Planning Commission
Government of India

29.10.2014

Compiled by:

S. Wadhawan, ALIO and **Communication, IT & Information Division**
Mrs. Varsha Satija, SLIA
Planning Commission Library

(अरस्तु के अनमोल विचार)

“कोई भी क्रोधित हो सकता है- यह आसान है, लेकिन सही व्यक्ति से सही सीमा में सही समय पर और सही उद्देश्य के साथ सही तरीके से क्रोधित होना सभी के बस कि बात नहीं है और यह आसान नहीं है.”

1. India Ranked 114 in Global Gender Gap Report/ By PTI

The New Indian Express, 28th October 2014

India is part of the 20 worst-performing countries on the labour force participation, estimated earned income, literacy rate and sex ratio at birth indicators. (File/AP)

NEW YORK: India has performed poorly in removing gender-based disparities, ranking 114 out of 142 countries in World Economic Forum's 2014 gender gap index, scoring below average on parameters like economic participation, educational attainment and health and survival.

India's slipped 13 spots from its last year's ranking of 101 on the Gender Gap Index by the WorldEconomic Forum. India is part of the 20 worst-performing countries on the labour force participation, estimated earned income, literacy rate and sex ratio at birth indicators.

On the other hand, India is among the top 20 best-performing countries on the political empowerment subindex.

The index was first introduced by the World Economic Forum in 2006 as a framework for capturing the magnitude of gender-based disparities and tracking their progress. The index benchmarks national gender gaps on economic, political, education and health criteria.

The report said that India has the highest difference between women and men on the average minutes spent per day on unpaid work—a difference of 300 minutes. It is also among the countries with the highest difference in the female and male percentage of total R&D personnel. India has one of the lowest percentages of firms with female participation in ownership.

On the criteria of economic participation and opportunity, India was ranked 134. Its female to male ratio in labour force participation was 0.36. The disparity in estimated earned income was high with females earning USD 1980 compared to USD 8087 earned by their male counterparts.

On educational attainment, India ranked 126 with female to male ratio in literacy rate at 0.68. India was the second-lowest performing country on health and survival, ranking 141 just ahead of Armenia.

However on political empowerment subindex, India ranked an impressive 15. It is the highest-ranked country on the years with female head of state (over the past 50 years) indicator. There is also some evidence from India to suggest that women in local government roles make decisions with better outcomes for communities than men do when charged with budget decisions. They also appear to be more competent representatives than men, obtaining more resources for their constituencies despite having significantly lower education and relevant labour market experience.

The report said that India has the highest difference between women and men on the average minutes spent per day on unpaid work—a difference of 300 minutes. It is also among the countries with the highest difference in the female and male percentage of total R&D personnel. India has one of the lowest percentages of firms with female participation in ownership.

India had experienced improvement of its overall score since 2010, when it had ranked 112. It had ranked 105 in 2012 and 101 last year but saw a decrease in 2014 due to a drop in scores on the economic participation and opportunity and educational attainment subindexes.

India performed better than countries like UAE, Bahrain, Saudi Arabia, Pakistan and Jordan.

Iceland, which has had a female head of state in 20 of the past 50 years, ranked number 1 on WEF's index. Iceland has taken the top spot on the index consecutively since 2009. The country was followed by its Nordic neighbours: Finland ranked 2, Norway (3), Sweden (4) and Denmark (5). The US is ranked 20, putting it behind countries like Canada, South Africa and France, but ahead of other developed countries like the United Kingdom and Australia.

The report said that no country in the world has fully closed the gender gap, but all five of the Nordic countries have closed more than 80 per cent of it. Yemen, the lowest ranking country has closed just over 50 per cent of the gender gap.

At 141, Pakistan was the second lowest ranking country, scoring poorly on all the four parametres.

In 2014, 25 countries fully closed the gap in Educational Attainment (same as last year). Angola, Ethiopia, Yemen, Guinea and Chad hold the last five spots on this subindex, with Yemen and Chad having closed less than 70 per cent of their education gender gap. In total, there are 22 countries where women still have less than 90 per cent of the education outcomes that men have.

While eight countries—Bahamas, Belize, Brazil, France, Guyana, Latvia, Namibia, and the Philippines—have fully closed the gap on both the health and education subindexes, no country has closed either the economic participation gap or the political empowerment gap.

On the Economic Participation and Opportunity subindex, 14 countries have closed more than 80 per cent of gap, including from from Sub-Saharan Africa and five from Europe and Central Asia.

Burundi, Norway, Malawi, the United States and the Bahamas occupy the top five spots on the subindex.

2. Developing countries begin to take lead in green energy growth

Pilita Clark, Environment Correspondent

Financial Times; October 28, 2014 12:11 am

The growth rate of wind farms and solar plants in China, India and an array of smaller developing countries is starting to outpace that in many of the world's richest nations.

Companies such as China's Yingli and Trina Solar, two of the world's largest solar-panel makers, and Indian wind turbine group, Suzlon Energy, are helping drive a major shift in green energy use, a year-long study of developing countries' energy use suggests.

Until recently, it has been widely thought that poorer countries could not afford these newer types of green energy technologies and would have to keep relying on dirtier, fossil fuel systems such as coal power plants and diesel generators.

But the study found that the amount of new clean energy in the 55 countries studied, which ranged from China, the most populous nation, to tiny Belize and Barbados, has grown at an average of 19 per cent a year since 2008, compared with 13 per cent in the OECD group of rich nations over the same period.

The 55 countries added 142 gigawatts of new renewable energy generating capacity – more than the total current capacity of France – between 2008 and 2013.

These figures did not include big hydropower dams which have traditionally been a leading source of green energy in developing countries but can take decades to build.

It can take as little as two years to build a wind farm; six months to erect a large solar plant and a day to put a solar panel on a roof. The short timescales are why such systems make sense in energy-hungry developing economies, says the Climatescope report done for a group of development agencies by Bloomberg New Energy Finance, a research firm.

"These technologies are poised to make an immediate impact on energy supply and access in the developing world," says the report, which ranked the 55 nations according to which were most open to clean energy investment.

China topped the list in part because, even though its role as the world's factory has made it the biggest emitter of greenhouse gases, it is also the largest manufacturer of wind and solar equipment.

Chinese companies accounted for six of the world's 10 largest solar panels makers by production last year, as well as five of the top 10 wind turbine manufacturers, including Goldwind and Guodian United Power, according to Bloomberg New Energy Finance.

But the 10 top ranked countries identified in the report included some less obvious candidates, such as Kenya, which has made big strides attracting investment in geothermal power, and Uruguay, where reverse auctions for clean power attracted $1.3bn in new renewable energy financing last year.

The economic case for renewables is especially compelling in the many developing countries that rely heavily on diesel generators, the report says, a dependence that means some of the poorest countries have the most expensive electricity.

3. Financial Express, Oct 29 2014

Promoting profit-making

'Make in India' must signal an end to piecemeal reforms and the long-standing suspicion of business

NIRVIKAR SINGH

Any successful set of policies to support industrialisation, has to not just make it easier to do business with coordinated reforms, but also to provide strategic support based on a vision of where the global economy is heading

The new government's Make in India initiative shows a promise that has been missing from policies that have characterised over two decades of economic reform. Past reforms have mostly consisted of liberalisation, and have tended to be piecemeal and tentative—the so called "reform by stealth," or gradualist approach. This time could be different. However, a series of challenges remain.

The most significant challenge remains the nature of the Indian State. India's top policymakers may still not have a fundamental sense of what it means to make things for profit. The long-standing suspicion of business and profit-making is compounded by the piecemeal reforms, which have often strengthened opportunities for crony capitalism and rent-seeking. There is no easy solution to this challenge, since actually making Make in India successful requires government action across a coordinated set of issues, including physical infrastructure, education and skilling, the legal environment, and business finance. Attempts at coordination can degenerate into paternalism and lack of prioritisation, and end up failing.

A second challenge is the global economy. Just when India began to reform, concerns began to grow about "deindustrialisation." At first, this was only discussed in the context of countries that had already industrialised, and were therefore already at high levels of GDP per capita. Then, more recently, economists such as Dani Rodrik pointed out that the share of manufacturing was falling in countries that were far short of rich-world levels of income. This was "premature deindustrialisation." More recently still, Arvind Subramanian, now India's chief economic adviser, and co-author Amrit Amirapu observed the same phenomenon within India, and even for India's poorer states. If the global economy is suffering from deindustrialisation, how can India avoid this trend? A related aspect of globalisation is the fragmentation of production chains across national borders, making it harder to develop complete sets of skills, as Japan did by learning how to manufacture world-class automobiles.

The third challenge is technological change. There are suggestions that the digital revolution is destroying jobs, and that they will not return. Automation is becoming cheaper, and reducing the need for factory jobs which have been part of a virtuous circle of industrialisation in the past, providing opportunities for skill development and income beyond subsistence.

For Make in India to succeed, all three challenges will need to be addressed simultaneously. In particular, the coordinated set of reforms to make Make in India successful has to be cognisant of the challenges posed by globalisation and technological change. Some of the debate about how to respond to deindustrialisation has focused on how many services are now based on modern technology and can be traded across borders. Dani Rodrik has argued that the potential of services is limited as a stepping stone to development, because most services will remain non-tradable, while others require skills greater than those needed for an entry point to development.

The issues of how to achieve scale and low enough entry costs for labour in any new approach to development, whether by making industrial goods or by providing services, is indeed the central one for government policymakers. Any successful set of policies to support industrialisation, through any combination of manufacturing and services, has to not just make it easier to do business with coordinated reforms, but also to provide strategic support based on a vision of where the global economy is heading. In 1950, Japanese policymakers saw automobiles as a manufactured product that could be the basis for expertise in making a wide range of engineering goods, all of which would be increasingly sought by consumers in rich countries. Now, those consumers seek products that will help them maintain or improve their health. Furthermore, they increasingly spend on leisure and entertainment activities, many of them digitally based. Finally, these consumers are becoming concerned about environmental sustainability. Demography and income matter, and they can be the basis for predicting where demands for new products will arise, shaping what India might profitably make, and training the workers that will be needed.

There is another aspect of India that deserves some consideration when shaping the Make in India vision. The country's population is already greater than the global population in 1800. The point of this observation is that there is plenty of room for realizing economies of scale from serving the domestic market. Similarly, globalised production chains that have evolved to take advantage of scale can have domestic analogues in a country the size of India. The Delhi-Mumbai Industrial Corridor, and four others being conceptualised, can be the basis for creating such domestic analogues. The critical shortages of technological know-how and access to finance will have to be overcome, and these will require tapping global resources.

Ultimately, of course, governments can only do so much. They cannot pick guaranteed winners, and they cannot make sure that every business idea succeeds. But a forward-looking Make in India policy that recognises where global and domestic opportunities lie for future growth has the best chance of succeeding, and overcoming the prevailing pessimism of the pundits.

The author is Professor of Economics, University of California, Santa Cruz

4. Probe for oil in India.

29 Oct 2014 The Hindu

The National Development Council, which concluded its meeting in New Delhi on October 28, accepted the size of the Fourth Plan as proposed in the memorandum prepared by the Planning Commission. The total outlay in the Fourth Plan will range between Rs. 21,500 crore and Rs. 22,500 crore. The outlay in the public sector will be between Rs. 14,500 crore and Rs. 15,500 crore. The development programmes in each sector will identify projects with a total outlay of Rs. 1,000 crore to be initiated during the second half of the plan if the economy improves and resources can be mobilised. It was agreed that all possible steps should be taken to accelerate progress in the Fourth Plan to make the mobilisation of additional resources possible. The appropriate advance action programmes are preparation of detailed project reports, careful selection of quickyielding schemes and completion of administrative arrangements.

A number of American oil companies which specialise in off- shore drilling in this country, are understood to have indicated some interest in undertaking oil prospecting operations in India in collaboration with the Government. Mr. O. V. Alagesan, Union Minister of State for Petroleum and Chemicals, who, during his visit in Washington, has been sounding U. S. firms on the likelihood of their investing in petrochemical fertilizer and oil prospecting venture, told me that initial surveys, conducted by the Oil and Natural Gas Commission, indicated presence of off- shore oil and gas deposits off the Coromandel and Cutch coasts.

5. Unhappy returns

Andy Mukherjee:

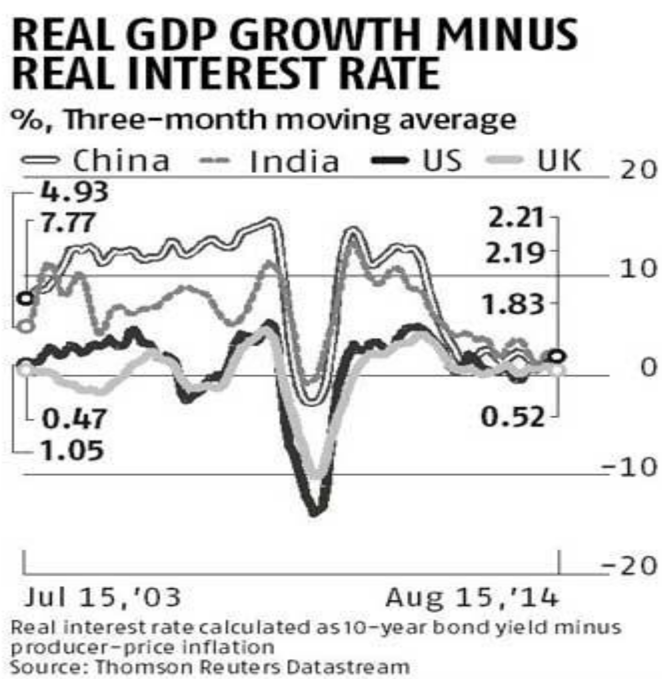
Without reforms to boost returns for multinational capital, Narendra Modi's 'Make in India' campaign will face testing times

Business Standard, 29th Oct. 14

China and India are no longer producing enough output for investors to risk their increasingly expensive capital in these large emerging markets. That’s less of an issue for China, which wants to move away from investment-led growth. But it’s a problem for India, which is embracing just such a strategy.

In both countries, the difference between real gross domestic product (GDP) growth and real interest rates has now shrunk to about the same level as in the United States and Britain. The gap is a crude measure of how much an average company can hope to earn by borrowing and investing. Call it the “potential profit gap”.

Things were different a decade ago. Back then, GDP growth in China and India was 10 to 13 percentage points higher than their inflation-adjusted cost of capital. Such a wide potential profit gap, much bigger than in rich nations, drew investors to the two large emerging economies. But since then, output growth has slowed, and real interest costs have risen. Businesses no longer have a compelling reason to put their next factory in China or India.



Take the People's Republic. China's above 10 per cent GDP growth has slowed to about seven per cent. Meanwhile real interest costs have surged to five per cent, thanks to deflating producer prices. The growth-interest rate differential is, thus, just two per cent. It could narrow further if output growth keeps waning and Beijing decides to lift controls on the maximum interest rates that banks can pay depositors. A scramble for deposits may end up pushing real interest costs even higher.

India's real interest rate is lower than China's, but so is its growth rate. The potential profit gap is, therefore, similar to China's two per cent. This is unappetising for many potential investors. To them, the United States economy, with output growth of 2.3 per cent and real interest costs of 0.6 per cent, is no less attractive.

China's manufacturing capacity is already massive. In some industries such as steel, it's excessive. But the implication for India is worrisome. With global companies content to sit on cash, Prime Minister Narendra Modi's "Make in India" campaign to revive manufacturing could face testing times.

The antidote is as obvious as the malady. Reforms could lift productivity of new investment, boosting the potential for returns. Last year, it took $7.6 of fresh capital to produce $1 in extra output in India, according to Morgan Stanley. That's almost double the average between 2000 and 2010. Simplifying indirect taxes and easing shortages of infrastructure, energy and skilled labour could go a long way toward making India attractive for investors again.

Some progress could occur even without reforms. Stung by five years of double-digit inflation, the central bank is keeping interest rates high to re-establish its credibility as a preserver of savers' wealth. But with global oil prices easing, India's inflation is slowing. In 2015, Indian interest rates could fall, even as the economy revives from two years of sub-five per cent growth. The growth pickup, though, is unlikely to be spectacular. Global demand is too anaemic for a quick return to the nine per cent plus increases in GDP that the country witnessed between 2005 and 2007. Similarly, real interest rates can only decline meaningfully – without exposing the economy to a risk of capital outflows – if the national savings rate improves in tandem. That, in turn, will require the government to boldly scale back its Budget deficit by curbing wasteful subsidies and privatising state-run companies.

Had India paid enough attention to fiscal and other reforms when domestic interest rates were far lower than GDP growth, the country would by now have been ready to host some of the lower-end manufacturing activity that can no longer be profitable in China. But New Delhi blew that opportunity. Caught in a messy and avoidable tax dispute, a Nokia factory near Chennai, once a symbol of India's manufacturing ambition, has stopped production.

A setback like that wouldn't have mattered some years back. It's deeply concerning now, when the Modi administration is saddled with the unenviable challenge of boosting output and creating jobs in a world that's unfriendly to investment and growth.

The bleak global climate for investment could turn more hostile if global disinflation turns into outright deflation. Once savers in rich countries earn a positive real rate of return by just hoarding cash, they will demand even higher compensation for putting their wealth to work in riskier emerging markets such as India. These countries will then have to rely entirely on their domestic savings to find resources for growth.

That might require India, which has nowhere near China's high savings rates, to settle for slower growth. Just how deflationary the world economy proves to be, and just how effectively Mr Modi's policies can counter the pall of gloom, will concern investors deeply.

To see why, consider the recent warning against "Asiaphoria" by Harvard University's Lant Pritchett and former United States Treasury Secretary Lawrence Summers. Their analysis shows that fast-growing countries tend to lose their momentum and become average. If India goes down that route, and fails to maintain its six per cent per capita GDP growth of between 2000 and 2010, the $1.8-trillion economy will grow to just about $3.8 trillion in 20 years. However, if past growth rates are maintained, GDP could expand to $6.8 trillion over the same period.

The $3-trillion difference is very important for long-term equity investors who use estimates of future – or "terminal" – growth rate of earnings or dividends in their models for valuing stocks. If Mr Modi's reforms start fading and it starts looking like India's economy is heading for an eventual slide into ordinariness, investors will have to mark down their expectations.

Messrs Pritchett and Summers don't say why fast growth must be ephemeral. They just note the historical record. But it will still be a tragedy if a country that has a fifth of the world's youth accepts a slowdown before it's inevitable. Among Mr Modi's many tasks in 2015, a crucial one will be to beat back the emerging-market blues and convince investors that India is special.

6. 6 things you should know before opening a swiss bank account

Business Standard, 29th Oct., 14

Before you book your flight to Switzerland, it is important that you know the colour of your money as per Indian government norms. White, black or red?

A veil of secrecy is normally associated with Swiss Banks thanks to the way they have been depicted in Hollywood movies and novels. Men or women in black suits are shown as escorting the 'account holder' to his safety vault or seeking details of their 'numbered accounts'. India got a reality check of Swiss Bank operations when names of seven Indians were disclosed by the government as having 'Black Money' accounts in these banks. The Supreme Court has now asked the government to disclose all names and details of 600 account holders are expected to be released to the apex court.

Though Swiss Banks also operate as regular banks, it is the secrecy associated with these banks that have made them popular. Code of secrecy is not something new with the Swiss Banks. These banks have been holding on to their secrets for over 300 years. The Great Council of Geneva, in 1713, established regulations that required bankers to keep registers of their clients but prohibited them from sharing the information with anyone, except the client-unless the City Council agreed with the need to divulge information. In fact, in Switzerland it is a criminal offence on the part of a banker if he divulges client information.

This code of secrecy made Switzerland a safe haven for unaccounted funds. Earlier, no questions were asked on the source of money or other forms of wealth (gold, jewellery, paintings among others) that entered Switzerland.But with terrorism, corruption and tax evasion on the rise, Swiss authorities (with some serious nudging from various countries) have now started rejecting those accounts which they suspect have illegal roots.

In case you are fascinated with the media coverage of names disclosed having a swiss bank account and desire to have one, here are 6 things you need to know before you make that trip to Switzerland.

1) Who can open an account

Any individual over the age of 18 is allowed to open a Swiss Bank account. However, the bank has the right to reject a 'politically exposed' person or if the bank suspects that the money stems from an illegal activity. If the origin of money is questionable or if its origin goes against Swiss regulations, the bank can reject the account. The strict money laundering laws have made scrutiny of money origins and subsequent deposits a high priority.

2) Can a resident Indian open a swiss bank account?

Under the new Liberalised Remittance Scheme, an Indian can open an account but with a ceiling within a financial year. However, for the purpose of conducting business such an account is permitted under the Foreign Exchange Management Act (FEMA). Further, there is an exception for a NRI who later becomes a resident Indian to continue holding his international bank account for unlimited time and there is no cap on the money that can be maintained in such accounts. Pradeep Burman of Dabur, whose name appeared in the Black Money list has argued that his Swiss Bank account is operational from the time when he was a non-resident Indian.

3) How does one select the right swiss bank?

There are nearly 400 banks in Switzerland with the top two – United Bank of Switzerland and Credit Suisse Group accounting for nearly half the balance sheet of all banks. Depending on one's need for secrecy and end use, an individual has a choice to select from a big bank, regional or a private bank. In case you do not want to disclose your account details easily, choose a bank which does not have a branch in your country. Bank branches have to follow the law of the country in which the branch is located and not where the head-office of the bank is located.

4) What type of accounts provides the most secrecy?

If secrecy is the only reason for you to open an account in Switzerland, then go in for a 'numbered account'. All interaction with the account is through the account number. Very few people in the bank will know the name behind the numbered account. But such accounts are not easily provided. An individual wanting to possess a 'numbered account' has to be physically present while opening the account and personal details provided with an initial deposit of at least $100,000.

5) Accessing your money

Unless you want to be tracked down, do not accept a credit/debit card or a cheque facility on your account. Bank transfers, the kind which is shown in movies can also be tracked as the receiving bank normally requires details of the origin of money. The best way to operate the account is by using traveller's cheques.

6) Closing your account

You can close your account any time without any restrictions or cost.

But before you book your flight to Switzerland, it is important that you know the colour of your money as per Indian government norms. Money used to be either white (accounted and tax duly paid) or black (tax evaded). But now government has defined a new colour – red - for the money found in Swiss accounts. Red money is one where the source is not known – it can be bribes, commissions in foreign currency or drug or blood money. While black money is by and large only a tax evasion issue if one is able to prove the source or generation of income, red money is a completely different ball game. Needless to say it is a serious criminal offence.

PART B

NEWS AND VIEWS

Wednesday, 29th October 2014

Polity	: Fadnavis is BJP's first Maha CM
Economy	: Bank Nifty scales new peak on sustained investor buying in banking stocks
Planning	: Powermin moots fuel plan to keep Lights on
Editorial	: A positive move

Communication, IT Information Division
Phone # 2525

The Tribune

Date: 29/10/2014
Page No. 01

Fadnavis is BJP's first Maha CM

Elected legislature party leader | Swearing-in on Oct 31

SHIV KUMAR
TRIBUNE NEWS SERVICE

MUMBAI, OCTOBER 28
Devendra Fadnavis is the new Chief Minister of Maharashtra. He was elected leader of the BJP legislature party in the presence of senior party leaders, including Union Home Minister Rajnath Singh and general secretary JP Nadda, at state's Vidhan Bhavan today.

Fadnavis, who will be the first BJP Chief Minister of the state, will be sworn in at the Wankhede Stadium on Friday. Prime Minister Narendra Modi, Members of Parliament from the state and senior BJP leaders will attend the ceremony.

Fadnavis (44) will be the 18th Chief Minister of the state and fourth from the Vidarbha region. Tipped for the top job ever since the BJP emerged as the single largest party in the Assembly, Fadnavis had to face stiff challenge from Union Transport Minister Nitin Gadkari and senior party leader in the state Eknath Khadse for the top job. Even newbie leader Pankaja Munde had thrown her hat in the ring.

From corporator to Chief Minister

- Devendra Fadnavis is the son of former Jan Sangh leader Gangadhar Fadnavis, whom Nitin Gadkari calls his 'political guru'
- Joined RSS' students wing Akhil Bhartiya Vidyarthi Parishad in 1989. At 22, became corporator in the Nagpur civic body and was elected youngest mayor in 1997, aged 27
- Contested first Assembly polls in 1999 and won. Successfully contested three subsequent polls
- The soft-spoken leader enjoys a clean image and has been a strong proponent of a separate Vidarbha state

Devendra Fadnavis after being elected Maharashtra CM in Mumbai. PTI

Business Line

Date - 29/10/14
Page no - 13.

Bank Nifty scales new peak on sustained investor buying in banking stocks

Falling inflation rate is one of the major factors for the rise, say analysts

OUR BUREAU

Chennai, October 28

Shares of banking counters remained attractive at the bourses on Tuesday, with Bank Nifty hitting a new high of 16,702.30 intraday and closing with gains of over 100 points at 16,667.

PSUs join bandwagon

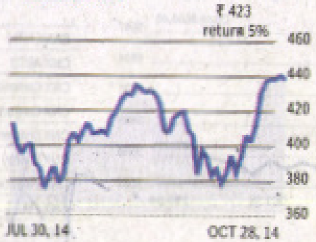
State Bank of India led the rally with 2.4 per cent gain (or ₹63.20), while ICICI Bank gained 1.83 per cent at ₹1,601.90.

According to analysts, PSU banks, which till now did not participate in the rally, also joined the bandwagon, after the inflation data was announced last week.

According to the Reserve Bank of India's data released on October 14, inflation dropped to a five-year low of 2.38 per cent in September. Since then, the Bank Nifty gained 7.2 per cent.

Healthy rollover

The continuing decline in food prices, including those of vegetables, has greatly contributed to the drop, as food inflation fell to a two-and-a-half-year low of 3.52 per cent after decreasing steadily since May. Bank Nifty futures witnessed a healthy rollover of 38 per cent to the November series.



The current month (October) contracts are expiring on Thursday. It is not just Bank Nifty, even individual counters such as Kotak Mahindra Bank, IndusInd Bank and Axis Bank have seen high rollovers to the next month series. Ramesh Chordia, an independent analyst based out of Chennai, cites four reasons for the interest in banking stocks. According to him, moderating inflation and decent numbers for the July-September quarter from the banking space have helped improve the sentiments.

Stock split

The recent Supreme Court verdict cancelling coal blocks, which eliminated the uncertainty dodging the sector over the last two-three years, has also contributed in a major way. Recent stock-split proposal announcements also attracted a few retail investors into the banking space, he added.

A slew of banks including SBI, ICICI Bank, Bank of Baroda, Punjab National Bank, Canara Bank and Corporation Bank have announced stock splits.

Most of these stocks did not participate in the wider rally, as uncertainty impacted them. Some of these stocks, particularly from the PSU pack, continue to rule far below their 52-week highs, he added.

Indranil Sen Gupta and Abhishek Gupta, economists at Bank of America Merrill Lynch, in their recent research report said they expect RBI Governor Raghuram Rajan to cut rates in February.

P.C.

The Financial Express

Date: 29/10/14
Page No. 1

Powermin moots fuel plan to keep lights on

Sumit Jha
New Delhi, Oct 28

PRIVATE-SECTOR power plants with a combined capacity of over 1 lakh MW, including plants of 36,500 MW that have been deprived of their captive coal blocks thanks to a recent Supreme Court verdict will get "firm coal linkage" if the Cabinet approves a plan put forth by the power ministry.

Pooling of domestic (Coal India) and imported coal will be done to ensure these linkages; the mechanism will be available to all plants commissioned between 2009 and 2017 that have a fuel supply agreement (FSA) or a letter of agreement (LOA) with Coal India.

Besides, linkages helped by pooling will be assured to the all power plants that have now lost their captive coal blocks but are going on stream latest by March 2017, the end of current Five-year Plan, in case the firms concerned fail to regain the blocks in auction. The beneficiaries of the move include the Adani Group, Tata Group, KSK Energy, Reliance Power, CESC, DB Power and Monnet Ispat, apart from power projects of the Jindal, Essar, GMR and GVK groups (see table).

According to the power ministry's proposal, in the case of power plants under the regulated (cost-plus) tariff mechanism — some 30% of the total capacity to benefit — Coal India will supply coal at prices that have factored in the pooling to meet 50% of the fuel needs of the plants to run them at a plant load factor of 85%.

As for the remaining projects that have either clinched power purchase agreements with buyers based on competitive bidding to determine tariffs or are slated to do so in future, CIL will fulfil the linkage obligation by stepping up the e-auction process for pooled coal. Of course, the cost of e-auction coal could be higher given the paucity of the fuel (currently, only 7% of Coal India's output is sold through e-auction). Fuel linkage for plants that have lost captive coal blocks will be enough for 90% capacity utilisation.

The power ministry sources said, tweaked an earlier proposal to give some kind of assured supply of coal for an additional 20,000 MW power capacity that have only signed MoUs with CIL and are without any FSA/LOA support.

Continued on Page 2

The price of power

	Power tariff hike (paise/unit)		Coal required (million tonne)	
Year	If coal pooling is only for post-2009 power plants	If pre- and post-2009 plants get pooled coal*	From Coal India*	Imported coal
2014-15	74	23	408	79
2015-16	44	17	480	123
2016-17	5	2	515	134

* The plan, as per a cabinet note by power ministry is to limit pooling mechanism to power plants commissioned after 2008-09
Source: Government

Likely beneficiaries of coal pooling

	Capacity (MW)		Capacity (MW)
Adani Tiroda	2,120	**Essar** - Tori	1,200
Tata Tiruldih	1,980	**DB Power**	1,200
KSK Mahanadi	1,800	**Navbharat**	1,050
Jaypee Nigri	1,320	**Jindal Power** Tamnar	1,000
Tata Naraj Marthapur	1,320	**Vedanta** Jharsuguda	1,000
Lanco Babandh	1,320	**GMR** Kamalanga	900
Essar Mahan	1,200	**Reliance** Butibori	300

These are among the power projects the captive coal blocks of which were cancelled by the Supreme Court

GOI

Hindu Editorial 29/10/14.

WEDNESDAY, OCTOBER 29, 2014

A positive move

Boosting the nation's defence preparedness, the Defence Acquisition Council (DAC) has cleared a set of much-delayed defence deals, worth Rs.78,000 crore. In line with the 'Make in India' *mantra*, the focus was on indigenisation in addressing critical equipment shortages. The Navy can heave a sigh of relief with the sanction for six new conventional stealth submarines under Project 75I, all to be built in a single shipyard in India. At Rs.50,000 crore, this will be the largest-ever domestic ship-building contract. A committee set up by the DAC will identify the eligible shipyard from among five public sector and two private shipyards within eight weeks for issuing a Request for Proposal (RFP). Project 75I was promulgated under the ambitious "30-year submarine construction plan", approved by the Cabinet in 1999 to build 24 conventional submarines. But not a single submarine has been inducted till date and the induction of Scorpene submarines has been repeatedly delayed.

In another significant decision, the government has decided to go ahead with acquiring Israeli-built Spike Anti-Tank Guided Missiles, a third-generation fire-and-forget system, to equip the infantry with 300-plus launchers and 8,000-plus missiles, along with transfer of technology worth Rs.3,200 crore. This effectively nixes the U.S. offer of producing the Javelin in India and further co-development of fourth-generation Javelin for use by the armies of both countries. Given that the U.S. lobbied hard with New Delhi, this is sure to cause heartburn in Washington. Both the systems have been extensively field-tested by the Indian Army, and opting for Spike is a pragmatic decision to save time and money as the acquisition had already been delayed by two years. If things go as per plan, the deadline of the Army to induct the new missiles by 2017 should be met. In all, about 40,000 missiles are required to equip the Army's 382 infantry battalions and 44 mechanised regiments. The decision not to go ahead with the Javelin also reflects concerns relating to the extent of technology transfer by the U.S. In contrast, Israel has a long record of being a trusted partner. The co-development would also have meant an end to the indigenous Nag ATGM project. The Midget submarines for the Navy will boost the capacity of marine commandos to undertake special missions behind enemy lines, and likewise the other deals represent significant capacity additions. The decision is without doubt a positive movement with respect to the urgently needed modernisation of the three services. For this there is an immediate need to reform the procurement process, which after several revisions is still cumbersome and opaque. The real test is to ensure timely completion of the process in a transparent manner, adhering to the set deadlines.

The Pioneer

Date: 29/10/2014
Page No. 04

VSAT link for MNREGA workers in 477 blocks

To help them get salary on time

PIONEER NEWS SERVICE
NEW DELHI

MNREGA workers in around 477 blocks across the States can finally hope to get their wages regularly under the rural job scheme with the Government deciding to connect these regions through VSATs by the end of this year.

The move, which is a part of the Government's efforts to ensure better facilities through e-Governance, follows after it was found that these regions had no internet connectivity even after the launch of Mahatama Gandhi National Rural Employment Guarantee Act (MNREGA) in 2005.

"It has been decided that in blocks where there is no connectivity, the VSAT connectivity will be considered so that programme database (NREGASoft) can be maintained," said a senior official from the Rural Development Ministry.

Following the direction from the Ministry, the State Governments have identified 477 blocks which either have no IT connectivity or no broadband connection.

These blocks are in Assam, Bihar, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Rajasthan, Tripura, Uttarakhand and West Bengal besides Union Territory Andaman and Nicobar.

"With a view to integrate blocks in these States under e-FMS network, it has been decided that these 468 (except nine in Andaman and Nicobar as CSC (Common Services Centres Schemes) bandwidth hub does not have satellite footage in these islands) blocks will be connected through VSATs using the bandwidth available with CSC-SPV (Special Purpose Vehicle) and the cost of the equipment and installation will be borne by the Central Ministry," the official said.

The CSC-SPV has been requested to start the process of VSAT procurement and installation so that it can be completed before December, 2014 in all these blocks. These locations will be declared as CSCs, the official added.

Business Line

Date 29/10/19
Page No. 10

Drug regulator to set up task force to simplify norms

Industry associations seek more time to submit suggestions

OUR BUREAU

New Delhi, October 28

The Central Drugs Standard Control Organisation (CDSCO) is looking to change its procedures for various activities, including the process of granting licences. The drug regulator has decided to constitute a task force to propose changes in the structure.

According to an order, existing processes, procedures, forms and licences will be reviewed with the aim to "simplify and make them user-friendly, as also shorten them."

The task force, which will have several former members of the Food and Drug Administration, a deputy drugs controller of CDSCO and representatives of industry associations, would be required to submit its recommendations within two months. Industry associations are waiting for more clarity on the task force by the Government, according to sources.

'More clarity'

A member of an industry association said, "This has been a long-pending demand from the industry. The licensing regime is too time-consuming and convoluted. While change is needed, we also need more clarity on the task force's purpose. Further, the time given for submitting recommendations, is too short." According to the order, "The recommendations in respect of first five forms will be submitted to the Drugs Controller General of India within 15 days and next forms within the next 15 days."

"This has been a long-pending demand from the industry. The licensing regime is too time-consuming and convoluted."

Hindustan Times

Date: 29/10/14
Page: 11

Modi govt's ordinance may save textile mill land worth ₹200 billion

Aloke Tikku
atikku@hindustantimes.com

NEW DELHI: The Modi government's ordinance promulgated last Friday would help block attempts to strip nationalised textile units of prime real estate worth ₹200 billion across 14 states, a top government official said.

The ordinance makes it clear that the National Textile Corporation (NTC) only holds the land as a custodian for the Centre and bars the corporation's eviction from properties after expiry of the original lease.

Leasehold properties account for 828 of the 2,200 acres of land occupied by sick textile mills nationalised and handed over to the NTC for their revival. Nearly 25 acres occupied by four mills in Mumbai alone is conservatively valued at ₹55 billion.

"It is a bold move to safeguard public interest," the senior government official told HT on conditions of anonymity.

The government had first started debating the ordinance route during the previous UPA's tenure after the Supreme Court's 2011 ordered eviction of NTC's Podar mill — that has 558 employees on its rolls — from a 2.5 acre plot in south Mumbai's Chinchpokli area.

But UPA leaders reportedly developed cold feet.

Once the new government was sworn in, civil servants put the plan on the table again. With textiles minister Santosh Gangwar and the PM putting their weight behind the plan, the law ministry — which had held back its approvals earlier — too came on board. Since properties held by the Centre are protected from the rent control laws, the clarification ensured that the NTC cannot be forced to vacate properties where the original lease period had expired.

LAND VALUE

- The ordinance makes it clear that NTC only holds the land as a custodian for the Centre and bars the corporation's eviction from properties after expiry of the original lease.
- Leasehold properties account for 828 of the 2,200 acres of land occupied by sick textile mills nationalised and handed over to the NTC for their revival.
- Nearly 25 acres occupied by four mills in Mumbai alone is conservatively valued at ₹55 billion.

The Statesman

Date: 29/10/2014
Page No. 01

SC SETS CENTRE 24-HR DEADLINE

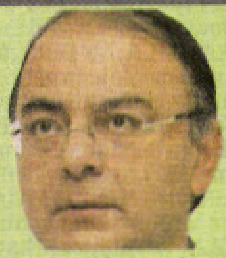
BLACK MONEY: GOVT TO SUBMIT FULL LIST TODAY

OUR LEGAL CORRESPONDENT
New Delhi, 28 October

CENTRE RAPPED

1 SC slammed government for seeking modification of its earlier order on disclosure of all names

2 The CJI asked the Centre not to indulge in any kind of probe by itself



The govt has no difficulty in placing the entire list and the same will be placed before the court tomorrow: Union Finance Minister Arun Jaitley

In a significant development in the black money case, the Supreme Court today ordered the Central government to reveal by tomorrow in a sealed envelope the names of all Indian account holders in foreign banks even as it pulled up the Centre for seeking modification of its order on disclosing names of account holders in foreign banks.

The government said it will tomorrow hand over to the apex court the entire available list of Indians who had stashed illicit money in foreign tax havens.

"The government shall place the list before the (Supreme) Court because the government has already given (the list on 27 June) to the Court-constituted Special Investigating Team (SIT). The government is keen that by whatever procedure in accordance with law we must get to the root of the matter....

The government has no difficulty in placing the entire list and the same will be placed before the Court tomorrow," the Union finance minister Mr Arun Jaitley told media persons.

Slamming the government for reluctance on the issue of disclosing the names, the apex court in strong words slammed the new government for seeking modification of its earlier order on disclosure of all names saying this was accepted by the then UPA government. The court directed the Centre not to give "one, two, or three names of account holders but the entire list supplied to it by the foreign countries".

"Why are you trying to protect people having bank accounts in foreign nations? Why are you providing a protective umbrella for all these people... The order was passed in open court in the presence of Solicitor General and the new regime can't ask modification of order." "We cannot touch our order and we won't change even a word of it," a visibly annoyed Chief Justice H L Dattu, who was heading the bench, told the government.

Attorney General Mr Mukul Rohatgi's fervent plea that it can disclose names only after conducting probes on illegality of bank accounts was outright rejected by the bench.

The CJI asked the Centre not to indulge in any kind of probe by itself and said that investigation would never be complete in his lifetime if it is done by the government.

Ordering the government to just pass the information of account holders, the bench, also comprising Justices Ranjana Prakash Desai and Madan B Lokur, said, "You do not do anything. Just pass information of account holders to us and we will pass order for further probe." "We can't leave the issue of bringing back black money to government. It will never happen during our time," the bench in its judgment said. The bench brushed aside the contentions of AG that disclosing account holders' names would violate the right to privacy of those who have legitimate accounts and the names can be revealed only after a prima facie case of tax evasion is made out.

Hindustan Times

Date: 29/10/14
Page: 3

In poll mode, AAP prepares itself for 'any eventuality'

Darpan Singh
darpan.singh@hindustantimes.com

Kejriwal has accused the BJP of trying to buy MLAs to form the government in Delhi. SONU MEHTA/HT FILE

NEW DELHI: As suspense over government formation in Delhi continues, the Aam Aadmi Party (AAP) has said is fully geared up for "any eventuality".

The party has chosen its candidates for the three seats slated to face bypolls on November 25 but kept them a secret.

It has reviewed poll preparedness on all 70 seats twice in case there is a full-fledged election.

Senior AAP leader Ashutosh told HT, "We're going to come back to power with a massive majority. As for the bypolls, the BJP, which held all three seats, should be ready for a major upset." A party needs 34 MLAs for a simple majority in a 70-member House with three vacancies to be filled in the bypolls.

Delhi is in its eighth month of President's Rule after the minority AAP government resigned in February this year.

Believing that fresh elections would help the party better its 2013 performance of 28 seats, and the BJP will lose ground, the Kejriwal-led party has been demanding fresh elections. "If elections are held, the BJP will be badly defeated and AAP will win," Kejriwal claimed.

As the Supreme Court on Tuesday pulled up the Centre and Delhi lieutenant governor (L-G) Najeeb Jung over the delay in either government formation or fresh elections, AAP seemed hopeful. "Since BJP doesn't have and never had the numbers, one hopes it is moving towards fresh elections," said a senior leader.

AAP chief Arvind Kejriwal told reporters: "If there is any shame left in BJP, they will dissolve the assembly and hold fresh elections in Delhi." Kejriwal tweeted and accused the BJP of playing dirty tricks with the people of Delhi and repeatedly trying to buy MLAs and form the government."

The BJP had emerged the single-largest party after the Assembly polls in December last year with 31 seats apart from the support of the lone Akali Dal MLA. But its numbers have now come down to 28 after three of its legislators — Harsh Vardhan, Ramesh Bidhuri and Parvesh Verma — were elected to Lok Sabha. This led the Election Commission to announce bypolls.

Though the President has accepted the L-G's proposal that BJP be asked to form government, AAP thinks it's just not possible. "How will the BJP form a government? They don't have the numbers. Why don't they just call for elections?" Kejriwal tweeted.

"People in Delhi are troubled by electricity and water problems and we had eased that. That's why BJP is scared," he later told reporters.

P.C

The Financial Express

Date: 29/10/14
Page No. 3

70 cr have Aadhaar numbers

New Delhi, Oct 28: The Unique Identification Authority of India (UIDAI) has issued 70 crore Aadhaar numbers to residents across the country as of now.

Nine states, including Andhra Pradesh, Kerala, Delhi, Himachal Pradesh, have crossed 90% Aadhaar coverage, while 16 states have over 70% coverage, a press statement by UIDAI said.

Aadhaar enrolments in Uttar Pradesh, Bihar, Uttarakhand and Chhattisgarh are going on at a fast pace.

These four states with a combined population of about 34 crore were added earlier this year to UIDAI's mandate by the government. As on date, Aadhaar numbers have been issued to 8.93 crore residents in these states, which is 26% of the target population.

Over 25,000 Aadhaar enrolment kits are operational across the country as on date, including both camp mode and Permanent Enrolment Centres, with a total output of approximately 10 lakh enrolments per day.

UIDAI has already geared up its processing capabilities to achieve the targets and has the capacity to process around 15 lakh enrolment packets every day. Enrolments are expected to pick up further once the festival season is over.

In the recent months, government has provided fresh impetus to the UIDAI by linking Aadhaar to various schemes and initiatives, including the PMJDY, MGNREGS, Pensions, Scholarships, DBTL, PDS, passports, attendance system in government offices, etc.

Aadhaar facilitates "anytime, anywhere" online authentication of a resident through universal verification of one's identity based on the demographic and biometric information of an individual, eliminating any chances of duplication or fraud. *PTI*

The Indian Express

Date: 29/10/2014
Page No. 18

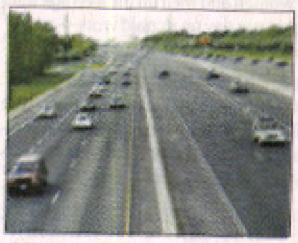
RoadMin to seek Cabinet approval for new Bill soon

ENS ECONOMIC BUREAU
NEW DELHI, OCTOBER 28

THE Road Transport and Safety Bill (2014) is likely to be presented in the Winter Session of Parliament, road transport and highways minister Nitin Gadkari said on Tuesday. He was speaking at the meetings of the National Road Safety and the Transport Development Councils.

"The Bill will be sent to the Cabinet soon. Almost 5 lakh road accidents happen in India annually with over 1.5 lakh deaths. With this Bill, we hope to bring down road accidents by 50 per cent in the next two years," Gadkari said.

The Bill, an update on the Motor Vehicle Act, 1988, proposes heavy penalties such as Rs 5 lakh for faulty manufacturing design or cancellation of licence for rash and negligent driving, and Rs 3 lakh along with a minimum 7-year imprisonment for death of a child in certain circumstances. It also proposes penalty of up to Rs 1 lakh or imprisonment upto one year or both in case of using vehicle in unsafe conditions.



STRICT MEASURES

- The Centre has proposed steep penalties of up to Rs 3 lakh along with a minimum 7-year imprisonment for death of a child in certain circumstances
- A fine of Rs 5 lakh as well as imprisonment for faulty manufacturing design has been suggested

The Bill has provisions for a unified driver licensing system and unified vehicle registration system linked with insurance across the country, in addition to automated testing to eliminate human bias.

Gadkari also said that a National Waterways Scheme, along the lines of National Highways Authority, to govern the waterways will be brought into place by the ministry.

"Additionally, we will enhance road infrastructure with Rs 5 lakh crore worth of investment planned for four-laning of the national highways under the PPP mode. Also, we are working on developing a multi-mode public transport system in addition to promoting environmental-friendly technologies such as ethanol friendly or electricity operated buses. We will request the finance minister to give us concessions ...as they will help us cut down on the Rs 6 lakh crore import bill," he said.

According to Vijay Chibber, secretary (MoRTH), in order to facilitate seamless travel for tourist buses across states and Union Territories, the ministry has also proposed payment of an annual consolidated fee instead of taxes or fees levied by different state governments.

Business Line

Date 29/10/14
Page No. 10

India slips further in gender gap index

Low economic participation, poor education cited as the key causes

OUR BUREAU

New Delhi, October 28

Good news on the gender front continues to elude India with the country slipping further down from 101st rank last year to 114th out of 142 countries in the Gender Gap Index 2014, says a report by the World Economic Forum.

"This is mainly down to deterioration in economic participation and opportunity, as well as educational attainment," says the report.

In economic terms, India ranks 134th overall, with low scores in terms of labour force participation, wage equality and estimated earned income. Equality in terms of health and survival, too, remains a problem, where it ranks 141 out of 142 only behind Armenia. As regards, the sex ratio, India is at a poor 134th position.

Consolation

The only silver lining is the country remains a role model in terms of political empowerment, in which it ranks 15th. India has 111 women in Parliament, with 107 women in Ministerial positions.

This is the ninth year of the index, introduced by WEF in 2006. WEF said that in nine years, the world has seen only a small improvement in equality for women in the workplace, with the gender gap for economic participation and opportunity at 60 per cent worldwide having closed by only 4 per cent from 56 per cent in 2006.

"...It will take 81 years for the world to close this gap completely," said the WEF report.

In economic terms, India ranks 134th with low scores in labour force participation, wage equality and estimated earned income. AP