Planning Commission
Government of India

PART A: News pertaining to Planning Commission

19.11.2014

Compiled by:

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(महान लोगों के विचार)

(What you are is what you have been. What you'll be is what you do now.आप वो हैं जो आप रह चुके हैं. आप वो होंगे जो आप अभी करेंगे.)

Lord Buddha भागवान बुद्ध

1. Rashtriya Sahara: 18.11.2014

नए योजना आयोग का खाका तैयार

रोशन/एसएनबी नई दिल्ली। योजना आयोग के बदले प्रधानमंत्री नरेंद्र मोदी के सपनों की नई संस्था का प्रारूप तैयार है। अब कभी भी नए आयोग के गठन की घोषणा हो सकती है। नई संस्था में सभी मुख्यमंत्रियों को शामिल किया जाएगा। नई संस्था को सरकारी प्रस्तावों का अध्ययन करने और उसमें सुझाव देने की जिम्मेदारी दी जाएगी। उच्च पदस्थ सूत्रों के अनुसार प्रधानमंत्री ने स्वयं मुख्यमंत्रियों को पत्र भेजकर नई संस्था को बनाने के लिए सुझाव मांगे थे। मोदी ने सरकारी वेबसाइट माईगोव.एनआईसी.इन पर भी सुझाव मांगे। अब यह प्रक्रिया पूरी हो चुकी है। नई संस्था की घोषणा जल्द हो जाएगी। मोटे तौर पर नई संस्था में आठ सदस्य हो सकते हैं। मुख्यमंत्रियों को पदेन सदस्य बनाया जाएगा और हरेक क्षेत्र के विशेषज्ञों की टीम तैयार की जाएगी। नई संस्था में मुख्यत: सरकार के प्रस्तावों को कसौटी पर परखा जाएगा। परियोजनाओं की फिजिबिल्टी व उसके नफा-नुकसान आदि का अध्ययन करने के बाद प्रस्ताव पीएमओ को भेजे जाएंगे जो उन्हें कैबिनेट की मंजूरी के लिए भेजेगा। सूत्रों का कहना है कि राष्ट्रीय विकास परिषद की तरह ही नई संस्था की बैठक साल में कम से कम एक बार होगी। बाकी समय विशेषज्ञ अपना काम करते रहेंगे। दरअसल प्रधानमंत्री इस बात का भी ध्यान रख रहे हैं कि पुराने योजना आयोग की तरह नई संस्था न बने जिससे राज्यों के अधिकारों में कटौती हो या राज्यों पर केंद्र की मंशा थोपी जाए। वह राज्यों को पूरी तरह से आजादी देने की पक्ष में हैं। केंद्रीय प्रायोजित योजनाएं भी वही चलेंगी जिनपर राज्य सरकारें सहमत होंगी।

2. Modi government planning to transfer money directly to state governments

By *Rajesh Ramachandran*, ET Bureau | 19 Nov, 2014, 08.34AM IST

By the end of the 11th Plan, 52% of gross budgetary support to states was spent by the Union govt directly through centrally-sponsored schemes.

NEW DELHI: The Modi government may de-centralise funding of developmental activities by transferring money directly to states. If implemented, it will replace the system of Centre administering welfare schemes that at present leaves states with hardly any control over them.

Some of the big and small central schemes like Mahatma Gandhi National Rural Employment Guarantee Scheme,Jawaharlal Nehru National Urban Renewal Mission, National Rural Health Mission, Sarva Siksha Abhiyan, which have a cumulative budget of about Rs6,60,506 crore, could moveintostates'domain.

At a meeting held at the PMO early this month, a senior official made a pointed reference to the issue of direct transfer of money meant for all centrally-sponsored schemes to states. By the end of the Eleventh Plan, about 52% of gross budgetary support to states was spent by the Union government directly through centrally-sponsored schemes, leaving just about 6.74% as normal centralassistanceforstates.

"The idea seems to be to transfer a lump sum to states instead of the Centre asking for matching funds and utilisation certificates from states. The quantum of the money and how it would be divided among states could be decided by the 'revamped planning commission'," said an official involved in one of the brainstorming sessions. This also hinted at a 'new **planning commission'** takingshape.

BK Chaturvedi, a member of the planning commission, had in September 2011 submitted a report highlighting the flaws in the administration of centrally-sponsored schemes. "The states' suggestion on CSS in the National Development Council meetings include: transferring CSS funds to the states without any restrictions; 100% funding of CSS with no counterpart state funds and flexibility in the implementation of the schemes," he wrote.

Chaturvedi had also sought reduction of CSS from 147 to 59. In June 2013, the Manmohan Singh Cabinet, accepting the report, brought the number of schemes down to 66. It has also allowed 10% flexibility for the states.

3. DoT, defence ministry resolve spectrum-swapping issue

SURAJEET DAS GUPTA & SOUNAK MITRA, **Business Standard: 19.11.2014**

The Department of Telecommunications (DoT) and the defence ministry have finally resolved the contentious issue of swapping spectrum for commercial use. The issue had been hanging fire since 2009, when a basic plan of vacation of spectrum was decided between the two. Sources said Communications & Information Technology Minister Ravi Shankar Prasad met newly appointed defence minister Manohar Parrikar on Monday evening and the two reached an agreement on the matter.

ECONOMY, P4

DoT, defence ministry resolve spectrum-swapping issue

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Sources said Communications and Information Technology Minister Ravi Shankar Prasad met newly appointed defence minister Manohar Parrikar on Monday evening, adding the two had reached an agreement on the matter. “The department has given a detailed work plan on the swapping of 2,100 MHz with 1,900 MHz, with a tentative timeline for implementation. Both ministries have discussed this in detail and have agreed in principle,” said a senior DoT official.

The point of contention was a plan that the defence ministry would give 15 MHz of spectrum in the 2,100 band (currently used for 3G) in return for the same amount in the 1,900 band, whichwaswiththeDoTandhad been reserved for providing spectrum to CDMA operators for expansion. Earlier, the two ministries had agreed the spectrum in the 1,700-2,000-MHz band would be equally divided between the two, each getting 150 MHz. However, the procedure for the division wasn’t decided and this had become the bone of contention.

Now, telecom companies, including Bharti, Vodafane, Idea and Reliance Communications, which had feared a shortage of spectrum would lead to cutthroat competition and raise auction prices, can breathe easy.

The amount of spectrum to be available in the swap for the current auction isn't known. Experts say if the entire 15 MHz is made available, it will provide slots for three operators (each with five MHz) and moderate pricing in the auction.

The understanding between the two ministries comes a few days after Telecom Regulatory Authority of India Chairman Rahul Khullar said the tussle between the defence ministry and the DoT had to be resolved politically. He had added if the defence spectrum wasn't made available, there would be a severe shortage of spectrum in the coming auction, leading to a "bloody battle" that would hit the telecom sector.

Earlier, Trai had recommended the defence ministry give at least 15 MHz of spectrum in the 2,100 band. However, the Telecom Commission had rejected the recommendation, saying this wasn't possible.

With two operators returning their spectrum in the 900MHz band (across 18 circles) in 2015 and with hardly enough spectrum available in the 1,800MHz band for even one operator in key circles, the availability of 15 MHz in the 2,100-MHz band with the defence ministry will be key to a balanced auction.

The Cellular Operators Association of India has said there will be at least four players (including the two incumbent operators that will want to retain the spectrum in the 900-MHz band that they had returned) who will compete for spectrum in each circle. It added there wouldn't be more than threefour slots, leading to a huge increase in prices.

4. Jan Dhan Yojana crosses 75 mn accounts, completes target

M Saraswathy, Business Standard: November 19, 2014

Officials say debit cards, accident insurance cover will be rolled out to all account holders in a few weeks

Nearly three months after financial inclusion mission Pradhan Mantri Jan Dhan Yojana was launched by Prime Minister Narendra Modi on August 29, the target of opening 75.16 million bank accounts for the un-banked has been met. This is a notable achievement as it comes two months ahead of the target of January 26, 2015.

However, as many as 75 per cent of the accounts thus opened, 56.64 million, do not have any cash balance. Also, only 58 per cent of the account holders, 43.3 million, have been provided with the RuPay debit card. (Read: Is Jan Dhan really a success?)

According to the latest data available with the finance ministry, State Bank of India tops the list with 13.4 million accounts opened across its branches till November 15 this year. Bank of Baroda, which opened 4.04 million accounts, came in second, closely followed by Canara Bank with 3.92 million bank accounts.

Among private lenders, HDFC Bank stood on top with 600,000 accounts followed by ICICI Bank that opened 490,000 accounts. Jammu & Kashmir Bank came next with 270,000 accounts and Axis Bank opened 190,000. Federal Bank opened 130,000 accounts as of November 15 this year.

According to experts, both the RuPay debit cards and the accident insurance will be rolled out to all 75 million account holders in the next few weeks.

Although the initial targets have been met, Jan Dhan Yojana will hold another mega account opening camp on November 29. In the earlier camp, which was held in August, about 18 million accounts were opened on a single day.

The scheme was announced by Modi in his Independence Day address on August 15, 2014. This is a national mission on financial inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country.

The plan envisages universal access to banking facilities with at least one basic banking account for every household, apart from access to credit, insurance and pension facility.

This plan offers a RuPay debit card with in-built accident insurance cover of Rs 100,000. Under this scheme, upon opening a bank account, holders are eligible for an overdraft facility of Rs 2,000 each, which can be extended to Rs 5,000 based on credit and transaction history of account holders.

Further, those opening accounts before January 26, 2015, will get Rs 30,000 life insurance cover from Life Insurance Corporation of India.

5. GST unlikely by April 2016

MR Madhavan, The Financial Express: November 19, 2014 3:32 am

SUMMARY

Given the time required to put in place enabling legislation, meeting this deadline will be difficult

Parliament will meet for its winter session from November 24. The legislative agenda has not yet been announced by the government but it has indicated that the Constitution Amendment Bill to enable the introduction of the Goods and Services Tax (GST) may be re-introduced.

GST will be a new tax that will subsume most indirect taxes on goods and services across the country. The tax paid at any stage in the value chain can be used as credit at the next stage—this would result in tax being paid only on the value added to the product or service, and eliminate tax levied on the tax paid at an earlier stage. This also leads to better compliance as each person in the value chain who gets input tax credit has an incentive to ensure that the previous person has paid tax. The other benefit is that the differentiation between goods and services is removed, and tax credit is available across this distinction. Having a uniform tax across India with input credit is also likely to remove the tax bottlenecks in transactions that span two or more states. This would help India evolve from a fragmented market structure to a single national market. Some estimates suggest that introduction of GST will lead to GDP rising by 1-1.5%.

The legal process to make the change is complicated due to the structure of our Constitution. The Seventh Schedule to the Constitution classifies all areas under three lists for the purpose of making laws: the Union List, which enumerates subjects under the sole purview of Parliament; the State List, which has items to be legislated by state legislatures; and the Concurrent List, which has subjects that can be legislated upon by both Parliament and state legislatures. In case of Concurrent List subjects, if there is a contradiction on any specific provision in laws made by Parliament and a state legislature, the central law will override the state law.

Now, let us see what happens when we try to have a common GST given this structure of the Constitution. Currently, the power to impose some of the taxes are included in Union list of the Constitution (e.g., excise duty) while that for some others are in the State List (e.g., sale tax). Therefore, the Constitution needs to be amended to enable the enactment of a uniform law.

What are the various ways in which this can be done? One simple method is to move the power to impose all these taxes to the Union List. The Centre can then levy the tax, and a method of redistributing the tax to states can be formulated. This is the process used in the case of central taxes such as income tax, which are then pooled and redistributed according to law made by Parliament (usually, based on the recommendation of the Finance Commission). However, this methodology has some major drawbacks. States have no say in the rate of tax that is levied under this process, and may be unwilling to give up this power. Also, there is a risk that the state in which the transactions occur and where tax is collected may not get their proportional share of the tax pool at the time of redistribution. This will reduce the incentive for states to formulate policies that lead to higher economic activity as they might not benefit from the potential increase in tax revenue.

Another choice would be to move the power to impose GST to the Concurrent List. However, this move would have the same drawbacks discussed above because Parliament will have the power to make laws that override any law made by state legislatures.

A third approach was adopted in the Bill introduced by the last government after extensive consultation with the Empowered Committee of State Finance Ministers. The Bill removes several of these taxes from the three Lists and creates a new Article of the Constitution to deal with GST. Both Parliament and state legislatures will have the power to make law, but unlike the Concurrent List items, Parliament will not have the power to make a law that overrides a state law. This applies to all goods and services other than six items: petroleum crude, diesel, petrol, natural gas, aviation turbine fuel and alcohol for human consumption. In case of inter-state commerce, Parliament will make law, the central government will collect the tax, and the tax collected will be apportioned between the centre and states according to law made by Parliament.

This formulation could lead to non-uniform taxes across states defeating a key objective of a national GST. In order to address this possibility, the Bill creates a GST Council composed of the union finance minister and the minister of state in charge of revenue, and finance ministers of all states which will determine the GST rates by consensus. The Bill also creates a GST Dispute Settlement Authority to decide on complaints by a state or the centre related to loss of revenue arising from a deviation from the recommendations of the GST Council. The Standing Committee has recommended that this Authority should not be created as it impinges on the powers of legislatures. It has also noted the potential difficulty of evolving a consensus in the GST Council, and recommended that decisions be taken with a 75% majority vote, with the Centre and states having one-third and two-thirds of votes respectively.

The Centre and states are yet to reach an agreement on the details of implementation. One of the major concerns of some states is that they may lose revenue if GST is implemented. Another key issue relates to petroleum products which are intermediate goods but will be excluded from the purview of this Bill. This will lead to cascading of taxes. However, given that a significant part of state revenues come from taxes on these products, they are reluctant to let these products be included within GST.

The legal process for imposing GST is as follows. The Constitution Amendment Bill will need to be passed with two-thirds majority in each House of Parliament and then be ratified by at least 15 state legislatures before getting the assent of the President. This would enable GST to be introduced. Following this, Parliament and state legislatures will need to pass GST Bills that impose central and state GSTs. The Standing Committee has examined the earlier Constitution Amendment Bill but may re-examine the new Bill if it is significantly different. It may also examine the subsequent GST Bill. Given this long process, implementing GST by April 2016 is an ambitious target.

The author is president, PRS Legislative Research, New Delhi

PART B

NEWS AND VIEWS

Wednesday 19th November 2014

Polity	: Cong, NC slip; BJP & PDP see hope
Economy	: FM rate cut feeler and FII flows trigger bond rally
Planning	: DOT plans 2-stage bid, prices to hit the root
Editorial	: Getting them back to school

Communication, IT Information Division
Phone # 2525

The Financial Express

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DoT plans 2-stage bid, prices to hit the roof

800/900/1800 MHz auction in Feb, 2100 MHz in May

Rishi Raj
New Delhi, Nov 18

BIDS in the February 2015 spectrum auction are likely to skyrocket as the department of telecommunications (DoT) plans to auction just 800/900/1800 MHz spectrum bands, and not the vital 2100 MHz band spectrum that telcos were hoping for. Auctions for spectrum in the 2100 MHz band will take place only in May, and with no certainty about how much 2100 MHz spectrum would be available in the May auction, telcos will have no option but to bid very aggressively to retain their 900 MHz spectrum in February.

It is unclear if the bidding parameters will change after telecom minister Ravi Shankar Prasad's meeting with defence minister Manohar Parrikar on Monday, but it is significant that Prasad's ministry has been in talks for swapping spectrum with the defence ministry in the 2100 MHz band, vital for data services, and a substitute for telcos whose 900 MHz spectrum licences expire next year — auctions for these will be held in February 2015.

While the Telecom Regulatory Authority of India (Trai) has recommended postponing the spectrum auction if there isn't enough spectrum in all bands — it has also recommended a defence-DoT spectrum swap to free up 15 MHz in the 2100 MHz spectrum band — this was rejected by the Telecom Commission on November 7.

Trai will reply to the Telecom Commission next fortnight, but Trai chairman Rahul Khullar has given media interviews reiterating his stance that not auctioning all spectrum together will prove disastrous for the industry, subscribers as well as the government. This stand of Trai's has also been endorsed by the country's top four mobile operators in a joint letter to Prasad and Prime Minister Narendra Modi.

Five days after the Telecom Commission rejected Trai's recommendation, in a presentation to Prasad on November 12, DoT talked of a two-stage bid and merely mentioned that talks with the defence ministry to release 15 MHz of 2100 MHz frequency spectrum through a swap was under way along with the release of 5 MHz in 17 circles.

Dial-a-disaster

900 MHz band

184 MHz to be auctioned after incumbents' licences expire. No fresh spectrum. If telcos don't win back spectrum, have to shut down

1800 MHz band

104 MHz to be auctioned. **78 MHz** is not contiguous, so unsuitable for data use, can't be used to replace **900 MHz** spectrum

2100 MHz band

5 MHz expected to be released in 17 circles. Another **15 MHz** can come from a swap by defence forces. Suitable for data, can be used to replace **900 MHz** spectrum

Business Standard

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FM rate cut feeler and FII flows trigger bond rally

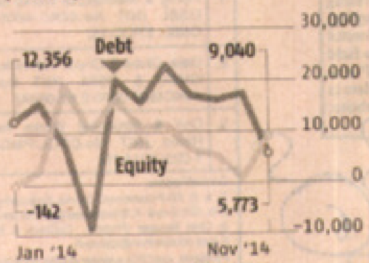
NEELASRI BARMAN
Mumbai, 18 November

The rally in the bond market picked up again on hopes of a rate cut by the Reserve Bank of India (RBI) as early as next month, following comments by Finance Minister Arun Jaitley on Monday and continued inflows from foreign investors. Jaitley had said if RBI brought the repo rate down in the monetary policy review scheduled on December 2, it would provide a "fillip" to the economy.

Banks have been the biggest buyers of government bonds, as credit growth has been muted. The festive season, too, has failed to revive credit growth due to which banks are expanding their duration in bond portfolio. The other key factor contributing to the rally has been flows from foreign institutional investors (FIIs) in debt. 2014 has been a year when FII flows in debt has surpassed equity. FIIs have invested ₹1.42-lakh-crore in debt compared with ₹92,952 crore in equities.

Jaitley had said in a key-note address at the Citi's Investor Summit here on Monday: "I am quite clear in my mind that the cost of capital has to come down. Inflation has moderated, global fuel price has eased. Therefore, if RBI, which is a highly professional organisation, in its wisdom decides to bring down the cost of capital (it) will give a good fillip to the Indian economy."

FII INVESTMENT
(₹ crore)



*Data up to November 17, 2014
Source: Sebi Compiled by BS Research Bureau

The yield on the 10-year benchmark bond ended at 8.15 per cent on Tuesday compared with the previous close of 8.18 per cent. The yield on the 10-year bond had ended at 8.14 per cent on August 8, 2013.

The yield on the 10-year bond, which ended at 9.10 per cent on April 7, has dropped sharply since the Bharatiya Janata Party won elections.

"The rally in the bond market is on expectations of a 25 basis points cut in the repo rate on December 2. The 10-year yields may fall close to 8.10 per cent and even touch 8.10 per cent in the run-up to the monetary policy. However, a fall below the 8.10 per cent mark will need an actual rate cut by RBI," said Balginder Singh, a government bond dealer at Andhra Bank.

The repo rate, which has been kept at eight per cent since January 2014, might be cut to 7.75 per cent as early as December on the back of softening Consumer Price Index (CPI)-based inflation numbers. Retail inflation dropped to an all-time low since the country started computing CPI in January 2012. Retail inflation for the month of October dropped to 5.52 per cent, down from 6.46 per cent in the previous month. RBI has set a retail inflation target of eight per cent by January 2015 and six per cent by early 2016.

"The market is trying to guess whether the finance minister will be in a position to impress upon RBI to cut rates or not. I think the fall in yields are limited till the monetary policy," said Ashutosh Khajuria, president (treasury) at Federal Bank.

India ready to sign WTO trade pact in December

Says willing only if the General Council takes a call on Bali package

NAYANIMA BASU
New Delhi, 18 November

After ironing out its differences over farm subsidies with the US, India is ready to sign the much-awaited trade facilitation agreement (TFA) during the coming meeting of the World Trade Organization (WTO)'s General Council (GC) meet next month. "We are ready to sign the TFA protocol, provided the GC takes a call on the resulting Bali package. Technically, it was only the US that was opposed to our demand. So, we hope there will be a positive movement on both these issues (TFA and farm subsidies) at that time," a top official told *Business Standard* on condition of anonymity.

The GC, the highest decision-making body, is going to meet on December 10-11.

It is learnt the government is "not averse" to adopting the protocol to implement TFA, which it blocked in July. However, it will be only on the condition that the GC in its statement explicitly states that the so-called "Peace Clause" that will allow India to provide subsidies, which are now prohibited under WTO rules, until a permanent solution to this issue is agreed upon by all member countries. The "Peace Clause" also, therefore, grants India an indefinite immunity from all future disputes even if India exceeds the 10 per cent prescribed limit for granting farm subsidies to its poor and marginal farmers. According to WTO rules, developing countries can offer subsidies on crops based on 10 per cent of their total production. As a result, the December GC meet assumes importance in laying down a road map to arrive at a permanent solution to the food stockholding issue that will require amending its Agreement on Agriculture.

Besides, the WTO now has to also decide on a new deadline for implementing the TFA since the process of converting into a legal and binding agreement got delayed. The earlier deadline to implement TFA, that will ease global Customs norms, was July 2015. The government believes the developed countries, especially the US, "will now be in a hurry" to seek a permanent solution to the public stockholding issue in the absence of which developing countries following similar food security schemes will not be bound by any limit in offering agricultural subsidies.

The Hindu

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India, Australia seek early sealing of n-deal

CANBERRA: India and Australia on Tuesday sought early conclusion of negotiations for a comprehensive economic partnership agreement and an early conclusion of the civil nuclear deal as Prime Minister Narendra Modi and his counterpart Tony Abbott held talks in Canberra.

After the two leaders held talks, India and Australia signed five pacts on social security, transfer of sentenced prisoners, combating narcotics trade, tourism, and Arts and Culture.

"We also agreed on seeking early closure on the civil nuclear agreement, which will give Australia a chance to participate in one of the most secure and safe nuclear energy programmes in the world," Mr. Modi said in a statement at a joint press conference with Mr. Abbott.

Later, while addressing the Parliament, Mr. Abbott said, "If all goes well, Australia will export uranium to India under suitable safeguards because cleaner energy is one of the most important contributions that Australia can make to the wider world."

Mr. Modi, while talking about India-Australia ties, said "This is a natural partnership, arising from our shared values and interests, and our strategic maritime locations. India and Australia have a great economic synergy."

"There are huge opportunities for partnership in every area we can think of — agriculture, agro-processing, resources, energy, finance, infrastructure, education, and science and technology," Mr. Modi said. Mr. Abbott, in Parliament, said, "By the end of the next year we will have a Free Trade deal with what is potentially the world's largest market."

Prime Minster Narendra Modi and Australian Prime Minister Tony Abbott holding a joint press conference at Parliament House in Canberra on Tuesday. – PHOTO: AP

Changing climate

Mr. Modi emphasised that the economic climate in India has changed. "I believe it will be a lot easier to convert opportunities into concrete outcomes," he said.

India will organise a 'Make in India' show in Australia in 2015 while Australia would hold a business week in India in January next year.

"Prime Minister Abbott and I discussed what we should do to impart real momentum to our economic partnership. Reconstituting the CEO Forum is an important step. We have agreed to speed up negotiations on the Comprehensive Economic Partnership Agreement. I also asked for easier access for Indian business to the Australian market and quicker investment approvals," Mr. Modi said.

India and Australia also agreed on a Framework for Security Cooperation.

"I greatly welcome the New Framework for Security Cooperation. Security and defence are important and growing areas of the new India-Australia partnership — for advancing regional peace and stability, and combating terrorism and trans-national crimes," Mr. Modi said.

"The visit with Prime Minister Abbott to the Australian War Memorial reminded us of the need to strive together for a better world," he said.

Mr. Modi also thanked Mr. Abbott, the people and the federal and the State governments of Australia for a wonderful visit. — PTI

The Hindu

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ADDRESS TO AUSTRALIAN PARLIAMENT

Modi calls for broad global strategy to tackle terror

'Australia will be at the centre of our thought'

CANBERRA: Prime Minister Narendra Modi on Tuesday said Australia would not be at the periphery of India's vision but at the centre of its thought, as he called for closer bilateral security cooperation and a comprehensive global strategy to tackle the menace of terrorism.

Mr. Modi, while addressing the Australian Parliament, the first Indian Prime Minister to do so, said, "It has taken a Prime Minister of India 28 years to come to Australia. It should never have been so. And this will change. Australia will not be at the periphery of our vision, but at the centre of our thought."

Mr. Modi addressed Parliament after holding talks with Prime Minister Tony Abbott following which the two countries signed five pacts.

Meanwhile, Mr. Modi arrived in Fiji on Tuesday night for a day-long visit, the first by an Indian Prime Minister to the country in 33 years. He will hold bilateral talks with his Fiji counterpart Frank Bainimarama. — PTI

DEALS SEALED DOWN UNDER

FIVE PACTS INKED TO ENHANCE SECURITY, TRADE TIES

PM Modi, his Australian counterpart Tony Abbott and Indian cricket legends at the MCG on Tuesday. Photo: PTI

Two agreements

1) Social Security: **Provide benefits** to residents of the other country

2) Transfer of Sentenced Persons: Lay down procedures for transfer

Three MoUs

1) Combating Narcotics Trafficking: Tackle illicit trade, **assist asset forfeiture**

2) Arts & Culture: Enhance ties in pursuance of **Cultural Agreement of 1971**

3) Tourism: Encourage **cooperation in tourism policy**

The Tribune

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Modi move hints at India's 'rebalance' towards Asia Pacific

NEWS ANALYSIS

AJAY BANERJEE
TRIBUNE NEWS SERVICE

NEW DELHI, NOVEMBER 18
In an indication of India's growing strategic 'rebalance' towards the Asia-Pacific region, India and Australia have agreed to establish a 'framework for security cooperation' with an embedded action plan focussed on expanding defence ties at the highest level.

This is the third effort of New Delhi in as many months to expand its military and strategic ties with countries in the Asia-Pacific region of which China and the US are important military players. It is like India's very own 'rebalance' to the east, just like the US rebalance to Asia-Pacific announced in 2011 by US President Barack Obama.

The US had then said that it would 'rebalance' a large part of its Navy fleet complete with aircraft carriers and nuclear armed submarines towards the Asia Pacific. It had wanted India to play a key role as security provider to small nations. However, New Delhi had been languid, at best.

Prime Minister Narendra Modi has initiated a substantive shift in India's approach and renamed the "Look East" policy as "Act East", a clear indication that India was prepared for more active role in East Asia.

Since September this year India has added depth to its military ties with Japan, Vietnam and now Australia. Beijing has separate territorial disputes with India, Vietnam and Japan and has reacted sharply to the recent Indian moves in these two countries.

India and the USA issued a joint statement in September during Modi's visit to Washington that designated the South China Sea as an area of importance for safeguarding maritime security and ensuring freedom of navigation. China and six other nations are locked in a territorial dispute in that sea.

After today's meeting between Modi and Australian Prime Minister Tony Abbot, an Indian government statement described the growing relations: "It is based on converging political, economic and strategic interests".

Adding depth to military ties

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The Financial Express

Date: 19/11/2014
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PMO meeting on ethanol policy today

New Delhi, Nov 18: The prime minister's office (PMO) has convened a meeting on Wednesday with top officials of food and petroleum ministries to discuss ways to promote ethanol blending with petrol in view of surplus sugar production in the country.

At present, it is compulsory to blend 5% ethanol with petroleum but the oil marketing companies have achieved around 2%. The new government wants to further increase the level of mandatory blending of ethanol with petrol to 10%.

"The PMO has scheduled a meeting tomorrow to discuss problems related to implementation of the ethanol blendingprogramme," an official source said.

According to sources in the sugar industry, there is a difficulty in implementing the programme due to lower prices offered by oil marketing companies for ethanol. Sugar mills get higher realisation from selling portable alcohol. "In view of surplus sugar production, we can divert more ethanol for blending with petrol provided mills are

Pricing and transportation issues come in the way of promoting mandatory blending of ethanol with petrol

compensated with better price,"an industry official said.

Currently, oil marketing companies are offering ex-mill price of Rs 41 per litre of ethanol, while the industry is demanding at least Rs 50 per litre.

Besides the price issue, the industry is also facing problems in transportation of ethanol to oil marketing companies due to delay in getting the excise permission. "We are facing delay in getting excise permission. Mills face penalty if ethanol is not delivered on time," the industry official said.

The country requires 156 crore litres of ethanol for blending 10% ethanol blending with petrol in seven sugarcane growing states and five per cent blending in other states.

PTI

The Asian Age

Date: 19/11/2014
Page No. 02

Rahul seeking space for Opp.

AGE CORRESPONDENT
NEW DELHI, NOV. 18

Congress vice-president Rahul Gandhi on Tuesday suggested that Prime Minister Narendra Modi should reach out to the Opposition. They may be weak but they are valued partners in nation-building, he said. But at the same time, he drew attention to those who wish to erase Pandit Jawaharlal Nehru's legacy from the country.

He said this while quoting Pandit Nehru in the international conference held here to commemorate his 125th anniversary. However, Mr Gandhi did not name Mr Modi nor the BJP.

Speaking at the concluding session of the two-day international meet, Mr Gandhi said: "Today, what I find troubling is how we can condemn people because the ideas they treasure are not our own. Nehru understood deeply that everyone is entitled to their viewpoints. Nehru gave space for his Opposition, even when they were practically non-existent. At that time when the Opposition was sparse in Parliament, he reached out to them, gave them a feeling that while electorally they may be weak, in his world they were valued partners in nation-building. He recognised that every perspective is unique, even those he fought vehemently. He defended the rights of those he did not agree with and never imagined silencing them," he said.

Mr Gandhi further said: "His (Nehru's) ideas and his politics are present very much today, even though there are those who wish to rub him out, to erase him and his legacy from the country he so dearly treasured and helped build."

"Let us learn from Nehru's example and give ideas the freedom to flow, let us never suppress an idea simply because it did not originate from us," Mr Gandhi said.

Congress president Sonia Gandhi said that as the Nehruvian concepts have come under challenge now, "we must not only adhere to what Nehru had built, we must also fight and fight to strengthen democracy, inclusiveness and secularism."

At the conference, which also adopted a declaration, Mrs Gandhi said that Nehru's ideas were a "matter of shared interest" that concern all sections.

The Economic Times

Date: 19/11/2014
Page No. 21

Panel Suggests New Law for Project Approvals

Questions existing green clearance procedure saying 99% of projects get cleared anyway

Our Bureau

New Delhi: A government-appointed panel headed by former cabinet secretary TSR Subramanian has questioned the environment clearance procedure saying more than 99% of projects get cleared anyway, with little or no scrutiny despite taking anywhere up to three years, which means neither industry nor environment gains anything from the procedure. Instead, the committee has suggested a system that is strong on monitoring and compliance — two areas of weakness in the present system.

The committee has recommended putting in place a new law for approving projects, monitoring compliance, and punishing violations.

The high-level panel, which was reviewing the environmental laws, regulations and rules, submitted its recommendations to Environment Minister Prakash Javadekar on Tuesday. The minister told **ET**, "Compliance will be the essence of the new architecture of the report, which will help us revamp the environment and forest clearance processes, and make it more transparent, and make decision making more efficient."

Speaking to ET, Subramanian said, "There is need for change, to improve the processes through which projects are approved and monitored, and to ensure that environment also improves." The former cabinet secretary said "the effort has been to reduce the inspector raj system" and use "technology to monitor and ensure compliance".

He said the committee had built on the existing mechanisms to optimise the efforts to balance developmental imperatives causing least possible damage to environment.

Sources said the committee's approach to the clearance process is based on the "principle of utmost good faith". Project proponents will in a form of self-declaration set out the details of their project, the technology used, the level of emissions and pollutants, and the steps they will take to address the environmental consequences.

Business Line

Date 19/11/2014

Page No. 06

No need for PAN to invest in Kisan Vikas Patra

Will help investors channel savings towards a trusted Govt scheme: Jaitley

OUR BUREAU

New Delhi, November 18

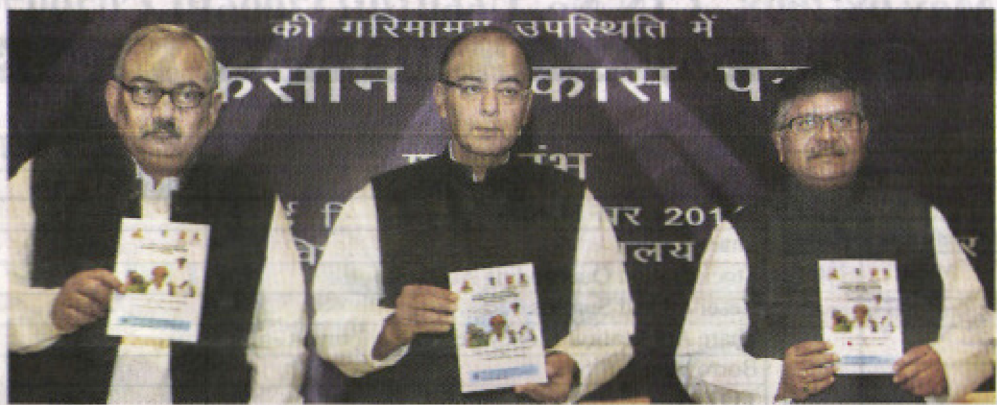
There will be no requirement to furnish Permanent Account Number (PAN) for investing in the re-launched Kisan Vikas Patra (KVP). However, the interest earned will be taxable.

The instrument was re-launched on Tuesday by Finance Minister Arun Jaitley and Communications Minister Ravi Shankar Prasad to channel more savings from the domestic sector.

"There will be no name on the certificate. It will be just like a currency note," Jaitley said, adding that "it would be better to put currency in the scheme, as it will give interest." The scheme will be available for everyone, not just farmers.

At an annualised interest of 8.5 per cent, money invested in the scheme will double in 100 months (eight years and four months). Jaitley said KVP would serve two purposes: "One, it would help poor, gullible investors channel their savings toward a trusted Government scheme instead of Ponzi schemes where their hard-earned savings disappear.

"Two, there is an urgent need to raise savings in the country... Such a savings instrument not only earns interest, but also helps in the country's development," he said.



Back in circulation Finance Minister Arun Jaitley, along with Minister for Communications and IT Ravi Shankar Prasad (right) and Finance Secretary Rajiv Mehrishi, re-launches the Kisan Vikas Patra in New Delhi. KAMAL NARANG

Declining savings

In the last two-three years, the savings rate has declined from a record 36.8 per cent to below 30 per cent due to slowdown in the economy.

"It is, therefore, necessary to encourage people to save more," the Finance Minister said.

Finance Secretary Rajiv Mehrishi said there was need to provide easy alternatives for people who do not have access to other savings instruments.

"Therefore, you have to rely either on keeping the money or buying gold and silver," he said.

Communications and IT Minister Ravi Shankar Prasad, said: "KVP was a popular instrument for small savings and had an emotional connect with the people."

Popular scheme

For around 100 years, the postal department has been promoting small savings schemes, and these currently have around 30.8 lakh account-holders.

"The postal department is undertaking seven small saving schemes and has an outstanding of around ₹6-lakh crore," he added.

Before being withdrawn in 2011, KVP was very popular among investors and the percentage share of gross collections secured in it after its launch in 1988 was in the 9-29 per cent range against the total collections received under all National Savings Schemes.

Gross collections under the scheme in 2010-11 stood at ₹21,631.16 crore, which was 9 per cent of the gross collections during the year.

The Times Of India

Dated: 19/11/2014
Page No. 15

Cong, NC slip; BJP & PDP see hope

Saleem.Pandit
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Srinagar: The BJP and PDP are geared up for a direct clash in the upcoming J&K Assembly polls. With an anti-incumbency mood kicking in, National Conference and Congress seem to be at a disadvantage. Probably that explains why CM Omar Abdullah took months to find a safe seat.

The BJP, sensing a chance to do well, is eyeing 44-plus seats. It's focusing on 25 of the 37 Jammu seats. In the recent LS polls it held on to a lead in all these 25. The party won Jammu, Ladakh and Udhampur in the general elections comprising 41 assembly segments and believes it has an appeal among voters in Hindu-majority Jammu.

For the first time ever, BJP is fighting across the state, tweaking its pitch for different regions. In Jammu, it talks of the need to abrogate Art 370. In Kashmir the stress is on development and governance. "The PM will woo voters promising development across J&K and good governance," Hina Bhat, BJP candidate for Amira Kadal says. Keeping Art 370 on slow burn, BJP's Ram Madhav and Union minister V K Singh have been quoted saying scrapping of the Article would be the prerogative of J&K's people.

The lotus seems to be struggling in the Valley's 46 seats. Barring one or two constituencies, its chances look slim. And, BJP can't bank entirely on Pandits. Recently, Vinod Pandit, chairman, All Parties Migrants Coordination Committee, demanded a blueprint on rehabilitation of the displaced community from all parties. Should they fail to satisfy the community would press NOTA, he said.

In the Valley, demands for a resolution of the Kashmir issue assume importance, even though rural voters clamour for government jobs. That's why PDP patron Mufti Mohammed Sayeed focuses on friendly ties with Pakistan. He talks of soft borders and trade. These strike a chord. PDP president Mehbooba Mufti says her party would strive for good governance and jobs. She talks of making J&K a true welfare state.

STATE OF THE STATE | J&K

Population
1.25 Cr
Rural: 91 lakh (69%)
Urban: 34 lakh (31%)

	SC	ST
J&K	7.4%	11.9%
India	16.6%	8.60%

Increase since 2001

J&K	India
24%	17.7%

Poverty

	% BPL Persons	No. BPL (lakh)
J&K	10.4	13.3
India	21.9	2,697.8

Growth of GSDP 2005-06 to 2011-12 (%)
J&K 6
India 8

Agri. Growth Rate 2005-06 to 2012-13
J&K 3.6
India 3.8

Industry Growth Rate 2005-06 to 2012-13
J&K 3.1
India 7.5

Monthly Per Capita Expenditure 2011-12 (in ₹)

	Rural	Urban
J&K	1,602	2,320
India	1,287	2,477

Services Growth Rate 2005-06 to 2012-13
J&K 9
India 9.6

All data is avg annual (%)

DROPOUT RATE Class 1-10 (%)
J&K 44 | India 49

IMR
J&K 28 | India 28

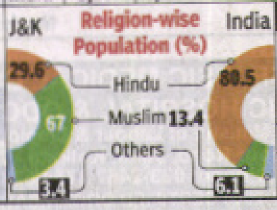
Shortfall of Doctors & Specialists at CHCs (%) in rural areas
J&K 49 | India 70

Literacy
J&K 67%
India 73%

Sex Ratio

	J&K	India
	889	943
Child (0-6)	862	919

Religion-wise Population (%)



% of Households With

	TV	Mobile	Kachcha/ tile Roof	Treated Tap Water	No toilet in house
J&K	51	59.3	27	34.7	48.8
India	47.2	53.2	39.5	32	53.1

Source: Planning Commission, MHRD, MOHFW, Census 2001, 2011

The Hindu
Editorial

Getting them back to school

A survey commissioned by the Ministry of Human Resource Development, in September shows that out of the estimated 20.41 crore children in the age group of 6-13 in India, an estimated 60.41 lakh (2.97 per cent) are out of school. This proportion of out-of-school children is lower than the figure of 4.28 per cent in 2009 and 6.94 per cent in 2006, a fact worthy of cheer. This study is indicative of the fact that government-sponsored retention schemes and policies have had some positive impact. Methodologically, the report conducts household surveys and broadly defines 'out-of-school' as including all children who do not attend school for more than 45 days in an academic year. Had the report conducted a survey based on administrative records and defined 'out-of-school children' more narrowly, the results may have been significantly different, perhaps far less optimistic. But the picture is gloomy if we look more closely at the status of marginal groups in this study. The survey reveals that a higher percentage of female children (3.23 per cent) are out of school than males (2.77 per cent); more children from rural areas (3.13 per cent) are out of school than from urban (2.54 per cent) areas. A staggering 4.43 per cent of Muslim children, 4.7 per cent of Scheduled Tribes and 28.07 per cent of children with special needs are estimated to be out of school. Other surveys in the recent past also concur with this data of identifying Scheduled Castes, ST and Muslim children as constituting a major chunk of the out-of-school children, and record a very disproportionate progress in terms of bridging regional, gender and rural/urban divides.

The report simplistically records poverty and academic disinterest as major reasons for dropping out of school. Such analysis is where such studies fall short. As the MHRD report "Education for All" of August 2014 shows, too much emphasis is given to infrastructural reform, providing transportation, books, uniforms, etc. Although this is significant, the overarching insights from such a study require policymakers to officially acknowledge the prevalence of exclusionary practices in schools, so as to address them directly. In such complex conditions, deploying an intersectional analysis can be a useful methodological tool of study, such as noting the discrimination faced by a 'lower caste-rural-girl child' in school as against an 'upper caste-urban-boy child'. The school cannot be perceived as an instrumental sphere for the potential labour force of a growing economy. Rather, it is a space for community development, a learning process that can potentially undermine caste and gender prejudices by the mere fact of children sitting together and sharing a common meal, increasing their self-worth.