

Daily Economic News Summary: 4 January 2016

1. Modi sees “Make in India” take off with Copter Unit

Source: **Indian Express** ([Link](#))

Prime Minister Narendra Modi on Sunday set an aam aadmi-centric agenda for developing better scientific tools to address the challenges of rapid urbanisation. Speaking after inaugurating the 103rd Indian Science Congress in Mysuru, Modi gave a new mantra comprising five Es for scientists. The five Es he listed were —Economy, Environment, Energy, Empathy and Equity. Winding up his two-day hectic visit to Karnataka, Modi flew to Biderehalla Kaval, Gubbi taluk of Tumakuru, around 100 km from Bengaluru in the afternoon, to lay the foundation stone for the `5,000-crore helicopter manufacturing unit of Hindustan Aeronautics Limited (HAL). Lauding HAL’s contribution in making India self-reliant in defence production, the Prime Minister termed the occasion a historic one as he saw his ‘Make in India’ slogan turning into a reality through this greenfield unit. Emphasising the need for attaining self-reliance in production of arms and defence equipment, Modi said soon the small hamlet would draw global attention for its state-of-the-art combat helicopters. *“We are paying billions to purchase weapons, military aircraft and defence equipment from other countries. But what we are getting from these countries is not the latest technology weapon systems,”* Modi said. *“We do not want our soldiers to use second grade weapon systems. Our troops should get the best weapon systems in the world. We need to manufacture what our soldiers need to defend the country. The HAL helicopter unit would be a giant step in that direction,”* he said.

Explaining the measures taken for indigenous production of defence equipment, Modi said all purchases of weapons were now being done with a condition of outright purchase of just a portion of the requirement and compulsory production of the remaining portion within India. The helicopter unit is set to manufacture Light Utility Helicopter(LUH), a 3-ton class new generation helicopter, being developed by HAL to meet the requirements of both military and civil operators. It is also expected to manufacture Light Combat Helicopter.

2. Will make it easier to do scientific research, says PM

Source: **Financial Express** ([Link](#))

Prime Minister Narendra Modi today told scientists that the government would make it easier to do scientific research in the country and asked them to keep the five principles of economy, environment, energy, empathy, equity at the centre of enquiry and engineering. Addressing the 103rd Indian Science Congress here, he also said he was encouraging greater

scientific collaboration between central and state institutions and agencies as part of cooperative federalism. *“We will make it easier to do science research in India,”* said Modi, as the annual five-day mega science event began at the “Manasa Gangotri” campus of the University of Mysore with over 500 eminent scientists and experts from the country and abroad scheduled to address the meet.

He emphasised on what he called “Five Es”, saying the impact of science would be the most when scientists and technologists keep the principles *“Economy, Environment, Energy, Empathy, Equity”* at the centre of enquiry and engineering. The Prime Minister also told the scientists that the rising challenges of rapid urbanisation must be addressed as it would be critical for a sustainable world. *“...Cities are the major engines of economic growth, employment opportunities and prosperity... but, cities account for more than two-thirds of global energy demand and result in up to 80 per cent of global greenhouse gas emission...,”* he noted. Modi said better scientific tools must be developed to improve city planning with sensitivity to local ecology and heritage and affordable and practical solutions found for solid waste management.

3. Nepal to import additional 90 MW power from India by January end

Source: **Economic Times** ([Link](#))

Nepal, reeling under acute energy shortage, is set to import an additional 90 MW of electricity from India by January-end after the completion of a key inter- country transmission line. The country is currently facing daily 12-hour load- shedding in its major cities. Nepal is facing acute shortage of energy in the wake of the blockade of the Indo-Nepal border by Madhesis, largely of Indian-origin. Many people in the urban areas are relying on electricity due to the shortage of cooking gas. The country at present imports 235 MW of electricity from India. Nepal Electricity Authority (NEA), the state-owned power utility, has made necessary preparations to import 90 MW of electricity.

The installation of Dhalkebar-Muzzafarpur inter-country transmission line is about to complete in a month and a technical test required for the same is in progress to import power to the country towards the end of this month, said Kanhaiya Lal Manandhar, head of NEA transmission line. Nepal has signed a power trade agreement with India last year which facilitates the country to import additional power from the southern neighbour. The import of additional power is expected to ease the current power outage facing the country.

4. World Bank extends \$50 million credit to govt's Nai Manzil scheme for minorities

Source: **Live Mint** ([Link](#))

In a move to target minorities and implicitly accept some of the recommendations made by the Sachar committee to boost education and social welfare schemes, the government of India and the World Bank has signed a \$50 million credit for the government's Nai Manzil scheme. Under the scheme, certain universities are offering bridge courses for madrasa students. The degree received can then be used to enroll for higher education or for job applications. *"The government's focus is on educating the minorities of the country so that they don't feel less qualified in the job market. We have opened up centres in places like Patna and Mumbai where certificate courses are being offered. The government has also tied up with universities like Jamia Milia Islamia and the Aligarh Muslim University where bridge courses are being offered to madrasa students,"* said Ansari.

Launched in August last year, Nai Manzil, a central scheme, aims to address the educational and livelihood needs of minority communities in general and Muslims in particular through its educational and skill development programmes. The scheme covers people from minority communities aged between 17 and 35 years as well as madrasa students. *"It is more about the international recognition given by the World Bank and less about the financial help received. Now, other countries which need expertise on such programmes will look up to India as a world leader in uplifting minorities,"* said Abdul Rasheed Ansari, chief of Bharatiya Janata Party's (BJP's) minority cell.

5. Railways fast-tracks Mumbai bullet train project, sets up co

Source: **Times of India** ([Link](#))

The railways ministry has fast-tracked the Mumbai-Ahmedabad bullet train corridor by setting up a separate company, on the lines of the Delhi Metro Railway Corporation (DMRC), which will build and operate the NDA government's ambitious project. The company will be registered in January. The process has already being initiated by Indian Railway Finance Corporation (IRFC), reflecting the state-run transporter's intent to accelerate the actual work on the Modi government's dream project expected to put the country's railway sector in the big league.

To begin with, the company would be registered in the name of Indian Railways. At a later stage, the company would be made into a joint venture (JV) with equity participation of the

Maharashtra and Gujarat governments. In the JV, the equity contribution of Railways is likely to be 50% while Maharashtra and Gujarat would have a stake of 25% each. The public sector company is expected to build and also carry out train operations. It would provide access to private operators after five years of operation of the Mumbai-Ahmedabad corridor with a suitable revenue sharing arrangement. The company, which will own the assets created on the corridor, would have effective independence in decision-making and would be run as a professional entity.

6. New income tax reporting norms for high value transactions from April 1

Source: NDTV ([Link](#))

In order to check black money, the Central Board of Direct Taxes (CBDT), the apex policymaking body of the Income Tax Department, has notified norms under which cash receipts and high value transactions beyond a certain threshold will have to be reported to the income tax authorities with effect from April 1.

Under the new norms, cash receipts, purchase of shares, mutual funds, immovable property and term deposits, and sale of foreign currency will have to be reported to the tax authorities in a prescribed format - Form 61A. The Finance Ministry notification said the registrar will have to report purchase and sale of all immovable property exceeding Rs 30 lakh to I-T authorities. It further specified that professionals will be required to inform the tax department of receipt of cash payment exceeding Rs 2 lakh for sale of any goods or services.

As regards bank deposits, the notification said banks will have to report cash deposits aggregating Rs 10 lakh or more in a financial year in one or more accounts of a person. The same threshold will apply for term deposits in banks, but would exclude renewal of term deposits. These norms will also cover deposits and withdrawals made in Post Office accounts. It further said that banking companies or financial institutions will also have to report to the authorities payments made by a person aggregating to Rs 1 lakh or more in cash or Rs 10 lakh or more by another mode against bills in respect of one or more credit cards in a financial year.

By Harsha Hazarika