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ASSETS

ECONOMIC TIMES, MAR 9, 2015

A gift from Pakistan: MHA to take charge of unclaimed assets from Partition

By [Aman Sharma](#)

A "major portion" of the valuables was restored to their original owners, according to the ministry notification.

NEW DELHI: Over 50 years after the contents of lockers and safe deposits of people who migrated from [Pakistan](#) to India at the time of Partition were brought to India in sealed boxes in 1961, the [Ministry of Home Affairs](#) has decided to take over all the unclaimed property.

The decision comes after prolonged consultations between ministries and the completion of a consolidated inventory of the contents in the boxes, amid the remote possibility of any more claimants.

"The said property shall now be vested in the [Government of India](#) for all intents and purposes. Therefore, the [Central Government](#) is now competent to dispose of the contents in these boxes in such manner as it deems fit," the home ministry said in a notification dated February 20, 2015, which ET has accessed.

In 1947, at the time of Independence, people had migrated to India from Pakistan, leaving behind valuables in their bank lockers, and similarly, many Muslims went over to Pakistan, with their valuables locked up in banks here. It was said to be the largest mass migration in history, with an estimated 10 million people crossing the borders.

Both countries signed an agreement in 1950 aimed at returning contents of lockers to their rightful owners, after which valuables and other articles left behind in Pakistan were brought to India in sealed packets in 1961 and kept in the custody of the Reserve Bank of India in New Delhi.

A "major portion" of the valuables was restored to their original owners, according to the ministry notification. Some of the contents remained unclaimed, while the remainder could not be returned because adequate documentary or satisfactory proof of ownership was not submitted.

In 1971, a court had asked the Centre to take over and auction the unclaimed property. The government consulted the ministry of law, which in 1978 advised the Centre to issue public notices to invite claimants. Notices were issued twice — in 1979 and 1991. "All applications received to these public notices were again examined and no lockers could be released for want of rightful claimants," the home ministry said.

After the ministry of law, the ministry of external affairs was also approached for political clearance, which was obtained. In 1990, [ANZ Grindlays Bank](#) and [State Bank of](#)

[IndiaBSE -1.11 %](#) said they had some lockers and articles with them and asked the ministry to take the items. It was subsequently decided to prepare an inventory of the unclaimed contents before taking a decision, the home ministry said. "A consolidated inventory of the boxes was prepared by constituting a committee comprising officers from the ministry, RBI and local executive magistrate.

The process of preparing the inventory was completed in January 2015," the notification said. "It is highly improbable there are any more claimants for contents of these boxes and as such all the contents stand unclaimed. Through the years, the central government has been acting as a constructive trustee of the contents. It appears to be just and reasonable to declare the property as 'Unclaimed Property' in terms of the general principles of escheatment," the notification said.

CIVIL SERVICE

BUSINESS LINE, MAR 15, 2015

Govt employees may get LTC to visit SAARC nations

Central Government employees may get to visit some SAARC nations barring Pakistan under new Leave Travel Concession (LTC) rules being finalised by the Centre.

“Employees will be able to avail LTC to visit some SAARC countries. A proposal in this regard is being finalised by the Government,” Union Minister Jitendra Singh told PTI.

LTC allows grant of leave and ticket reimbursement to eligible Central Government employees.

The decision has been taken to promote people-to-people contact and boost tourism among the SAARC regions, he said.

“The Government has been taking many steps to promote trade and travel. This is one such step to further boost ties among SAARC nations,” said Singh, Minister of State for Personnel, Public Grievances and Pensions.

The South Asian Association for Regional Cooperation (SAARC) is a group of eight nations comprising Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka, Afghanistan and India.

Officials in the Personnel Ministry said the LTC facility will not be available for visiting Pakistan and a few other nations due to security concerns.

The draft for new LTC rules is in the initial stage and will be finalised after inter-ministerial consultations, they said.

“One of the major decisions taken by the Narendra Modi Government soon after it took over was to extend the facility of conversion of ‘home town’ LTC to visit the States of Jammu & Kashmir, the north-eastern region and the Union Territory of Andaman & Nicobar for a further period of two years up to September 25, 2016,” the Minister said.

The Personnel Ministry has been regularly reviewing LTC rules to allow Government employees to visit unexplored places such as the North-East. The Ministry is also considering allowing Government servants not entitled to travel by air to fly in economy class.

The Ministry has of late put in place measures to check misuse of LTC facility. CBI is probing the fake travel bills scam (LTC scam) allegedly involving certain Government employees and present and former Members of Parliament.

“All the ministries or departments are advised to bring it to the notice of all their employees that any misuse of LTC will be viewed seriously and the employees will be liable for appropriate action under the rules.

“In order to keep a check on any kind of misuse of LTC, ministries or departments are advised to randomly get some of the air tickets submitted by the officials verified from the airlines concerned with regard to the actual cost of air travel vis-a-vis the cost indicated on the air tickets submitted by the officials,” according to an order issued by the Personnel Ministry.

INDIAN EXPRESS, MAR 11, 2015

NPS: Govt staffers may go for higher equity exposure

Sandeep Singh

Breaking away from the traditional pension fund management system for government employees, the Pension Fund Regulatory and Development Authority (PFRDA) is planning to provide them with a variety of investment options where they can park their funds, including a choice to deploy 50 per cent of their contribution into equities. This will be a marked change from the current default scheme that allows up to 15 per cent of contribution to be invested into equities.

Whole-time member (Finance) of PFRDA, RV Verma, said that the authority is looking to migrate to a situation where the subscriber (a government employee) of the National Pension System (NPS) will be able to choose the investment options.

“We have taken the proposal to our board and its views are being reviewed. The idea is that if a subscriber can make a decision then why not give him/her the option. Those who can take a decision on their investments and can read the markets should not be deprived of the option of getting a better yield on their investments,” said Verma.

Though the PFRDA has already started work on this and it may take some time, Verma said that it also has to be discussed with the government. “Though the government is there to take decision on their behalf, if anyone wants to take decision on their own or they can be enabled to take the decision then why not,” emphasised Verma.

As of now, there is only one default scheme for government employees and the fund is allocated to SBI Pension Funds, UTI Retirement Solutions and LIC Pension Fund in a predefined proportion. Also, the money has to be deployed in a set pattern — up to 55 per cent in government securities, up to 40 per cent in debt securities, up to 15 per cent in equities and 5 per cent in money market instruments.

However, ‘all citizens model’ of the NPS allows investors to pick from one of the three options — predominantly equities (E), fixed income instruments other than government securities (C) and into government securities (G). With PFRDA looking to provide options, government employees will be able to invest into E asset class where up to 50 per cent of their contribution can go into equities.

While the total AUM of the contribution from all government employees (Central and state) stood at Rs 69,476 crore as of January 2015, the annual additional contribution amounts to around Rs 20,000 crore (around Rs 7,000 crore from the Central government and Rs 13,000 crore from state governments). Once the move turns into a reality, it will be a big booster to the equities market as close to Rs 20,000 crore would flow in as investments every year.

EOFP trustees to decide on 30% in equities

By: Surabhi

NEW DELHI: The Central Board of Trustees will on Wednesday take up a proposal to invest up to 30 per cent of the Rs 6 lakh crore corpus of the EPFO in equities. The

finance ministry had on March 2 notified a new investment pattern for non-government provident funds that comes into effect from April 1. The CBT, which is the apex decision making body of the EPFO, is also expected to question the labour ministry on Budget proposals including making PF contribution optional for workers receiving salary below a threshold. Sources said that the announcements were made without any discussions with the trustees.

INDIAN EXPRESS, MAR 10, 2015

KK Sharma takes charge as Delhi chief secretary

Pragya Kaushika

K K Sharma, an IAS officer from the 1983 AGMUT cadre, took over as Delhi's new Chief Secretary on Monday. Sharma was the Chief Secretary of Goa before being called to the capital.

Soon after joining, Sharma paid a courtesy visit to Lt-Governor Najeeb Jung and met Deputy Chief Minister Manish Sisodia. The new chief secretary also took a briefing of the work being done by senior officials.

Speaking to Newslite, Sharma said that while overall development of Delhi will remain his goal, his priorities will be on creating social infrastructure — especially in sectors like education and health.

“I believe that the number of schools have not increased against the number of students in the city. We cannot have little infrastructure when it comes to education. Similarly, I find that there is dearth of primary health centres to provide quality treatment to those who cannot afford private healthcare facilities,” Sharma said while elaborating on his priorities.

Meanwhile, many officials could be seen thronging his office to welcome him.

Sharma was called from his Goa posting by the Delhi government after the stand-off between Union Home Minister Rajnath Singh and Delhi Chief Minister Arvind Kejriwal over appointing Ramesh Negi as the chief secretary.

Kejriwal had asked for Negi, the current Chief Secretary of Arunachal Pradesh, which was turned down by the Union Home Ministry. The Delhi government then demanded that Sharma be appointed as the chief secretary.

Sharma has held various posts including that of secretary of the Public Works Department in 2009 and was then promoted as principal secretary, PWD. From 2011 to 2014, he served as advisor to the administrator, Chandigarh, an additional secretary-rank post.

He then came to the Union Ministry of Child and Women Development on central deputation and was appointed Goa Chief Secretary on January 1 this year.

HINDU, MAR 10, 2015

Staff reluctant to move to temporary capital

Several Andhra Pradesh employees associations have expressed their reluctance to shift to the temporary capital when Hyderabad remains the common capital for 10 years.

Municipal Administration and Urban Development Minister P. Narayana held a meeting with employees associations here on Monday to seek their views on shifting of offices of the heads of departments (HoDs) to the temporary capital by June/July. Shifting to the temporary capital would be beset with several problems including their children's future and other issues, some association leaders told the Minister. However, the APNGOs Association suggested phased migration and said 10 to 15 departments with direct interface with public should be shifted first to the temporary capital so that people from 13 districts need not travel to Hyderabad for availing government service.

APNGOs Association president G. Ashok Babu said such a phased shifting would require only a couple of hundred employees to move to the temporary capital initially. They also said that except Assembly and Secretariat, all State level meetings and conferences such as the Collectors' conference be held in Vijayawada and Guntur instead of Hyderabad. Such a decision would bring administration closer to people and officers would not have to travel all the way to Hyderabad and would also curtail government expenditure.

The APNGOs represented to the Minister that the State should take up amendment to the Presidential Order to ensure that children of employees who would move to Andhra Pradesh would not become non-local. It also said housing should be planned for all the 15,000 employees in the new capital area and that they would provide a detailed proposal

to the Chief Minister. Mr. Narayana said the government's intention was to psychologically prepare the employees before shifting them.

APNGOs Association for phased migration, says 10 to 15 departments with direct public interface can be shifted first

ECONOMIC TIMES, MAR 9, 2015

Government compulsorily retires senior CAG official Shantanu Basu

Basu, a 1984 batch Indian Audit and Accounts Service officer, was serving as Principal Accountant General (Accounts and Entitlement) in Assam.

NEW DELHI: [Shantanu Basu](#), a top [Accountant and Audit Service officer](#), has been compulsorily retired from service.

Basu, a 1984 batch [Indian Audit and Accounts Service](#) officer, was serving as Principal Accountant General (Accounts and Entitlement) in Assam.

"Basu has been compulsorily retired from service. His orders were issued by Government effective from February 24, 2015. This has been done on the grounds of misconduct," a [CAG](#) spokesperson said.

The officer has over four years of service left. A proper inquiry was held before the decision to compulsorily retire Basu was taken, he added.

However, Basu could not be contacted for comments. The misconduct, the spokesperson said, included financial impropriety and irregularity.

CONSUMERS

BUSINESS LINE, MAR 15, 2015

Bengal Govt forms 5-member advisory panel for consumer protection

New areas such as e-commerce, medicines to be included in terms of reference

The West Bengal Government is forming a five-member advisory committee for consumer protection with fresh terms of reference that would include new areas like e-commerce and medicines. Sadhan Pande, West Bengal Minister of Consumer Affairs, said on Saturday that the proposed panel would have expert representative from IIM Calcutta and IIT Kharagpur.

Reformulating norms

At a FICCI-organised function on the eve of World Consumer Rights Day, the Minister said the advisory panel would help the government in reformulation of guidelines for consumer protection. The Centre has already prepared draft amendments to Consumer Protection Act of 1986. “However, since the consumers protection issues are part of the State subjects, the State Government has taken a proactive step for the forthcoming changes in the legal framework,” he said.

The Minister also mentioned that State has planned to file a special leave petition before the Supreme Court seeking direction on civil court’s interference in consumer courts’ justice delivery. “The Supreme Court in more than one instance asked high courts not to allow stays on consumer courts verdict. However, such verdicts often get stayed in civil courts. To get clarity on the issue, the State wished to move the apex court shortly,” the Minister explained.

He said West Bengal was also planning to introduce a new fee of ₹5,000 for seeking an adjournment in the consumer court proceedings. This new element is expected to reduce justice delivery time by the consumer courts in the State.

The Ministers said the State was encouraging NGOs to help poor but aggrieved consumers in seeking legal redressals. “The NGOs can get financial reimbursements from the Government for legal aid provided to such consumers,” he added.

The State Government would also implement “right to public services” through his department. The State Consumers Affairs Department was in the process of setting up a “commission” for redressal of grievances regarding public services rendered by the different government departments as well as civic bodies, Pande added. Mala Banerjee, President of the Federation of Consumer Associations of West Bengal, pointed out that the Department should also focus on “investors protection” in view of multi-crore frauds by money collection schemes in the State.

EDUCATION

HINDU, MAR 11, 2015

DUTA defies varsity orders, protests removal of teachers

Despite clear orders from the university administration to desist or face punishment, the Delhi University Teachers' Association went ahead with its strike to register its protest against two teachers from Hindu College losing their jobs.

The teachers had come to blows in the staff room almost two years ago, and while they were immediately placed on suspension, the governing body of the college had removed them permanently a few weeks ago. The teachers said that it was a minor altercation for which the consequences were too harsh. The DUTA has also been alleging that there was some foul play and an ulterior motive behind the teachers losing their jobs.

“The Hindu College governing body’s intervention in the allegations of indiscipline made against two teachers, Jai Inder Pal Singh (Physical Education) and Arvind Chaudhary (English) has been motivated and biased against them from the very beginning. It did not allow the staff council’s Administrative Affairs and Grievance Committee to resolve the issue between the teachers in any amicable manner whatsoever. Neutral eyewitness accounts of the altercation following the incident in August, 2013, registered before the grievance committee of the staff council were deliberately ignored, while one-sided and indirect accounts were given credence in a sanctioned enquiry conducted in a summary and arbitrary manner,” said DUTA president Nandita Narain. The university administration had enforced the code of ethics which makes a strike illegal and has told teachers that “no work” will result in “no pay.

“Mindful of the fact that strike is a legitimate and democratic expression of protest when all appeals for justice made to the DU administration have gone unheeded, we decided to go ahead with the strike,” said Ms. Narain.

INDIAN EXPRESS, MAR 10, 2015

CBSE asks affiliated schools to form anti-bullying committees

Ifrac Mufti

Four months after the Central Board of Secondary Education (CBSE) flagged the problem of bullying on campus as “critical”, it has issued circulars to all affiliated schools asking them to constitute anti-bullying committees.

In a report submitted to the Human Resource Development ministry, the board has recommended imposition of fine, withholding or cancellation of results, suspension from

attending classes or from school and expulsion in rarest of rare cases if a student is found guilty of bullying schoolmates.

As per instructions, the anti-bullying committee shall comprise a vice-principal, senior teacher, school doctor, counsellor, Parent Teacher's Association (PTA) representative, school management representative, legal representative and peer educators.

Professor Devi Sirohi, Chairperson of the Chandigarh Child Rights Commission, said, "We had recently come across an incident outside the government school where some students had hit a schoolmate after a small brawl. This committee will prove helpful for schools to take remedial measures on the spot. We have committees in colleges and universities to ensure a safe environment, but never framed guidelines for schools."

The responsibilities of the committee would include development and review of school bullying prevention plan, development and implementing bullying prevention programmes, developing training programmes for students and parents, creating awareness through seminars; being vigilant and observing signs of bullying and responding sensitively, and to display the names and contact numbers of the committee on the school premises.

"The responsibility of preventing any undesirable aspect of bullying and ragging rests jointly and also individually on all stake holders, which includes the head of the institution, teachers, non-teaching staff, students, parents and local community. But a systematic response to the problem is needed within the schools," reads the circular.

The circular also says that the message of 'Bullying is strictly prohibited inside the school premises and no such act will go unnoticed or punished' must be clearly mentioned in the school prospectus and other guidelines circulated by schools.

It has been recommended that a graded response system be built up to address bullying cases and a clear process be followed in cases that call for stringent action.

The board has also asked the schools to decide on comprehensive guidelines for the school management, including actions and penalties which may be taken by the school authorities as per the gravity of misconduct.

CBSE has also asked the schools to arrange for full time counsellors. In a circular dated March 9, the board has asked schools to appoint monitors or peer educators who will be trained to tackle situations and report cases of bullying to the committee or school head.

ENVIRONMENT

HINDUSTAN TIMES, MAR 12, 2015

Govt announces new air quality monitoring system for Delhi

Pollution readings from the US Embassy and the local government shows hazardous levels of air pollution in Beijing.

The government on Wednesday announced harmonising air quality monitoring system in Delhi even as members of the Rajya Sabha expressed concern over rising air pollution in the national capital.

Congress member Sanjay Singh raised concern over high air pollution in the national capital region (NCR) saying that many countries have reduced tenure of their diplomats due to the bad air quality.

He also quoted a report of the Central Pollution Control Board (CPCB) to say that Delhi was the topmost among 16 most polluted cities in the country and added that the air in Delhi had the maximum amount of chemicals like nitrogen dioxide, sulphur dioxide, benzene and carbon monoxide.

Maintaining that the CPCB data "rings an alarm bell" for Delhi, Singh said a number of countries have issued guidelines for their diplomats living in Delhi on how they can protect themselves from it.

"So much so that US, Germany and Japan have even reduced the tenure of their diplomats in Delhi from three years to two years. Many embassies have installed air purifiers in their offices and residences of their diplomats to monitor air quality. This is a dangerous situation and if action is not taken in time, it could turn worse," Singh said.

A government statement on Wednesday said that environment ministry with earth sciences ministry has put in place a unified system of air quality monitoring in Delhi to ensure authenticated air quality information to the public at large.

A Standard Operating Procedure (SOP) for data validation, analysis and dissemination will be followed by CPCB, Delhi Pollution Control Committee and Indian Meteorological Department (IMD).

"Data from monitoring stations of CPCB, DPCC and IMD, after performing basic data quality checks at monitoring station level itself using in-built software, would be

transmitted to CPCB every hour through an automated system,” the statement said, adding that the validation will be done through an automated system at CPCB.

In addition, the CPCB would further analyse the data from all the monitoring stations on daily basis. Analysis would include average and range of air pollution levels, exceedance from respective notified standards and overall city air quality for various parameters along with possible explanations. Such analysed data would be available for the previous day.

The statement said that this system is at par with international practices.

FINANCE

BUSINESS STANDARD, MAR 11, 2015

Omkar Goswami: Budget - Excellent, yet tough

The Budget is excellent in terms of direction. But it is tough and needs systematically careful execution

Omkar Goswami

Some commentators on the [Union Budget](#) ignore the fact that the annual task is at least as much an exercise in politics as it is in accounting and economics. These experts, while appreciating the general stance of Finance Minister Arun Jaitley's first substantive Budget, have railed from the pulpit of fiscal steadfastness on how wrong he has been in intentionally expanding the deficit for 2015-16 from 3.6 per cent of gross domestic product to 3.9 per cent.

Such analysts ought to consider the politics of the 2015-16 Budget. One shouldn't overstate the muscle of the [Bharatiya Janata Party](#) (BJP)'s 282 seats - and the National Democratic Alliance's 336 - in the Lok Sabha. Coming after three decades, it makes many believe that such a single-party majority in the lower house suffices to push all the reforms and more to create a perfect runway for double-digit growth.

The reality is quite different. For one, all non-money laws, which include the [insurance Bill](#) and the land acquisition Bill, require assent of the Rajya Sabha. As of March 10, 2015, the [BJP](#) has 46 members of the 241 that are elected by the state legislatures; the Congress has 67, the Samajwadi Party 15; the Janata Dal (United) from Bihar 12; the Trinamool Congress 11 as do the communists; and the Biju Janata Dal has seven. Simply put, ramming home all second-generation reforms that can make India's corporates dance all night is just not on because a united Opposition can stymie any significant non-money Bill.

For another, it is silly to believe that all reforms can be passed by vote in joint sessions of Parliament. It will be a travesty of the Constitution to call for one joint session after another for passing non-money Bills that are in the normal course of business just because the party in power cannot persuade the opposition in the Rajya Sabha. The prime minister's *mantra* of good governance requires taking much of the Opposition along,

which in turn necessitates looking after some of their interests and pet projects. Call it what you want, but that's the art of political governance; and it is a great deal harder than writing 1,000-word Budget critiques for newspapers and magazines.

It is not surprising, therefore, that despite his party's poor opinion on implementation of the Mahatma Gandhi National Rural Employment Guarantee Act, Jaitley has allocated Rs 34,699 crore for the programme with an additional option of Rs 5,000 crore. That is also why he has raised the amount on food subsidy by 8 per cent over the [Budget estimates](#) (BE) of the previous year, and kept fertiliser subsidy on a par with the earlier BE despite a huge drop in naphtha prices. Or that he has promised the fiscal concessions regarding investment allowance and higher depreciation to Bihar and West Bengal exactly in line with what has been conferred upon Andhra Pradesh and Telangana. And more.

It is also important to recognise that the government has accepted the 14th Finance Commission's recommendation to devolve 42 per cent of the share of the divisible pool of taxes to the states. This has raised the states' share by a massive 55 per cent to Rs 5,23,958 crore. This, along with additional transfers through plan expenditure and grants, has raised the states' share of the kitty to 62 per cent of total tax receipts. While it has created a superb opportunity for serious fiscal federalism, it has concomitantly reduced funds available to the Centre.

Given this fiscal constraint and the need for support from India's dole-oriented political parties, the good thing is that Jaitley has not gone overboard with unproductive consumption handouts. Instead, he has focused on doing what he can to help finance and thus kick-start the moribund state of infrastructure. For instance, the Ministry of Road Transport and Highways has seen its Budget expand by almost 40 per cent over the revised estimates (RE) of 2014-15 to Rs 42,842 crore, of which over three-quarters is for capital expenditure. Similarly, the Railways has been allocated Rs 40,000 crore for 2015-16 versus Rs 30,000 crore in the previous year. In all, an additional Rs 70,000 crore has been earmarked under various heads of infrastructure. Hopefully, this huge increment will be utilised to really get infrastructure going, rather than having much of it unutilised for the want of implementation. More than before, execution is the key.

There are also issues about collection. Can Jaitley's team hope to garner 17 per cent more

on personal income tax, taking it to over Rs 3,27,000 crore? Will pre-tax profits of businesses increase sufficiently for the exchequer to collect over Rs 4,70,500 crore of corporation taxes - which is 10 per cent more than the RE for 2014-15? Most importantly, after a poor RE of Rs 26,353 crore from divestments versus a BE of Rs 58,425 crore for 2014-15, will the government genuinely succeed in garnering Rs 69,500 crore in 2015-16?

These are tough calls, and require unwavering attention to execution - not in the last quarter but for every month of the new fiscal year. That's what makes this Budget tough. Let us pray that things work. For there is no doubt that we need it.

The writer is an economist and chairman of CERG Advisory Private Limited

BUSINESS STANDARD, MAR 9, 2015

Devangshu Datta: The bittersweet Budget

Despite populist rhetoric and promises, the Budget was a mild disappointment. Yet, the bull run continues

Devangshu Datta

Somebody once compared the Budget to the monsoon. Like the rains, the Budget is preceded by all-round expectations, everybody plans for it and it has an enormous impact, for good or ill. This Budget proved to be a mild disappointment.

It contained lots of populist rhetoric, and promises of jam tomorrow, and jam day after. But there was no jam today. [Service taxes](#) were raised, and a surcharge imposed on corporate tax. [Fertiliser and food subsidies](#) increased by small amounts, while the [petro subsidy](#) was halved.

The Plan Expenditure 2014-15 was cut by over Rs 1,07, 000 crore to hold the [fiscal deficit](#) to near 4.1 per cent of gross domestic product (GDP). Tax collection targets were missed by miles. It is possible that 2015-16 collection targets will also be missed since these look rather optimistic at a nominal growth rate of 16 per cent.

Fiscal consolidation measures were postponed. The deficit will be held at 3.9 per cent of GDP. That delayed consolidation has a concrete impact: sovereign credit ratings do not improve. In turn, that means some impediment to foreign direct investment inflows and it means Indian remains outside the orbit of overseas funds with conservative mandates.

There will be reliance on several factors remaining favourable. [Telecom spectrum auctions](#) will need to pull in high bids. [Disinvestment](#) will also have to hit targets. [Public sector undertaking stake sales](#) will have to be well-timed and well-managed with a large number of companies due to be put on the anvil. This presupposes that the [stock market](#) continues to be bullish. Another variable, crude prices (and by association, gas and coal prices) must stay near current levels, or ideally, fall further.

However, inflation is falling, the current account deficit is below 2 per cent, the [rupee](#) is stable and the economy is definitely accelerating, despite disbelief about the new [GDP](#) estimates. Global investors don't have too many attractive emerging market destinations and India looks the best place to park at this instant. Inflows continued to be positive post-Budget.

There is confirmation that the focus on infrastructure will remain. Unfortunately, it doesn't look as though the ordinance amending land acquisition is going through the Rajya Sabha. The Bharatiya Janata Party's approach to this may need to be tweaked again.

There are interesting proposals on the monetary front. First, the Budget sets an explicit inflation target of 6 per cent (consumer price index). This will supposedly be managed by a joint monetary policy committee, including finance ministry and Reserve Bank of India (RBI) nominees. There are fears that such measures could reduce RBI's autonomy. The devil will lie in the details of the committee's formation and brief, and also in the specific amendments of the [RBI](#) Act.

UP, UP AND AWAY



	Value		
	Feb 20	Current (Mar 5)	Change %
Nifty value	8,833.6	8,937.75	1.18
Index PE	23.62	23.9	1.19
Index dividend yield	1.25	1.23	-1.60
Index book value	3.75	3.8	1.33
USD INR (RBI ref rate)	62.22	62.16	0.10
FII net buys/sales (Feb 1-20)#	6,746.2*	4,063.79	
DII net buys/sales (Feb 1-20)#	1,711.88*	-300.18	

₹ crore, * = Feb 1-28 net buys/sales

The central bank liked the Budget. The RBI made an unscheduled cut of 0.25 per cent basis points on the repo rate following Arun Jaitley's speech. This was the second unscheduled cut in calendar 2015 and it pulls repo down to 7.5 per cent, a level last seen in September 2013, when Raghuram Rajan took charge. The market responded to the cut by zooming up to new record highs and then coming down again with broad profit-booking.

In its policy statement along with the cut, the RBI did mention its fear of "spillover of excessive volatility from international financial markets". This will continue to be significant. The European Central Bank (ECB) starts its bond-buying euro 1 trillion

Quantitative Easing today. Europe may be past the worst since business growth hit a seven-month high and the [ECB](#) has upgraded forecasts.

Russia's central bank meets on Friday to take a call on the beleaguered rouble and the Ukraine is hoping that an International Monetary Fund rescue package goes through. There is potential for turmoil here due to Russia's influence on crude markets. Meanwhile, US payroll data indicated that employment continued to grow setting up fears that the Fed will raise rates sooner than hoped-for. And, China cut its GDP estimates to 7 per cent - the lowest since 1990.

Taken together, the RBI strategy of building large reserves and managing volatility looks common sense. So long as inflows continue, it will be more about ensuring the rupee doesn't appreciate to non-competitive levels.

Technically speaking, India's stock market indices - the Sensex, the [Nifty](#) and the [CNX Midcaps](#) - have all hit new highs since the Budget. That means that the bull run continues, by definition. Earnings growth was low through Q3 (October-December 2014) and Q4 is not expected to be much better. All the optimism is based on hopes of corporate activity and consumption picking up in 2015-16.

FINANCIAL MARKETS

TELEGRAPH, MAR 10, 2015

The growth narrative

If markets expand in India, then who should take the credit?

Dipankar Dasgupta

Now that the clamour surrounding the 14th Finance Commission, the *Economic Survey* and the Union budget has subsided, it is time perhaps to sit back and reflect on the loads of sermons recently delivered by those who matter on the current and future state of Indian economy.

Curiously enough, the budget speech expects the economy to grow at the rate of 7.4 per cent during 2014-15, when the *Economic Survey* itself has expressed doubts on that score. To quote from the first volume of the survey, "Until a longer data series is available for analysis and comparisons, and until the changes can be plausibly ascribed to the respective roles of the new base, new data, and improved methodology, the growth narrative of the last few years may elude a fuller understanding." However, in spite of the caution so expressed, the survey, too, projects a growth rate of 8.1-8.5 per cent for the year, 2015-16.

If this is not awkward enough, the observation made on March 5 by the Chinese prime minister, Li Keqiang, that China's growth rate has reduced to around 7 per cent and may move up to 7.4 per cent next year amidst more "formidable" difficulties should make us wonder. What is so special about India that makes our government express grand euphoria? Apart from the growth-rate estimate, it appears that the consumer price index inflation rate has fallen to 5.1 per cent and the current account deficit to 1.3 per cent. These, according to the government, indicate that it has succeeded in turning the economy around dramatically, restoring macroeconomic stability and creating conditions of durable double-digit growth accompanied by sustainable poverty elimination and job creation.

Once again, a contradiction of sorts crops up here, given the *Economic Survey's* observation that estimates of employment growth in India are "noisy" at best, and that the elasticity of employment growth relative to economic growth has declined in the 2000s compared to the 1990s. The last observation ought not to raise eyebrows at all, since the information technology revolution continues with grim determination to make technologies increasingly robot-friendly, turning gainful employment of human beings, especially unskilled labour, into an impossibly complicated business. And this is a dilemma that afflicts not merely the IT sector, but most of modern manufacturing as well. If labourers themselves are irrelevant entities, one cannot be sure any longer how India will manage to appeal to capital, be it foreign or domestic, to employ its much advertised pool of cheap labour.

In this context, the government should perhaps be commended for its announced intention of allotting additional funds towards the MGNREGA scheme for asset creation.

One does not know yet what the nature of these assets will be, but hopefully they will open up avenues for employing students that the government has promised to help graduate from secondary schools across the entire country. Of course, since these goals, too, will be linked to technology-driven direct benefit transfers - the Jan-Dhan-Aadhaar-mobile-number trinity - one needs to wait and watch how smoothly the job-creation aim is fulfilled.

Leaving the nitty-gritty aside, there is a deeper issue of economic philosophy that the budgetary exercise appears to propose. To appreciate the matter, let us quote again from the budget speech, "Our stated policy is to avoid sudden surprises and instability in tax policy." And this observation is supplemented by yet another. The government will create an atmosphere of "minimum government and maximum governance to improve the ease of doing business". The idea of avoiding surprises as an economic policy, along with a small size of the government, goes back to Nobel laureates like Milton Friedman and Robert Lucas of the Chicago School and the so-called "rules *versus* discretionary policy" debate. According to these prescriptions, the government ought to interfere as little as possible in economic activities by announcing a predictable (monetary) policy. It should also restrict itself mainly to governance alone, reducing thereby the size of the public sector. Any other plan of operation on the part of the government, claim the proponents, will lead to cyclical chaos. The American economy played for a while with the Chicago philosophy and the outcome was not particularly encouraging. Indeed, if the Chicago policies had any merit in them, the world would have been spared of the sub-prime crisis. Nonetheless, the present Indian government's intentions probably have the blessings of organizations like the International Monetary Fund and the World Bank.

India, of course, is a small player in the world economy. Hence, any economic disaster arising from the policies it adopts will largely be confined to India alone. Going by the recommendations of the 14th Finance Commission, the increased devolution of the divisible Central pool among states, along with a withdrawal of the Centre's participation in Centrally sponsored schemes, appears to indicate that the Union government, at least, is getting ready to reduce its participation in economic activities, if not immediately, at least in the foreseeable future. If it succeeds in unleashing these policies, Chicago could begin to appeal to the state governments as well. One tends to worry about the final outcome, but the fact that the government has restrained itself with big bang reforms in one go is cause for relief to say the least. Some believe that the apparent change of heart is linked to recent political reverses.

The reduction in the corporate tax rate, however, is a move in the direction of new economic policies. The argument given in favour of this decision is that high corporate taxes tend to make our domestic enterprises less competitive. Besides, according to the budget speech, the move "will lead to higher level of investment, higher growth and more jobs."

As far as job creation goes, technological barriers stand in the way, except probably in the case of small-scale enterprises. Regarding competition, investment and so on, an elementary Keynesian logic suggests itself. If we were to divide our population into two

broad groups, rich and non-rich, the owners of corporate enterprises will mostly belong to the first group. Notwithstanding the ultra-rich individuals (as distinguished from corporates) whose tax surcharge has been raised, it is a reasonable guess that the policy of reducing the corporate tax rate, leaving tax rates for individuals unchanged, will raise the share of the disposable income of the rich in aggregate national income relative to that of the non-rich. Since the rich tend to spend a smaller fraction of their disposable income on consumption compared to the less rich, the result of the tax change will be a fall in the

average propensity to spend out of total income in the country. Falling oil prices might reduce prices of commodities for a while, but expenditure as a whole might nonetheless decrease. If this were to happen, then the market size will shrink and it is not clear why a shrinking market will attract greater investment, leave alone create more employment.

Immediately following the budget presentation, however, the Central Bank has unexpectedly lowered the repo rate and this could produce an overall downward pressure on the commercial banks' prime lending rates. This is likely to boost the real-estate market. Besides, a low interest rate regime will bring India closer to the United States, Japan and the Eurozone. The Indian stock market will consequently be a less attractive destination for foreign funds, thus depreciating the rupee. Indian exports could well gain from the resulting fall in the dollar price of domestically produced Indian commodities. These possibilities should move in a direction opposite to the earlier noted negative pressure on India's commodity markets. The net effect is not obvious, needless to say, but if the markets expand, the credit will go to the Central Bank's discretionary as opposed to non-discretionary monetary policy, rather than the fiscal stance of the Central budget.

The author is former professor of economics, Indian Statistical Institute, Calcutta

HOUSING

HINDU, MAR 14, 2015

New panel to fast-track construction business

VISHAL KANT

The 16-member committee will approve building plans in the Capital

To enhance the 'ease of doing construction business' in Delhi, the Urban Development Ministry has set up a High Powered Review and Monitoring Committee to enable fast-track approval of building plans in Delhi. The 16-member committee will be headed by the vice-chairman of the Delhi Development Authority (DDA).

The committee has been mandated to review and monitor sanctioning building plan approvals for land area of 5,000 sq. m. and more for commercial/industrial purposes and 10,000 sq. m. and more for residential purposes. The committee seeks to enable building plan approvals within 30 days from the date of application to the urban local bodies concerned, a statement issued by the Union Urban Development Ministry on Friday said.

"The committee will meet once every month and sort out inter-departmental issues that result in delay in issuing the required No Objection Certificates/clearances. The committee, if required, can call the applicant to seek clarity to resolve the issues," the statement said.

The urban local bodies concerned will furnish the summaries of such proposals in the prescribed proforma to the committee as soon as the applications are received and sent to the authorities for NOC/clearances. Aggrieved applicants can write directly to the member-secretary of the committee for taking up their cases in the next meeting of the committee.

The committee has been set up in the backdrop of delays in according approvals for building plans adversely affecting the ranking of Delhi in terms of 'ease of doing business'. This initiative will help in enabling foreign direct investment flows into the construction sector in respect of which the minimum built up area has been reduced to 20,000 sq. m. from the earlier 50,000 sq. m., an official said.

The members of the committee include chairman/commissioners of New Delhi Municipal Council and the three Municipal Corporations of Delhi, representatives of the Ministries of Environment & Forests and Climate Change and Defence, Airport Authority of India, National Highway Authority of India, Central Pollution Control Board, Delhi Fire Service, Delhi Pollution Control Board, Secretary of Delhi Urban Arts Commission, Member Secretary of Heritage Conservation Committee and Commissioner (Planning), Delhi Development Authority.

JUDICIARY

TRIBUNE, MAR 11, 2015

Judicial appointment panel won't result in anarchy: Govt

Collegium system against Constitution, SC told

The Constitution never had any provision for judges appointing judges as was being done under the collegium system for the past two decades in the light of SC verdicts, Attorney General Mukul Rohatgi told apex court

It was the government which appointed SC and HC judges for 40 years until the collegium took upon itself this task following the remark of just one minister during the Emergency (1975-77) that the Executive wanted a Judiciary committed to the philosophy and policies of the ruling dispensation

R Sedhuraman

The Centre today pleaded in the Supreme Court that the proposed National Judicial Appointments Commission (NJAC), which would replace the present Collegium system, would not result in any “anarchy” as apprehended by the PIL petitioners with an “alarmist mindset.

Attorney General Mukul Rohatgi was arguing before a 3-member Bench headed by Justice Anil R Dave which began hearing seven PILs challenging the government’s move to change the system of appointing judges to the SC and high courts.

The Constitution never had any provision for judges appointing judges as was being done under the collegium system for the past two decades in the light of SC verdicts, Rohatgi said. It was the government which appointed SC and HC judges for 40 years until the collegium took upon itself this task following the remark of just one minister during the Emergency (1975-77) that the Executive wanted a Judiciary committed to the philosophy and policies of the ruling dispensation.

The minister’s views were nothing but an aberration as it had never been shared by anyone else all these years, including by the present government, Rohatgi said.

The AG was responding to arguments by senior advocates Fali Nariman, Anil Divan and Bhim Singh that the NJAC would reduce the Chief Justice of India (CJI) and the two senior-most SC judges to non-entities in the appointment of judges to the higher

judiciary Under the NJAC Act, any two members of the commission could veto the move to appoint a judge by raising objections.

STATESMAN, MAR 12, 2015
Law unto themselves

Getty Images

Sir Elijah Impey, the first Chief Justice of Bengal, would have been aghast. More than two centuries later, the idea of an extended Holi weekend with Friday included in the loop was facile. And for the 6,500 lawyers of Calcutta High Court to observe the populist Chief Minister's holiday calendar marked the soul of irresponsibility. That impression was reinforced on Monday when the Bar Association refused to work on Saturdays Rs as suggested by the Chief Justice Rs to compensate for the absence. The court calendar does not include 6 March as a holiday. The Bar ought to have realised that Mamata Banerjee was playing to the state employees' gallery. In the net, the lawyers gifted themselves a holiday, a unilateral move that betrayed scant regard to the High Court as an institution. Banerjee's flight of populist whimsy was conveniently accorded precedence over the needs of the litigant. And for the Bar, there is a parable to be drawn from the fact that the Chief Justice and other judges attended court last Friday. That proceedings didn't take place is quite another issue for litigants, sad to say, do need lawyers. The stinging observation of the Chief Justice was more than a rap on the collective knuckles of the lawyers. Manjula Chellur stuck firmly to her ground when the Bar Association sought an additional holiday on Friday "Lawyers should not make their clients unhappy because litigants are their God and they provide them with their livelihood," was the CJ's resounding caveat to the Advocate-General. On a parity of reasoning, the High Court, as much a "temple" to the litigant as it is to the lawyer, lends no scope for mass absenteeism, virtually in reaction to the Chief Justice's denial of an extra holiday. That Justice Joymalya Bagchi was provoked to remind the Bar of a professional certitude serves to underline the almost willful irresponsibility, even defiance of the CJ's instructions Rs "It is not good for the lawyers to keep the court closed only to prove their strength."

There were only losers last Friday. Lawyers can only derive spurious satisfaction from their numerical strength, one that has tarnished the work ethic of the court. As in the legislature, a brute majority can derail the process. And in terms of numbers, the Bar Association is stronger than the Incorporate Law Society, an association of solicitors' firms, and the Bar Library Club, an association of barristers. Sad to reflect, the two other entities had to fall in line, as they always do. Last Friday's episode demonstrates that lawyers can be lawless or more accurately, a law unto themselves. But there is one thing

judges can do to restore some reason to the judicial process Rs sit at 10 a.m., rise at 5 p.m., and keep the lunch recess short.

LIBRARIES

INDIAN EXPRESS, MAR 9, 2015

Room To Read: No funds, Asiatic Library turns to youth, festival crowds

Written by [Anjali Lukose](#)

Carved wooden easy chairs with matching footstools, news from 18th and 19th century journals lined up in hardbound editions, shelves packed with books as far as the eye can see — a step inside the Asiatic Library at Horniman Circle is rather like taking a step back in time. Not surprising, since one of Mumbai’s oldest libraries turned 211 recently.

Tucked away inside the imposing Town Hall Building, Asiatic Library is home to over 1 lakh books, mainly in English. It also houses tomes in Greek, Latin, Italian, German and French, besides Sanskrit and other ancient as well as modern Indian languages. “Asiatic is known for its Indology and Oriental books,” says Maya Avasia, head librarian. There are also 15,000 books classified as rare and valuable, including first editions in Indian and European languages. “But the most requested books are on history, especially the city’s history.”

On any given day, a handful of regulars, around 30 of them comprising mostly researchers, pore over the history books, working away steadily. The other set is the easy chair regulars, browsing through periodicals.

Niranjan Mehta (81) remembers participating in discussions here with scholars including Durga Bhagwat, palaeontologist Ashok Sahni and poet Arun Kolatkar. A member of the library for 45 years now, Mehta says he enjoys reading in his favourite section, the periodicals room, for it has the cosiest easy chairs and the perfect lighting and breeze. “I like to read in the same place where years ago I sat and discussed the day’s politics, Jiddu Krishnamurti’s lectures, and characters from books and real life, with my friends,” he

says. “It’s difficult to make new friends at my age, so these books have become my new friends.”

WORDLY WISE

■ THE 14TH CENTURY

MANUSCRIPT of Dante

Alighieri’s Divine Comedy in the original Italian is the oldest piece in the library collection

■ OTHER TREASURES

include a 16th century Sanskrit manuscript Aranyaka Parvan of the Mahabharata, Sanskrit manuscript of Vasupujyacharita (1242), text on the life of the Jain Tirthankara Vasupujya, Persian manuscript of Shahnama of Firdausi (1853) and a gold Quran.

■ There are also **1,300 MAPS**, mainly from the 19th century

■ **THE LIBRARY** also has Buddhist relics and artefacts, excavated from Nalla Sopara, some of which are believed to be fragments from the Buddha’s begging bowl, and rare coins including a 5th century gold coin of Kumaragupta, a very rare mohur of Akbar and coins issued by Shivaji.

But the future of the library’s priceless collection is poised at an uncertain moment, with the annual stock-taking report of 2014 stating that many of the 10,519 books that were physically checked were severely damaged due to dust and rainwater. The library has no insurance and mainly depends on microfilming, digitisation and temperature-controlled

atmosphere inside the library apart from a bank vault to preserve its rare books, manuscripts and coins. Simultaneously, to add to the bad news, the library's largest source of income, government grants, seem to be shrinking.

“With the Planning Commission scrapped and the state culture department uncertain if they can continue our grants beyond the coming year, we do not know if we can continue with our conversation projects or award academic projects that take longer than a year,” says SG Kale, president of the managing committee of the Asiatic Society of Mumbai.

The corpus fund's interests do not suffice for much more than paying staff and administrative expenses, he adds. A look at the financial review for 2013-14 shows that the Society had a surplus of Rs 8,65,159. The largest source of income was the government's grant, Rs 1.05 crore. “With this gone, we will have to cut down on a lot of our projects,” says Kale.

The library is now turning its attention to youngsters to boost its survival. It has begun offering scholarships for young researchers, and this year provided a venue for the Kala Ghoda festival. It is also teaming up with colleges for exhibitions, lectures and is offering summer internships for those doing their BSc or MSc in library studies.

Founded by Sir James Mackintosh, a distinguished lawyer who became the Recorder of the King's Judge for Bombay, the Asiatic Society, which manages the library, began admitting Indians only in 1841. But over the years, it has emerged as one of Mumbai's most prominent libraries, championing free thought and scholarship, engaging with citizens through a small set of public lectures and events.

Despite few regulars today, the library continues to ‘scrutinise’ aspiring members. “It is tough to get in but it’s hard to find such a library — noiseless, breezy. It’s a privilege for any book lover to be part of such a library,” says 23-year-old Nidhi Poojari, one of the newest members of the library.

With promises of WiFi and online services, the library is looking to stay alive and relevant for a generation that conducts its research on Google and reads only e-books.

POLICE

ECONOMIC TIMES, MAR 9, 2015

Modern & tech-savvy cops: Government plans smart police station

By [Aman Sharma](#)

“Efforts have been made to make these police stations gender sensitive, modern, smart and techno-savvy,” says the 34-page concept paper prepared by the home ministry.

NEW DELHI: A modern reception to receive visitors, gym for [police personnel](#), lock-ups with CCTV cover and malkhana or records rooms with modern storage system and deep freezers for forensic samples.

This is home ministry's conception of a smart police station, as per a draft prepared after [Prime Minister Narendra Modi](#) pitched for smart policing in December last year.

"Efforts have been made to make these [police stations](#) gender sensitive, modern, smart and techno-savvy," says the 34-page concept paper prepared by the [home ministry](#), which has come up with new standards for a modern police station.

The paper says that many police station buildings in India are not citizen-friendly and have far from optimum functional requirements.

A Roadmap



The paper spells out species of smart police stations in 4 categories – In Tier 1 cities, Tier 2 cities, semi-urban areas & rural areas

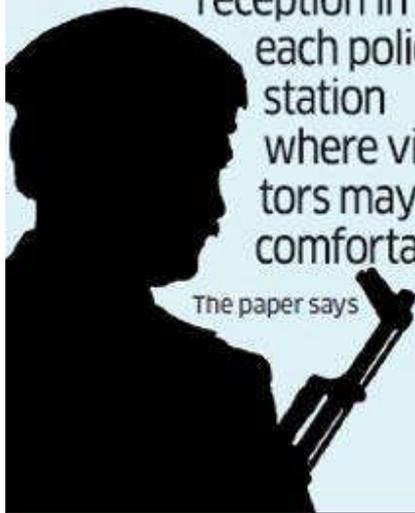


Main focus is on 'reception area', which, it says, should have facilities for visitors to wait, toilets, issuance of visitor cards



There should be enclosed waiting area near reception in each police station where visitors may sit comfortably”

The paper says



THE MINISTRY HAS ALSO ASKED FOR A BRIEFING ROOM WITH THE FACILITIES OF TVS, DIGITAL MAPS, PROJECTIONS AND VIDEO CONFERENCING

There should be a separate investigation room with workstations as per the paper

Besides, the ministry has asked for a recreation room or gym in each police station for cops

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"As police station buildings are public places, where people go for various reasons, expecting the police to help them, they find the police station buildings' ambience wise pathetic, space wise inadequate and cleanliness wise extremely poor," it says, stressing on the need to refurbish existing police stations and design new police stations in the specified way. "They (should) function as public places like a modern mini hospital (so) people feel at ease and comfortable in terms of space, cleanliness, functionality and privacy."

The paper spells out species of smart police stations in four categories — in Tier 1 cities like Delhi, Tier 2 cities like Lucknow, semi-urban areas like Gurgaon and in rural areas. The main focus is on the 'reception area', which, it says, should have facilities for visitors to wait, toilets for visitors, issuance of visitor cards and directions to the visitors to meet the officers concerned.

"There should be enclosed waiting area near reception in each police station where the visitors may sit comfortably and wait," the paper says. It also asks for workstations for officers of ranks of sub-inspectors, head constables and constables. "Providing a small working space for individual officials raises their self esteem and produces better results," it says.

There should be a separate investigation room with workstations as per the paper, a malkhana with modern storage system as developed by CBI and NIA and deep freeze facilities so as to keep biological, viscera and DNA samples preserved at low temperatures.

The ministry has also asked for a briefing room with the facilities of TVs, digital maps, projections and video conferencing. "All the lockups should be monitored through CCTV cameras which should be operational 24X7 as is

being done in police stations in some south Indian states," the paper says.

Besides, the ministry has asked for a recreation room or gym in each police station for cops. "It is required for unwinding stress and boosting up health and morale," the paper says.

PUBLIC ADMINISTRATION

ECONOMIC TIMES, MAR 12, 2015

AAP government gives more financial powers to Babus to cut red tapism

By Ambika Pandit

AAP govt is all set to enhance the financial powers of the departmental heads, a move that aims at cutting red tape and increasing efficiency of the bureaucracy.

NEW DELHI: The [AAP government](#) is all set to enhance the financial powers of the departmental heads. The move is aimed at cutting red tape and increasing the efficiency of the bureaucracy. The state government has found that HODs waste hundreds of man-hours to get recurring and routine expenditure cleared by the finance department.

The [finance department](#), which comes under the purview of deputy CM [Manish Sisodia](#), has pointed out that delegation of powers would reduce paper work with regard to routine decisions like printing of visiting cards, purchase of rubber stamps and office seals and stationery.

The government also plans to introduce "double reporting of confidential reports" for accounts functionaries. This is seen as yet another way to improve accountability and bring financial discipline.

Under the new plan, the departmental heads will have the power to sanction up to Rs 10 crore as against the current Rs 5 crore for approval to new projects. However, the condition is that the estimates should be prepared by PWD or government-approved work executing agency.

For recurring expenditure, the HODs will be able to sanction Rs 3 lakh as against present amount of Rs 2 lakh. Administrative secretaries will be able to sanction up to Rs 5 lakh. For repair and annual maintenance works on buildings, the amount has been enhanced from Rs 5 lakh to Rs 7 lakh.

The last time financial powers of HODs and administrative secretaries were enhanced goes back to 2011 when the then [Sheila Dikshit](#) government enhanced financial powers to make the heads of departments directly responsible for any unwarranted delay in projects and missed deadlines. Chief minister Sheila Dikshit had in 2011 enhanced the financial powers of administrative secretaries and made way for a monitoring mechanism with quarterly reviews by the chief minister. The revamp to expedite project clearance then came in the backdrop of the PMO appointed VK Shunglu committee report which blamed the state for delays in projects for the [Commonwealth Games](#) and concerns over losses to the exchequer due to delays and questions over accountability raised by the Central Vigilance Committee and Comptroller and Auditor General from time to time.

ECONOMIC TIMES, MAR 11, 2015

No peons or bells for Delhi government's aam-aadmi panel

By Manash Pratim Gohain

At the office of Delhi Dialogue Commission, appointees will work as the aam aadmi. There will be no bell to press for a cup of tea—officials have to help themselves.

NEW DELHI: At the office of [Delhi Dialogue Commission](#), appointees will work as the aam aadmi. The no-frills office will not have any peons to carry files from one desk to another. There will be no bell to press for a cup of tea—officials have to help themselves.

The commission has written to the government seeking battery-operated cars for official work as a first step for controlling air pollution.

A visit to Bungalow No. 1, Satya Sadan, Chanakyapuri, on Monday led to a glimpse of how the commission has set up various taskforces on issues like water, electricity and pollution. It will consult citizens and experts for best solutions which will then define the policies of the Delhi government.

"There will be no bureaucratic hassles and no hierarchy. We plan to create an environment for discussions on how best to keep the promises AAP made for Delhi. The commission has to show in practice what it thinks is ideal for Delhi. For example, we have written to the department concerned for battery-operated cars as a way to promote measures for pollution control," DDC vice-chairman [Ashish Khetan](#) said.

On February 27, the [Delhi Cabinet](#) approved a proposal to form the nine-member commission, to be headed by chief minister [Arvind Kejriwal](#). Members include the deputy chief minister, chief secretary, principal secretary (finance), secretary to the chief minister and a member secretary.

The first taskforces formed are on rejuvenating and reviving the Yamuna and water bodies in Delhi, checking air pollution, women's safety and empowerment, e-governance, CCTV and Wi-Fi, and waste management and sanitation.

The commission envisages a paperless work environment. All information will be processed in e-office mode. "The idea is to create a flat organization. Our work environment will promote brainstorming and free flow of dialogue. There will be no peons and all files will be on e-office. We have asked for 10 broadband connections," Ashish Joshi, member secretary, DDC, said.

TRIBUNE, MAR 10, 2015

MHA to review UT's work every month

Move aimed at making Admn more accountable

Rajinder Nagarkoti

In a move aimed at making the Chandigarh Administration more accountable, the Union Ministry of Home Affairs (MHA) will now hold a monthly review meeting with the Administration.

At a meeting between officials of the MHA and the UT Administration held in New Delhi recently, directions to this effect were issued to Chandigarh along with other union territories.

A senior UT official said according to the directions, the Administration would now submit a monthly report of various departments highlighting its future planning of various projects and the progress made in the ongoing projects. The report would be discussed every month with MHA officials in New Delhi. The MHA would now review the Administration's work every month, the official said. Sources revealed that directions had also been issued to various UT Administration departments to update their record. They had also been asked to submit their monthly plan in time so that UT officials could properly present the UT report before MHA officials.

Recently, various organisations of traders, industrialists, allottees of the Chandigarh Housing Board, villagers and colony residents, had apprised the Centre of the "poor" public grievance redressal system in Chandigarh. Besides, senior BJP leaders of the city had also apprised the Centre of the ground reality of the UT Administration functioning.

PM's initiatives

Sources said with these directions, the Centre wanted to keep tabs on UT officials whether they were properly implementing Prime Minister Narendra Modi's initiatives such as the Swachh Bharat Abhiyan, overall development of villages, skill development, job creation and education of the girl child among others.

UPA initiative didn't work

In 2013, when the UPA government was in power at the Centre, directions were issued to the union territories that the local MP must hold a meeting once a month with officials to discuss issues. However, UT officials only held one meeting with former MP Pawan Kumar Bansal and thereafter discontinued the practice.

RAILWAYS

ASIAN AGE, MAR 12, 2015

LIC to lend railways Rs 1.5 lakh crore over 5 years

In a bid to finance the modernisation of the railways, the government on Wednesday secured a long-term loan of Rs 1.50 lakh crore from the Life Insurance Corporation (LIC). Union minister Suresh Prabhu informed the Lok Sabha that the railways will further augment its financial resources to make the Rail Budget vision of “rebirth” of railways by 2019 a reality.

The LIC, the largest public sector insurance corporation, will disburse Rs 1.50 lakh crore over a five-year duration, beginning with the 2015-16 financial year. There will be a moratorium on repayment for five years, after which the railways will begin repaying LIC in instalments.

“The railways will utilise the funds secured through LIC to expeditiously execute projects to augment track capacity to allow it to carry more passengers and freight, which in turn will boost the revenue to justify the loans being taken. A major chunk of the funds will go into execution of capacity-augmentation projects, besides setting up a few big-ticket projects to come up under the Make in India initiative,” a senior official said.

“It’s a very interesting event where a marriage is taking place between two organisations of India — the railways and LIC — and both are going to be benefited from this (sic),” Mr Prabhu said after the MoU signing event.

The loans will be secured in the forms of bonds of about 30 years’ tenure to be issued by various railways corporations.

“It is a win-win situation for both LIC and railways. It is a significant step in raising Rs 1.50 lakh crore. People are always asking where is the money? So there is money with honey, because this is coming at such a rate which is good for LIC and good for us (sic),” Mr Prabhu said. Finance minister Arun Jaitley was also present at the MoU signing event and stressed the need for improvement in the performance of the railways. “The growth of railways has to be expanded. The railways has to run professionally. A railway journey for a passenger has to be a matter of comfort and delight,” Mr Jaitley said, terming the LIC’s decision to fund rail projects as a “commercial decision”.

Mr Prabhu had stated in the Rail Budget that he would seek to fund the Rs 1,00,011 crore plan for the railways through extra-budgetary measures. There is also a likelihood that if the funding plans fall into place, the annual plan size of the railways might go up further.

TAXATION

BUSINESS LINE, MAR 9, 2015

A taxing thought

MOHAN LAVI

Doing away with income tax is not easy

Subramaniam Swamy has been a strong advocate for abolishing income tax. There is a basic dichotomy in the taxation structure in India — many corporates pay taxes that are a fraction of what they should be paying while the salaried class get deductions that can't really be called deductions due to the impact of inflation.

Budget 2015 tinkered with a deduction that hasn't been touched for a long time — the deduction for conveyance allowance was doubled to Rs. 1600 a month. However, this is what many would spend in Bengaluru, idling at traffic signals. Corporate and individual income taxes together are expected to contribute Rs. 6,98,686 crore to the exchequer according to the Revised Estimates for 2014-15. The abolition of income tax requires that an alternate source for revenue generation be found.

Revenues v exemptions

The history of income tax in India has been a consistent story of a revenue-seeking government and an exemption-seeking taxpayer. Some administrators of the tax law found a via-media: the exchequer gets some but not all revenue and the taxpayer gets some but not the complete deduction.

Both parties have got used to this system and many have perfected this as an art form. They would be the first opponents of a replacement to income tax. Another problem would be that lakhs of employees working for the tax department would be out of the only job they know. Finding suitable employment for them would be a challenge. Of course, chartered accountants too would also have to seek alternate avenues of practice.

The biggest threat, however, is that India would risk being termed a tax haven. The OECD is going hammer and tongs at big multinationals that use low tax zones as tax planning centres. This project, known as Base Erosion and Profit Sharing, attempts to prevent such tax planning. The UK has already drafted a Diverted Profits Tax that ensures some taxes remain in the country. Abolishing income tax could draw protests and pressure from India's trade and economic partners.

Alternative options

Advocates of income tax abolition recommend a tax on all banking transactions. One of the stellar successes in India has been the tax deducted at source. If banks are empowered to deduct tax at a nominal amount of all banking transactions, Rs. 6,98,686 crore can be surpassed without breaking into a sweat. However, this assumes that all transactions will be done through a bank.

The Jan Dhan Yojana Scheme has ensured that many have opened bank accounts. The government should encourage these account holders to operate these accounts regularly by conducting all their transactions through them. India had a Banking Cash Transaction Tax at 0.1 per cent which ran from 2005 till 2009. At its peak, the tax yielded around Rs. 550 crore per annum in revenue.

The abolition of income tax in India would need a change in the tax culture. The government should think of working on changing the culture.

A change can be evidenced when a taxpayer with multiple bank accounts discloses all the bank accounts to the tax authorities instead of cherry-picking which accounts to disclose. This is not a mean task.

The writer is a chartered accountant

URBAN DEVELOPMENT

BUSINESS LINE, MAR 11, 2015

Land acquisition Bill gets Lok Sabha nod

Centre blinks, makes 9 amendments; deletes consent clause, social impact assessment

The Lok Sabha on Tuesday passed far-reaching amendments to the Right to Fair Compensation and Transparency in Land Acquisition Bill, amidst a walkout by several Opposition parties, including the Congress, the Samajwadi Party, the Biju Janata Dal and the Trinamool Congress.

As many as nine significant amendments — some of them controversial — were made to the law enacted by the UPA Government in 2013.

These changes are widely seen as a U-turn by the Centre and expected to serve the interests of the state rather than farmers.

The key amendments passed by the Lower House include doing away with requirements for consent and a social impact assessment before notification of the acquisition. An amendment that will help remove the bottlenecks faced hitherto by industry in acquiring multi-cropped irrigated land was also brought in.

Proposal dropped

In another significant move, an earlier proposal that talked about the Centre acquiring land for private hospitals and private educational institutions has been dropped. This amendment was not even moved.

The 2013 law stipulates land acquisition for government projects and private companies only after securing 80 per cent consent from farmers (70 per cent in the case of public-private-partnerships).

With both the consent clause and the social impact assessment out of the way, many critics claimed that the “heart and soul” of the land acquisition law was being removed and that the step was totally “anti-farmer”.

Some even saw the removal of the consent clause as a step that would lead to forcible acquisitions by the Centre.

Rejecting criticism that the amendments were “anti-farmer”, Rural Development Minister Chaudhary Birender Singh told *BusinessLine* that the amendments were being carried out in the country’s interest.

“We are only making a correction to the law that they (UPA) should have done themselves. All the amendments are in the interests of the farmers and the country,” he said outside the Lok Sabha soon after the amendment Bill was passed.

Singh hoped the ruling party will be able to get the amendment Bill through the Rajya Sabha, despite its limited muscle. He also clarified that States were at liberty to undertake social impact assessments and that only the mandatory nature of the clause has been removed.

Numbers game

The strong majority enjoyed by the BJP in the Lok Sabha paid good dividends, with most amendments moved by the Opposition rejected after a vote.

Mallikarjun Kharge, leader of the Congress in the Lok Sabha, said most of the amendments proposed by his party were not considered by the Centre and his party was therefore walking out.

Opposition parties put up a spirited effort to stall the passage of the government’s amendments and sought voting on most of those moved by them.

KEY AMENDMENTS

- Social impact assessment to be made voluntary
- Consent clause in 2013 Law scrapped
- Affected farm labourer families assured employment
- Acquisition of multi-crop irrigated land made easy

(This article was published in the Business Line print edition dated March 11, 2015)

WOMEN

BUSINESS STANDARD, MAR 9, 2015

Link Jan-Dhan with women entrepreneurship development to make it more purposeful: Study

A mechanism in the Ministry of MSME should be created to look for opportunities in various development programmes to promote women's enterprises in small and large sectors. With a view to tap the huge potential of [women entrepreneurs](#) in India, industry body [Assocham](#) has suggested the Government to link the Pradhan Mantri [Jan Dhan Yojana](#) (PMJDY) with entrepreneurship development thereby making it more purposeful.

"Where large projects are to be established requiring extensive construction, banks overseeing inclusion accounts should be asked to link up with such projects and let women from poor families or low income groups run ancillary services from teashops to temporary workshops," recommended the just-concluded study titled 'Women Entrepreneur Development for Transforming India' conducted by The Associated Chambers of Commerce and Industry of India (Assocham) ahead of International Women's Day celebrated globally on March 8 every year.

"A mechanism in the Ministry of Marginal, Small and Medium Enterprises (MSME) should be created to look for opportunities in various development programmes to promote women's enterprises in small and large sectors," suggested the study prepared by the Assocham Economic Research Bureau (AERB).

"The Government should give adequate support to the non-governmental organizations (NGOs) and other institutions involved in providing training in skills and enterprise for women under the skills ministry or Ministry of marginal, small and medium enterprises (MSME)," the study added.

"The Government should make it mandatory under the Companies Act to have at least one woman director in all company boards," said the chairperson of Assocham Gujarat Council, Bhagyesh Soneji while releasing the findings of the study.

"Regular publication of data on women enterprises, number of women in managerial positions in all larger enterprises and company balance sheets must also mandatorily provide such information," said Soneji.

"Capital market regulator, Securities Exchange Board of India (SEBI) could be asked to publish level of women's participation in fresh stock issues and investigate any alarming fall in the same," said D S Rawat, national secretary general of Assocham.

With these measures, entrepreneurial development amid women and their participation in the economy would steadily rise, shrink the gender gap in higher managerial positions and create synergies in other national programmes like school enrollment, women empowerment, toilets in all houses, security of women and elimination of gender discrimination and social disabilities, noted the Assocham study.

It has also been suggested that payment entities like National Payment Corporation (NPCL) should be supported to impart entrepreneurial skills to women as majority of remittances are sent to women of the family.

Considering growing needs of testing laboratories for soil, seed, food, healthcare and other sectors, women science graduates could be supported to set up such labs as part of commercial operation, it added.

With the Government planning to make medicines available at low prices for all, such chemists' establishments could also be reserved for women entrepreneurs, further suggested the Assocham study.

Listing a range of enterprises where women could play a key role as owner, worker and a consumer, the study has further recommended that personal care product makers should link up with women self-help groups (SHGs) and the serving banks to create a synergy and enable women to take up micro investment in product distribution.

HINDU, MAR 10, 2015

The unfinished agenda of the 21st century

MELANNE VERVEER & MAYESHA ALAM

There is a plethora of data which demonstrates that women's economic participation grows economies, creates jobs and builds inclusive prosperity. As essential as women's equality is for growth, it is often stymied by discriminatory laws, customs, and structural barriers that restrict women from full participating in the formal economy. In no country is the gender equality gap completely closed.

In the United States, women still do not receive equal pay for equal work. The pay gap has barely changed in a decade, it exists in nearly every occupation and it is exacerbated for women of colour and older women. The lack of paid maternity leave makes it difficult for women to have children and also work outside the home. The resulting loss of income hurts families and the larger economy.

The international community has acknowledged the essential role that women play in peace and prosperity, which is particularly evident in conflict zones. Secretary of State John Kerry noted, "Countries that value and empower women to participate fully in decision-making are more stable, prosperous and secure. The opposite is also true. When women are excluded from negotiations, the peace that follows is more tenuous. Trust is eroded, and human rights and accountability are often ignored."

For countries emerging out of conflict, women's access to jobs and markets is essential to ensuring stability. Peace agreements alone do not bring security; employment brings stability that is critical to security. Access to a sustainable livelihood is especially important for women survivors of conflict who must care for themselves and dependents such as children and elderly parents.

We have seen an example of progress in the Philippines — where women have helped lead peace negotiations that culminated in a historic agreement between the government and rebel forces in the Mindanao region. There, for the first time ever, a woman was the chief signatory to a peace agreement in 2014. Women continue to be seen and treated as merely victims during armed conflict and while they are subjected to unique and disproportionate harms — including sexual violence — they also represent the greatest untapped resource to creating a more peaceful world.

Women's political participation has been the area where progress has been slowest, even while other indicators have improved. Rates of women's participation in parliaments and as heads of state are low in both the U.S. and internationally. Rwanda serves an example of success, where women have led the charge to transform their country after the horrific

1994 genocide; it is the only country in the world with a higher percentage of female parliamentarians (64 per cent).

Where women and girls can access education and employment alongside men and boys, countries are more likely to prosper. Yet women in many countries still lack access to education and vocational training. In Pakistan and Nigeria, extremists threaten and commit violence against girls seeking to go to school. In Afghanistan, girls' enrolment in primary education has increased drastically in the last decade but there has been less progress on higher education for women. Lack of access to education is exacerbated in refugee settings and for internally displaced persons while child marriage continues to disempower young women and undercut their potential to live productive and happy lives.

As we mark International Women's Day, we should act on our collective unfinished agenda, wherever we live. Despite the genuine progress that has been achieved, our work remains incomplete. Even where laws exist to protect women from harm, enforcement is often lacking. Moreover, gains have been uneven, not only from one geographic region to another but within countries across urban and rural divides.

Empowering women and girls worldwide is strategic and smart. No country can get ahead if it leaves half of its population behind. This is the great, unfinished agenda of the 21st century. — © **Guardian Newspapers Limited, 2015**

Though real gains have been made on women's rights, there's still a long way to go before everyone can reap the rewards of gender justice