

# **NEWS ALERT**

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**DECCAN HERALD**

**ECONOMIC TIMES**

**HINDU**

**HINDUSTAN TIMES**

**INDIAN EXPRESS**

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# AADHAAR

HINDUSTAN TIMES, OCT 31, 2018

## **UIDAI to set up 114 Seva Kendras in 53 cities to issue, edit Aadhaar details**

*The planned ‘Aadhaar Seva Kendras’, conceptualised on the lines of Passport Seva Kendras, will offer “hassle-free” enrolment and update facility to ensure ease in Aadhaar-related services to residents, UIDAI CEO Ajay Bhushan Pandey said on Tuesday.*



The Aadhaar-issuing authority Tuesday said it would be setting up Aadhaar Seva Kendras (ASK) to improve convenience for eligible residents and to allay fears of data security.

The Unique Identification Authority of India (UIDAI) will be opening 114 ASKs in 53 cities and towns in the first phase. “With Aadhaar Seva

Kendras, we are building hassle-free and resident-friendly enrolment and update facility infrastructure to ensure ease in Aadhaar related services to residents,” said Ajay Bhushan Pandey, chief executive officer, UIDAI in a statement. Residents will be provided an appointment to enroll or to update their Aadhaar details to minimize waiting time, or can choose to walk in. “ASKs will also serve the special needs of those residents who need to be allowed enrolment and update through exception process. For example, if you wish to update your name or date of birth more than once, then exception facility would be available at these ASKs.”

UIDAI also said that it would bring all enrolment centers in banks, post offices and government premises under supervision by the establishment’s authority. In the first phase, at least 30,000 such stations will be put under supervision. “The number of supervised stations will further increase once the Aadhaar Seva Kendras are set up. ASKs, on the model of Passport Seva Kendras, will be run and supervised by UIDAI officials stationed full time at each Kendra.”

The move is in line with the Supreme Court judgment asking UIDAI to devise methods to ensure public confidence in Aadhaar, it added.

Existing enrolment centers are called ‘Aadhaar Kendra’ in some places, and are not to be confused with the to-be-introduced Aadhaar Seva Kendra. ASKs will be supervised by UIDAI in the same way Passport Seva Kendra is supervised by a passport officer, said a senior official from the agency who did not want to be named.

## BUSINESS

HINDUSTAN TIMES, OCT 30, 2018

### **India's standing in the world 'ease of doing business' index may improve**

*India's standing in the World Bank ranking of countries by 'ease of doing business' is set to improve, a year after the country jumped 30 places to clinch the 100th spot, a person familiar with the matter said on Tuesday, a day before the index is made public.*

India's standing in the World Bank ranking of countries by 'ease of doing business' is set to improve, a year after the country jumped 30 places to clinch the 100th spot, a person familiar with the matter said on Tuesday, a day before the index is made public.

The country recorded an impressive rise in the rankings last year on the back of policy reforms that improved business climate. Experts say the Goods and Services Tax, a reform launched in July last year to replace more than a dozen levies by the Centre and states, could push India higher in the index in 2018. The World Bank report excluded the impact of GST in its previous report as it covered the period from June 2, 2016 to June 1, 2017.

"We have indications that India's ranking will improve in the ease of doing business index," the person said, without elaborating on the likely

new ranking. Hindustan Times could not independently gather details about this year's survey.

An official of the Department of Industrial Policy and Promotion said in July that measures taken in three areas – paying taxes, resolving insolvency and trading across borders – could improve India's position.

Prime Minister Narendra Modi said on Monday his government was working toward a better position in the index. "I have always kept ease of doing business as my priority. India was at 140th position in the 'ease of doing business' ranking of the World Bank when we took over the responsibility of the government in 2014. Now India has reached 100th position and we are working towards better ranking," the Prime Minister said during his two-day visit to Japan.

In August, Parliament passed a bill to amend the Insolvency and Bankruptcy Code (IBC) 2016, allowing home buyers to be treated as financial creditors and seeking to set up a special dispensation for small sector enterprises.

The World Bank index ranks 190 countries on the basis of 10 indicators, including 'starting a business', 'registering a property' and 'getting credit'. The categories are further divided into several other indicators. Steps taken in the 'construction permit', 'starting a business' and 'trading across borders' categories are expected to result in India's rise in the rankings this year.

## CIVIL SERVICE

INDIAN EXPRESS, OCT 27, 2018

### **Govt appoints Sanjay Mishra as new Enforcement Directorate chief for three months**

*Mishra is presently the chief commissioner of Income Tax in Delhi. I-T department sources said he was involved in the probe against NDTV and “guided” the investigation in the National Herald case involving the Gandhi family.*



Indian Revenue Service officer Sanjay Mishra was on Saturday appointed as the new Enforcement Directorate Director (ED) in an additional capacity for three months. He has also been appointed as the Principal Special Director in the same agency. Karnal Singh, the present ED chief, is set to retire today after heading the agency for more than two-and-half years.

Mishra, a 1984-batch IPS officer of Union Territories cadre, is the chief commissioner of Income Tax in Delhi. I-T department sources said he has been involved in the probe against NDTV and has “guided” the investigation in the National Herald case involving the Gandhi family. Mishra has also served in Ahmedabad and has done stints in the Ministry of Home Affairs and the Enforcement Directorate.

According to news agency *PTI*, official sources said Mishra has not been empanelled as an additional secretary in the central government and hence, has been given the top ED charge in an additional capacity. He is expected to be empanelled soon and subsequently, will head the ED in a regular capacity, they added.

There was speculation earlier that Karnal Singh’s tenure may be extended again but sources said developments in the CBI, especially in the past one week which saw the government sending the agency’s two top officers on administrative leave, seem to have scuttled his chances of continuing on the post.

Karnal Singh, sources said, too had decided to step back. He was given three extensions of three-month tenures in 2016 when he had an additional charge of the Director’s post. Following a court order, he was granted a two-year tenure effective October 2016.

The development is also being seen as a fallout of the complaint CBI Special Director Rakesh Asthana sent to Cabinet Secretary and the manner in which the government responded. In his complaint, Asthana named ED Joint Director Rajeshwar Singh and CBI Director Alok

Verma as the two persons making “concerted efforts to tarnish my image”.

Incidentally, Karnal Singh and Alok Verma share the same UT cadre and both have had long stints in the Delhi Police.

Karnal Singh is also perceived to be close to Rajeshwar Singh. When the government gave an R&AW note against Rajeshwar Singh to the Supreme Court — the note alleged that Rajeshwar Singh had received a call from an ISI agent — Karnal Singh issued an official press release, defending his colleague and denying the charges.

## **CIVIL AVIATION**

PIONEER, OCT 31, 2018

### **Guwahati has now air links to Sikkim, Bhubaneswar, Varanasi**

In a bid to improve air connectivity and promote tourism in the North East, Guwahati was connected to three destinations with direct flights from Sunday.

The direct flights linked the Lokopriyo Gopinath Bordoloi International (LGBI) Airport here with Pakyong in Sikkim, Bhubaneswar in Odisha and Varanasi in Uttar Pradesh, an Airports Authority of India (AAI) statement said.

SpiceJet's flight SG-3325 from Pakyong arrived at Guwahati at 12.20 pm and the return flight SG-3326 took off from Guwahati at 12.40 pm, it added.

# CLIMATE CHANGE

PIONEER, OCT 31, 2018

## **India home to 3 of the largest NO<sub>2</sub> emission hotspots: Greenpeace**

As Delhi continues to battle alarming pollution levels, a new study has found that three of the world's largest nitrogen dioxide emission hotspots that contribute to formation of finer particulate matter causing air pollution are in India, with one in the Delhi-NCR.

The study by Greenpeace comes as Delhi's pollution level climbed to alarming levels. Air quality continued to remain in the "very poor" category as a thick haze engulfed the city Monday. NO<sub>2</sub> is a dangerous pollutant in itself and also contributes to the formation of PM<sub>2.5</sub> and ozone, two of the most dangerous air pollutants.

The largest number of hotspots, a total of 10, is found in China, eight in the Arab world, four in the EU and three each in India, the US and the DR Congo, according to an analysis of new satellite data from June 1 to August 31.

Delhi-NCR, Sonbhadra in Uttar Pradesh and Singrauli in Madhya Pradesh and Talcher-Angul in Odisha are the identified hotspots in India. Sonbhadra and Singrauli are considered as part of a single hotspot.

“Air pollution is a global health crisis, with up to 95 per cent of the world breathing unsafe air. With hotspots across six continents, ranging from cities to industrial clusters to agricultural areas, this new analysis shows us more clearly than ever before just how big a part of the picture NO<sub>2</sub> pollution is,” Lauri Myllyvirta, Greenpeace Nordic air pollution campaigner, said.

## CORRUPTION

HINDU, OCT 25, 2018

### **PNB Nirav Modi fraud case: ED attaches valuables worth 255 crore in Hong Kong**

*The total attachments in connection with the case now stand at 4,744 crore*

The Enforcement Directorate (ED) has provisionally attached valuables worth about 255 crore in Hong Kong as part of the alleged proceeds of crime in the Nirav Modi case.

The total attachments in connection with the Punjab National Bank fraud involving Mr. Nirav Modi and his uncle Mehul Choksi now stand at 4,744 crore.

“The said valuables were exported vide 26 shipments by Dubai-based companies of Mr. Nirav Modi to the Hong Kong firms controlled by him. They were sent after registration of a criminal case against him,” said an official.

Based on the FIRs lodged by the Central Bureau of Investigation, the Directorate had registered a money-laundering case against Mr. Nirav Modi and others on February 15.

It is alleged that Mr. Nirav Modi and others have committed the offence of cheating against the Punjab National Bank (PNB) in connivance with certain bank officials by fraudulently getting Letters of Undertaking issued without following prescribed procedure.

PIONEER, OCT 25, 2018

## **Cabinet OK's tribunal on benami transactions**

The Union Cabinet on Wednesday approved setting up of Appellate Tribunal and Adjudicating Authority for speedy disposal of cases related to benami transactions.

Earlier this month, the Government had notified Sessions courts in 34 States and Union Territories, which will act as special courts for trial of offences under the benami transaction law.

Benami transaction refers transactions made in a fictitious name, or the owner is not aware of the ownership of the property, or the person paying for the property is not traceable. As per an official release, the Adjudicating Authority and Appellate Tribunal will be based in the National Capital Territory of Delhi (NCTD).

Benches of Adjudicating Authority may sit in Kolkata, Mumbai and Chennai, and the necessary notification in this regard will be issued after consultation with the Chairperson of the proposed Adjudicating Authority.

“The approval will result in effective and better administration of cases referred to the Adjudicating Authority and speedy disposal of appeals filed against the order of the Adjudicating Authority before the Appellate Tribunal,” the release said.

The appointment of the Adjudicating Authority, it added, would provide first stage review of administrative action under the Prohibition of Benami Property Transactions Act (PBPT) Act.

Establishment of the proposed Appellate Tribunal would provide an appellate mechanism for the order passed by the Adjudicating Authority under the PBPT Act.

The rules and all the provisions of the Benami Transactions (Prohibition) Act came into force on November 1, 2016. After coming into effect, the existing Benami Transactions (Prohibition) Act, 1988, was renamed as the Prohibition of Benami Property Transactions Act, 1988.

## DEFENCE

HINDUSTAN TIMES, OCT 31, 2018

### **Give Rafale deal price details in 10 days: SC to government**

*The Supreme Court has given the government 10 days to provide Rafale deal price details*

The Supreme Court on Wednesday directed the National Democratic Alliance (NDA) government to provide within 10 days pricing details of the 36 Rafale fighter jets bought from France.

The top court said it would “like to be apprised of the details with regard to pricing and cost particularly the advantages thereof, if any, which again will be submitted to the court in a sealed cover”.

The government’s top law officer KK Venugopal, however, told the court that it would not be possible for the government to provide pricing details to the court since these details had not been provided to Parliament either. The pricing details, Venugopal said, was covered under the Official Secrets Act.

The Supreme Court, which is hearing petitions questioning the deal, told Attorney General KK Venugopal to make this point in their affidavit.

At the last hearing, the court had ordered the government to provide details of the decision-making process. But the three-judge bench led by

Chief Justice Ranjan Gogoi had then made it clear that it was only seeking this information “for the purpose of satisfying ourselves”. The bench had then, also underlined that the centre’s report did not have to cover pricing or suitability of the equipment for the Indian Air Force.

The Supreme Court’s order on Wednesday, goes one step further.

The three-judge bench comprising Chief Justice Ranjan Gogoi, justice SK Kaul and justice K M Joseph said they had received the report about the process and wanted the government to share them with the petitioners too to the extent possible.

“We are of the view that the information conveyed upon in the report, which can be legitimately be brought into the public domain be made available to the lead counsel of the petitioners in all cases. Along with the said facts, further details that could legitimately come in the public domain with respect to the induction of the Indian offset partner, if any, be also furnished to the lead counsel of the parties,” the bench ordered.

It said that if there were any details that “may be considered to be strategic and confidential” may at this stage be placed before the court and may not be furnished to the petitioners.

The petitions have been filed by lawyers Vineet Dhanda and ML Sharma. Aam Aadmi Party’s Rajya Sabha MP Sanjay Singh has also moved the top court against the Rafale deal; Sanjay Singh has sought a court order for the formation of a special team to probe the matter under the Supreme Court’s oversight.

# **DISASTER**

PIONEER, OCT 31, 2018

## **Flash flood warning in Arunachal**

The Disaster Management Department of Arunachal Pradesh on Tuesday issued a flash flood warning in the State following information of a landslide taking place along the Yarlung Zangbo river in China that flows into India.

The river is known as Siang in Arunachal Pradesh and Brahmaputra in Assam.

The department has asked the people living in and around the Siang river to prepare for a flash flood-like situation, as the landslide at Yarlung Zangbo is expected to influence the water level of the rivers downstream.

In view of the situation, the Disaster Management Department of the hill State has warned the people against venturing into the Siang river for fishing or swimming. The department has also asked everyone to maintain a strict vigil.

The Central Water Commission (CWC), which keeps a vigil on the water level of these rivers, has already confirmed that the water level of Siang recorded a drop at Tuting around 11.00 pm on Monday.

In case of such a landslide, the water level goes down as it blocks the flow of river, triggering fears of sudden gushing of the blocked water once the path is clear. "The Upper Brahmaputra Division of the CWC has received a letter from Chinese authorities about a landslide occurring in Yarlung Zangbo on Monday," said a senior CWC officer, adding the water level in the river might rise due to the landslide. The CWC, however, said that at present there is nothing to panic about.

Yarlung Zangbo, which originates in the glaciers of Tibet, flows through China to India before merging into the Bay of Bengal in Bangladesh.

Earlier this month also there were reports of some landslide in the river which had blocked the flow of the river, leading to speculation that there might be flash flood-like situation in Arunachal Pradesh and Assam.

## **IIPA- AGM**

Press Information Bureau  
Government of India  
Vice President's Secretariat  
26-October-2018 19:06 IST

**5As - Ambition, Ability, Agility, Accountability & Achievement are the important to reform governance system: Vice President**

**Setup realistic but ambitious goals to stand up to aspirations of 600 million young Indians Addresses 64th Annual General Body Meeting of IIPA**

The Vice President of India, Shri M. Venkaiah Naidu has said that Ambition, Ability, Agility, Accountability and Achievement, are five important directions in which the country must move forward to reform our governance system cautioning officers not be complacent with current achievements.

Addressing the 64th Annual meeting of the General Body of Indian Institute of Public Administration (IIPA), as its President, the Vice President stressed the need to acquire skills to increase efficiency and effectiveness while implementing schemes. He tasked officers with an aim to take the benefits of the programmes to the needy, most vulnerable populations.

The Vice President said that the bottom line of a development programme is the impact on human lives, the transformation it brings in the dignity, capability and prosperity of each citizen. He said resource institutions like the IIPA must take lead in order to make a leap forward in the way we govern ourselves.

The Vice President called for setting up of realistic but ambitious goals to stand up to the aspirations of the 600 million young Indians. He called on the civil servants and administrators to make efforts to meet the challenges such as the urban rural divide, the gender divide, discrimination against women and social groups like Scheduled castes, pockets of poverty, malnutrition, illiteracy and etc.

There is a need to develop the ability to adapt, improvise, innovate to create programmes and strategies to make them effectively address the challenges. We must be agile and pro-active, he added.

The Secretary to the Vice President, Dr. I.V. Subba Rao, the Chairman of IIPA, Shri T.N. Chaturvedi, the Vice President of IIPA, Shri Shekhar Dutt and other dignitaries were also present on the occasion.

**Following is the text of Vice President's address:**

"I am happy to be with all of you at the 64<sup>th</sup> Annual meeting of the General Body of this Institute that has been striving to extend the frontiers of knowledge to improve governance in the country.

As the President of this historic Institute, I am happy to note that IIPA has been extending support to Government especially to the Ministries of Urban Affairs and Housing, Science and Technology, Electronics and IT, Panchayat Raj and Rural Development, Environment and Forests, Consumer Affairs, Public Enterprises and Health.

It is also heartening that IIPA is collaborating with Governments and institutes abroad in Bangladesh, Afghanistan, Vietnam, Japan, Germany, Netherlands, France and China.

I congratulate IIPA for its efforts to build a culture of excellence and to blend academic rigour with practical policy orientation.

Dear friends,

Our country has many strengths and competencies that can easily propel us into higher development trajectory. Our rich human resource is one of them. We have a strong steel frame in the shape of a competent civil service created by our constitution makers led by Sri Sardar Patel.

The civil service has the mandate to translate the policy intent of the legislature into implementable programmes. It has the duty to monitor and evaluate, suggest mid course corrections and ensure

that the programmes yield the desired results. It has done so in quite a remarkable way over the last seventy years.

Yet, there is so much more to be done.

There are so many gaps to be bridged, so many dots to be connected.

The rural-urban divide, the gender divide, discrimination against women and social groups like Scheduled castes, pockets of poverty, malnutrition, illiteracy, ill health persist.

Basic issues like sanitation, clean drinking water, clean environment and dependable power remain key challenges in many parts of our country.

While we have moved up the league table in making our business environment more investor- friendly, there is considerable room for improvement.

Dear friends,

India is at cusp of a major transformation. The economy is growing at rate much faster than many major economies of the world. The World Bank in its 2018 Report has noted that India's GDP growth is projected to reach 6.7 percent in 2017-18 and accelerate to 7.3 percent and 7.5 percent in 2018-19 and 2019-20 respectively. At the same time, there are challenges of translating economic growth into inclusive development.

We need a fresh look at the way we govern.

The Swarajya for our country was a hard earned outcome of a persistent struggle waged by countless patriotic women and men. It was led by men and women of rare vision, dedication and national pride.

Su-Rajya for our people is an equally challenging task that requires enlightened leadership at various levels, aware citizenry, a vibrant civil society, a robust institutional framework and a learning, forward looking governance structures.

Unlike Swarajya, where the goal post was clear and unmoving, Surajya has constantly moving goal posts. Good governance is a process that has no finality. We have to keep improving upon the past accomplishments.

Dear friends,

The world is changing at an unprecedented pace and there is no option for us except to move with the times and, if possible, stay ahead of times by proactive action.

Clearly, this poses innumerable, complex challenges to those who are responsible for the governance of the country.

We cannot continue with the ‘business as usual’ approach.

Our systems have to be reformed, our mindsets have to be altered and the focus of our actions has to be clearer.

The governance ethos has to be radically different from what exists today.

I would suggest five important directions in which we should move forward to reform our governance system.

They are: *Ambition*, *Ability*, *Agility*, *Accountability* and *Achievement*.

At the outset, we must set realistic but ambitious goals. This is especially necessary when we have an aspirational India driven by the dreams of 600 million young people. We should aim high and not be complacent with our current achievements.

Second, we must imbibe the skills required to increase our efficiency and effectiveness. We must be competent practitioners with the state of the art knowledge drawn from good practices around the world.

Third, we must have the ability to adapt, improvise, innovate to create programmes and strategies to make them effectively address the challenges. We must be agile and pro-active.

Fourth, we must constantly evaluate the successes and failures. We must enhance the accountability through a culture of measurement and evaluation and improvement – oriented monitoring.

Fifth, we must focus on the ‘outcomes’ or actual results on ground. Very often, we lose sight of this important aspect. We do not carry our initiatives forward till results are achieved.

The journey from Swarajya to Surajya is an arduous one. But it is the duty of each one of us who share the fruits of a free India to make this mission possible.

I am glad that IIPA has planned, on my suggestion, a number of national Consultations with Central Ministries, State Governments, Universities, Civil Society and professional institutes besides industry associations and local peoples’ representatives to discuss the current status of some key governance issues and come up with solutions for the consideration of Central and State governments. We started with a national consultation on problems of implementing the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments in Hyderabad in March this year. We had the second National Consultation in June at Pune on ‘Making agriculture more profitable and sustainable’. Both these consultations were very well attended and generated a number of interesting ideas.

I request the IIPA to complete the process of obtaining further inputs from the state governments and take forward this series of National Consultations in the coming months.

As I have said, there has to be a review of our governance structures. The change that Sardar Patel desired and Pandit Nehru,

the first President of the IIPA Society dreamt of, is today a multi-dimensional challenge.

There has to be a change in the way we set goals, benchmarks and objectives.

There has to be a change in the way we enhance our competence.

There has to be change in the way we learn from the best practices around the world and adapt them to our changing socio-economic contexts.

But beyond these changes, the big change that we should attempt is to focus on ‘results’.

We should not merely look at the activities or the money being allocated and feel contented.

The development agenda is incomplete if we don’t achieve our goals, our mission objectives.

The bottom line of a development programme is the impact on human lives, the transformation it brings in the dignity, capability and prosperity of each citizen.

In order to make this leap forward in the way we govern ourselves, we need resource institutions like IIPA.

IIPA has a six decade long history of being a think tank but I suggest we look at the way we reposition it in the light of current and emerging challenges.

The Chairman and Director can constitute a small task force to prepare an approach paper and then have wide ranging discussions with different stakeholders. We have to come up with a sound strategy for institutional reform and make IIPA a fit organization to catalyze the new wave of governance reform.

I am glad IIPA has a strong network of institutes at state and local levels as well as a growing number of distinguished alumni. I suggest that we should strengthen these networks and collaborations. The state governments must be brought on board and be active partners. So also the local bodies in cities and rural areas. Good governance must percolate down to the lowest level. It must become a way of life for institutions we have established for our country's governance.

I wish to see IIPA set new ambitious goals in the next few months, benchmarking itself against the best institutions with similar mandate around the globe.

I am glad to honour 9 eminent administrative and managerial leaders who have distinguished themselves in their careers with the Paul H. Appleby Award.

I do hope each one of you will be able to contribute to the new wave of governance reforms underway in our country and to the restructuring of IIPA into a centre of excellence.

Infact, the Director IIPA could get useful suggestions from eminent practitioners and academicians who have been given this award and complete the process of preparing a set of recommendations in about three months time.

I am happy to be amidst this galaxy of prominent figures in the field of public administration. I congratulate the Chairman, Vice Chairman and Director, IIPA on steering this institution so well. I wish you a very exciting productive year ahead as you navigate through a complex but fascinating sea of reform and innovation.

Thank you.

**Jai Hind!"**

# INTERNATIONAL RELATIONS

HINDU, OCT 30, 2018

## Modi, Abe back 'free Indo-Pacific'



### *Defence ties dominate summit talks*

India and Japan outlined a vision for strengthened bilateral relations at the 13th annual summit here on Monday.

Enhanced strategic and defence cooperation dominated the talks between Prime Minister Narendra Modi and his Japanese counterpart, Shinzo Abe.

Japan's formulation of a "free and open Indo-Pacific" received a central place in the vision statement issued at the end of the talks, with both sides stressing their "unwavering commitment to it." The concept is usually seen as a response to China's growing dominance in the region.

Speaking to the press after his talks with Mr. Abe, Mr. Modi said the India-Japan bilateral relationship was invested in upholding the rule of law and democratic values.

### **Tokyo talks stress democratic values**

Prime Minister Narendra Modi stressed that ties with Japan were invested in upholding the rule of law and democratic values.

He was speaking at a press conference after a summit with his Japanese counterpart, Shinzo Abe.

These are the very catch phrases that underlie the new security architecture that Japan and the United States are trying to put in place to counter China. The vision statement specifically mentioned the willingness of both countries to "expand concrete cooperation with the U.S. and other partners".

### **Freedom of navigation**

It also referred to the necessity of ensuring the freedom of navigation and the importance of upholding the UNCLOS (United Nations Convention on the Law of the Sea), a set of conventions that China has been accused of flouting in the South China Sea.

Mr. Modi and his Japanese counterpart, Shinzo Abe, further announced the start of negotiations on an Acquisition and Cross-servicing

Agreement, a logistics-sharing pact, that would allow Japanese ships to get fuel and servicing at Indian naval bases. Once signed, Japan's Maritime Self-Defence Force will be able to secure access to Indian naval facilities in the Andaman and Nicobar islands, which are strategically located close to the western Malacca Straits, a choke point for much of Japan and China's trade and fuel imports. A new Foreign and Defence Ministerial Dialogue, termed 2+2, was also announced to supplement an already formidable array of bilateral dialogue mechanisms that include the Annual Defence Ministerial Dialogue, Defence Policy Dialogue and the National Security Advisers Dialogue.

On the economic front, the two countries have agreed to a Bilateral Swap Arrangement that would allow their central banks to exchange local currencies for up to \$75 billion. This is substantially more than the \$30 billion currency swap arrangement announced between China and Japan.

Mr. Abe told the press that 57 Japanese companies had committed to investing 320 billion yen in India, which is expected to create at least 3,000 new jobs. Mr. Modi said that he was convinced that the 21st century could be an Asian century only with a strong India-Japan relationship at its core.

# JUDICIARY

PIONEER, OCT 31, 2018

## **SC collegium OK's names of new judges for HCs**

The Supreme Court Collegium on Friday made public the names of six judicial officers and two advocates it has recommended as the judges of three High Courts.

The apex court collegium also recommended names of seven additional judges to be appointed as permanent judges in the Gauhati High Court.

Besides the Gauhati High Court, the recommendations have also been made for the Madhya Pradesh High Court, the Calcutta High Court and the Punjab & Haryana High Court.

The recommendations, made on October 24 by the collegium comprising Chief Justice Ranjan Gogoi and Justices Madan B Lokur and Kurian Joseph, have been posted on the official website of the apex court.

The Collegium recommend that additional judges — Justices Lanusungkum Jamir, Manash Ranjan Pathak, Achintya Malla Bujur Barua, Kalyan Rai Surana, Prasanta Kumar Deka, Nelson Sailo and Ajit Borthakur — be appointed as permanent judges of the Gauhati High Court.

It recommended names of three judicial officers — Vishnu Pratap Singh Chauhan, Rajeev Kumar Shrivastava and Shailendra Shukla — to be appointed as judges in the Madhya Pradesh High Court.

For the Calcutta High Court, the Collegium recommended the names of two advocates — Saugata Bhattacharyya and Aniruddha Roy — and one judicial officer — Suvra Ghosh — to be appointed as judges.

The Collegium further recommend the names of two judicial officers — Lalit Batra, and Arun Kumar Tyagi — for appointment as judges in the Punjab & Haryana High Court.

However, the Collegium has remitted the names of four advocates and a judicial officer to the Chief Justice of Patna High Court and names of five lawyers the Chief Justice of Madhya Pradesh High Court.

# MONUMENTS

HINDUSTAN TIMES, OCT 31, 2018

## **PM Modi unveils Statue of Unity, world's tallest at 182m, in tribute to Sardar Patel**

*Built at a cost of nearly Rs 2,300 crore, the statue is scheduled to be inaugurated at Kevadia in Narmada district of Gujarat on October 31, birthday of Sardar Vallabhbhai Patel.*



Prime Minister Narendra Modi on Wednesday morning unveiled the world's tallest statue, the Statue of Unity, in Kevadiya in Gujarat's Narmada district. The 182m-tall statue of Sardar Vallabhbhai Patel was inaugurated to coincide with the 143rd birth anniversary of Patel, India's first home minister.

Modi pulled a lever and inaugurated the statue at a ceremony along the banks of Narmada river in Gujarat's Kevadiya. He lead the puja

ceremony with water brought in a kalash (metal pots) from 30 holy rivers, including the Ganga, Yamuna and Brahmaputra among others.

Dedicating the statue to the nation, Modi called this a significant moment in the history of the country as a proper tribute had not been given to the tall personality who had worked hard to make India's identity

“This is a project that we had conceived when I was the chief minister of Gujarat. To build the statue, lakhs of farmers from all over India came together, gave their tools, portions of soil and started a mass movement,” Modi said.

The Rs 2,389-crore monument is a tribute to Patel who played a major role in integrating the princely states into the Indian Union after the partition of 1947.

Three Indian Air Force planes flew past the Patel figure and created the tricolour in the sky after Modi inaugurated the giant.

Patel's grand nephew Dhirubhai, who lives in Vadodara, said the occasion was a “once in a lifetime moment” for him and congratulated the government for its excellent work.

## NAXALISM

HINDUSTAN TIMES, OCT 31, 2018

### **Dantewada police chief breaks down as he recounts Maoist attack**

*The attack on a media team in Maoist-affected Dantewada district left a Doordarshan cameraman and two policemen dead and two other policemen injured and came as media teams visited a village that will vote for the first time in 20 years in the November 12 Chhattisgarh assembly election*



Dantewada police chief Abhishek Pallav Tuesday found it hard to keep his composure as he spoke about the Maoist attack that left

a Doordarshan cameraman and two policemen dead in the insurgency-hit Chhattisgarh district.

Breaking down as he recounted the sequence of events, he said that media teams had been visiting Nilwaya village whose residents will vote for the first time since 1998 in the November 12 assembly elections and reporting on how the Maoists were ill-treating the local people. This, he said, had irked the Maoists who had decided to target any media team visiting the village.

“Two-three days back... six media teams had visited the village. Village residents talked to them from the heart for half an hour to an hour. They told them how they would be voting for the first time in 20 years, how the (newly-constructed) road was their lifeline,” Pallav told ANI.

Pallav found it hard to control his emotions as he said how villagers had told him that they will not give up on the road despite Maoists threats and beatings, as it was “their lifeline”. “They told me, ‘sir, we will die but we will get the road done’. When the villagers refused to heed the Naxals’ diktat, Naxals from 5-6 areas decided to target CRPF and the media,” he said.

“They (Maoists) had repeatedly said media persons are coming.. have made it tourism... were reporting on their atrocities, their ill-treatment of villagers...” he said, citing the case of a woman who was injured in the foot and it had swollen up alarmingly but the Maoists did not let her get treatment till a police team reached the village Monday and took her away to hospital.

“Today when they (Maoists) fired, they didn’t target police but the media. They assaulted one and snatched away his camera and the other two crawled near 150 metres to escape as the Naxals fired 50 to 100 rounds fired on them. If one of the policeman had not knocked down one of the Naxals, the two would have been killed,” he said.

Two police personnel - assistant sub-inspector of police Rudra Pratap and constable Manglu - and Doordarshan cameraman Acchutanand Sahu were killed and two other policemen injured in the attack.

# PASSPORT

INDIAN EXPRESS, OCT 31, 2018

## **India ranks 66 in Global Passport Index, Singapore tops the chart**

As per the annual passport index, Singapore has the world's "most powerful" passport with access to 165 countries. This is followed by Germany, Denmark and Sweden.



The Indian passport was ranked 66th in the world in the latest ranking of the Global Passport Index. The ranking was based on the passports' visa-free score. The ranking of Indian passport, granting its holders visa-free access to 66 countries, improved nine notches since the previous year.

As per the annual passport index, Singapore has the world's "most powerful" passport with access to 165 countries. This is followed by Germany, Denmark and Sweden.

Falling in the last place of the list is Afghanistan, ranked 91 with a score of 22, followed by Pakistan and Iraq at 90 with a score of 26, Syria at 88, having a score of 29 and Somalia at 87 with a score 34.

The results are part of citizenship planning firm Henley and Partners' annual passport index, which ranks passports based on the number of countries a holder can go to without a visa or the number of countries a holder can go to where they can obtain a visa, visitor's permit, or electronic travel authority upon arrival.

Passport Index has become the most popular interactive online tool to display, sort and rank the world's passports. The index ranks national passports by the cross-border access they bring, assigning a "visa-free score" according to the number of countries a passport holder can visit visa-free or with visa on arrival

## POLICE

HINDU, OCT 25, 2018



### **CBI chief Alok Verma sent on leave, M. Nageshwar Rao takes interim charge**

Both CBI Director Alok Kumar Verma and his second-in-command Rakesh Asthana have been told to go on leave.

In a dramatic turn to the ongoing infighting between the top two of the CBI, the Department of Personnel and Training issued an order late Tuesday asking Joint Director M. Nageshwar Rao to take charge as interim Director.

Confirming the order, a senior government official said both CBI Director Alok Kumar Verma and his second-in-command Rakesh Asthana have been told to go on leave.

The offices of Mr. Verma and Mr. Asthana were searched on the orders of the “interim” CBI Director Mr. Nageshwar Rao, a CBI official said on the condition of anonymity.

The order dated October 23, issued on instructions of the Appointments Committee of the Cabinet says Mr. Rao will look after duties and

functions of CBI Director as an "interim measure" with immediate effect.

Terming it an "illegal" order, lawyer Prashant Bhushan told The Hindu that he would challenge it in the Supreme Court on Wednesday.

The development is being seen as the fallout on going tussle between the CBI chief and its second-in-command for the past over a year.

The order comes days after the CBI registered an FIR against Mr. Asthana, accusing him and Deputy Superintendent of Police Devender Kumar of extortion and corruption. Mr. Devender Kumar was arrested and is now in CBI custody.

### **Chain of Events**

A CBI source said that then Director Alok Verma is said to have issued an order around 9.30 p.m. on Tuesday divesting Mr. Asthana of all responsibilities as Special Director, following which Mr. Verma himself was sent on leave and

Mr. Rao given charge as temporary Director.

Around midnight on Tuesday, Mr. Verma was informed that the Government had taken a decision to send him on leave and divest him of all responsibilities.

Separately, a source in the Department of Personnel & Training said the Government decision to send Mr. Verma on leave was taken according to a "recommendation" from the Chief Vigilance Commissioner.

It has been learned that Mr. Verma will move Supreme Court through lawyer Gopal Shankar Narayan.

HINDU, OCT 25, 2018

## **Nageswara Rao had carried out raid on T.N. Minister**

M. Nageswara Rao, who has been appointed interim director of the CBI, hails from Bore Narasapur village in Warangal district of Telangana, and has served in several key positions across States, after he joined service in 1986.

Hailing from an agricultural family, he went on to complete his graduation within the district before venturing out for higher studies. After his postgraduation at Osmania University, he joined a PhD programme at IIT-Madras, and during that time he cracked the Civil Services examination. Subsequently, he joined the Indian Police Service as part of the Odisha cadre in 1986.

Mr. Rao served in both Chhattisgarh and Odisha in various posts. As head of the Odisha Fire Service, Mr. Rao received the Chief Minister's award for his work during cyclones that hit Odisha — Phailin (2013) and Hudhud (2014). He also served as Deputy Inspector General and Inspector General in the Central Reserve Police Force. In 2016, he became Joint Director (Chennai Zone), CBI and held the post till May 2018. One of the cases that the bureau worked on in Chennai included the controversial selling of a parcel of land belonging to a public sector firm, in Guindy. The most high-profile case during his tenure in Chennai

was the raid on the premises of State Health Minister C. Vijaya Bhaskar and then Chief Secretary P. Rama Mohana Rao.

He also won the President's police medal for distinguished service.

**HINDU, OCT 29, 2018**

**HC directs CBI to maintain status quo on proceedings against Rakesh Asthana till Nov 1**



The Delhi High Court on Monday ordered the CBI to maintain status quo on proceedings against its Special Director Rakesh Asthana, who was sent on leave by the government, till November 1.

A Bench of Justice Najmi Waziri questioned the CBI for not filing replies to pleas of Mr. Asthana and another official for quashing the FIR in the matter.

The court directed the CBI to reply to the two pleas on or before November 1.

# POLLUTION

TRIBUNE, OCT 31, 2018

## **Air quality extreme, but NCR worst yet to come** *Local factors, weather more to blame*



As air pollution in the National Capital Region touches extreme levels and the Supreme Court-appointed Environment Pollution Control Authority (EPCA) considers restricting private vehicles if the air quality worsens, experts predict no relief for the next 10 to 12 days.

Local factors and weather conditions are more to blame for the current situation in the NCR than burning of stubble in the paddy fields of Haryana and Punjab.

Also, while Environment Minister Harsh Vardhan claims the number of “good (weather) days” have increased as a result of efforts by the authorities concerned, experts say “bad days” actually begin in November.

Weather expert Mahesh Palawat says the current build-up is “largely” due to local factors (NCR turning into a concrete jungle, massive construction activity, traffic congestion and vehicular pollution) and weather conditions. “Burning of stubble is responsible (for air pollution) but not as much in the current situation because of low, almost no, northwesterly winds,” he says.

Unless the NCR receives some strong winds or rains, the suspended pollutants will not dissipate, says Palawat. At present, the wind is light during the day, and absent during night when temperatures dip to 15-16 degrees Celsius, making it conducive for toxic pollutants and particulate matter to hang low.

## **PRIME MINISTER**

HINDU, OCT 25, 2018

### **Modi conferred with Seoul Peace Prize**



The award committee credits ‘Modinomics’ for reducing social and economic disparity between the rich and the poor

Prime Minister Narendra Modi has been conferred with the Seoul Peace Prize for 2018 for his contribution to international cooperation and fostering global economic growth.

The Ministry of External Affairs (MEA) said in a statement on Wednesday that Mr. Modi expressed his gratitude for the prestigious

honour and in the light of India' deepening partnership with the Republic of Korea, he has accepted the award.

“The world acknowledges. PM Narendra Modi awarded prestigious Seoul Peace Prize 2018 for contribution to high economic growth in India and world through ‘Modinomics’, contribution to world peace, improving human development & furthering democracy in India,” MEA spokesperson Raveesh Kumar tweeted.

The Ministry said the award would be presented to Mr. Modi at a mutually convenient time by the Seoul Peace Prize Foundation, which was established in 1990 to commemorate the success of the 24th Olympic Games held in Seoul.

The award was established to crystallise Korean people's yearning for peace on the Korean peninsula and in the rest of the world.

## **Pat for 'Modinomics'**

While conferring the award on Mr. Modi, the award committee recognised his contribution to the growth of Indian and global economies, crediting ‘Modinomics’ for reducing social and economic disparity between the rich and the poor, the MEA said.

The committee lauded Mr. Modi's initiatives to make the government cleaner through anti-corruption measures and demonetisation, it said.

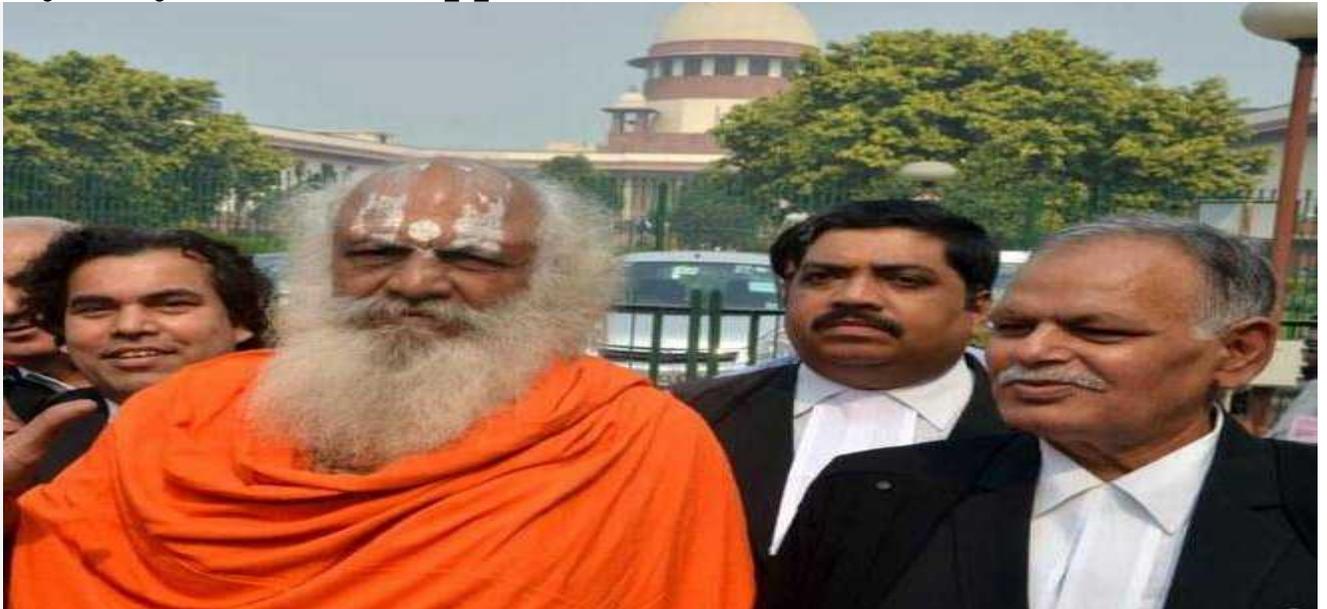
The committee also credited him for his contribution toward regional and global peace through a proactive policy with countries around the world under the 'Modi doctrine' and the "Act East" policy, it said.

Mr. Modi is the 14th recipient of the award and the past laureates included former United Nations Secretary General Kofi Annan, German Chancellor Angela Merkel and renowned international relief organizations like Doctors Without Borders and Oxfam.

## RELIGION

HINDU, OCT 29, 2018

### **SC Bench to fix in January the date for hearing Ayodhya title suit appeals**



When parties indicate urgency and an early hearing, CJI-led Bench clarifies that it cannot really say when hearing will begin.

A three-judge Bench of the Supreme Court, led by Chief Justice of India (CJI) Ranjan Gogoi, on Monday posted the Ayodhya title suit appeals in January before an appropriate Bench to fix a date for hearing the case.

When parties indicated urgency and an early hearing, the CJI-led Bench clarified that it cannot really say when hearing would begin. It left it to

the discretion of the "appropriate Bench" before which the matter would come up on January.

"We have our own priorities... whether hearing would take place in January, March or April would be decided by an appropriate Bench," the CJI said.

The CJI repeated that all the court was ordering was that the appeals would come up in January first week before a Bench "not for hearing but for fixing the date of hearing".

On September 27, a three-judge Bench of the court led by then Chief Justice Dipak Misra, in a majority opinion, decided against referring the question 'whether offering prayers in a mosque is an essential part of Islam' to a seven-judge Constitution Bench.

With this, the court had signalled that it would decide the appeals like any other civil suit, based on evidence, and pay little heed to arguments about the "religious significance" of the Ayodhya issue and the communal strife it has led to over the past many years.

The Misra Bench's judgment, authored by Justice Ashok Bhushan on the Bench, directed the hearing in the appeals to start from October 29. This last paragraph in the September 27 judgment led to questions whether the court would deliver a judgment in the appeals before the May 2019 general election.

These appeals are against the September 30, 2010 verdict of the Allahabad High Court to divide the disputed 2.77 acre area among the

Sunni Waqf Board, the Nirmohi Akhara and Ram Lalla. The Bench had relied on Hindu faith, belief and folklore.

### **Lord Ram's birthplace**

The High Court concluded that Lord Ram, son of King Dashrath, was born within the 1,482.5 square yards of the disputed Ramjanmabhoomi-Babri Masjid premises over 900,000 years ago during the Treta Yuga. One of the judges said the "world knows" where Ram's birthplace was while another said his finding was an "informed guess" based on "oral evidences of several Hindus and some Muslims" that the precise birthplace of Ram was under the central dome.

The final hearings in the Ayodhya appeals began before the Misra Bench, also comprising Justice S. Abdul Nazeer, on December 5 last.

The day happened to be the eve of the 25th anniversary of the demolition of the 15th century Babri Masjid by kar sevaks on December 6, 1992. The appeals were taken up after a delay of almost eight years. They remained shelved through the tenures of eight Chief Justices of India from 2010.

However, the Muslim appellants, a cross-section of Islamic bodies like the Sunni Wakf Board and individuals, had drawn the Bench's attention to certain paragraphs in a 1994 five-judge Constitution Bench judgment in the Dr Ismail Faruqui case. One of these paragraphs stated that "a mosque is not an essential part of the practice of the religion of Islam and namaz [prayer] by Muslims can be offered anywhere, even in open".

### **Mosque and Islam**

“So is the mosque not an essential part of Islam? Muslims cannot go to the garden and pray,” their lawyer and senior advocate Rajeev Dhavan had asked the court. He asked the Bench to freeze the Ayodhya appeals’ hearing till this question is referred and decided by a seven-judge Bench.

In their majority view, Chief Justice (retired) Misra and Justice Bhushan refused to send the question to a seven-judge Bench. Their opinion said the observations were made in the context of the Faruqui case which was about public acquisition of places of religious worship. It should not be dragged into the Ayodhya appeals. The minority decision authored by Justice Nazeer dissented with the majority on the Bench, and said this observation about offering prayer in a mosque influenced the Allahabad High Court in 2010. He questioned the haste of the court.

During the maiden Supreme Court hearing of the Ayodhya appeals last year, senior advocate Kapil Sibal suggested to the court to post the Ayodhya hearings after July 15, 2019.

Along with Mr. Sibal, senior advocate Dushyant Dave and Mr. Dhavan argued that the Ayodhya dispute was not just another civil suit. The case covered religion and faith and dates back to the era of King Vikramaditya. It is probably the most important case in the [history](#) of India which would "decide the future of the polity". The appeals would have the court decide “whether this is a country where a mosque can be destroyed”.

“These appeals go to the very heart of our secular and democratic fabric,” Mr. Dhavan had submitted.

Mr. Sibal had alleged the government was using the judiciary to realise its agenda for a Ram mandir assured in the ruling BJP's 2014 election manifesto.



## SKILL DEVELOPMENT

HINDU, OCT 25, 2018

### **Indian Institutes of Skills to come up in across the country**



#### ***Public-private partnership model to be used.***

The Centre has decided to set up skill development institutes on government and, in partnership with private players, across the country. The Union Cabinet approved the scheme on Wednesday, according to an official statement.

The public-private partnership model will be adopted to set up the institutes — to be called the Indian Institutes of Skills — at select locations, based on demand and available infrastructure.

The institutes are expected to help boost global competitiveness of key industry sectors by providing high-quality training, applied research education and a direct and meaningful connection with the industry.

# SUSTAINABLE DEVELOPMENT

HINDU, OCT 25, 2018

## Cabinet nod to panel on United Nations Sustainable Development Goals



The Union Cabinet on Wednesday approved the setting up of a high-level steering committee chaired by the Chief Statistician of India and Secretary to the Ministry of Statistics and Programme Implementation (MoSPI) to review if India was on track to achieving the United Nations

Sustainable **Development**Goals (SDG). The panel would also decide if there was a need to “refine” indicators by reviewing the National Indicator Framework (NIF) periodically, according to a press release announcing the Cabinet decision.

The SDGs are a list of 17 goals, which include the elimination of poverty, ending hunger, ensuring provision of quality education, clean water and sanitation, that countries, including India, must achieve by 2030.

The steering committee would recommend measures to “mainstream” SDGs into ongoing national policies, programmes and strategic action plans to address the developmental challenges.

Statistical indicators of the NIF would be the backbone for monitoring of SDGs at the national and State levels and would scientifically measure the outcomes of the policies to achieve the targets under different SDGs.

Based on statistical indicators, the MoSPI would produce national reports on implementation of the SDGs.

“Data source Ministries / Departments will be responsible for providing regular information to MoSPI on these indicators at required intervals and disaggregation for national and sub-national reporting of SDGs. Advanced IT tools will be used for close and effective monitoring,” the Centre said in the statement.

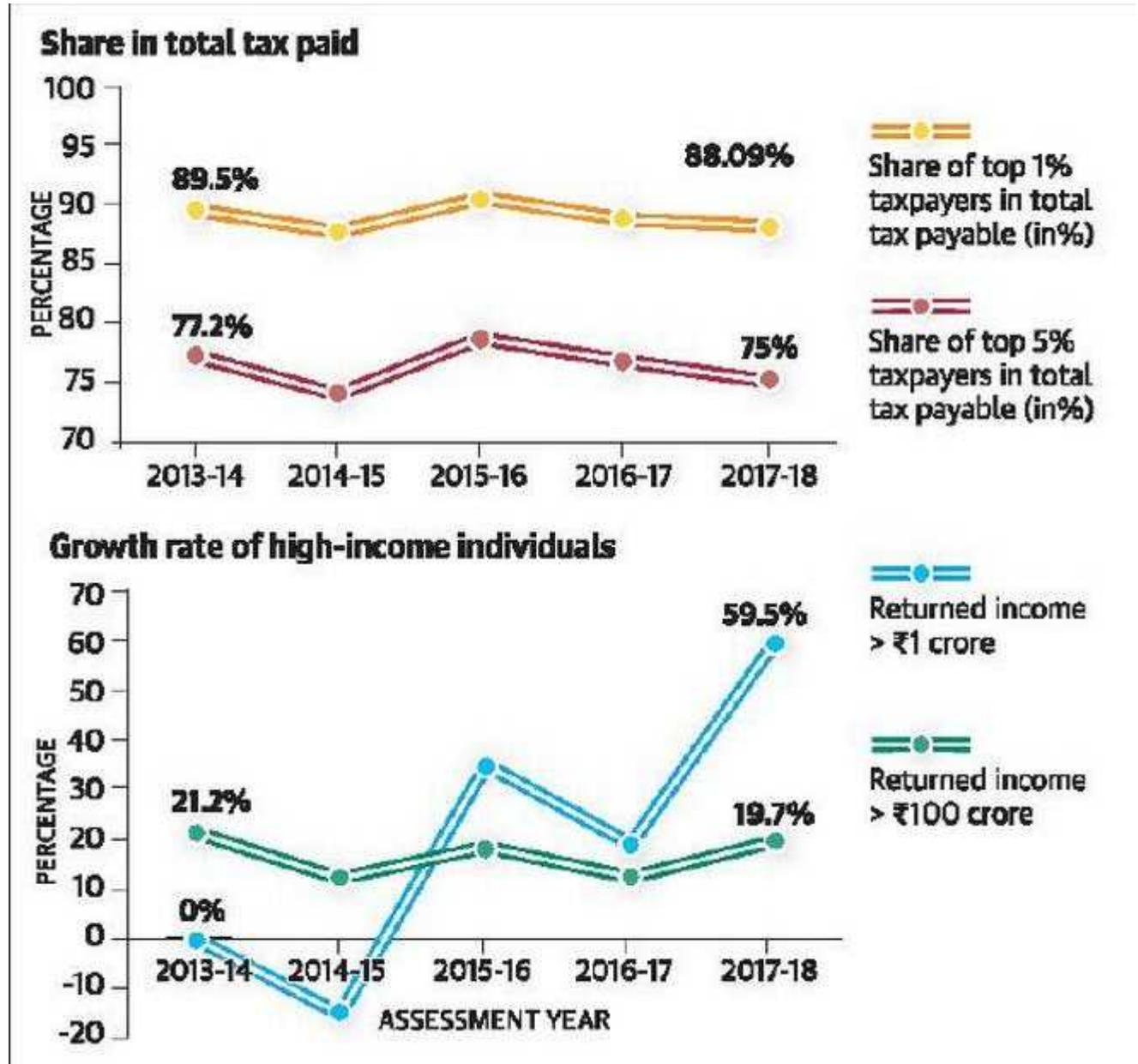
At the Millennium Summit held in 2000 at the UN Headquarters in New York, eight development goals known as the ‘Millennium Development Goals’ (MDGs) were adopted, which formed the blueprint for countries

to pursue their national development strategies from 2000 to 2015. The MDGs, which addressed various development issues, were unevenly achieved across the countries and the Centre wanted to start fresh discussions to assess the usefulness of the MDGs and to explore a possible successor to guide development cooperation in the world beyond 2015.

The UN General Assembly in its 70th Session, in 2015, considered and adopted the SDGs for the next 15 years. The 17 SDGs came into force with effect from January 1, 2016. Though not legally binding, the SDGs have become de facto international obligations and have the potential to reorient domestic spending priorities of the countries during the 15-year-period.

# TAXATION

HINDU, OCT 30, 2018



The number of tax returns filed has gone up but collections have not shown a commensurate increase

The Central Board of Direct Taxes has released the latest data on income tax collections. Several interesting facts emerge from the data. The number of taxpayers has increased drastically over the last four years. The number of tax returns filed has surged to 6.85 crore in FY 2017-18, an 80% growth since FY 2013-14. Also, the number of taxpayers reporting income greater than 1 crore has reached 1,40,139, an increase of 60% between assessment year (AY) 2014-15 and 2017-18.

However, the tax collections have not shown commensurate increase. Collections have grown at a decent compound rate of about 13% per annum. More surprisingly, the average income reported by rich Indians (those in the highest tax slab) has decreased. In fact, over the last five years, the share of the richest top 1% in the total tax collected has decreased by almost four percentage points. The same is the case with the top 5% income earners (graph 1). In contrast, relatively low income groups are paying a larger proportion of the tax collected. How can this be, given that the number of taxpayers has increased across all the tax slabs and more individuals report income in crores than ever before (graph 2)?

### **Under-reporting still a concern**

While for the low tax slabs, the average reported income has also increased, this is not the case with high income groups. After 2016, the average income reported by those in the highest tax slab is 13% less than their average just before 2016. Apparently, a number of high-income individuals (HIIs) grossly under-report their income. Clearly, the Income

Declaration Scheme of 2016 and other official measures announced to stem tax evasion by the rich have failed to achieve the desired results.

The Global Wealth Report 2018, by Credit Suisse, provides estimates of wealthy Indians. Even by a rather conservative approach towards the wealth-income ratio, it suggests that at least 3,400 Indians have an annual income of more than 50 crore each. But only 179 of them reported this level of income to the taxman in AY 2017-18. Similarly, out of more than 1,500 Indians with an expected annual income of more than 100 crore each, only 61 reported to the taxman.

Besides, the share of reported non-salary income in the gross income of individuals has declined over the years, to 43% in 2017-18 from 48% in AY 2012-13. This suggests that the tax base has not deepened among professionals such as lawyers, doctors, accountants and those running private educational institutes, who continue to under-report their income.

Tax avoidance/ evasion by companies also remains an area of serious concern. In AY 2017-18, a mere 7% of corporates reported profit before tax of more than 1 crore. Again, the problem of under-reporting is serious with professional and the other service sector entities, which account for more than one-third of all corporates. As a consequence, the share of direct taxes in the total tax collection has remained low.

The tax collection figures for this year look better. Some of the apparent improvements will be due to cooking of the books by companies, facilitated by schemes like the Presumptive Taxation Scheme. This allows an assessee to take full benefit of past evasion and escape without scrutiny, simply by paying a turnover tax. By increasing the threshold

from 1 crore to 2 crore, the government has made the scheme even more attractive. No wonder, the number of filers under the scheme shot up to 1.17 crore on August 31, 2018, from 14.93 lakh on August 31, 2017 — a stupendous growth of 681%!

However, things are expected to improve with proper implementation of the Goods and Services Tax (GST). This tax generates trails of transactions across value and income chains. Reports emanating from leading business centres like Surat indicate a significant increase in tax collections, for direct as well as indirect taxes. While implementation of the GST will surely help stem tax evasion by semi-formal and mid-size companies by formalising their transactions, it cannot address the main problem: tax evasion and avoidance by HIIs and big corporates.

## **Reforms in tax law needed**

Several reforms are needed in the tax law. The extant tax law does not require filing of returns if the income is below the taxable threshold ( 2.5 lakh). This means that many professionals who can easily manipulate their accounts never appear on the radar of the taxman. The law should mandate filing of returns by all professionals and proprietorship businesses regardless of their profit. This will increase compliance by enabling the taxman to scrutinise suspicious cases. There is also a case for the wealth tax. Compared to income, the wealth level is harder to manipulate; therefore, the tax is harder to evade.

For companies, the tax law allows offsetting of past losses against future profits. Besides, definition of admissible expenditures are susceptible to easy manipulation. These provisions are widely misused by corporates by claiming bogus expenses, to artificially reduce their profit and hence

their tax liability. Unsurprisingly, for AY 2017-18, as much as 46% of corporates reported either losses or nil profit. Another 47% reported profit less than ₹ 1 crore. These provisions need re-examining. As such, a large number of companies showing negligible or no profit points to a continued prevalence of shell companies and other dubious structures which require systematic investigation.

Moreover, the numerous tax exemptions also come in handy for tax avoidance. Big corporates benefit more from these exemptions. Consequently, smaller companies face a higher effective tax rate compared to larger corporates. This makes the tax regime regressive. Going by the Budget papers 2018, the effective tax rate of companies with profit greater than ₹ 500 crore was only 23.94%, while it was higher at 29.43% for companies with profits less than ₹ 1 crore.

There is also a need to enhance the deterrence power of the law, which depends on the likelihood of punishing tax evaders along with imposing a fine. At present, the Income Tax Department has a very poor win rate before the appellate tribunal and the higher judiciary. As a result, the law does not bite enough to hurt the tax offender. The odds of punishing the offenders can be increased by integrating the GST, the income tax and the Ministry of Corporate Affairs' databases. These measures will go a long way in deepening the tax base among high-income groups and professionals.

***Ram Singh is Professor at the Delhi School of Economics***

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**For Limited Circulation**

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