



PART A: News pertaining to Planning Commission



25.09.2013

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[Note : Now the Daily Digest is divided into two parts: Part A contains News pertaining to Planning Commission and Part B contains general News and Views]

1. India keeps historic date with Mars

T.S. Subramanian Madhumathi D.S. The Hindu: 25.09.2014



Mangalyaan cost \$74 million, making it the world's cheapest interplanetary mission

Everyone sat glued to their seats, anxious and tense at the Mission Operations Complex-2 (MOX-2), the nerve centre of India's Mars mission on Wednesday morning. There was just one question on everybody's mind: will it happen?

The answer came through Indian Space Research Organisation (ISRO) Chairman K. Radhakrishnan's intercom. Mission Director V. Kesava Raju had given the thumbs up. The Chairman nodded calmly, went up to Prime Minister Narendra Modi and spoke a few words. A jubilant Mr. Modi hugged him, raised a fist and patted him on the back.

The gesture made it official. At 7.59 a.m., India had accomplished a gigantic feat of putting a spacecraft in orbit around Mars in its first attempt.

Around 150 ISRO engineers at MOX-2 and the neighbouring Mission Analysis Centre (MOX-1), where the media waited, broke into applause. "MOM successfully enters Martian orbit," ISRO flashed on its monitors.

Dr. Radhakrishnan later told The Hindu, "We have done our best. India is great."

The tryst with the Red Planet came 10 months after the ISRO launched its first orbiter to Mars on November 5 last year. But the final critical moment was at 7.17 a.m., when the main Liquid Apogee Motor (LAM) and the eight small thrusters on the orbiter ignited simultaneously and enabled the crucial manoeuvre.

All the engines fired flawlessly for 24 minutes and reduced the spacecraft's velocity by 1.09 km per second; this contained the spacecraft in an orbit around Mars.

Praise for feat

Mr. Modi commended the ISRO scientists on "their incredible" feat. "MOM has met Mars. India has successfully reached Mars. History has been created today. We have reached the unknown and achieved the impossible," he exulted.

"I am living my dream," said MOM Project Director S. Arunan. Mr. Kesavara Raju called it "a great achievement for the country."

The former Soviet Union and the U.S, who began their Mars pursuits in the 1960s, as well as Japan and China, failed in their first attempt to put their spacecraft into Martian orbit. The US Mariner-3 failed in 1964 and the Japanese Nozomi did not make it in 1998. Russia's Phobos-Grunt mission, with a Chinese payload, failed in 2011.

2. Modi's Make in India pitch to extend red carpet for investors

The Pioneer, Thursday, 25 September 2014 | PNS | New Delhi

Prime Minister Narendra Modi will on Thursday roll out a red carpet to industrialists, both domestic and international, inviting them to make India a manufacturing hub that will help boost jobs and growth.

Before he embarks on his high profile US visit slated from September 26-30, Modi will launch the 'Make in India' campaign at a mega event here tomorrow in the presence of leading industrialists and business leaders.

The campaign is aimed at making India a manufacturing hub, and the government is pulling out all the stops for ensuring a smooth sailing for investors, by setting up a dedicated cell to answer queries of business entities within 72 hours. It will also closely monitor all regulatory processes to make them simple and reduce the burden of compliance.

"The Government is committed to chart out a new path, wherein business entities are extended red carpet welcome in a spirit of active cooperation. Invest India will act as the first reference point for guiding foreign investors on all aspects of regulatory and policy issues and to assist them in obtaining regulatory clearances," said an official statement.

Various prominent national and international industry leaders are likely to attend the programme to launch the campaign along with Ministers, senior officials, Ambassadors and opinion leaders.

The Government has identified 25 key sectors in which our country has the potential of becoming a world leader. The Prime Minister will be releasing separate brochures for these sectors along with a general brochure.

The brochures covering sectors like automobiles, chemicals, IT, pharmaceuticals, textiles, ports, aviation, leather, tourism and hospitality, wellness, railways among others will provide details of growth drivers, investment opportunities, sector specific FDI and other policies and related agencies.

Investor facilitation cell will provide assistance to the foreign investors from the time of their arrival in the country to the time of their departure, with focus on green and advanced manufacturing and helping these companies to become an important part of the global value chain. The campaign will be launched at national as well as state level and in Missions abroad. It will target top companies across sectors in identified countries. It also aims to identify select domestic companies having leadership in innovation and new technology for turning them into global champions.

The initiative has its origin in the Prime Minister's Independence Day speech where he gave a clarion call to 'Make in India' and 'Zero Defect; Zero Effect' policy.

A dedicated cell has been created through the web portal (www.Makeinindia.Com) to answer queries from business entities. While an exhaustive set of FAQs on this portal will help the investor find instant answers to their general queries, the back-end support team of the cell would be answering specific queries within 72 hours.

A pro-active approach will be deployed to track visitors for their geographical location, interest and real-time user behaviour. Subsequent visits will be customised for the visitor based on the information collected. Visitors registered on the website or raising queries will be followed up with relevant information and newsletter

3. Science, education focus of pacts with US

Indian Express | New Delhi | Posted: September 25, 2014 2:55 am

Days before Prime Minister Narendra Modi leaves for the United States, the Union Cabinet Wednesday cleared several Memorandums of Understanding (MoUs) India plans to sign with the US.

The Cabinet cleared India's participation in the Thirty Metre Telescope (TMT) Project at Mauna Kea, Hawaii, at a total cost of Rs 1299.8 crore from 2014 to 2023. The TMT will be constructed at a cost of US\$ 1.47 billion (in 2012 base year dollars) by an international consortium comprising institutions from the US, Canada, Japan, India and China.

With its contribution, India will be a 10 per cent partner in the project. This will ensure that Indian scientists can use the state-of-the-art telescope for 25-30 nights per year.

The Cabinet also approved the signing of a Joint Declaration between the India's HRD Ministry and the National Science Foundation (NSF) of the US, to initiate a new programme — Global Initiative of Academic Networks (GIAN) in Higher Education. GIAN aims to tap the talent pool of scientists and entrepreneurs to engage with institutes of higher education in India. This will help augment the country's existing academic resources, accelerate the pace of quality reforms and strengthen India's scientific and technological capabilities.

Further, the Cabinet cleared the signing of a Joint Declaration of Intent between the HRD Ministry and the US Department of State for cooperation in the field of higher education for Study Webs of Active-Learning for Young Aspiring Minds (SWAYAM), a programme for online education. The SWAYAM platform server will be based in India and US universities will be invited to offer postgraduate academic programmes.

The new Indo-US Partnership for Online Education (IUPOE) programme will comprise a mechanism that will enable the top US universities to create and share postgraduate online courses on the Indian SWAYAM platform. The cooperation programme will be integrated to strengthen the National Mission on Education in India.

The Cabinet also cleared the signing of an MoU between India and the US for cooperation in gas hydrates for a period of five years. Exchange of scientific and technical information will help Indian scientists enhance understanding of Indian gas hydrates and keep them abreast with international developments

4. Column: Adopt Kelkar's plan, with caution

Ashu Sagar | The Financial Express: 25.09.2014

Railways to review policy on Group D staff as domestic help Narendra Modi-Xi Jinping meet: China to aggressively target Indian Railway infrastructure projects 'Inch towards Miles' is PM Narendra Modi mantra as Xi Jinping arrives today To speed up work on projects, Railways uses Prime Minister's name

In 2012, the then chairperson of the Prime Minister's Economic Advisory Council, C Rangarajan, tried to address the slowdown in the upstream oil & gas industry, by suggesting that we shift from production-sharing contracts (PSC) to revenue-sharing contracts (RSC). Unfortunately, this did not look at the root cause of the slow down—the challenging Indian geology, inadequacy of data, reluctance of the system to permit a mission mode management, hybridisation of authority, etc. A debate has since been raging on the relative merits of the two systems.

It is refreshing to read the consultation paper (CP) by Vijay Kelkar, searching for a model to maximise oil & gas exploration and production.

The objective and the raw data used by the two can perhaps help us understand the difference. Rangarajan's data assumed that the industry is enthusiastically participating in NELP and his objective was to make the contract work faster. Kelkar, on review of the actual data, perhaps could identify a worrisome decline in the interest of the private sector in Indian upstream. If this continues, it will disrupt the plans to increase participation and production, and impact India's progress towards self-sufficiency.

The CP identifies the unsuitability of RSC model for India's geology. It offers two alternatives: (1) continue with PSC but with cost-recovery on a self-certification basis and shift the review of costs to the revenue authorities, or (2) get the planned "government take" from tax and royalty, and impose a super-normal profit tax.

While both the approaches are superior to RSC model; given the challenging Indian geology, the first alternative is better as it keeps the government's and the contractor's objectives in sync at all times. It is a win-win model and any deviation by either party shall hurt the initiator as much as the other party. The self-certification and revenue authority review method is used for all tax returns. However, this model has to have a built in caveat. Due caution has to be exercised to ensure that all checks by the revenue authorities, in matters of profit, are not misused to participate in any decision-making process or become any sort of performance audit, beyond the due financial audit process. The exploration work involves daily rates that run into millions of dollars per day and tight timelines. It requires many contingency plans and expenses which, in hindsight, may look questionable, just like insurance when no adverse event happens. The convergence of both parties' interests ensures that this is not misused.

Such model shall not only attract more participants in the Indian oil-gas sector and increase exploration and production, but shall also encourage enhanced IOR/EOR activity that ensures that even the last drop of oil is extracted—a crucial goal for India.

The second model in the CP is also superior to RSC. The concerns in this model are focussed on defining super-normal profit as well as the impact of such taxes on the upstream activity.

In the recent years, the oil price has swung from below \$10 a barrel to above \$140 a barrel. Till very recently, a \$12 tag was the norm to assess a prospect. Today, that number is many times higher. Yet, even in the last four years, gas prices have nosedived (at Henry Hub rates) because of the US's shale revolution. Thus, there isn't an easily-fixed band that can be used to define super-normal profit, particularly given the life of contract may easily run to 30-50 years.

The UK, Canada and Algeria introduced such taxes in the last few years, when the oil prices suddenly started climbing. There is little appreciation of the characteristics of the oil ecosystem. Here, the costs of men, materials, equipment, services—all move in tandem with oil prices. So, suddenly oil companies in these countries were not only paying higher taxes, but also found drilling and exploration becoming uneconomic and residual revenue unable to support the same. The exploration activity in these countries nosedived, counter to the trend in other countries.

Today, these countries have withdrawn the super-normal profit tax. In reality, additional revenue forces the oil companies to increase exploration activity for better tax planning—an activity that India badly needs. Therefore, we must look at this issue holistically.

Kelkar's consultation paper suggests an ROCE base for imposing this tax. It seems to have assumed that the companies have exploration operations in India only; they normally have a global portfolio, which is a blessing for India, since a company can balance its total portfolio and take risks here—as long as the reward is commensurate—against a lower risk somewhere else. In addition, companies have a chain of activities, whether in midstream or downstream or services, which may be interconnected. Working out relevant ROCE maybe a Herculean task. This is assuming the company is willing to share its data, which itself is unlikely. Such a process is therefore likely to shrink the bidding universe.

Going beyond the fiscal models, the CP also looks at the bid evaluation criterion (BEC). It recommends a lower weight for the fiscal part and a higher weight for the work programme, which is consistent with India's objectives and has the support of entire industry.

The CP further recommends an increase in the weight of technical competence. Technical competence is a two-edged sword, and we must be clear on what we want and what we can attract. Also, it must be kept in mind that the only significant reservoirs brought on-line in India since the contract regime has been in place are the fields in Rajasthan (by Cairn), KGD6 (by Reliance) and Deen Dayal (by GSPC)—all three firms, at the time of bid, might have failed by the technical competence criterion. Most technology, other than that for ultra-deep water

exploration, is available at a price, as are competent professionals and domain specialists. So, the key requirements for success are project management, risk management, nimbleness and the appetite and deep pockets to remain in a high risk game. The above companies fulfil all the above, either by themselves or with partners. A larger number of players with significantly expansive exploration activity are the crying need of India. Our BEC should try to fulfil the same and we should design the system accordingly, focussing significant weight of this criterion on ultra-deep water only.

The Indian auction (NELP) norms and the evaluation of bids have won global appreciation and established themselves as the most transparent. Whatever the model, the preservation and enhancement of the above characteristics should remain at the core of the process.

Similarly, requiring corporates exploring in India to form a local company or SPV with Sebi supervision needs to be carefully studied, balancing the benefit of additional supervision against the friction introduced to the conduct of business.

Nevertheless, one must admire the out-of-box thinking apparent in the CP, and we hope it triggers a serious review by the authorities planning the next round of auction. The second part of the CP addresses the issues of unconventional, gas pricing and transition mechanisms—these need to be addressed separately.

The author is secretary general, AOGO

in a JV with Coal India/ on the development. Balco the company in 2008. PII critical order.

Millennium Post 25 Sept 2014

World famous economist Bibek Debroy to head Railway Board reform committee

NEW DELHI: With the aim of toning up the railway administration, the Railways have formed a committee of experts headed by economist Bibek Debroy to suggest ways for restructuring the Railway Board. The seven-member body, including the Board Chairman, will suggest ways for separating policy-making and operations at the Board level to put project execution on the fast track.

The committee also includes former Railway Board Member and Financial Commissioner Rajendra Kashyap, former Procter & Gamble CMD Gusharan Das, ex-National Stock Exchange (NSE) MD Ravi Narain, Centre of Policy Research Senior Fellow Partha Mukhopadhyaya, ex-Cabinet Secretary K M Chandrasekhar and a nominee of the Department of Economic Affairs.

Debroy has been variously described as an eminent econ-

omist, an expert commentator on public policy, fearless but sensitive consulting editor, a popular and incisive participant on current affairs both in print and in visual media, and also a scholar par excellence in Sanskrit with a deft command over our scriptures.

Academically highly accomplished, he has been a topper, both in his bachelor's degree from Presidency College Kolkata and in his MA in Economics from Delhi School of Economics. Later he went to Cambridge University on a Research Fellowship. On returning from Cambridge, he taught at Presidency College, Kolkata; Gokhale Institute, Pune; Indian Institute of Foreign Trade (IIFT), New Delhi; International Management Institute (IMI), New Delhi, and is now Research Professor at Center for Policy Research.

In the early Nineties,



In the early 90's, Debroy was the fulcrum of project LARGE which critically examined the legal and legislative framework of India vis-à-vis our growth potential. LARGE brought out several publications and influenced not only our thinking on emerging areas like IPR but also basic issues like simple legislative drafting

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vis-à-vis its growth potential and aspirations. It was a UNDP-assisted project with N R Madhava Menon as head. LARGE brought out several publications and influenced not only our thinking on emerging areas as IPR but also on more basic issues like simple and clear legislative drafting.

Looking for him in any Internet search engine or social media would lead to an incredible number of references. Google spouts about 2,88,000 results. But the most recent contribution by Debroy and equally remarkable and unusually distinguishing feature about him is his work on the Mahabharata.

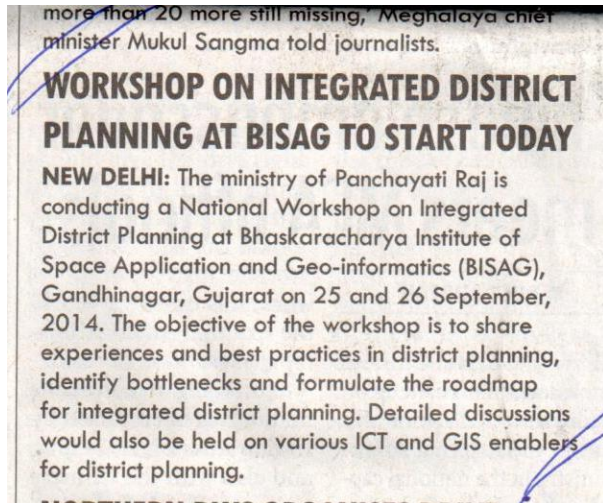
Between the years 1916 and 1966, the Bhandarkar Oriental Research Institute (BORI) in Pune brought out a Critical Edition (in Sanskrit) of the Mahabharata, collating all the manuscripts that existed. This edition is in

Sanskrit and runs into 80,000 shlokas.

Unabridged translations of the Mahabharata in English, as opposed to the vernacular, are rare. What one sees are abridged translations. It is important that the Mahabharata should be read in English in unabridged form, so that the nuances are not missed out. There is also a generation that is unfamiliar with Sanskrit.

There have been attempts to translate the unabridged Mahabharata into English, but they haven't always succeeded. The Clay Sanskrit Library edition has not been completed and is not based on the Critical Edition. The University of Chicago edition, based on the Critical Edition, has also not been completed. P Lal completed a translation, but that was not based on the Critical Edition and was a trans-creation, not a translation.

6. Millennium Post: 25.09.2014



PART B

NEWS AND VIEWS

Thursday, 25th September 2014

Polity

: Congress Won't Bend to NCP, Sees No Gains

Economy

: Focus on 6% CPI-based inflation:
Raghuram Rajan

Planning

: Cabinet nod for Clean India Mission

Editorial

: Yet another committee
is government serious on railways reform?

Communication, IT & Information Division
Phone # 2525

Congress Won't Bend to NCP, Sees No Gains

Sensing defeat, the GOP feels there's no reason to give more seats or accept CM demand of NCP

Our Political Bureau

Mumbai: With defeat staring in its face, Congress does not see any reason to accept NCP's demand for a larger share of seats or to make it an equal partner with a claim on the chief ministerial position. So, after being together for 15 years, the partners are threatening to go their separate ways, as each party terms the other's demands unreasonable.

Congress gave a revised offer of 128 seats to NCP, which has been demanding 144 seats and NCP has promptly rejected it. NCP is also adamant that the party should get the Chief Minister's post in rotation after two and a half years.

Congress believes that the main driver of the demand is NCP chief Sharad Pawar's nephew and Deputy CM Ajit Pawar. He has for long set his eyes on the Chief Minister's post.

There is, however, a unanimous opinion within Congress that the party should not give in to this demand. "First of all, both the parties know that it is pretty difficult for us to come back to power in these elections. So, NCP is making the demand with an eye on the 2019 elections, because once we agree to this demand, it will become a precedent and will remain a permanent agreement for the next assembly polls. Agreeing to this demand is nothing but a political suicide for us. The NCP if given power for two and a half years would finish off our party," said a Congress activist, who did not want to be identified.

Let alone the top functionaries, even the rank and file of the party know that the Congress-NCP alliance has a difficult election, this time around. So, party workers do not want to give in to NCP's demands. "There is no compulsion for us to strike an alliance with NCP because its unlikely we will return to power," said the Congress leader.

That the Congress was not even willing to negotiate on the issue could be seen from what Chief Minister Prithviraj Chavan who is in Karad today said. "If impossible demands are made then the alliance will not happen."

Cong Releases First List of 118 Candidates



MUMBAI: AICC on Wednesday midnight unilaterally

announced candidates for 118 assembly segments, sending a strong signal to NCP. The move is seen as an indication of the Congress preparedness to go it alone if NCP continues to bargain for more seats. Congress' first list of 118 seats is from its quota of 174 seats the party contested in 2009. Sources said if NCP refuses to climb down from its demand by Thursday, Congress could name its candidates for all 288 seats. -PTI



Planning for 2019

NCP is making these demands with an eye on the 2019 polls, because once we agree, it will become a precedent and will remain a permanent agreement for the next assembly polls

CONGRESS SEVAK

Focus on 6% CPI-based inflation: Raghuram Rajan

Central bank in no hurry to reduce policy rates

COGENCIS

Mumbai, September 24

Reserve Bank of India Governor Raghuram Rajan has been insisting in meetings with analysts, researchers and other market participants that focus should not waver from the aim of bringing down the Consumer Price Index-based inflation to 6 per cent by January 2016.

Misinterpreted guidance

"He (Rajan) insisted that the market needs to now look at the 6-per cent mark as we get closer to achieving the intermediary target of curbing CPI below 8 per cent by January 2015. He believes that the market misinterpreted his guidance at the June policy," said an economist who attended the meeting held on Tuesday between the RBI top management, represented by Rajan and Deputy Governor Ur-



Raghuram Rajan, RBI Governor
jit Patel, and economists and analysts.

In the June 3 bi-monthly monetary policy statement, Rajan had said the RBI was committed to keeping the economy on a disinflationary path, and that if the economy stayed on course, no further policy tightening was warranted.

"On the other hand, if disinflation, adjusting for base effects, is faster than currently anticipated, it will provide headroom for an easing of the policy stance," the Governor had said.

The RBI has adopted a glide path for reducing headline retail inflation to 8 per cent by January 2015, and to 6 per cent by January 2016.

At the August policy meet, Rajan tweaked his stance by indicating that the 8 per cent CPI aim was likely to be achieved, and instead focussed on the upside risks to the 6 per cent target, saying that it warranted a "heightened state of policy preparedness" if risks materialise. "The Reserve Bank will act as necessary to ensure sustained disinflation," Rajan had said.

In the ensuing media conference, Rajan was at pains to dispel perception that his August policy stance was more 'hawkish' than the one in June.

Uncertainties persist

Even in recent meetings, he has indicated that although the possibility of more policy tightening is now low, the central bank is unlikely to be in a hurry to reduce policy rates.

Cabinet nod for Clean India Mission

STATESMAN NEWS SERVICE
New Delhi, 24 September

The Union Cabinet today gave its go-ahead to the Prime Minister's pet project "Swachh Bharat Mission for Urban Areas" and restructured the existing Nirmal Bharat Abhiyan into Swachh Bharat Mission.

The Mission, aimed at creating a clean India by 2019 with people's participation, is expected to be allocated Rs 62,009 crore over the next five years out of which Central assistance would be of Rs 14,623 crore. In rural areas, the Cabinet hiked the grant for unit cost of individual household latrine (IHHL) by 20 per cent. The Cabinet meeting chaired by Prime Minister Narendra Modi decided that the Swachh Bharat Mission would be launched on 2 October, the birth anniversary of Mahatma Gandhi, said Union Law Minister Ravi Shankar Prasad, while briefing reporters on the Cabinet deci-

sions. The programme includes elimination of open defecation, conversion of insanitary toilets to pour flush toilets, eradication of manual scavenging, municipal solid waste management, bringing about a behavioural change in people regarding healthy sanitation practices.

Also, generating awareness among citizens about sanitation and its linkages with public health, strengthening of urban local bodies to design, execute and operate systems to fulfil these objectives and creating an enabling environment for private sector participation in capital expenditure and operational expenditure, the Law Minister said.

The scheme will be part of a joint Swachh Bharat Mission to be implemented for rural areas by the Ministry of Drinking Water and Sanitation and for urban areas by the Ministry of Urban Development. A National Advisory and Review Committee shall release funds.

BJP GEARS UP FOR MAJOR CLEANLINESS DRIVE

STATESMAN NEWS SERVICE
New Delhi, 24 September

Keeping pace with the Prime Minister Narendra Modi's vision of clean India, BJP's MPs, MLAs, Municipal Mayors and Councillors in Delhi have been given responsibility to make the mass sanitation campaign a success.

"With an aim to make sanitation campaign a success, party's MPs, MLAs, municipal mayors and councillors have been asked to personally monitor it in their respective areas, mohallas," said a senior BJP leader.

Some BJP leaders led by Delhi BJP chief Satish Upadhyay today apprised Urban Development minister M Venkaiah Naidu of arrangements being made regarding the campaign, which will be initiated from 2 October, in the Capital.

"All the safai karamcharis and inspectors will attend their work on October 2. It is being ensured by the sanitation department that the trucks and trolleys working for the disposal of garbage also provide their services," he added.

Besides, Delhi government yesterday announced that it would take action against people found littering and also impound vehicles parked illegally as part of its 'Swachhha Bhar-

at Abhiyan'. "Strict action will be taken against the people littering the area by the Municipal Magistrate. Also, vehicles which are found parked illegally on roadsides and footpath will be impounded," said a Delhi government official.

North Delhi Mayor Yogender Chandolia today also announced the launch of a special cleanliness drive on the occasion of birth anniversary of Pandit Deendayal Upadhyay from 25 September to 2 October.

He said that the Sanitation Superintendent of the North Delhi Municipal Corporation (NDMC) will take up the responsibility of cleaning of road berm, footpath, streets, dhalao, dustbin, urinal blocks and toilets.

The Assistant Commissioner will be responsible to look after the work related to removal of encroachment from footpaths, illegal posters, banners and unused cars, Chandolia said in a statement.

Superintending Engineer will ensure repair and proper working of street lights, highmast lights and lights of parks.

The Mayor said that repair of community halls and gardening activities will also be taken up during this cleanliness drive.

Director (Horticulture) will be re-

sponsible for cleaning of parks and removal of malba from the parks. He will also monitor that schools are cleaned up.

Director (Hospital Administration) will ensure cleanliness and sanitation in health institutions like maternity hospitals, dispensaries and polyclinics of the corporation, he said.

To observe 'Swachh Bharat Abhiyan' in a true spirit, District administration of East Delhi has exhorted RWAs, MTAs and general public to extend their cooperation to the civic agencies during the special cleanliness drive. While chairing a meeting with RWAs and Merchant and Traders Association of East Delhi, the District Magistrate, Kunal requested that everybody should lead by example and think of the whole area as their own.

The DM also requested the citizen groups to act as vigilantes in civic matters and also the growing threat of eve-teasing and molestation around schools. Assuring them of the Administrations help, he requested that the association should come forward to identify problem areas and inform the concerned agencies. He assured that more regular interactions were proposed to be held with the association so as to ascertain ground realities and explore solutions.

SC cancels 214 of 218 coal blocks

R SEDHURAMAN
LEGAL CORRESPONDENT

NEW DELHI, SEPTEMBER 24

The Supreme Court today quashed all but four of the 218 coal block allocations done since 1993 illegally and arbitrarily. "There is no reason to save them from cancellation" and the fact that some of them were 90-95% ready for mining "is wholly irrelevant," a Bench headed by Chief Justice RM Lodha ruled.

The Centre had pleaded for leaving out 46 coal blocks where mining was already on or about to begin. Their allocation was illegal and arbitrary, as already held on August 25, and therefore "we quash all these allotments," the Bench said.



Cos get 6 months to wind up ops

The cancellations would be effective from March 15, 2015, to enable the Coal India Ltd to adjust to the changed situation and move forward and the affected companies to wind up their operations

The four blocks spared from the cancellation order are: two blocks at Moher and Moher Amroli Extension allocated to Sasan Power Ltd for setting up an Ultra Mega Power Project (UMPP), Tasra block given to the Steel Authority of India Ltd (SAIL) and the Pakri Barwadih block given to the NTPC.

The cancellations would be effective from March 15, 2015, to enable the Coal India Ltd to adjust to the changed situation and move forward and the affected companies to wind up their operations.

Centre's plan to divest 5% in SAIL put on hold on weak share price

■ The government's disinvestment plan hinged upon a share price of ₹88-92

Ankit Doshi & Arup Roychoudhury
Mumbai/New Delhi, Sept 24

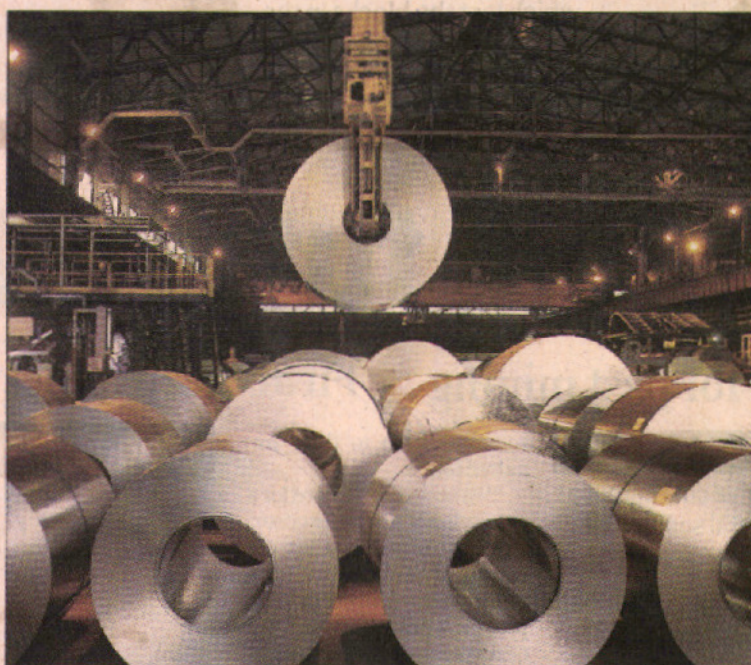
THE Centre's plan to divest 5% stake in Steel Authority of India (SAIL), which was expected to be the first in its ₹58,425-crore disinvestment programme, may be delayed because of the weak share price of the company, government and banking sources told *FE*.

The Centre was planning to raise at least ₹1,800 crore from SAIL's divestment, and the plan hinged upon a share price of ₹88-92.

However, as of Wednesday, shares of the company closed at ₹68.95, more than a 35% drop from the year-high of ₹110.15 in June. The book value of SAIL shares are pegged at ₹104.845 per share as per Bloomberg estimates. There was no confirmation on when the SAIL divestment could take place now.

As reported by *FE* earlier, the bankers and the government were busy preparing to divest SAIL by the last week of September or first week of October. They were also preparing for stake sales in Oil and Natural Gas Corporation (ONGC), Coal India, and National Hydroelectric Power Corporation (NHPC).

The roadshows were already underway, and modality on pricing and timing were being worked out. "Everything is ready. We are in the last week of September and still



nothing has progressed on the disinvestment front," said a person familiar with the development, requesting anonymity. Banking sources also said that the start to the FY15 disinvestment programme was delayed, in part, because of finance minister Arun Jaitley's health concerns.

The stake-sales need to get the final nod from a empowered disinvestment panel comprising Jaitley, transport minister Nitin Gadkari, and the

concerned minister of the company being divested.

While an official in the finance ministry confirmed that SAIL had been delayed because of pricing concerns, Jaitley's health being partly responsible for the delay was dismissed as 'speculation'.

For FY15, the government is targeting a minimum of ₹43,425 crore from stake sale in 11 PSUs, and ₹15,000 crore from the sale of its stake in Hin-

dustan Zinc-Balco for FY15. As reported by *FE* earlier it could outstrip the targets by ₹15,000 crore. The disinvestment department has already got CCEA nods for SAIL, Hindustan Aeronautics (HAL), Rashtriya Ispat Nigam (RINL) and HZL-Balco, Coal India, ONGC, and NHPC.

SAIL was to be followed by the blockbuster stake sales of the public sector behemoths Coal India and ONGC, which on their own could fetch more than ₹41,000 crore. Sources had said the the two issues could happen after Diwali.

They could not confirm if a delay in SAIL would lead to a domino effect for other stake sales.

"We have to be ready. The government will decide when to conduct share sale because is the sole issuer of shares here," said another person, asking not to be named. Coal India has lost close to 16% from its respective highs of ₹423.85 per share in June on the BSE, while ONGC has declined close to 12% from the peak ₹472 over the same time-period.

Industry observers said the Centre will conduct stake sale at regular intervals rather than crowding the market and squeezing out liquidity. There is appetite in the market and issues will receive good participation, but all depends on the quantum of discount the government offers and price it sets, said one person who is part of the disinvestment deal.

RURAL SKILLS SCHEME TO BE RENAMED AFTER BJP ICON

STATESMAN NEWS SERVICE

New Delhi, 24 September

The Modi government will rename an existing skill development programme under the Rural Development Ministry tomorrow, paying tribute to Bharatiya Jana Sangh ideologue and BJP icon Pandit Deendayal Upadhyaya.

"The formal announcement of the Deendayal Upadhyaya Grameen Kaushalya Yojna to cater to skill development for about 3 lakh rural youths annually will be made by Rural Development Minister Nitin Gadkari and Urban Development minister Venkaiah Naidu," an official spokesman told reporters. Tomorrow is also the 98th birth anniversary of Upadhyaya.

"Our ministry has been implementing skills development and placement initiatives since 1999. A new programme Aajeevika Skills was created in September 2013. Our new changed policy will lay emphasis on higher percentage of placement and especially preparing rural youths for jobs abroad and to make the existing training capsule IT-led," the official said.

To start with the new initiative will ensure better job avenues for blue collar job force and skilled workers like nurses, bed time assistants and those in banking correspondence, sources said.

The new training programme will envisage setting up at least 1500 to 2000 training centres across the country and the project would result in an estimated expenditure of Rs 2000 crore and will be run on PPP model, sources said.

Modi to address UN Assembly tomorrow

NEW DELHI, SEPTEMBER 24

Prime Minister Narendra Modi will embark on a five-day visit from tomorrow to the US during which he will have a power-packed schedule of meetings - official, business and public - apart from addressing the UN General Assembly on September 26 and bilateral talks with President Barack Obama.

Expecting a "substantive" outcome, India said, "We see Prime Minister Narendra Modi's first visit to New York and Washington as a signal of India's abiding commitment to multilateralism and of a desire to build on a growing convergences in Indo-US ties in the areas where we can work together and in areas where we can do more for each other."

Modi will hold three bilateral meetings with neighbours - Sri Lankan President Mahinda Rajapaksa, Nepal Prime Minister Sushil Koirala and Bangladesh Prime Minister Sheikh Hasina.



Agreements with US on cards

- Agreement for India's participation in a telescope project at Hawaii
- MoU for cooperation in gas hydrates for a period of five years
- Pact on a new programme, Global Initiative of Academic Networks (GIAN), in higher education and to support IITs

PM's Navratri fast not an issue: White House

PM Narendra Modi observing 'Navratri' fast during his US visit, the White House said, is unlikely to be an issue as they respectfully accommodate the practices of visitors.

na. There are no plans to meet Pakistani counterpart Nawaz Sharif.

The Indian side has also indicated Modi's "dietary preferences" given that the Prime Minister would be observing the nine-day Navratri fast during his trip. Modi will hold talks with over 15 top American corporate honchos, including top executives of Google, Boeing and General Electric, as India looks to attract more overseas investments.

Apart from meeting 11 top corporate honchos over

breakfast on September 29, the Prime Minister will have one-on-one meetings with six more business captains same day in New York.

The series of engagements - estimated to be over 50 - in a little over 100 hours from the time Air India One touches down at the John F Kennedy international airport in New York on September 26 till the wheels are up at the Andrews Air Force Base in Washington on September 30 evening - are all aimed at achieving Modi's goal of a resurgent India. — PTI

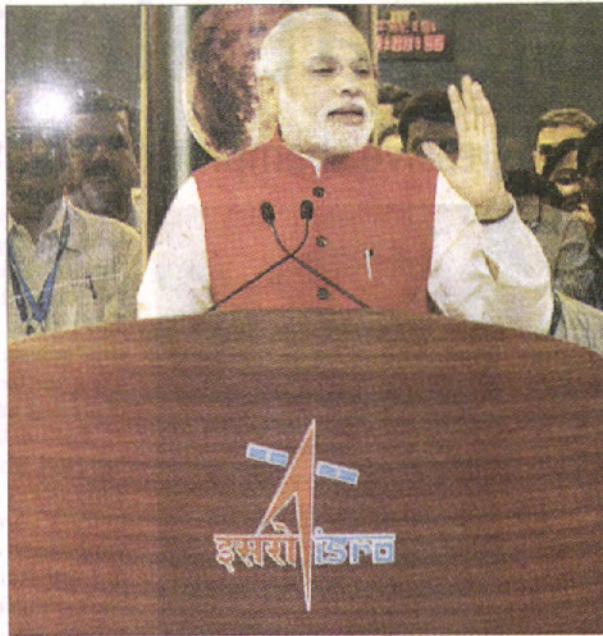
'Beyond boundaries of imagination'

EXPRESS NEWS SERVICE
NEW DELHI, SEPTEMBER 24

IN JUNE this year, minutes after witnessing the successful launch of five foreign satellites on board ISRO's workhorse PSLV rocket, Prime Minister Narendra Modi had said, "Our scientists have shown the world the power of imagination." On Wednesday, when ISRO's Mars Orbiter made the big leap into the orbit of the Red Planet, it fired the imagination of a billion and more, a fact the PM acknowledged in his speech announcing the success of the mission.

Modi, who witnessed the final moments of the spacecraft before it entered Mars's orbit, said, "Travelling a mind-boggling distance of more than 650 million, or 65 crore kilometres, we have gone beyond the boundaries of human enterprise and imagination. We have accurately navigated our spacecraft through a route known to very few."

The odds, the PM said,



PM Narendra Modi speaks after the achievement. PTI

were stacked against the country and its scientists. Of the 51 missions attempted across the world so far, a mere 21 had succeeded. "But we have prevailed," Modi said. The Mars Orbiter, he said, had been built indigenously, in a pan-Indian

effort, stretching from Bangalore to Bhubhaneshwar, and Faridabad to Rajkot. He noted that the spacecraft had been put together in record time with a mere three years of studying its feasibility, which was matter of pride for Indi-

ans. "India is the only country to have succeeded in its very first attempt," Modi stressed, adding that, with today's success, ISRO joins an elite group of only three other agencies worldwide to have successfully reached Mars. India developed its rocket technology in the face of Western sanctions after the 1974 nuclear test. That's what Modi meant when he spoke of the "odds".

"Our journey into space has come a long way from its humble beginnings. It has been a journey of many constraints and resource limitations. I have seen photographs of rocket cones being transported on bicycles. Our first satellite, Aryabhata, was made in industrial sheds in Bangalore," he had said in June, after the PSLV launch.

On Wednesday, Modi said innovation, by its very nature, involves risk. "It's a leap into the dark. Humanity would not have progressed, if we had not taken such leaps into the unknown. And space is indeed the biggest unknown out there."

PM SPEAK

"Our space programme has been an example of achievement which inspires the rest of us to strive for excellence ourselves"

"Let this success drive us to realise a greater vision and conviction. Let us set even more challenging goals and strive even harder to achieve them. Let us push our boundaries and then push them more, push them more"

"When the short form of the mission became MOM, I was sure that MOM would not disappoint. History has been created today. We have dared to reach out into the unknown and have achieved the near impossible."

"ISRO scientists have made it a habit of achieving the impossible. You have developed self-reliance across critical domains often in the face of hostile circumstances. Every generation of scientist has spawned the next home grown lot. This tradition is a specialty of our country"

PM asks cola giants to blend fruit juice with aerated drinks

ENS & PTI
TUMKUR, SEPTEMBER 24

PRIME MINISTER Narendra Modi on Wednesday asked soft drink makers to try and mix aerated drinks with five per cent fruit juice to help distressed farmers find a new market for their produce.

"We drink Pepsi, Coca-Cola and I do not know how many similar beverages are available in the market. The trade runs into billions of rupees. I have asked the companies if they can blend 5 per cent natural fruit juice in the beverages they make," Modi said after inaugurating the country's first integrated food park in Tumkur, 60 km from Bangalore. "I am not asking for much. If five per cent of juice

from fruits produced by our farmers is added, the farmers will not be forced to search for a market to sell. A single decision can ensure billions of rupees of trade," he said.

The PM said that creating scientific infrastructure to sustain agriculture is the key to protect farmers in the country.

"Each year over Rs 40,000 crore worth of crops are destroyed due to improper storage, price instability and poor access to market. Ultimately, the farmer who feeds the entire nation suffers due to his own economic uncertainty," Modi said.

The PM called on the private sector to invest in enhancing production capacity and value addition for agricultural products. The need of the hour

is for public-private participation in the food processing industry, he said.

Modi said farmers and private sector must be encouraged to produce and market chemical-free, organic products that have an international demand. He added that he has already asked the Central government's research bodies to work on the possibility of blending cola drinks, which are widely considered unhealthy, with natural fruit juice.

According to a report by Indian Council for Research on International Economic Relations released last December, the consumption of non-alcoholic beverages is expected to increase by 16.5-19 per cent over the next three years in the country.

HELLO, MARS

have prevailed... Today MOM has met Mangal (Mars). Today Mangal has got MOM. When the short form of the mission became MOM, I was sure that MOM would not disappoint us."

The orbit insertion occurred after a 24.23 minute firing of the main liquid engine onboard the orbiter, between 7.17.32 AM IST (time on board spacecraft) and 7.41.46 AM IST, to impart a velocity of 1,099 metres per second to slow down the spacecraft and synchronise it with the 25.71 kilometres per second velocity of Mars.

The velocity imparted was marginally more than the 1,098 metres per second required by the spacecraft to sit in an orbit measuring 423 km x 80,000 km around the Red Planet, and, according to initial calculations, placed the spacecraft around 427 km away from Mars. "The determination of the orbit that it has been placed in is continuing and the final position will be known only on Thursday," said ISTRAC Deputy Director M Pitchamani.

The Mangalyaan's orbit is much further and larger than the 150 km x 6250 km orbit achieved by NASA's Maven spacecraft, which was inserted 48 hours prior to the arrival of ISRO's MOM spacecraft.

There were loud cheers at the main mission control facility monitoring the spacecraft

when data was received at 7.30 AM IST (after a 12.5 minute delay on account of the 224 million km radio communication distance) that the liquid engine on the spacecraft had started on the dot at 7.17 AM IST, indicating that the orbit insertion was going as per the pre-determined schedule.

The loudest cheers came at 8.09 AM IST, when data transmitted from Mangalyaan reported that the liquid engine had imparted the requisite power to the spacecraft.

During the orbit insertion exercise on Wednesday, there was a 20 minute period of darkness when communication with the spacecraft was shut down due to the orbiter being eclipsed by Mars. The spacecraft functioned on internal battery mode until the end of the eclipse at around 7.37 AM, when solar charging of the batteries resumed and on-board communication was switched on.

The biggest concern in the exercise was whether the autonomous spacecraft would execute the commands loaded 10 days ago from Earth and whether the engine would fire on cue.

"We have been loading commands to the spacecraft for the last 10 months that it has been on its 666 million km journey to Mars. Still it was a great sense of achievement when the sequences activated. Communicating over such a

large distance is new to us," said Pitchamani.

"When we received data for four minutes of engine firing at 7.30 AM — before the communication shutdown began — we saw that the engine had provided a velocity of 177 metres per second. This was the number we wanted and it gave a huge reassurance," said ISTRAC scientist Pamadeo Mishra.

"The liquid engine on the spacecraft has marginally over performed, but in an overall sense the Mars insertion went to plan and the spacecraft retains a small amount of fuel for small corrections using eight small thrusters that worked in conjunction with the main engine," said Dr K Sivan, the director of the Liquid Propulsion Systems Centre. "Waking up an engine that has been sleeping for 300 days and getting an optimum performance from it was the big challenge. We have achieved that," he said.

The Indian Mars mission was launched on November 5, 2013 on board ISRO's workhorse rocket the PSLV. After six Earth-bound orbit raising maneuvers, the spacecraft was inserted into a transfer orbit to Mars on December 1, where the spacecraft cruised through deep space using the heliocentric force for propulsion instead of the main liquid engine that was put in cold storage for operations to be carried out today.

Indo-US civil nuclear deal hits Japanese roadblock

■ Lack of N-pact with Tokyo disrupting component supply

Huma Siddiqui

New Delhi, Sept 24: The Indo-US civil nuclear deal has met with yet another roadblock putting a spanner in India's plan for rapid growth of nuclear power projects to meet the rising energy deficit in the country.

After getting delayed over India's nuclear liability legislation that put onus of equipment suppliers to bear the damages on account of an accident, operationalisation of the deal is still far away because of the problems over the supply of reactors by US and French companies that use Japanese components.

The reactors used by the US-based Westinghouse, GE and French Avera, which are to supply and install equipment for India to put up nuclear power plants, use crucial components such as reactor vessels supplied by Japanese companies.

Unfortunately, there is no nuclear agreement between New Delhi and Tokyo and the two US companies — General Electric and Westinghouse Electric Company — that bagged contracts to set up nuclear plants in Gujarat and Madhya Pradesh are either partly or wholly-owned by Japanese companies.

Japan's Hitachi had bought a 40 % stake in GE's international joint venture in 2006, while Toshiba fully acquired the Westinghouse Electric Company the same year.

Japan's Mitsubishi Nuclear Fuel Company acquired a 30% stake in

PM Narendra Modi during his visit to the US later this week is expected to take up this issue so that the deal, signed way back in 2008, is operationalised

French firm Avera in 2008. It is Avera that has bagged the contract to set up a nuclear power plant in Jaitapur, Maharashtra.

India plans to buy six of the Westinghouse-manufactured AP-1000 nuclear reactors in a deal worth about \$14 billion for its nuclear power project at Chayya-Mithivirdi in Gujarat, one of the two sites set aside for American firms under the nuclear deal.

Prime Minister Narendra Modi during his visit to the US later this week is expected to take up this issue so that the deal, signed way back in 2008, is operationalised.

Addressing the liability issue still remains "the biggest and most pressing issue on trying to advance the civil nuclear cooperation", according to Nisha Desai Biswal, assistant secretary for South and Central Asian Affairs.

Biswal has played down expectations of quick progress on bilateral issues, not least when it comes to opening up India's civilian nuclear sector to US firms, which is hindered by their concerns about In-

dia's liability laws.

The Nuclear Power Corporation of India (NPCIL) and the Westinghouse Electric Company signed a preliminary commercial contract last year, to facilitate progress toward licensing the AP-1000 nuclear reactor technology in India.

For the Mithivirdi power plant, Westinghouse has to submit a techno-commercial offer by December 2014, which will have to meet India's projections for unit energy cost by 2020-2021.

According to WPS Sidhu at the Brookings Institute, "US reservations about India's Civil Liability for Nuclear Damage (CLND) Act of 2010, in terms of commercial and legal implications on liability of the supplier, are well articulated. However, India's serious concerns about the lack of implementation of key elements of the deal by the US are less well appreciated. They include Washington's delay in according Code of Federal Regulations Part 810 and other clearances for the nuclear power project at Mithivirdi, the insistence on end-use verification visits to Indian entities, and the perceived backsliding on issues related to administrative arrangements."

In addition, he says, "The inability of the US to convince the Nuclear Suppliers Group (NSG) to lift the enrichment and reprocessing technologies transfer ban was also viewed with concern in New Delhi."

Telecom Dept's Likely Spanner May Delay Airtel-Loop Deal

It may send notices to Loop customers to port out before telco's permit for Mumbai expires in Nov

Anandita Mankotia
@timesgroup.com

New Delhi: The Department of Telecommunications (DoT) could soon start sending out notices to Loop Mobile's customers to switch to another operator before the company's permit for Mumbai expires in November, a move which could throw a spanner in the works of Bharti Airtel's ₹700-crore deal to acquire the company.

Under the proposed deal, for which a definitive agreement was signed on June 23, Bharti Airtel is to take over Loop's nearly three million subscribers and 25,000 cell sites through what is called a slump sale — without assigning values to individual assets.

The transaction, if and when cleared by the DoT, will expand the subscriber base of Bharti Airtel, India's leading telecom operator, to seven million in the Mumbai circle and make it the biggest operator in India's financial capital as well. Although the two parties have not given out any financial details, industry observers have put the figure at ₹700 crore. Loop has said it will use part of the amount to pay its creditors.

The DoT's likely move could, however, throw the financial calculations haywire. In an internal note reviewed by the paper, the DoT has proposed that Loop Mobile and the Telecom Enforcement, Resource and Monitoring (TERM) cell of the DoT should start notifying Loop's current subscribers that their network operator will cease to exist once the permit expires in No-



vember and they need to port out.

The development comes at a time when Bharti Airtel, according to media reports, has already started making calls to Loop's subscribers asking them to gather the requisite forms which are needed for porting out.

Loop Mobile, which is owned by the Khaitan family, did not buy its airwaves back from the auctions in February, which implied that it would shut shop once its 20-year permit to use the frequency expired. Bharti Airtel declined to comment while Loop officials could not be reached for comment. The Telecom Regulatory Authority of India (Trai) was the first to raise an objection — as early as late June — over the slump sale of subscribers to another telecom operator. The telecom regulator had written to the DoT, saying the deal implied that subscribers would be ported out involuntarily, which was against the spirit of the MNP (mobile number portability) rules offering voluntary porting. It had also said the government would lose fees that each of the mobile phone operators would have to pay while processing porting requests. For transferring a

number to another carrier under the MNP rule, the subscriber needs to pay a fee of ₹19 and 1% of that goes to the government. Following Trai's objections, as reported by ET earlier this week, the DoT came to the view that since Loop's telecom permit for the Mumbai service area expires in November, it will not have any right over the subscribers and so it was not technically sound for Loop to transfer these subscribers to another operator. A DoT official also backed Trai's contention that the deal would result in a loss to the government exchequer.

The legal advisor to the DoT had cleared the deal, however, saying that there was no problem if a slump sale was not explicitly prohibited in the auction rules. The DoT may fail to accept the regulator's recommendation of alerting the customers four months in advance as the permit stands to expire in just two months from now. "There is prohibition in porting of number by the customer from one operator to another operator until and unless 90 days are expired from the earlier porting, hence such advisory needs to be issued before 90 days," the DoT noted.

Modi will urge Obama to be sensitive to India's food security concerns

Food security issue is high on PM's agenda during US trip

AMITI SEN

New Delhi, September 24

Prime Minister Narendra Modi will urge US President Barack Obama to be sensitive to India's food security concerns and not block a 'permanent solution' at the World Trade Organisation (WTO) that would allow the country to continue with its procurement programmes without attracting sanctions.

Modi was briefed on the latest developments at the WTO by senior officials of the Commerce Ministry on Monday to prepare him for his interaction with the US President on the crucial issue.

"India's food security concern is high on the PM's agenda. He hopes to convince the US President of the country's need to implement its food security legislation without the fear of breaching caps," a Commerce Ministry official told *BusinessLine*.

Modi is scheduled to meet



US President Barack Obama

Obama for an official bilateral meeting in Washington DC on September 29.

Trade facilitation

India and the US (backed by many developed countries and some developing countries) are locked in a battle at the WTO over the implementation of a trade facilitation pact for upgrading border infrastructure and streamlining customs procedures, which New Delhi has refused to support till its food security concerns are sorted out.

As the present rules of the WTO classify India's MSP (minimum support price) pro-



Prime Minister Narendra Modi

gramme for foodgrain procurement as trade distorting, it is subject to a cap of 10 per cent of total agriculture production.

India wants the rules to be changed as it could breach the ceiling for rice in the next few years once its food support programme is fully implemented and attract economic sanctions from other member countries.

"The PM will point out to Obama that India's total farm subsidies were just \$12 billion annually compared to \$100 billion given by the US.

"Since the subsidies are mostly to support poor farmers and guarantee food to the poor, these shouldn't be targeted,"

'The PM will point out to Obama that India's total farm subsidies were just \$12 billion annually compared to \$100 billion given by the US.'

the official said. Modi will assure Obama that India had no problems with the provisions of the trade facilitation pact supported by the US and would give it the go-ahead as soon as its concerns on food security were met.

The US is angry with India for not supporting a trade facilitation pact by July 31 this year, as it had promised to do so at a meeting of trade ministers of WTO member countries in Bali last December.

Although in Bali, India had settled for an interim solution promising no action against the country for breaching food subsidy limits till a permanent solution was found by 2017, it later changed its position and asked for an immediate solution as it felt that the conditions attached to the interim solution were too rigid.

At WTO, more countries push India to sign trade facilitation pact

18 members object to India linking trade facilitation with food security

AMITI SEN

New Delhi, September 24

India is under attack at the World Trade Organisation (WTO) for delaying its support to a pact on trade facilitation with 18 members objecting to its stance in a meeting in Geneva on Tuesday, and some even demanding that the agreement be signed within the next few days.

New Delhi, however, was unwilling to relent and reiterated that adoption of the trade facilitation text should be postponed until the end of the year till when a permanent solution on public stockholding should also be agreed.

"As many as 18 members including Japan, the US, Paraguay, the EU, Norway, New Zealand, Thailand, Pakistan, Mexico and



Food first India does not want to commit itself to the trade facilitation pact at WTO till a permanent solution to the food subsidy issue is found. AP

Peru objected to the trade facilitation text being held up despite an agreement in Bali to adopt it by July 31 this year," a person who attended the informal meeting of the WTO's agriculture committee told *BusinessLine*.

Although, India agreed to support a protocol on trade facilitation—an agreement to smoothen

movement of goods across borders by improving customs infrastructure and procedures—by July 31, 2014 in Bali last December, it had second thoughts as it felt that the deal was unbalanced.

The BJP-led Government, which came to power earlier this year, felt that it will not be able to use the interim relief granted in Bali

against retaliatory action in case the country breached agriculture subsidy limits, as there were too many conditions attached to it.

It, therefore, pressed for a permanent solution to its food procurement subsidy problem simultaneously with the trade facilitation pact, and said it would not wait till 2017, as decided in Bali.

"While India's food procurement subsidies do not breach the cap of 10 per cent of agriculture production for any category of foodgrains at the moment, if a permanent solution is not in place soon there is a risk that the country may breach it in rice within a few years," a Government official said.

New Delhi wants WTO to consider all subsidies given for procuring food from the poor as non-trade distorting subsidies not subjected to caps. Alternatively, it could make the reference price for calculating such subsidies more realistic by pegging it to recent years.

Modi pilots live radio show to reach the masses

REUTERS

New Delhi, 24 September

Twitter-savvy Prime Minister Narendra Modi is turning to the country's oldest radio station to make his voice heard even in the farthest Himalayan villages and most distant deserts.

On October 3, Modi will go live on public service All India Radio (AIR) from New Delhi for about 50 minutes, in a pilot of a show he hopes will become a weekly opportunity to reach up to two-thirds of India's 1.2 billion people.

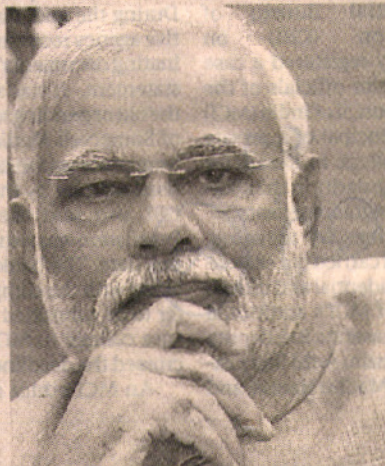
The maiden radio broadcast, announced on the website *mygov.in*, will be quickly translated into 24 Indian languages and 16 foreign ones.

"We are still working on how to get everything arranged," said an official at the radio station known for news broadcasts delivered in a cut-glass English accent.

"None of the prime ministers in the last three decades have used our services in this manner."

Though eclipsed in recent years by satellite television, radio is still the main source of news and information for many Indians, particularly in rural areas.

Modi has assiduously used Facebook



PM Narendra Modi is turning to All India Radio to make his voice heard even in the farthest Himalayan villages

and Twitter, where he has about 6.4 million followers, to bypass the news media and communicate his thoughts, spurring editors to complain about a lack of two-way communication and debate.

Since taking office in May, the 64-year-old leader has cut back on access for India's lively commercial news media, and stepped up the role of state television

broadcaster Doordarshan in getting his message heard.

Indira Gandhi, prime minister for four terms spanning the late sixties until her assassination in 1984, was the last leader to have regularly used AIR to talk to the nation.

Many Indians say Modi is the first prime minister since Gandhi to use charisma and communication skills to carve out a more personalised leadership role.

Officials at the information and broadcast ministry said Modi was keen to turn the radio address into an interactive session soon and would like to take questions from citizens.

Modi made an interactive broadcast on Teachers' Day this month viewed in schools nationwide.

Hundreds of AIR employees across India will monitor Modi's first address to avoid glitches in the live broadcast, variously dubbed *Ghar ghar mein Modi* (Modi in every home) or *PM jan jan ke saath* ('The prime minister is with everyone').

Modi's clear diction in Hindi would make him ideal for radio, said one AIR journalist who asked not to be identified.

AIR is the only radio station India permits to broadcast news.

Decision on gas price rise deferred till November 15

BS REPORTER

New Delhi, 24 September

Domestic gas producers will have to wait for 45 days more to get some clarity on the new gas price, with the government saying on Wednesday that it had deferred the much-awaited decision on new pricing guidelines till November 15. Since it assumed power in May this year, this is the second time the National Democratic Alliance government has postponed its decision on the crucial issue.

"The decision has been extended till November 15. It is part of the decision-making process," telecom and law minister Ravi Shankar Prasad told reporters after a Cabinet meeting. When asked the reason for the deferment, Prasad said: "I am surprised we are focusing on this when so many other important decisions have been taken today (Wednesday)."

With Wednesday's announcement, the government has missed its own deadline of deciding on new gas prices by September-end. The delay sought by the government could be due to the coming Assembly elections in Maharashtra and Haryana on October 15, and a lack of agreement between the power, fertiliser and petroleum ministries over the quantum of the gas price hike, sources said.

The deferment dashed the hopes of private-sector player Reliance Industries (RIL),



The delay sought by the govt could be due to the upcoming Assembly elections in Maharashtra and Haryana on October 15

OTHER DECISIONS

- **Power link with Nepal:** To help transmitting surplus power to India; Nepal imports 200 Mw from India but a recent GMR Power pact for a 900-Mw hydel project there might change that
- **Swachh Bharat Programme:** ₹62,009-crore scheme to eliminate open defecation and manual scavenging to be implemented over five years from October 2 in all 4,041 statutory towns
- **Clean Ganga Fund:** Domestic donors will be eligible for tax benefits; fund to be managed by a trust headed by finance minister
- **Withdrawal of Higher Education & Research Bill, 2011:** Controversial legislation sought to create an overarching body subsuming University Grants Commission, All India Council for Technical Education and National Council for Teacher Education; Bill was introduced in Rajya Sabha in 2011

which has even gone for arbitration on the issue. Besides RIL, the other beneficiaries of an increase in gas price would be Cairn India, Oil and Natural Gas Corporation and Oil India.

The previous United

Progressive Alliance government had in January 2013 notified the new gas pricing guidelines based on a pricing formula suggested by a panel headed by C Rangarajan, former chairman of the Prime

Minister's Economic Advisory Council. Under this formula, the rates would have doubled to \$8.4 per million British thermal units.

The new price was to come into effect beginning April. However, general elections were announced and the Election Commission asked the government to delay the pricing decision till the completion of polls. The new government led by the Bharatiya Janata Party had on June 25 deferred the decision for a further three months, seeking the need for stakeholders' consultation.

Oil minister Dharmendra Pradhan later told Parliament the new gas price would be announced by the end of September. The government had set up a four-member committee comprising the secretaries of power and fertiliser ministries, expenditure department's secretary, and the additional secretary in the oil ministry. The panel submitted its recommendation last week.

Experts criticised the delay in announcement of gas prices. "It is shocking such an important economic matter is being treated so lightly," former ONGC chairman R S Sharma told a news channel.

Analysts estimate every dollar increase in gas price will push urea production cost by ₹1,370 a tonne, power rates by 45 paise a unit, compressed natural gas prices by ₹2.81 a kg and piped natural gas prices by ₹1.89 per standard cubic metre.

Business Standard

Editorial

Yet another committee

Is government serious on railways reform?

It is unfortunate that over three months after the presentation of the railway Budget, which expressed the need to restructure the railway board, a committee has been set up to suggest how the board and the ministry can be reorganised. The committee might take some more months to come up with fresh ideas, and thereafter the government will surely take a few more months to examine and pronounce on the recommendations. Assuming something of substance is accepted, it may be a year, if not more, for action to be taken on the recommendations. Thus, a lot of time will have gone before any concrete results can be expected.

One task for the committee is to estimate the railways' financial needs and suggest ways of raising resources. Now, the financial needs – investments that need to be made – have already been calculated many times. What is needed is to change the way the organisation is managed. Once investors see commercial viability clearly ahead, there will be no dearth of resources. The minister has himself in his Budget speech quoted an unnamed person saying that it is unheard of for a monopoly with a billion customers and 100 per cent sale on advance payments to be starved of funds. The solution is crystal clear – set the management right and resources will follow. The question of staffing should also be examined, including lateral induction from the private sector. Experts from airlines could fix fares for reserved seats dynamically, minute by minute; Information technology experts could ensure railways no longer take days to trace individual wagons when entire bus fleets are being tracked minute by minute. Sadly, there is no mention of suggesting steps for ending "departmentalism", the bane of the railways, by merging cadres and forming a single railway service.

What is inexplicable is why the government needs yet another committee to say what needs doing. There is a formidable array of reports prepared by teams headed by well-known names and institutions, such as Prakash Tandon, McKinsey and Company, Rakesh Mohan, Anil Kakodkar and Sam Pitroda (not to speak of the railways' own status and vision reports), from 1994 till 2012, all of which have already addressed these questions and come to broadly similar conclusions. The latest decision creates the feeling that the government has taken recourse to a time-tested device – when in doubt or unable to act, appoint a committee.

This inability to decide is apparent from the terms of reference of the committee. One of those is to "examine and suggest modalities" for setting up the Rail Tariff Authority, which has already received Cabinet approval. The only key issue that remains is whether the recommendations of the tariff authority will be advisory or mandatory. The railways establishment, made up of senior officials and the political executive of the day, has expectedly opposed any arrangement where it does not have the last word on tariffs. The government has to take a call on this – whether to continue with business as usual or take tariff fixing, a commercial decision, out of the uncertainties of the political exigencies of the day. It is meaningless to seek "recommendations" on this from yet another committee, since the issue is both simple and well understood already.