

PART A: News pertaining to Planning Commission



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and Communication, IT & Information Division

(महान लोगों के विचार)

(The power of imagination makes us infinite. कल्पना की शक्ति हमें अनंत बनाती है.)

John Muir जॉन मुइर

1.Six months of Modi government: Six big ideas

Business Standard:24.11.2014

Jan Dhan Yojana, Swachh Bharat, Make in India among initiatives launched by the govt

The six big ideas floated by the [Narendra Modi](#) government in his six months in office:



JanDhanYojana

With a substantial section of society still outside the ambit of the formal financial system, the recent initiative which aims to bring the excluded into the banking system over the next few years is a laudable one. But legitimate concerns remain. For one, access to banking services may not translate to usage as the poor may simply opt against engaging with the system. Concerns also exist about the financial viability of maintaining such accounts. But if coverage is extended, especially to the rural poor, then in conjunction with the Aadhaar platform, it could facilitate a shift towards cash transfers.

SwachhBharat

A brilliant event manager," L K Advani said of former protégé Narendra Modi in April. On October 2, Modi showed how he is arguably the most-skilled mass communicator among Indian leaders. He chose Mahatma Gandhi's birth anniversary to pick up a broom and launch the Swachh Bharat Abhiyan. Few remembered how Swachh Bharat was in fact the repackaged Nirmal Bharat sanitation programmes launched by the Atal Bihari Vajpayee-led NDA government and Manmohan Singh-led UPA governments. But Modi is the first PM to take up the cause of cleanliness with such conviction and vigour. He has attempted to make a mass movement out of an issue that affects not only people's health but is also an attack on social ills like untouchability and manual scavenging.



MakeinIndia

While successive governments have acknowledged the need to raise the share of manufacturing in GDP, there has been a mismatch between policies and the rhetoric. The new government's innovative [Make in India](#) campaign signals its commitment to transforming India into the manufacturing hub of the world. The importance of manufacturing stems from the fact that the sector can serve as a source of employment for the bulk of unskilled and semi-skilled workers currently engaged in the agricultural sector. But the success of this initiative depends on the degree to which the government can provide an enabling environment by improving the ease of doing business in India.

DeathofthePlanningCommission

The death of the Planning Commission, announced by Prime Minister Narendra Modi from the ramparts of Red Fort, is probably the biggest symbolic break from the Nehruvian socialist era. Derided as a "parking lot" for political cronies and superannuated civil servants by Arun Shourie, the Commission was often accused of being insensitive to the problems of states. While the relevance of the Commission in an increasingly market-oriented economy is debatable, whether the new organisation proposed in its place will be more in tune with realities or not remains to be seen. To what extent it succeeds in making states "equal partners" in the decision-making process remains to be seen.



DigitalIndia

In his first Independence Day speech, the prime minister captivated the youth by talking of his dream

of a [Digital India](#) by 2019. Whether its e-governance, broadband for all, IT-enabled education or telemedicine, the Digital India plan is meant to cover it all. To begin with, the government is working on a ~500-crore plan, and has already initiated biometric attendance in government offices. Delivery of government services through a unified portal has been planned under it. Recently, Aadhaar-based digital life certificates called Jeevan Pramaan were launched for pensioners. The goal is to simplify the process of pension payments. India must first get a seamless broadband and wi-fi connectivity up to the last mile, for the plan to actually work.

SmartCities

One of the ideas from the BJP poll manifesto, this saw early action. In its first Budget in July, this government allocated ~7,060 crore for smart cities, though the initial estimate for the project was ~35,000 crore per annum. The plan is to build 100 [smart cities](#) in India over a period of time. Smart cities are broadly defined as urban spaces that are technologically integrated, well-planned and environment-friendly. It's a long-term project and could well be spread over 10 years or more, officials say. A flexible PPP (public-private partnership) model is being worked out; many countries including the US, Japan and Singapore, have committed to play a role. Critics say power outages, poor infrastructure and dearth of clean drinking water may play spoilsport.

2. DBT Mission Team Shifts to Plan Panel

The Economic Times: 24.11.2014

Another senior Planning Commission official confirmed to ET that the Cabinet had approved the proposal and the DBT team is likely to move in soon. “The fact that the Unique Identification Authority of India, which is responsible for generating Aadhaar or a unique identity for all by March 2015, is an attached office of the Planning Commission and the same could be used by the government in future for transferring subsidies/social sector benefits to the needy to weed out ghost beneficiaries is also a reason for shifting DBT to the commission for better monitoring of convergence between the two,” the official added. DBT was originally placed in the Planning Commission under Secretary Sindhushree Khullar. However, within few months, the UPA government moved it to the department of expenditure under the finance ministry and roped in former petroleum secretary S Sundaresan as the DBT mission director. However, Sundaresan left a few weeks after the Bharatiya Janata Party-led government came to power in May, leaving barely six-eight people to carry out the work. The UPA government had rolled out DBT for 28 schemes from January 1, 2013, in 43 districts to ensure that benefits go to individuals' bank accounts electronically.

3. Six months of Modi government: Strengths

Business Standard: November 24, 2014 Last Updated at 10:10 IST

A look at the areas where the Modi govt is doing well

The Narendra Modi government is poised to complete six months. We look at the strengths of the govt:

Communication

Narendra Modi now has 25 million fans on Facebook and eight million followers on Twitter. His frequent tweets and Face-book posts, handled by his hand-picked OSDs as well as the Press Information Bureau, have lent Modi a persona that no other Indian PM had so far. As predecessor Manmohan Singh was not known for being commu-ni-cative, Modi's networking skills are being seen as a welcome change. His extempore speeches add to his charisma. His radio show, Man Ki Baat, also showcases the PM's oratory. It's another matter though that the current government has drawn criticism for its one-way communication and clamping up when questions are asked by the media.

Top of mind

Mo-di has caught the pu-b-lic im-agination with his fiery spee-c-h-es, ch-a-m-pioning of unli-k--ely ca-u-s-es, hon-o-u--ring of for-g-o-tten icons and co-m-m-u-n-i-c-a-t-i-o-n skills. The PM tops all of this by his clever use of surprise as a po-l-i-tical we-a-p-on. Modi was painted as in-d-u-s-t-ry-friendly but reached out to the po-or with the Jan-Dhan Yojana, co-n-n-e-c-ted with Dalits by picking up a bro-om for Swachh Bharat Abhi-y-an, engaged with students on Tea-c-hers' Day, spent Diwali with flood devastated Kashmiris, enamoured the dias-p-o-ra during his visits to the US and Australia and floored jour-n--alists at a Diwali get-together in Delhi. Mo-di, for the present, can do no wro-ng. It is resonant of 40 years back. "Indira is India, India is In-d-i-ra," was said of Indira Gandhi in 1976. It was the turn of a young and hand-s-o-me Rajiv Gandhi to infat-u-a-te pu-b-lic opinion 10 years hence. Both phases were short-lived.

Purposeful rule

The Atal Bihari Vajpayee-led NDA government was an alliance government. Yet it to-ok some aston-i-s-h-i-n-gly bold and ra-d-i-c-al steps. The Na-r-e--n-dra Modi gover-n-ment is on-ly nominally an allia-n-ce. Yet it has been inexplicably tentative. The answer to this paradox lies possibly in the way the Prime Minister explained the way he works. "I am a small man, who believes in doing small things," he said. The effort has been to cash in on oppor-t-u-n-i-t-i-es (leve-r-a-ging low commodity pri-c-es to dis-m-antle diesel subsidy, us-i-ng the judicial stand-off in the coal sector to intro-duce reform through an or-di-na-nce) rather than force the pace (by not

touching fertiliser sub-sidies). So far, government seems to be dedicated to painless, win-win reforms. But whether such agility will be available when the going gets tough remains to be seen.

Energy pricing

The government has undertaken a series of measures to sort out the supply-side issues in the power sector. On the de-allocation of coal blocks, the government has come out with an ordinance to allow commercial mining and also paving the way for auctions to be held in the next few months. The gas pricing issue, which has stymied production, has also been partly dealt with. Although experts argue the revised price will fail to incentivise output, the Centre has resolved the issue of differential pricing for onshore, offshore gas production and made provision of a premium for deep and ultra-deep water blocks on a case-by-case basis.

Subsidy reform

Steps taken by the government over the past few months signal a determined effort to reform the subsidy regime. The moderate rise in Minimum Support Prices (MSP), putting pressure on states not to announce bonuses on top of MSPs and the decision to offload foodgrains from its stocks should help contain food subsidy bill. Diesel prices control should help cut fuel subsidy burden. Also, the government's renewed commitment to Aadhaar, coupled with the recently launched Jan Dhan Yojana, should create a platform that will enable a shift towards cash transfers, leading to substantial savings.

Foreign policy

The government followed the "Don't mend if it ain't broken" rule while going ahead with amendments where necessary in dealing with the global community. The invitation to the leaders of the neighbourhood — especially Pakistan — was an invitation to restart the relationships with a clean slate. But geopolitical realities dogged the efforts. The negotiations with Pakistan were matter of fact till the PM was forced to break off a dialogue due to repeated ceasefire violations on the border. In Nepal, Modi was a hit. With China, as with the US, he was measured. Modi used the dual appeal of nostalgia and nationalism with the Indian diaspora but what it yields remains to be seen. The real breakthrough was with Japan, which could fund the bulk of India's infrastructure development, especially in the railways.

4. Farming losing sheen in northern region: Economists

Hindustan Times, Chandigarh, November 21, 2014

The latest report of the working group on issues related to growth and development at sub-national level for twelfth five-year plan (2012-17) of the **Planning Commission** and Central government has revealed that Punjab is one of the most developed states in the country with highest per capita real income and standards of living, and much more inclusive pattern of growth.

Atul Sood of Jawaharlal Nehru University, New Delhi, said this during a round table meet on “Punjab economy of tomorrow” at Institute for Development and Communication (IDC), Sector 38. He added, “Punjab can actually show the country a way to translate the high income into better distributional outcomes.”

HS Shergill, retired professor, Panjab University, presented a comparative picture of Punjab with states like Kerala and Gujarat.

He observed that GDP per capita income was a statistical construct created by economists to have a single numerical indicator of level of development of a country or state.

“The agri-business in food is making huge profits and producers of food are starving,” said Pramod Kumar, director, IDC.

He added, “The crises are much deeper. On crop diversification, there is a need to diversify the economy by a large inter-sectoral shift to high productivity flexible agriculture, and to move away from anti-grain policies.”

“Sectoral picture shows that agriculture is losing its importance with sharp slowdown and is decreasing its contribution to the overall growth. However, its performance is better than all-India picture. The service sector is gaining importance but its growth much lower rate than all-India average,” observed PU professors Lakhwinder Singh and Sangeeta Ghosh.

HS Sidhu and Prof Gian Singh said, “The economic slowdown was accompanied by declining employment growth from 2.6% during 1994 to 2000 to only 1.4% per annum during 2000 to 2012.”

Suresh Kumar, financial commissioner development, Punjab, maintained, “The state does not have the autonomy to shape their policies as they are directed by the federal government.”

5. Dining at the G-20

Written by Yoginder K Alagh, Indian Express: 24.11.2014

The US and China signing an agreement on climate change excludes India from the G-20 consensus on this critical issue. A decade ago, India and China, both members of the G-20, were invited to be permanent invitees to the G-8. This was on account of the efforts of the then Canadian prime minister, Paul Martin, who was so dedicated to seeing this happen that, in the week of the election he lost to Stephen Harper, he flew down to the G-8 meeting in the Bahamas to argue this case. Martin contended that India and China must not be excluded because, as shown by the Canadian policy analyst, John Kirton, head of the G-8 Research Group at the Munk School of Global Affairs, Toronto, their economies were in the top eight. I invited Kirton to the G-20 meeting in Delhi last year.

It was Jim Balsillie, the Canadian chief of BlackBerry, which is headquartered at Waterloo, who spearheaded this effort. The book, *Reforming From The Top: A Leaders' 20 Summit*, was this effort's bible. In this book, edited by John English, Andrew Cooper and Ramesh Thakur, the case was made for direct diplomacy at the world's high table to solve global problems. Anne-Marie Slaughter, then dean of the Woodrow Wilson School at Princeton, pushed the agenda and is now advisor to the US State Department. Juha Jokela, in his by now well-known 2011 paper, "The G-20: A Pathway to Effective Multilateralism?", tracing the history of the G-8 since then, documents the role that India played in bringing the developmental needs of poorer countries to the world high table. As an Indian, my argument in a paper cheekily called "Sherpas and Coolies" in *Reforming From The Top* was that supping at the high table was productive only if India's concerns on water, energy, nutrition and trade were taken on board. Jokela traced precisely whether this had happened or not.

The position recently stated by the prime minister's G-20 sherpa is that India's views on climate change and, therefore, energy ought to be different from China's, because energy and emissions issues have to be looked at in per capita terms, and not as absolute numbers. This is important, the argument goes, because poor countries must be allowed to pursue development, and domestic and global policies have to be designed to enable growth to be sustainable. Historical emissions on account of, say, a large cattle population in India, are recorded, and it is the magnitude of change that is important. In per capita terms, both India and China are way below the developed world in

energy intensity. In absolute terms, India may burn half a billion and China more than two billion tonnes of coal. The Chinese have, of course, in a sense already decoupled and formed the G2 with the US.

Yoginder K Alagh

India pursues three objectives at the G-20. The first is to seek stability to enable reform. The second is improvement in the global and national architecture to deepen financial markets in pursuit of inclusive growth. The third is concerned with how these two link to trade policy. India's phased process of reform, with the ultimate goal being complete capital account convertibility, stated initially during my stint as planning minister in the Ninth Plan document, was to be protected from the wild swings of global financial markets, which were particularly evident after the East Asian meltdown. India wanted the rules to be clear and the paths to be flexible. At the G-20, India must constantly project the art of following its own interests and championing the growth of poor countries as two sides of the same coin. Having increasingly utilised the market in its larger economic policies, Indians tend to be appreciative of the consensus on formulating country-specific commitments for G-20 initiatives like the Mutual Assessment Process, leading to action plans for higher growth. At the measurement and operational levels, India correctly argues that commitments emerge from domestic policies, and the necessary global push is absent. It also has a somewhat realistic approach to the rebalancing doctrine, recognising the scales of the US and German economies but asking for creative institutional experimentation to encourage trade between the faster-growing developing economies. This is needed to avert global crises and push growth rates higher. However, uncoordinated rebalancing may make things worse.

Tax reforms and public sector reforms are also important areas of concern at the G-20. India's central bank chiefs have always been involved in the pursuit of transparency and rules-based operations in global financial flows. Concerns over corruption and illegitimate money flows are shared globally. With a conservative banking system and strong regulatory central banking tradition, Indian central bank chiefs such as Y.V. Reddy and his successors are recognised names in the search for financial transparency. India must work to consolidate their reputation.

The writer is chancellor, Central University of Gujarat

PART B

NEWS AND VIEWS

Monday 24th November 2014

Polity

: Opp gears up to take on govt,
Modi lines up 37 Bills

Economy

: A whole set of Gen 2 reforms coming
in Budget, says Jaitley

Planning

: Solar plan powers ahead, govt
identifies 12 sites for parks

Editorial

: A cloak of invisibility

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Oppn gears up to take on govt, Modi lines up 37 Bills

EXPRESS NEWS SERVICE
NEW DELHI, NOVEMBER 23

THE Opposition is gearing up to take on the government over a variety of issues, including black money and FDI in insurance sector, in the Winter Session of Parliament beginning Monday.

At a pre-session all-party meeting held on Sunday, Prime Minister Narendra Modi hoped that the House business would progress smoothly, like in the Budget Session. "Unitedly, all important issues can be taken forward," said the PM, who was at the meeting for some 15 minutes. The government has lined up as many as 37 Bills for the consideration of the two Houses during the month-long session, including the Insurance Laws (Amendment) Bill.

Speaking to the media after the all-party meeting, Parliamentary Affairs Minister M Venkaiah Naidu said, "The PM said the government is ready to take up all issues."

Home Minister Rajnath Singh, Finance Minister Arun Jaitley and Consumer Affairs Minister Ram Vilas Paswan (LJP) were also present at the meeting, apart from representatives of over two dozen parties. They included Mallikarjun Kharge (Congress), Bhartruhari Mahtab (BJD), Sanjay Raut (Shiv Sena), Satish Misra (BSP), K C Tyagi (JD-U) Tariq Anwar (NCP), K Kanimozhi (DMK), P Rajeev (CPM), D Raja (CPI), E Ahmed (IUML), Dharamvir Gandhi (AAP), M Rajamohan Reddy (YSRCP), P Venugopal (AIADMK), T Narasimham (Telugu Desam), Sukhdev Singh Dhindsa (Akali Dal) and P A Sangma.

Two parties, the Trinamool and Samajwadi Party, gave the meeting a slip. Trinamool Congress president Mamata Banerjee had announced a boycott of the meeting, with her party MPs scheduled to stage a dharna against "political vendetta" over the Saradha scam probe, at Parliament House on November 25. "I request Mamata Banerjee to please understand that the government has no role in the functioning of the CBI," Naidu said Sunday.

The Trinamool Congress, on the other hand, alleged that the BJP had used black



Narendra Modi and Venkaiah Naidu in New Delhi on Sunday.

money for its election expenses. "Where is the BJP getting its funding to continue the lavish spending in elections?" party Rajya Sabha MP Derek O'Brien said.

While the Left parties, Trinamool Congress, JD(U), RJD, SP and BSP are planning a joint opposition to the Insurance Bill, they hope the Congress will come along. Kharge, however, said his party would first see the amendments the government planned.

Naidu said he hoped the Opposition would understand "the mood of the nation" as well as "the spirit of the mandate of people" and cooperate with the government.

He said the business planned by the government included promotion of investments, improving cooperatives, strengthening of Regional Rural Banks, imposing stiffer penalties on hijackers, replacing coal ordinance, promoting ethical practices in bio-medicine and research on human beings, and repealing of outdated laws.

AMIT MEHRA

G.O.I

PCFC

A whole set of Gen 2 reforms coming in Budget, says Jaitley

EXPRESS NEWS SERVICE
NEW DELHI, NOVEMBER 23

BUDGET 2015-16 would unveil "a whole set of second-generation reforms" as well as reforms that require undoing, Finance Minister Arun Jaitley has said.

"The coal ordinance is one undoing thing. Allocation of natural resources by non-discretion is undoing thing. A rational and reasonable tax regime is undoing thing. Some procedure changes in the land (acquisition) law is an undoing," he told PTI.

His immediate target, Jaitley added, was the insurance amendment Bill and Goods and Services Tax (GST) Bill.

Asked about the steps he intended to take, the Finance Minister said, "You see, you need a larger opening out, which is what we are doing. You will require to give another comfort to investors... stability of policy, stability of tax regime, (and) correcting whatever major aberrations have taken place."

Jaitley envisaged that the GDP would grow more than 6 per cent in 2015-16 once the



» WINTER SESSION BEGINS TODAY, 37 BILLS LINED UP

» FM ATTACKS MAMATA, TMC CALLS NSA DOVAL 'RSS SYMPATHISER'

PAGES 5, 6

effect of all the proposed steps kicked in. From thereon, "we are going to take off", he said. He also pitched for lower interest rates, observing that opening up should be followed with liquidity and cheaper capital. "So, it is a chain of events which has to take place," he said, making a case for the Reserve Bank of India to cut rates in the monetary policy review slated on December 2.

Jaitley added that infusing liquidity into various sec-

tors was necessary along with providing reasonable cost of capital.

Promising "a lot of exciting time ahead", Jaitley said he saw investments coming into India. "On the ground some green shoots are visible. I do see domestic investors taking a lot of interest," he said, adding it would still take some time before results start surfacing.

On land laws, he said, "Some dilution is required because this law can actually make development stagnant. I have no difficulty in higher compensation, I welcome it. But no access to land means what happens to infrastructure, townships, housing, industry and jobs?" he said.

To a question on the growth rate set for 2015-16, Jaitley said the economy has to first make a turnaround from the sub-5 per cent—4.5 per cent and 4.7 per cent. "Manufacturing is still a challenge. Infrastructure expedition and manufacturing are two prime areas we have to get into so that expedition takes place. Once the effect of all these steps is visible, our ability to cross the 6 per cent mark increases."

Solar plan powers ahead, govt identifies 12 sites for parks

■ Renewable energy ministry to soon send draft proposal to Cabinet for approval

Mumbai, Nov 23

The Union ministry of new and renewable energy (MNRE) has identified locations for 12 of the 25 solar parks which the government plans to set up to increase solar power generation in the country.

MNRE joint secretary Tarun Kapoor confirmed this to PFI. "We are in the process of finalising the draft proposal for the same," he said.

He said they will soon send the draft to the Cabinet for approval.

The locations are in Andhra Pradesh, Telangana, Madhya Pradesh, Karnataka, Rajasthan, Odisha and Punjab, Kapoor said, adding that even Mizoram has expressed willingness to set up a park.

As part of its plan to increase solar power generation in the country to 100,000 mw by 2022, the gov-

LOOKING SUNWARDS

■ As part of its plan to increase solar power generation to 100,000 mw by 2022, the government aims to set up 25 solar parks with a total capacity of around 20,000 mw in the next five years

■ Each park will have a plant that will generate 500 mw to 1,000 mw

■ Right now, the country generates 3,000 mw through solar power plants

ernment aims to set up 25 solar parks with a total capacity of around 20,000 mw in the next five years.

Each park will house a plant with a capacity ranging from 500 mw to

1,000 mw.

At present, the country generates 3,000 mw through solar power plants.

"Andhra Pradesh has proposed to have a 2,500-mw park, Telangana 1,000 mw,

MP is keen to have two parks of 750 mw each, Karnataka a 750-mw park, Rajasthan has identified land to set up projects as big as 4,000-5,000 mw and Odisha and Punjab to have around

3,000 mw each," he said.

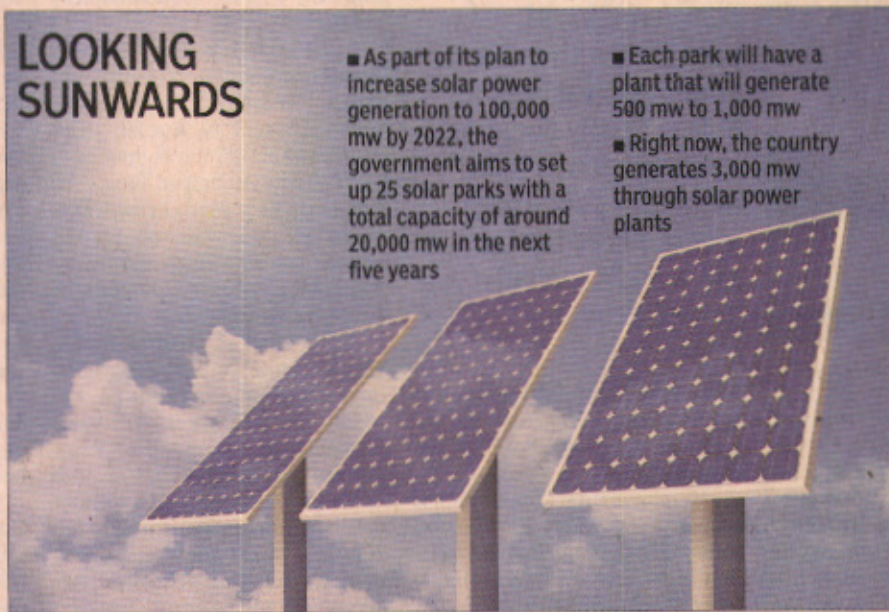
"We already have two solar parks, with one each in Gujarat and Rajasthan as models for the parks to be constructed as part of the scheme. The new parks would be based on a similar model," Kapoor said.

The solar parks will be developed in collaboration with state governments. Solar Energy Corporation of India will be the implementation agency on behalf of the Centre.

"A solar park is a concentrated zone wherein the government will provide land and basic infrastructure for setting up the plant as well as evacuation of power.

Developers, on the other hand, will have to enter into power-purchase agreements with distribution companies before setting up the plant," Kapoor added.

PTI



Parliament accounts panel poses 4 key questions to Centre on oil, gas contracts

Seeks explanation on Union Govt's role in production sharing deals

RICHA MISHRA/AM JIGEESH

New Delhi, November 23

The newly constituted Public Accounts Committee of Parliament has asked the Centre to explain its role in the implementation of the production sharing contracts signed for hydrocarbon discovery and production including with Reliance Industries Ltd for the East Coast block - KG D6.

A PAC member told *Business Line* that while much of the work has already been done by the earlier committee headed by BJP leader Murli Manohar Joshi, the new panel has sought answers from the Ministry for Petroleum & Natural Gas on four critical issues - calculation of revenue sharing, role of the Centre in deciding the relinquishment of the unexplored areas, appointment



INSAGO/SHUTTERSTOCK.COM

of auditors, and issue of gas pricing.

So far, there is a consensus among the PAC members that the pre-qualification criteria for awarding the blocks and system of auditing itself were faulty and need improvement. The PAC is in sync with the Comptroller and Auditor General's performance audit report on the hydrocarbon

production sharing contracts.

CAG had commented on the D6 operator challenging the scope of the auditing at various points, indicating that the Government auditor has conducted performance audit which was not permitted under the production sharing contract. The CAG has disagreed with this view of the operator time and again.

The PAC member said that "auditor of the operator doing the audit is likely to be biased. There is need to clearly state in the PSC what the scope of the audit is and where CAG can conduct an audit."

Gold-plating expenditures

On the issue of gold-plating of expenditures too, the PAC has asked the Centre why the cost escalation was not audited properly by the nodal Ministry. The PAC member said many members raised objections on why RIL was allowed to appoint its own auditor to calculate the expenses.

Another critical issue was non-relinquishment of the contracted area in violation of the production sharing contract. CAG, in its report, had stated that in complete violation of the contract, Reliance was allowed to retain the entire block area till as late as 2013, despite the fact that the company had to relinquish 50 per cent of the fields by 2005 and a majority of the remaining fields by 2007.

The PAC member said that "auditor of the operator doing the audit is likely to be biased. There is need to clearly state in the PSC what the scope of the audit is and where CAG can conduct an audit."

Answer has also been sought on the formula for profit sharing between the Government and the private contractor. "It is very difficult to calculate the profit share based on the current system of investment multiples. The contractor recovers its cost first and then Government earns its share of profit. The production-linked model seems to find favour with the PAC members," the member said.

Several members also wanted to know how the Centre had calculated the gas price of \$4.2/mmBtu (gas is measured in million British thermal units) for KG-D6.

Take our money, not FDI: Rail unions to government

Take our members' ₹10,000-crore PF balance for 10.5% interest and develop the infra, offer unions

SUDHEER PAL SINGH
New Delhi, 23 November

The two major railway unions have proposed to the government an unprecedented alternative to privatisation or inviting foreign investment, to help raise funds and improve revenue.

The National Federation of Indian Railwaymen (NFIR) and the All India Railwaymen's Federation (AIRF) had both been demanding an end to the government's opening of the carrier. Now, they have both offered the ₹10,000-crore provident fund (PF) deposits of rail workers for development of the cash-short carrier, also the country's largest single employer.

"We have proposed using the PF balances of the 13.1 lakh workers and 12 lakh retired personnel," M Raghavaiah, general secretary of NFIR, told *Business Standard*. "We can convince the workers on depositing this money with the railways on an interest basis, rather than keeping it in bank accounts."

NFIR says it represents a little over a million of the 1.3 million workers. And, sees its idea as an attempt to "save the country and Indian Railways from the onslaught of foreign direct



The move is part of a bigger plan to help the ministry raise over ₹50,000 crore to fund works in traditional projects involving doubling, electrification and signalling, among others

BS FILE PHOTO

investment (FDI) and privatisation in the name of public-private partnership (PPP)".

Raghavaiah has said in a letter to railways minister Suresh Prabhu, "Serving and retired railway employees can contribute a loan for investment toward development with an interest rate at 10.5 per cent, which would still be one per cent less than the money borrowed from the market."

The third part of the unions' fund-raising strategy is to create a source of permanent income by allowing leasing of Railway's mega land bank of 40,000 hectares

The move is part of a bigger plan to help the ministry raise at least ₹50,000 crore to fund works in track doubling, electrification and signalling, among others. "We have also told the ministry an additional ₹9,000 crore can be freed for use annually, if it stops paying dividend to the government. No other infrastructure ministry pays a dividend. Why should we?" asked Raghavaiah.

Experts contest this argument, saying no other ministry, apart from railways, is in the business of operations.

The third part of the unions' fund-raising strategy is to create a source of permanent income by allowing leasing of IR's mega land bank of 40,000 hectares.

Asked whether the workers' ideas had cut any ice with the Railway Board chairman (CRB), Arunendra Kumar, the union leader said: "If the prime minister has decided, CRB cannot say anything."

NFIR is joining the proposed day's national strike with other central trade unions on December 5.

The Union Cabinet had in August relaxed the FDI norms

by permitting 100 per cent investment in projects such as high-speed trains, suburban services, dedicated freight corridors, freight and passenger terminals. The ministry has notified a list of 17 such areas, including rail route electrification, signalling systems and logistics parks. That list is now being expanded to accommodate more projects or areas where FDI can be allowed, minister of state Manoj Sinha had said on Friday.

In addition, the ministry is preparing a list of 50-60 mega projects which can be developed on PPP mode.

This is not the first time the rail unions have surprised with unusual suggestions. In 2011, NFIR and AIRF had demanded the ministry limit the subsidy on certain classes of passengers and raise fares on the rest.

IR's finances have worsened over the years, in the absence of regular passenger fare increases and maintenance of high freight rates to compensate for losses on passenger fares. And, investments in loss-making projects as part of its social obligation and a huge pay burden.

The railways are budgeting for an operating ratio — the money spent to earn ₹100 — of a little over 92 per cent this financial year, as compared to last year's 90 per cent and the 75 per cent in 2007-08.

Jaitley slams Congress for hurting the economy

Raps the party for raising concerns over SBI's loan to Adani Group

PRESS TRUST OF INDIA

New Delhi, November 23

Finance Minister Arun Jaitley today praised Prime Minister Narendra Modi for enhancing India's stature globally with his successful three-nation visit even as he accused the Congress of damaging the economy both while in Government and as an Opposition party.

He also said he was "deeply disappointed" with Trinamool Congress chief Mamata Banerjee's reaction to the interrogation and arrest of some of her party leaders in the Saradha chit fund scam.

In his latest Facebook post, Jaitley said that following Modi's visit to Myanmar, Australia and Fiji, India's status

among the nations of the world appears to have been enhanced.

"Both India and our Prime Minister were at the centre stage in the G-20 meet at Brisbane. What better recognition should there be of India's enhanced stature than (US) President (Barack) Obama agreeing to be the Chief Guest of India at our Republic Day parade," he said.

Jaitley, meanwhile, hit out at Congress over its "paucity of issues" as he questioned why a public sector bank giving credit to a particular business house had become a matter for public debate.

His reference was apparently to SBI's MoU with Adani Group for providing a



Finance Minister Arun Jaitley

loan of \$1 billion (over ₹6,000 crore) to Adani Mining, the Australian subsidiary of Adani Enterprises, for its mining project in Queensland.

"Since when has the issue of a creditor's willingness to give debt to a borrower become an issue of public de-

bate. It entirely depends upon the debtor-creditor relationship and the credit worthiness of the debtor.. This showed a paucity of issues with the Congress Party," he said.

Keeping up his attack on Congress, the Finance Minister said that without read-

ing the relevant notifications, the party had felt that Kisan Vikas Patra (KVP) would be a boon for black money.

"The notification of the KVP clearly shows (that) identity disclosure at the time of purchase of all KVPs is necessary.

"If the KVP is purchased for more than ₹50,000, PAN number has also to be given... It appears that the Congress Party had given reaction without reading the notification," he said.

Charging that Congress was planning strategies to "block" official business and legislation in Parliament, Jaitley said, "The Congress Party had damaged the national economy while in power and wants to pursue the same destructive direction while in Opposition."

PARLIAMENT OPENS TODAY

Storm clouds over winter session

Opposition to join forces, block reforms push

National Bureau

NEW DELHI: Parliament's winter session, beginning Monday, promises to be stormy with the opposition determined to pin the Modi-led NDA government on promises the BJP had made during its election campaign even as it will block the latter's efforts to take forward the economic reforms agenda that many among them see as anti-people.

Opposition parties have also decided to take on the NDA government on the black money issue and corner it on the insurance bill. Indications to this effect were available at the end of an all-party meeting, convened by Parliamentary Affairs Minister M. Venkaiah Naidu, on the eve of the winter session. While 40 leaders from 26 parties were present, the Trinamool Congress and Samajwadi Party skipped the meeting.

Addressing the meeting, Prime Minister Narendra Modi assured opposition parties that collectively all important issues can be taken up. He expressed the hope that the session will go "very well" like the last budget

BACK TO BUSINESS

The Numbers

Schedule: Nov 24 to Dec 23

Sittings: 22

Pending Bills: 67

Rajya Sabha: 59

Lok Sabha: 8

39 Bills may be pushed for passage

CENTRE WILL LOOK TO ADVANCE ITS ECONOMIC AGENDA IN THE WINTER SESSION

ON THE AGENDA

• Replace two ordinances with Bills:

1 The Coal Mines (Special Provisions) Ordinance, 2014

2 The Textile Undertakings (Nationalisation) Laws (Amendment and Validation) Ordinance, 2014

• Ensure passage of two Bills:

1 Insurance Laws (Amendment) Bill, 2008 — raise FDI cap to 49 per cent

2 The Constitution (119th Amendment) Bill, 2013 — ratify 1974 India-Bangladesh Land Agreement

☞ We will oppose FDI in insurance... be vocal against communal violence - MAMATA BANERJEE, West Bengal CM

session.

Mr. Naidu said the government would push ahead with its legislative business and hoped that opposition parties would cooperate. Referring to the TMC's charge, he said Ms Mamata Banerjee should not misunderstand the government as it had no role in the CBI actions against TMC leaders in the Saradha chit-fund case.

CPI leader and Rajya Sabha member D. Raja said there could be convergence with other opposition parties on crucial issues like anti-labour reforms, farmers' distress and

atrocities against Dalits.

The government's ambitious shortlist for the month-long session with 22 sittings, includes replacing two ordinances - The Coal Mines (Special Provisions) Ordinance, 2014 and The Textile Undertakings (Nationalisation) Laws (Amendment and Validation) Ordinance - with Bills, and passing the long overdue Insurance Laws (Amendment) Bill and The Constitution (119th Amendment) Bill, 2013.

Modi to club bilaterals with SAARC meet in Kathmandu

Suhasini Haidar

NEW DELHI: Prime Minister Narendra Modi will try to "to hold as many bilateral meetings as possible" when he visits Kathmandu for the South Asian Association for Regional Cooperation (SAARC) summit from November 25 to 27, said the Ministry of External Affairs (MEA).

However, it refused to comment on whether Mr. Modi would schedule a meeting with Pakistan Prime Minister Nawaz Sharif.

Briefing reporters, Ministry spokesperson Syed Akbaruddin said the Prime Minister's schedule was "under discussion."

A similar statement from the Ministry of Foreign Affairs in Pakistan merely said, "Mr. Sharif will meet other leaders of the SAARC to discuss issues of bilateral and regional interest."

Mr. Akbaruddin didn't rule out that there would a

Meeting with Sharif still unclear, MEA doesn't rule it out

meeting between the two leaders at some point during the summit dates.

"Whether or not there is a bilateral, the two leaders will spend close to two days together at the plenary and concluding sessions in Kathmandu as well as at the retreat in the town of Dhulikhel," an official told *The Hindu*.

The government also denied speculation over Mr. Modi's decision to cancel his visit to Jankapur and Lumbini and said the change in programme, cutting short his visit to Nepal by one day, was necessitated by "domestic commitments and pre-scheduled domestic travel."

Earlier, Nepal's Transport Minister, Bimalendra Nidhi had announced that the visit

had to be cancelled due to protests by Maoist opposition leaders on Mr. Modi's plans to hold public meetings there.

Mr. Modi will also review progress on agreements between India and Nepal signed during his visit in August, including the power agreement, rail links and infrastructure construction India has committed to. The spokesperson said India was "ready to sign" agreements that have been circulated ahead of the SAARC summit on improving connectivity and integration in the region, which include energy cooperation, railways, and motor vehicle movement between SAARC countries.

Mr. Modi will return to India late on Thursday after attending a banquet hosted by Nepal's President Ram Baran Yadav.

Beijing on mind, PM in Pacific push

HTSPECIAL

Jayanth Jacob

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NEW DELHI: In yet another foreign policy push by Prime Minister Narendra Modi, India will next year host a summit of 12 Pacific Island countries that are strategically important but have for long been neglected.

New Delhi, which has mostly concentrated on Indian Ocean countries, is looking at these island nations that dot the ocean east of Australia to expand economic and political influence, with Beijing stealing the march in broadening its clout in the vital Asia-Pacific region.

The PM wants the meeting to be held in a coastal state. "This is a region (Pacific) that is important to us... There is a lot we can

do for these nations and there is a lot we can learn from them," Modi blogged Friday, a day after returning home from a 10-day foreign visit.

He had on November 19 addressed a gathering of the leaders of Pacific Island nations, which are the centre of a vital maritime route rich in resources, in Fijian capital Suva.

The first Indian PM to visit Fiji in 31 years, Modi had announced a \$5-million fund to promote small business and village enterprises in the country whose 37% of the population is of Indian origin. He also offered a \$70 million line of credit for a power plant.

The countries, which have 12 votes in the UN, were getting their due importance in the foreign policy calculus, sources told HT. Both India and China have stepped up their courtship of these nations whose support will



Modi is presented a traditional garland during his Fiji visit. PTI

HELPING HAND

- PM Modi announced a string of measures for Pacific nations including a special adaptation fund of \$1 million for providing technical assistance and training for capacity building
- Pan Pacific Islands Project for tele-medicine and tele-education
- Visa on arrival for nationals of all Pacific Island countries
- Aid of \$200,000 annually to all Pacific islands and a solar energy project with the Pacific Islands at a community level

be vital in the climate-change talks as well. India's choice of venue — a coastal town — is a hint in the direction. Experts say low-lying Pacific Islands would welcome assistance as well.

There are 14 countries in

the Oceania group that include Australia and New Zealand. They range in size from the very large such as Australia to the very small like Palau with an area of just 177 square km.

CONTINUED ON PAGE 6

Beijing on mind, PM in Pacific...

"After the next year, the summit would be held at regular intervals, sources said.

"We have a long coastline, a glorious tradition as a maritime nation. With PM keen on giving environmental issues due importance, the summit next year will go a long way in firming up ties between India and Pacific Island nations," said a source.

On Sunday, Chinese President Xi Jinping wrapped up his Fiji visit, announcing \$11.4 million in aid. The race to win friends in the Pacific just got more interesting.

To avoid another 26/11, zero tolerance for error: Parrikar

Rahul Singh

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GURGAON: Three days before the sixth anniversary of the 2008 Mumbai terror attacks, defence minister Manohar Parrikar on Sunday said a zero-tolerance policy on errors was required to avoid such incidents in the future and guarantee India's coastal security.

The minister inaugurated a ₹453-crore naval facility that was planned after the Mumbai attacks to plug gaps in maritime security. The Information Management and Analysis Centre (IMAC) can track activity across the Indian Ocean region using data from coastal sensors, radars, cameras and satellite imagery.

Parrikar said the centre would ensure "99.99%" protection against 26/11-type incidents by timely detection.



MoS defence Rao Inderjeet Singh, defence minister Manohar Parrikar and Admiral RK Dhowan in Gurgaon on Sunday. PARVEEN KUMAR/HT

"How do you pull the needle out of the haystack? Zero tolerance to error is the most important in this project," he said, pointing out that Pakistani terrorists captured an Indian boat for the Mumbai attacks.

The 58-year-old minister asked the navy to plug radar gaps along the west coast, especially in the Goa-Ratnagiri and Karwar-Mangalore stretch.

Better trade ties high on PM's agenda

Likely to meet Pak PM at SAARC summit in Nepal

PNS ■ NEW DELHI

Exactly six months after Narendra Modi had first met SAARC leaders during his swearing-in ceremony in New Delhi, the Prime Minister will be meeting them again during the SAARC summit in Kathmandu.

According to sources, seamless connectivity, better power supply along with improving trade and tourism is high on PM's agenda during his tour, starting Tuesday. The SAARC summit will start from November 26-27.

Since the PM will have bilateral meetings with as many leaders as possible, a meeting with his Pakistani counterpart Nawaz Sharif cannot be ruled out.

However, Ministry of External Affairs (MEA) officials are still working on his programme and nothing has concretised on Pakistan so far. "The PM's intention is to have a meaningful dia-

WHAT'S IN STORE

- ⇒ Seamless connectivity, better power supply and improving trade & tourism in India are high on PM's priority list
- ⇒ A SAARC Regional Railways and Motor Vehicles Agreement is also on cards for better transport infrastructure & linkages among SAARC nations



- ⇒ A SAARC Framework Agreement for Energy Cooperation (Electricity) is also scheduled to enable better cooperation in the power sector among the entire SAARC region
- ⇒ A bilateral agreement for regulation of passenger traffic between India and Nepal is likely to be signed on the sidelines

logue with as many neighbours as possible," said MEA spokesperson Syed Akbaruddin.

While Pakistan has been knocking all international doors seeking intervention into Indo-Pak imbroglio, India argues the Kashmir issue can only be discussed only under the framework for dialogue agreed with Pakistan.

• Reacting to Nawaz Sharif's request to US President Barack Obama to take up the Kashmir issue with the Indian leadership, Akbaruddin said there is a simple two-way street to promote peaceful ties between the two neighbours. "We are for cooperative and

peaceful ties with Pakistan. The framework for achieving those cooperative and peaceful ties is already specified and agreed to between our two countries as part of the Simla Agreement and reiterated much later during the Lahore declaration between (former) Prime Minister Atal Bihari Vajpayee and Sharif. Any deviation from this path is not going to lead us to a common destination," Akbaruddin said.

In Kathmandu, Modi will also have his second bilateral meetings with the Nepali leadership. India and Nepal had broken new grounds during PM's first visit and

officials claim enough progress has been made on a number of issues of interest. These include Upper Karnali Hydro power project, rail links and tourism.

At the SAARC summit, having integrated check pots, rail links and road connectivity among member States for free but monitored movement are to figure prominently. A SAARC Regional Railways and Motor Vehicles Agreement is on cards. The Motor Vehicles Agreement will lead the member States allowing vehicles of other member States to ply in their territory for transportation of cargo and passengers subject to terms and conditions and obtaining permits for such transport. It is felt that the better transport infrastructure and linkages among the SAARC countries was necessary to improve trade and people-to-people contact and encourage tourism amongst the member States.

A SAARC Framework Agreement for Energy Cooperation (Electricity) among the SAARC member States too is scheduled. The agreement will enable better cooperation in the power sector among and improve power avail-

ability in the entire SAARC region and facilitate integrated operation of the regional power grid.

Besides, a bilateral agreement for regulation of passenger traffic between India and Nepal is likely to be signed on the sidelines of the SAARC summit. Another pact between India and Nepal will be signed for strengthening cooperation in tourism resulting in economic development and employment generation. Already Lumbini in Nepal is being incorporated in the Indian Buddhist circuit tourism package, and MEA officials said new concepts like Pilgrimage Circuit having Muktinath and Pashupatinath in Nepal and Kedarnath, Badrinath and Somnath in India; and the North East package involving Bhutan, Nepal and India is being worked out. A meeting with tour operators was held recently to work out the modalities.

Meanwhile, due to his domestic commitments and pre-scheduled travels within the country Modi will only travel to Kathmandu despite his wish to visit other parts of Nepal including Janakpur.

HRD minister turns down demands to make Sanskrit compulsory

New Delhi, Nov 23: Taking on her critics, HRD minister Smriti Irani on Sunday dismissed charges that education was being saffronised even as she turned down demands that Sanskrit be made compulsory in the curriculum.

"Those who accuse me of being an RSS mascot or RSS representative possibly want to deflect the attention from the good work that we have done... this agenda will be flagged and I will be whipped for as long as there is a need to keep attention diverted away from the good work. I am ready for it. I have no problem," she told PTI here.

Answering questions on the controversial decision to replace German with Sanskrit as the third language in some 500 Kendriya Vidyalayas, Irani said that teaching of German under an MoU signed in 2011 had been in violation of the Constitution. An investigation has already been launched to find out how the



MoU came to be signed.

Responding to demands that Sanskrit be made a compulsory language, the minister said that the three language formula was very clear that any of the 23 Indian languages listed in Schedule 8

of the Constitution could be opted for.

But she reiterated that German will continue to be taught as a foreign language. "...we are teaching French, we are teaching Mandarin, we teach German in the same way. For the life in me, I can't understand why people are not understanding what I am saying," she said.

Irani had earlier strongly defended the decision to replace German with Sanskrit as the third language, saying the existing arrangement was in violation of the Constitution. PTI

Can't spare land for solar power: MoD

Govt's ambitious goal to install 1000 MW capacity from renewable sources cut to just 300 MW

AMITAV RANJAN

NEW DELHI, NOVEMBER 23

THE NDA government's ambitious goal to install 1000 MW of solar energy at Indian defence establishments has been slashed to less than a third following the Defence Ministry's refusal to spare the required land.

The Defence Ministry's argument is that its vacant lands are earmarked for military purposes.

"The scheme is focused on defence establishments on assumption that Department of Defence and the Services

have large tracts of surplus land which can be used for setting up solar plants. However, it is necessary to highlight that defence lands are earmarked for military purposes only," it has said.

The open spaces within military stations, the ministry has said, were being used for essential activities like firing ranges, training, parades and sports, and the lands "vacant at present" were earmarked for future use of defence forces or organisations.

"As such, availability of land for setting up solar projects cannot be presumed," it has reacted on the proposal for setting up 1,000 MW of solar proj-

ects. "The Department of Defence would therefore not be able to commit to any target capacity for setting up solar power plants," it has added.

The Ministry said it could consider installing such projects on rooftops of buildings and in forward areas that were not grid-connected "only when necessity is firmly established and where all power generated can be consumed within the unit/establishment".

The Ministry of New and Renewable Energy (MNRE) is now proposing that defence establishments set up 300 MW of solar projects during 2014-19, and has pruned the viability gap

funding outlay to Rs 750 crore from the earlier Rs 2,500 crore.

"Since Ministry of Defence has not given any clear commitment, it is proposed to reduce the financial outlay to Rs 750 crore. With this outlay more than 300 MW capacity of solar power projects can come under the scheme," says the MNRE's proposal for the Cabinet Committee on Economic Affairs.

MNRE Minister Piyush Goyal told Parliament on August 6 that the defence sector and government companies would each set up solar projects of 1,000 MW with equipment sourced only from domestic manufacturers.

The revised proposal provides VGF up to Rs 2.5 crore per megawatt on condition that project developers sell solar power to the Ministry of Defence or its sister establishments at a fixed levelised tariff of Rs 5.50 per kilowatt hour for 25 years using solar cells and modules "made in India".

Energy security is prominent on the agenda of the NDA government. The government's first Budget provided excise duty exemptions for raw materials for solar and wind power projects. Only around 13 per cent of India's installed power generation capacity is fuelled by renewable energy sources.

A cloak of invisibility

The forthcoming Bill on child labour has the potential to minimise this evil. But society must play its part

We are a country of a billion solutions for 100 problems. This is how Nobel laureate and child rights crusader Kailash Satyarthi described India at the 12th Hindustan Times Leadership Summit held recently in New Delhi as he appealed to the government to pass the pending Child Labour (Prohibition and Regulation) Amendment (CLPRA) Bill. Whether or not we are a nation of a billion solutions will be seen during the winter session of Parliament when the Bill will be introduced. The Bill, if passed, will impose a blanket ban on employment of children aged up to 14 years in any form of industry and restrict non-hazardous work to adolescents between the age of 14 and 18. And not only will the Bill make the law consistent with the Right to Education Act but it will also be in consonance with the ILO's child labour conventions. For a country that has 60 million child labourers, Mr Satyarthi's appeal should not be lost on the government and especially Prime Minister Narendra Modi, who has time and again stressed the demographic dividend.

Despite many laws in place to ban child labour in certain sectors, the practice of hiring underage workers is prevalent as they can be paid less and they don't take up much space. From agriculture labourers to children in the flesh trade to domestic workers, there's an emotionally and physically scarred generation of children waiting to be rescued. Therefore, this legislation would be one of the many steps towards the long-drawn-out battle against child labour.

There are no two ways that the government must step up efforts to ensure that no child loses his/her childhood to forced labour. But we as individuals cannot shirk the responsibility to do our bit as pointed out by Mr Satyarthi. It is 'people like us' — the educated middle class — who hire children as domestic workers thinking that they are doing these children a favour by providing them shelter, food and clothing. We are just denying them the opportunities to break the cycle of poverty. Children who don't go to school end up doing lowly jobs, thus passing on poverty into the next generation. It's time India stopped letting down its children.