



योजना आयोग Planning Commission GOVERNMENT OF INDIA

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Communication, IT & Information Division
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NEWS AND VIEWS

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"No matter how carefully you plan your goals, they will never be more than pipe dreams unless you pursue them with gusto"

W. Clement stone

Polity

- **Shah's Mumbai schedule leaves out Sena:** Eyebrows are being raised about the fact that BJP President Amit Shah's proposed visit to Mumbai does not include in its schedule a meeting with leaders of the Shiv Sena, the party's alliance partner in Maharashtra. This will be Mr. Shah's first visit to the city after taking over as BJP president. Ostensibly, he is going for 'Ganapati darshan' during the Ganesh Chaturthi festival, but talks on seat sharing with smaller alliance partners for the upcoming Assembly polls is definitely on the cards. There is discomfort on the seat-sharing issue between the Shiv Sena and the BJP, as there are five alliance partners in the 'Mahayuti' or grand alliance with whom the BJP has to share seats. Having won 23 of the 48 seats in the Lok Sabha elections in the State, the party is in an upbeat mood. The Shiv Sena had won 18 seats. The BJP-Shiv Sena alliance added four smaller parties to the partnership including Ramdas Athawale-led Republican Party of India (RPI-A), the Raju Shetty's Swabhimani Shetkari Sanghatana (SSS), Mahadev Jankar's Rashtriya Samaj Paksha and Vinayak Mete's Shiv Sangram. All these parties have a sizeable presence in various communities. The traditional seat-sharing formula of 117 and 171 between the BJP and the Shiv Sena respectively in a house of 288 members will come under stress as all the smaller alliance partners are seeking a large share of the seats. (The Hindu).

Economy

- **India a cheap emerging market relative to earnings growth:** India has one of the lowest valuations relative to its growth — the third-smallest among 13 emerging markets. With both its price-earnings multiple and growth in the mid-teens, its PEG (price-earnings to growth) ratio of 1 is higher than only Taiwan (0.9) and Korea (0.7). Those more expensive than it include Brazil (1.3), Singapore (1.9) and Malaysia (2.6). The analysis is based on data compiled by JPMorgan. "...India valuations remain meaningfully expensive as compared to peer group in EM (emerging markets), particularly in the BRICS group, in relative terms... But the premium could be justified against the backdrop of higher earnings growthforecast," said its August 27 India Equity Strategy report note, authored by Bharat Iyer, Bijay Kumar and Adrian Mowat. Companies in India's benchmark indices are estimated to have earnings growth of 10-11 per cent for the current financial year, according to Bloomberg estimates. This is expected to be in excess of 19 per cent for the next financial year. Companies are likely to show a more robust set of numbers in the days ahead, market experts agree. Rakesh Arora, managing director & head of research at Macquarie Capital Securities, said India could not be described as overvalued. "Indian valuations are not rich compared to other emerging markets, except maybe China. However, any increased allocations to China have historically resulted in greater flows to India as well, on account of more money being invested in emerging market funds," he said. (Business Standard).

Planning

- **Commerce ministry plans smartphone apps for exporters and importers:** In sync with the government's drive to harness technology, the commerce ministry is planning to come up with mobile apps for exporters and importers. While the "FTP App" will help traders to go through the voluminous book on India's foreign trade policy on their smartphones or notebooks, "EXIM (export-import) App" would help them in filling different documents such as shipping bills and other paperwork, a senior official in the commerce ministry said. "Initial discussions are on with different departments, including revenue, for the purpose. The apps would be developed by private players," the official said, adding that these apps will help exporters in reducing transactions cost as they can do a lot of paperwork on their smartphones and notebooks. This will form part of a series of steps which the government is taking to improve India's ranking in ease of doing business index. The government had recently announced an umbrella programme 'Digital India' comprising various projects worth about R1 lakh crore to transform the country into a digitally empowered knowledge economy. The programme includes projects that aim to ensure that government services are available to citizens electronically and people get benefit of the latest information and communication technology. (The Financial Express)

Editorial

- **Tokyo tango:** Given Japan's history, a nuclear deal with India was always a stretch, despite Narendra Modi and Shinzo Abe's special rapport and Modi showing a face he rarely does in public—from playing a Japanese flute to jamming with a Japanese drummer at a TCS function. Modi did well to try and lay the foundation of a new era in India-Japan ties, citing not just the close civilisational ties, but also playing on the China-Japan dispute theme—this reinforced the theme that India was a safe investment zone for Japan—and acknowledging Japan's leadership role in India's infrastructure push. Not only is Modi's diamond quadrilateral modelled upon Japan's metro, from the Dedicated Freight Corridor to the Delhi metro—with Bangalore and Chennai also thrown in—and many others, the Japanese government has helped with generous aid. That is why Abe had no hesitation in committing another \$34 billion towards India's infrastructure over the next 5 years. Getting a commitment, and using the money, of course, are two different things. Barring FY12, when the funds disbursed surpassed the R8,303-crore Japanese commitment by a bit, India has made poor use of Japanese loans. While only 31% of the R23,180 crore that was committed could be taken in FY13, this figure was a mere 18% of the R6,812 crore assured till June in FY14. And even during the good years, FY09-FY11, the best that could be achieved was 61%. (The Financial Express)

Parliamentary standing committees reconstituted

BS REPORTER

New Delhi, 2 September

Senior Congress members will chair five parliamentary standing committees, finance, external affairs, home, science and technology and law and justice, while Trinamool Congress (TMC) MPs will head panels on transport and railways. The parties such as Janata Dal (United), Bahujan Samaj Party (BSP) and All-India Anna Dravida Munnetra Kazhagam

(AIADMK) get to head one committee each.

The Narendra Modi government was not keen on giving the leader of opposition post to the Congress, though it had maintained that the party would get to head some key parliamentary committees.

Veerappa Moily, Shashi Tharoor and P Bhattacharya will now chair the committees on finance, external affairs and home, respectively. While the science and technology panel

will be headed by Ashwani Kumar, committee on law and justice will have E M Sudarsana Natchiappan as its chairman.

Interestingly, former Prime Minister Manmohan Singh is a member of the committee headed by his Cabinet colleague Moily.

Former Union minister K V Thomas has already been appointed chairman of the Public Accounts Committee. The Congress was keen on the panel on human resource

development, but Bharatiya Janata Party (BJP) leader J P Nadda will head it now.

TMC's K D Singh will chair the transport panel, former Railway minister Dinesh Trivedi will head the committee on railways, Biju Janata Dal's Pinaki Mishra the urban development, AIADMK's P Venugopal rural development, Satish Chandra Mishra of BSP will chair the committee on health and K C Tyagi of JD(U) commerce and industry.

Japan trip very successful, says Prime Minister Modi

BS REPORTER & AGENCIES

New Delhi & Tokyo, 2 September

A day before concluding his Japan visit, Prime Minister Narendra Modi said it had been "very successful". He expressed contentment over obtaining \$35-billion of investment promises for India's infrastructure sector over five years.

At a reception organised by the Indian community in Japan, addressing the audience in Hindi wearing a bandhgala, he said: "Yeh Fevicol se bhi zyada mazboot jod hai (This bond is stronger than that of Fevicol glue)."

"There has been talk about billions and millions. But there has never been talk of trillions," he said, referring to the 3.5 trillion yen (\$35 billion or ₹210,000 crore) promised by Japan to India through public and private funding over the five years for various works, including building of smart cities and a cleaning of the Ganga.

"This is a big achievement. My biggest happiness is that Japan trusted us," he said at his final official programme, after a day of events and meetings.

In the same context of trust, he referred to Japan's decision



Prime Minister Narendra Modi meets 99-year-old Saichiro Misumi, one of the associates of Netaji Subhash Chandra Bose, in Tokyo on Tuesday

PHOTO: PTI

on Monday to lift a ban on six Indian entities, including Hindustan Aeronautics, imposed in the wake of the 1998 nuclear tests conducted by a previous government headed by his party.

Earlier in the day, Modi tried his hands at drums while inaugurating the TCS Cultural Centre in Tokyo. He joined the ceremo-

nial Japanese drummers in a *jugalbandi*.

Modi invited the Japanese people to visit and explore India and spread the word about their experience. "Don't confine yourself to hotels. Go out and spend and become our ambassadors," he told the gathering.

Pitching for upgradation of knowledge skills, he said: "In the

21st century, those having knowledge will be more powerful than those having weapons."

Before embarking on the trip, the PM had said it "underlines the high priority that Japan receives in our foreign and economic policies". During the visit, Modi visited Kyoto and Tokyo, and held talks with Prime Minister Shinzo Abe.

Date 03/09/2014

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After Japan, Modi to invite investments from US

DIPP floats Cabinet note on a bilateral mechanism to facilitate infra investments

AMITISEN

New Delhi, September 2

After wooing Japanese investments, Prime Minister Narendra Modi is all set to attract more funds from the US for infrastructure development.

The Department of Industrial Policy & Promotion (DIPP), on Monday, floated a Cabinet note on setting up a joint mechanism with the US for smooth flow of funds into the country's infrastructure sector with an estimated investment deficit of \$1 trillion.

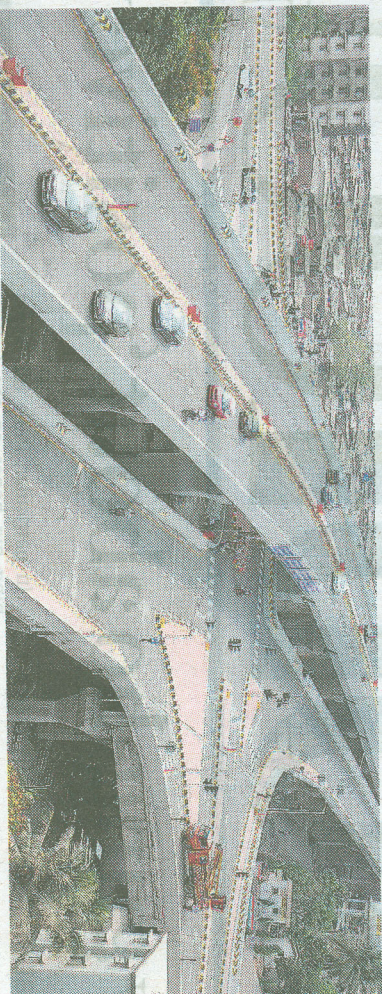
"As per the proposal, Government officials from India would help in identifying infrastructure projects that need funding while officials from the US would

shortlist American companies that are interested in investing their money," a DIPP official said. Smart cities and the Delhi

Mumbai Industrial Corridor are among the areas of possible cooperation proposed by the US during US Commerce Secretary Penny Pritzker visit in the last week of July.

The US, which is India's second largest trading partner after China, has already given a green signal to the final note prepared by the DIPP. Once the Cabinet note on the proposed Memorandum of Understanding (MoU) passes muster with other Ministries and is approved by the Cabinet, it will be ready to be signed.

The formalisation of the MoU



Infra push A view of the Santa Cruz-Chembur link road that connects the eastern and western suburbs of Mumbai. India is in dire need of investments in the infrastructure sector. VIVEK BENDRE

is likely to take place during Modi's visit to the US later this month and show-cased as one of the top achievements of the visit, the official added.

It was Pritzker who gave the initial draft MoU on US-India In-

frasturcture Initiative to Indian officials to work on.

US firms keen

"American companies are eager to invest in India but get intimidated by the processes and proce-

dures involved. The bilateral platform will help the companies to sort out all issues including acquiring land and getting clearances," the official said.

Pritzker also discussed cluster-related initiatives, identification

of projects and details of a forthcoming bilateral investment summit in her meeting with Commerce and Industry Minister Nirmala Sitharaman.

India has a wide array of projects for investors to choose from. Investments can be made in the ambitious road sector projects carried out by the National Highways Development Programme, the industrial corridors being developed by the DIPP, railway projects, where foreign investment rules have recently been liberalised, and power sector projects.

The BJP Government announced an investment of ₹7,060 crore in this year's Budget for development of 100 smart cities in the country with upgraded infrastructure and services as satellite towns of larger cities and by modernising existing mid-sized cities.

Environment Ministry is no longer a 'speed-breaker', says Javadekar

OUR BUREAU
New Delhi, September 2

In 100 days, the Modi Government has changed the perception of the Environment Ministry being a 'speed-breaker' and a 'no-go' in the path of development, said Prakash Javadekar, Environment and Forests Minister, at a press conference here on Tuesday.

Listing out initiatives taken by his Ministry, Javadekar said after the Government had operationalised the system of online submission of forms for clearances in July, 219 forms had been received for environment and 40-50 for forest clearances. However, when asked how many projects had been cleared by his Ministry since July, the Minis-



For development Prakash Javadekar, Minister of State Environment, Forests and Climate Change, addressing a press conference in New Delhi on Tuesday. RAMESH SHARMA

ter said he did not have the approximate number on hand.

He said the Ministry was working on single-window

clearance of projects, adding that at present, there was transparency and no discrimination (in project clearance),

as "we do not even know who owns a project".

Javadekar said the Ministry had also decentralised the process of granting permission for linear projects, such as irrigation canals and pipelines. He allayed apprehensions of 'reckless' forest clearances, saying that a regional empowered committee was being constituted at each regional office of the Ministry, which would be a "balanced team."

Among the other initiatives, he said the process of devolution of ₹30,000 crore to States for afforestation has been envisaged. A comprehensive scheme will soon be submitted to the Supreme Court, he added.

Govt to reverse brain drain, bring back NRI scientists

Science & technology ministry is in talks with scientists

SANJEEB MUKHERJEE & SUSHMI DEY
New Delhi, 2 September

In a bid to reverse the brain drain of the past few decades and to bring back scientific talent, the Narendra Modi government has initiated talks with many eminent non-resident Indian scientists, who left the country to pursue research overseas.

The ministry of science and technology has approached about a dozen well-known scientists from across the world in an effort to bring them back to various departments under the ministry, said Jitendra Singh, minister of state (independent charge) for science and technology.

According to Singh, the government is trying to facilitate and create a conducive environment along with social infrastructure to attract the scientists who had left the country many years ago for various reasons.

These scientists, mostly coming back through different government fellowships, will be inducted in various reputed institutions and departments, including the Council of Scientific & Industrial Research, Jawaharlal Nehru Centre for Advanced Scientific Research, Bose Institute and many other research centres, mainly those funded by the government.

WELCOME STEP

- Ministry of science & technology approached eminent scientists to work in India; to float special scholarships to encourage scientists to come back
- Scientists to be inducted in various institutions & departments either on a permanent or temporary basis
- Most of these scientists and researchers are from prominent global universities

According to K Vijay Raghavan, secretary (additional charge) to Department of Science and Technology (DST), the department has constituted two different re-entry fellowships - Ramalingaswami and Ramanujan fellowships — under which scientists are coming back and taking up projects in India.

The government is trying to facilitate and create a conducive environment to attract the scientists

The ministry plans to float more such fellowship going forward and create a conducive environment to

hold back such talent on a permanent basis, Singh added.

A senior official from the ministry of earth sciences said most scientists who have been shown interest in coming to work in India are from reputed universities and many of them have shown interest in participating in projects run by India Meteorological Department. Most of them want to work in India on a temporary basis, the official clarified.

DST is also in talks with various domestic as well as multinational pharmaceutical companies to partner for research in the area of drug discovery. "We are trying to involve the industry at two levels. One, we are in talks with some companies on projects where they can take care of the funding part. Secondly, there are also companies which have their own research and development (R&D) wings. So, we are discussing if we can collaborate with them and take the research forward," said Singh.

He added that government institutions, which were so far focused on researching on India-centric diseases such as malaria, tuberculosis and vaccines, are now looking at lifestyle diseases including diabetes, cardiovascular and cancer. Singh was speaking at a function of his ministry to sign a Memorandum of Understanding with All India Institute of Medical Sciences to partner for furtherance of cancer research.

NHAI to tighten norms for claiming damages

MANSI TANEJA
New Delhi, 2 September

CLEARING THE WAY

To reduce disputes, the National Highways Authority of India (NHAI) plans to tighten the norms under which builders claim compensation or damages from the government. According to the proposed change in norms, NHAI would allow road developers to claim damages arising out of an unforeseen event only within a period of 30 days.

Currently, road developers can knock the door of NHAI any time after the award of the contract, as there is no restriction on time period.

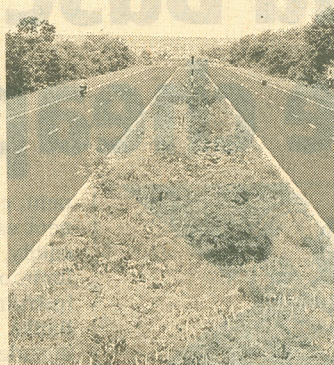
According to a senior NHAI official, the new Model Concession Agreement (MCA) proposes the time limit of a month within which the developer has to inform NHAI about the event and its impact on the company with full details. "This will reduce the number of disputes and claims from NHAI substantially. The provision will also apply to any monetary settlement or reimbursement," the official added.

National Highways Builders Federation director-general M Murali said putting a time-frame in the contract for seeking claims would not be

- The proposed changes in norms limit the time period for road developers to claim damages at 30 days
- It has proposed about 50 changes in the new Model Concession Agreement
- It has proposed a provision to revise total project cost during financial closure, as well

as withdrawing of waiver of pre-conditions

- NHAI recently resolved 49 claims for ₹10,550 crore from 26 contractors/concessionaries for final packages worth of ₹958 crore
- It also resolved disputes involving three contract packages worth ₹2,348 crore



feasible. "It (a specific time period) won't be workable. There has to be some accountability on either side."

He said the Federation had suggested to settle disputes, NHAI should pay the amount of claims against the developer's bank guarantee so that interest costs can be saved.

NHAI has proposed about 50 changes in the MCA. Also, a provision for revising total project cost at the time of financial closure has also been proposed along with withdrawing of any waiver of pre-conditions such as land and environmental clearances.

A proposal in this regard has already been sent to the

ministry of road transport and highways for approval, which has formed a committee to look into the matter. The MCA was last revised in 2009 on the recommendations of the B K Chaturvedi committee.

NHAI recently resolved 49 pending claims for ₹10,550 crore from 26 contractors/concessionaries for final packages worth of ₹958 crore, according to an official statement. The NHAI Board also resolved various disputes involving three contract packages worth ₹2,348 crore for an amount of ₹271 crore. A number of disputes are still pending with NHAI.

The roads ministry is in the process of revamping MCA to

make it more flexible in line with changing market conditions. Currently, the MCA norms do not give any scope for changes or additions. Earlier, in the absence of such provisions, the government had to come up with a policy for rescheduling premium as well as an exit policy for developers.

"The purpose is to make adjustments in the project costs due to delays that happen at various clearances level and steep increase in input costs. Secondly, in case of any dispute, we should be able to take the decisions at our end rather than going to the highest level authority," said another NHAI official.

PHASE-I

CENTRE TO PROVIDE FUNDS FOR THE TRUNK INFRASTRUCTURE THROUGH DMIC TRUST

Govt to invite bids for developing infra of 5 smart cities this fiscal

SHRUTI SRIVASTAVA
NEW DELHI, SEPTEMBER 2

THE government is planning to start the process for construction of five smart cities by the end of the current financial year.

The Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) is working on rolling out contracts for developing trunk infrastructure in Ahmedabad-Dholera investment region, Shendra Bidkin investment region in Maharashtra, integrated industrial township Vikram Udyogpuri in Ujjain, Mad-

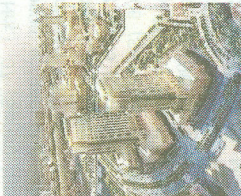
hya Pradesh, integrated industrial township in Greater Noida, Uttar Pradesh and global city in Gurgaon, Haryana, sources told *The Indian Express*.

The DMICDC will invite international competitive bidding for developing trunk infrastructure including sewerage treatment and collection, water supply and roadways among others.

The Centre will provide funds for the trunk infrastructure through DMIC Trust, which has a corpus of Rs 17,500 crore to be utilised over a period of 5 years. "The contract for Dholera

INTERNATIONAL COMPETITIVE BIDDING

- The Delhi Mumbai Industrial Corridor Development Corporation is working on rolling out contracts for developing trunk infrastructure
- The five zones are — Ahmedabad-Dholera, Shendra Bidkin in Maharashtra, integrated industrial township Vikram Udyogpuri in Ujjain, Madhya Pradesh, integrated industrial township in Greater Noida, Uttar Pradesh and global city in Gurgaon, Haryana



and Shendra Bidkin investment region would be floated by December while that of Vikram Udyogpuri will be floated by October. The others would be done by January," the source said. The master plan for

Greater Noida and Ujjain, the shareholder agreements and state-support agreements (SSA) have already been executed while they have been finalised for global city project in Haryana, the source said.

The Ahmedabad-Dholera investment region is spread across an area of 902 km while the Shendra-Bidkin industrial park is spread across 84 km. The DMIC aims at enhancing the country's competitiveness in manufacturing by creating world-class infrastructure and reducing logistics cost. It will create smart industrial cities

by leveraging the western dedicated freight corridor to reduce cost of logistics.

In the first phase the DMIC has taken up eight industrial cities on the recommendations of the respective state governments. These include Dadri-Noida-Ghazi-

abad investment region, Manesar-Bawal investment region, Khushkheda-Bhiwadi-Nearrana investment region, Pithampur-Dharwad investment region, Dighi Port industrial area, Dighi Port industrial area and Jodhpur Pali Marwar industrial area apart from Dholera and Shendra Bidkin.

New policy in offing for investment in railways sector

New Delhi, Sept 2: In a bid to tap private investment, the railways on Tuesday said some new policies are in the offing to attract funds as the government has simplified the procedure to remove hurdles in doing business with investors.

"We are framing new policies to attract private investment and it will be publicised soon," minister of state for railway Manoj Sinha said at a seminar.

Citing an example, he said for the development of a station, a complete data on total land area near it will be prepared through the geo-mapping system so that it can be utilised for commercial purpose.

The minister said that trains can also be run on public-private partnership (PPP) model for tourism purpose.

"Some tourist trains in religious circuits can also be run by private players. Whether it's a train for Tirupati or Patna Sahib, one can decide on the private venture with railway support," he said.

He said railways have finalised five PPP models. "We have prepared five PPP models for the industry. You can work in station development, freight terminal, port connectivity or new line as these areas are open for PPP investments." On FDI in the rail sector, he said, "Now 100% FDI is allowed in railways. Barring operation, FDI is allowed in eight areas, including high-speed, dedicated freight line and suburban trains."

Emphasising on transparency, Sinha said, "It is the prime criteria in private investment."

Admitting that there are "hurdles" in private investment, Sinha said, "Several steps have been taken in the recent past to decentralise the system and all remaining hurdles will be removed in a month."

"Even for construction of rail overbridge (ROB) or rail underbridge (RUB), designs used to be approved at the board level. Now, we have empowered the zones to take decisions and execute them at zonal levels," he said. *PTI*

Next phase of Jan Dhan ad campaign in a month

VIVEAT SUSAN PINTO
Mumbai, 2 September

The second part of the ₹250-crore advertising campaign promoting the government's financial inclusion programme, the Pradhan Mantri Jan Dhan Yojana, will roll out in a month.

Shekar Swamy, chief executive of R K Swamy BBDO, the agency with the advertising mandate for the programme, said in an exclusive conversation with *Business Standard*, that it would look at a second burst involving television, print and digital media soon, as the government ramped up numbers under the scheme.

The programme, launched on August 28 by Prime Minister Narendra Modi in New Delhi, saw 15 million bank accounts opened on day one.

The government has set an



ambitious target of opening 75 million bank accounts by January 25, 2015, for which R K Swamy BBDO, along with partner banks, are expected to work aggressively.

Swamy said the campaign had a national, as well as a regional, leg and the latter would be undertaken by banks. "We have provided the creatives to the 25 public sector banks that are part of the programme through the Indian Banks Association (IBA). This will be used for their local initiatives," Swamy said.

"The campaign will see the involvement of co-operative



"The campaign will see the involvement of co-operative banks as well as regional rural banks in the future. Besides public sector banks, private banks are already on board as part of the programme"

SHEKAR SWAMY

Chief executive of
R K Swamy BBDO

banks and regional rural banks in the future. Besides public sector banks, private banks are already on board as part of the programme," he added.

The campaign in 13 languages is being promoted both in the English, as well as regional media. Swamy said the thrust on regional media was greater because the target group was people who did not have bank accounts in small towns and villages.

"In the metros and tier-I cities we are targeting influencers, that is, those with an existing bank account, asking them to encourage or refer those who don't have an account. We are doing this on digital and social media, since influencers are easily available there," he said.

"In television and print we are speaking directly to those who do not have a bank account both in urban and rural areas," he added.

R K Swamy bagged the mandate for the programme in a multi-agency pitch last month beating contenders such as Ogilvy & Mather and

the Mumbai-based Prachar Communications. R K Swamy came out with the print campaign on August 23 and the television campaign by August 25. The digital media campaign was also launched around the same time.

The government's crowd-sourcing initiative for naming and providing a logo for the programme helped R K Swamy launch the campaign quickly. Swamy admitted the crowd-sourcing initiative helped build consumer connect besides giving the agency a ready name and logo. "This helped increase curiosity levels among lay people," he said. While the launch commercial "*Badhate Jao, Badhate Jao, Bank Ki Or Kadam Badao* (March ahead towards a bank)" spoke of the need to open an account, phase two of the campaign is expected to focus aggressively on the benefits of having a bank account.

Oilmin hints at diesel deregulation

New Delhi, Sept 2: Hinting at deregulation of diesel prices as imminent, oil minister Dharmendra Pradhan on Tuesday said there were good signals from the international market and his ministry will approach the appropriate forum for freeing of rates.

Under-recovery, or the gap between retail selling price and the cost of import, this month dipped to an all-time low of 8 paise a litre, helped by the monthly increases and softening in international oil rates.

"We are getting good signals from the international market. Nothing conclusive as yet though," Pradhan said on the sidelines of a Bureau of Energy Efficiency event here.

The NDA government has continued with the previous UPA policy of raising diesel rates by up to 50 paise

a litre every month to bridge the gap between cost and retail prices.

He said the oil marketing companies review prices of diesel every month and will continue to follow the January 2013 policy of monthly increase.

Under-recovery, or the gap between retail selling price and the cost of import, this month dipped to an all-time low of 8 paise a litre, helped by the monthly increases and softening in international oil rates

On being asked when the ministry will approach the cabinet for diesel price deregulation, he said: "Whatever is the procedure we will follow it."

Pradhan said the appropriate procedure and forum

will be approached at the appropriate time for deregulation of diesel.

Originally, petrol and diesel prices were deregulated in April 2002 when the NDA government was in power. But administered pricing regime made a back-

control and rates have since then moved more or less in tandem with cost.

In January 2013, the UPA decided to deregulate diesel prices in stages through monthly 50 paise a litre increases. Rates were last raised on August 31 after which losses had dipped.

Rates have cumulatively risen by ₹11.81 per litre in 19 installments since January last year.

Oil ministry officials said once the under-recovery is eliminated, a proposal would be put to the Cabinet Committee on Political Affairs for deregulation of diesel prices as was done for petrol.

Deregulation would empower state-owned oil firms to change rates in tandem with cost, like they do for petrol.

PTI

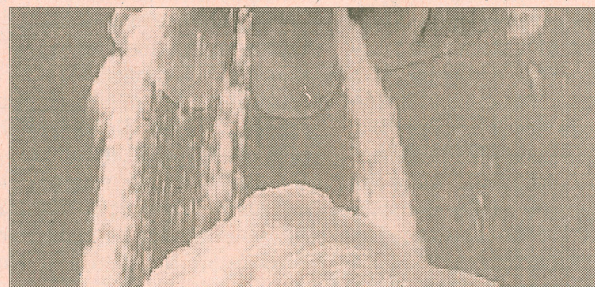
Check excessive consumption of urea, government tells industry

New Delhi, Sept 2: Amid increasing imbalanced use of fertiliser, the government has asked the industry to suggest ways to bring down urea consumption that has resulted in huge subsidy bill, besides affecting soil health.

The fertilizer ministry, in a letter to industry body FAI, said it should come up with measures after consulting its members to check the excessive consumption of urea, sources said.

The letter to Fertiliser Association of India (FAI) comes in the backdrop of government's announcement in the budget that a new urea policy would be formulated.

This year's economic survey had also pointed out that government and farmers are together wastefully spending



over ₹8,500 crore on urea.

Recently, fertilizer minister Ananth Kumar had also said: "The new urea policy proposed in the Budget is a move to correct the current imbalance of the use of fertiliser mix which will greatly benefit the farmers and soil health."

Urea, which is the main source of nitrogen, is highly subsidised and is sold at ₹5,360 per tonne as against the aver-

age production cost of over ₹20,000 per tonne in 2013-14.

Farmers are using excessive urea as it is cheaper than decontrolled phosphatic (P) and potassic (K) fertilisers such as DAP and MoP. "The ideal ratio of NPK for soil health is 4:2:1, and currently the ratio is 8.3:2.7:1," sources said, adding there is a dire need to reduce urea consumption.

In case of urea, the govern-

ment pays 70-75% of total cost of production per tonne as subsidy while in P and K fertilisers, the Centre pays 25-40 per cent of total cost of production as subsidy," sources said.

Whereas, subsidies on P and K fertilisers were capped since 2010 after they were brought under the NBS regime, at present farmers pay 61-75% of its delivered cost while rest is subsidised by government.

Meanwhile, the economic survey has also pitched for bringing urea under the nutrient based subsidy regime besides paying subsidy directly to farmers.

The country's annual urea demand is about 30 million tonne while the domestic production is about 22 million tonne, with the rest being met through imports.

PTI

Govt sets up committee to review environment laws

New Delhi, Sept 2

THE government on Tuesday constituted a high-level committee to review various environment laws in order to bring them in line with "current requirements".

The committee has been set up in the backdrop of government taking serious measures to fasten the environment clearance process for achieving economic growth without compromising green issues.

The four-member panel, headed by former Cabinet Secretary T S R Subramanian, has been asked to review five key green laws concerning protection and conservation of environment, forest, wildlife, water and air among others.

The Environment Min-

istry has asked the panel to submit its report in two months.

"Based on experience

order.

The panel will review the important green laws enacted between 1971 and 1986.



gained in the implementation of aforesaid Acts, it has been decided to constitute a high-level committee to review these Acts and suggest appropriate amendments to bring them in line with their objectives," said a Ministry

These laws include Environment (Protection) Act, 1986, Forest (Conservation) Act, 1980, Wildlife (Protection) Act, 1972, The Water (Prevention and Control of Pollution) Act, 1974 and The Air (Prevention and Control

of Pollution) Act, 1981.

According to the Terms of Reference, the committee will assess the status of implementation of each of the Acts vis-a-vis the objectives. It will also examine and take into account various court orders and judicial pronouncements relating to these Acts.

"The panel has been asked to recommend specific amendments needed so as to bring them in line with current requirements. It has also been asked to draft proposed amendments in each of the aforesaid Acts to give effect to the proposed recommendations," the order said.

The members of the committee include former Environment Ministry secretary Viswanath Anand, Justice (Retd) A K Srivastav and senior advocate of Supreme Court K N Bhat.

PTI