and Singapore among others. However, he also said clinching MRAs with partner countries is increasingly becoming challenging due to the issue of granting citizenship that requires political will.

The services sector constitutes 57 per cent share of the country's gross domestic product, while export of services stood at \$151.47 billion in 2013-2014. Next year the ministry and CII will also organise a global services exhibition, in which Prime Minister Narendra Modi is expected to give the concept of Served from India a big push.

5. Takeaways from the reshuffle

A K Bhattacharya, Business Standard: 12.11.2014

Even after Prime Minister Narendra Modi expanded his council of ministers last Sunday, its total strength has remained much lower than the one his predecessor Manmohan Singh had. Compared to Dr Singh's 79 ministers, the Modi government now has 66 members in his council of ministers. Yet most political analysts have criticised the prime minister for not having delivered on his earlier promise of a leaner government.

One reason for the disenchantment could be the manner in which Mr Modi planned the expansion in his council of ministers. On May 26, when the Modi government was sworn in, there were only 46 ministers including the prime minister. The size of the ministry was reduced to 45 a few days later when Gopinath Munde met with an accident and died. This was really a small size of the ministry, but Mr Modi did not get any credit for it as everybody knew that there would soon be an expansion to accommodate more ministerial aspirants. Remember that there was no major ministerial restructuring to reduce the size of the council of ministers. And without such reorganisation, it was only a matter of time when more ministers would have to be sworn in. This is exactly what happened on November 9 with Mr Modi's council of ministers expanding by 21 new members.

There is, however, a different kind of restructuring of the council of ministers that Mr Modi has succeeded in effecting through the latest round of expansion. The number of ministers of state has seen a sharp decline - from 38 in the Manmohan Singh government to 26 under Mr Modi. This is a significant change and nobody should be shedding tears for the decline in this number. Most ministers of state are overshadowed by their senior ministers in the Cabinet and do not get to do much useful work. In the allocation of business within a ministry, the Cabinet minister usually reserves for himself the more important subjects and only the insignificant ones are left for the junior ministers to handle. With fewer ministers of state in the Modi government, it is to be hoped that they would now get more substantive work from their senior colleagues in the ministry and would not be reduced to merely inaugurating seminars or meetings.

The size of the Cabinet, too, has shrunk - from 34 in the Manmohan Singh government to 27 under Mr Modi. But in sharp contrast, the number of ministers of state with independent charge has gone up - to 13 now under the Modi government from just seven under Dr Singh. There are, therefore, more junior ministers with independent charge now than in any previous government. A minister of state with independent charge enjoys a special position - she has no permanent slot in any Cabinet meeting, but has to attend it when any subject matter under her ministry is to be discussed.

For the prime minister, a Cabinet of 27 members is perhaps easier to deal with and is certainly less unwieldy. At another level, a larger number of ministries under the independent charge of a junior minister could mean that the prime minister would now be able to exercise greater influence over

what needs to be done in those areas. This also allows the prime minister to evaluate the performance of such junior ministers and whether they have grown in the job over a period of time and can be promoted to a Cabinet rank in the council of ministers.

More specifically, the expansion of the council of ministers last Sunday also reveals the priority areas for this government. The induction of Suresh Prabhu as a Cabinet minister for the railways is a clear indication that the prime minister wanted change to happen in the Indian Railways much faster than the last incumbent had managed to initiate. Similarly, the allocation of the defence ministry to Manohar Parrikar is to ensure that Finance Minister Arun Jaitley is not overburdened with defence issues and can remain focused on the next Budget and the economic policy priorities of the government. Quite apart from those shifts, there are at least three changes that are significant from the point of view of the Modi government's economic policy priorities.

One, the ministry for labour and employment has been separated from the ministry for steel and mines. It has now been entrusted with a new minister of state with independent charge. This is in sync with the prime minister's agenda for labour law reform and focus on job creation and the new minister will be expected to bring about change in both the areas in the coming weeks.

Two, D V Sadananda Gowda has been given the law and justice ministry, while Ravi Shankar Prasad is now left with only the ministry for communications and information technology. Both the ministries are critical areas crying for reform and the performance of both of them will clearly be under scrutiny. And finally, the ministry of rural development, panchayati raj, drinking water and sanitation could not have remained clubbed with the ministry for road transport, highways and shipping. That Mr Modi has restored status quo ante with regard to these two key ministries is a welcome development for both the sectors of the economy.

6. The knowledge superpower

Shyam Saran, Business Standard: 12.11.2014

True pride in India's heritage would require study of the intellectual and cultural heritage that lies beyond its borders

Several years ago, while serving in China, I was able to visit Hangzhou in eastern China - famed for its natural beauty, but also for having been for several centuries a centre for the arts and scholarship. One famous landmark there is the ancient Buddhist temple called Fei Lai Feng, which is translated as "the peak that flew over". Legend has it that an Indian monk who came to China in the ninth century built the temple in Hangzhou below a mountain that to him looked similar to Gridhakuta or Vulture's Peak in his native Rajgir in Bihar. Gridhakuta, of course, is intimately linked with early Buddhism; Sakyamuni delivered some of his early sermons on the hill.

But the reason why my visit to the temple has remained a fresh memory is because of an interesting encounter I had with the monks at the temple. They were chanting from manuscripts written in Chinese characters, but the chants themselves had no resemblance to any Chinese dialect. While listening more closely, I soon realised that what the monks were chanting was some distorted form of Sanskrit, not Chinese at all. The chants had been transliterated from the original Sanskrit into Chinese characters and were unintelligible to modern-day monks. They knew that the chants were sacred, even though they had no idea what they meant. The monks then told me that the temple and the monastery attached to it still had large number of manuscripts in Sanskrit that the Indian monk had brought to China. There were also Chinese translations of some of the Buddhist scriptures, but all these were lying locked up inside. The books of sacred chants were all that even they had access to.

A few years later I was on assignment in Japan and visited the ancient monastery town of Koyasan, outside the old capital of Kyoto. Koyasan is associated with the name of Kobo Daishi, or the Grand Master (774-835 A D). Kobo Daishi spent several years in Xi'an in China, where he studied Buddhist scriptures and the Sanskrit language under an Indian pandit, Prajna, who had earlier studied and taught at the famous Nalanda University. On his return to Japan, Kobo Daishi introduced the Sanskrit syllabary to the Japanese language, hitherto written only in Chinese script. This phonetic alphabet is known as Hiragana and is used to supplement Chinese characters in written Japanese. Kobo Daishi is also credited with bringing a very large number of Buddhist scriptures, but also Sanskrit texts on other more secular subjects, such as science and medicine, to Japan. These are still stored in an ancient library in Koyasan and are treated as a national treasure. Kobo Daishi's "Catalogue of Imported Items" gives an idea of what texts he brought with him from China to Japan. I was told by a very distinguished Japanese monk at Koyasan that several of the texts no longer exist anywhere else in the world, the originals as well as copies having been destroyed in wars, revolutions, civic strife, fires and disasters over the years.

A later assignment in Nepal brought me face to face with a wealth of historical material that is a shared intellectual and cultural legacy with our northern neighbour about which there is little knowledge - but, even more seriously, little curiosity - in our country.

Another repository of India's intellectual and religious wealth is in Tibetan manuscripts preserved over centuries in Tibetan monasteries across the Himalayas.

More lately, one has come across evidence that, throughout the eighth to the 12th centuries, classic Sanskrit texts on Indian medicine, mathematics and philosophy travelled to Central Asia where, after the Arab invasions, Arabic had become the lingua franca of the Islamic world. Several of the works of Charaka and Susruta (in medicine and surgery), and Aryabhata and Brahmagupta (in astronomy and mathematics) were translated into Arabic by well-known Central Asian scholars like Khwarazmi, Ibn Sina and al-Beruni. These were later transmitted to Europe, and became part and parcel of the European renaissance from the 12th century onwards. The Indian numeral system, the concept of zero and the decimal, the calculation of pi and the notion of negative numbers and integers were part of India's intellectual legacy, which spread far beyond its borders including to Europe as well as China.

There has been some recent controversy over the revision of textbooks in schools that seem to blur the distinction between legend and verifiable facts. Such controversy should not detract from the fact that India has much to be proud of in terms of its contributions to the development of science and mathematics in particular. Susruta described plastic surgery techniques in detail and the principles he enunciated still form the basis of modern plastic surgery. Unfortunately, there is no Indian Joseph Needham, who published his monumental study of Science and Civilization in China, cataloguing for an international readership the many significant contributions China had made through its long history to science and technology. The Indian legacy is equally rich, perhaps even superior in terms of evolving philosophical and conceptual bases for scientific principles. But these lie scattered and fragmented both in India and in several other parts of the world.

True pride in India's rich cultural and religious heritage demands a national project of collating, studying and disseminating the many disparate elements of India's intellectual heritage, so that a more complete picture begins to emerge of an India and of Indians, who inculcated a "scientific temper" much before the modern age. We will need to encourage and support scholars who are as adept in Sanskrit as in classical Chinese, Japanese, Tibetan and Arabic, and seek access to the many repositories around the world, where bits and pieces of our intellectual, cultural and philosophical heritage lie buried. If we really respect our history and take pride in our civilisational heritage, why not embark on this momentous adventure rather than quibble about the meaning of this or that legend? Let us enjoy our rich legacy of legends, but also seek to scale the intellectual and philosophical heights that once made India the knowledge capital of the world.

PART B

NEWS AND VIEWS

Wednesday 12th, November 2014

Polity

: BJP,Sena still tussle in Maharashtra

Economy

: Railways opens Rs 12000crore worth
Projects for pvt,foreign investment

Planning

: Govt plans to create Unified National
Market

Editorial

: List of good intentions

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GIS-based system for forest clearances

Special Correspondent

NEW DELHI: Union Minister of State for Environment Prakash Javadekar on Tuesday launched the first version of the Geographical Information System (GIS)-based Decision Support System (DSS) for forest clearance.

Mr. Javadekar said that this step was the latest in a series of key initiatives undertaken by his Ministry to fast-track decision-making with respect to effective forest management, environment protection and biodiversity conservation.

An official statement quoted the Minister as saying that in order to facilitate the needs of the critical sectors, necessary amendments had been car-

ried out to balance environment protection, development, logistical needs and requirements.

To decentralise the process of granting forest clearances, the Ministry constituted empowered committees at regional levels and delegated decision-making powers to them for linear projects like railway lines, transmission lines, highways, and pipelines.

Mr. Javadekar said information on eco-sensitive zones would be made available through the DSS in its second phase.

The system would have the Net Present Value of forests, important wildlife habitats outside the Protected Area network, apart from the recorded forest area boundaries.

Modi govt makes digital dash, e-gaon every mile

AMBITIOUS ₹113,000cr e-kranti project will take govt services, functions online

HT EXCLUSIVE

Zia Haq

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NEW DELHI: The government is gearing up for its next big mission, a ₹113,000-crore plan that aims to usher in a digital revolution by moving everything online, from education to public services to bureaucracy.

Aptly called 'e-kranti', it comes under the Narendra Modi government's 'Digital India' initiative and is quite simply the world's most ambitious broadband project — but one that will have to overcome countless hurdles, big and small. It seeks to provide digital access to all citizens, from the rural and elderly to the poor, according to the government blueprint that HT has viewed.

As a rapidly modernising India embarks on a drive to move governance online, bridging the so-called digital divide is essential. State entitlements, such as pensions, and public services, such as passports, will move to cloud, a computing term for universally accessible online storage space.

The public distribution system (PDS) that supplies subsidised foodgrains under the National Food Security Law will be completely integrated with Aadhar,

the cradle-to-grave digital identity card that every Indian must have. Karnataka, Andhra Pradesh and Chhattisgarh already have online PDS systems.

None of this can happen without expanding digital access. So, the Centre aims to expand its rural internet coverage to 250,000 villages by 2017 from the existing 130,000. In two years, 150,000 post offices will be transformed into multi-utility centres (providing a range of government services, banking for instance, and not just postal services). Some 250,000 government schools will get broadband and free WiFi and all schoolbooks will have e-versions.

The disadvantages of not being digitally included are much bigger today than they were in an earlier era.

THE DIGITAL INDIA DREAM

RURAL BROADBAND FOR ALL

Target: 2.5 lakh villages, up from current 1.3 lakh

Cost: ₹32,000cr

Deadline: March 2017

UNIVERSAL MOBILE ACCESS

Target: 42,300 villages

Cost: ₹16,000cr

Deadline: 2018

₹1,13,000cr

Total investment (the bulk for existing projects and ₹13,000cr for new ones)

WiFi IN VARSITIES

Target: 400 institutions

Cost: ₹790cr

Deadline: 2015

PUBLIC WiFi HOTSPOTS

Target: All cities with 1m population or more

Deadline: 2015



Photo: Getty Images

Govt plans new policy to boost household savings

ADDING TO KITTY Relaunch of Kisan Vikas Patra, savings instruments for girl child & youth to help increase savings rate

Mahua Venkatesh

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NEW DELHI: The government is mulling a comprehensive plan to encourage financial savings and boost money parked in a slew of products including bank fixed deposits, insurance premium, mutual funds and post-office savings.

While the government is set to relaunch the Kisan Vikas Patra in the next few weeks, it would also come up with two more such instruments, one aimed at the girl child and the other at the country's youth.

"We would be coming out with a comprehensive policy on boosting savings in which all the channels like banks, post offices and even insurance firms would be used to boost savings in a co-ordinated way... we have been holding talks on the same," a senior finance ministry official, who did not wish to be identified, told HT.

Total household savings in India at the end of 2012-13 — the latest for which data is available — stood at ₹24.72 lakh crore.

Two-thirds of these savings (66% or about ₹16.01 lakh crore), however, were in physical assets such as gold and real estate, with the remaining (34% or about ₹8.06 lakh crore) in financial savings such as bank deposits, mutual funds and company shares and debentures.

India's savings rate, which had peaked at 38.1% of GDP in 2008, fell to 30.1% of GDP in 2012-13.

Frugal households could well turn out to be the primary financiers of mammoth infrastructure projects. India's savings rate could reach 40% of GDP in the next few years and can potentially be sustained at high levels for well over a decade, primarily

HOMING IN ON SMALL SAVERS

Thrifty Indians can turn out to be the primary financiers of big projects by channelising household savings

30.1% Of GDP, total savings in India in 2012-13

7.1% Of GDP, total savings by Indian households in financial assets such as mutual funds, bank deposits and shares

21.9% Of GDP, total savings by Indian households in 2012-13

14.8% Of GDP, total savings by Indian households in physical assets such as gold and real estate in 2012-13

THINNER PURSES*

Indian wage earners take less money home because of a web of taxes compared to some other countries

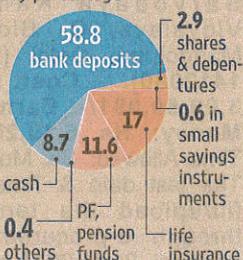


HOW THE PIE STACKS UP

₹11,74,100 cr

Indian households' financial savings in 2013-14

Indian households' savings in financial instruments, by percentage



*Average take-home salary as a percentage of total salary

due to its armies of young people entering the workforce.

"It should be the endeavour of all the agencies engaged in mobilisation of savings to ensure that the savings movement is taken to the farthest corners of our country," finance minister Arun Jaitley said at a recent function.

For Indians, gold, for long has been a tested hedge against inflation and has been a traditional favourite for parking surplus income as it has long been considered a safe haven asset.

In August, the government launched an ambitious scheme

— the Pradhan Mantri's Jan Dhan Yojana — to provide bank accounts to 75 million people by January.

According to the World Bank's Global Financial Inclusion (Global Findex), only 26% of women in India admit to having a bank account. More than four out of ten adults in India still do not have a bank account.

In the last budget, the finance minister had raised tax exemption limits on a range of instruments popularly known as the 'Section 80 scheme' from ₹1 lakh to ₹1.5 lakh per annum.

Modi, Myanmar Prez push for trade ties

PM may seek better regional connectivity at ASEAN-India summit

NAY PYI TAW, NOVEMBER 11

Prime Minister Narendra Modi today met Myanmar's President U Thein Sein to begin a string of bilateral meetings with over 40 world leaders during his 10-day three-nation tour on the margins of key multilateral summits here and in Australia and a visit to Fiji.

Modi met Then Sein at the Presidential Palace shortly after his arrival at the Nay Pyi Taw international airport where he was given a guard of honour and greeted by young boys and girls in traditional costumes. He was welcomed by Myanmar's Health Minister Than Aung.

After his 45-minute meeting, Modi tweeted he had a "very good" meeting with President Thein Sein. "We had extensive discussions covering various aspects of our bilateral relations," he said. "We talked about strengthening ties in the fields of culture, commerce and enhancing connectivity," said Modi, who is expected to make a strong pitch to enhance regional connectivity



PM Narendra Modi shakes hands with Myanmar President U Thein Sein during a meeting at Nay Pyi Taw on Tuesday. PTI

at the one-day 12th annual ASEAN-India summit tomorrow. Ministry of External Affairs spokesman Syed Akbaruddin posted on his Twitter account that the two leaders had "comprehensive" discussions and reviewed all aspects of bilateral ties. "Connectivity, commercial ties and cultural bonds figured in talks with President Thein Sein," he said, as India seeks deeper economic engagement with South-East Asian nations.

The Prime Minister earlier on landing had tweeted:

"Landed in Nay Pyi Taw, Myanmar to a very warm welcome! Great being in this beautiful country." "Our ties with South-East Asia are deep rooted. Strengthening relations with ASEAN nations is an important part of our 'Act East' policy," he had earlier tweeted. Besides participating in the ASEAN-India summit and the East Asia Summit here and at the G20 summit in Brisbane in Australia, Modi is due to have several meetings with world leaders on the sidelines of these international events. — PTI

Speaker's poll at 11 am; Fadnavis trust vote later BJP, Sena still tussle; Maha contest today

AGE CORRESPONDENTS
NEW DELHI/MUMBAI,
NOV. 11

With both the BJP and Shiv Sena hardening their stand, the Maharashtra Assembly is all set to witness a triangular contest for Speaker on Wednesday. Haribhau Bagde of the BJP, Vijay Avti of Shiv Sena and Varsha Gaikwad of the Congress have filed their nominations for the post. The deadline for withdrawal is 10 am on Wednesday. The Assembly will also witness high drama as the BJP government headed by Devendra Fadnavis will face a vote of confidence as well that day.

Sources said some Sena leaders were mounting pressure on party supremo Uddhav Thackeray to end its standoff with the BJP and toe that party's line. If, however, the Sena decides to stand firm and goes ahead with contesting the election for Speaker, it will be the first time the Maharashtra Assembly will see a three-way battle for the post. The Congress candidate is, meanwhile, viewed by many as a "dummy candidate" as that party can't be seen supporting either the BJP or the Sena candidate. The Congress candidate called on NCP chief Sharad Pawar to seek his support, and was told that the NCP will take a call after due deliberations. Mr Pawar had on Monday said his party's MLAs will decide on whether to vote for the BJP government or abstain just before the motion for the trust vote is moved.



Maharashtra CM Devendra Fadnavis (right) with minister Prakash Mehta at Vidhan Bhavan in Mumbai on Tuesday. — PTI

A meeting of Sena leaders was held late Tuesday over the trust vote and the Speaker's election. The NCP too held a closed-door meeting to decide strategy, after which its spokesman Nawab Malik said the party's decision on the Speaker's election will be conveyed before voting begins at 11 am.

Chief minister Devendra Fadnavis, with the full backing of the central leadership, is in no mood to withdraw the BJP candidate for Speaker. Mr Fadnavis, who appealed for unanimous support to the BJP candidate for Speaker, later met the Congress leaders and also held talks with the NCP, sources said.

The voting will begin 11 am, and will be through a secret ballot and not by a show of hands or voice

■ Turn to Page 2

LEGAL REVAMP

SC lawyers need 5 years' experience

Avantika Mehta

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NEW DELHI: Advocates cannot practice in the Supreme Court unless they have at least five years of experience conducting trials in lower and the high court, the Bar Council of India (BCI) has said in a new set of rules issued this year.

According to the new Certificate of Practice and Renewal Rules, 2014 — issued by the BCI on October 30 — an advocate must practice for at least two years in a trial court and three years in a high court before being allowed to argue in the Supreme Court. If implemented, thousands of young lawyers will be debarred

THE NEW RULES ARE AIMED AT ENHANCING THE DIGNITY AND STANDARDS OF THE LEGAL PROFESSION.

MANAN KR MISRA, Bar Council of India president

from practicing in the country's highest court.

BCI president Manan Kr Misra, told HT, "The new rules are aimed at enhancing the dignity and standards of the legal profession. Whom to allow to practise is solely in BCI's jurisdiction". Misra added,

"We have not yet implemented the rule. We are calling a joint meeting of BCI and State Bar councils to take a decision."

Attorney General Mukul Rohtagi said, "In terms of the spirit, this is not wrong. Youngsters must learn the ropes from lower and high court and only then will understand how courts function, how to address it, the mannerism and procedures." However, he wonders, "Does the BCI has power to do that? It may legally dubious. Under the Advocates Act — the statute governing legal practitioners in India — there's no such bar."

The new rules will restrict licenses to practice law in Supreme Court to those who have been prac-

tising law only for five years. After that time period, the licenses will be reviewed before renewal.

'NO AGE BAR FOR LAWYERS'

There will be no age bar for enrolling lawyers, with the Supreme Court Tuesday stating that a state bar council cannot refuse to register law graduates of 45 years and above.

A bench headed by Chief Justice H.L. Dattu dismissed a batch of appeals that wanted the top court to uphold their regulation prescribing an age-limit to enroll lawyers, saying the rule would take away the opportunity to genuine people who want to join the legal profession and practice. **HTC**

Railways opens ₹12,000-crore worth projects for private, foreign investment

Work on several sanctioned projects yet to begin due to paucity of funds

MAMUNI DAS

New Delhi, November 11

The Railways is opening up for investment by foreign and domestic players sanctioned projects worth ₹12,000 crore.

This amount would go up if one were to add the high-speed rail link projects costing almost ₹77,000 crore which are yet to be sanctioned, and some projects — such as the North-South freight corridor and passenger terminal development of several stations — whose costs are yet to be worked out.

The Railways has sanctioned projects running into lakhs of crores on which work has not started because of dearth of funds. Broadly, the Ministry is putting up for private participation projects that are expected to be financially remunerative and on which construction work has not started. Also, many of these projects have the provision of a



Getting back on track

- Private participation is expected in projects that are seen to be financially remunerative
- Many projects have the provision of a subsidy element from the Finance Ministry
- The Railways plans to put out these projects and get investor response

subsidy element — called viability gap funding — from the Finance Ministry.

“Most of the projects — with the exception of some such as high-speed rail links — have been sanctioned by Parliament. The plan is to put out these projects and get investor response. We will accordingly prioritise the processing of these projects,” said a Ministry official.

Key freight lines

Among the key freight lines where the Railways is looking for private or foreign investments are the 282-km Dankuni-Gomoh rail link requiring ₹4,500 crore and the 52.9-km Whitefield-Kolar

line (₹353.45 crore). Investors can also participate in the freight sections that need to be doubled as the existing line is congested: Ajmer-Bangurgram (₹144 crore), Durg-Rajnandgaon (₹153 crore), Wardha-Nagpur (₹298 crore), Kazipet-Vijayawada (₹1,054 crore), Bhadrak-Nergundi (₹837 crore), Sambalpur-Talcher (₹680 crore), Manoharpur-Bodamanda (₹258 crore) and Rajkharswan-Chakradharpur (₹174 crore). Also, on offer are locomotive maintenance depots at Barauni, Daund, Mughal Sarai and Bondamunda. These depots, put together, require ₹300 crore.

The other projects identified for private participation include

a factory for manufacturing aluminium coaches at Palakkad (₹550 crore), electrical and mechanical units in Kachrapara (₹1,200 crore), periodic overhauling of wagons at Sonpur (₹300 crore) and midlife rehabilitation of coaches at Anara (₹185 crore). The factories for which the Ministry will invite bids will also have a transfer of technology element. On the high-speed rail front, the Mumbai-Ahmedabad corridor (₹63,200 crore), the Chennai-Bangalore-Mysore and the Mumbai (CST)-Panvel line (₹14,000 crore) are also open for private and foreign investments.

Signalling systems

The routes where investors can put up automatic signalling systems to enhance line capacity are Agra-Gwalior (₹250 cr), Gwalior-Burhpura (₹280 cr), and Burhpura-Bina (₹270 cr). Construction and management of railway stations at Habibganj, Shivaji Nagar, Anand Vihar, Bijwasan, Chandigarh, Surat, Gandhinagar, Mangalore, Ernakulam, Vijayawada, Nagpur, Byappanahalli and New Bhubaneswar are also open for private investments.

NREGA Will Cover All 600 Districts: Birender Singh

Says ₹40,000 crore allocated under UPA scheme is meant for all districts in India

Our Bureau

New Delhi: The government on Tuesday rejected claims that it was trying to restrict the previous government's flagship rural employment scheme to the country's poorest districts, saying the ₹40,000 crore allocated under the Mahatma Gandhi National Rural Employment Guarantee Act (NREGA) are meant for all of the country's 600 districts.

"The nearly ₹40,000 crore allocation under the scheme is for the entire country," said Chaudhary Birender Singh, who took over on Tuesday as the Union minister for rural development, panchayati raj and drinking water & sanitation.

The comment is in stark contrast to his predecessor and party colleague Nitin Gadkari's recent statement that the government is looking to limit NREGA to about 200 tribal and backward districts of the country "NREGA is not required in areas where per capita income is high, higher growth rate and



higher agricultural growth rate... it is required only in tribal sector and poor (areas)," Gadkari had said while outlining the achievements of the Narendra Modi-led government in its first 100 days in office. On the controversial Land Acquisition Act, which many say is creating obstacles in the path of industrialisation, Singh said the government is in favour of development but it should not harm the interests of farmers.

"Industrial development is important for growth as it helps generate employment but we will decide on which land and how industrialisation can take place, keeping in mind the interest of our farmers," he said.

Commenting on the Swachh Bharat Abhiyan, which aims to create a cleaner India by 2019, Singh said the target is achievable but the real challenge is to

sustain the movement in the long run. "We can certainly achieve the target of a clean India by 2019 but the challenge is to stabilise it in the long-term," he said.

ROLE FOR MINISTERS OF STATE

Prime Minister Narendra Modi has asked Union Cabinet ministers to hold weekly meetings with their junior ministers or ministers of state (MoS) to review the progress of programmes concerning their ministries.

Several MoS in the previous UPA regime had complained of lack of work and responsibility, saying Cabinet ministers were not involving them in important decisions. "PM Narendra Modi has suggested that every Wednesday, I should meet all MoS to discuss important issues and we will diligently follow this," Singh said, adding that the three ministers of state reporting to him will enjoy powers equivalent to that of a cabinet minister.

The three MoS assigned to Singh include Ram Kripal Yadav for drinking water and sanitation, Nihalchand as for panchayati raj and Sudarshan Bhagat for rural development. The Union council of ministers has 33 MoS assigned to 26 Cabinet ministers, while six MoS have independent charge.

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MNREGA can't be restricted to some areas: Birender

VIBHA SHARMA
TRIBUNE NEWS SERVICE

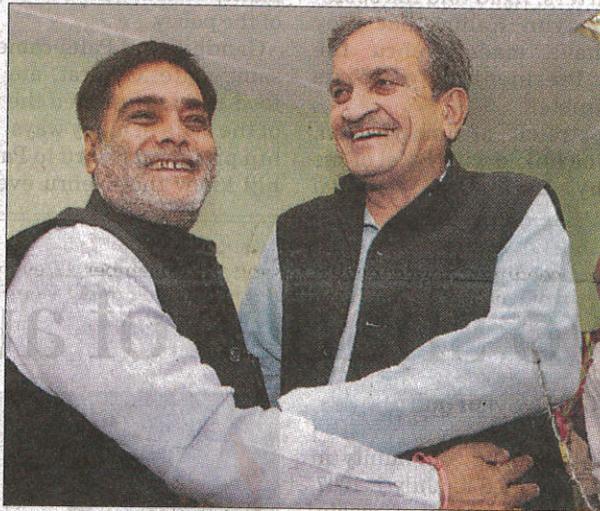
NEW DELHI, NOVEMBER 11

Rural Development Minister Birender Singh, who has been rewarded with the the key Cabinet portfolio vital to Prime Minister Narendra Modi's plans of village empowerment and Swacch Bharat, today indicated that the government was continuing the multi-crore rural job scheme as earlier — extending beyond selected poor districts.

The top Haryana Jat leader took over as Minister for Rural Development, Panchayati Raj and Drinking Water and Sanitation — his first Cabinet assignment in his four-decade political career, most of which he spent in the Congress.

Specifying his position on MNREGA, Singh said the Rs 40,000 crore rural job scheme could not be restricted to a specific region.

"In this country, there are



Rural Development Minister Birender Singh (R) is greeted by MoS Ram Kripal Yadav. TRIBUNE PHOTO: MUKESH AGGARWAL

people who had never seen a Rs-500 note. The poorest of the poor...we have been able to reach them through MNREGA," he said reacting to questions on his predecessor Nitin Gadkari's reported plans on restricting the rural job scheme to most backward 200 districts of the country.

"Rs 40,000 crore component is for the country and not for any specific region," Singh said. Gadkari had said MNREGA was not required in the areas having higher growth and could be restricted to tribal and backward districts, earning criticism from various quarters.

Cost overruns, delays in 83% infra projects, plan panel tells PM

PRIYADARSHI SIDDHANTA
NEW DELHI, NOVEMBER 11

HIGHLIGHTING the plight of the country's infrastructure sector, the Planning Commission has told Prime Minister Narendra Modi that 83 per cent of over 700 central sector projects have sustained cost overruns of nearly Rs 1,90,000 crore and delays of up to 12 years.

In a telling commentary of the infrastructure projects, the commission in a presentation to Modi last week said investments of Rs 5.6 lakh crore have

already been made on 707 central sector projects including roads, railways, airports, ports, telecom and power sectors, but another Rs 5.7 lakh crore is required to ensure their completion. Of these 707 projects, the Railways incurred the biggest delays, with 274 of its projects missing completion targets. Of these 274 projects, 236 have no date of commissioning, including the coal evacuation projects in Jharkhand.

Railways is followed by the road sector as 118 of its projects are delayed, with 26 having

CONTINUED ON PAGE 2

no date of commissioning. The Road Transport and Highways Ministry has been able to toll only 435 km of highways in 2013-14 against a target of 2,148 km. The ministry along with National Highways Authority of India has completed construction of 1,984 km out of targeted 6,300 km, according to the presentation that was made on November 5. According to the plan panel, the projects are delayed due to a variety of reasons including delay in land acquisition, relief and rehabilitation issues, environment and forest norms and adverse law and order situation in some cases.

Similarly, in the ports and inland waterways sector, the government had set a target for bidding out 26 ports but the Shipping Ministry has managed to bid out only half of the number. While enhancing tonnage capacity to 218 million tonne is targeted in 2014-15, a capacity of 50.97 MT has been achieved so far.

Most importantly, although an investment target of Rs 22,536 crore has been set for the Shipping Ministry, the sector has witnessed an investment of Rs 6,893.04 crore from April to October this year, ac-

SHOOTING COSTS, MISSING DEADLINES

10 WORST PERFORMING PROJECTS

PROJECTS DELAYED	ORIGINAL COST	COST OVERRUN	COMMISSIONING DATE	
			ORIGINAL	ANTICIPATED
Paradip Refinery project	29,777	32,710	Dec 2012	Dec 2014
Srinagar-Baramulla Railway Project	2,500	20,000	Nov 2002	Dec 2017
Kudankulam Atomic Power Project	13,171	17,270	Dec 2008	Mar 2015
Expansion of SAIL's IISCO Steel plant	14,443	16,408	Dec 2011	July 2014
RINL's expansion project (to 6.3 MT)	8,692	12,291	Oct 2009	Sep 2014
Bangalore Metro Rail project	6,395	11,609	June 2011	Mar 2013
Subansiri Hydrel Project	6,285	10,667	Sep 2010	Sep 2018
Assam gas crackper project	5,460	8,920	Apr 2012	NA
Mumbai High South Devt-II (Petroleum)	5,713	8,813	May 2010	Apr 2014
Kusmunda coal project	1,188	7,612	Mar 2013	Mar 2023

*Amount in Rs crore

ording to the presentation.

In the power sector too, the government has been able to ensure electricity generation of 11,715 MW against a target of 20,882 MW during the April-October period. According to the presentation, electricity has been provided to 181 towns

against a target of 350 towns. In coal production, the state-run Coal India has achieved an output of 313.97 million tonne during the April-October period against a target of 630.25 MT for 2014-15, while coal imports to the tune of 50 MT took place against target of 94 MT.

Centre not ready to amend labour Acts

SOMESH JHA
New Delhi, 11 November

The Centre is not yet ready to amend labour laws on the lines of the Rajasthan government's changes, according to sources.

"It is still early to make any move towards bringing such amendments," said a senior labour ministry official, who did not wish to be named.

President Pranab Mukherjee had on Friday given his assent to Rajasthan's amendment to three laws — the Factories Act, Industrial Dispute Act and Contract Labour Act. Since labour is on the concurrent list of the Constitution, both the Centre and states can frame their own laws. While industry has termed it a move to attract investments, central trade unions are viewing it as a pro-industry and anti-labour move.

The official cited above said the Union government wants to examine how the changes in these rules work out in Rajasthan before taking any decision. "Right now, tripartite consultation is going on," said the official.

After Rajasthan, the Madhya Pradesh Cabinet, too, approved amendments on similar lines.

Among the major steps taken by the Rajasthan government are the one allowing companies employing up to 300 people to lay off workers or close down the company without taking the government's prior approval. Earlier, only those with less than 100 employees were allowed to do so.

The ministry official also raised the contention that the National Democratic Alliance (NDA) govern-

Trade unions slam President's nod to Rajasthan labour laws

SOMESH JHA
New Delhi, 11 November

Eleven central trade unions, including Bharatiya Janata Party-supporting Bharatiya Mazdoor Sangh (BMS), will protest against the labour reforms in Rajasthan next month. President Pranab Mukherjee had given his approval to the new laws on Friday. The unions, however, will not move court against the new laws. "We will go to the 'people's court' to raise our voice. The state-level conventions are already taking place in many parts of the country including Rajasthan and Madhya Pradesh," said A K Padmanabhan, president of the Centre of Indian Trade Unions, associated with the Communist Party of India (Marxist). B N Rai,

general secretary of BMS, said, "There is no point in going to court right now" and that the unions will hold demonstrations on December 5. "All the central trade unions will go for demonstrations and there will be nationwide protests," Rai added.

The trade unions will also organise a sit-in protest in Delhi on December 5. "We will decide the future course of action only after this *dhama*," said Padmanabhan. After a national convention on September 15, the unions had adopted a declaration condemning the labour law amendments. They said such changes would result in "rampant casualisation of employment", "push majority of factories" out of labour law coverage and empower the employers to retrench workers at will.

ment doesn't have a clear majority in the Rajya Sabha, which could be seen as a hurdle in passing any labour law.

Notably, the Opposition had created an uproar in the Lok Sabha when the Centre introduced amendment Bills for the Factories Act and Apprentices Act in the Budget session in August. The opposition parties demanded the Bill be sent to a Parliamentary Standing Committee.

While the Apprentices Act was cleared by the Lok Sabha, it has to be passed in the Rajya Sabha as well. Apart from these two bills, the Labour Laws (Exemption from Furnishing

Returns and Maintaining Registers by Certain Establishments) Act, which was cleared by the Cabinet in July this year, is awaiting introduction in both the Houses.

The Centre is planning to introduce a Bill, which seeks a blanket ban on child labour, in the upcoming winter session. The Child Labour (Prohibition and Regulation) Amendment Bill will bring the law in consistency with the Right to Education Act by banning employment of children below 14 years of age in any occupation. The Winter Session of Parliament will begin on November 24.

Centre's relief to small mineral miners

SOMESH JHA
New Delhi, 11 November

The Centre has given states the power to clear small mineral mining projects even if in environmentally sensitive areas. States will not have to refer to the Union environment ministry if the projects are near national parks or sanctuaries, in critically polluted areas or biodiversity protection zones.

A recent order by the environment ministry, while addressing directives by the Supreme Court and the National Green Tribunal, will provide relief to industries like brick kilns, which use the topsoil of the farmland they take on lease.

Following up on a Supreme Court order, the green tribunal had in August 2013 banned mining of minor minerals without clearance from the Centre to curb widespread illegal mining. Earth excavation is classified as mining of minor minerals.



- Mineral mines operating on less than five hectares in a critically polluted, protected or eco-sensitive zone can get

The apex court in a ruling on February 2012 observed mining of minor minerals could have significant adverse impacts on the environment. The court had ordered mining leases for minor minerals, including renewals for areas less than five hectares, be granted by states after being cleared by the Centre.

Earlier notifications by the

green nod from states

- Move likely to benefit minor mineral industries like brick manufacturers, who operate on small scale
- Earlier, Environmental Impact Assessment Notification of 2006 had no provision for mining of minerals on less than five hectares
- The environment, mining and coal ministries had discussed this in June

Union environment ministry had given greater freedom to states to clear projects that fall in environmentally sensitive areas. There was no provision in the Environmental Impact Assessment Notification of 2006, which had talked about mining of minerals on less than five hectares. The ministry has now added the provision on the request of

mining and coal ministries.

The mining, coal and environment ministries had decided in June that small mining projects be exempted from obtaining central clearance if states put adequate systems in place.

"It was decided that the MoEF will scrutinise the rules promulgated by state governments concerning this matter to verify their adequacy as far as environmental protection is concerned and the applicability of the Environment Clearance (EC) notification will be removed in all the cases where the state governments have been found to have issued rules that provide adequately for environment protection," an official document reviewed by *Business Standard* stated.

"When we took up the consultation with the law ministry, it said we can't change the provision of not taking an EC from the MoEF without taking up the matter with the court," a senior official said.

Govt Plans to Create Unified National Mkt

An authority will be set up to help break down state, district boundaries for the seamless delivery of goods and services across the country

Deepshikha.Sikarwar
@timesgroup.com

New Delhi: The Narendra Modi government is preparing a plan to create a unified market in India by setting up a permanent authority that will take the concept through to implementation, in tandem with the long-awaited goods and services tax (GST), which is a top priority for the administration.

A Cabinet note on the creation of a national common market commission under Article 307 of the constitution is expected to be drafted soon, a senior government official aware of deliberations told ET. This body will deal with intra- and inter-state issues related to freedom of trade and commerce, the person said. Along with GST, the authority will help break down state and district boundaries for the seamless delivery of goods and services across the country, though the primary focus is on movement of food and vegetables.

The government is keen to spell out a timetable for GST implementation soon with the budget giving concrete signals such as the elimination of central sales tax levied on inter-state sales. Efforts are on to persuade states to agree to the earliest possible implementation date for GST, apart from readying legislation that's needed as part of this initiative. "Free movement of goods and services within the country is important," said the official cited above.

"Discussions have begun and a cabinet note would be floated once the contours are frozen." The department of consumer affairs had pitched for the creation of a common market commission at a meeting of the inter-ministerial group on consumer advocacy. Industry said the move would amount to a significant reform.

The creation of a unified market, which would facilitate seamless movement of goods across states by removing inter se trade barriers between them, would go a long way to reduce the transaction cost of business and help India to compete in overseas markets on equal terms," said Chandrajit Banerjee, director general of the Confederation of Indian Industry. "So far, Indian industry has had to deal with the disability of a fragmented

Seamless Movement of Goods

One National Market

Govt working on a plan for unified national market

It will set up a permanent authority that will take the concept through to implementation

A Cabinet note on the creation of a national common market commission will be moved soon

Article 307 allows Parliament to create such an authority

Various panels on inter-state relations suggested creation of such a panel

It is envisaged as a constitutional body the decisions of which will be binding

ROLE OF NATIONAL COMMON MARKET COMMISSION

Oversee internal trade & systematically remove barriers to trade	Special stress on trade in farm goods
--	---------------------------------------

Harmonise food and agriculture marketing policies across states

How Will A National Mkt Help?

Help remove physical & fiscal barriers to free goods movement	Will reduce costs and allow markets to function
Producers to get better realisation while buyers won't face high prices	Help in freer movement of fruits & veggies

market and high transaction costs."

Article 307 allows Parliament to appoint an authority for carrying out the purposes of Articles 301, 302, 303 and 304, related to trade, and confer on this powers and duties as deemed fit. Various panels on inter-state relations including the Sarkaria and Punchi commissions suggested an inter-state trade and commerce commission.

Article 307 allows Parliament to appoint an authority for carrying out the purposes of Articles 301, 302, 303 and 304

The government is keen on the creation of an integrated food market as sharp seasonal fluctuations in the prices of fruits, vegetables and pulses are a concern for policy makers. The Centre has already asked the states to revamp wholesale marketing systems under the Agriculture Produce Marketing Committee Act as these are seen to be hindering the free movement of goods within the country. "There is a need to establish an institutional mechanism for coordinated policy making for development of a single agriculture market that covers internal trade and facilitates harmonization of food and agri marketing policies across states," said the official cited above.

An integrated food market will be a necessary condition to increas-

ing the efficiency of distribution from the farm to the consumer and reducing intermediation costs.

The official said this will require the repeal of some obsolete legislation and redesigning policy interventions to address "market failures".

A 2011 report by the working group on consumer affairs set up by the department pointed to significant inter-state barriers to trade. Such tax-related and physical barriers should be reduced or eliminated, it had said.

Under the constitution, Article 301 mandates that trade and commerce throughout the territory of India shall be free. Article 302 mandates that Parliament can impose restrictions on this in the public interest. Article 304 allows state legislatures to impose taxes on goods from other states provided those locally sourced face the same levies. This article also empowers state legislatures to impose curbs on the freedom of trade as needed in the public interest.

The government is relying on Supreme Court judgements such as the one in Atiabari Tea Co. Ltd versus the state of Assam and others to bolster its bid to free up inter-state trade. "Free movement and exchange of goods throughout the territory of India is essential for the economy of the nation and for sustaining and improving living standards of the country," the top court has said.

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Govt not to restrict MGNREGA to poor districts

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New Delhi, 11 November

The new Rural Development and Drinking Water and Sanitation Minister, Chaudhary Birender Singh, today assumed charge and contradicted his predecessor on the issue of the Mahatma Gandhi National Rural Employment Guarantee Scheme.

He said the government would not restrict MGNREGA to the country's poor districts as was hinted at earlier by Mr Nitin Gadkari.

"In this country, there are people who had never seen a Rs 500 note. The poorest of the poor.. we

have been able to reach them through MGNREGA... The Rs 40,000 crore component is for the country and not for any specific region," Mr Singh, a former Congress leader, told reporters.

He was reacting to a question on his predecessor Mr Gadkari's plan to restrict the rural job scheme to 200 most backward districts of the country. Mr Gadkari had been trying to focus on implementing the scheme in 2,500 backward blocks under the intensive participatory planning exercise.

Launched in 2005 by UPA-1, the MGNREGA has been an important source of income for mil-

Singh regime.

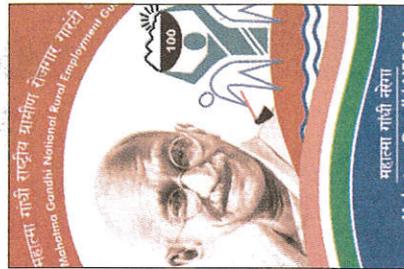
While the RD ministry argued that NREGA was being reviewed as there were instances of diversion of funds even to lure voters by the erstwhile Congress regime, there were protests by economists, activists, former Planning Commission members and some political parties. In fact, a group of them had also written a letter to the Prime Minister alleging that NREGA provisions were being diluted.

Mr Birender Singh's statement could pacify them but he acknowledged that there were "some problems" in implementation of the ambitious scheme.

"As far as the working of MGNREGA is concerned, if there are lacunae, we will correct them," Mr Singh, a prominent Jat leader from Haryana, said.

In changes proposed to the MGNREGA, Mr Gadkari had also proposed that the permissible labour to material ratio of expenses be changed from the current 60:40 to 51:49.

This had left even departmental officials surprised as any move to ensure more spending on materials could encourage corruption at the block and district level officials and also create a room for false bills, etc.

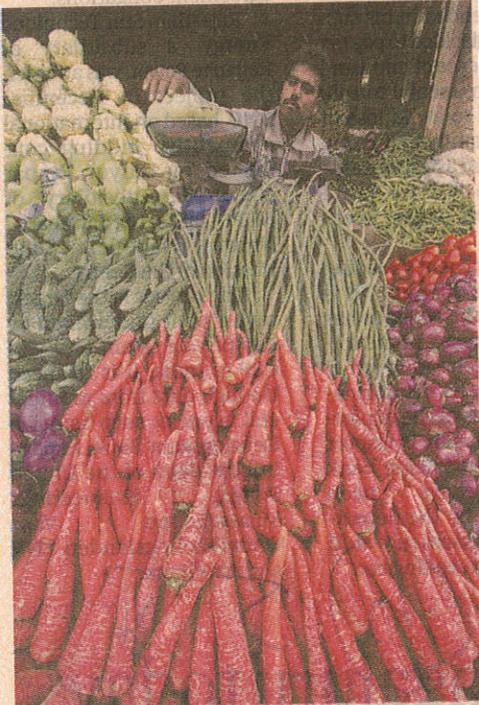


lions of rural households.

The recent statements from Mr Gadkari to restrict it to a few districts had raised doubts about diluting the provisions of the Act, a flagship scheme of the Manmohan

'Further fall in retail inflation likely in Oct'

But RBI unlikely to cut rates, says Reuters poll



File photo of a vendor selling vegetables. The Reuters survey predicts retail inflation at 5.8% in October

PHOTO: REUTERS

REUTERS

New Delhi, 11 November

A survey of 27 economists and analysts predicted Consumer Price Index-based (CPI) inflation, scheduled for release on Wednesday, would cool to an annual 5.8 per cent in October.

If the forecast is met, it will be even lower than September's 6.46 per cent and the slowest pace of price rise since retail inflation numbers were first published in January 2012.

It would also make the Reserve Bank of India (RBI)'s inflation targets — eight per cent by January 2015 and six per cent a year later — appear more attainable.

Wholesale Price Index-based inflation is forecast to ease to a near five-year low of 2.2 per cent in October from September's 2.38 per cent, the Reuters poll showed. This data will be released on Friday.

The recent slowdown in inflation has largely been due to fall in local food prices, which account for 50 per cent of the CPI basket, and Capital Economics' India economist Shilan Shah said it could still go lower.

"Over the coming months, we suspect both measures of inflation will remain subdued by past standards," Shah said.

The poll also predicted industrial production to have increased a meager 0.6 per cent in September, albeit better than August's 0.4 per cent.

A poor factory output number on Wednesday will imply the economy may struggle to maintain a recent pickup in growth.

"Monetary loosening could come onto the agenda sooner than most seem to expect," Shah said.

He said RBI could cut its benchmark repo rate by 100 basis points to seven per cent over the next 12 to 18 months.

However, some say RBI may not want to release the monetary policy brakes in a hurry.

"These releases will point to slowing industrial activity alongside slippery inflation — a combination that will add to the growing chorus for rate cuts in December," said Radhika Rao, economist at DBS.

"But the RBI is unlikely to oblige"

It will wait for more clarity on inflation and rates could stay unchanged until March, after the government releases its Budget, Rao added.

'New NBFC Rules Likely to Lower Profits and Raise NPAs'

Profitability to shrink by 40 bps over the next four years, says a Crisil report

Our Bureau

Mumbai: The Reserve Bank of India's (RBI) new norms for NBFCs may reduce the risk they pose to the financial system, but it will reduce profitability and increase non-performing assets (NPAs) of the industry with only 20% of the NBFCs adopting 90-day NPA recognition norm.

The revised regulatory framework for non-banking financial companies will slice around 40 basis points of their profitability gradually over the next four years till March 31, 2018, according to a report by rating firm Crisil.

RBI has stipulated 90-day NPA recognition norm. Retail NBFCs that have not implemented the 90-day NPA recognition norm so far would see a change in their gross



The impact would be lower in the short term because of the long transition period

Crisil. RBI has given a 3.5 year transition period.

As a result, reported Gross NPA percentage of the affected NBFCs is likely to increase by 100-220 basis points from 2.9% excluding captive financiers. Including these, gross NPAs would be 4.5% as on

NPAs. Such NBFCs currently account for 63% of the total managed advances of ₹3.7 trillion, in Icra's estimates.

"Their provisioning will increase with the recognition norm for non-performing assets made more stringent to 90+ days past due (dpd) from 180+ earlier," said

June 30, 2014 once the guidelines are fully implemented, Icra said.

The impact would be lower in the short term because of the long transition period. The 3-year transition period will allow NBFCs to cushion impact on their financial profiles. Overall, higher capital requirements, regulatory alignment with banks, enhanced disclosure requirements and tighter corporate governance norms will strengthen the NBFC sector structurally in the medium term, said Crisil.

The other two guidelines on higher tier I capital and deposits to the net owned funds may not impact NBFCs in a big way. NBFCs are required to increase standard asset provisioning from 0.25% to 0.40% in a phased manner by the end of March 2018.

According to a research report by Anand Rathi, earnings of NBFCs may get impacted by 5% in the short term, but strengthen the balance sheet over the longer term.

Govt now pitches for Served from India

BS REPORTER

New Delhi, 11 November

After the Make in India blitzkrieg to encourage manufacturing here, the government is going to showcase India's prowess in the services sector under the concept Served from India. As a result, the second leg of a Services Conclave is going to start from Wednesday to bring stakeholders together and explore ways to increase export of services from India. It will be jointly organised by the ministry of commerce and industry and the Confederation of Indian Industry (CII).

J S Deepak, additional secretary of the commerce department, said, "This will be our effort to showcase India's competitiveness in various services sectors. Export of services has been critical in meeting the deficit that was created due to merchandise exports. We are going to promote the concept of Served from India through this new strategy."

The two-day event will focus on expanding the export of services such as education, health tourism and creative entertainment that have huge export potential. The first part of the conclave was held last year here, where various sectors were identified through which India can acquire considerable market access in traditional and newer markets.

He said services exports will also get a major thrust this year under the new Foreign Trade Policy 2014-2019, expected to be released by this month-end. Deepak also said to promote services exports from India, the policy measures will focus on three key areas such as market access, export promotion and promotional schemes. He said the government will promote services from sectors such as entertainment, logistics, architecture, chartered accountants and health



EYE ON EXPORTS

- Idea to bring stakeholders together and explore ways to increase export of services from India
- Conclave to be jointly organised by the ministry of commerce and industry and CII
- Focus on expanding export of services such as education, health tourism and creative entertainment
- Government to also promote services from sectors such as entertainment, logistics, architecture, chartered accountants and health care

care. On the issue of mutual recognition agreements (MRA), he said, it will be done on the basis of reciprocity with partner countries such as Japan, Korea and Singapore among others. However, he also said clinching MRAs with partner countries is increasingly becoming challenging due to the issue of granting citizenship that requires political will.

The services sector constitutes 57 per cent share of the country's gross domestic product, while export of services stood at \$151.47 billion in 2013-2014. Next year the ministry and CII will also organise a global services exhibition, in which Prime Minister Narendra Modi is expected to give the concept of Served from India a big push.

WEDNESDAY, NOVEMBER 12, 2014

List of good intentions

As many of his predecessors have done, Civil Aviation Minister Ashok Gajapathi Raju has unveiled another draft aviation policy, which he hopes to implement by next year. It is more of a broad statement of intent, without going into the specifics. Mr. Raju has touched upon all the major issues and problems faced by the sector, but has not exactly come up with solutions. It may not be fair to expect the Minister to just wave a magic wand and resolve all the issues that have plagued the aviation sector over the decades. But this is perhaps the best time for the NDA government and Mr. Raju to take some bold initiatives and address all the pending problems. New airlines are coming into being and people are realising the benefits of air travel, but there are several major obstacles for the airlines to grow and be profitable. What takes the cake is the announcement of yet another committee or panel to look afresh at the future of Air India, which has remained the country's big white elephant for too long. Something drastic needs to be done, and done quickly, before crores of rupees of public money go down the drain. Given its condition, there can be no suitors for a strategic partnership, and listing it on the stock exchange may end up as a disaster. The government has to make up its mind about privatisation, sooner than later.

The need of the hour remains the growth and development of airports. While Delhi, Mumbai, Hyderabad and Bengaluru have shown the way on PPP models, the Airports Authority of India's (AAI) projects in Kolkata and Chennai have been disasters. The Aviation Ministry has to set this right and get a private partner to redeem these airports, besides strengthening and developing smaller airports for the existing and new airlines to operate. The ravaged Visakhapatnam airport and a 'real' airport for Vijayawada must be at the top of his priorities. The AAI may be a profitable enterprise, but it needs to be corporatised and restructured in order to make it efficient. As far as the airlines are concerned, the cost of Aviation Turbine Fuel (ATF) is the major concern, as it contributes to over 40 per cent of the cost of operations. The recent drop in global crude prices and consequently of ATF provides some relief. But Mr. Raju has to work with the Finance Ministry and the State governments to rationalise taxes, basically VAT, to reduce the burden. The advent of GST may solve this problem, as and when it comes into being. Since the Minister has promised to firm up the policy by January and get it through the Cabinet, the civil aviation sector as a whole hopes that he will work on the specifics and come up with a time-bound, implementable framework that will not only help all segments of the aviation business but also protect the interests of passengers.