India gives $1,00,000 to UN Tax Fund; 1st country to contribute

UNITED NATIONS: India has contributed $100,000 to a UN fund to help developing countries actively participate in the discussion of tax issues, becoming the first country to make the contribution.

The UN Trust Fund for International Cooperation in Tax Matters (the UN Tax Fund) received its first financial voluntary contribution from India, the UN Department of Economic and Social Affairs Office for Financing for Development Office announced.

The UN Tax Trust Fund aims to support the work of the Committee of Experts on International Cooperation in Tax Matters (the UN Tax Committee).

Voluntary contributions for the fund have been called for by the UN and the committee since its establishment in 2006.

The call for contributions was also emphasised in the Addis Ababa Action Agenda adopted at the third International Conference on Financing for Development in 2015, the UN department said.

India became the first country to respond to the call with an initial contribution of $100,000 that will be dedicated towards ensuring greater support for developing countries' participation in the sub-committee meetings of the UN Tax Committee, which are currently unfunded.

Handing over a cheque to the Financing for Development Office, India expressed hope that other countries will similarly contribute to the UN Tax Trust Fund to advance developing countries' participation on taxation issues.

Through the fund, the UN expects that more developing countries will draw upon the best practice of other bodies, ensuring that global tax cooperation norms and rules will work more effectively and efficiently for all countries and all stakeholders.

The UN Tax Committee, a subsidiary body of the UN Economic and Social Council (ESOSOC), has provided guidance on current issues such as double taxation treaties, transfer pricing (profit shifting) taxation of the extractive industries and taxation of services.

The committee also provides a framework for dialogues with a view to enhance and promote international tax cooperation among national tax authorities, while making recommendations on capacity-building and the provision of technical assistance to developing counties and countries with economies in transition.

The Addis Agenda provides a global framework to ensure the effective mobilisation of resources at the national and international level for sustainable development.

Implementation of the Addis Agenda supports the implementation of the Sustainable Development Goals (SDGs) and is an integral part of the 2030 Agenda for Sustainable Development, the historic and transformational agenda that countries unanimously adopted in 2015.

END

Launch of National Biopharma Mission

Industry-Academia Collaborative for Accelerating Discovery Research to

Early Development for Biopharmaceuticals

Curtain Raiser

Innovate in India (i3)

The first ever Industry-Academia mission to accelerate biopharmaceutical development in India will be formally launched by the Cabinet Minister for Science and Technology, Earth Sciences, Environment, Forests and Climate Change, Dr. Harsh Vardhan in New Delhi on 30th June 2017. The program named *Innovate in India* (i3) will witness an investment of USD 250 million with USD 125 million as a loan from world Bank and is anticipated to be a game changer for the Indian Biopharmaceutical industry. It aspires to create an enabling ecosystem to promote entrepreneurship and indigenous manufacturing in the sector.

India has been an active player in the pharmaceutical industry and has contributed globally towards making life saving drugs and low cost pharmaceutical products accessible and affordable for those in need. Be it the Rotavirus vaccine, heart valve prosthesis or affordable insulin, India has been a forerunner in these and many more. Despite, these advances Indian biopharmaceutical industry is still 10-15 years behind their counterparts in the developed countries and faces stiff competition from China, Korea and others. The lacuna primarily exists due to disconnected centers of excellence, less focus on translational research and staggered funding. There was an immediate need felt to focus on consolidated efforts to promote product discovery, translational research and early stage manufacturing in the country to ensure inclusive innovation.

i3 is committed to addressing these gaps with a Mission to make India a hub for design and development of novel, affordable and effective biopharmaceutical products and solutions. The aim of the Mission is to *“Enable and nurture an ecosystem for preparing India’s technological and product development capabilities in biopharmaceuticals to a level that will be globally competitive over the next decade, and transform the health standards of India’s population through affordable product development”*

As a flagship program of the Government of India in collaboration with World Bank, it promises to boost the growth curve for domestic biopharma in India by accelerating the translation of research concepts into viable products, supporting clinical validation, enabling sustainable networks for collaboration between industry and academia, and supporting entrepreneurial ecosystem amongst many others. Currently India has only 2.8% share in the global biopharmaceutical market, the program would elevate this to 5% resulting in an additional business opportunity of 16 Billion USD.

The Mission will provide a holistic and integrated approach to strengthen and support the entire product development value chain for accelerating the research leads to product development. This will help not only in immediate product development addressing public health needs, but will also help to create an ecosystem which will facilitate development of a continuous pipeline of products.

The Mission to be implemented by Biotechnology Industry Research Assistance Council (BIRAC), a Public Sector Undertaking of Department of Biotechnology will bring together expertise from national and international corridors to provide strategic guidance and direction to move promising solutions through the product development value chain. The program thereby stands unique in its approach as it becomes a cradle to innovate, co-create and co-facilitate scientific discoveries and offers young entrepreneurs an avenue to engage with the best in the industry.

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Integration of oil & gas majors is best avoided

In his fourth budget speech, Finance minister Arun Jaitley revisited the idea of an integrated oil and gas sector. The idea first made its appearance during Atal Bihari Vajpayee’s government in 1998. The proposal was then rejected for encouraging a monopolistic scenario in distribution of essential goods like LPG, petrol, kerosene etc. In 2005, the Krishnamurthy committee formed by the UPA government debunked the idea as it would reduce competition and manpower in the oil and gas sector.

Why, then, did the idea of an integrated oil major surface again in 2017 even after being rejected twice?

Five reasons

Mr. Jaitley stated five major reasons for the same: better capacity to bear higher risks, avail economies of scale, create more shareholder value, make better investment decisions and be more competent globally. From the table, it is apparent that Indian firms are much smaller in size compared with top international oil companies. The Government’s track record of consolidating state run firms has not borne good results. The aviation sector suffered a major setback following the merger of Air India and India Airlines in 2007 and has not yet fully recovered. In oil and gas, minimum political interference and liberalisation have proven better in creating more shareholder value compared with integration. ONGC’s decision to bail out debt-ridden Gujarat State Petroleum Corporation has been said to be the result of political interference. With oil firms facing such allegations and inefficiencies, giving complete autonomy to one entity can risk the nation’s energy security.

Another concern is employment generation. The graph shows that the sector has seen a continuous decline in manpower since FY11. The Krishnamurthy Committee had earlier deduced that such integration will result in manpower reduction. At a time when the government is struggling with job creation, it will be difficult to justify job losses due to restructuring.

The ability of a company to take higher risks depends on the amount of capital it has. The financials of all six major oil PSUs show that they have more than the minimum amount of capital required. Size is also not the only factor that facilitates acquisition of offshore projects. Ireland’s Tullow Oil, with a market cap of only $3.62 billion, has expanded in several countries by forming consortia with local oil firms. Therefore, companies should focus on better strategy, techniques and management practices to negate shortcomings of their size. The Indian oil market today has hardly any competition and is dominated by IOCL, HPCL and BPCL. Curbing competition in the past has already adversely affected the aviation and banking sectors.

So, any decision that creates a monopoly in the oil and gas sector must be carefully thought through. An important question here is whether a bigger oil company will help achieve the aims stated by Mr. Jaitley. Or, will it create new problems for the Indian people at large?

(The author is a BJD Member of Parliament and views are personal)

The service is available in Bengaluru, Kolkata and Chennai, operating 500 bicycles

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ADB, Centre ink pact for road revamp

Finance Minister Arun Jaitley with Takehiko Nakao, President, Asian Development Bank in a meeting at North Block in New Delhi. File Photo. PTI

The Asian Development Bank (ADB) and the Government of India on Monday signed a $220 million loan agreement meant to improve connectivity, transport efficiency, and safety on the State highways of Rajasthan.

“The loan is the first tranche of the $500 million Rajasthan State Highways Investment Program, approved by ADB Board in May this year, that will upgrade about 2,000 km of State highways and major district roads to two-lane or intermediate-lane standards to meet road safety requirements,” the government said in a release.

“The first tranche loan will improve about 1,000 km of State highways and major district roads,” the release added.

“But for the medium term, we see a very solid track ahead for the Indian economy,” Lagarde said to a question on India.

END

Bird flu: India declares itself free from Bird Flu

NEW DELHI: India has declared itself free from Bird Flu (highly pathogenic Avian Influenza - H5N1 and H5N8) and notified it to the World Organisation for Animal Health. The move will help it resume export of poultry products to the countries which had banned trade in such items early this year.

India had reported outbreaks of Avian Influenza at various epicentres in Delhi, Gwalior (Madhya Pradesh), Rajpura (Punjab), Hissar (Haryana), Bellary (Karnataka), Allappuzha and Kottayam (Kerala), Ahmedabad (Gujarat), Daman (Daman) and Khordha and Angul in Odisha during October 2016 to February 2017.

"India has declared itself free from Avian Influenza (H5N8 and H5N1) from June 6, 2017 and notified the same to the World Organisation for Animal Health", said the Union agriculture ministry in a statement on Thursday.

The countries which banned Indian poultry products, include United Arab Emirates (UAE) and Hong Kong.

The ministry said that all the outbreaks of Avian Influenza were notified to the world body and the control and containment operations were carried out as per the action plan on preparedness, control and containment.

"Surveillance was carried out throughout the country and around the areas of the outbreaks since completion of the operation (including culling, disinfection and clean-up). Surveillance in the states showed no evidence of presence of Avian Influenza virus", said the ministry while justifying its action.

The World Organisation for Animal Health is recognised as a reference body by the World Trade Organization. It has 181 countries as its members. This global body keeps tab on animal health issues and advises countries on best practices to be followed during such outbreaks.

This organisation also supports countries to help them control animal diseases that cause livestock losses and pose a risk to public health. Under its norms, ban can be lifted after 90 days of surveillance.

Though many West Asian countries have already lifted the ban to import from India, the remaining ones are expected to open their markets after the latest notification to the world body.

India is, at present, the world's fifth largest egg producer and the 18th largest producer of broilers. In terms of export from India, poultry products recorded 18% growth during the 2015-16 financial year over the same period of 2014-15.

The country had exported over 6,59,304 metric tonne of poultry products worth Rs 768.72 crore during 2015-16. The major importing countries of these products were Oman, USA, Saudi Arabia, Japan, UAE and Germany.

END

GST may dampen gold demand: WGC

Losing sheen: A move to ban cash transactions more than 2,00,000 from April 1 may hurt gold demand in rural areas.

A hike in taxes on gold sales in India could pressure short-term demand from the world’s No.2 consumer of the metal, the World Gold Council (WGC) said in a report.

Faltering appetite in a country where gold is used in everything from investment to wedding gifts could drag further on global prices, already trading near their lowest level in 7-weeks.

“In the short-term at least, we believe (the tax) may pose challenges for the industry. Small-scale artisans and retailers with varying degrees of tax compliance may struggle to adapt,” the WGC said in a report published on Thursday.

As part of a new nationwide sales tax regime that kicked in on July 1, the Goods and Services Tax (GST) on gold has jumped to 3% from 1.2% previously.

Smuggled gold

There have been fears the tax increase could stoke under-the-counter buying and drive up appetite for precious metal smuggled into India, where millions of people store chunks of their wealth in bullion and jewellery.

Meanwhile, the WGC also said a government move to ban cash transactions more than 200,000 ($3,090) from April 1 could hurt gold demand in rural areas where farmers often purchase the metal using cash. Two-thirds of gold demand comes from rural areas.

“(The transactions rule’s) potential impact isn’t entirely clear: it could curb gold purchases; it could encourage gold shoppers to buy smaller amounts of gold spread over more transactions; or it could push a large part of demand underground and encourage a black market in gold,” said the WGC.

The group kept its demand estimate for India at 650 to 750 tonnes for 2017, well below average annual demand of 846 tonnes in the past five years.

“But for the medium term, we see a very solid track ahead for the Indian economy,” Lagarde said to a question on India.

END

crop insurance scheme: SC gives government six months to show results of PM's crop insurance scheme

NEW DELHI: The Supreme Court on Thursday gave the central government six months time to demonstrate the gains of Pradhan Mantri Fasal Bima Yojana on the ground level as it observed that a serious issue like this could not be dealt with overnight.

The bench of Chief Justice Jagdish Singh Khehar and Justice D.Y.Chandrachud said: "We are of the view that a serious issue like this can't be dealt with overnight, it will take time to implement it (PMFBY)."

The top court gave six months as Attorney General K.K.Venugopal sought a year's time to see the gains of the scheme.

Urging the court to close the matter, he said: "Why should the court interfere when government is doing all to help the farmers."

He said the scheme that was launched just a year ago has covered 5.3 crore farmers, or 40 per cent of the country's 12 crore farmers and covered 30% of the total crop area in the country.

However, Chief Justice Khehar refused his demand, saying: "We are not going to close the matter."

"Whatever needs to be done has to be done, not on paper. We are not going to close. We are keeping ourself in the loop to know what is going on. You may be doing a good thing."

Pointing out that inability to pay loans was the major cause of farmers suicide in the country, Chief Justice Khehar said: "Inability to pay the loans is the major cause of farmers' suicide. If all of them have been covered, then how can you say that only 40 per cent have been covered?"

At the outset of the hearing, Chief Justice Khehar called for some alternatives to address the farmers woes observing that paying compensation to the famers was no solution.

"Don't worry about the directions, tell us what are you doing (to address the issue of farmers suicide)," the bench said as Attorney General referred to earlier directions issued by the court.

Suggesting an insurance policy with low premium, the bench said that there must be something to soften the impact if a farmer was not able to discharge his loan liabilities.

Asking Venugopal to tell what the government was doing and how it was doing, the bench said: "First you decide what you are taking from the farmers. Rest will be divided between you and the states."

Appreciating the crop insurance policy, senior counsel Colin Gonsalves appearing for the petitioner NGO Citizens Resource and Action and Initiative (CRANTI) said that the Madhya Pradesh and other state governments were not fixing minimum support prices and as a consequence, the farmers were selling their agriculture produces at throw away prices.

Rejecting the government's description of the NGO's suggestions as something in the "in air", he said that they were based on the expert reports including one by noted agriculture scientist M.S. Swaminathan.

CRANTI is seeking compensation to the families of the debt-ridden farmers who had committed suicide because of serious financial difficulties.

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Double Taxation Avoidance Treaty: Mauritius keeps tax treaty with India outside purview of MLI

NEW DELHI: Mauritius has kept its double taxation avoidance treaty with India out of the purview of the global agreement that seeks to prevent companies from avoiding taxes.

Mauritius has notified 23 of its tax treaties for modification by OECD's Multilateral Instrument (MLI) to implement tax treaty-related measures to prevent Base Erosion and Profit Shifting (BEPS).

The island nation has opted for Principal Purpose Test (PPT) for the purpose of combating treaty abuse. Under this rule treaty benefit is denied where principal purpose of investment is to gain tax benefit.

The island nation has conveyed to the OECD that Mauritius will have a bilateral discussions with countries not covered to adopt a limitation of benefits provision.

This means that investors using the nation to route their investments into India will have to wait for clarity on what all standards it adopts. But, if it does apply similar standards as prescribed under the global treaty, it could impact existing investments, say tax experts.

"The PPT rule (if adopted by both countries) could have an impact on grandfathering of investments made before March 2017 which are still protected from source taxation on capital gains under the India-Mauritius treaty as amended in 2016," said Jayesh Sanghvi, National Leader – International Tax Services, EY India.

On June 7, 2017, 68 jurisdictions, including India, signed the multilateral convention to implement tax treaty-related measures to prevent BEPS, simply attempts to shift tax base and profits to lower tax jurisdictions.

In an official statement, Mauritius expressed its commitment to the BEPS project and stated that the tax treaties which are not covered by the MLI will be subject to a bilateral discussion with the respective treaty partners.

One will have to wait and watch how the minimum standards (especially the PPT rule) will be achieved in the India-Mauritius treaty and its impact on existing and future holding structures, Sanghvi said.

India and Mauritius would have to discuss and negotiate the changes to the tax treaty bilaterally, which may turn out to be a time consuming process.

"Owing to this exclusion, the terms of MLI shall not apply to any transaction entered between tax residents of India and Mauritius," said Rakesh Nangia, managing partner, Nangia & Co LLP.

"On the backdrop of the India-Mauritius tax treaty not being included by Mauritius for the MLI, it needs to be seen to what extent the BEPS recommendations would be bilaterally agreed between the two countries," said a PwC note.

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Minister of Food Processing Industry laid foundation stone for First Maize Based Mega Food Park in Kapurthala, Punjab

Shri Harsimrat Kaur Badal, Union Minister of Food Processing Industry laid the foundation stone for First Maize based Mega Food Park in Kapurthala, Punjab today. Sadhvi Niranjan Jyoti, Minister of State for Food Processing was also present on the occasion.

Speaking on the occasion Shri Harsimrat Kaur Badal said that Maize is an amazing cereal and is an alternate to *Jhona* (paddy) and *Kanak* (wheat). Maize is rich in protein, provides nutritional requirements that India needs and Maize consumes much lesser water and could contain the problem of further water depletion. The Mega Food Park is being developed by Sukhjit Mega Food park & Infra Limited at village Rehana Jattan, Phagwara, District Kapurthala, Punjab. She also said that Kapurthala has been declared as a Dark Zone district where slow desertification is happening because of overexploitation of water due to cash crops. So establishment of this Mega Food Park was not allowed. Since this would be a maize based Mega Food Park which will promote crop diversification and water conservation, Smt Harsimrat Kaur Badal informed that her ministry made special efforts to get this Mega Food Park approved from Ministry of Water Resources, River Development and Ganga Rejuvenation. Establishment of this Mega Food Park will result in the development of this Dark Zone which includes Job opportunities, Environmental Conservation, she added.

Smt Harsimrat Kaur Badal also said that there is an urgent need to turn to Maize and our government would relentlessly work to make Maize as the third viable staple crop of Punjab after Wheat and Rice and growing of maize with enhanced quality of seeds. A Maize based Food Park is like putting an engine to the cart so that cultivation of maize grows leaps and bounds. Highlighting the new flagship scheme “KISAN SAMPADA YOJANA”, Minister of Food Processing Industries said that with the aim of making every farmer a Food Processor also, this scheme has been designed where farmers can also set up big or small food processing units and marketing units. She also said that enterprises willing to set up maize based food processing units in Sukhjit Mega Food Park would get loan from NABARD at affordable rates. She also thanked the state government for extending support for the establishment of the Mega Food Park.

Background:

Maize Based Mega Food Park is the first major and serious step in the history of India for containing the desertification problem of Punjab and would make farmers turn to maize cultivation which need less water for more production. Maize is being used by different industries for seed, starch, brewery, food additives, sweeteners etc and it is also a basic raw material to thousands of industrial products like oil, proteins, pharmaceutical, cosmetics, beverages, film, textile, gum, value added foods, paper industries, bio-ethanol etc.

The Mega Food Park will leverage an additional investment of about Rs.250 crores in 25-30 food processing units in the park and generate turnover of Rs.450-500 crores annually. The Park will provide direct and indirect employment to 5,000 persons and benefit about 25,000 farmers.

Set up in an area of 55 acres, the first Maize based Park is being built with an investment of Rs. 123.7 crores with a grant of Rs.50 crores by Union Food Processing Industries Ministry to have Multipurpose Cold Storage of 3, 000 Metric tonnes, Individually Quick Frozen (IQF) and Deep Freezer 1 Metric Tonne/Hour capacity, Sorting and Grading Yard of 2,000 sqm and Food Testing Lab. In addition to that promoter is also set up an Anchor Unit with an investment of Rs.105 crores for Maize Processing with an installed grinding capacity of 500 Metric Tonnes a day.

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Scheme for IPR Awareness – Creative India; Innovative India

Scheme for IPR Awareness – Creative India; Innovative India

Taking forward the National Intellectual Property Rights (IPR) Policy 2016, a ‘Scheme for IPR Awareness – Creative India; Innovative India’ has been launched by Cell for IPR Promotion and Management (CIPAM) under the aegis of the Department of Industrial Policy and Promotion.

The Scheme aims at raising IPR awareness amongst students, youth, authors, artists, budding inventors and professionals to inspire them to create, innovate and protect their creations and inventions across India including Tier 1, Tier 2, Tier 3 cities as well as rural areas in the next 3 years.

The Scheme for IPR Awareness aims to conduct over 4000 IPR awareness workshops/seminars in academic institutions (schools and colleges) and the industry ,including MSMEs and Startups, as also IP training and sensitization programmes for enforcement agencies and the judiciary.

Workshops will cover all vital IP topics including international filing procedures, promotion of Geographical Indications and highlighting the ill effects of piracy and counterfeiting.

The Scheme for IPR Awareness would be implemented through partner organizations to promote innovation and entrepreneurship, for which complete details can be viewed at http://dipp.nic.in/whats-new/scheme-ipr-awareness.

MJPS

END

SEBI to move against non-compliant firms

The Securities and Exchange Board of India (SEBI) has initiated action against non-compliant “Exclusively Listed Companies (ELCs) on Dissemination Board (DB),” and its directors and promoters.

These are companies which were earlier listed on regional stock exchanges (RSEs) that have been de-recognised by the regulator. Such companies were allowed to be part of the national exchanges through a dissemination board but were directed to submit a plan of action for listing or providing an exit option to shareholders.

SEBI can bar such promoters and companies from accessing the securities market for a period of 10 years apart from freezing the shares held by promoters and directors. The regulator can even attach the bank accounts and other assets of promoters and directors to compensate the investors.

536 traceable firms

The deadline to submit the plan of action was extended until June 30. As per SEBI, of the 2,000 companies listed on dissemination board as on June 30, there are 536 entities that are traceable and yet not submitted a plan of action.

“Out of 536 ELCs, there are few ELCs which have made representation to SEBI/Stock Exchanges and their representations are under examination. SEBI has extended the time to submit plan of action by such ELCs till September 30, 2017,” according to a statement from SEBI.

The service is available in Bengaluru, Kolkata and Chennai, operating 500 bicycles

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Centre eases pre-merger filing norms

Time factor: Move could help deals that need to ensure compliance across multiple jurisdictions. Getty Images/istock

In a move that is likely to boost mergers and acquisitions (M&A) in the country, the Centre has done away with the thirty-day time period to submit before the Competition Commission of India (CCI) an application for pre-merger clearance.

According to a notification on June 29 by the Ministry of Corporate Affairs (MCA), “the Central government, in public interest, hereby exempts every person or enterprise who is a party to a combination.... from giving notice within thirty days...” This new provision (exemption from the 30-day time period) will be valid for five years starting June 29, 2017.

The earlier norms had specified that an application to obtain the CCI’s prior approval for an acquisition, merger or amalgamation had to be filed within thirty days of: board approval of the proposed merger or amalgamation by each of the respective parties; execution of any agreement or other document of a binding nature conveying a decision to acquire shares, control, voting rights or assets; execution of any document by the acquiring enterprise conveying a decision to acquire shares, control, voting rights or assets, in case the acquisition is without the consent of the enterprise being acquired; or date of the public announcement under India’s takeover regulations applicable to acquisitions of listed entities.

The notification means that parties can make a CCI application at any time in course of an acquisition but cannot effect or close an acquisition before obtaining the CCI’s approval, according to the law firm Majmudar & Partners.

Flexibility option

It will give parties the liberty and flexibility to decide at what stage they want to make the CCI filing, depending on the deal parameters and commercial terms, Majmudar & Partners said in a statement.

Besides, this will specifically benefit large, multi-jurisdiction transactions where parties may be burdened with regulatory requirements in several jurisdictions and, therefore, need more time to assess the Indian law implications and prepare a comprehensive CCI application, the statement said.

The law firm added that the notification will also give time to the parties to prepare a comprehensive application and ensure that the application is not rejected on technical grounds, which, in turn, will reduce the time taken by the CCI to clear the application.

Such expenditure needs expeditious resolution of stressed loan problem: Crisil

END

What is the G20 and how does it work?

The Group of Twenty (G20) is an international forum that brings together the world's 20 leading industrialised and emerging economies. The group accounts for 85 per cent of world GDP and two-thirds of its population.

Much of the important business takes place on the sidelines and in informal meetings.

Initially attendance at G20 summits was limited to the finance ministers and central bank governors of members when it was established 17 years ago.

But since an inaugural meeting between G20 leaders in Washington DC following the collapse of Lehman Brothers in 2008, summits between G20 leaders themselves have become an annual event.

The first G20 summit occurred in Berlin, in December 1999, and was hosted by the German and Canadian finance ministers.

Since then there have been 20 G20 meetings between finance ministers and central bank governors, and 11 summits between heads of state or government of G20 economies.

The next summit of G20 leaders is scheduled for Hamburg, Germany, on July 7-8 2017.

After the last summit in China, Germany assumed the G20 presidency in December 2016. Although Berlin hosted ministerial-level G20 meetings in 1999 and 2004, the Hamburg event will be the first time Germany has hosted G20 heads of government.

It's expected to be dominated by climate change discussions and it will also be Donald Trump's first meeting with Russian president Vladimir Putin since his election as US president.

Theresa May, France’s Emmanuel Macron and Canada’s Justin Trudeau will also be in attendance.

The G20 is made up of:

The final member is the European Union, represented by the European Commission, rotating Council presidency and the European Central Bank (ECB). Spain as a permanent non-member invitee also attends leader summits.

Other countries also attend summits at the invitation of the host country, while it has become customary for the Chair of ASEAN (Association of Southeast Asian Nations) and representatives of the African Union and NEPAD (New Partnership for Africa’s Development) to be present at leader summits.

Meetings tend to occur on an annual basis; however leaders met twice a year in 2009 and 2010, when the global economy was in crisis.

Next year, Buenos Aires will host the gathering as Argentina becomes the first South American nation to host a G20.

Fearing deadlock in a larger decision-making body, not all countries are invited to the G20.

The Group of Eight (G8), established as the G7 in 1976 but renamed after the admission of Russia in 1998, is an international forum for the eight major industrial economies. It comprises: Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States.

However, since 2014 Russian membership has been suspended following the country’s annexation of Crimea.

The G8 seeks cooperation on economic issues facing the major industrial economies, while the G20 reflects the wider interests of both developed and emerging economies.

The G20 has no permanent staff of its own and its chairmanship rotates annually between nations divided into regional groupings.

Germany currently holds the presidency, with Argentina to take over in 2018. Hosting the summit is an opportunity to set the agenda and lead discussions.

In 2009, when the UK held a special spring summit, then prime minister Gordon Brown orchestrated a deal in which world leaders agreed on a $1.1 trillion injection of financial aid into the global economy. The “historic” deal was widely viewed as a success.

There are no formal votes or resolutions on the basis of fixed voting shares or economic criteria. However, the lines of informal influence in the organisation trace those of major power politics.

Former US President Barack Obama dominated the 2014 Brisbane summit, placing climate change at the top of the agenda, despite the reluctance of host nation Australia’s prime minister Tony Abbott to allow the issue such pride of place.

The G20 is made up of:

The final member is the European Union, represented by the European Commission, rotating Council presidency and the European Central Bank (ECB). Spain as a permanent non-member invitee also attends leader summits.

Other countries also attend summits at the invitation of the host country, while it has become customary for the Chair of ASEAN (Association of Southeast Asian Nations) and representatives of the African Union and NEPAD (New Partnership for Africa’s Development) to be present at leader summits.

Meetings tend to occur on an annual basis; however leaders met twice a year in 2009 and 2010, when the global economy was in crisis. The last meeting between finance ministers and central bank governors was held in Chengdu, China, in July 2016.

But since an inaugural meeting between G20 leaders in Washington DC following the collapse of Lehman Brothers in 2008, summits between G20 leaders themselves have become an annual event.

The first G20 summit occurred in Berlin, in December 1999 and was hosted by the German and Canadian finance ministers.

Since then there have been 18 G20 meetings between finance ministers and central bank governors, and 10 summits between heads of state or government of G20 economies.

The next summit of G20 leaders is scheduled for Hangzhou, China, from 4-5 September 2016. It is the first to be hosted by China, only the second in Asia, and has been hailed as a “milestone” in the country’s development and symbolic of its growing importance as a major power.

The Group of Twenty (G20) is an international forum that brings together the world's leading industrialised and emerging economies. The group accounts for 85 per cent of world GDP and two-thirds of its population.

Much of the important business takes place on the sidelines and in informal meetings.

Initially attendance at G20 summits was limited to the finance ministers and central bank governors of members, when it was established 17 years ago.

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RBI considering setting up a Public Credit Registry

The Reserve Bank of India (RBI) may consider setting up a Public Credit Registry (PCR), which will be an extensive database of credit information for India that is accessible to all stakeholders.

According to Viral Acharya, Deputy Governor, Reserve Bank of India, a PCR, if put in place will help in credit assessment and pricing by banks; risk-based, dynamic and countercyclical provisioning at banks; supervision and early intervention by regulators; understanding if transmission of monetary policy is working, and if not, where are the bottlenecks; and, how to restructure stressed bank credits effectively.

“Generally, a PCR is managed by a public authority like the central bank or the banking supervisor, and reporting of loan details to the PCR by lenders and/or borrowers is mandated by law.

“The contractual terms and outcomes covered and the threshold above which the contracts are to be reported vary in different jurisdictions, but the idea is to capture all relevant information in one large database on the borrower, in particular, the borrower’s entire set of borrowing contracts and outcomes,” said Acharya at the 11th Statistics Day Conference held at RBI’s central office.

The Deputy Governor elaborated that a central repository, which, for instance, captures and certifies the details of collaterals, can enable the writing of contracts that prevent over-pledging of collateral by a borrower.

“In absence of the repository, the lender may not trust its first right on the collateral and either charge a high cost on the loan or ask for more collateral than necessary to prevent being diluted by other lenders. This leads to, what in economics, is termed as pecuniary externality – in this case, a spillover of one loan contract onto outcomes and terms of other loan contracts,” he said.

Furthermore, in the absence of a public credit registry, the ‘good’ borrowers are disadvantaged in not being able to distinguish themselves from the rest in opaque credit markets; they could potentially be subjected to a rent being extracted from their existing lenders who enjoy an information monopoly over them.

The lenders may also end up picking up fresh clients who have a history of delinquency that is unknown to all lenders and this way face greater overall credit risk, explained Acharya.

“Let us now envisage how exactly a public credit registry can help in India. Firstly, it is required to improve the credit culture in our country. It has been demonstrated in the ‘Doing Business 2017’ report that credit information systems impart transparency in the credit market, following which access to credit improves and delinquencies decrease.

“At present, several Indian banks burdened with mounting NPAs appear less confident in taking credit decisions. A transparent public credit registry would help the bankers to rely on objective data for making credit decisions and also enable them to defend their actions with market evidence when subjected to scrutiny,” said the Deputy Governor.

Secondly, according to Acharya, large borrowers get a preference in credit markets due to their existing credentials in the public space. They have established credit history, brand value, and supply of collateral. In contrast, small and marginal aspirants, start-ups, new entrepreneurs, and small businesses in micro, small and medium enterprises (MSME) sector are disadvantaged as they lack many of those desired qualifications for credit.

“Transparency of credit information would serve as a “reputational collateral” for such borrowers. This would not only help promote financial inclusion, but also reward the good borrowers thereby imparting credit discipline.

“We just have to look at our willingness to transact on eBay to understand how reputation builds up for effectively anonymous sellers from their transaction records captured on a website. Similarly, public credit registry would help create a level-playing field among different sizes of borrowers,” explained Acharya.

Thirdly, public credit registers in many countries have gone beyond the credit relationship of borrowing entities with financial institutions. They tap other transactional data of borrowers including payments to utilities like power and telecom for retail customers and trade credit data for businesses.

“Why might such data help? Lenders in the formal sector often hesitate to extend a line of credit to new customers due to the lack of credit scores. Regularity in making payments to utilities and trade creditors provides an indication of the credit quality of such customers.

“In turn, credit from the formal sector can become accessible to new borrowers, boosting financial inclusion. As a side benefit, the extent of financial inclusion will likely become more precisely measurable for policy makers,” said Acharya.

Finally, the Deputy Governor said, public credit registry can have a profound impact for regulatory purposes. In its absence, only fragmented images are available of credit behaviour and indebtedness. PCR will help in getting to a complete picture that is necessary for supervisors and policy makers to assess credit risk of the entire system.

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22nd WPC 2017 - About

Turkey has won the bid to host the 22nd World Petroleum Congress (WPC) in 2017, widely recognized as the `Olympics` of the oil and gas industry.

"This time – Istanbul!" was the motto for the Turkish delegation as they faced the USA with Houston, Kazakhstan with Astana and Denmark with Copenhagen in the election to host the 22nd World Petroleum Congress in 2017. In a tightly run competition, Istanbul won the right to host the prestigious Congress with 55% of the votes in the third round against its strongest rival Houston with 45%. Turkey participated the Council meeting in Calgary, where the elections were held, with students, experts, Turkish National Committee and the government delegation, including the Deputy Energy Minister of Turkey.

All candidates had been conducting an extensive lobbying campaign from January 2013. They visited many of the 70 WPC member countries in person to promote their bids to host the prestigious event. As the "Olympics" of the oil and gas sector, the Congress attracts large attendances with over 6000 delegates, 500 CEOs, 50 Ministers and around 25,000 visitors for the World Petroleum Exhibition, one of the largest strategic oil and gas expos in the world.

In accordance with the World Petroleum Council regulations and the Memorandum of Understanding, establishing the right of Turkey to host the 22nd World Petroleum Congress and assigning responsibilities for preparation and hosting of the Congress between the World Petroleum Council and the Turkish National Committee, was signed on April, 9th, 2014 in Ankara, Turkey.

Minister of Energy and Natural Resources of Turkey, Mr. Taner Yldz, President of World Petroleum Council, Mr. Renato Bertani and Chairman of WPC Turkish National Committee, Mr. Besim iman, WPC Director General, Mr. Pierce Riemer, together with participants from Turkish Petroleum (TP) attended the signature ceremony.

They all presented their pleasure of Turkey's success being selected as the next host country.

Turkey kicked off its promotion for the 2017 Congress at the 21stWPC in Moscow, Russia, 15-19 June 2014; with its stand activities, interviews, speeches and closing ceremony presentations. The Turkish delegation at the 21st WPC consisted of more than 100 delegates, from TP, government, national companies and universities.

At the closing ceremony, the WPC Symbol was handed over from Russia to Turkey after fantastic shows from Russia. The Congress Symbol inauguration by Russia Minister of Energy Alexander Novak to Minister of Energy of Turkey, Mr. Taner Yldz was followed by colorful performances of Turkish folk dance ensemble.

The 22nd World Petroleum Congress will be held in stanbul (Turkey) on 9-13 July, 2017.

During the 3 years period, WPC Turkish National Committee and the Organizing Team will be communicating all National Committees about the progress and the preparations.

Turkey welcomes all industry stakeholders to Istanbul in 2017 to the 22ndWPC!

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G-20 leaders propose Hamburg Action Plan at summit conclusion

Hamburg [Germany], Jul 8 (ANI): The two-day G-20 summit that took place in Germany's Hamburg city ended with the leaders proposing the Hamburg Action Plan to address major global challenges, including climate change, harnessing digitalisation, and to contribute to prosperity and well-being.

"Mastering the challenges of our age and shaping an interconnected world is the common goal of the G-20 as our premier forum for international economic cooperation. We can achieve more together than by acting alone," an official statement read.

The leaders pledged to progress towards their joint objective in the G20, which is strong, sustainable, balanced and inclusive growth.

"We are resolved to tackle common challenges to the global community, including terrorism, displacement, poverty, hunger and health threats, job creation, climate change, energy security, and inequality including gender inequality, as a basis for sustainable development and stability," the statement read.

In order to improving sustainable livelihoods, the G-20 leaders collectively committed to mitigate greenhouse gas emissions through, among others, increased innovation on sustainable and clean energies and energy efficiency, and work towards low greenhouse-gas emission energy systems.

"In facilitating well-balanced and economically viable long-term strategies in order to transform and enhance our economies and energy systems consistent with the 2030 Agenda for Sustainable Development, G-20 members will collaborate closely," the statement read.

Taking note of its withdrawal from the Paris Peace Climate Accord, the United States of America announced that it would immediately cease the implementation of its current nationally-determined contribution and affirm its strong commitment to an approach that lowers emissions while supporting economic growth and improving energy security needs.

"The United States of America will endeavour to work closely with other countries to help them access and use fossil fuels more cleanly and efficiently and help deploy renewable and other clean energy sources, given the importance of energy access and security in their nationally-determined contributions," it said.

The Leaders of the other G-20 members also agreed that the Paris Agreement is irreversible reiterated the importance of fulfilling the UNFCCC commitment by developed countries in providing means of implementation including financial resources to assist developing countries with respect to both mitigation and adaptation actions in line with Paris outcomes.

The leaders also stressed on the importance of harnessing the benefits of globalisation, reaffirm the importance of transparency for predictable and mutually beneficial trade relations, harness digitalisation to achieve the goals of the 2030 Agenda for Sustainable Development.

Besides this, the G-20 leaders also underlined to boost employment by improving sustainable global supply chains, which have been recognised as an important source of job creation and balanced economic growth.

The leaders also resolved to make a resilient global financial system in agreed international standards, to support sustainable growth.

"We remain committed to the finalisation and timely, full and consistent implementation of the agreed G-20 financial sector reform agenda. We will work to finalise the Basel III framework without further significantly increasing overall capital requirements across the banking sector, while promoting a level playing field," the statement said.

The G-20 leaders also called for safeguarding against health crises and strengthening health systems.

"The G-20 has a crucial role in advancing preparedness and responsiveness against global health challenges. With reference to the results of the G-20 health emergency simulation exercise, we emphasise the value of our ongoing, trust-building, cross-sectoral cooperation. We recall universal health coverage is a goal adopted in the 2030 Agenda and recognise that strong health systems are important to effectively address health crises," the statement said.

The leaders called on the United Nations to keep global health high on the political agenda and strive for cooperative action to strengthen health systems worldwide, including through developing the health workforce.

"We recognise that implementation of and compliance with the International Health Regulations (IHR 2005) is critical for efficient prevention, preparedness and response efforts. We strive to fully eradicate polio. We also acknowledge that mass movement of people can pose significant health challenges and encourage countries and International Organisations to strengthen cooperation on the topic," the statement added.

Under this, the leaders also stressed on combatting Anti-Microbial Resistance (AMR), which is a growing threat to public health and economic growth.

"To tackle the spread of AMR in humans, animals and the environment, we aim to have implementation of our National Action Plans, based on a One-Health approach, well under way by the end of 2018. We will promote the prudent use of antibiotics1 in all sectors and strive to restrict their use in veterinary medicine to therapeutic uses alone," the leaders noted.

The leader in the G-20 Summit also remained committed to fighting corruption, including through practical international cooperation and technical assistance, and will continue to fully implement the G-20 Anti-Corruption Action Plan 2017-18.

"We endorse four sets of High Level Principles aimed at fostering integrity in the public and private sector," it said. (ANI)

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cybersecurity strategy: India ranks 23rd among 165 nations in cybersecurity index

UNITED NATIONS: India is ranked a high 23rd out of 165 nations in a global index that measures the commitment of nations across the world to cybersecurity.

The second Global Cybersecurity Index (GCI), released by the UN telecommunications agency International Telecommunication Union (ITU), said only about half of all countries have a cybersecurity strategy or are in the process of developing one and urged more countries to consider national policies to protect against cybercrime.

India is ranked 23rd on the index with a score of 0.683 and has been listed in the "maturing" category, which refers to 77 countries that have developed complex commitments to cybersecurity and engage in cybersecurity programmes and initiatives.

The index has been topped by Singapore with a 0.925 score.

The report said about 38 per cent of countries have a published cybersecurity strategy and an additional 12 per cent of governments are in the process of developing one.

The agency said more effort is needed in this critical area, particularly since it conveys that governments consider digital risks high priority.

"Cybersecurity is an ecosystem where laws, organisations, skills, cooperation and technical implementation need to be in harmony to be most effective," stated the report, adding that cybersecurity is "becoming more and more relevant in the minds of countries' decision makers."

The top 10 most committed countries to cybersecurity are Singapore, United States, Malaysia, Oman, Estonia, Mauritius, Australia, Georgia, France and Canada. Russia is ranked 11th.

In addition to showing the overall cybersecurity commitment of ITU's 193 member-states, the Index also shows the improvement and strengthening of the five pillars of the ITU Global Cybersecurity Agenda: legal, technical, organisational, capacity building and international cooperation.

The threat is particularly worrying as in 2016, according to ITU, nearly one per cent of all emails sent were essentially malicious attacks, the highest rate in recent years.

Last month, a cyberattack crippled tens of thousands of machines around the world. It is unclear who was behind the attack. "While the impact generated by cyberattacks, such as those carried out as recently as 27 June 2017, may not be eliminated completely, prevention and mitigation measures to reduce the risks posed by cyber-related threats can and should always be put in place," said ITU Secretary-General Houlin Zhao.

The findings show that there is "space for further improvement in cooperation" at all levels, according to the report, which advocates for encouraging governments to consider national policies that take into account cybersecurity and encourage private citizens to make smart decisions online.

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India to join new global foreign exchange committee

GFXC is a newly-constituted forum of central bankers and experts working towards promotion of a robust and transparent forex market.

India will soon get a seat on the Global Foreign Exchange Committee (GFXC), a newly-constituted forum of central bankers and experts working towards promotion of a robust and transparent forex market. The committee has been set up under the guidance of the Bank for International Settlements (BIS), an international financial organisation owned by 60 member central banks, representing countries from around the world.

In a progress report on ‘reducing misconduct risks in the financial sector’, the Financial Stability Board (FSB) informed the G20 Summit, attended by Prime Minister Narendra Modi, here that actions to enhance conduct standards and adherence in markets include a ‘Global Code of Conduct for the Foreign Exchange Markets’.

FSB is an international body for global financial system. This Code will be maintained and updated by the new GFXC, comprising public and private sector representatives from the foreign exchange committees of 16 international forex trading centres.

The newly expanded and formalised GFXC, which will meet regularly, replaces a similar but more informal organisation of eight foreign exchange committees — namely those from Australia, Canada, Euro area, Hong Kong, Japan, Singapore, UK and the US.

The GFXC will also now include representatives from existing, or soon to be established, foreign exchange committees or similar structures in Brazil, China, India, Korea, Mexico, South Africa, Sweden and Switzerland. It will seek to promote collaboration and communication among local foreign exchange committees and other jurisdictions with significant forex markets. It will also provide a forum for the exchange of views on market trends and developments.

The committee was set up in London during a meeting in May of public and private sector representatives from the foreign exchange committees of 16 international forex trading centres.

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All you need to know about Sri Lanka's bottom trawling ban and India's deep-sea fishing plan

A screen grab of a video released by Tamil Nadu fisheries department, promoting deep sea fishing.

The **Sri Lankan Parliament unanimously passed an Amendment** to the Fisheries and Aquatic Resources Act on July 6 that declared the method of fishing by bottom trawling an offence. It is aimed at curbing local trawlers as well as deterring trawlers from Tamil Nadu. Here's an explainer on bottom trawling and deep-sea fishing, and the impact of the ban on fishermen from Tamil Nadu.

Bottom trawling, an ecologically destructive practice, involves trawlers dragging weighted nets along the sea-floor, causing great depletion of aquatic resources. The net is spread along the sea-floor to catch shrimp and fish like halibut and sole; however, bottom trawling also captures juvenile fish, thus exhausting the ocean's resources and affecting marine conservation efforts.

According to the amended Act, a violation will now attract a possible two-year prison term and a fine of Rs. 50,000 (Sri Lankan).

This practice was started by Tamil Nadu fishermen and actively pursued at the peak of the civil war in Sri Lanka. But after the decimation of the LTTE and its Sea Tigers in 2009, a small section of the northern Sri Lankan fisher folk too began using trawlers to maximise profits. Hence, it would be right to say that Tamil fishermen from both sides are engaged in this practice.

Tamil Nadu fishermen have termed the amendment **"draconian and aimed at crushing the livelihood of the fishers once for all"**. They have urged the Union government to prevail upon the Sri Lankan government to withdraw the Bill. But N.V. Subramanian, secretary of the Association for Northern Province Fisher People's Unity, says "A complete ban on bottom trawling is an important and very positive step. It will not only deter Indian fishermen but also prevent local trawlers from engaging in the practice."

The Joint Working Group on Fisheries, formed by the two countries in November 2016, stated that it would meet every three months while the Ministers of Fisheries on both sides would meet every six months (from Jan. 2017) along with the Coast Guard and naval representatives to discuss the protracted issue.

Fishermen of both countries have been in talks for a long time to resolve the conflict. While the Sri Lankan fishermen want an immediate end to incursions by Indian trawlers, those from Tamil Nadu insist on a three-year phase-out period. The proposal to ban bottom trawling is two years old.

The solution lies in transition from trawling to deep-sea fishing. The Central and Tamil Nadu governments plan to provide 500 deep-sea fishing boats with long lines and gill nets this year as part of a plan to replace 2,000 trawlers in three years.

The activity of catching fish that live in the deep parts of the sea/ocean is called deep-sea fishing. The boats are designed in such a way that fishermen get access to the deeper parts of the ocean and fish species. It is practiced worldwide, especially in the coastal areas with no ecological damage.

Yes, last week Prime Minister Narendra Modi formally launched the project to promote deep-sea fishing among Ramanathapuram fishermen by handing over work orders to five fishermen for the construction of tuna long-liners with gill nets. As per the project, 2,000 deep-sea fishing boats, costing Rs. 1, 600 crore, will replace trawlers in three years.

Nearly 14,000 fishers from the Palk Bay will be benefitted by the transtion. So far, more than 1,000 fishermen from Kanniyakumari and Nagapattinam districts have registered with the authorities for deep-sea fishing.

A boat costs Rs. 80 lakhs. The Centre’s contribution will be 50% and the State government will pitch in with 20% share. Of the remaining 30%, 20% will comprise institutional finance and 10% will be the beneficiary's contribution. The duration of the deep-sea voyage would be between 15 days to four weeks and the yield from each voyage is expected to be 8-10 tonnes of high value catch. This will work out to a profit of Rs. 7-8 lakh a voyage.

Rameswaram fishermen say the beneficiary contribution of Rs. 8 lakhs (10% of the cost of a tuna long-liner) is very high. They want that to be reduced considerably, if not waived. However, the Tamil Nadu Fisheries Department said the beneficiary contribution was finalised after holding discussions with the fishing community. The department also clarified that fishermen have to pay their contribution only at a later stage. It promised to “fine-tune” the project if there are any hurdles in its implementation.

Film-maker traces British engineer’s roots in the country

Rain, though intense, is not enough to fill tanks; Chembarambakkam is only 10% full

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5 States, a UT sign pact with Centre on e-Marketplace

Common goods procurement by govt. is about Rs. 5 lakh crore annually, said Ms. Sitharaman.

In a spirit of cooperative federalism, 5 States and a Union Territory (UT) on Tuesday formally adopted the Centre’s initiative called the Government e-Marketplace (GeM) that aims to ensure that public procurement of goods and services in India worth more than Rs. 5 lakh crore annually is carried out through the online platform for transparency and to eliminate corruption.

The States and the UT that signed an MoU with the Centre include Andhra Pradesh, Assam, Gujarat, Telangana, Puducherry and Arunachal Pradesh.

Four more, including Uttar Pradesh, Jharkhand, Tamil Nadu and Haryana, will ink such an MoU soon. They would have done so on Tuesday but for some technical issues, and more states/UTs are likely to adopt the GeM later, Commerce Minister Nirmala Sitharaman said.

This follows a call made by Prime Minister Narendra Modi to all the Chief Ministers in April to ensure that priority is accorded to transparency in public procurement of goods and services. Addressing the chief secretaries of states/UTs on Monday, Mr. Modi had talked about how the GeM can enhance transparency, efficiency and speed in public procurement.

‘Cooperative federalism’

Speaking at the ‘National Consultative Workshop on GeM’, Ms. Sitharaman said, “These states in the spirit of cooperative federalism have adopted GeM, similar to what all the states, as ‘Team India,’ did in the case of the Goods and Services Tax regime. By joining the GeM initiative, the states have supported transparency in public procurement.”

Pointing out that procurement of common use goods and services required by various Government (Central and state government) departments/organizations/public sector units is estimated to be over Rs. 5 lakh crore annually, she said all efforts were being made to strengthen the GeM initiative to ensure that the tax payers’ money is spent in a transparent manner.

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Cabinet approves SASEC Road Connectivity Investment Program - Tranche 2

The Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi has given its approval for upgradation and widening of 65 kms of Imphal-Moreh Section of NH-39 in Manipur at a cost of Rs. 1630.29 crores.

Manipur being a landlocked state with almost 90% of the area under difficult terrain presently has only road transport as a means of mass transport system within the state. Hence development of the road infrastructure is of paramount importance to improve connectivity and progress of the State and to ensure that the administrative set up reaches the isolated and remote habitats. The project will improve connectivity between Imphal with the eastern part of the state. Based on the existing and projected traffic requirements the NH-39 will be widened to 4 lane between Lilong village and Wanginj village, while the stretch between Wanginj village to Khongkhang will be upgraded to 2 lane with paved shoulder.

The project is being developed with ADB's loan assistance under the South Asian Sub-Regional Economic Cooperation (SASEC) Road Connectivity Investment Program which aims at upgradation of road infrastructure in Bangladesh, Bhutan, Nepal and India (BBIN) in order to improve the regional connectivity among BBIN nations. The project corridor is also a part of the Asian Highway No. 01 (AH01) and acts as India's Gateway to the East. Thus trade, commerce and tourism in the region will get a boost.

Background

For fulfilling India's "Look East" Policy and to promote and enhance trade link with South East Asia, the Government of India has notified an Integrated Custom Post (ICP) at Moreh. The development of this project is essential in order to support the increased traffic volume due to coming up of ICP. The workers of Manipur who specialize in creating bamboo and wood based handicraft items and uniquely designed hand woven textile items will get a new market among the Myanmar's customers. Small scale industries such as those making farm implements and tools, stationery, plastic extrusion items, carpentry units, could also develop markets beyond the border.

Besides socio-economic development the project will also lead to reduction in average travel time along the project road by nearly 40%. In addition, the new features of road safety namely vehicular underpasses, crash barriers, road signs & markings, service roads for segregation of slow and high moving traffic, truck lay-by, bus-bays etc. will help in greatly reducing accidents. Improved highway and lesser travel time will lead to savings in terms of fuel cost.

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Minister of Railways Shri Suresh Prabhakar Prabhu launched various Railway initiatives

Minister of Railways Shri Suresh Prabhakar Prabhu launched the following Initiatives:-

1. RAIL CLOUD PROJECT.
2. NIVARAN-Grievance Portal (First IT Application on Rail Cloud).
3. Cashless treatment Scheme in Emergency (CTSE) Scheme and Handing over of 1st CTSE Card.

Minister of State for Railways Shri Rajen Gohain was specially present to grace the occasion. Member Staff, Shri A.K.Mital, other Railway Board Members and senior officials were also present on the occasion. Ministry of Railways has launched the RailCloud project in association with its PSU, RailTel Corporation of India Limited.

Speaking on the occasion, Minister of Railways Shri Suresh Prabhakar Prabhu said, "Efforts are being made to bring entire Railway system on Integrated dIGITAL Platform. RailCloud is another step towards Digitization of Railways. Rail Cloud works on popular Cloud Computing system. Most Important works are done through Cloud Computing. Also, this is going to reduce the cost & data may be safely ensured on the servers. Also, another important step is Cashless Treatment Scheme in Emergency. Life Expectancy has increased, so many health problems have evolved. This scheme would improve health care facilities of Railway employees."

Salient Features of the Initiatives Launched:

1.<u>RailCloud</u>

Indian Railway has started a strategic IT initiative, christened IR-OneICT, for enterprise wide digital single platform with an aim to improve customer satisfaction, improve revenue and effective, efficient and safe operations. To achieve the goal of single digital platform for IR a few foundational projects need to be implemented first, establishment of RailCloud is one such project. Cloud Computing is the emerging technology for faster and on demand commensurate deployment of Server resources which result in reduced cost. Accordingly, RailCloud Phase-I has been sanctioned at the cost of Rs. 53.55 Cr under PH-17, DF(3) in FY 17-18. Potential benefits to Railways after implementation of RailCloud are:

Faster and on-demand deployment of application- RailCloud will pave the way for swifter deployment of application (within 24 hrs as compared to conventional time running into weeks and months). At the same time the cloud hardware and environment will be available for rigorous testing of the new applications.

Optimum use of Servers and storage- The technology enables maximising the usage of the available server and storage resulting in accommodation of bigger data and more applications within same server space.

Utilization of existing infrastructure as part of Cloud- The existing resources available with railway will be subsumed in RailCloud thereby ensuring that expenditure is minimized in acquiring new resources.

Rapid scalability and elasticity- Server and storage space will scale up and down as per the demand. This makes the system suitable to meet the higher demand at peak hours with less expenditure.

IT Security enhancement and Standardization: The cloud shall be equipped with security features as per the latest GOI guidelines, the security features can be updated in one go for all the applications hosted on the cloud, resulting in enhanced security and stability with less expenditure and effort.

Cost reduction: The server and storage infrastructure will be deployed as per the requirement, resulting in substantial savings to railway as expenditure will be incurred as and when required instead of upfront shelling out money on procurement of expensive servers.

Better User Experience: In Cloud, the server resources are constantly scaled up or down as per the no. of users logged on to the system. This ensures a better user experience to the customer.

The Managed Network and Virtual Desktop Interface (VDI) services are also being planned, in near future, for providing faster and more efficient work environment to each rail worker.

2. NIVARAN-Grievance Portal'First IT application on RailCloud

'NIVARAN-Grievance Portal' is the first IT application to be launched on the RailCloud. It is the platform for resolution of service related grievances of serving and former railway employees. The existing application was hosted on a conventional server; it has been made cloud-ready and being migrated as the first cloud application of Indian Railways. It will save significant revenue and at the same time user experience will also improve.

3. Cashless treatment Scheme in Emergency (CTSE)

Railway provides Comprehensive Health Care Facilities to its beneficiaries through in-house health Institutions, supplementing with referrals to recognized hospitals whenever necessary. The beneficiaries include retired employees and their dependent family members. Large no. of retired beneficiaries lives in the newly developed suburbs of various cities. These parts of the city are often far away from the established Railway Health Institutions. In this scenario the RELHS beneficiaries coming to Railway Health Institutions in routine is acceptable, however in emergency situations, precious time (Golden Hour) is lost in travel.

To provide immediate care to its retired employees in 'Golden Hour' Railway Board has decided to roll out a "Cashless treatment Scheme in Emergency' (CTSE), in empanelled hospitals, for retired employees and their dependent family members. A web based system of communication between private hospitals and railway authorities has been developed wherein identity of the beneficiary shall be established using biometrics stored in Aadhar (UIDAI) server, eligibility shall be determined using Railway Data Base and emergency shall be verified by Railway Medical Officer based on private hospital's clinical report. The whole system is online and even the bill processing shall be online. This scheme shall provide help and succor to the retired railway employees at the time of need and at the same time will have a morale boosting effect on the serving employees.

The Scheme fulfils both the avowed objectives of the GOI; utilizing IT tools to cut the red-tape and promoting cashless transactions.

Rather than creating a separate time and resource consuming vertical the scheme has used the existing resources by bringing on board the UIDAI and ARPAN database. Railway has not incurred any capital expenditure on the scheme, M/s UTIITSL has developed the software in consultation with Railway and shall be paid on per bill processed basis. The online processing will ensure swifter disposal of bills in a transparent manner.

At present the scheme has been rolled out in four metro cities of Delhi, Mumbai, Kolkata and

Chennai, based on the experience of this pilot the scheme may be extended to the whole of country.

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AKS/MKV/ENS

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Cabinet approves establishment of the International Rice Research Institute (IRRI), South Asia Regional Center (ISARC) at campus of National Seed Research and Training Center (NSRTC) in Varanasi

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the establishment of the International Rice Research Institute (IRRI), South Asia Regional Center (ISARC) at campus of National Seed Research and Training Center (NSRTC) in Varanasi.

Under the proposal, a Centre of Excellence in Rice Value Addition (CERVA) will be set up in Varanasi. This will include a modern and sophisticated laboratory with capacity to determine quality and status of heavy metals in grain and straw. The Centre will also undertake capacity building exercises for stakeholders across the rice value chain.

This Center will be the first international Center in the eastern India and it will play a major role in harnessing and sustaining rice production in the region. It is expected to be a boon for food production and skill development in the eastern India and similar ecologies in other South Asian and African countries.

<u>Benefits from ISARC</u>

The Centre will help in utilizing the rich biodiversity of India to develop special rice varieties. This will help India to achieve higher per hectare yields and improved nutritional contents. India's food and nutritional security issues will also be addressed. The Centre will support in adopting value chain based production system in the country. This will reduce wastage, add value and generate higher income for the farmers. The farmers in Eastern India will benefit in particular, besides those in South Asian and African countries.

<u>Management of ISARC</u>

ISARC will operate under the governance of the IRRI Board of Trustees who will appoint an appropriate IRRI staff member as Director. A Coordination Committee will be headed by Director General, IRRI as Chair and Secretary, Government of India, Department of Agriculture, Cooperation and Farmers Welfare (DACFW) as Co-Chair. The other members of Coordination Committee are Deputy Director General (Crop Sciences), ICAR; Director, NSRTC; IRRI representative in India, representative of Government of UP and representatives of Governments of Nepal & Bangladesh and Private Sector.

For setting up of the Centre, A Memorandum of Agreement, will be signed between DAC&FW and IRRI, Philippines. The Department of DAC&FW will provide physical space for laboratories, offices, training classes, etc. with associated infrastructure and land at

NSRTC, Varanasi. The Centre will be commissioned within six months.

AKT/VBA

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Cabinet approves Joint Interpretative Notes on the Agreement between India and Bangladesh for Promotion and Protection of Investments

Cabinet approves Joint Interpretative Notes on the Agreement between India and Bangladesh for Promotion and Protection of Investments

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval for the Joint Interpretative Notes (JIN) on the Agreement between India and Bangladesh for the Promotion and Protection of Investments.

The JIN would impart clarity to the interpretation of the existing Agreement between India and Bangladesh for the Promotion and Protection of Investments (BIPA). The JIN includes interpretative notes to be jointly adopted for many clauses, including, the definition of investor, definition of investment, exclusion of taxation measures, Fair and Equitable Treatment (FET), National Treatment (NT) and Most Favoured Nation (MFN) treatment, expropriation, essential security interests and Settlement of Disputes between an Investor-and a Contracting Party.

Joint Interpretative Statements in general play an important supplementary role in strengthening the investment treaty regime. With increasing Bilateral Investment Treaty (BIT) disputes, issuance of such statements is likely to have strong persuasive value before tribunals. Such pro-active approach by States can foster a more predictable and coherent reading of treaty terms by arbitration tribunals.

AKT/VBA

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Bitcoin trade may come under SEBI

This August 3, 2016 illustration shows a Bitcoin sign in Hong Kong.

The government is considering the introduction of a regulatory regime for virtual or crypto currencies, such as Bitcoin, that would enable the levy of the Goods and Services Tax on their sale.

The new regime may possibly bring their trading under the oversight of the stock market regulator, Securities and Exchange Board of India (SEBI).

The idea is to treat such currency in a manner similar to gold sold digitally, so that it can be traded on registered exchanges in a bid to “promote” a formal tax base, while keeping a tab on their use for illegal activities such as money laundering, terror funding and drug trafficking.

Crypto-currency that is planned to be brought under the regulatory regime is a digital currency which allows transacting parties to remain anonymous while confirming that the transaction is a valid one. It is not owned or controlled by any institution – governments or private.

There are multiple such currencies — bitcoin, ethereum, ripple are some of the popular ones. Currently, they are neither illegal nor legal in India. “One bitcoin today is worth as much as 60 grams of gold. The market cap for all crypto-currencies has just crossed $100 billion, with most of the increase coming in the past few months. On April 1, 2017, the total market cap was just over $25 billion, representing a 300% rise in just over 60 days,” said a senior government official.

“The discussion on whether crypto-currencies should be banned or regulated has been on for some time. The pros and cons for both aspects were put forth in the meeting chaired by Finance Minister Arun Jaitley last month,” the official told *The Hindu*.

A proposal to ban such currency altogether was also considered at the meeting, but found few takers among top officials from the Ministries of Finance, Home Affairs and IT as well as SEBI, the Reserve Bank of India, the State Bank of India and NITI Aayog.

Bitcoins were in the news recently when during the two global cyber ransomware attacks — WannaCry and Petya — attackers sought about $300 in bitcoin as ransom. Crypto-currency can also be used for a lot of legal activities — such as booking tickets, buying coffee or fast food, depending of which retailers accept such currency.

Why bitcoins are a bit risky

“Banning will give a clear message that all related activities are illegal and will disincetivise those interested in taking speculative risks, but it was pointed out it will impede tax collection on gains made in such activities and that regulating the currency instead would signal a boost to blockchain technology, encourage the development of a supervision ecosystem (that tracks legal activities and may also assist in tracking illegal activities) and promote a formal tax base,” said another official privy to the development.

Blockchain is basically a digital public ledger that records every transaction. However, the involved parties can remain anonymous and they transact under an id. Bitcoin is just one of the applications for the technology, whose use in being tested across industries, particularly those that rely on intermediaries such as land record registry.

It was also suggested that government maintain limited regulation. “This means reiterating that crypto currencies are not recognised and those who deal in them do so at there own risk, while focusing on curbing illegal activities… Blockchain technology can be separately encouraged.”

If a decision is taken to regulate such currency, these would be treated as “digital asset, similar to gold,” which means that crypto currency owners will be able to trade them on registered exchanges.

Demonetisation won’t have lasting benefits: Larry Summers

However, the government is wary that regulation will provide legitimacy to “what is currently ambiguous,” and may lead to further rise in its valuation and end up contributing “to the investment bubble”.

“But for the medium term, we see a very solid track ahead for the Indian economy,” Lagarde said to a question on India.

END

DIPP to set up India’s first TISC in Punjab

The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India, signed an Institutional agreement with the Punjab State Council of Science and Technology in New Delhi today to establish India’s first Technology and Innovation Support Center (TISC) at Patent Information Centre, Punjab, under the World Intellectual Property Organization’s (WIPO) TISC program.

The objective of the TISC is to stimulate a dynamic, vibrant and balanced Intellectual Property Rights (IPRs) system in India to foster creativity and innovation, thereby promoting entrepreneurship and enhancing social, economic and cultural development by establishing a network of TISCs in India.

WIPO’s Technology and Innovation Support Center (TISC) program provides innovators in developing countries with access to locally based, high quality technology information and related services, helping them to exploit their innovative potential and to create, protect, and manage their Intellectual Property Rights (IPRs).

Services offered by TISCs include:
- Access to online patent and non-patent (scientific and technical) resources and IP-related publications;
- Assistance in searching and retrieving technology information;
- Training in database search;
- On-demand searches (novelty, state-of-the-art and infringement);
- Monitoring technology and competitors;
- Basic information on industrial property laws, management and strategy, and technology commercialization and marketing.

The Cell for IPR Promotion and Management (CIPAM) is designated as the National Focal Point for the TISC national network. As the national focal point, CIPAM shall identify potential host institutions, assess their capacities and support them in joining the TISC program. CIPAM will also act as the main intermediary between WIPO and TISC host institutions and coordinate all the activities of the national TISC network.

Over 500 TISCs operate worldwide and establishing TISC in India will give the host institutions an access to the global network. In upcoming years, CIPAM is planning to establish TISCs in Universities, State Science Councils, R&D institutions etc. TISC will give an impetus to knowledge sharing, sharing of best practices among the TISCs, capacity building, generation and commercialization of IPs.

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MJPS

END

India ranks 116 out of 157 nations on SDG index

UNITED NATIONS: India is ranked 116 out of 157 nations on a global index that assesses the performance of countries towards achieving the ambitious sustainable development goals (SDGs).

The SDG Index and Dashboards Report produced by the Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung shows that world leaders need to strengthen their joint efforts to realise the 17 global goals.

"Not only does a rising trend of nationalism and protectionism impede the implementation of the goals, but as the report shows, industrialised countries are not serving as role models," the report added.

It said many of the richest countries in the world are nowhere near achieving the global policy objectives but also deteriorate the implementation process for poorer countries because of negative spillover effects.

India is ranked 116th on the index with a score of 58.1, behind countries such as Nepal, Iran, Sri Lanka, Bhutan and China. Pakistan is ranked 122.

The report said that the countries which are closest to fulfilling the goals are not the biggest economies but comparably small, developed countries.

Sweden leads the list, followed by Denmark and Finland. Among the G7 countries, only Germany and France can be found among the top ten performers. The United States ranks 42nd on the Index, while Russia and China rank 62nd and 71st respectively.

"One of the greatest obstacles to achieving the global goals for high-income countries are poor performances regarding sustainable consumption and production. All countries that score lowest on electronic-waste generation, for example, are high-income countries," it said.

Bertelsmann Stiftung chairman and CEO Aart De Geus said the report's findings show that politicians, businesses and society altogether must urgently intensify their efforts and commit themselves to this agenda.

"SDG Index and Dashboards highlight the need for urgent action on the part of G20 countries in making sustainable development a reality both within and beyond their borders. If the world is to achieve the SDGs, all countries must take up the goals as part of their national development strategies, and ensure that they take responsibility for their impact on the rest of the world," said Jeffrey D Sachs, Director of the SDSN.

The SDG Index and Dashboard collect available data for 157 countries to assess where each country stands in 2017 with regard to achieving the SDGs.

The SDG Index ranks countries based on their performance across the 17 Sustainable Development Goals.

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India Give Additional $1 Million To United Nations Partnership Fund

Sections

India had made an initial contribution of a million dollars when the UN partnership fund was created

END

EU, India set up fund for investments

Investment boost: The mechanism will help promote European Union’s investments in India.

European Union (EU) and India on Friday announced the establishment of an Investment Facilitation Mechanism (IFM) for EU investments in India.

"The mechanism will allow for a close coordination between the European Union and the Government of India with an aim to promote and facilitate EU investment in India," an official statement said.

Ramesh Abhishek, secretary, Department of Industrial Policy and Promotion (or DIPP -- the nodal body for foreign direct investment policy), said: “The IFM has been established with the key objectives of paving the way for identifying and solving problems faced by EU companies and investors with regard to their operations in India."

He added that the IFM will cover new investors as well as those already established in India. "The IFM is also going to serve as a platform for discussing general suggestions from the point of view of EU companies and investors with regard to ease of doing business in India, which I am sure, would boost and encourage the EU investors to avail the investment opportunities available in India,” said Mr Abhishek.

Ease of doing business is a fundamental priority of the Indian Government’s Make in India Campaign and the establishment of IFM for facilitating EU investments in India is another step to achieve this goal, he said.

The IFM builds on the Joint Statement of the 13th EU-India Summit held in Brussels in March 2016, where the EU had welcomed India's readiness to establish such a mechanism and leaders from both sides had reaffirmed their shared commitment to oppose protectionism and to work in favour of a fair, transparent and rule-based trade and investment environment, the statement said.

As part of the IFM, the EU Delegation to India and the DIPP will hold regular high level meetings to assess and facilitate "ease of doing business" for EU investors in India. This will include identifying and putting in place solutions to procedural impediments faced by EU companies and investors in establishing or running their operations in India. Invest India, the Indian government's official Investment Promotion and Facilitation Agency, will also be part of the IFM. It will create a single-window entry point for EU companies that need assistance for their investments at the central or state level. The DIPP will also facilitate participation of other relevant ministries and authorities on a case-to-case basis.

Tomasz Koslowski, Ambassador of the European Union to India, said, "the establishment of the IFM is a right step in the direction of strengthening the trade and investment ties between the EU and India. The EU is the largest foreign investor in India and this initiative helps ensuring a more robust, effective and predictable business environment for the EU investors."

Trade and Investment are key elements of the EU-India Strategic Partnership launched in 2004. Along with being the first trade partner in goods and services, EU is one of the biggest provider of foreign investment in India, with a stock exceeding $81.52 billion (more than Rs 4.4 lakh crores) as of March 2017, the statement said. There are currently more than 6,000 EU companies present in India, providing direct and indirect employment to over 6 million people.

Such expenditure needs expeditious resolution of stressed loan problem: Crisil

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Centre to grant NIIF 20,000 cr.

Finance Minister Arun Jaitley reviewed the performance of the National Investment and Infrastructure Fund (NIIF) on Friday during the third meeting of its governing council where he was informed that the Department of Economic Affairs had signed an agreement with the NIIF for a 20,000 crore contribution to the Fund.

“It was informed that a strong investment pipeline with investment opportunities is under consideration in the roads, ports, aviation and power sectors,” according to an official statement.

“NIIF is considering investments in third-party managed funds focused on clean energy, affordable housing and medium-sized infrastructure companies.”

Such expenditure needs expeditious resolution of stressed loan problem: Crisil

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Mahadayi: Goa open to out-of-tribunal settlement - Today's Paper

Vinod Palyekar

In a clear departure from its stand on the Mahadayi waters dispute, Goa Minister for Water Resources Vinod Palyekar said on Thursday that his State was open to talks with Karnataka and Maharashtra to explore an out-of-tribunal settlement.

He was replying to a question by *The Hindu* on the State government's response to Karnataka Chief Minister Siddaramaiah's letter requesting the Goa Chief Minister for talks and Maharashtra Chief Minister Devendra Fadanvis had also supported it.

'Rigid stance'

Mr. Palyekar said he would discuss the issue with Chief Minister Manohar Parrikar upon his return from the U.S. on Friday.

Asked what made Goa change its "very rigid stance" of sticking to the tribunal verdict only, Mr. Palyekar, who represents Goa Forward Party in the BJP-led coalition government, remarked that all three States had been spending huge sums over the dispute and the legal battle had been on for long. It would be in the fitness of things to explore an amicable solution, he said.

Some proposals

Mr. Palyekar said he recently met Karnataka Minister for Water Resources M.B. Patil at a function in Karnataka. The latter broached the water dispute issue and indicated that they had some proposals such as building power plants jointly with Goa.

"At least it is my personal view that it would be advisable for all the three States as well as for the country if we can sort out our issues through talks. It would save money as well as time and energy," he said.

Verdict next month

On the strong pressure exerted by environmentalists and civil society that with the tribunal expected to give its verdict next month before the expiry of its term, any deviation by the Goa government would compromise its interest, the Minister said his view was that "talks is an option to negotiate and discuss issues, to have a give and take, to reduce the differences and to come to a solution where, as long as Goa's interest is not compromised, there should not be any problem".

"I am of the opinion that it would be a better option to work for an out-of-court settlement by agreeing to discuss the issue. That is what I will tell the Chief Minister," Mr. Palyekar reiterated.

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Govt. clears three export infra plans

With deficient infrastructure severely hurting the competitiveness of India’s exports, the Centre – for the first time under a new scheme launched in March to address the problem — has given its approval for three proposals including one to establish an Integrated Cargo Terminal (ICT) at the Imphal International Airport.

The other applications that received the green signal from an (Inter-Ministerial) Empowered Committee (EC) chaired by Commerce Secretary Rita Teaotia were: modernisation of infrastructure facility in Karnataka for marine exports – where the total cost is 13.34 crore; and construction of a new ‘Standard Design Factory’ building at Cochin Special Economic Zone (SEZ) for which a total of 61.63 crore will have to be spent, official sources told *The Hindu*.

The EC on ‘Trade Infrastructure for Export Scheme (TIES)’ — in its first ever meeting that was held on June 9 — deferred on technical grounds an application to set up “the first dedicated facility” in India to test medical devices.

This is proposed to be established at the Andhra Pradesh Med Tech Zone in Visakhapatnam – with four separate facilities at a total cost of about 169 crore.

The Indian medical device market was worth about $4 billion in 2015 and exports of these items from India were close to $1 billion (in 2016).

The EC has, however, granted an in-principle nod for a proposal to establish a ‘Coastal Cashew Research and Development Foundation’ in Karnataka, for which the total cost estimated is 10 crore.

The cost of building the ICT at Imphal is 16.2 crore, of which the share of TIES is 12.96 crore and that of the Airport Authority of India (AAI) is 3.24 crore. The AAI is learnt to have informed the EC that there was no cargo facility at the Imphal airport, and that the proposed ICT “would act as a hub for air cargo movement and air connectivity to South-East Asian countries.”

‘600 crore allocation’

The TIES, which is being implemented from FY18 till FY20, has a budgetary allocation of 600 crore. The scheme’s annual outlay is 200 crore.

According to a March 2016 report on ‘Export Infrastructure in India’ by the Department Related Parliamentary Standing Committee on Commerce, “deficient infrastructure and the manner in which infrastructure is being operated (in India) are the major obstacles to ensure competitiveness in manufacturing of goods and exports thereof.”

The report said Indian exports lose competitiveness on account of huge logistics costs. It noted that “the logistic cost in India is about 14% of the GDP whereas in advanced economies like the U.S. and the European Union, it is 8% and 10% of the GDP respectively.”

The Standing Committee further said, “Owing to sub-optimal logistic capability, certain sectors dependent on logistics lose as much as 2% on sales return. An ASSOCHAM study conducted a few years ago shows that India runs against a disadvantage of about 11% of its trade due to deficient infrastructure.”

According to an ASSOCHAM-Resurgent India joint study, “India can save up to $50 billion if logistics costs are brought down from 14% to 9% of country's GDP thereby making domestic goods more competitive in global markets." As per the Commerce Ministry, the objective of the TIES is to "enhance export competitiveness by bridging gaps in export infrastructure, creating focused export infrastructure and first-mile and last-mile connectivity."

Such expenditure needs expeditious resolution of stressed loan problem: Crisil

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When too much is too little - OPINION

When Prime Minister Narendra Modi brought up the issue of food wastage on his ‘Mann Ki Baat’ programme about two months ago, he endorsed a valid point when he asked people not to waste food. Though he raised an extremely critical issue of national importance, he could also have used the occasion to propose some government-led mechanism to handle it.

He was right to an extent when he linked food wastage to people’s behaviour. However, there are wastages which happen in any case due to food’s perishability and the absence of an effective distribution mechanism and legal framework. Looking at the scale of problems, it is wise to frame a comprehensive strategy by combining the efforts of the government and private sectors and civil society. The government can create a time-bound task force under Niti Aayog, with experts from different sectors, to frame a national policy to tackle this gigantic issue, which can recommend the legal framework to support initiatives to reduce food loss and waste. As a nation, we need to give priority to tackling this issue so that we can handle the social, economic and environmental ill-effects of wastage of food.

One third of food wasted

According to the Food and Agriculture Organisation (FAO), “One third of food produced for human consumption is lost or wasted globally, which amounts to about 1.3 billion tons per year.” It also states: “Food is lost or wasted throughout the supply chain, from initial agricultural production to final household consumption.” The losses, it says, represent “a waste of resources used in production such as land, water, energy and inputs, increasing the green gas emissions in vain”.

Food wastage has multiple socio-economic and environmental impacts. In a country like India, not only is food scarce for many poor families, it is a luxury for many others. Though hunger cannot be tackled directly by preventing food wastage, a substantial amount of food that is wasted in our country can feed many hungry people. India ranked 97th among 118 countries in the Global Hunger Index for 2016. About 20 crore people go to bed hungry and 7,000 people die of hunger every day; wastage of food is not less than a social delinquency. According to one estimate, 21 million tonnes of wheat are wasted in India every year. A recent study by the Indian Institute of Management, Calcutta, revealed that only 10% of food is covered by cold storage facilities in India. This, coupled with poor supply-chain management, results in significant wastage, both at pre- and post-harvest stages, of cereals, pulses, fruits and vegetables.

The wastage of food entails loss of considerable amount of resources in the form of inputs used during production. For example, 25% of fresh water and nearly 300 million barrels of oil used to produce food are ultimately wasted.

The increasing wastage also results in land degradation by about 45%, mainly due to deforestation, unsustainable agricultural practices, and excessive groundwater extraction. Wastage results in national economic loss. To put a monetary value to the loss in terms of wastage, India loses Rs. 58,000 crore every year, to quote *The CSR Journal* .

The energy spent over wasted food results in 3.3 billion tonnes of carbon dioxide production every year. Decay also leads to harmful emission of other gases in the atmosphere; for instance, decaying of rice produces methane. Food waste emissions have a major impact on climate change and result in greater carbon footprint.

Laws to encourage donation

Many countries have legislation providing for global best practices, such as the 1996 Bill Emerson Good Samaritan Act in the U.S., which was intended to encourage donation of food and grocery products that meet quality and labelling standards by protecting the donor and the recipient agency against liability, except in the case of gross negligence and/or intentional misconduct. France has taken a lead by becoming the first country in the world to ban supermarkets from destroying unsold food, forcing them instead to donate it to charities or food banks or send it to the farmers to be used as fertilisers in crop production.

In India, there are many civil society, private sector and community initiatives aimed at distributing food among the poor. The government is also committed to securing availability of food grains for two-thirds of the 1.3 billion population, under the National Food Security Act, 2013. While securing food for all or feeding them through such initiatives is important, addressing wastage of food in all forms is equally critical to complete the cycle of food sufficiency and food sustainability. There are initiatives such as India Food Banking Network (IFBN), which is promoting the concept of collaborative consumption with support from the private sector and civil society organisations. Such initiatives, creating networks and channels of distribution between those who have surplus food and those who are in need of them, are necessary.

The government needs to do more and should play a larger facilitating role. The Prime Minister's call to the nation needs to be followed up with further interventions. There is an urgent need to understand the complexity of the problem and then to devise a national-level strategy to combat it so that surplus of food can be turned into an advantage instead of resulting in wastage. Hunger and food wastage are two sides of the coin. The cycle of hunger cannot be broken without channelising the wasted food to help the needy. Without stopping wastage of food, we cannot do justice to millions of hungry people, our economy and the planet.

Sanjay Kumar is the India Country Director of Harvard South Asia Institute. Views are personal

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Does a minimum wage kill jobs?

The Union Cabinet is expected to approve a bill that, among other things, mandates a universal minimum wage. The code empowers the Centre to set a minimum wage to help poor, unskilled workers earn more. Economists, however, have warned for long that price floors prevent the available supply of goods from being fully sold. So, the minimum wage would logically hurt workers by increasing unemployment. But such logic has been questioned since a famous 1993 study by David Card and Alan B. Krueger that made the case that a rise in the minimum wage in New Jersey actually decreased unemployment.

Since then, a flurry of studies has concluded that a minimum wage has either no, or very little, negative effect on employment. For instance, “Seattle’s Minimum Wage Experience 2015-16”, a 2017 study by researchers at the University of California Berkeley, found that since the city raised its minimum wage in 2015, unemployment dropped from 4.3% to 3.3%.

Do we need a minimum wage law?

Another paper, “Do Lower Minimum Wages for Young Workers Raise their Employment?”, by Claus Thustrup Kreiner, Daniel Reck, and Peer Ebbesen Skov, found that employment among the youth in Denmark decreased by one-third when they attained the age at which their minimum wage increases by 40%. Other economists have found similar evidence suggesting that a minimum wage increases unemployment.

Given such contradictory empirical findings, some say it may be wise to trust age-old economic wisdom. The minimum wage increases unemployment, except when it is set below the market price for labour; or only marginally higher, in which case the minimum wage enhances the bargaining power of workers. But figuring out, and also periodically adjusting, the wage rate at which the worker benefits is often impractical.

Consider that even when it looks like the minimum wage has no negative effect on employment, it can have other unintended effects. Companies, for example, instead of firing workers, may employ them for fewer hours, which in turn will affect the quality of their services. In fact, “Minimum Wage and Restaurant Hygiene Violation”, a 2017 paper by Subir K. Chakrabarti, Srikant Devaraj, and Pankaj C. Patel, found that hygiene violations by restaurants increased significantly after a rise in the minimum wage as the restaurants tried to cut down on cleaning-staff expenses.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President’s plan

END

GM mustard policy: SC gives govt. time

The government on Monday informed the Supreme Court that a policy decision on the commercial release of the Genetically Modified (GM) mustard crop is yet to be finalised.

The Centre said it was poring through the various suggestions on and objections to the commercial rollout of the GM crops.

A Bench, led by Chief Justice of India J.S. Khehar and Justice D.Y. Chandrachud, granted the government one week to report back on when the policy would be finalised. It said the policy should be good-intentioned and well-informed.

The court had on October 17, 2016, extended the stay on the commercial release of the GM mustard until further orders. It had asked the Centre to collect public opinion before the release.

The government had assured the court that there would be no commercial release of GM seeds till the views of the public were collected and placed before the appraisal committee.

Sowing without safety

The hearing was conducted on the basis of a petition filed by activist Aruna Rodrigues, who had alleged that the government was sowing GM seeds without the relevant tests.

Mustard is one of India’s most important winter crops, sown between mid-October and late November.

Advocate Prashant Bhushan, appearing for Ms. Rodrigues, alleged the government was sowing the seeds in various fields and that the bio-safety dossier, which has to be made public by putting it on the website, had not yet been done.

Says BJP will campaign against corruption, law and order problems and lack of development work in Himachal Pradesh

The process of holding the requisite Board Meetings and Shareholder Meetings has been completed in phases in September 2017.

Ruben George is staying at Ram Nath Kovind’s house at Kalyanpur, near Kanpur

END

E-commerce: RCEP nations talk details

Sixteen Asia Pacific nations, including India, are understood to be discussing in detail norms on e-commerce as part of negotiations on the proposed mega Free Trade Agreement known as the Regional Comprehensive Economic Partnership (RCEP).

Incidentally, technical level talks of the RCEP are being held from July 18 to 28 in Hyderabad.

India has been opposing binding norms on opening up the e-commerce sector at the level of RCEP as well as the global level (WTO) talks on grounds including that it (India) is yet to have a comprehensive national policy on the topic.

However, it is understood that many RCEP nations including Australia, Japan and China, are pushing for inclusion of a host of elements for ‘Terms Of Reference’ for RCEP negotiations concerning e-commerce. This is with a view to have some binding commitments from the RCEP members on liberalising e-commerce and ensure that the final pact has a separate chapter on e-commerce.

According to Jane Kelsey, professor of law, The University of Auckland, developing countries, including India, should be wary of demands for absolute prohibition on disclosure of ‘source code’ (code behind the software) because lack of access to ‘source code’ will make it tough to prevent anti-competitive practices, hacking and rights violation.Ms. Kelsey also cautioned against demands for prohibition of ‘data localisation’ saying accepting such demands will lead to difficulties in ensuring regulatory control over e-commerce firms.

END

BharatNet deadline pushed to March 2019

The Union Cabinet on Wednesday approved the second phase of the BharatNet project that forms the backbone for the government's Digital India initiative, according to an official aware of the development.

However, the deadline for the delay-marred project had been pushed to March 2019, the official said.The project seeks to bring high speed broadband to all 2.5 lakh gram panchayats (GPs) through optical fibre.

Phase I

The Centre was still working on completing the first phase of the project for which the deadline was March 2017. It had been able to lay optical fibre in nearly one-lakh GPs, however, only about 22,000 GPs have been provided Internet connectivity due to equipment procurement issues.

The second phase aims at covering the remaining 1.50 lakh GPS. "The Cabinet has approved a modified implementation strategy of BharatNet project for providing broadband connectivity to all GPs by March 2019," the official said. The official said the approval entails a total estimated expenditure of 42,068 crore for the implementation of project bankrolled from the Universal Service Obligation Fund.

"Out of this amount, 11,148 crore is the cost of providing connectivity to 1 lakh GPs in Phase-1 and 18,792 crore is for providing connectivity to remaining 1.5 lakh GPs in Phase-II," the official said, adding that balance amount is for activities such as last mile connectivity architecture, operation and maintenance, and replacement of BSNL's poor quality fibre.

The BharatNet project, earlier National Optical Fibre Network or NOFN, seeks to bring high-speed broadband to all 2.5 lakh gram panchayats through optical fibre. It was approved by Cabinet in 2011 and deadline was fixed by end of 2013 then deferred to September 2015 by UPA Government. The Narendra Modi-led government re-examined project status and set target to complete roll out by end of 2016. This was later delayed to December 2018.

Such expenditure needs expeditious resolution of stressed loan problem: Crisil

END

Cabinet nod for IWAI bond issue

The Union Cabinet on Wednesday gave its nod to Inland Waterways Authority of India (IWAI) for raising Rs. 660 crore in bonds for extra budgetary resources in 2017-18.

“The proceeds from the bonds will be utilised by IWAI for development and maintenance of National Waterways (NWs) under National Waterways Act, 2016 (effective from 12.4.2016),” an official statement said. “Funds received through issue of bonds will be used exclusively for capital expenditure to improve infrastructure funding,” it said. The IWAI mayget Rs. 857 crore in loan from World Bank for its Jal Marg Vikas Project.

END

Think beyond loan waivers

Valuing the produce: A farmer carrying his harvested paddy on a buffalo cart in Mayong village in Morigaon district, Assam.

Indian agriculture is characterised by low scale and low productivity. About 85% of the operational landholdings in the country are below 5 acres and 67% farm households survive on an average landholding of one acre. More than half of the area under cultivation does not have access to irrigation. Agriculture income generated at average size of landholding is not adequate to meet farmers' needs.

The problem is exacerbated by weather and market risks. According to the latest National Sample Survey on Situation Assessment Survey of Agricultural Households (NSS-SAS), 13.9% farm households experienced negative return from crop production during 2012-13. Non-farm income comprised 40% of the income of farm households, but access to non-farm sources of income is highly skewed as about 40% of farm households reported zero income from such sources.

Modern agriculture requires investment in farm machinery and use of purchased inputs like seed, fertiliser, agri-chemicals, diesel and hired labour. Most often, savings generated from unremunerative crop enterprise are inadequate for such investments. Rising expenses on health, education, social ceremonies and non-food items put additional financial demand on farm families. Consequently, majority of the farmers have to take loans from institutional or non-institutional sources or both. The share of institutional loans disbursed during a year to agriculture and allied sectors has risen from 8.9% of the value of output in 2000-01 to 31.4% in 2015-16.

The lowdown on farm loan waivers

The amount of short-term institutional loans for agriculture exceeds the total cost of inputs including hired labour at an all-India level and in many States. This indicates that a part of crop loans is likely spent on non-agricultural purposes. A more worrisome fact out of NSS surveys on Investment and Debt (NSS-I&D) is that the loans taken by cultivators from non-institutional sources, which involve high interest rate, is rising faster than from institutional sources. These indicators point to a worrying development — much of the growth in household demand in rural India has been debt-ridden and not supported by growth in income.

Recently a few States like Uttar Pradesh, Maharashtra, Punjab and Karnataka have responded to farm distress by rolling out farm loan waiver schemes as a measure of immediate relief to those farmers who qualify certain criteria. The demand for such measures is spreading to other States too.

The ultimate goal of farm loan waiver is to lessen the debt burden of distressed and vulnerable farmers and help them qualify for fresh loans. The success of the loan waiver lies on the extent to which the benefits reach the needy farmers. Loan waivers suffer from several drawbacks in this respect. First, it covers only a tiny fraction of farmers. According to 2012-13 NSS-SAS, 48% of the agricultural households did not have any outstanding loan.

Further, out of the indebted agricultural households, about 39% borrowed only from non-institutional sources. The farmers investing from their own savings and those borrowing from non-institutional sources are equally vulnerable to weather and market risks. But all such households are outside the purview of loan waiver.

Farm loan waiver may dent State finances, risk slippage: Fitch Ratings

Second, it provides only a partial relief to the indebted farmers as about half of the institutional borrowing of a cultivator is for non-farm purposes. Third, in many cases, one household has multiple loans either from different sources or in the name of different family members, which entitles it to multiple loan waiving. Fourth, loan waiving excludes agricultural labourers who are even weaker than cultivators in bearing the consequences of economic distress. Fifth, it severely erodes the credit culture, with dire long-run consequences to the banking business. Sixth, the scheme is prone to serious exclusion and inclusion errors, as evidenced by the Comptroller and Auditor General's (CAG) findings in the Agricultural Debt Waiver and Debt Relief Scheme, 2008.

According to the CAG report, 13.46% of the accounts which were actually eligible for the benefits under the scheme were not considered by the lending institutes while preparing the list of eligible farmers. On the other hand, in 8.5% of the cases, the beneficiaries were not eligible for either debt waiver or debt relief but were granted the benefits. Further, 34.28% of the beneficiaries were not issued debt relief certificates which would have entitled them to fresh loans. Beside these errors in implementation, the loan waiver as a concept excludes most of the farm households in dire need of relief and includes some who do not deserve such relief on economic grounds.

Apart from above drawbacks, such schemes have serious implications for other developmental expenditure, having a much larger multiplier effect on the economy. For instance, loan waiver may cost Uttar Pradesh at least 36,000 crore, which is 4.4 times the State's capital expenditure of 8,191 crore (Budget estimate) in agriculture, including irrigation and flood management, in 2016-17. A similar amount spent on improvement of agriculture infrastructure and other developmental activities would create a base for future growth and development of the sector.

It appears that loan waiving can provide a short-term relief to a limited section of farmers; it has a meagre chance of bringing farmers out of the vicious cycle of indebtedness. There is no concrete evidence on reduction in agrarian distress following the first spell of all-India farm loan waiver in 2008. In the longer run, strengthening the repayment capacity of the farmers by improving and stabilising their income is the only way to keep them out of distress.

For providing immediate relief to the needy farmers, a more inclusive alternative approach is to identify the vulnerable farmers' based on certain criteria and give an equal amount as financial relief to the vulnerable and distressed families. For instance, in Uttar Pradesh 23.2% (41.87 lakh) agricultural households (180.49 lakh) are estimated to have income below poverty line. With 36,000 crore, each of these households can be given 85,980. This looks to be a more inclusive approach and provides farmers flexibility to spend this money.

In our view, the sustainable solution to indebtedness and agrarian distress is to raise income from agricultural activities and enhance access to non-farm sources of income. The low scale of farms necessitates that some cultivators move from agriculture to non-farm jobs. Improved technology, expansion of irrigation coverage, and crop diversification towards high-value crops are appropriate measures for raising productivity and farmers' income. All these require more public funding and support and there is a danger of these getting adversely affected by resources diverted towards loan waiver. Another major source of increase in farmers' income is remunerative prices for farm produce. This requires removal of old regulations and restrictions on agriculture to enable creation of a liberalised environment for investment, trading and marketing. Agrarian distress and farmers' income will be addressed much better if States undertake and sincerely implement long-pending reforms in the agriculture sector with urgency.

Ramesh Chand is Member and S.K. Srivastava an Agricultural Economist with the NITI Aayog. Views expressed are personal

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

END

BITs and pieces of trade with Israel

Many pundits in India continue to gaze at the India-Israel relationship through the lens of Palestine. However, some argue that it is critical to de-hyphenate India's relations with Israel and Palestine, a process that began in 1992 when New Delhi established diplomatic relations with Tel Aviv and which has gathered steam since then. **Prime Minister Narendra Modi's visit to Israel** earlier this month made this de-hyphenation blatant and conspicuous.

Growing trade and investment relations are a strong reason to study India-Israel relations on their own merit. Bilateral merchandise trade increased from $200 million in 1992 to around $4 billion in 2016, an increase of 2,000% in 25 years. Cumulative foreign direct investment (FDI) inflows from Israel, from April 2000 to March 2017, stood at $122 million. While these are low, constituting only 0.04% of total FDI inflows to India, there is enormous potential for Israeli investment in fields such as renewable energy and water management (drip irrigation and desalination). Defence production, which is at the heart of the 'Make in India' campaign, is another area with significant potential for Israeli investment, a move that will help India save billions of dollars it currently spends on importing weapons from Israel. Israel is the third largest supplier of arms to India after Russia and the U.S. Investment in defence production will also give a fillip to domestic manufacturing, reduce dependence on bureaucratic state-owned ordnance factories and bring in new technology — an example being the recently set up plant in Madhya Pradesh, between India's Punj Lloyd and Israel Weapon Industries, to manufacture small arms.

Boosting trade and investment ties found explicit mention in the India-Israel joint statement during Mr. Modi's visit. To encourage bilateral investments, Mr. Modi and his Israeli counterpart, Benjamin Netanyahu, also agreed to conduct negotiations on a bilateral investment treaty (BIT).

Is an India-Israel BIT possible? In 1996, India and Israel signed a BIT. However, this was reportedly terminated by India when it unilaterally discontinued 58 BITs recently. For a new BIT to be negotiated, both sides will have to start afresh. However, there are challenges given the many fundamental differences Israel and India have on BITs, as outlined in their Model BITs of 2003 and 2016, respectively. The first is on the investor-state dispute settlement (ISDS) provision that allows foreign investors to bring claims against a host state for alleged treaty breaches at international arbitral forums. Foreign investors prefer international arbitration — which is faster and independent — over litigating in domestic courts. The Israeli model gives an investor the choice to submit any investment dispute with a state to international arbitration if not resolved within six months through negotiations. The Indian model imposes many procedural and jurisdictional restrictions on an investor's right to bring an ISDS claim. These include a foreign investor having to litigate in domestic courts for five years before pursuing a claim under international law. These requirements make it very difficult for a foreign investor to make efficient use of the ISDS provision.

Bit of a bumpy ride

Second, Israel's model provides a broad asset-based definition of foreign investment that covers both FDI and portfolio investment. The Indian model of 2016 defines investment narrowly as an enterprise (with its assets) that has to possess certain characteristics of investment including the investment having 'significance for the development' — words not defined in the BIT — of the host country. Third, the Israeli model contains a broad most favoured nation (MFN) provision — a cornerstone of non-discrimination in international economic relations — which is missing in the Indian model. The absence of MFN, from Israel's perspective, would mean that its businesses would have no remedy under international law if India were to discriminate against it, say, by offering greater incentives to another defence manufacturer over an Israeli one.

Fourth, the Indian model excludes taxation altogether from the purview of the BIT. Thus, the foreign investor cannot bring an ISDS claim even if taxes imposed are confiscatory, discriminatory or unfair. However, in the Israeli model, taxation-related measures are recognised as an exception only to MFN and national treatment provisions. Foreign investors can still challenge taxation-related measures for violating other BIT provisions such as the fair and equitable treatment or expropriation. India’s recent record in administering its taxation laws has made foreign investors jittery. The World Investment Report 2017 issued by the United Nations Conference on Trade and Development also points out that tax-related concerns are a deterrent for some foreign investors to invest in India. Thus, Israeli investors will not be comfortable if taxation is completely outside BIT’s purview.

In sum, the Indian position on BITs is very pro-state, offering limited rights and protection to foreign investors. The Israeli position is the opposite. An India-Israel BIT looks difficult till both sides move away from their stated positions. Both sides should work towards having a BIT that reconciles investment protection with a state’s right to regulate.

Prabhash Ranjan is an Assistant Professor of Law at South Asian University, New Delhi. The views expressed are personal

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President’s plan

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Ministry, NITI Aayog moot privatisation of select services in district hospitals

Model contract: Under the Public Private Partnership , care for three non-communicable diseases — cardiac disease, pulmonary disease, and cancer care — will be provided.

As a part of a radical ‘privatisation project’, the Health Ministry and the NITI Aayog have developed a framework to let private hospitals run select services within district hospitals, on a 30-year lease.

In a 140-page document, prepared in consultation with the World Bank, the government will be allowing “a single private partner or a single consortium of private partners” to bid for space in district level hospitals, “especially in tier 2 & 3 cities.”

Under this Public Private Partnership (PPP), care for only three non-communicable diseases — cardiac disease, pulmonary disease, and cancer care — will be provided.

A model contract drawn up by NITI Aayog was sent out to State governments on June 5 by Amitabh Kant, Chief Executive Officer of NITI Aayog, giving the states a two-week window to furnish responses.

In a letter sent out last month, Mr. Kant adds that the draft document was prepared by a working group comprising representatives from the industry, Health Ministry and “representatives of a few states”.

The policy document has come under sharp criticism for the Ministry’s failure to consult with key stakeholders from civil society and academia. Dr. Amit Sengupta, convener of the India chapter of the People’s Health Movement, said that the government was handing over critical public assets without gaining anything much in return.

“NITI Aayog has no locus standi to make health policy, which is a state subject in India. The logic behind shutting down the Planning Commission was to ensure that policies are not centralised. NITI Aayog was to be an advisory body but here they are rushing through a policy that will essentially hand over public assets to the private sector, leading to a further dismantling of the public services available for free. If the government has to give seed money, share blood banks and other infrastructure, and still not be able to reserve beds for poor patients, it seems like we are not getting much in return,” said Dr. Sengupta.

Mr. Kant, Health Minister JP Nadda and Health Secretary C.K. Mishra did not respond to emails and phone calls.

According to the draft model contract, private hospitals will bid for 30-year leases over portions of district hospital buildings to set up 50- or 100-bed hospitals in smaller towns across the country. The State governments could lease up to five or six district hospitals within the State.

Further, the State governments will give Viability Gap Funding (VGF), or one-time seed money, to private players to set up infrastructure within district hospitals. The private parties and State health departments will share ambulance services, blood banks, and mortuary services.

A major concern about the policy is that under ‘principles’ of the financial structure, the document states that “there will be no reserved beds or no quota (sic) of beds for free services” in these facilities.

“While it is clear that insured patients will receive free care, it is not at all clear what will happen to the vast majority of the population. In particular, how will these referral arrangements work? Whereas it says that states can, if they wish, refer 100% of patients for cashless care, it is a matter of concern that it also proposes that States can set a cap on this entitlement. How would this work? What happens when the cap is reached? Would people only be able to access services for half the year, or less," said Robert Yates, a leading expert on universal health coverage (UHC) and Project Director of the UHC Policy Forum at Chatham House, London.

"What is particularly disturbing is the suggestion that only Below Poverty Line (BPL) patients and those in insurance schemes will be able to access free care. This would effectively exclude hundreds of millions of the Indian population from vital hospital services.

"If implemented, these proposals could threaten to take India away from UHC, a key sustainable development goal, rather than towards it," Mr. Yates said.

Says BJP will campaign against corruption, law and order problems and lack of development work in Himachal Pradesh

The process of holding the requisite Board Meetings and Shareholder Meetings has been completed in phases in September 2017.

Ruben George is staying at Ram Nath Kovind's house at Kalyanpur, near Kanpur

END

Cabinet approves MOC in respect of tax matters between India and BRICS countries - Brazil, Russia, China and South Africa

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given the approval for the signing of Memorandum of Cooperation (MOC) in respect of tax matters between India and the Revenue administrations of BRICS countries namely, Brazil, Russian Federation, China and South Africa

Objective:

The MoC aims to further promote cooperation amongst the BRICS Revenue administrations in international forum on common areas of interest in tax matters and in the area of capacity building and knowledge sharing. It envisages regular interaction amongst the heads of Revenue administration of BRICS countries to continue discussion on common areas of interest and strive towards convergence of views and meeting of the Experts on tax matters to discuss the contemporary issues in areas of international tax. In addition, the MoC accords confidentiality and protection to information exchanged under this MoC.

Impact:

The MoC will stimulate effective cooperation in tax matters. The collective stand of BRICS countries can prove to be beneficial not only to these countries but also to other developing countries in the long run in tax matters being steered by the G20.

Background:

The Heads of Revenue of the BRICS countries have been meeting regularly to discuss the potential areas of cooperation in tax matters and to exchange opinions and views based on the existing commitment to openness, solidarity, equality, mutual understanding, inclusiveness and mutually beneficial cooperation, as stated in the Goa Declaration issued on October 16, 2016. The BRICS countries have identified four areas of mutual interest on which understanding and cooperation can be further strengthened. The heads of Revenue of BRICS countries in their meeting held on the sidelines of FTA plenary at Beijing, China in May, 2016 decided to sign a MoC outlining these areas of cooperation.

AKT/VBA/SH

END

Cabinet approves IRDAI's admission as a signatory to International Association of Insurance Supervisors (IAIS), Multilateral Memorandum of Understanding (MMoU)

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its ex-post facto approval for IRDAI's admission as a signatory to International Association of Insurance Supervisors (IAIS), Multilateral Memorandum of Understanding (MMoU)

The International Association of Insurance Supervisors is a global framework for cooperation and information exchange between insurance supervisors. International Association of Insurance Supervisors, Multilateral Memorandum of Understanding is a statement of its signatories' intent to cooperate in the Field of information exchange as well as procedure for handling information requests. With increasing integration of financial market and growing number of internationally active insurance companies there is an increased need for mutual cooperation and information exchange between insurance industry supervisors. In this background the IRDAI had become a signatory member of the International Association of Insurance Supervisors, Multilateral Memorandum of Understanding. In the absence of any bilateral agreements the IAIS, MMoU provides a formal basis for cooperation and information exchange between the Signatory Authorities regarding the supervision of insurance companies where cross-border aspects arise. The scope of the IAIS MMoU is wider than the existing agreements as this agreement also provides for supervision of other regulated entities such as insurance intermediaries under Anti Money Laundering, (AML) and Combating the Finance of Terrorism (CFT).

AKT/VBA/SH

END

FM to formally launch Pradhan Mantri Vaya Vandana Yojana (PMVVY) tomorrow; PMVVY is a Pension Scheme announced by the Government of India exclusively for the senior citizens available from 4th May, 2017 to 3rd May, 2018; The Scheme can be purchased offline as well as online through Life Insurance Corporation of India

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The Union Minister for Finance, Defence and Corporate Affairs will formally launch the Pradhan Mantri Vaya Vandana Yojana (PMVVY) tomorrow in the national capital. PMVVY is a Pension Scheme announced by the Government of India exclusivelyfor the senior citizens aged 60 years and above which is available from 4th May, 2017 to 3rd May, 2018. The Scheme can be purchased offline as well as online through Life Insurance Corporation (LIC) of India which has been given the sole privilege to operate this Scheme.

Following are the major benefits under the Pradhan Mantri Vaya Vandana Yojana (PMVVY):

- Scheme provides an assured return of 8% p.a. payable monthly (equivalent to 8.30% p.a. effective) for 10 years.
- Pension is payable at the end of each period, during the policy term of 10 years, as per the frequency of monthly/ quarterly/ half-yearly/ yearly as chosen by the pensioner at the time of purchase.
- The scheme is exempted from Service Tax/ GST.
- On survival of the pensioner to the end of the policy term of 10 years, Purchase price along with final pension installment shall be payable.
- Loan upto 75% of Purchase Price shall be allowed after 3 policy years (to meet the liquidity needs). Loan interest shall be recovered from the pension installments and loan to be recovered from claim proceeds.
- The scheme also allows for premature exit for the treatment of any critical/ terminal illness of self or spouse. On such premature exit, 98% of the Purchase Price shall be refunded.
- On death of the pensioner during the policy term of 10 years, the Purchase Price shall be paid to the beneficiary.
- Minimum / Maximum Purchase Price and Pension Amount:

Mode of Pension	Minimum Purchase Price	Maximum Purchase Price	Minimum Pension amount	Maximum Pension amount
Yearly	Rs. 1,44,578/-	Rs. 7,22,892/-	Rs. 12,000/-	Rs. 60,000/-
Half-yearly	Rs. 1,47,601/-	Rs. 7,38,007/-	Rs. 6,000/-	Rs. 30,000/-
Quarterly	Rs. 1,49,068/-	Rs. 7,45,342/-	Rs. 3,000/-	Rs. 15,000/-
Monthly	Rs. 1,50,000/-	Rs. 7,50,000/-	Rs. 1,000/-	Rs. 5,000/-

- The ceiling of maximum pension is for a family as a whole, the family will comprise of pensioner, his/her spouse and dependants.
- The shortfall owing to the difference between the interest guaranteed and the actual interest

earned and the expenses relating to administration shall be subsidized by the Government of India and reimbursed to the Corporation.

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DSM/SBS/KA

END

Cabinet approves revision of Indian Community Welfare Fund guidelines

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved revision of the Indian Community Welfare Fund (ICWF) guidelines.

ICWF, set up in 2009, is aimed at assisting Overseas Indian nationals in times of distress and emergency in the most deserving cases on a means tested basis. The revised guidelines being made broad-based seek to expand the scope of welfare measures that can be extended through the Fund. The guidelines would cover three key areas namely Assisting Overseas Indian nationals in distress situations, Community Welfare activities and Improvement in Consular services. They are expected to provide Indian Missions and Posts abroad greater flexibility in swiftly addressing to requests for assistance by Overseas Indian nationals.

Apart from assisting Indian nationals in distress abroad, ICWF has been a critical support in emergency evacuation of Indian nationals in conflict zones in Libya, Iraq, Yemen, South Sudan and other challenging situations like assistance extended to undocumented Indian workers in the Kingdom of Saudi Arabia during the Nitaqat drive in 2013 and the ongoing Amnesty drive in 2017.

The scale and speed of these evacuations and assistance rendered through the Fund has been universally appreciated. It has also created a sense of confidence among the migrant workers going overseas about the support they can expect from India during critical times.

ICWF stands extended to all Indian Missions and Posts abroad and is primarily funded by levying service charge on various consular services rendered by Indian Missions and Posts abroad.

AKT/VBA/SH

END

Aajeevika Grameen Express Yojana (AGEY)

The Government of India has decided to launch a new sub-scheme named “Aajeevika Grameen Express Yojana (AGEY)” as part of the Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM). The Self Help Groups under DAY-NRLM will operate road transport service in backward areas. This will help to provide safe, affordable and community monitored rural transport services to connect remote villages with key services and amenities (such as access to markets, education and health) for the overall economic development of backward rural areas. This will also provide an additional avenue of livelihood for SHGs. The basic outline of AGEY was discussed in a meeting of State Transport Ministers of 13 States held in June 2016 at Dharamshala, Himachal Pradesh and all the Transport Ministers had expressed their appreciation of this initiative.

The Community Investment Fund (CIF) provided to Community Based Organization (CBOs) under DAY-NRLM will be utilized to support the SHG members in this new livelihoods initiative. The beneficiary SHG member will be provided an interest free loan by the CBO from its Community Investment Fund upto Rs.6.50 lakh for purchase of the vehicle. Alternative, CBO will own the vehicle and lease it to an SHG member to operate the vehicle and pay lease rental to the CBO

AGEY will be initially implemented in 250 Blocks in the country on pilot basis with each Block provided upto 6 vehicles to operate the transport services. During the current year implementation of the scheme has been so far approved for 52 Blocks in 8 States namely Andhra Pradesh, Jharkhand, Maharashtra, Tamil Nadu, Telangana, Uttarakhand and West Bengal with a total provision of Rs.16.06 Crore of which the Government of India share would be Rs.10.16 Crore. The balance funding would be provided by the respective States.

The Blocks will be selected by States from among the Blocks where NRLM is being implemented intensively and where mature CBOs are already functioning. Backwardness, lack of transportation links and sustainability of service would be the guiding factors in the selection of Blocks and routes.

The State Rural Livelihood Missions (SRLMs) will do a feasibility study and traffic survey in the selected blocks to identity the routes and the number and capacity of vehicles which can be operated on sustainable basis. The study will be conducted by technically sound organizations with expertise in transport network planning. The choice of vehicle could be either e-riksha, 3 wheeler or 4 wheeler within a cost ceiling of Rs.6.50 lakh.

The SRLMs will be co-ordinating with State Transport Department for issue of permit for the vehicle. The SHG member operating the vehicle shall ensure that all necessary legal and statutory requirement such as valid permit, road tax permit, valid insurance policy etc. are met.

The SHG member shall run the vehicle on approved routes at pre-determined frequency as jointly agreed between the CBO and the SHG operator based on financial viability and the need for transport link.

All vehicles under the scheme shall have a defined colour code and carry AGEY branding to ensure their identity and avoid diversion to other routes.

The State Rural Livelihood Mission will arrange capacity building for their staff at State, District and Block levels for operating the Scheme. The members of the CBO and the beneficiary SHG member shall also be provided adequate training in the Rural Self Employment Training Institutes (RSETIs) and other partner organizations.

SNC

END

Smt Maneka Sanjay Gandhi launches Scheme Implementation Guidelines of Pradhan Mantri Matru Vandana Yojana

Norms for pre-school education developed by the Government for the first time: WCD Minister

The Minister of Women & Child Development, Smt Maneka Sanjay Gandhi released the Guidelines of Pradhan Mantri Matru Vandana Yojana in New Delhi today. The Prime Minister, Shri Narendra Modi had announced the pan-India implementation of this scheme w.e.f. 01st January, 2017. PMMVY is implemented by the Ministry of Women & Child Development in collaboration with State Governments.

Smt Maneka Sanjay Gandhi also released an important training module for anganwadi workers called Early Childhood Care and Education Training Module. The training module is designed to provide the anganwadi workers a basic understanding of the ECCE curriculum and pedagogical approaches to ensure optimal and holistic development of young children so that they are ready to start formal schooling at the age of six years. It also includes a component on psycho social development of children below the age of three years, to help anganwadi workers counsel parents/caregivers on early stimulation.

Another important module i.e. ICDS Training module and e-training module were also released by WCD Minister today. This module aims to improve the service delivery mechanism of ICDS Programme and to accelerate better programme outcomes.

Speaking on the occasion, Smt Maneka Sanjay Gandhi said that ECCE training module is a landmark achievement since the government has for the first time ever prepared norms for anganwadi workers to impart pre-school education. Since pre-school education lays the foundation of a child for the future, it is very important to have norms under which anganwadi workers are able to plan and conduct appropriate ECE activities for 3-6 year old children. She urged the State Governments to complete the training of anganwadi workers for ECCE within a year so that the new norms can be implemented at the earliest possible. Smt Maneka Gandhi also asked the States to print advertisements about Childline (1098), POCSO e-box and healthy eating habits at the back of exercise books and text books of all school children.

The Minister of State for Women & Child Development, Smt Krishna Raj said that the pan-India expansion of PMMVY will benefit women across the country.

Secretary WCD, Shri Rakesh Srivastav assured that since the guidelines of PMMVY have now been issued, funds under the scheme will be transferred to the States very soon. He expressed gratitude to UNICEF and Ambedkar University for assisting in developing the booklets.

Some of the other booklets which were issued today included Activity Books for Children of 3-6 years, Child Assessment Card and Recommended List for Play and Learning Material. The Common Application Software for PMMVY and software user manual for PMMVY-CAS were also launched on the occasion. To maintain transparency and timely disbursal of benefits, the PMMVY Scheme will be run through PMMVY-CAS Software.

Secretaries of State WCD Departments attended today's function through video conferencing. Representatives of UNICEF and senior officers of the WCD Ministry wre also present on the occasion.

NB/UD

END

India, Japan civil nuclear deal comes into force

S. Jaishankar | Photo Credit: PTI

The landmark India-Japan civil nuclear agreement came into force on Thursday. Foreign Secretary S. Jaishankar exchanged the diplomatic notes with the Japanese envoy to India to formalise the completion of the process.

“The India-Japan Agreement for Cooperation in the Peaceful Uses of Nuclear Energy entered into force on July 20, 2017 with the exchange of diplomatic notes between Dr. S. Jaishankar, Foreign Secretary and H.E. Mr. Kenji Hiramatsu, Ambassador of Japan to India,” said a statement from the Ministry of External Affairs.

The pact was signed in Tokyo during the visit of Prime Minister Narendra Modi to Japan on November 11, 2016.

“This Agreement is a reflection of the strategic partnership between India and Japan and will pave the way for enhanced cooperation in energy security and clean energy. It seeks to promote full cooperation between the two countries in the development and uses of nuclear energy for peaceful purposes on a stable, reliable and predictable basis,” said the statement.

The deal is essential for bringing a network of nuclear energy cooperation for India, especially with the U.S. as prominent American nuclear companies are owned by the Japanese nuclear majors like Toshiba.

Says BJP will campaign against corruption, law and order problems and lack of development work in Himachal Pradesh

The process of holding the requisite Board Meetings and Shareholder Meetings has been completed in phases in September 2017.

Ruben George is staying at Ram Nath Kovind’s house at Kalyanpur, near Kanpur

END

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Government mulls insurance cover for digital transaction frauds

NEW DELHI: The government is "very seriously" considering the recommendations of the Chandrababu Naidu committee on digital payment security, including insurance cover for the victims of fraudulent digital transactions, a union minister said on Friday.

In response to a question by Samajwadi Party MP Naresh Agrawal, Union Electronics and Information Technology Minister Ravi Shankar Prasad told the Rajya Sabha that the number of digital transactions in the country was rising and hence the concern for their security.

"The government is very seriously considering the recommendations made by the Chandrababu Naidu committee. And I am in principle for it (idea of insurance)," Prasad said.

The Committee of Chief Ministers on Digital Payment, chaired by Chief Minister of Andhra Pradesh N. Chandrababu Naidu, has in its interim report suggested several measures for digital payment security, including an insurance scheme to cover losses incurred in digital transactions on account of fraud, etc.

The report suggests that in order to address the apprehension of the general public in adopting digital payments, the scheme should target low-ticket transactions to cover the vulnerable sections like small merchants, farmers etc.

Prasad said the number of fraudulent digital transactions in comparison to the total number of digital transactions was negligible and the government was taking steps to curb those frauds.

"Around 1,200 crore digital transactions take place annually in the country. Of these, between 0.005 per cent and 0.007 per cent are fraudulent transactions," he said.

As per data presented by the minister before the House, the number of cases of frauds involving credit cards, ATM/debit cards and Internet banking during 2015-16 was 16,468 and in 2016-17 it was 13,653.

He said that for prepaid payment instruments, including e-wallets, the Reserve Bank of India (RBI) has started maintaining provisional data of fraudulent transactions.

According to the data for March, April and May 2017, the number of fraudulent transactions is between 0.005 per cent and 0.007 per cent of the total number of transactions.

"As per incidents reported to the Indian Computer Emergency Response Team (CERT-In), 40 phishing incidents affecting 19 financial organisations and 10 incidents affecting ATMs, Point of Sale (POS) systems and Unified Payment Interface (UPI) have been reported during November 2016 to June 2017," Prasad said.

"As part of promotion of digital payments, the government is taking several steps to ensure that frauds are minimised and even when an incident of this nature takes place, corrective action is immediately taken," he added.

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END

India performs miserably in war on inequality

NEW DELHI: India has been ranked 132 out of 152 countries in an index that rates countries by their commitment to reducing inequality. The first report edition of the index, released recently, showed that OECD countries headed by Sweden ranked the highest while Nigeria was at the bottom. The US had the highest level of inequality among developed countries, though it is the wealthiest country in history.

Ironically, Bhutan, known for coining the term 'Gross National Happiness', is ranked even lower than India at 143. Of India's immediate neighbours, all but Nepal (81) and China (87) ranked between 138 and 150. Given that this region is home to the largest chunk of poor people in the world, that's worrying news.

The index and the inequality report were put together by the international NGO Oxfam and Development Finance International to measure the efforts of governments that had pledged to reduce inequality as part of the sustainable development goals. The index mainly focused on redistributive actions governments can take, rather than those that would prevent rising inequality in the first place.

"A recent study of 13 developing countries that had reduced their overall inequality level found that 69% of the reduction... was because of public services," stated the report. It added that progressive taxation, where corporations and the richest individuals are taxed more in order to redistribute resources and ensure the funding of public services, is a key tool for governments committed to reducing inequality.

The report noted that government spending on health, education and social protection was woefully low in India.

The tax structure looks reasonably progressive on paper, but in practice much of the progressive tax is not collected, it added. India fared poorly on labour rights as well as respect for women in the work place. The report said that if India were to reduce its inequality by a third, 170 million people could be raised out of poverty. In contrast, it noted how Namibia had halved the poverty rate from 53% to 23% with very high spending on health and education.

END

NGT directs Uttarakhand, Himachal Pradesh to submit guidelines on forest fire

The National Green Tribunal (NGT) today directed the Uttarakhand and Himachal Pradesh governments to submit the national forest fire prevention and control guidelines. A bench headed by NGT Chairperson Justice Swatanter Kumar also asked both the state governments to inform it about the total number of forest fires till date starting from 2016.

"We want both the states to inform us how many forest fires have been reported in 2017 as compared to 2016. You also place on record the national guidelines on forest fires," the bench said. The tribunal, which has already reserved its verdict in the matter, has fixed the case for hearing on July 24.

In Himachal Pradesh during 2016-17, there were 1,545 forest fires which affected 13,069-hectare causing loss of Rs 1.53 crore, whereas, in 2015-16, there were 672 fire incidents which caused harm in 5,749.95 hectare area causing loss of Rs 1.34 crore.

The tribunal had earlier directed the states to submit crisis management plan for prevention and control of forest fires to the Ministry of Environment and Forests (MoEF). It had taken exception to the fact that that the issue of the management plan was pending since 2010 and directed the MoEF to file the details of states which have not submitted the management plan on forest fires.

Voicing concern over forest fires raging in Uttarakhand and Himachal Pradesh, the tribunal had said it was shocked that everybody was taking the issue "so casually" and issued show cause notices to both the states.

Massive forest fires had engulfed a large part of areas in Uttarakhand and Himachal Pradesh in May last year.

END

FM: Entry into force of the WTO-Trade Facilitation Agreement (TFA) on 22nd February, 2017 is a major milestone for the global trading system; Releases National Trade Facilitation Action Plan today.

The Union Minister of Finance, Defence and Corporate Affairs, Shri Arun Jaitley said that the entry into force of the WTO-Trade Facilitation Agreement (TFA) on 22nd February, 2017 is a major milestone for the global trading system. The Finance Minister Shri Arun Jaitley was speaking after releasing the National Trade Facilitation Action Plan (NTFAP) here today in the national capital. He said that with the release of this Action Plan today, we look forward to ensuring compliance with the TFA and also, impetus to trade facilitation. The Finance Minister further added that this Action Plan gives a time bound map, not only for implementing TFA, but also for India’s initiatives for trade facilitation and Ease of Doing Business which goes beyond TFA.

Earlier, under Article 23.2 of the Trade Facilitation Agreement (TFA), a National Committee on Trade Facilitation (NCTF) headed by the Cabinet Secretary was constituted. The NCTF comprises of stakeholders from the Government and the private sectors including trade community. The NCTF has adopted 76 point National Trade Facilitation Action Plan (NTFAP) which is a reflection of the Government’s commitment to implement the Trade Facilitation Agreement (TFA).

The National Action Plan aims to transform cross border clearance ecosystem through efficient, transparent, risk based, co-ordinated, digital, seamless and technology driven procedures which are supported by state-of-the-art sea ports, airports and land borders.

The objectives to be achieved by National Action Plan are improvement in ease of doing business by reduction in cargo release time and cost, move towards paperless regulatory environment, transparent and predictable legal regime and improved investment climate through better infrastructure.

The Action Plan lists out specific activities which would be carried out by all regulatory agencies like Customs, FSSAI, Drug Controller, Plant Quarantine, DGFT etc in time bound manner. The Co-ordination among all the stakeholders is the key to achieve the objective of Trade facilitation.

The Action Plan not only covers the activities coming under the TFA but they go beyond the ambit of TFA per se, which have been defined as TFA Plus category. The Action Plan covers many activities in the areas of infrastructure augmentation, particularly the road and rail infrastructures leading to ports and the infrastructure within ports, airports, ICDs, Land Customs stations that cuts across all stakeholders for which various ministries like Shipping, Civil Aviation, Railways, Road transport and Highways, Home Affairs, Finance, Commerce etc have been assigned specified targets.

All actions covered under the plan have been categorized by prioritizing the activities into short term, midterm and long term. The National Plan would be monitored by the Steering Committee (the operational arm of the NCTF) chaired by the Revenue Secretary and the Commerce Secretary. The plan would be reviewed by the Cabinet Secretary.

DSM/SBS/KA

END

Govt plans new agency to keep check on CAs - Times of India

NEW DELHI: The government is reviewing plans to put in place the National Financial Reporting Authority (NFRA) as it seeks to rein in the Institute of Chartered Accounts for India (ICAI) for its perceived failure in enforcing discipline.

While Companies Act 2013 had provided for NFRA as a regulatory agency for audit, accounts and financial reporting, Section 132 of the law has remained on paper as the rules are yet to be notified. "It is one of the few sections of the law that has not been notified yet," said a source.

Many believe that several chartered accountants had successfully lobbied with the government to block the notification as it would have taken away several powers that are currently vested with ICAI. Under the 1956 law, the Centre was to prescribe accounting standards prepared by ICAI in consultation with the National Advisory Committee on Accounting Standards (NACAS) -powers that are to be transferred to NFRA now. The new agency -which can have up to 15 members, including the chairman - is mandated to advise on issues related to audit and accounting standards and be the regulator for the profession.

The issue had been on the backburner for the last few years but is now simmering again after Prime Minister Narendra Modi publicly aired his criticism over ICAI's disciplinary record -a charge that the institute is now trying to cope with. At the CA Day event on July 1, Modi had said that just around 25 auditors had faced action in over a decade and around 1,400 cases were pending. ICAI is expected to fix the issue shortly, but that has not stopped the government from reopening the case for NFRA.

The law provides for NFRA to look into matters of professional or other misconduct and also suspend CAs and firms from practising for six months to 10 years. Sources said various options were being considered for the agency and a new mechanism for appeal was also being considered.

This also comes at a time when ICAI is pushing to revise joint audit of Indian companies after its plea for a mechanism was rejected by a committee headed by former Competition Commission of India chairman Ashok Chawla in a report to the Prime Minister's Office.

END

Arun Jaitley introduces bill in Lok Sabha to replace banking ordinance

New Delhi: Finance minister Arun Jaitley introduced in the Lok Sabha on Monday the Banking Regulation (Amendment) Bill, 2017, which empowers the Reserve Bank of India (RBI) to resolve stressed assets clogging the banking system.

This bill seeks to amend the Banking Regulation Act, 1949 and replace the Banking Regulation (Amendment) Ordinance, 2017, which was promulgated on 4 May.

It gives powers to the Reserve Bank of India (RBI) to ask any bank to initiate insolvency proceedings and give directions for resolution of stressed assets.

“Stressed assets in the banking system have reached unacceptably high levels and hence, urgent measures are required for their speedy resolution...Therefore, it was considered necessary to make provisions in the Banking Regulation Act, 1949 for authorizing the Reserve Bank of India to issue directions to any banking company or banking companies to effectively use the provisions of the Insolvency and Bankruptcy Code, 2016 for timely resolution of stressed assets,” Jaitley said in a statement of intent, which is a part of the bill.

RBI’s internal advisory committee has already identified 12 large stressed cases, accounting for a quarter of India’s total gross non-performing assets, for proceedings under the insolvency and bankruptcy code.

Subsequently, the central bank advised banks to set aside 50% provisioning against secured exposure and 100% against unsecured exposure in all cases referred for bankruptcy.

Of the 12 stressed accounts, the National Company Law Tribunal has already admitted bankruptcy proceedings against five—Jyoti Structures Ltd, Monnet Ispat and Energy Ltd, Alok Industries Ltd, Electrosteel Steels Ltd and Amtek Auto Ltd.

This means that the boards of the companies will be dissolved and an interim resolution professional (IRP) appointed by lenders.

The IRP will get 180 days, extendable to 270, to run the company and come out with a solution.

If no solution is found within this time frame, the company will be liquidated.

“The turnaround should happen in such a manner that it is acceptable to all stakeholders (especially those banks who have large exposure),” said Karthik Srinivasan, group head of financial sector ratings at Icra.

END

Will go ahead with electoral bonds if parties don’t give suggestions: Arun Jaitley

New Delhi: Finance minister Arun Jaitley on Monday said the government will go ahead with operationalizing electoral bonds for a more transparent system of political funding if parties do not give any suggestions on the scheme announced in budget 2017-18.

Speaking at an event marking Income Tax Day celebrations, the finance minister said the system of opaque cash donations could not continue and added that the government had over the past three years been making efforts to bring more transparency to governance, reduce physical interface between officials and taxpayers and make tax administration more efficient.

Jaitley observed that people were reluctant to give suggestions on the proposed electoral bonds scheme.

“If suggestions don’t come and consensus eludes us, then the government of the day can’t run away from its responsibility. It will have to announce its decision which will then become the law of he land,” he said. The government has proposed a cap on anonymous cash donations to political parties at Rs2,000. Under the scheme, donors can purchase electoral bonds from designated banks which parties can redeem for funds.

As part of the government’s efforts to collect information on taxpayers to combat tax evasion, it has introduced compulsory linking of Aadhaar with Permanent Account Number (PAN).

The move, Jaitley pointed out, was being opposed in the name of defending privacy.

Revenue secretary Hasmukh Adhia, who was also present on the occasion, said that with linking of Aadhaar, the 12-digit identification number issued by the Unique Identification Authority of India (UIDAI), with PAN would bring to an end the era of bogus PAN cards.

Jaitley said a tradition of tax non-compliance had resulted in sub-optimal revenue collection, thus reducing the state’s ability to spend on welfare measures and defence.

“Now, non-compliance is being defended with right to privacy,” he said.

He added that the legislative measures taken over the last few years were meant to provide an incentive to the honest taxpayer.

END

Inland Waterways Authority of India: Bill to divert 2.5 per cent proceeds of CRF to national waterways introduced in Lok Sabha

NEW DELHI: The government today introduced in the Lok Sabha a bill providing for allocation of about Rs 2,000 crore from Central Road Fund (CRF) for developing national waterways (NWs).

The Central Road Fund (Amendment) Bill, 2017 to further amend the Central Road Fund Act, 2000 was moved by Minister of State for Shipping Pon Radhakrishnan in absence of Shipping Minister Nitin Gadkari.

The bill seeks to amend the Central Road Fund Act, 2000, to allocate 2.5 per cent of the proceeds of CRF for development and maintenance of NWs and a reduction in the share provided for development of National Highways.

Parliament had last year enacted National Waterways (NWs) Act, 2016, for developing and maintaining the existing five NWs and 106 new NWs across the country.

"National Waterways provide cost-effective, logistically efficient and environment-friendly way of transport, whose development as a supplementary mode would enable diversion of traffic over congested roads and railways," according to the objects of the Bill.

CRF is made up of cess on petrol and high speed diesel. The cess at present is Rs 6 per litre.

The fund collected under CRF was Rs 80,800 crore in 2016 -17, Rs 69,540 crore in 2015-16 and Rs 25,122 crore in 2014- 15.

The Inland Waterways Authority of India (IWAI) has estimated that approximately Rs 25,000 crore would be required for development of identified projects on NWs till 2022-23.

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END

Union Home Minister chairs first meeting of Islands Development Agency (IDA)

IDA focuses on Holistic Development of Islands

The Union Home Minister Shri Rajnath Singh chaired the first meeting of the newly constituted Islands Development Agency (IDA), here today. The IDA was set up on June 01, 2017 following the Prime Minister's review meeting for the development of islands.

The Union Home Minister presented the vision for developing India's maritime economy while preserving the natural eco-system and addressing the security concerns. He emphasized upon the need for sustainable development of Islands with people's participation.

The CEO, NITI Aayog made a detailed presentation on the current status and the way forward for holistic development of identified islands. He informed that Concept Development Plans and Detailed Master Plans are being prepared for identified islands with principles of sustainability, people's participation, eco-system preservation and determination of carrying capacity as the guiding principles. Such an exercise is being taken up for the first time in the country.

Admiral D.K. Joshi, former Navy Chief and Vice Chairman of IDA suggested taking up suitable interventions for sustainable implementation of planned projects.

During the meeting, the progress being made for the formulation of integrated master plans and other matters concerning the islands development were reviewed. It was also decided that Lt. Governor of Andaman & Nicobar Islands and Administrator of Lakshadweep Islands will be included as members of IDA.

After detailed consultations with key stakeholders, 10 islands namely Smith, Ross, Aves, Long and Little Andaman in Andaman & Nicobar and Minicoy, Bangaram, Suheli, Cherium and Tinnakara in Lakshadweep have been identified for holistic development in the first phase. With this meeting, the efforts for holistic development of Islands of India received a major boost.

Other Members of the IDA including Cabinet Secretary, Home Secretary, Secretary (Environment, Forests and Climate Change), Secretary (Tourism) and Secretary (Tribal Welfare) also participated in the meeting.

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KSD/NK/PK/KM

END

223 anti-dumping probes initiated by India since Jan 2012 - Times of India

New Delhi, Jul 24 () India has initiated as many as 223 anti-dumping investigations between January 2012 and July 14 this year against various countries, including China and Indonesia, Parliament was informed today.

During the period, maximum number of cases were against China (62).

In a written reply to the Lok Sabha, Commerce Minister Nirmala Sitharaman said that from time to time, the directorate general of anti-dumping and allied duties (DGAD) receives applications from domestic producers for imposition of the duty on various products.

"As on July 14, 2017, anti-dumping duty is on force in 141 cases and 54 more cases have been initiated," she said.

Product categories on which the levy was imposed include chemicals, fibre boards, glass & glassware, pharmaceuticals and steel.

Countries impose anti-dumping duties to guard domestic industry from surge in below-cost imports.

Anti-dumping steps are taken to ensure fair trade and provide a level-playing field to the domestic industry.

They are not a measure to restrict import or cause an unjustified increase in cost of products.

In a separate reply, she said during the last five years and this fiscal (June 30), more time have been given to as many as 145 special economic zone developers to complete their projects.

As per SEZ rules, the letter of approval granted to the developer is valid for a period of three years within which time effective steps are to be taken by the developer to implement the approved project.

The board of approval, highest decision making body of SEZ, may grant more time by extending the validity period of the letter of approval. RR BAL

END

GST Council forms a Selection Committee under the Chairmanship of Cabinet Secretary to identify and recommend eligible persons for appointment as the Chairman and Members of the National Anti-profiteering Authority under GST

GST Council forms a Selection Committee under the Chairmanship of Cabinet Secretary to identify and recommend eligible persons for appointment as the Chairman and Members of the National Anti-profiteering Authority under GST

The GST Council has formed a Selection Committee under the Chairmanship of Cabinet Secretary to identify and recommend eligible persons for appointment as the Chairman and Members of the National Anti-profiteering Authority under GST. The National Anti-profiteering Authority is tasked with ensuring the full benefits of a reduction in tax on supply of goods or services flow to the consumers.

When constituted by the GST Council, the National Anti-profiteering Authority shall be responsible for applying anti-profiteering measures in the event of a reduction in rate of GST on supply of goods or services or, if the benefit of input tax credit is not passed on to the recipients by way of commensurate reduction in prices. The National Anti-profiteering Authority shall be headed by a senior officer of the level of a Secretary to the Government of India and shall have four technical members from the Centre and/or the States.

The already notified Rules on Anti-profiteering measures provide that applications seeking to invoke anti-profiteering measures shall be examined by a Standing Committee. However, if the application relates to a local matter which the business is located in only one state, it shall be first examined by a State level Screening Committee. The Standing Committee is empowered to refer cases requiring detailed enquiry to Director General of Safeguards, CBEC who shall give his recommendation for consideration of the National Anti-profiteering Authority.

In the event the National Anti-profiteering Authority confirms the necessity of applying anti-profiteering measures, it has the power to order the business concerned to reduce its prices or return the undue benefit availed alongwith interest to the recipient of the goods or services. If the undue benefit cannot be passed on to the recipient, it can be ordered to be deposited in the Consumer Welfare Fund. In extreme cases the National Anti-profiteering Authority can impose a penalty on the defaulting business entity and even order the cancellation of its registration under GST.

The constitution of the National Anti-profiteering Authority is expected to bolster consumer confidence and ensure all stakeholders reap the intended benefits of GST.

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DSM/SBS/KA

END

First Two NOPVs Shachi and Shruti Launched by RDEL at Pipavav, Gujarat

First Two NOPVs Shachi and Shruti Launched by RDEL at Pipavav, Gujarat

Reliance Defence and Engineering Limited (RDEL) today launched the first two Naval Offshore Patrol Vessels (NOPVs) at their shipyard in Pipavav, Gujarat. The ships are part of a five ship project being constructed for the Indian Navy. The two NOPVs, ***Shachi*** and ***Shruti*** were launched by Smt. Preeti Luthra, wife of Vice Admiral Girish Luthra, PVSM, AVSM, VSM, ADC; the Flag Officer Commanding-in-Chief Western Naval Command at the RDEL Shipyard Pipavav, Gujarat.

The primary role of NOPVs is to undertake surveillance of the country's vast Exclusive Economic Zone (EEZ) besides operational tasks such as anti-piracy patrols, fleet support operations, maritime security of offshore assets, coastal security operations, and protection of shipping lanes. The NOPVs would increase the ocean surveillance and patrolling capabilities of the Indian Navy.

The NOPVs being constructed at RDEL are patrol ships and are armed with 76mm Super Rapid Gun Mount (SRGM) system along with two 30mm AK-630M guns which provide medium range and short range offensive and defensive capabilities. The armament is remotely controlled through an electronic Fire Control System. The ships are fitted with diesel engine driven propulsion systems and can deliver speeds upto 25 knots. All ship operations are controlled by an intelligent Integrated Platform Management System which has interfaces for all operational activities onboard the ship.

Speaking on the occasion, Vice Admiral Girish Luthra, mentioned that the launch is a significant and milestone event, as these two NOPVs are the first warships to be launched by a private sector shipyard in India. He further noted that opening up of warship building to the private sector by the Indian Navy is an opportunity that the private sector must make full use of, and is an enabling factor for increased private sector participation in this key area of national capability. The CinC also mentioned that while we have constructed and commissioned a number of quality warships, our shipyards need to constantly strive to transform with an aim to achieve global standards in quality, productivity and build periods with focus on innovation, modern techniques, and processes, and all round efficiency. He added that projects need to be implemented as per planned schedule. He stated that in addition to meeting national requirements, the shipyards should also focus on export orientation.

The CinC also complimented Reliance Defence and Engg Ltd and their workforce, and the Navy's warship overseeing and Quality Assurance teams, for their perseverance and efforts to reach this important milestone, and mentioned that he looked forward to commissioning of *Shachi* and *Shruti* into the Indian Navy in the near future.

END

Transfer unclaimed accruals to fund: IRDA

Insurance companies can no longer retain unclaimed amounts of policyholders if those accruals are more than 10 years old. Such sums need to be, instead, transferred to the Senior Citizens' Welfare Fund (SCWF) of the Centre.

“All insurers having unclaimed amounts of policyholders for a period of more than 10 years as on September 30, 2017 need to transfer the same to the SCWF on or before March 1, 2018,” insurance regulator IRDAI said.

The direction from the Insurance Regulatory and Development Authority of India has come in the backdrop of the amendment made in April to the Senior Citizens' Welfare Fund Rules. The amendment expanded the purview beyond the unclaimed amounts in small savings and other saving schemes of the Centre, PPF and EPF.

It brought in unclaimed amount lying with banks, including cooperative banks and RRBs; dividend accounts, deposits and debentures of companies coming under the Companies Act; insurance companies and Coal Mines PF.

Minister of State for Finance Santosh Kumar Gangwar had informed the Lok Sabha that unclaimed deposits as on March 31, 2016, with insurers (life and non-life) totalled 11,725.45 crore, rising sharply from the 7,227.23 crore in the previous year.

Details as to how much of the unclaimed amounts was more than ten years were not immediately available. Unclaimed amounts include sum payable as death claim, maturity claim, survival benefit, premium due for refund and indemnity claims.

Such expenditure needs expeditious resolution of stressed loan problem: Crisil

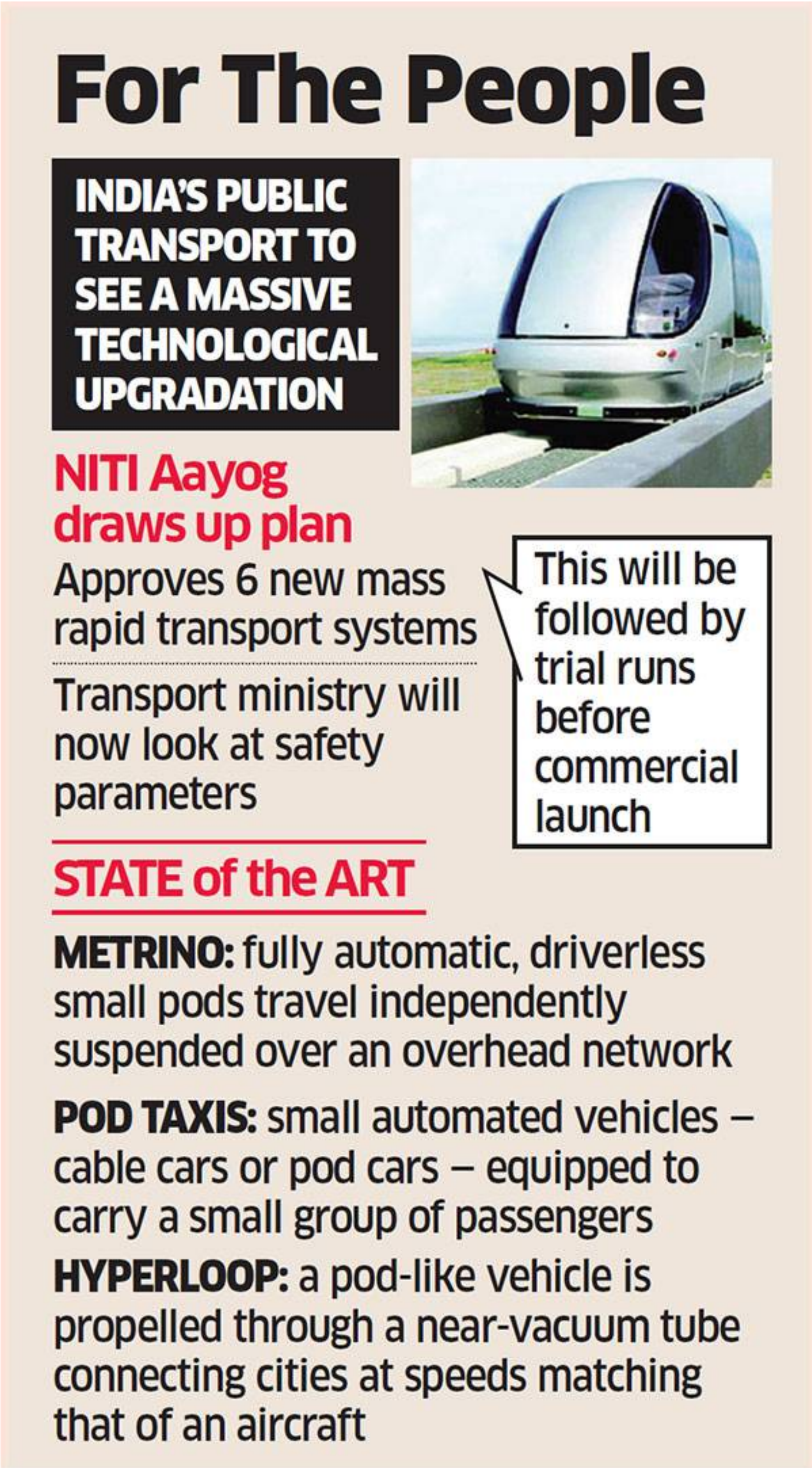
END

Niti Aayog: Niti Aayog clears six proposals for high-tech public transport

NEW DELHI: Mass rapid transportation technologies such as hyperloop, metrino and pod taxis could soon be a reality in India after Niti Aayog cleared half-a-dozen proposals of the transport ministry exploring options to improve public transport.

Following the go-ahead, the transport ministry has formed a six member committee, headed by a former top official of Railways, to study safety parameters associated with these technologies and global practices.

A senior government official at Niti Aayog told ET, the think tank approved the proposals of the transport ministry with a condition that the ministry conducts trial run of all these technologies and puts in place safety measures before starting commercially operation.



“These new technologies are path breaking and can alter the way of intercity travel in the country. Since we don't have any such thing in India, we need to know the global safety standards and ensure that these technology companies are following it,” a senior transport ministry official said. “Even for the pilot project, passenger safety is paramount,” the transport ministry official added.

The ministry of road transport and highways sought the approval of Niti Aayog to experiment and introduce six latest mass rapid transportation technologies. These technologies include metrino, stadler buses, hyperloop, pod taxis, hybrid buses and freight rail road.

The new technologies are being explored as current public transportation is unable to resolve the increasing traffic crisis in the country. Besides, some of them are more cost effective than the existing ones.

Once these safety parameters are tried and tested and the pilot run is successful, some of them including metrino, could be up for running by next year’s end. “Something like metrino (pod taxis) is almost one tenth of the cost of the metro, so there's a cost advantage as well. However, technologies such as hyperloop can take some time but we would like them to come to India,” the official said, adding land has been proposed for the hyperloop project.

Under the hyperloop transportation mechanism, a pod-like vehicle is propelled through a near-vacuum tube connecting cities at speeds matching that of an aircraft while under the freight rail road proposal, elevated corridors would be built with rail lines where freight trucks can be placed and then they would move on rails at high speed, reducing freight time and increasing freight quantity.

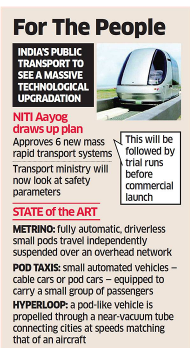
ET VIEW: Adopt New Technologies

It does make sense to adopt new technology for urban transportation, especially when the new networks are billed to be so much more energy efficient and innovative. However, it is imperative that we adopt the precautionary principle and conduct extensive field trials. We do need to thoroughly probe the safety and other features of the new technology on offer that is expected to vastly improve speeds and efficiency.

NEW DELHI: Mass rapid transportation technologies such as hyperloop, metrino and pod taxis could soon be a reality in India after Niti Aayog cleared half-a-dozen proposals of the transport ministry exploring options to improve public transport.

Following the go-ahead, the transport ministry has formed a six member committee, headed by a former top official of Railways, to study safety parameters associated with these technologies and global practices.

A senior government official at Niti Aayog told ET, the think tank approved the proposals of the transport ministry with a condition that the ministry conducts trial run of all these technologies and puts in place safety measures before starting commercially operation.



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END

Cabinet clears minimum wage code bill

New Delhi: The Union cabinet on Wednesday approved the wage code bill that seeks to consolidate a clutch of wage-related labour laws and put in place a national minimum wage floor.

The cabinet nod in a way signals the formal start of the process of consolidating 44 labour laws into four codes that the government has been talking about for the past three years. It also gives momentum to the pending labour law reform process that is being touted as key to enhancing industrial productivity and aiding manufacturing, leading to job creation.

“Cabinet approved the wage code bill today to give the labour reform process further momentum,” said H. Samaraia, additional secretary in the labour and employment ministry.

The wage code bill seeks to merge the Minimum Wages Act, Payment of Wages Act, Payment of Bonus Act and Equal Remuneration Act. The bill, once approved by Parliament, will also put in place a national minimum wage.

States will not be able to pay less than the national floor and this may lead to inflation of wage expenses of employers. At present, every state decides the minimum wage for different industries and labour classifications.

In another decision, the cabinet allowed the finance ministry flexibility to redesign and introduce variants of the sovereign gold bond (SGB) scheme, targeted at various categories of investors, in an effort to make the scheme more attractive.

The decision will allow the finance ministry to fix different interest rates and offer varying levels of risk protection to investors.

“Ministry of finance (the issuer) has been delegated this power to amend/add to the features of the scheme with approval of the finance minister to reduce the time lag between finalizing the attributes of a particular tranche and its notification. Such flexibility will be effective in addressing the elements of competition with new products of investment, to deal with very dynamic and sometimes volatile market, macroeconomic and other conditions such as gold price,” a cabinet statement said.

The investment limit in a fiscal year has also been increased to 4kg for individuals and Hindu Undivided Families (HUF) from 500g earlier.

The cabinet statement said to improve liquidity of SGBs, appropriate market-making initiatives will be devised. “Market makers could be commercial banks or any other public sector entity such as MMTC, as decided by government of India. The government may, if so felt necessary, allow higher commission to agents,” it added.

The SGB scheme was notified by the government on 5 November 2015. The target was to shift part of the estimated 300 tonnes of physical gold bars and coins purchased every year for investment into “demat” gold bonds. The target mobilization under the scheme was Rs15,000 crore in 2015-16 and Rs10,000 crore in 2016-17. The amount credited to the government account so far is Rs4,769 crore.

The cabinet also revised the cost of the Socioeconomic Caste Census (SECC) 2011 from Rs3,543.29 crore to Rs4,893.60 crore.

The SECC 2011 project was concluded on 31 March last year. It aims at helping the government provide targeted intervention like subsidies to needy sections of society.

The path for applicability of the goods and services tax regime in Jammu and Kashmir was cleared with the cabinet approving with retrospective effect an amendment to the Constitution (Application to Jammu and Kashmir) Order, 1954, by way of the Constitution (Application to Jammu & Kashmir) Amendment Order, 2017. The Constitution (Application to Jammu & Kashmir) Amendment Order, 2017 was notified in Gazette of India on 6 July.

The cabinet was apprised of a joint declaration of intent between India’s department of science and technology and the federal ministry of education and research (BMBF), Germany on an Indo-German Centre for Sustainability (IGCS) which was concluded on 30 May 2017 in Germany. The objective of the declaration is to promote cooperation between German and Indian scientists on fundamental and applied scientific research.

END

Shri Subhash Chandra Garg, Secretary, Department of Economic Affairs appointed as India’s Alternate Governor on the Board of Governors of the Asian Development Bank (ADB).

Shri Subhash Chandra Garg, Secretary, Department of Economic Affairs (DEA), Ministry of Finance, Government of India has been appointed as India’s Alternate Governor on the Board of Governors of the Asian Development Bank (ADB), Manila, Philippines with effect from 12th July, 2017. Shri Garg has been appointed in place of Former Secretary, DEA, Shri Shaktikanta Das.

DSM/SBS/JKW

END

25 Charging Stations for Electric Vehicles Installed in Bengaluru on Pilot Basis Under Fame-India Scheme: Shri Piyush Goyal

The Minister of State (IC) for Power, Coal, New & Renewable Energy and Mines, Shri Piyush Goyal, while giving a written reply to a question in Lok Sabha today, informed the House that under Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India [FAME-India] Scheme of the Government, 25 Charging Stations have been installed at 6 different locations in Bengaluru by M/s. Mahindra REVA Electric Vehicles Pvt. Ltd, as a pilot project. Based on the proposals received under FAME Scheme, charging infrastructure in selected cities/ locations would be sanctioned by the Department of Heavy Industries.

Shri Goyal also informed that the Project Implementation & Sanctioning Committee (PISC) under the chairmanship of Secretary, Department of Heavy Industries has sanctioned following proposal of charging infrastructures under FAME-India Scheme:

Sl. No.	Proposal	Implementing Organisation	Date of Sanction (Date of PISC Meeting)
1.	Proposal for setting up of 50 charging stations in Delhi NCR.	Bharat Heavy Electricals Limited (BHEL)	20th August 2015
2.	Proposal for setting up of 50 Charging Stations in Delhi NCR.	Rajasthan Electronics & Instruments Limited (REIL)	20th August 2015
3.	Proposal for setting up of 200 charging stations (both AC and DC fast) in the cities of Delhi, Jaipur and Chandigarh.	Rajasthan Electronics & Instruments Limited (REIL)	15th June 2017
4.	Proposal for providing 75 AC Smart Charger in Delhi NCR of Delhi.	Consortium of Mahindra – Reva – Ola – Asia Electric	15th June 2017
5.	Proposal for 60 No. Charging Infrastructure in NCR of Delhi.	Lithium Urban Technologies Pvt Ltd.	15th June 2017

Supply of electricity in E-mobility business including setting up of vehicle charging infrastructure is also included in the long term corporate plan of NTPC, Shri Goyal added.

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RM/VM

END

India all set to access resources under the Green Climate Fund for Finance Climate Action

'India Committed to the cause of Climate Change': Dr Harsh Vardhan

Union Minister of Environment, Forest and Climate Change, Dr. Harsh Vardhan has said that India is committed to the cause of Climate Change. Delivering the keynote address on the occasion of the signing of Accreditation Master Agreement (AMA) between Green Climate Fund (GCF) and National Bank for Agriculture and Rural Development (NABARD) here today, the Minister said that India has been leading from the front in tackling global climate change issues and it will continue to do so in the future as well. "India, like other developing countries, can do more, if finance and technology development & transfer and capacity building support are ensured as per the convention and its Paris Agreement", Dr. Harsh Vardhan said.

The Minister emphasised that climate justice demands that we remain mindful of the needs and aspirations of the poor. He pointed out that despite being one of the fastest growing economies of the world, India has a significant percentage of population living below the poverty line. "We need to take cognizance of the population size and income inequality and cannot ignore the basic requirement of electricity, housing and food for the poor. We expect GCF to partner with us on these issues and prioritize their work to overcome these challenges," Dr Harsh Vardhan said. He highlighted that India is creating a network of strong institutions that can act as enablers for scaling-up climate action through technologically sound and innovative projects.

Dr. Harsh Vardhan stated that environmental consciousness is the bedrock of our growth aspirations. "We are fully conscious of the need to pursue an ecologically sustainable development pathway. Our Prime Minister Modiji wants to build a new India by 2022 - riding on the demographic dividend and opportunities to use off beat solutions like solar and wind power, smart cities, incentivizing forestry, creating investment openings and overall, involving all in the development process", the Minister said.

Speaking on the occasion, Executive Director of GCF, Amb. Howard Bamsey said that India has been acknowledged as a strong proponent of climate change action and GCF looks forward to greater engagement with India.

Several of the mitigation and adaptation targets, articulated in India's Nationally Determined Contribution (NDC), to meet the international climate obligations are aligned with the Fund's strategic impact areas - viz clean energy, energy efficiency, cities, transport, forestry, agriculture, water health and ecosystems. India's NDC is among the few that make specific reference to the GCF specifically with regard to its role as a source for low-cost finance for its 40% non-fossil fuel based power target. India, with numerous climate change and developmental challenges, needs to engage more purposefully and actively with GCF. The accredited entities need to proactively engage with GCF to take advantage of the available opportunities.

The Green Climate Fund (GCF) is one of the operating entities under financial mechanism set up under the United Nations Framework Convention on Climate Change (UNFCCC) to provide support to developing countries in combating climate change, with resources to be generated from funding by developed country Parties and various other public and private sources. It supports both climate change adaptation and mitigation projects in developing countries.

So far, one project from India on “Installation of Ground Water Recharge System” in Odisha has recently been approved by the GCF for $34 million. Another proposal on coastal areas has already been submitted to the GCF Secretariat and several more projects are in the pipeline.

India has nominated a total of five direct access entities for accreditation by the GCF. Two of these from the public sector and three from the private sector for accreditation by the GCF. The public sector entities are NABARD and Small Industries Development Bank of India (SIDBI). The private sector entities nominated are YES Bank, IDFC Bank and IL&FS Environmental Services. So far, NABARD and SIDBI have been accredited by the GCF.

NABARD is the first entity from India to be accredited as Direct Access Entity (DAE). The signing of AMA between GCF and NABARD is an essential first step for accessing the GCF resources to help safeguard the lives, property and livelihoods of millions of people against climate change impact.

Board Member of GCF from India, Shri Dinesh Sharma, stressed upon submission of large size of proposals or multi state proposals from India to access the GCF resources and said that in coming years, GCF may play an important role in supporting climate change projects.

HK

END

NPCI gets RBI nod to operate Bharat Bill Payment System

National Payments Corporation of India (NPCI), the umbrella organization for all retail payment systems in the country, has received the final nod from the Reserve Bank of India (RBI) to function as the Bharat Bill Payment Central Unit and operate the Bharat Bill Payment System (BBPS), it said in a statement on Friday.

“There is a specific direction from RBI to operate the central unit as a strategic business unit of NPCI. Nearly 45 crore bills which comprise of electricity, telecom, DTH, water and gas are permitted under BBPS. This initiative will provide a major push to digital payments as it is a big step forward in formalizing the bill payment system in the country,” A.P. Hota, managing director and chief executive of NPCI, said in the statement.

The final clearance from RBI comes almost a year after NPCI launched the BBPS pilot project to make payment of utility bills easier. The pilot started on 31 August with eight BBPS operating units that had received in-principle approval from RBI.

The total number of Bharat Bill Payment Operating Units certified by NPCI now stands at 24. The certified units include three public sector banks (Bank of Baroda, Union Bank of India and Indian Overseas Bank), 10 private sector banks, five cooperative banks and six non-bank biller aggregators.

As per the framework, a customer will be able to pay several bills such as electricity, telephone, water, gas, and direct-to-home television at a single location—physical or electronic—and receive instant confirmation once the payment is made.

Payments through BBPS may be made using cash, transfer cheques and electronic modes. Bill aggregators and banks, who will function as operating units, will carry out these transactions for the customers.

Currently, 42 large billers in five utility sectors have been on-boarded. Major public sector banks including State Bank of India (SBI) are still under certification.

“The real impact would be visible only when SBI joins,” added Hota.

At present the bulk of transactions on BBPS are towards payment of electricity bills. The power sector potentially contributes to about 180 million bills per month out of which only 10% is digital. The likelihood of meeting the target of generating 25 billion digital transactions during the current fiscal year depends critically on the power sector getting on-boarded on BBPS system, added the statement.

END

‘Scheme for banks not applied as envisaged’

The Centre’s ‘Indradhanush’ scheme to recapitalise public sector banks (PSBs) based on their performance was not implemented in a manner envisaged, according to a report by the Comptroller and Auditor General of India (CAG)

According to the CAG report tabled in Parliament on Friday, as per the scheme, a portion of the recapitalisation was to be based on the bank’ performance. However, this was not followed during disbursal of funds.

Rising NPAs

The CAG report said gross NPAs with PSBs had risen sharply in recent years, from 2.27 lakh crore as of March 31, 2014 to about 5.4 lakh crore at the end of March 2016.

The parameters used to determine whether banks required capital changed from year to year and in some years the rationale for capitalising banks was not even recorded. The audit report said the scheme’s target of raising 1.1 lakh crore from the markets by 2018-19 was not likely to be met.

“Audit noticed that the estimation of the parameters based on which capital was infused altered from year to year and often within different tranches of the same year,” the report, an audit of bank recapitalisation efforts by the government between 2008-09 and 2016-17, found.

“Audit also noticed that in some cases the rationale for distribution of GOI capital among different PSBs (Public Sector Banks) was not on record.”

The report added that said some banks that did not qualify for additional capital as per the decided norms, were infused with capital, and in some cases, banks were infused with more capital than required.

“In 2015-16 and 2016-17, it was decided that 20% and 25% of the capital infusion, respectively, would be based on performance,” the report said. “However, the poor asset condition of the PSBs brought out in the Asset Quality Review of the RBI (2015-16) and the failure of most PSBs in meeting their targets for both years led to release of capital without considering performance.”

The Centrergovernment had set a target in August 2015 for PSBs to raise 1.1 lakh crore from the markets by 2018-19. So far, the report found that only 7,726 crore had been raised up to March 2017.

“Considering the commitment to the CCEA that the market would not be flooded by multiple banking equity issues at the same time, achievement of this target by March 2019 appears doubtful,” the report said.

Such expenditure needs expeditious resolution of stressed loan problem: Crisil

END

Supreme Court allows two broke firms to settle dispute

In what may be a future relief for corporate debtors facing insolvency proceedings, the Supreme Court used its extraordinary constitutional powers to allow two companies to withdraw from insolvency proceedings and settle their loan dispute despite the case having been admitted by the National Company Law Tribunal (NCLT).

Once the NCLT admits a case for initiating corporate insolvency resolution process under the Insolvency and Bankruptcy Code of 2016, the case cannot be withdrawn even if the parties have decided to settle.

However, a Bench of Justices Rohinton Nariman and S.K. Kaul used the Supreme Court's powers to do “complete justice” under Article 142 of the Constitution to bring a quietus to the financial dispute between Lokhandwala Kataria Construction Pvt Ltd and Nisus Finance and Investment Manager LLP, represented by Shiv Kumar Suri and Shikhil Suri.

The court took on record the consent terms entered into by the companies and their undertaking to abide by these terms in settling the amounts due.

The Bench's decision came despite the National Company Law Appellate Tribunal finding no merit in the appeal filed by Lokhandwala for withdrawal of the insolvency proceedings.

The NCLAT Bench led by Chairperson Justice S.J. Mukhopadhaya on July 13, 2017 recorded in its order that it is open for the financial creditor to withdraw the insolvency application under the Code only before a case is admitted and not after.

“Even the financial creditor (in this case Nisus) cannot be allowed to withdraw the application once admitted, and matter cannot be closed till claims of all the creditors are satisfied by the corporate debtor,” the NCLAT had observed. The NCLAT refused to use its inherent powers under Rule 11 of the NCLAT Rules of 2016 to allow the parties' plea to withdraw the case.

In the second appeal before the Supreme Court, Lokhandwala asked whether NCLAT could have used its inherent powers under Rule 11 to take on record the consent terms post the admission of the insolvency proceedings and before the stage of making the public announcement of the proceedings under Section 13 of the Insolvency Code. Is it only after the public announcement under Section 13 that an insolvency proceedings attains representative character, the parties had asked the Supreme Court in their appeal.

In its order, the apex court Bench found the NCLAT order of July 13 prima facie correct. "The NCLAT was of the view that the inherent power could not be utilised. According to us, prima facie this appears to be the correct position in law,” the Bench observed in an order on July 24. However, its position on the question of law did not stop the apex from using its own special powers to allow the parties a second chance to settle their dispute.

Says BJP will campaign against corruption, law and order problems and lack of development work in Himachal Pradesh

The process of holding the requisite Board Meetings and Shareholder Meetings has been completed in phases in September 2017.

Ruben George is staying at Ram Nath Kovind’s house at Kalyanpur, near Kanpur

END

Gaming: a question of skill

Bring it in: There is a demand that betting on sports such as cricket should also come under gaming and be termed as games of skill. | Photo Credit: Getty Images/istock

Gaming in India is rapidly gaining acceptance, by both customers and legislators. But the question is, what exactly is it, how is it currently treated in India, and what are the best practices followed abroad that can be adopted here to regulate the industry as well as earn the government increased tax revenue?

Although ‘gaming’ in popular parlance has taken on the meaning of playing computer or video games, the term is in fact a reference to competitive activities — like rummy, chess, bridge, and the like — that are not categorised as sports, as well as the betting that is done on them. For example, not only does horse racing come under gaming, but so does betting on what horse will win.

There are some industry players who believe that betting on sports such as cricket should also come under gaming and be termed as games of skill. Regulating sports betting will bring it into the light and will prevent match-fixing, they argue. The Lodha Committee report, too, recommends this course of action.

FICCI, in a report in 2013, had said that the government stands to earn about 7,200 crore a year from taxes from only half the 3 lakh crore gaming industry in India.

The regulation of gaming in India is fragmented, with each state currently deciding the rules applicable in its jurisdiction, with variations emerging on the definition of gaming, the kinds of games that qualify, and the punishments meted out for indulging in gaming not allowed by law.

For example, Sikkim has the Sikkim Online Gambling (Regulation) Act, 2008 that only looks at online gaming, and not at activities conducted in brick and mortar gaming houses. The Nagaland Prohibition of Gambling and Promotion and Regulation of Online Games of Skill, Act, 2015 only permits skill-based games, defined as all games where there is a preponderance of skill over chance.

The Delhi Public Gambling Act, 1955 penalises the operation of a gaming-house and imposes a penalty for being found in a gaming-house. However, Section 13 of the Delhi Act exempts games of “mere skill” from its ambit.

Laws in other states such as Goa, Gujarat, Andhra Pradesh, Karnataka, Kerala, Maharashtra, Odisha, and Rajasthan are variations of this format. The All India Gaming Federation has asked the Law Commission — tasked with looking into the regulation of gaming — to consider proposing a nation-wide central gaming law.

The U.K. enacted an updated gambling law in 2005 that provided for the creation of a Gambling Commission, which was tasked with crime prevention, the promotion of an open and transparent gaming and gambling industry, and the protection of vulnerable people from the ills and dangers of gambling. The country further updated this legislation in 2014.

Spain has set a 25% tax rate on gambling revenue, among the highest in Europe, and requires customers to provide their unique national identification numbers, names, and addresses before they can be registered to gamble.

Other countries like Singapore, Malta, and the Isle of Man, have robust gaming legislations that can provide good examples of how India can regulate gaming and gambling while increasing government tax revenue, and curtailing misuse.

The service is available in Bengaluru, Kolkata and Chennai, operating 500 bicycles

END

New gold bond scheme may draw more investors

Added sparkle: SGB prices should be exclusive of import duty and IGST, demand industry players. | Photo Credit: Getty Image/iStock Photos

The Government announced a few changes in its Sovereign Gold Bond (SGB) Scheme recently. The primary change was the increase in the limit to 4 kg (from 0.5kg) for individuals, HUF and 20 kg for Trusts. This was probably done to encourage high net-worth individuals, rich farmers as well as trusts to invest in these bonds. The basic premise is that most Indians believe in gold as a time-tested and safe asset class and prefer it over other forms of investment.

So far, SGB has been moderately successful with the launch of eight tranches of these bonds since November 2015, garnering approximately 5,000 crore or about 16 tonnes of gold. However, the potential to scale up is huge. Keeping this in mind, the Government also introduced flexibility in the scheme to design and introduce variants to cater to a cross-section of investors.

The sovereign gold bond initially introduced by the Government in 2015 has achieved only limited success, "mostly because of its unrealistic pricing pattern vis-a-vis the international price of bullion," said James Jose, secretary, Association of Gold Refineries & Mints.

Bullion prices are highly sensitive to international geopolitical tensions, U.S. Federal rates and dollar upswings. They move in a price band of 5-10% year on year. Past SGB prices ranging from 3,150 per gm to 2,750 per gm was often not in parity with the market rate realities and this often led to the SGB consumers losing money, despite earning a 2.5% return on investments. The pricing of SGB ideally should be the average of the bullion price of the 60 day-period preceding the issue date of SGB.

Another factor diminishing the attractiveness of the SGB is its price being pegged to a 10% import duty, and any reduction in the import duty by the Government in the subsequent period would likely inflict severe loss of value to those who have already invested. To tide over this, "the Government should fix the pricing of SGB at bullion rates exclusive of import duty and IGST," Mr. Jose said,

In case of physical delivery of bullion against SGB at a later date, import duty and IGST should be levied at the point of delivery, according to Mr. Jose. This will make the scheme much more attractive to the general public, thereby enabling substitution of expensive imports that impact the current account deficit (CAD).

While the Government introduced these bonds to help reduce India's over dependence on gold imports, the move was also aimed at changing the habits of Indians from saving in physical form of gold to a paper form with Sovereign backing. Annual consumption of gold in India is in the range of 700-800 tonnes, almost all of which is imported. Of this, approximately 500-600 tonnes is bought by consumers as jewellery for cultural reasons (mainly for weddings). The balance is in the form of gold bars and coins for savings or investment purposes, which is what the Government hopes to convert to paper form so that both are served — investors are happy as long as they earn some returns and capital appreciation at the time of redemption, as well as it helps reduce an equivalent amount of physical gold imports.

To ensure further success, the Government should allow mass channels such as gold loan Non-Banking Finance Companies (NBFCs) to also market it, said Thomas George Muthoot, director, Muthoot Fincorp, part of the Muthoot Pappachan Group. "Gold loan companies have been a credible, customer-facing platform for millions of Indians who trust them and hence it can help the scheme reach many more consumers in urban, semi-urban and rural areas," Mr. Muthoot added.

Further, offering gold loan against Sovereign Gold Bonds would help popularise the product from a consumer angle, according to him. For, it would then be perceived as being as liquid as physical gold. Over time, it would also help reduce various risk factors, such as spurious quality gold, and operational costs linked to manual assessment of gold for gold loan NBFCs.

"The increase in the annual investment limit is likely to attract more investment from HNIs and trusts," said Jimeet Modi, CEO, SAMCO Securities. Added incentives are the interest which will be paid on the bonds, and zero capital gains tax on redemption. "Hopefully, now, the government should be able to garner more inflows than the previous schemes," Mr. Modi added.

The service is available in Bengaluru, Kolkata and Chennai, operating 500 bicycles

END