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"Making of New India"

5 Transforming Years Under Modi Government



An abridged version of the book
“Making of New India”
5 Transforming Years Under Modi Government

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CONTENTS

OUTCOMES AND REFORMS	4
Chapter 1: Economic Growth	5
Chapter 2: Skilling India	9
Chapter 3: Employment Estimation	11
Chapter 4: Taxation	17
Chapter 5: Aadhar, Demonetisation & Digitization	23
Chapter 6: Banking Sector	30
Chapter 7: Insolvency and Bankruptcy Code (IBC)	34
Chapter 8: Fiscal Policy	38
Chapter 9: Ease of Doing Business	41
Chapter 10: Real Estate	46
Chapter 11: Sagarmala & Blue Economy	52
Chapter 12: Transforming Urban India	57

Chapter 13: Roads	63
Chapter 14: Power Sector	67
Chapter 15: Namami Gange	70
Chapter 16: Swachh Bharat Mission (SBM)	75
Chapter 17: Health Sector	78
Chapter 18: Higher Education	87
Chapter 19: Agriculture & Farmer's Income	94
Chapter 20: Make In India	99
Chapter 21: Pradhan Mantri Ujjwala Yojana	103
Chapter 22: Applaudable Strike on Obsolete Laws	106
Chapter 23: Defence and National Security	108
Chapter 24: Indian Foreign Policy	118
APPROACH OF THE MODI GOVERNMENT	138
Narendra Modi's New India: Not a Hegemony but a Refreshing Narrative	

**OUTCOMES
AND
REFORMS**

Chapter 1: Economic Growth

Outcomes

1. The Ease of Doing Business report for 2018 released by the World Bank saw India making the highest ever jump of 30 points in the history of the index (from 130 in the 2017 report to 100 in 2018). In 2019, India witnessed another 23 points jump to a record 77th position. The biggest jump for India was in the criterion of paying taxes with an elevation of fifty-three places.
2. India's average rate of growth from 2014 to 17 is about 4 percentage points higher than the rest of the world and nearly 3 percentage points higher than that achieved by emerging market and developing economies. This rate of growth was achieved along with lower inflation, and improving current account deficit and a narrowing fiscal deficit.
3. India shed its 'fragile five' tag and is now perceived as a bright spot within the global economic paradigm.
4. Fiscal deficit improved an average of less than 3.5 percent of GDP (from 2014 to 2018) from an average 5.3 percent of GDP (from 2004 to 2014) – an improvement of 1.8 percent points.
5. The coal industry is now virtually de-monopolized except for the overwhelming share of Coal India.

6. There is a sharp increase in capital inflow in general and in FDI (into India), which rose to 31.6% during July 2014 to December 2015 over the corresponding period in 2012-13. India attracted massive FDI worth USD 239 billion in the last five years, getting more foreign investment than its neighbor China for the first time in 20 years.
7. Financial Inclusion: Under the PMJDY flagship scheme, the initial target was to open 7.5 crore accounts by January 2015. However, working at breakneck speed, the target was breached by a huge margin resulting in a total of 12.55 crore accounts by that time. In the last five years, nearly 34 crore bank accounts have been opened under this scheme. There was severe criticism that a lot of these accounts were at zero balance. But that has declined from 76.8 percent in Sep 2014 to merely 21.4% in August 2017.
8. 1.56 Crore loans have been disbursed under the Mudra Yojana, amounting to Rs. 7, 23,000 crore (2018-19).
9. The latest numbers show that the government has saved over Rs. 83,000 crore in subsidies.

Reforms

10. According to the World Bank, India has implemented 37 reforms since 2003 and almost half of them were implemented in the last four years; opening up the economy across different sectors, deregulating

Financial Inclusion: Under the PMJDY flagship scheme, the initial target was to open 7.5 crore accounts by January 2015. However, working at breakneck speed, the target was breached by a huge margin resulting in a total of 12.55 crore accounts by that time. In the last five years, nearly 34 crore bank accounts have been opened under this scheme. There was severe criticism that a lot of these accounts were at zero balance. But that has declined from 76.8 percent in Sep 2014 to merely 21.4% in August 2017.

commodity prices, simplifying tax laws and making it easier to do business in India.

11. Deregulation of diesel and petroleum prices, which forms a substantial part of the subsidy bill. As a result, India joined the club of select countries like the US and Australia where fuel prices are revised daily.
12. FDI in insurance and defence were raised to 49 percent through automatic route. In defence, there is 100% FDI allowed on a case to case basis.
13. Real Estate (Regulation and Development) Act 2016 was introduced with an aim of bringing in the much-desired transparency, accountability and efficiency to the sector. The Act put the onus of project delays on developers and mandated that 70% of the funds collected from buyers be put in a separate bank account and be used only for

construction purposes.

14. Agriculture Land Leasing Act, 2016 was introduced with an aim to legalize the leasing of land in India, which could bring about a rise in agricultural efficiency and equity.
15. The Skill India Programme under the NSDC was introduced in 2015 alongside establishing a National Policy for Skill Development and Entrepreneurship, to meet the requirement of 1200 lakh workers across different sectors between 2017-22.
16. Demonetization: The Government of India decided to cancel the legal tender status of Rs 1000 and Rs 500 denomination currency notes on 8 November 2016.
17. The Insolvency and Bankruptcy Code, 2016 was passed in Parliament. The Code allows either the creditor or the borrower to approach the National Company Law Tribunal (NCLT) to initiate insolvency proceedings. Over 4300 petitions has been filed within eighteen months of operation. After the implementation of the insolvency law and the tax reform measures.
18. In October 2017, the Finance Ministry announced a recapitalization plan for public sector banks amounting to a whopping Rs. 2.11 lakh crore over a span of two years.
19. Introduction of Goods and Services Tax (GST) introduced on July 1, 2017 is a landmark indirect tax reform since independence which subsumed various erstwhile indirect tax levies.

Chapter 2: Skilling India

Outcomes

1. National Policy for Skill Development and Entrepreneurship had trained and upskilled 1.3 million people by 2017 and is on a mission to train 400 million by 2020.
2. The Pradhan Mantri Kaushal Vikas Yojana, India's largest skill certification scheme with the objective to enable and mobilize the Indian youth had till the end of 2018 trained 9,34,430 youth, through 13,810 training centres across the country, under recognition of prior learning. Under short term training, 24, 04,506 candidates have been trained through 7986 training centres.
3. A National Apprenticeship Promotion Scheme, developed to promote apprenticeship training and increase engagement of apprentices, has set a goal from the current 2.3 lakh to 50 lakh by 2020.
4. As per latest reports of Skill India Mission, since the launch of the program, about 34 lakh women have received skill training with over 50% securing placement as well. Overall, around 25 million youth have received training under this program (2018).

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Reforms

5. Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Skill Loan Scheme (SLS), Rural India Skill (RIS) and Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) are new initiatives to promote skill development.
6. The Government of India (GOI) has initiated development of a national platform for MOOC – Study Webs of Active-Learning for Young Aspiring Minds (SWAYAM) to host 2000 courses and 80,000 hours of learning covering school, undergraduate, postgraduate, engineering, law and other professional courses.

Chapter 3: Employment Estimation

Outcomes

1. Data from the EPFO records indicate that the new payroll generated from Sep 2017 to May 2018 was around 44.7 lakh. The EPFO has more than 6 crore active members (with atleast one month contribution during the year). The EPFO provides the age wise data of all non-zero contributors that registered under EPFO during that particular month. This data may also include the temporary employees whose contributions may not be continuous for the entire year.
2. The EPFO has also provided the data individually for states and industries. This is in line with the best practices worldwide, or in fact, a step ahead of the US payroll data that only gives data as per industries and not states. The state-wise data shows a broad-based payroll creation across India.
3. The ECR (electronic challan cum return) data published by EPFO for the first time gives us a clear idea of the extent of such formalization. As per the data, a total of 40, 468 establishments remitted their first ECR during Sep 2017 to May 2018 period. This number is the proxy for existing organizations that migrated from less than 20 jobs. Thus, when we multiply the no. of organizations

with the EPFO cut-off/20, this gives us an idea of total payroll due to formalization. This comes to around 8.1 lakh. Hence, the new payroll, (excluding formalization) during Sep 2017 to May 2018 is 36.6 lakh (44.7 lakh new of 8.1 lakh).

4. As per the NPS data, around 6.10 lakh PRAN was generated (or new payroll) during Sep 2017 to June 2018 period, with an average generation of 61,057 per month. NPS currently manages a corpus of 50 lakh people in state and central government.
5. The stock of active contributors in ESIC could give us an idea of new payroll created over a point in time. On a pro-rata basis, this data (EPFO+NPS) suggests that 60.4 lakh new payrolls had been created in the last financial year (2017-18).
6. According to the Institute of Chartered Accountants of India (ICAI) data, there were 16, 970 new chartered accountants added to the job force in 2017 with around 5624 new practices being set up. The total jobs created by this segment of the population adds to the total employment figure.
7. This applies to doctors and lawyers as well, with both adding approximately 80,000 to the labour force in 2017. Summing up ancillary staff members (clerks, paralegals, nurses, etc) required to set up practices by these professions, we have surmised that over 6 lakh jobs were added through just these three professions in the informal sector, with employment figures for other

similar professions and consultancies not considered.

8. Further, the total stock of employment created through these 3 professions is around 1.08 crore, assuming twenty jobs per CA practice, five jobs per medical practice and three jobs per law practice.
9. The skill development initiatives such as Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and National Skill Development Corporation (NSDC) provide data as outlined in the table below. They have successfully generated 5 lakh jobs as of 2016-17.

Informal Sector: Jobs Created per Annum

	2016-17
Chartered Accountants	1,797,957
Medical Professionals	6,045,970
Lawyers	2,993,604
Skill Development Initiatives by the Govt (PMKVY)	499,100
Transport Industry	1,991,354
Total	13,327,985

10. As of Dec 2018, the PMKVY has successfully created around 10 lakh jobs.
11. The transport sector contributes close to 20 lakh jobs per year, a figure often overlooked by employment surveys and reports. These jobs would be in the informal sector as these vehicles are typically owned individually and

not by firms. This is buttressed by the fact that EPFO and ESI data do not reveal these jobs in any large measure. The stock of jobs within the transport industry was extrapolated to be around 3.6 crore in India.

12. Further, the total active labour force in India is estimated in various studies to be around 52 crore (estimation based on World Bank figures). As per the WB, agriculture creates around 43% of these jobs, thus bringing the workforce in industry and services to around 29.6 crore. Of this, we can quite conservatively estimate that 9.5 crore are in formal employment as per Table below, placing India as the 3rd largest formal employment generator in the world, after China and the US.
13. Table: Workforce by Major Sector (in crore)

Sector	2004-05	2009-10	2011-12	2016-17*
Agriculture & Allied	26.9	24.5	23.2	25.4
Industry	8.3	9.9	11.5	12.7
Services	10.7	11.6	12.7	13.9
Total Workforce	45.9	46.0	47.4	52.0

*Estimated based on World Bank data

14. 14. If we take jobs generated in the transport sector and through professionals, the number adds up to 4.7 crore. This means that the other uncovered sectors in

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the informal sector employ the balance of 14.3 crore, requiring periodic adjustments for unemployment through surveys.

Reforms

15. India has seriously lagged behind in the estimation of employment. The quarterly employment survey (QES) that was initiated post the financial crisis is marred by several limitations as they elicit response only from 8 sectors (against a universe of 190 sectors). Further, results are released with a 9 month lag, all information is provided on a voluntary basis and not verified and does not capture employment data on new units. Therefore, government appointed a task force on improving employment data under NITI Aayog.
16. The government has moved away from a survey based approach of employment growth in the country,

and opted for payroll data reporting based on actual data. India's efforts to devise appropriate policies for improving employment have for long been undermined by its inability to get a clear understanding of the ground reality about the number of jobs being created.

17. Ghosh & Ghosh (2018) estimated a benchmark for the total organized payroll in India, by looking at the administrative data of Employees Provident Fund Organization (EPFO), NPS (National Pension Scheme) and ESIC (Employees State Insurance Corporation).
18. The government has also started an initiative to report the progress made in formal employment using measurable data from administrative records.
19. The government published the monthly data first in April 2018, with a series of payroll data starting from Sep 2017.

Chapter 4: Taxation

Outcomes

1. Tax collection numbers in the first three years of tenure of the present government show a positive trend as summarized below:

#	Fiscal Year	Gross Revenue Collections (in crore)	Tax-GDP Ratio (%)
1	2014-15	12,45,037	10.6
2	2015-16	14,56,887	10.74
3	2016-17	17,10,000	11.26
4	2017-18	19,46,119	11.30
5	2018-19	22,71,242	11.60

2. Tax collections increased significantly from Rs 6.38 Lakh crore in 2013-14 to almost Rs 12 lakh crore this year (Feb 2019 Budget Speech).
3. The number of returns filed have also increased from 3.79 crore to 6.85 crore showing 80% growth in tax base. (Feb 2019 Budget Speech).
4. Individual taxpayers having taxable annual income up to Rs. 5 lakhs will get full tax rebate and therefore will not be required to pay any income tax. As a result, even persons having gross income up to Rs 6.50 lakhs may

not be required to pay any income tax if they make investments in provident funds, specified savings, insurance etc. This will provide tax benefit of Rs 18,500 crore to an estimated 3 crore middle class taxpayers comprising self-employed, small business, small traders, salary earners, pensioners and senior citizens. (Feb 2019 Budget Speech).

5. Exemptions from GST for small businesses has been doubled from Rs 20 lakh to Rs 40 lakh.
6. Small service providers with turnover upto Rs.50 lakhs can now opt for composition scheme and pay GST at 6% instead of 18%.
7. The average monthly tax collection in the current year is Rs 97,100 crore per month as compared to Rs 89,700 crore per month in the first year. The State revenues are improving with guaranteed 14% annual revenue increase for the first five years.

Reforms

8. Several steps towards linking Jan Dhan bank accounts, Aadhar and mobile number, popularly called as JAM trinity have been initiated. In order to promote the JAM trinity, the government incorporated several amendments and procedural changes in tax-related compliances, namely, mandatory linking of Aadhar with PAN for filing income tax returns (ITRs) and mandatory quoting of Aadhar while applying for PAN from 1 July

2017.

9. The Aaykar Setu, a taxpayer service module to provide better taxpayer services and minimize physical interface between taxpayers and the authorities, was launched in 19 July 2017.

Key Direct Tax Reforms:

- a. With regard to cases arising due to retrospective amendments, a high-level committee was constituted. Where income on account of retrospective amendments to the provisions relating to indirect transfer was considered prior to 1 April 2012, the assessing officer could not proceed without approval from the committee.

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- b. A significant decision in furtherance to its 'red carpet' policy was to take FIIs/FPIs not having a place of business/permanent establishment in India prior to 1 April 2015 out of the purview of minimum alternative tax (MAT) applicability on the recommendation of the Justice AP Shah Committee.
- c. Corporate tax rate was reduced to 25% from 30% for manufacturing companies whose turnover was less than Rs. 50 crore in the 2017 budget benefitting 96% of tax filing companies. The Finance Bill of 2018 has proposed to extend the benefit to companies with reported turnover up to Rs. 250 crore, thereby covering the entire class of micro, small and medium enterprises which account for almost 99 % of companies under the category.
- d. Deferment of General Anti Avoidance Rules (GAAR) by two years was done to reinstate confidence in the industry and create an investor-friendly environment. Consequently, investment transactions up to 31 March 2018 were not subjected to GAAR.

10. Disputes Resolution

- a. In order to deal with high pitched assessments, a legal committee was formed to deal with taxpayers grievances. Further, the Department of Revenue issued binding guidance for insisting upon a maximum of 20% tax demand up to the final stage of appeal.

- b. The Finance Act 2016 amended the law to prohibit the tax administration from appealing against the order of the Dispute Resolution Panel (DRP), thereby making the DRP order final.
- c. The Finance Act of 2015 inserted a new provision prescribing a procedure for appeals by the Revenue Department on identical questions of law before the Supreme Court.
- d. The Department of Revenue constituted a committee under Chairperson Rani Singh to review the process followed by jurisdictional commissioner for filing appeals with higher appellate forums such as high courts in situations where a substantial question of law had arisen, thereby thrusting greater accountability on the government as a litigant.

11. Indirect Tax & GST

- a. The GST has restructured the Indian indirect tax landscape as 17 existing indirect taxes and 23 cesses which were earlier levied by the centre and state governments got subsumed into one tax.
- b. One of the path-breaking features of the GST regime is the input tax credit (ITC) mechanism. It has benefited the industry by enabling the entire supply chain to be tax neutral.
- c. Another key feature of the GST regime is the introduction of e-way bills to ease road transportation of goods. An e-way bill is to be generated where

goods of value above Rs. 50,000 is transported.

- d. To reduce the burden on the common man, in its 23rd meeting, the GST Council reduced tax rates on 178 items of large-scale daily consumption from 28% to 18%. Several goods were shifted to the lowest tax slab of 5%. Further, in January 2019, the government notified reduction in GST on 23 goods and services.
- e. Government has now approved a path breaking, technology intensive project to transform the Income-tax Department into a more assessee friendly one. All returns will be processed in twenty-four hours and refunds issued simultaneously. (Feb 2019 Budget Speech).
- f. The GST Council, comprising the Centre and States/UTs, finalised the GST rates collectively mostly lower than pre-GST rates. Since then, GST has been continuously reduced providing relief of about Rs 80,000 crore annually to consumers. Most items of daily use of the poor and middle class are now in the 0% or 5% tax slab. Cinema goers who were subjected to multiple taxes up to 50% are mostly paying much lower tax at 12% now.

Chapter 5: Aadhar, Demonetisation & Digitization

Outcomes

1. Through Aadhar, India had a biometrically verifiable identity. 'Aadhaar seeding' is helping to significantly reduce the problem of fake and duplicate beneficiaries. It is also making the scale of exclusion in legitimate beneficiary identification more transparent.
2. During the post-demonetisation period (9 Nov 2016 – 31 Mar 2017), the government received Rs. 33 lakh additional income tax returns (ITRs) compared to the same corresponding period in the previous year.
3. At the time of demonetisation, the ecosystem was ripe for a transition to digital payments. The growing penetration of smart phones and feature phones made digital payments accessible to majority of Indians.
4. Innovators used the window provided by demonetization to launch new applications such as Bharat Interface for Money (BHIM), which made it easy for consumers to use digital payments.
5. As of Dec 2018, the number of Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts stands at 34 crore, of which more than 72 per cent are now linked to the account owner's Aadhaar number such that cash benefits

can now be directly transferred into bank accounts of legitimate beneficiaries. As the linkage between Aadhaar numbers and bank accounts becomes more complete, the problem of diversion of funds is becoming less acute. The success of PMJDY ensured that 98% of the households had access to at least one bank account when demonetisation was announced.

6. Direct benefit transfer (DBT) was introduced to improve delivery of public welfare services. As of Jan 2019, it covers 437 schemes across 55 ministries. The number of beneficiaries has increased sharply since 2014-15. There are 125.4 crore beneficiaries of DBT in 2018-19.
7. The GeM (Government e-Marketplace) has moved all government procurement to an online platform and in the process, Directorate General of Supplies and Disposals (DGS&D), with antecedents that go back to 1860, was wound up in 2017. As of Jan 2019, 7, 56,533 products and 4164 services are on offer on the GeM portal.
8. India has moved towards becoming a less-cash economy post demonetization.
9. India has made considerable progress in cashless transactions. Such transactions, in terms of value, after increasing by 27% from Rs. 1329 trillion in 2012-13 to Rs. 1682 trillion in 2014-15, jumped by 36% to Rs. 2282 trillion in 2016-17. The subsequent increase of 36% between 2014-15 and 2016-17 was 1.6 times higher than the corresponding increase in GDP of 22%.

10. Cash in circulation on Nov 8, 2016 was around 12 percent of GDP, while in Mar 2018 it was around 10.3 percent. That translates to a reduction in cash in circulation of Rs. 3 lakh crore.
11. The Reserve Bank of India (RBI) has reported in their annual accounts that Specified Bank Notes (SBNs) of estimated value of Rs 15.28 lakh crore have been deposited back as on 30.6.2017.
12. In the 2019 Interim Budget, Piyush Goyal stated the following:
 - a. The anti-black money measures taken by the government during the last four and half years in the form of Black Money Law, the Fugitive Criminal Offenders Act, and Demonetisation, have brought undisclosed income of about Rs 1,30,000 crore to tax, led to seizure and attachment of assets worth approximately Rs 50,000 crore, and compelled holders of large cash currency to disclose their source of earnings.
 - b. During this period, Benami assets worth Rs.6,900 crore and foreign assets worth Rs1,600 crore have been attached.
 - c. As many as 3,38,000 shell companies have been detected and de-registered, and their directors disqualified.
 - d. Growth of 18% in direct tax collection in 2017-18 and increase in tax base by as many as 1.06 crore

As of Dec 2018, the number of Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts stands at 34 crore, of which more than 72 per cent are now linked to the account owner's Aadhaar number such that cash benefits can now be directly transferred into bank accounts of legitimate beneficiaries. As the linkage between Aadhaar numbers and bank accounts becomes more complete, the problem of diversion of funds is becoming less acute. The success of PMJDY ensured that 98% of the households had access to at least one bank account when demonetisation was announced.

people filing income tax returns for the first time in FY 2017-18 is mainly on account of demonetization.

13. CPGRAMS (Centralized Public Grievance Redress and Monitoring System) is a portal under the Department of Administrative Reforms and Public Grievances (DARPG). It is worth taking a look at an analysis of grievances directed against twenty ministries/ departments and how it was addressed through digitization. Consider for example,
 - a. Petroleum and Natural Gas. Twenty-nine per cent of grievances were about malpractices and corruption in supply of LPG cylinders. The analysis resulted in a unified online portal for tracking, booking and delivery of refilled LPG cylinders and this was introduced in 2015. After this digitisation response, grievances about malpractices and corruption

- declined from 29 per cent to 13 per cent in 2016-17.
- b. For the Ministry of Housing and Urban Affairs, 26 per cent of grievances were about malpractices and corruption in awarding contracts. In 2016, this led to the introduction of an e-measurement book, using which, contractors/engineers could fill the book up real-time, along with geotagging. With this digitisation response, grievances under the malpractices and corruption head declined to 23 per cent.
 - c. For the Department of Defence (part of Ministry of Defence), 38 per cent of grievances were about corruption or inaction by defence officials and after digitisation, this declined to 20 per cent.
 - d. For the Department of Justice, 15 per cent of grievances were about alleged corruption in executing judgements and bribes asked for processing of cases. With digitisation and the e-courts project, this declined to 13 per cent.

Reforms

- 14. Modi government broke the deadlock on the legal status of the scheme by enactment of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 through Parliament as a money bill in 2016. This gave Aadhaar and the Unique Identification Development Authority of India (UIDAI), the custodian

of the Aadhaar database, vital legitimacy.

15. The Government of India decided to cancel the legal tender status of Rs 1000 and Rs 500 denomination currency notes on 8 November 2016 with several objectives: (i) flushing out black money, (ii) eliminate Fake Indian Currency Notes (FICN), (iii) to strike at the root of financing of terrorism and Left-wing extremism, (iv) to convert non-formal economy into a formal economy to expand tax base and employment and (v) to give a big boost to digitalisation of payments to make India a less-cash economy.
16. A significant portion of SBNs deposited could possibly be representing unexplained/black money. 'Operation Clean Money' was launched on 31 January 2017.
17. Even properly identified beneficiaries are not receiving benefits they are eligible for because some share of these is being siphoned off. This is where the Pradhan Mantri Jan Dhan Yojana (PMJDY)–Aadhaar–mobile phone number, or JAM trinity, comes into play.
18. The linkage between Banking, Aadhaar mobile telephony or what we call here the 'BAM triangle'. Aadhaar provides the critical authentication that makes it possible to connect the universe of banking with that of mobile telephony. The JAM trinity—that refers to the linkage between Jan Dhan accounts, Aadhaar and mobile phones—is a subset that sits within the fast expanding scope and power of the BAM triangle and its ecosystem.

19. RBI regulations that now permit banks to work with business correspondents (BCs) to deliver banking services to the last mile. Now BC agents such as petrol pumps and kirana stores connected to banks, and the payment settlement system using technologies developed by the 'presence-less' layer of the India Stack, are able to deliver basic banking services at very low cost to any customer that has access to the telecom network.
20. Guided by the vision of India Stack, the National Payments Corporation of India (NPCI) has played an important role of a catalyst, and the RBI as facilitator, in the development of Aadhaar-enabled payments solutions. BHIM, UPI and Bharat Bill Pay are part of India Stack's 'cashless layer' and were created by the Modi government as a public good. By design, they are interoperable platforms, which allow any random person to transact with any other person even if they do not belong to the same bank.
21. Electronic payments create a digital footprint for financial transactions that comprise valuable data on how money flows in and out of the accounts of individual customers. Recognising these patterns should allow banks to underwrite credit based on the payments history and cash flow records of their retail and small business customers, rather than on the basis of credit scores or collateral. This will open the prospect of delivering credit—in a risk mitigated manner—to the millions who are stuck in the informal economy.

Chapter 6: Banking Sector

Outcomes

1. By end of Dec 2018, the number of PMJDY (Pradhan Mantri Jan Dhan Yojana) accounts were 34 crore.
2. The total number of banking outlets in villages increased from 67,694 in March 2010 to 560,910 in September 2017. The corresponding increase in basic savings bank deposit accounts has been from 7.3 crore to 52.2 crore.
3. The insolvency law has changed the body language of both the bankers as well as the promoters of defaulting companies.
4. The banks in India now have no choice but to classify all large loans worth at least Rs. 2000 crore as non-performing assets (NPAs) immediately when they restructure it. Such an NPA should be resolved within 180 days failing which the account gets referred to the IBC court.
5. Banks must clean up all large loans in fifteen months or five quarters.
6. Government is infusing Rs. 2.11 trillion capital in phases into the PSBs which roughly have a 70 percent share of the assets of the Indian banking industry. In the past 31 years, between 1985-86 and 2016-17, the government had infused much less, some Rs. 1.5 trillion in state-owned banks.

The government promulgated an ordinance in 2017, amending the Banking Regulation Act, 1949, giving powers to the central bank to push the banks hard to deal with bad assets. It authorized the RBI to direct the banks to invoke the IBC against loan defaulters. The ordinance was necessary to demonstrate to the corporate world that the government was backing the move.

7. **New Payments Banks:** On 19 Aug 2015, the RBI granted in principle approval to eleven entities for setting up Payment Banks (PB). Licenses were issued to 7 PBs between April 2016 and April 2017. The first PB started operations in Nov 2016, with 4 more functioning by June 2017, and all 7 are expected to be operational soon
8. **Universal Banks:** On April 2, 2014, the RBI granted 'in principle' approval to 2 private sector financial entities to set up universal banks. A universal bank can do all the banking operations, such as deposit taking and credit operations without any but prudential limits across the country.

Reforms

9. In Feb 2014, the RBI had allowed a change in the management of stressed companies. The idea was to force the shareholders (not the lenders) to bear the first loss and the promoters to have more skin in the game.

10. The cleansing process started with the so called asset quality review, or AQR, in the second half of 2015 under which RBI inspectors checked the books of all banks and identified bad assets. Bankers were directed to come clean and provide for all bad assets by March 2017. And a 12 Feb 2018 midnight directive of the RBI could finally nail it.
11. In Aug 2015, Finance Minister Arun Jaitley announced the Indradhanush Plan, which promised to address issues such as high-level appointments, capitalization, stress in the system and accountability and governance in government-owned banks.
12. In May 2016, the Insolvency and Bankruptcy Code (IBC) 2016 was passed, promising to change the legal framework for insolvency resolution forever. It was notified in Nov 2016; within weeks, the first case of insolvency was admitted in the National Company Law Tribunal (NCLT).
13. The Unified Payments Interface (UPI), an instant real-time payment system developed by the National Payments Corporation of India (NPCI) for facilitating interbank transactions from 2016, can be used for instantly transferring funds between 2 banks on a mobile platform. The average ticket size of UPI is just around Rs. 1000 as against Rs. 8000 for IMPS and Rs. 3000 for credit cards, and this is likely to come down to double digits in the near future. Bharat Interface for Money or BHIM, a mobile app developed by NPCI and based on UPI was launched by PM Modi on 30 Dec 2016.
14. The government promulgated an ordinance in 2017,

amending the Banking Regulation Act, 1949, giving powers to the central bank to push the banks hard to deal with bad assets. It authorized the RBI to direct the banks to invoke the IBC against loan defaulters. The ordinance was necessary to demonstrate to the corporate world that the government was backing the move.

15. All existing frameworks for addressing stressed assets were withdrawn and the joint lenders' forum (JLF), an institutional mechanism that was overseeing them, was dismantled.
16. Resolution platforms such as Corporate Debt Restructuring (CDR), strategic debt restructuring (SDR) and the scheme for sustainable structuring of stressed assets (S4A), among others, left the job of cleaning up bad loans to the banks. Now the RBI, backed by the government, has stepped in.
17. RBI forced banks to push 39 bad accounts into IBC in two phases in 2017, which collectively had around 40 percent shares in the industry's bad assets.
18. The present government is keen that banking reforms and recapitalization must go hand in hand.
19. The government has set a goal of 'Enhanced Access and Service Excellence' (EASE) for the PSBs and the six pillars to achieve this: customer responsiveness, responsible banking, credit offtake, deepening financial inclusion, digitalization and developing personnel.

Chapter 7: Insolvency and Bankruptcy Code (IBC)

Outcomes

1. India was ranked 138 on ‘Resolving Insolvency’ in 2010, while in 2018 its rank on the same parameter climbed up to the 103 spot.
2. The total value of claims in the ten resolution plans sanctioned by the NCLT is approximately Rs. 5524 crore, total value of liquidation value is Rs. 1430 crore and total realization expected is Rs. 1854 crore (average percentage of recovery equals 34% and median recovery equals 41%.)
3. Prior to the IBC, the average life of cases recommended for restructuring took between 4 to 8 years and those recommended for winding up even longer. The current law allows a maximum 270 days for resolution — an initial 180 days and 90 days of extra time.
4. The IBC introduced a shift from the ‘debtor in possession’ regime to a ‘creditor in control’ regime, making it a creditor friendly legislation.
5. In less than 6 months of the enactment of the IBC, the subordinate legislation was finalized and the corporate insolvency part of the law made majorly operational before the end of the year 2016. All this happened in less

than 2 years.

6. By the end of Nov 2017, 2434 cases have been filed under the IBC and 2304 cases of winding up of companies transferred from various high courts. By the end of Feb 2018, 575 applications under the Code were admitted by the NCLT, out of which financial creditors filed 180, operational creditors 302, and 92 were filed by companies.
7. 1324 professionals have been registered as insolvency professionals and 72 as insolvency professional's entities with the IBBI till Feb 2018. The cases files till Dec involve approximately Rs. 1.28 lakh crore as default amount. The steel sector accounts for 45% of the total default amount.
8. The IBC has the potential of competing with some of the best insolvency systems in other jurisdictions on the strength of its unique characteristics. Its success can propel India as an attractive choice of jurisdiction for resolving insolvency.

Reforms

9. The Bankruptcy Law Reform Committee was set up in Aug 2014, which submitted its final report in Nov 2015. The Indian Parliament enacted the IBC in May 2016.
10. The National Company Law Tribunal (NCLT) was designated as the adjudicating authority to provide an oversight of insolvency cases. The role of court was significantly reduced.

11. A new regulator - The Insolvency and Bankruptcy Board of India (IBBI) was established to regulate the insolvency professionals and the insolvency resolution/liquidation process. Strict timelines were introduced for resolution and liquidation processes, shorter even than what is provided under the English law.
12. Eleven benches (one principal bench in New Delhi and regional benches in New Delhi, Ahmedabad, Allahabad, Bengaluru, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata and Mumbai) of NCLT were set up and designated as adjudicating authority under the IBC. The IBBI was established in October 2016 and, within days three insolvency professional agencies were registered by the IBBI.
13. National e-governance Services Limited was licensed as the first information utility by the IBBI.
14. The government amended the Banking Regulation Act, 1949 by way of an ordinance, to enable the RBI to direct the banks to push the 12 largest NPAs (constituting nearly 25% of the total NPAs in their books) into the

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NCLT and line up other sizeable accounts for filing. This was necessary as aggregate stressed assets in the banking system comprising NPAs as restricted loans had reached an alarming level of 14-15% of the total advances in Mar 2017.

15. To compliment the IBC, the RBI repealed all earlier out-of-court restructuring schemes (CDR, JLF, SDR, S4A, Flexible Restructuring, etc.) and provided for a new framework for resolving insolvency through an informal framework which requires credit rating agencies to be involved more in credit evaluation; in the event of default during a specified period, refer the account to the IBC; and implement resolution plan within 180 days (accounts with aggregate exposure equal to or more than Rs. 20 billion), or else refer to the IBC within 15 days. The RBI also revised guidelines for prudential norms.
16. The first set of amendments to the IBC was made in less than a year from its implementation. The government introduced provisions to prevent the defaulting promoters from getting back control of stressed assets. Nowhere in the world does such a restriction exist.
17. The IBBI adopted an open door policy so that it remains accessible to market players. Experience under the IBC and new developments were analyzed on a nearly daily basis.

Chapter 8: Fiscal Policy

Outcomes

1. India's current account deficit (CAD), which had widened to an unsustainable 5 per cent of gross domestic product (GDP) in 2012-13, has narrowed dramatically in subsequent years. Inflation, which averaged almost 10 per cent in 2012, has been secularly declining since then, and has averaged just 4 per cent over the last twenty-four months.
2. The dramatic improvement in India's macroeconomic fundamentals over the last five years has meant that India quickly transitioned from being dubbed a member of the 'Fragile Five' Club in 2013 to being viewed as a 'safe haven' within the emerging market universe in subsequent years.
3. GST: value of the GST emanates from creating a common market for most goods and services across India. This is expected to result in significant allocative efficiency and productivity gains down the line as transportation times are reduced and costs come down, utilisation levels rise, and the next wave of investment is not influenced by exploiting tax arbitrage across different states but is instead driven by broader economic and efficiency considerations.
4. With taxes rationalised across states, different states

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will now need to compete on attracting the marginal rupee of investment—not by lowering taxes under their domain (ie, a race to the bottom) but by making themselves more attractive investment destinations (ie, a race to the top).

5. The Centre committed to bringing down its debt (currently at 48 per cent of GDP) to 40 per cent, as part of the FRBM Committee's recommendation of anchoring consolidated public debt (Centre plus states) to 60 per cent of GDP.
6. The Centre has walked the talk on fiscal federalism. Net tax revenues to states have increased by an estimated 0.4 per cent of GDP, even after adjusting for the reduction in expenditure underwriting done by the Centre.

Reforms

7. The RBI Act was amended in 2016 to move to a flexible inflation targeting regime, and a six-member monetary policy committee (MPC) — including three external members—was constituted to execute monetary policy decisions.
8. RBI's ability to direct accounts into bankruptcy, and the government's large recapitalisation package, a coherent framework has been established to resolve stressed assets and recapitalise public sector banks.

Chapter 9: Ease of Doing Business

Outcomes

1. The Ease of Doing Business report for 2018 released by the World Bank, saw India making the highest ever jump of 30 points in the history of the index (from 130 in 2017 report to 100 in 2018). In 2019, India again jumped 23 points to rank at the 77th position.
2. There has been a spurt in the inflow of foreign direct investment (FDI) in the country. India has become one of the most favoured FDI destinations, registering a compound annual growth rate of 11 per cent since 2014 and is expected to rise to 2.5 per cent of the GDP in the next five years.
3. India's distance-to-frontier ratio, which tells how similar a country's economic practices are to global best practices, has improved in nine out of ten categories. India has emerged as one of the top five improvers.
4. Delays and cost of transaction has been reduced by introduction of GST building of multimodal logistics park, better infrastructure, e-payment system, etc.
5. In its latest LPI (Logistics Performance Index) report of the World Bank, India moved from the 54th rank in 2014 to 44th rank in 2018, out of a total of 160 countries.

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6. A recent upgradation in rating on India's sovereign bonds from Baa3 to Baa2 for the first time in fourteen years is a testimony to the government's economic and institutional reforms.

Reforms

7. By 2017, the government had already implemented 122 reforms and is now about to initiate additionally around ninety ease-of-doing-business reforms.
8. In the coming years, GST will bring down the cost of compliance for business houses. A unified tax system has simplified tax procedures which will also boost trading across the state borders by reducing logistics, time and cost.
9. Passage of the Insolvency and Bankruptcy Code 2016. The Code provides for a 180-day time-bound process to resolve insolvency. There are eleven benches of the National Company Law Tribunal (NCLT), 977 insolvency professionals, three IPAs and two IPEs in

operation all over the country. Time taken to liquidate a business will fall down significantly under the new insolvency policy.

10. For easier contract enforcement, the Arbitration and Conciliation Act has been amended to reduce the time taken in arbitration proceedings and grounds on which an award may be challenged.
11. The Real Estate (Regulation and Development) Act, 2016 enacted in 2017 has enhanced transparency in the real estate market by making it mandatory for the commercial and residential real estate projects where the land is more than 500 square metres, or eight apartments, to register with the real estate regulatory authority before launching. This will increase consumer demand in the long run by boosting the confidence of buyers.
12. The MUDRA Yojana for micro enterprises is a government scheme that empowers these units by creating an ecosystem of economic growth.
13. National Judicial Grid Data has been introduced by the Government of India to monitor court cases.
14. The Arbitration and Conciliation Act has been amended to reduce the time taken in arbitration proceedings and grounds on which an award may be challenged. Commercial courts are to be established very soon at district levels as well to reduce the time and cost of resolving commercial disputes and create a business-

friendly environment.

15. Registration with Employees' Provident Fund Organisation (EPFO) and the Employees' State Insurance Corporation (ESIC) has been made real-time by eliminating all physical touch points.
16. The requirement of opening a bank account has been removed as a mandatory condition for registration with ESIC and EPFO.
17. The government has merged the application procedure for getting a permanent account number (PAN) and the tax account number (TAN) for new businesses.
18. Rationalisation of know your customer (KYC) forms and simplification of foreign portfolio investment (FPI) norms has been done by SEBI.
19. Online single window system has been implemented in many cities to obtain building permits.
20. For faster and hassle-free clearance of goods at ports, the Central Board of Indirect Taxes and Customs (CBIC) has implemented the single window interface for facilitating trade (SWIFT). A state-of-the-art risk management system (RMS) has integrated six partner government agencies—Food Safety and Standards Authority of India (FSSAI), Animal Quarantine Inspection Service (AQIS), Plant Quarantine Inspection Service (PQIS), Drug Controller and Wildlife Crime Control Bureau. Integrating the remaining partner government agencies

(PGAs) is also under progress.

21. 24X7 online clearance facility has been made available at most of the major ports and airports. There is an ongoing discussion on developing an application programmatic interface (API) for bulk upload of documents on a customs paperless processing application called e-SANCHIT.
22. Department of Industrial Policy and Promotion (DIPP) under the Ministry of Commerce and Industry partnered with the World Bank Group to release a comprehensive 'Business Reform Action Plan' (first launched in 2015) every year for states and union territories (UTs). The objective is to percolate the lessons from doing business projects pan India. Real-time tracking and monitoring of the implemented reforms is also done by the DIPP.
23. Institutions such as the NITI Aayog have rightfully identified the role of states and advocated a competitive and cooperative federalism as a right mix for the successful implementation of reforms.

Chapter 10: Real Estate

Outcomes

1. The real estate sector is now becoming more formal, standardised and moving to a bullish state. In a recent survey by Quikr Homes among 300 builders across seven key cities, revival is being sensed. Nearly 82 per cent builders surveyed gave positive feedback to the transparency and boost in the FDI being brought about by the RERA.
2. As per the Economic Survey of 2018, there has been a total FDI of USD 257 million in the first half of 2017 in the real estate sector, which is more than double the total FDI for the entire 2016.
3. The Central Board of Direct Taxes (CBDT) has set up twenty-four 'benami prohibition units (BPUs)' to crack the whip on unaccounted transactions. According to an official release, the Income-tax Directorates of Investigation have identified more than 400 benami transactions up to 23 May 2017.
4. The Income Tax (IT) Department officials claimed that 'immovable properties have been attached in forty cases, with a total value of more than Rs 530 crore in Kolkata, Mumbai, Delhi, Gujarat, Rajasthan and Madhya Pradesh'. Not only this, the IT Department has also been working towards matching the tax profiles of all property

registrations of above Rs 30 lakh under the provisions of the Benami Act.

5. In a submission before the Rajya Sabha, the Finance Ministry declared that the IT Department has provisionally attached benami properties of over Rs 39 billion in more than 1,200 cases. It has also identified more than 1,600 benami transactions up to end-February 2018, out of which show cause notices for provisional attachment of benami properties were issued in over 1,500 cases.
6. In the Feb 2019 interim budget speech, Piyush Goyal said that Benami assets worth Rs. 6900 crore have been attached.
7. The RERA has given the Indian real estate industry its first regulator.
8. Typically, promoters insert punitive clauses against homebuyers for defaults without similar checks on the promoter. Now, with the model rent agreement prescription under the RERA, more balanced agreements would be possible.
9. Another provision aimed to benefit buyers is the five-year warranty against structural flaws needed to be provided by builders. As per the law, buyers no longer can be charged on the built-up or super built-up area. They are to be charged only on the carpet area.
10. Cap on the maximum amount that buyers can pay building firms— to 10 per cent of the overall cost for

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the possession of their property. Previously, developers were free to demand huge payments without having built anything.

11. With the RERA coming into effect, another cushion for the consumers is the official authority to address their grievances and complaints associated with real estate investments. To ensure that violation of the law is not taken lightly, stiff monetary penalty (up to 10 per cent of the project cost) and imprisonment have been prescribed against violators.
12. Insurers did not cover land transactions because of unreliable title and even courts did not trust government records as conclusive. But the RERA makes it compulsory for the developer to get title and construction insurance for all projects. The benefit of insurance is to be passed to the buyer at the time of sale.
13. The Economic Survey, 2018 estimates that with the enactment of the RERA, accountability would lead to higher growth across the real estate value chain, while compulsory disclosures and registrations would ensure transparency.

Reforms

14. GOI has initiated schemes for 'Housing for All' and 'Smart Cities' to set up policy goals. Two critical laws have been passed: The Real Estate (Regulation and Development) Act, 2016 (RERA) for regulation of real estate transactions and the Prohibition of Benami Property Transactions Act, 1988 (Benami Act), along with rules for its implementation.
15. Benami Transactions (Prohibition) Amendment Act, 2016 came into force on 1 November 2016. In its twenty-eighth report titled 'The Benami Transactions Prohibition (Amendment) Bill, 2015', did a detailed study of this law.
16. Passed in 2016, The Real Estate (Regulation and Development) (RERA) seeks to bring over 80,000 registered builders in India under its purview to ensure that there is a level-playing field between both stakeholders. It sets out to regulate the realty sector by making builders more accountable in terms of pricing, timely completion of projects and quality of end products.
17. A mandatory requirement for every real estate project (where the total area to be developed exceeds 500 sq m or more than eight apartments are proposed to be developed in any phase), to register with its respective state authority. While applying for registration, promoters are required to provide detailed information

on the project, for example, land status, details of the promoter, approvals, schedule of completion, etc. Only when registration is completed and other approvals (construction related) are in place, can the project be marketed. Now, pre-sales or sale of housing units without first securing all the required approvals has been strictly prohibited.

18. Developers must maintain a reserve account. RERA requires building developers to deposit a minimum of 70 per cent of all funds paid for the completion of a specific building project into a state-supervised bank account, which developers can only use to cover the unique costs of that building project—they cannot be diverted elsewhere.
19. Promoters would have to make submission of original approved plans for ongoing projects by builders, along with periodic submissions to the regulator regarding the progress of the project as well as information on fund utilisation. These submissions are to be uploaded on the RERA regulator's website in order to enable homebuyers to monitor the progress of the project.
20. Promoters are also required to make a positive warranty on their title and interest on the land, which can be used later against them by the homebuyers, should any title defect be discovered. Additionally, they are required to obtain insurance against the title and construction of the projects, proceeds of which shall go to the allottee upon execution of the agreement of sale. All details of all

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registered projects, builders' track records, litigation and other important details are to be put up on a website for public access.

21. Developers or promoters cannot alter the approved plan of an apartment without written consent of a minimum two-third of the allottees of the residential projects. Further, if the developer fails to meet the timeline stated on the website, then they are obliged to pay interest to the homebuyers.
22. RERA makes it mandatory for every state and union territory to have online registrations.

Chapter 11: Sagarmala & Blue Economy

Outcomes

- Under the Sagarmala Plan, 415 projects, at an estimated investment of approximately Rs. 8 lakh crore have been identified, for a phase-wise implementation over the period 2015 to 2035.

#	Project Theme	No. of Projects	Project Cost (Rs. Cr)
1	Port Modernisation	189	142,828
2	Connectivity Enhancement	170	230,576
3	Port-Linked Industrialization	33	420,881
4	Coastal Community Development	23	4216
	Total	415	798,500

- Rise in Cargo Movement and Expansion of Ro Ro Services
Sagarmala Sees the Completion of 89 Projects Even as it Surges Ahead with Over 400 More Number of Seafarers in India Sees an Unprecedented Growth of 42.3%
- Six new port locations have been identified: Vadhavan, Enayam, Sagar Island, Paradip Outer Harbour, Sirkazhi

and Belekeri.

4. The Indian National Foreign Investment Policy supports a 100 percent foreign direct investment (FDI) by automatic route in shipping,
5. The implementation of the Jal Marg Vikas Project for augmenting the navigation capacity of NW-1 from Haldia to Varanasi, development of Ro-Ro (roll-on/roll-off) facilities and construction of floating terminals in Muktyala to Vijayawada stretch of NW-4 and commencement of work on eight new NWs, are some of the new areas of action.
6. The Ghogha-Dahej Phase 1 was inaugurated by the PM in Oct 2017. It is a ferry service between Ghogha in Bhavnagar district and Dahej in Bharuch in the Gulf of Cambay. The ferry service would reduce the distance between the two towns from 310 km by road to 30 km.
7. A consignment of 2.3 lakh tonnes was sent by Rashtriya Ispat Nigam Limited (RINL) for coastal shipping in November 2017, which was started from Vizag port and was destined for Kochi, Mumbai and Ahmedabad. An overall cost saving of around Rs. 40,000 crore per annum is estimated from this project by 2025.
8. With the objective of creating new infrastructure and promoting movement of coastal cargo and passengers by sea and national waterways so far 31 projects with financial assistance of Rs 586 crore have been sanctioned.
9. Cochin Shipyard Limited, (CSL) a Miniratna PSU, under

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Ministry of Shipping, has set up an international ship repair facility at Cochin Port at a cost of Rs. 970 crore.

10. 351. Prime Minister's idea of skill development in this sector may come true with the setting up of proposed Centre of Excellence in Maritime and Ship Building at Vishakapatnam. The centre would have a capacity to train 10,500 persons at one point. The government has already contributed Rs. 100 crore as one-time payment. Estimated cost of CEMS is Rs. 766 crore; out of which 87 percent grant is being provided by Siemens Industry Software India Private Limited, which is also providing technology and expertise for the centre. Similarly, a centre is also coming up at the Jawaharlal Nehru Port Trust, Navi Mumbai, for skill upgradation. It is in collaboration with the APEC (Antwerp/Flanders Port Training Centre), Belgium.
11. According to the National Perspective Plan of Sagarmala programme, the cost of transportation of goods by road is Rs. 2-3 per tonne km and by rail it is Rs. 1.2-

1.5 per tonne km. As against these two modes, the cost of transportation by coastal shipping is Rs. 0.2-0.3 per tonne km.

Reforms

12. The government may consider an unconditional relaxation of cabotage along the Indian coast, even if it is for a truncated period of five years.
13. The notification of 2 September 2015 of the Ministry of Shipping, regarding relaxing of cabotage on specific types of sea vessels such as the Ro-Ro vessels (roll-on and toll-off) was widely welcomed.
14. The National Perspective Plan (NPP) which was released on 14 April 2016 by the Prime Minister, for comprehensive development of India's coastline and maritime sector, has been finalized.
15. India and Bangladesh have signed a standard operating procedure (SOP) for operationalizing the agreement on coastal shipping between the two countries on 15 Nov

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2015 in New Delhi.

16. In order to support domestic ship building sector, a new policy in December 2015 was cleared – Ship building Financial Assistance Policy for Indian shipyards. The policy focused on the time frame of 2016-17 to 2025-26 with a budget of Rs. 4000 crore.
17. After 2025, it would be mandatory to go for an Indian-build vessel. As the new policy envisages, reduction of GST on bunker fuels used in Indian Flag Vessels from 18 percent to 5 percent; 40 percent discount would be on cargo-related and vessel-related charges for coastal ships carrying coastal cargo. There are also new provisions introduced for discount on vessel-related charges and cargo-related charges for Ro-Ro vessels for coastal transportation of the vehicle.
18. Automobile industry is being encouraged to opt for coastal shipping with several incentives, including relaxation of cabotage for Ro-Ro ships, increasing discount for Ro-Ro vessel from 40 percent to 80 percent for two years.

Chapter 12: Transforming Urban India

Outcomes

1. The Modi government has an ongoing commitment of Rs. 12, 37,329 crore in its urban missions and schemes. The new mantra was articulated as Sabka Saath Sabka Vikas. A key focus of this promise was to provide Ease of Living to Indian citizens.
2. 1.53 Crore houses have been built under Pradhan Mantri Awas Yojana, between 2014-18.
3. Under Swachh Bharat Mission, 4124 cities have been declared open defecation free, and over 60 percent of municipal wards have 100 percent door-to-door solid waste collection.
4. 100 cities have been selected under the Smart Cities Mission, in which Rs. 2, 03,979 crore worth of investment has been committed. 98 smart cities have already incorporated SPVs (Special Purpose Vehicles) and the mission has released funds worth Rs. 10,459.2 crores as of Mar 2018.
5. 1.53 Crore houses have been constructed under Pradhan Mantri Awas Yojana. (Dec 2018)
6. Total Cost of Missions/Schemes/Projects of the Ministry of Housing and Urban Affairs and Funds Released (Rs in crore)

Making of New India : 5 Transforming Years Under Modi Government

Name of the Mission/Project	Total Cost	Central Government Share	Central Assistance Released
Atal Mission for Rejuvenation and Urban Transformation (AMRUT)	1,00,000	50,000	8765
Smart Cities Mission (SCM)	2,04,000	48,000	9939
Swachh Bharat Mission (SBM)	62,009	14,600	6290
Pradhan Mantri Awas Yojana (Urban) (PMAY-U)	7,00,000	1,80,000	13,560
Deendayal Antyodaya Yojana – National Urban Livelihoods Mission (DAY – NULM)	-	1517	1517
Heritage City Development and Augmentation Yojana (HRIDAY)	-	500	281
Metro Rail Projects	1,71,320	1,13,768	47,749
Total	12,37,329	4,08,385	88,101

Reforms

7. The Modi government has made a definite departure from the silos, duplication and wastage that marked the implementation of the government programmes in the past. Thus, the first principle that is being reinforced in all schemes is the convergence of funding from the MoHUA with funding from other schemes being implemented in the same location, as well as dovetailing of social sector schemes spanning the health, energy and environment sectors into the urban missions. Further, the MoHUA is working in partnership with the state governments in all schemes, except for the small pilot scheme HRIDAY.
8. 'Housing for All' Mission (Pradhan Mantri Awas Yojana or PMAY) empowers every Indian to own their own house by 2022, with the title for the property registered in the name of the lady of the house, or co-jointly, providing gender empowerment a major fillip. Over 12 million houses have to be constructed and provided to beneficiaries, and this is being done through a variety of strategies, from the 'credit-linked subsidy scheme', which provides interest subvention for home loans for units purchased from the private sector, to 'affordable housing in partnership', whereby the developer can use a fixed subsidy amount per beneficiary to build the housing units. 'In-situ slum rehabilitation' permits the developer to monetize the land freed up by creating multi-storied housing blocks for the local residents. The 'beneficiary

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9. The government has also recognized that the urban migrant requires flexible housing options because

he wants to retain mobility and the option to shift to another city as per livelihood choices. Thus, the MoHUA is devising a new rental housing policy to address the needs of young and aspirational Indians.

10. Smart Cities Mission will create ‘lighthouse’ cities which are like innovation labs for the urban sector and will create the proof-of-concept models and best practices that other cities around the country will learn from. The scheme envisages the upgrading of specific areas within the city, selected through base-lining of needs, such that the success in one area can be scaled up to other areas in future. The proposal contains integrated plans, where all the departments of the city together prepare an integrated vision and propose holistic solutions that converge all the plans and investments that would otherwise be executed by different agencies and departments in the area.
11. The smart cities are also expected to establish Special Purpose Vehicles (SPVs) registered under the Companies Act 2013, which are mandated to implement and manage the life cycle of the projects.
12. The MoHUA has created City Liveability Standards and an index that will measure each smart city’s performance on 79 indicators and in 15 distinct dimensions.
13. The Swachh Bharat Mission was launched by the Prime Minister on 2 October 2014, with the audacious goal of creating a clean and open defecation free India, and providing Indians with 100 percent solid waste management, by 2 October 2019. The entire scheme is

designed to involve every urban resident in the campaign through concepts such as the Swachhagraha. By creating awareness and involving every individual, the SBM has rightly become a jan andolan – a people’s movement. Swachh Bharat Mission (SBM) aims to provide sanitary living conditions to all 4041 statutory cities and towns.

14. Atal Mission for Rejuvenation and Urban Transformation (AMRUT) aims to provide water supply, sewerage, storm-water drainage and footpaths and cycle tracks for all 500 Class-1 towns.
15. Heritage Rejuvenation and Infrastructure Development and Augmentation Yojana (HRIDAY) improves public facilities for tourism in twelve cities.

Chapter 13: Roads

Outcomes

1. From 0.4 million km in 1951 to over 5.6 million km in 2017, India's road network is now amongst the largest globally, second only to the US. The road density of approximately 1.7 km per square km of land also compares favorably with global peers.
2. The pace of project awards and construction are increasing and the project completion rate has reached 27 km per day.
3. Ejaz Ghani (2016) reviewed the impact of the Golden Quadrilateral on the manufacturing (formal sector) and found that it stimulated significant growth in the districts along the highway network (0-10 km zone), even after excluding the four major cities that form the nodal points of the quadrangle. Long-differenced estimations suggest output levels in these districts grew by 49 percent over the decade after the construction began.
4. A recent study focused on economic development as a result of investment in rural roads (PMGSY) indicates a significant shift of rural labour (working on farms and those working as manual labour outside farms) to external employment. It was estimated that new roads caused a 10 percent shift in agricultural workers and an

India is on the move, from Khardung La to Kanyakumari and from Kutch to Kibithu. Bharatmala, the new highway development programme offers an opportunity to scale up ambition and enable faster development.

8 percentage points in non-agricultural labour.

5. It was found that a new road caused a 7 percent increase in middle school enrolment over the following two years and a significant improvement in educational performance.
6. ILO study in 2015 also documented similar improvements. The study concluded that improved access to roads reduced travel time by as much as 60-70 percent for the students travelling outside the habitation to reach the nearest higher secondary school. Finally, the study also found a significant positive correlation between female enrolment in colleges (doubled) and better connectivity provided by the roads.
7. Shilpa Agarwal (2017) witnessed a 40 percent increase in employment and 25 percent increase in the labour force participation rate of prime-aged women in rural areas. Positive impacts were observed on accessibility to preventive and curative healthcare facilities; better management of infectious diseases, and attending to emergencies and increase in frequency of visits by health workers. Road connectivity enabled families to opt for

institutional deliveries in hospitals outside the village.

8. India is on the move, from Khardung La to Kanyakumari and from Kutch to Kibithu. Bharatmala, the new highway development programme offers an opportunity to scale up ambition and enable faster development.

Reforms

9. Introduction of a new arbitration framework that requires arbitral matters to be resolved within twelve months with a maximum extension of another six months.
10. Mandating the NHAI to infuse 'one-time' funds in stuck projects and enable speedy resolution of outstanding issues.
11. Making electronic toll collection (ETC) mandatory, removing the land required for peripheral services (like toilets and gas stations) from the right of way (RoW) or the approved alignment and specifying the 'waive-able' and 'non-waive-able' obligations for termination of a project.

Along with the foregoing changes in policy, allocations for the national highways and rural roads grew from USD 6.6 billion in FY 14 to USD 18.7 billion in FY 2018-19.

12. By way of declared policy, the government has stated that only projects with environmental and social clearances

and having secured 80 percent RoW would be offered for bid.

13. Along with the foregoing changes in policy, allocations for the national highways and rural roads grew from USD 6.6 billion in FY 14 to USD 18.7 billion in FY 2018-19.
14. Bharatmala was approved by the government in Oct 2017 at an estimated outlay of Rs. 7 trillion over of period of five years. The outlay appears consistent with the NTDPC estimate, and the central government funding will be to the tune of Rs. 3.8 trillion.

Chapter 14: Power Sector

Outcomes

1. A research by the WB estimated that in 2014, almost 25 percent of the entire population of India did not have access to electricity. In April 2018, the government achieved 100% electrification for all the villages well before the deadline.
2. Official Data showed that as on 10 October 2017, about 18.55 crore households (HHs) out of a total of 22.44 crore HHs in the country had access to electricity and the balance 3.89 crore did not. As on 10 May 2018, around 56 lakh HHs got access to electricity indicating that 15 percent of the target has already been achieved.
3. Before 2014, most DISCOMs owned by State governments were saddled with massive losses and unsustainable debt levels (estimated to be around Rs. 4 lakh crore around that time). Data from the UDAY portal indicates that as of now (information as on 10 May 2018): (i) About 87 percent of the overall debt of DISCOMS totaling more than Rs. 2.32 lakh crore has been restructured; (ii) AT&C losses have dropped to 21.4 percent (average of states/UTs for which data is available); (iii) ACS-ARR gap dropped to Rs. 0.27/unit (from Rs. 0.60/unit in 2015-16) and (iv) Twenty-five states/UTs approved revision of tariff levels. Although

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the scheme is still unfolding, it has been quite successful in creating a solid foundation for a clean and efficient distribution sector in the country.

4. India is now able to meet almost all of its power needs. Even during peak hours, the country is now able to supply all its peak power demand.

Reforms

5. Shortly after assuming office, the government announced its intent to provide 24x7 reliable power for all in a time bound manner (By Mar 2019). Subsequently, a whole slew of reforms to shake up and overhaul the power sector were initiated. These measures pretty much covered the entire spectrum of sectoral challenges: de-bottlenecking fuel supply constraints (measures like SHAKTI, doubling coal production, etc).

6. The government launched a flagship initiative – the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) in December 2014. Besides other things, the DDUGJY targeted electrifying all non-electrified census villages and habitations (population of above 100).
7. The Ujwal DISCOM Assurance Yojana (UDAY) was launched in Nov 2015. The overall goal was to bring down AT&C losses to 15 per cent (for all states / UTs) and eliminate the difference between ACS and ARR.
8. To ensure universal access to power, the Prime Minister launched another flagship initiative, Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA). SAUBHAGYA kicked off on 11 October 2017 with a target to provide electricity to all households, both rural and urban, by 31 March 2019 (unverified reports suggest that the deadline is being pushed to December 2018 instead).
9. The Rural Electrification Corporation (REC) was made the nodal agency for implementing both the DDUGJY and SAUBHAGYA.

Chapter 15: Namami Gange

Outcomes

1. 254 projects worth Rs. 24,672 crore have been sanctioned under this program.
2. 131 projects sanctioned for 3076 MLD new sewage treatment plants (STPs).
3. Till date, completion of at least 26 projects, which also include rehabilitation of old and non-operational infrastructure, has brought online a treatment capacity of 328 MLD and a sewerage network of around 2,000 km.
4. On 16 December 2018, Prime Minister Modi inaugurated 175 km of sewerage network in Prayagraj, which accounts for one-fourth of UP's pollution load in the Ganga. At least 44 other sewage infrastructure projects are at advanced stages of completion to create new capacity of around 855 MLD. In comparison, only 1,098 MLD sewage treatment capacity was created under Ganga Action Plan in nearly three decades.
5. 10,83,688 household toilets constructed and all 4465 villages made ODF along the river. Results of this effort are visible at some of the most polluted stretches of the Ganga. In 2014, level of faecal coliform at Bithoor in Kanpur, according to a CPCB report titled 'Microbial Characterisation of Ganga', was 3,500 per 100 ml against

the maximum permissible limit of 2,500 per 100 ml. In 2017, data collected at the left bank, mid-stream and right bank at Bithoor's showed the level of faecal coliform was 49 per 100 ml, 49 per 100 ml and >1600 per 100 ml, respectively. Similar improvement was seen Rajghat in Kannauj, Dalmau in Raebareli and other places.

6. The sewage from the 128-year-old Sisamau drain in Kanpur had always been dumped into the river Ganga through Bhairo Ghat, discharging nearly 140 MLD of untreated water into the Ganga river. However, the infamous Sisamau drain has now been diverted. Around 8 crore litres of sewage had been successfully routed.
7. Under short term activities, certain entry-level activities

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which cover development of ghats and crematoria, river surface cleaning activities, etc have been planned.

8. Under medium term activities, existing sewage treatment plants and effluent treatment plants will be upgraded and new sewage treatment plants (STPs) and effluent treatment plants (ETPs) will be established.
9. The long-term action plan involves restoration of wholesomeness of the river Ganga and maintaining the ecological and geological integrity of the river. Under Namani Gange, a new mechanism of public-private partnership Hybrid Annuity Model has been devised in which provision has been kept for the long-term (10-15 years) operation and maintenance of the assets.
10. As many as 1109 GPIs have been identified on the main stem of the Ganga and its tributaries. Out of 1109 GPIs inspected, 538 were found to be non-complying and out of which 358 have been issued closure directions and 180 have been issued show cause notices.
11. At least 30 projects have been sanctioned for tributaries of the Ganga in Uttarakhand, Uttar Pradesh, Bihar, Jharkhand, West Bengal, Haryana, Delhi and Himachal Pradesh to create treatment capacity of 1353 MLD and laying of 436 km sewerage network. This approach, the Centre says, has already started to show results. It claims that manual and real-time monitoring at 124 locations shows that water quality trend has improved in Ramganga and its tributaries before its confluence with Ganga.

12. The CPCB's report in its Biological Water Quality Assessment of the River Ganga for 2017-18, notes that "Biological water quality of tributary Ramganga d/s of Moradabad improved from Heavy (2014-16) to Moderate Pollution in the following year (2017-18)," CPCB's report claims. "Biological water quality of River Varuna was found to be improved from Severe to Moderate pollution after monsoon (2017-18)," it adds.
13. Recently, Union Water Resources Minister Nitin Gadkari recently said that 70 to 80 per cent of the Ganga will be cleaned by the end of March 2019.

Reforms

14. The Modi government on 7 October 2016 constituted under Environment (Protection) Act 1986, three-tier authorities at central, state and district levels to clean Ganga.
15. The government announced the Integrated Ganga Conservation Mission called Namami Gange. He rechristened the erstwhile Water Resources Ministry as the Ministry of Water Resources, River Development & Ganga Rejuvenation (MoWR, RD&GR) and assigned it additional responsibilities of conservation, development, management and abatement of pollution in river Ganga and its tributaries.
16. Namai Gange is the largest ever government funded river cleaning programme. Launched in May 2015 with a total outlay of Rs. 20,000 crore, it covers short term, medium

term and long term activities. A three tier institutional framework comprising the National Ganga Council, state Ganga Committees and district Ganga committees have been established.

17. Apart from involving States and grassroots level institutions such as Urban Local Bodies and Panchayati Raj, and having a three-tier project monitoring mechanism (at Center, State and District level), the government has adopted a Hybrid Annuity based Public Private Partnership model for projects under Namami Gange. Under this model, up to 40 per cent of the capital investment will be made by the government through construction-linked milestones. This would ensure timely completion of projects.
18. The government has also adopted the One-City-One-Operator concept under which a single operator is made responsible for the entire sewage infrastructure of a city to ensure single point accountability and limit the possibility of incoordination.
19. Namami Gange, however, lays special emphasis on aviralta or continuous flow to keep the riverine ecosystem alive. The Centre has, in a notification issued in October this year, mandated the minimum quantity of water that various stretches of the holy river must necessarily have all through the year.
20. Under the new norms, hydropower projects located along the river will have to modify their operations to ensure they are in compliance. This change is unlikely to have any impact on power generation and, therefore, tariff.

Chapter 16: Swachh Bharat Mission (SBM)

Outcomes

1. India's total sanitation coverage that stood at an abysmal 38.7 percent in Oct 2014 now stands at 98 percent, an increase by about 59 percent.
2. 9,20,54,540 household toilets have been built in rural India and 59,28,977 toilets have been built in urban India since 2 October 2014 (as on Jan 2019)
3. Over 5.5 lakh villages, 3461 cities, 601 districts and 28 states have been freed from the scourge of open defecation. (as on Jan 2019)
4. As many as 4464 villages have been freed from open defecation under the river Ganga cleaning scheme of Namani Gange.
5. Surveys conducted by credible agencies like the Quality Council of India (QCI) as well as the World Bank's Independent Verification Agents (IVA), have found that nine in ten (90 percent) rural households having access to toilet are actually using it. The results are similar for urban areas. Similarly, the recent Swachhata Status Report of the National Sample Survey Office (NSSO) puts usage among toilet owners at upwards of 90 percent.

6. There are many schools that do not have separate toilets for girls. The PM gave a clarion call to provide toilets to all schools and ensured that about 4.5 lakh such toilets were built within a year.
7. UNICEF implemented an independent survey on a sample of 18,376 respondents representing 10,068 rural households, randomly selected from 550 gram panchayats across 12 states, accounting for 90% open defecation in India. The results indicate that broadly, households in ODF villages accrued cumulative benefits of Rs. 50,000 per year and total benefits exceeded costs by 4.7 times for households, on an average. The benefits are identified under 4 broad heads as follows:
 - a. Medical costs averted which results in financial savings. This is from less spending on medical treatment due to reduction in illness episodes, amounting to an average of Rs. 8024 per household per year.
 - b. Value of time savings, through reduced time lost from sickness and seeking a place for open defecation, amount to an average of Rs. 24, 646 per household per year.
 - c. Value of saved lives, in terms of economic value of saved lives due to lower mortality rates amounting to an average of Rs. 17,622 per household per year.
 - d. Property value, estimated as the average increase in property value from having a latrine made by

household occupants amounting to Rs. 18,991 per household. (This is taken as a one-off cash benefit that is assumed to accrue at the end of a 10-year period).

8. Another study confirmed that the prevalence of diarrhoea in a month preceding the survey reduced 7 percentage points in a sample of close to 2500 children.

Over 5.5 lakh villages, 3461 cities, 601 districts and 28 states have been freed from the scourge of open defecation. (as on Jan 2019)

Reforms

9. What differentiates the SBM from earlier sanitation programmes like the Nirmal Bharat Abhiyaan is its clear emphasis on not only construction of toilets but also on ensuring behavioral change in usage of toilets. The policy shift necessitated formation of ODF monitoring committees, nigrani samitis, at the village level, reflecting the community ownership of the programme.
10. The behavioral change campaign is novel in the sense that it puts the onus on each citizen of the country to make Swachhata as our new Swabhav.

Chapter 17: Health Sector

Outcomes

1. Between the National Family Health Survey (NFHS)-2 study conducted between 1998-99 and NFHS-4 in 2015-16, proportion of underweight children (for the age group of 0-3 years) has gone down from 47 percent to 38.3 percent, i.e from nearly one in two children to one in three. In the same period, the proportion of children stunted due to inadequate nutrient intake has declined by 7.5 percent i.e from 45.5 percent to 38 percent.
2. Stunting has been reduced by 10 percent points and severe wasting increased from 1 % to 7.5 % in 2015-16.
3. India has achieved substantial improvement in the early initiation of breastfeeding rate, from 23.4 percent in NFHS-3 to 41.6 percent in NFHS-4.
4. The infant mortality rate (IMR) for instance reduced from 57 per 1000 live births in 2005-06 (NFHS-3) to 41 per 1000 live births in 2015-16 (NFHS-4).
5. Mission Indradhanush launched in 2014 sought to improve the immunization coverage of children and women from 65% in 2013 to 90% by 2020. The programme ran between April 2015 and July 2017, vaccinating around 25.5 million children and 6.9 million pregnant women. This contributed to an increase of

6.7% in full immunisation coverage (7.9% in rural areas and 3.1% in urban areas) after the first two phases, as against a 1% coverage in 2013-14.

6. To enhance the coverage of children and pregnant women who are fully immunized to 90% by Dec 2018, Intensified Mission Indradhanush was launched on 8 October 2017. Till December 2017, after two rounds of Intensified Mission Indradhanush, 30 lakh children and 6.5 lakh pregnant women had been immunized.
7. Under Ayushman Bharat, 1.5 lakh Sub Centres (SCs) will be upgraded to become Health and Wellness Centres (HWCs) in a phased manner between 2018 and 2022. The proposed HWCs will provide a comprehensive package of diagnostic, curative, rehabilitative and palliative services for communicable diseases as well as NCDs. Further, diagnostics and drugs will be provided free of cost which will have a direct impact on controlling OOPes. So far, 6193 HWCs are operational as of Jan 2019.
8. National Health Protection Mission (under Ayushman Bharat), aims to provide 10 crore of the poorest and most vulnerable families in the country an annual cover of Rs. 5 lakh per annum for hospitalization related expenses.
9. The drugs available at the Jan Aushadi Kendras allow a cost saving of 50-90 percent over the branded ones available in the market. Until Mar 2014, there were only 8 Jan Aushadhi stores in the country. This number has increased manifold under Pradhan Mantri Bharatiya

Janaushadhi Pariyojana (PMBJP) as 4844 kendras have been opened in 33 states and UTs (as on Jan 2019).

10. Under the PMBJP scheme more than 700 medicines and 154 surgicals and consumables are offered at a much lower rate, covering all major therapeutic groups such as analgesic, antipyretic, anti-allergic, anti-infective, anti-diabetic, cardiovascular, gastrointestinal medicines, diuretics, etc.
11. Special stores with the name AMRIT (Affordable Medicines and Reliable Implants for Treatment) have been opened in select hospitals, which eliminate middlemen and provide drugs for cancer and cardiovascular diseases along with cardiac implants at 60 to 90 percent discount on prevailing market rates. AMRIT stores have benefitted 60.49 lakh patients and enabled a total saving of Rs. 311.99 crore for the buyers till 15.3.2018.
12. Till Nov 2017, the government had fixed the ceiling prices of 849 drugs. Further, the prices of drug releasing stents which are used for treating blocked arteries have been lowered from Rs. 30, 180 to Rs. 27,890. This is a

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significant step as India has over 6 crore patients of whom approximately 5 lakh undergo the stent procedure.

13. Central and State government medical colleges are being upgraded to add 10,000 undergraduate and 8058 postgraduate seats by 2020-21. Efforts are underway for producing the requisite number of skilled nursing professionals through the setting up of 112 auxiliary nursing and midwifery schools and 136 general nursing midwifery schools in underserved districts of the country by 2019-20.
14. Digital India initiative is being used to improve delivery of healthcare services in the country. Several e-health initiatives have been introduced such as e-Rakt Kosh, Mobile Academy, M-Cessation, National e-Health Authority, National Health Portal, Kilkari and ANMOL (ANM Online).

Reforms

15. With the launch of National Nutrition Mission (NNM) in December 2017, the Modi government successfully adopted a threefold approach to tackle undernutrition. The flagship scheme is crafted to adopt a multisectoral all – encompassing approach to mitigate stunting and wasting in young children and anemia in young women and adolescent girls. In addition to NNM, the government launched the Swachh Bharat Abhiyan, envisioning a clean and open defecation free India. It has ambitious targets for 2022 of about 15 percent reduction

in underweight children below 5 years as well as 36 percent reduction in prevalence of anemia in women and girls aged between 16-49 years.

16. POSHAN Abhiyaan launched in March 2018 has re-energised the battle against malnourishment by clearly articulating a time-bound action plan of reducing stunting, under-nutrition, anemia and low birth weight by at least 2%, 2%, 3% and 2% per annum, respectively. It provides for technology enabled real time growth monitoring for every mother and child to ensure delivery of an identified package of critical interventions in the first 1000 days of the infant's life.
17. Pradhan Mantri Matru Vandana Yojana and National breastfeeding Promotion Programme have been initiated to promote breastfeeding.
18. Conditional cash transfers to mothers, spread of breastfeeding practices, adoption of sanitation and provision of fortified foodgrains has been on this government's agenda.
19. After a long 14 year hiatus, the new National Health Policy (NHP) 2017 was introduced by the NDA government. The policy provides a framework to increase public health expenditure to 2.5% of GDP, with more than 2/3rds of those resources committed to enhancing primary healthcare, particularly to the rescue of the underprivileged. It is not limited to care for only major non-communicable diseases & geriatric healthcare, but also mental health, palliative care and rehabilitative

care services. It ensures quality of healthcare and development of mid-level service providers, nurse practitioners, public health cadre to improve availability of appropriate health human resource.

20. Ayushman Bharat seeks to comprehensively strengthen the health system, right from primary level to tertiary care thereby signaling a marked shift in focus from the implementation of vertical health programs.
 - e. Its first dimension is focused on building the next generation primary healthcare system through a network of health and wellness centres (HWCs) to promote good health as well as to detect diseases early.
 - f. The program's second dimension which is the National Health Protection Mission (NHPM) will enable increased access to inpatient healthcare for the poor and lower middle class in secondary and tertiary facilities.
21. The government's National Medical Commission Bill (NMC) 2017 aims to rectify major weaknesses in the governance of medical education in the country.
22. For incorporating traditional medicine, the government launched the National AYUSH Mission in 2014. The mission aims to universalize access to cost effective AYUSH services, including co-location and public healthcare infrastructure and generation of credible evidence for establishing the effectiveness of AYUSH.In

2017, the PM launched the first ever All India Institute of Ayurveda along the lines of All India Institute of Medical Sciences (AIIMS), New Delhi, for creating synergies between the traditional system of Ayurveda and modern technologies.

23. The battle against TB has been intensified through the launch of a new National Strategic Plan in 2017. The renewed commitment at the highest political levels in the government is to eradicate TB from India by 2025. The thrice weekly treatment regimen has been changed to daily fixed-dose drug regimen and a sum of Rs. 600 crore was allocated for providing nutritional support to TB patients in the union budget of 2018-19. Recently, the Union Health Ministry took a landmark decision of making non-reporting of TB patients by health providers a punishable offense.
24. The government has also taken steps for eliminating neglected tropical disease like Kala Azar and lymphatic filariasis (LF). The government is targeting 256 endemic districts with a total population of 600 million for mass drug administration.
25. The NMC Bill 2017 seeks to address the persistent rot in the system, including the inability of the Medical Council of India (MCI) to maintain uniform standards of medical education, create a curriculum relevant to the Indian context and improve the abysmal doctor-population ratio. Another important objective of the bill is to enhance the supply of health professionals

by appropriately training nurses and practitioners of community medicine as mid-level providers who can lead the proposed HWCs.

26. Recognizing the critical role played by medical devices in ensuring a well-functioning health system, the MoHFW notified the Medical Devices Rules 2017. Previously, only 15 categories of devices had been subject to regulation, that too under the umbrella of drugs. The process of applying for a manufacturing license has also been streamlined through an online electronic platform.
27. In a first of its kind effort by the central government, the Performance in Health Outcomes Index was released in February 2018. The index, developed by NITI Aayog in collaboration with MoHFW and the World Bank, captures the overall health status of states as well as annual progress in processes, governance and outcomes. In the first edition of the index, Kerala, Punjab and Tamil Nadu emerged as the top performers among the larger states whereas Jharkhand, Uttar Pradesh and J&K showed the maximum improvement in 2015-16 compared to 2014-15 by reducing neonatal mortality and under 5 mortality rates as well as increasing immunization coverage and institutional deliveries. The 14th Finance Commission has increased the share of tax deduction to states from 32% to 42% of the divisible pool. The MoHFW has earmarked 20 percent of the funds under the NHM to performance on the Health Outcomes index.

28. An amendment of the Indian Medical Council Regulations, 2002, has notified that ‘every physician should prescribe drugs with generic names legibly and preferably in capital letters and he/she shall ensure that there is a rational prescription and use of drugs.’
29. The impetus on generic drugs has enabled dual benefits of reducing out of pocket health expenditure as well as providing boost to the domestic generic drug industry.
30. Some of the interventions announced in Feb 2018 pertaining to Medical Education are:
 - a. Setting up New Medical Colleges: Continuation of ongoing scheme to establish 58 new medical colleges attached with existing district/referral hospitals already approved under phase-I by 2019-20, and selection & establishment of 24 new medical colleges attached with existing district/referral hospitals under Phase – II by 2021-22.
 - b. Increase of Medical Seats: Continuation of centrally sponsored scheme for upgradation of existing state government/central government medical colleges resulting in increase of 10,000 undergraduate seats and 8058 postgraduate seats by 2020-21.
 - c. Nursing Scheme: Continuation and completion of scheme for setting up of 112 auxiliary nursing and midwifery (ANM) schools and 136 general nursing midwifery (GNM)schools by 2019-20 in under-served districts of the country.

Chapter 18: Higher Education

Outcomes

1. A special Prime Minister's Research Fellowship scheme for 1000 graduates with a CGPA of 8 and above on a 10-point scale from IITs, NITs, IISERs has been instituted. These meritorious students will stand to receive Rs. 70,000 to Rs. 80,000 per month as fellowship grant.
2. Under GIAN scheme, more than 1800 courses have been approved and about 1000 foreign faculty has visited different institutes and universities in India to conduct relevant courses. These courses have been recorded and some of them are being taken forward as Massive Open Online Courses (MOOCs).
3. A National MOOCs portal Study Webs of Active-Learning for Young Aspiring Minds (SWAYAM) has been created that has more than 1600 courses from the best faculty in India in engineering, science, mathematics, humanities and social sciences, economics, management, arts and recreation and languages. These are available free of cost to any interested learner. There are as many as 39 lakh users registered on this platform. The goal is to have 10,000 courses and 30 million users in about 3 years.
4. These courses are also available on 32 direct-to-home Swayam Prabha channels. The UGC and AICTE have brought regulations permitting upto 20% credits earned

through MOOCs so that students get an opportunity to study a subject of his/her choice from the best faculty in the country.

5. Last year, 40,000 students participated in the Smart India Hackathon and 26 hackathon centres were chosen to solve 598 problem statements. This year, more than a lakh students have shown interest and there will be a week long hardware hackathon in addition to 36 hour long software hackathon. 26 Ministries and 18 State Governments will be participating and have given a total of 340 problem statements for the software hackathon and 68 problems for the hardware hackathon. Thus, Indian hackathon is fast developing into one of the largest open innovation models in the world.

Reforms

6. The major thrust for reforms has been on giving greater autonomy to existing well performing educational institutions, making accreditation mandatory, supporting good governance while regulating underperforming institutes, starting new centrally funded, IITs, NITs, IISER, IIIT and Central Universities for creating institutes of national importance, and support for innovation and research.
7. The other initiatives include supporting skill development, creating jobs through start-up ecosystem in universities and educational institutes, etc.

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8. Accreditation: Since there are a large number of institutes without accreditation, there has been a two-pronged approach to the capacity building of experts so that visits can be conducted within specific time periods and institutes can be trained to follow the outcome based system. All institutes have been asked to display the accreditation status on the institute portal.
9. Autonomy: a regulation for graded autonomy is in place, wherein category-1 universities with more than 3.51 CGPA on a scale of 4 get maximum autonomy, those with 3.26 CGPA and above get substantial autonomy and only those who have less than 3.26 CGPA shall be regulated. AICTE is also coming up with graded autonomy for standalone management institutes. Regulators are toying with the idea of giving autonomy to all accredited institutes.
10. A catalytic scheme called Impacting Research, Innovation and Technology (IMPRINT) has been started by the Ministry of HRD (MHRD). Many innovative research areas are being addressed under this scheme.
11. A scheme – Global Initiative of Academic Networks

(GIAN) – has been formulated by the MHRD to attract the best of faculty from all over the world to Indian universities and institutes and conduct state-of-the-art courses of one-to-two week duration.

12. The AICTE and MHRD have embarked upon a national level Smart India Hackthon. Problem statements from different government departments and ministries are collated and given as a challenge to students, who in turn submit their ideas for solving these problems. The winning teams are then given funding to convert these ideas into robust solutions that can be adopted by the government departments later on.
13. The AICTE has created its own student start up policy to encourage students to initiate start-ups while still in college. The aim is to facilitate students to contribute towards creating employment opportunities for others as well. The policy was launched by former President of India Pranab Mukherjee on 16 November 2016 during the Visitors Conference.
14. All the government departments like MHRD, AICTE, DST (Department of Science and Technology), SDE (Skill development and entrepreneurship), MSME (micro, small and medium enterprises), NITI Aayog, DBT (Department of Biotechnology), DIPP (Department of Industrial Policy and Promotion), NRDC (National Research Development Corporation) and NPIU (National Project Implementation Unit) are coming together to create India-International Innovation and Startup Forum (I3SF) to engage with all

the stakeholders. MOUs with South Korea and Canada have been signed to provide incubator support for Indian start-ups in their countries.

15. **Skill Development:** Skills that are required in the new technology domain in the immediate future like IoT (Internet of Things), machine learning, AI (Artificial Intelligence), Robotics, Data analytics and cloud computing are being imparted as part of curriculum and through industry internships and projects in the undergraduate and post graduate programmes, for regular students, while technical skills such as plumbing, construction, welding, electronic repairs, computer skills, agriculture related skills, health related skills and energy related skills, etc. are being imparted to school drop-outs under PMKVY by using space capacity of workshops and laboratories of the technical institutes.
16. The AICTE has initiated several other schemes for improving quality of technical education and providing enriching experience to students in colleges
 - a. **Curriculum revision:** AICTE constituted committees of experts from IITs and industry to revise the curricula of all programmes. The number of credits for completing the undergraduate degree in engineering has been reduced to 160 credits, but emphasis has been laid on learning the latest courses, learning to learn, experiential learning, project based learning, and internship, etc. The curriculum has mandatory courses on the Constitution of India, environment studies and

science & technology in ancient and modern India.

- b. Student Induction Programme: Students joining the course are put through a 3 week long induction in the first year will have to go through physical exercise, sports, yoga and discuss and debate on various topics of current interest. An attempt to sensitize the student population on national and social issues are being done to create value-based ethical citizens.
- c. Faculty Induction Programme: A one semester long, 8 module programme has been devised for incumbent teachers. The modules include new methods of pedagogy, MOOCs, flipped classes, blended learning, learning styles, curriculum design, interaction in classes, assignment and question paper design and evaluation methods, etc.
- d. Faculty Development Programme: The faculty requires retraining in emerging areas from time to time. Industry internship shall be mandatory for promotions under the Career Advancement Scheme.
- e. Mandatory internship for students: At least a 4-6 week summer internship during two summer vacations or one full semester internship shall be mandatory for all students. This is to ensure that students will be fully geared up for industry requirements.
- f. Industry Institute Interaction Cell: Every college has been mandated to have an Industry Institute Interaction Cell, whereby faculty and students can

constantly engage with industry for appropriate curriculum revision, have adjunct faculty from industry, arrange special lectures and carry out industry relevant projects.

- g. Innovation laboratory/workshop: Every institute should reserve an exclusive space for providing opportunity to the students to translate their innovative ideas into prototypes and products. This space should be accessible 24x7 for any student of the college.
- h. Entrepreneurship Club and Incubator: Institutes are encouraged to apply to DST and NITI Aayog to build an incubator and accelerator.
- i. The AICTE has mandated all colleges to adopt at least 5 villages each under Unnat Bharat Abhiyaan. The scheme is also linked to Sansad Adarsh Gram Yojana so that villages adopted by the MPs and MLAs and the colleges can work together for better coordination and faster development of these villages.
- j. The AICTE has instituted special scholarships for single girl child students and for Divyang students.
- k. The AICTE has instituted 150 full time National Doctoral Fellowships per year
- l. The AICTE has signed several MOUs with private and public enterprises for providing support to student community in internships, mentoring start-ups, providing employment opportunities and developing research and innovation capabilities.

Chapter 19: Agriculture & Farmer's Income

Outcomes

1. The interim Feb 2019 budget announced Rs. 6000 annual amount to be transferred directly to the accounts of 12 crore farmers having less than 2 hectares of land.
2. Pradhan Mantri Fasal Bima Yojana covered 14,24,00,000 beneficiaries until December 2018.
3. Following NITI Aayog's Model Agricultural Land Leasing Act, several states including Uttarakhand, U.P, M.P and Maharashtra have amended their tenancy laws.
4. To ensure significant increase in the farmer's income, the MSP has been fixed at least 50% higher than cost $A_2 + FL$ (imputed value of farmers' own family labour). MSP may not be restricted to 1.5 times the cost. It can be higher than that but will not be allowed to be lower. Raising A_2+FL by 50% implies the time spent by the farmer and his family in the crop production will be valued at a 50% higher rate than the wage rate paid to hired labour.
5. As many as 25 crops including wheat, maize, pulses, oilseeds, potatoes, onions and spices have been included for trading on the e-NAM platform.

6. The direct benefits of e-NAM include:
 - a. Improvement in competitiveness and efficiency in agri-markets
 - b. Elimination of trader's cartels and price manipulations by local trading groups
 - c. Lower price spread between producers and consumers as well as surplus and deficit states
7. The Small Farmers Agri-Business Consortium (SFAC) has promoted 739 FPOs (farmer producer organizations) and other agencies have promoted 339 FPOs in the country

Reforms

8. To provide an assured income support to the small and marginal farmers, our Government is launching a historic programme namely "Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)". Under this programme, vulnerable landholding farmer families, having cultivable land upto 2 hectares, will be provided direct income support at the rate of Rs. 6,000 per year. This income support will be transferred directly into the bank accounts of beneficiary farmers, in three equal instalments of Rs 2,000 each.
9. Pradhan Mantri Fasal Bima Yojana was introduced in with the following objectives:
 - a. To provide insurance coverage and financial support

to the farmers in the event of failure of any of the notified crop as a result of natural calamities, pests & diseases.

- b. To stabilise the income of farmers to ensure their continuance in farming.
 - c. To encourage farmers to adopt innovative and modern agricultural practices.
 - d. To ensure flow of credit to the agriculture sector.
10. NITI Aayog's Model Agricultural Land Leasing Act clearly lays down that on the expiry of the lease period, the land shall automatically revert to the landowner, without involvement of revenue or any other government department. The lease shall not be recorded in RoR (record of right), as leasing of land shall not create any protected tenancy or permanent occupancy right, irrespective of any duration of lease. But the lessee cultivator's right is not heritable, though renewable with mutual consent.
11. NITI Aayog's Model Agricultural Land Leasing Act covers not only crop farming, but also other allied agricultural activities such as dairy, animal husbandry, poultry, agro-forestry, agro-processing, etc. If land leasing is made legal, tenant farmers, engaged in agriculture and allied activities can also access institutional credit, insurance, disaster relief and other support services, using written lease agreement, with attestation by any responsible officer, including Panchayat Pradhan, block

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development officer or bank officer, etc. In schedule areas, only schedule tribes shall be eligible to lease in agricultural land.

12. The Ministry of Agriculture, GOI, has prepared a new Model Act named as Agricultural Produce and Livestock Marketing (APLM) Act 2017 and urged states and UTs to adopt the same.
13. e-NAM (Electronic Trading Platform For National Agricultural Market) launched by the PM ON 14 April 2016 aims to transform marketing infrastructure and bring transparency, competition and integration in agricultural markets across the country. The ,
14. The central government is providing the software to the states along with Rs. 75 lakh per mandi for setting

up the hardware and related equipment/infrastructure. As many as 25 crops including wheat, maize, pulses, oilseeds, potatoes, onions and spices have been included for trading on the platform. e-NAM is similar to ReMS electronic platform and online auction.

292. Integration with the e-platforms requires the States/UTs to undertake three reforms, namely:

- d. A single license to be valid across the State
- e. Single-point levy of market fee
- f. Provision for electronic auction as a mode for price discovery

15. To encourage farmers to join hands in various farm activities, farmers' producers organizations are recognized under the Companies Act as farmer's producers companies (FPC). This year's budget has extended some exemption on the income earned by FPCs. SFAC (Small Farmers Agri Business Consortium) and NABARD are entrusted with the task of formation of FPCs in the country.
16. The budget for the year 2018-19 has made two significant announcements for ensuring remunerative prices for farmers. These include keeping the MSP at least 50% higher than the cost of production, including family labour and ensuring implementation of the MSP.

Chapter 20: Make In India

Outcomes

1. The GDP growth rate for 2018-19 has been projected at 7 – 7.5%, an upward movement from the 2013-14 level of 6.6%. The Index for Industrial Production for 2013-14 was -0.1% and grew to 4.3% in 2017-18. FDI numbers are looking better too with USD 37.36 billion recorded in Apr-Dec 2017.
2. The positive sentiment among foreign investors is marked by the PwC CEO survey released at Davos in Jan 2018. Over 57% of the 130 CEOs surveyed were positive about growth in 2018. The survey also boosted India's rank as an investment destination among the top 5 in the world. US, China and Germany were the top three. France and India were in position 4 and 5, respectively. India rose a few notches to edge out Japan from the top 5 slot.
3. India ranks 3rd globally in the number of accelerators and incubators with 20% of these emerging from Tier 2 and 3 cities. In 2017, USD 13.7 billion was invested in Indian start-up ecosystem. For the moment, the general ease of launching and closing companies as well as access to easy credits will continue to drive the optimism among start-ups.
4. As of December 2018, 14,000 startups have been

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recognized.

5. 80 incubation centers including Atal Incubation Centers and Established Incubation Centers selected for funding by NITI Aayog.
6. Loans sanctioned under the Pradhan Mantri Mudra Yojana during the Financial Year 2018-19 are 2,81,08,814 with total amount sanctioned worth Rs.1,48,503.57 Crore, with total amount disbursed Rs.1,42,009.91 Crore.
7. 'Job creation has jumped three times between Mar 2016 and Dec 2017. Total 6.8 crore (68 million) jobs created till Dec 2017', says the Skoch report.
8. A study 'Towards a Payroll Reporting in India, 15 Jan 2018': The report has assessed payroll data to say that jobs are being created at a healthy pace. The study says, 'Based on all estimates, payroll of 5.9 lakh (i.e seven million annual) generated every month in India in current fiscal.'

9. India tops the list of countries with maximum joint ventures in the aerospace and defence sectors. 'From a count based perspective, during the last 10 years, 31.7% of all A&D (aerospace and defence) JVs in India took place in the military aerospace segment, followed by 28.6% in commercial aerospace.

Reforms

10. Start-ups: the requirement for prior turn over and experience has been relaxed for start-ups. Moreover, there is an exemption from requirement of earnest money deposit in tenders. There is a rebate of 80% on filing patent fees and 50% for trademark fees.

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11. MUDRA is an NBFC supporting development of micro enterprise sector in the country. MUDRA provides refinance support to banks/micro finance institutions for lending to micro units having loan requirement of upto Rs. 10 lakh. It provides refinance to micro businesses under the scheme of Pradhan Mantri Mudra Yojana. Launched in April 2015, MUDRA offers 3 categories of loans:
 - a. Shishu: upto Rs. 50,000

- b. Kishor: Rs. 50,000 to Rs. 5,00,000/-
 - c. Tarun: Rs. 5 lakh to Rs. 10 lakh
12. The government has rolled out a Rs. 1300 crore plan for upgrading the skills of producers. A Rs. 7418 crore outlay for the sector announced in budget 2018 includes technology and fiscal support.
13. The decision to allow 100% FDI in defence was cheered by industry and security experts. As per the FDI policy, foreign investment beyond 49 percent and upto 100 percent is permitted through government approval, wherever it is likely to result in access to modern technology or for other reasons to be recorded,' according to the government statement.

Chapter 21: Pradhan Mantri Ujjwala Yojana

Outcomes

1. Under the Pradhan Mantri Ujjwala Yojana (PMUY), 6.29 crore connections have been given, covering 715 districts (as of Jan 2019)
2. By Mar 2018, reaching nearly 1.1 crore households gave up their LPG subsidy under the Give It Up campaign. A conservative estimate is that some Rs. 2500 crore is being transferred annually to the government by the middle class to enhance LPG coverage among the poor. This might be seen as a major internal 'aid programme', from the better off to the poor, something akin to an internal 'foreign aid'.
3. The mean refill rate of PMUY households that have had

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their connection for at least a year seems to be about 4 cylinders.

Reforms

4. First came the PAHAL scheme in April 2015. With the expansion of Aadhar cards which are now generally linked to subsidized connections, it is increasingly difficult for anyone to pretend to be someone else. The advantage of subsidized LPG was restricted, mostly to individual households that were the intended beneficiaries of the programme.

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5. Second, in 2015, came the Give It Up (GIU) campaign. While the current middle class was helped to move to LPG by the subsidy 20 years ago, the roughly Rs.2000 per year of public money today was no longer needed to keep them there. Instead of taking away the LPG subsidy, the GIU campaign asked people to voluntarily give them up with the proviso that the subsidy would be transferred to a poor household. A brilliant use of digital India allows a donor to look up on the OMC websites the name of the poor person who received the benefit of the subsidized connection he/she gave up.
6. In May 2016, the Pradhan Mantri Ujjwala Yojana (PMUY)

campaign was initiated to bring a total of 50 million new connections to BPL households by 2019. Apparently, some 5000 distributors has been hired to provide the needed capacity to serve all new customers.

7. Everyone is now required to verify that their household income is less than Rs. 10 lakh for the previous year in order to qualify for receiving any LPG subsidy at all.
8. The national LPG program has this year introduced a fourth major initiative called the LPG panchayat. It aims to conduct village level meetings in 1 lakh villages around the country in 14 months to attempt to bring at least 100 women together each time to learn more about LPG, its health and other advantages and how to safely use it, etc. It would be led by NGOs familiar with the local conditions.

Chapter 22: Applaudable Strike on Obsolete Laws

Outcomes

- Of the 2,781 Central Acts existing as on 15 October 2014, the Ramanujam Committee identified 777 Acts for complete or partial repeal, 624 Central Appropriation Acts for full repeal, 83 Central Acts on state subjects that have to be repealed by state legislature and 257 Central Appropriation Acts in respect of states to be repealed by state legislature. This adds up to 1,741 Acts where 340 need to be repealed by state legislature. Table: Repealing Laws

S. No	Name of the Act	Act No.	Number of Laws Repealed (Complete and Partial)	Oldest of the Laws Repealed	Newest of the Laws Repealed
1.	Repealing and Amending Act, 2015	No. 17 of 2015	35	1897	2013
2.	Repealing and Amending (Second) Act, 2015	No. 19 of 2015	90	1999	2013

3.	Appropriation Acts (Repeal) Act, 2016	No. 22 of 2016	756	1950	2012
4.	Repealing and Amending Act, 2016	No. 23 of 2016	294	1863	2013
5.	Repealing and Amending Act, 2017	No. 2 of 2018	105	1850	2009
6.	Repealing and Amending (Second) Act, 2017	No. 4 of 2018	131	1850	2012
	Total		1411 laws		

2. From 1834 to 15 October 2014, that is, in a span of 180 years, 3,831 laws had been repealed. But after 15 October 2014 till the time of writing this, which is in less than four years, 1,411 laws had been junked. This is part of ‘minimum government and maximum governance.’

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Chapter 23: Defence and National Security

Outcomes

1. Following the Uri attack, the Indian Armed forces undertook a cross-border LOC operation described officially as 'surgical strike' to destroy terrorists' launch pads. The entire Indian public opinion supported the government action.
2. Indian Army and China's People's Liberation Army (PLA) came face-to-face in a tense stand-off in the disputed region of Doklam in Bhutan in June 2017. The trigger was the issue of road construction by China near the disputed tri-junction. India's response was immediate and firm. The government sent troops into Bhutan to halt the road-building, demanding restoration of status quo ante. With the withdrawal of Indian troops and cessation of the Chinese road construction in the area, it was a diplomatic triumph of the Modi government. The seventy-three-day face-off between India and China at Doklam that ended on 28 August 2017 marked the second recent watershed in India- China relations.
3. There was a marked decline in the intensity of insurgencies in North East and Left-wing extremist areas.

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4. The Modi government fulfilled a 40-year- old promise of granting One Rank One Pension to retired soldiers and already disbursed Rs.35,000 crore. The previous Governments announced it in three budgets but sanctioned a mere Rs 500 crore in 2014-15 Interim Budget.
5. In the Interim Budget of Feb 2019, Rs.3,00,000 crore was allocated to defence, the highest ever.
6. Over 250 'non-core' items earlier manufactured and supplied by the Ordnance Factory Board (OFB) and defence public sector units (DPSUs) have been taken

away and given to private sector.

7. In 2017-18, for the first time since the Kargil conflict in 1999, the Indian Army's ammunition stock, inventory of spares and maintenance of existing critical equipment is up to date.
8. In late 2016, the Army signed nineteen major contracts worth Rs 11,000 crore to replenish about ten different types of ammunition. The Indian Air Force and Indian Navy too bought ammunition and spares worth over Rs 10,000 crore to make up for years of neglect and indecision. Over seventy-five contracts to buy and stock crucial spares for different equipment worth over Rs 15,000 crore (to be spent over the next four years) have been signed by the Army in 2017-18.
9. These two measures alone have ensured that ammunition stock is up to date and almost 95 per cent of crucial equipment and platforms like Type A vehicles (armoured personnel carriers, army air defence platforms), all guns, UAVs and LORROS—long- range reconnaissance and observation system—and even general vehicles are on

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road, that is, they are serviced and ready for use whenever required. Earlier, at least 40 per cent of these platforms used to be 'off-road (that is they were unserviceable)'.

10. A decision to establish two MRO (maintenance, repair and overhaul) hubs for the Army's fleet of advance light helicopters (ALH) at Mamun (in north India) and Missamari (Assam) has ensured that at least 65 to 70 per cent of the fleet is now available to fly anytime against just about 30 to 35 per cent before 2015 because the helicopters had to be sent to Bengaluru or the maintenance staff had to travel the long distance to the bases spread across Northern and Eastern Commands.
11. This has been made possible, according to Lt Gen RR Nimborkar, the Army's recently-retired master general ordinance (MGO), because of improved coordination and synergy between the MoD and the Army's decision-makers.
12. For the first time in years, the entire annual budget of over Rs 15,000 crore that the branch handles was spent even before the financial year ended. This was made possible because of the optimum use of resources and simplification of procedures, Lt Gen Nimborkar said.
13. He pointed out to decentralisation of financial powers and emphasis on sourcing more equipment and stores from indigenous sources, thanks to the decision made by former Defence Minister Manohar Parrikar and continued to be supported by the incumbent Minister Nirmala Sitharaman, has resulted in improved efficiency.

Earlier even a simple decision to buy light utility vehicles for the Army had to go to the MoD which meant the entire process used to take a minimum of two years. Now thanks to decentralisation, service HQs are able to procure them in six months!

14. Over eighty items like berets, caps, socks, belts, sweaters, sports shoes, etc. are now being directly bought from the market. Earlier, OFB used to source these items from the market and used to sell it to the forces at a higher price. For instance, the common combat uniform worn by all the troops was costing the organisation four times the market cost!
15. Digitisation of records and inventory has now allowed the top leadership, including the army chief, vice chief and the MGO to have a 360 degree view of equipment availability, according to the MGO. ‘There have been instances in the past when we had bought spares worth tens of thousands of crores of rupees and didn’t use them. In some cases, these spares were not even opened and have now become dead stock since the equipment they were meant for has been retired from service,’ Lt Gen Nimborkar revealed. ‘We now follow a “just-in-time” model of keeping spares which means only absolute minimum number of spares will be kept in stock,’ the former MGO added.
16. All the three vice chiefs were authorised to ensure that all ammunition and spares needed to fight ten days of intense war is always kept in stock. Called the 10i (ten

days of intense war fighting) scheme, the three vice chiefs have made sure between September 2016 and now, all the procurements have been done to meet that requirement. From here on, all measures to build on the long-term plan to equip the military for a 30-day war, will continue apace.

Reforms

17. To deal with external security challenges, diplomacy was strengthened. The government also unfolded a comprehensive set of reforms, including, Make in India, to attract foreign direct investment (FDI) and to strengthen domestic defence manufacturing base. Where necessary, procurements were made to overcome the equipment shortages experienced by the defence forces. At the same time, steps were taken to strengthen the domestic defence industrial manufacturing base.
18. Prime Minister Modi paid highly visible and successful visits to Nepal, Bhutan, Bangladesh, Sri Lanka, Afghanistan and Myanmar. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Bangladesh, Bhutan, India, Nepal (BBIN) initiative which serve as regional cooperation platforms have been revived. Prime Minister Modi paid highly successful visits to some Indian Ocean countries like Mauritius, Seychelles and Sri Lanka, projecting India as a net security provider in the region.
19. Maritime boundaries with Bangladesh were settled.

Prime Minister Modi also enhanced the scope of India's engagement by signing a Joint Vision Document on Asia-Pacific with President Obama. The idea of Indo-Pacific as a geopolitical construct has also been revived.

20. The relationship with the Gulf of West Asian countries was transformed with Prime Minister Modi's highly visible visits to UAE, Saudi Arabia, Iran, Oman, Palestine, Israel and Jordan. This brought rich dividends on the security front, particularly with regard to fighting terrorism, controlling organised crime, energy security and defence cooperation.
21. Improving relations with China: The two leaders met at meetings of SCO, East Asia Summit. Within the framework of Russia-India-China-trilateral and BRICS, the two leaders met on several occasions.
22. Act East Policy: Special focus was given to strengthening links between the countries surrounding the Bay of Bengal within the framework of BIMSTEC. The ASEAN unity has been impacted by the appropriation of several disputed islands, rocks and reefs by China in the South China Sea. ASEAN countries are looking at hedging strategies to stay relevant. That is why they are becoming interested in India.
23. In 2017, India, Japan, Australia and USA revived the idea of Quadrilateral (Quad) grouping to work towards a free and open Indo-Pacific rule-based order. This has caused uncertainty in the mind of China.

24. India has been a major contributor of troops and equipment to the UN for its various peacekeeping missions. Prime Minister Modi also got the support of several countries for India's candidature to the UN Security Council as a permanent member.
25. He also launched a Hindu-Buddhist conference. He was at the forefront of projecting the soft power of India to the world. One outstanding success in this regard was the designation of 21 June, by the UN, as the International Yoga Day.
26. India played a major role in the Paris climate change agreement in 2015. Together with France, India launched International Solar Alliance of 121 countries. The alliance was launched in India. He has been a staunch advocate of negotiation of a comprehensive UN Convention on International Terrorism.
27. India is emerging as a net security provider in the region. Humanitarian assistance and disaster relief (HADR) was strengthened. India evacuated its nationals trapped in conflict zones on several occasions. Indian naval ships escorted thousands of merchant ships through the piracy-affected waters off the coast of Somalia.
28. Prime Minister Modi has also focused on energy security, food security, water security and climate change. He has also been emphasising on the cultural aspect of India's national security.
29. In the North East, the Indian Armed Forces took

decisive action against the insurgents in the aftermath of an ambush that killed eighteen soldiers. A framework agreement was signed between the government and NSCN (IM) in Nagaland, which will go a long way in settling the long-festering Naga issue.

30. The formation of Defence Planning Committee (DPC) happened under the chairmanship of National Security Advisor (NSA) Ajit Doval in April 2018. The DPC formation is part of a larger exercise ordered by the Prime Minister's Office (PMO) to review the existing structures that give inputs on vital national security issues and provide advice to the Cabinet Committee on Security (CCS).
31. The NSA has the necessary authority lacking in earlier committees that had suggested reforms and road maps to bring India's national security architecture up to speed.
32. A draft National Security Strategy document, on the other hand, is now ready to be presented for discussion at the highest level.
33. Another development is the formation of a China-specific, MEA-run and funded think tank. Called the Centre for Contemporary China Studies (CCCS). Manned by serving officers drawn from the MEA, the three armed forces, the Intelligence Bureau, the Research and Analysis Wing (RAW), the Indo-Tibetan Border Police (ITBP) and other relevant ministries and departments. The CCCS' governing body is headed by

the external affairs minister and the NSA is the deputy chairman.

34. Aiming to achieve a turnover of over 26 billion dollars in the Indian defence sector by 2025, the Department of Defence Production under the Ministry of Defence (MoD) has proposed several major changes in rules and regulations that have so far governed the sector in accordance with the 2011 Defence Production Policy.

Chapter 24: Indian Foreign Policy

Reaching out to Indian diaspora

1. During his travels, Modi makes it a point to promote India's soft power—including Bollywood, Sufi music and yoga, as well as shared heritage in art, architecture, cuisine and democratic values. For the first time, a coherent effort is underway to raise India's brand value abroad.
2. Modi's impressive outreach to the Indian diaspora is also key to his approach to foreign affairs. At the 2017 Pravasi Bharatiya Divas in Bengaluru, Modi announced that India is moving from 'brain drain to brain gain', making his vision clear that 'there is only one dream: Bharatiyata'
3. Prime Minister Modi's idea of meeting Indian communities settled in foreign lands, in bigger countries like the US and the United Kingdom (UK), and smaller ones like Fiji and Singapore indicates a clear will to connect with every Indian.
4. Never in the past has yoga been so closely associated with India than today. And yoga was not just it, India's stewardship in organising the International Ramayana Mela and the International Conference on Zero all suggest a clear and concerted effort to tell the world who

we are, what our history is and what our ideas for the future are.

Rescue Operations in other countries

5. Operation Neer was initiated without any hesitation when Maldives faced a severe water crisis in 2014 which left nearly 1.5 lakh people without water. India was the first country to respond. Naval ships with desalination capability and multiple aircraft carrying potable water were dispatched without delay.
6. During the 2015 Yemeni crisis, the Indian rescue mission named Operation Raahat did not ask if those in need were Indians or not. More than 960 foreign nationals belonging to forty-one countries were rescued, irrespective of the fact whether they belonged to a country that was friendly towards India or not.
7. When Nepal was hit by a devastating 7.9 magnitude earthquake in April 2015, proactive relief operations were initiated by India under Operation Maitri within six hours of the tragedy. Within four days of the mishap, the Indian Air Force airlifted more than 3,000 stranded Nepalese and provided more than 520 tons of relief material and equipment.
8. The hand of humanity was also extended to Bangladesh in 2017 by sending relief material, when it was suffering from a constant influx of refugees. The government also allowed for special exemptions to support

religious minorities facing persecution in Pakistan and Bangladesh to settle peacefully in India. All these crises gathered abundant global attention, bringing India's role into sharp focus.

9. In 2017, in response to Cyclone More, India was the first to respond to the devastating floods in Sri Lanka and Bangladesh.

India takes Global Responsibility

10. A USD 1 billion credit line was extended to Mongolia, a nation so close to India yet had been so far from our minds.
11. To the African countries that need financial credit to fulfil their development aspirations, India has extended lines of credit worth USD 8 billion to nearly forty-four countries.
12. Not just economic support, India has gone a step ahead and provided human assistance by being the world's third highest contributor to UN peacekeeping missions. More than 6,500 Indian personnel are helping maintain peace in high-risk conflict zones in countries such as Democratic Republic of Congo and South Sudan.
13. On 11 March 2018, the International Solar Alliance or ISA, was launched in India, making it the first UN organisation to be headquartered in India. 65 countries that have already signed the ISA framework agreement is evidence enough to substantiate not just India's rise on

the global stage, but a responsible rise.

14. India's holistic assistance to neighbours and wholehearted participation in key development projects—be it connectivity projects with Nepal, Bangladesh and Bhutan or development of basic infrastructure in Afghanistan—is widely acknowledged.
15. India has been a leader in constructing hospitals, schools and other basic infrastructure, including the Parliament building in the war-torn areas of Afghanistan.
16. Indian soft power in its true essence is also reflected when common citizens in foreign countries in need of healthcare are able to directly reach out to India's External Affairs Ministry and get recourse. The world especially welcomed the move when despite ongoing tensions, the minister granted visas to a three-year-old girl from Pakistan requiring an open heart surgery and to a Pakistani man requiring liver-transplant surgery.
17. India's soft power is its emergence as a hub for medical and wellness tourism. Between 2014 and 2016, tourist arrivals in India for medical purposes rose from 1.8 lakh to 4.2 lakh. A significant number of medical tourists come from Pakistan and the Middle East.
18. Not just medical tourism, tourist inflow in India increased by 30 per cent in the last four years (2013-2016), the same increase of 30 per cent before Prime Minister Modi's government, took seven years (2007-2013).

19. The 1,360 km India–Myanmar–Thailand Trilateral Highway (TH) was conceptualized over fifteen years ago and very little progress has been made so far. The Modi government has set a new target to complete the project by 2020.
20. The TH project shall complement the Kaladan multi-modal transport project in Myanmar connecting India's north-eastern state of Mizoram with the Sittwe Port.
21. In 2016, India exported textiles and apparels worth USD 1,203 million to the ASEAN and imported textiles and apparels worth USD 546 million from the ASEAN.
22. In September 2017, the National Highways Authority of India awarded the work worth Rs 11.77 billion to upgrade the Kalewa–Yargyi section, to a joint venture of Punj Lloyd and Varaha Infra. The work is expected to be completed by September 2019.
23. In January 2018, India offered a USD 1 billion line of credit to enhance physical and digital connectivity with the ASEAN nations, as these are poised to seamlessly integrate into a greater Indo-ASEAN community. India has also set up a project development fund of USD 77 million to support manufacturing hubs in Cambodia, Laos, Myanmar and Vietnam.
24. The changes in Modi's approach to foreign policy have yielded important substantive successes. Two examples in widely different areas prove the point.
 - g. The first is in the area of climate change. There is little

doubt that the US and India played pivotal roles in the discussions leading up to the Paris Agreement. Prime Minister Modi, recognizing the significance of securing an international consensus on mitigating climate change, pushed back against many in his own country to commit India to concrete pledges that made the final compact possible.

- h. The second example of remarkable success has been India's cooperation with the US in shaping the security environment in the Indo-Pacific. India did not simply reaffirm its commitment to the freedom of navigation and overflight—especially in the South China Sea where the threats from China are particularly acute—but it declared its willingness to contribute towards larger diplomatic and regional integration in order to 'bolster long-term peace and prosperity for all'.

Foreign Policy of the Modi Government

25. The Indian government's biggest success in the realm of foreign policy and national security in the last four years has been its ability to keep its interlocutors on tenterhooks. The unpredictability of a country whose responses had become all too easy to predict over the last few decades has generated a new sense of expectation among its interlocutors. From Pakistan to the United States, from Africa to the Association of Southeast Asian Nations (ASEAN), there is now an expectation that the

Since May 2014, India's Neighborhood First policy, Act East policy, Security and Growth for All in the Region (or SAGAR) policy, as well as a calibrated convergence of India's Connect Central Asia policy with an emerging Think West policy, have generated a new awareness of the significance of connectivity with the rest of Asia. One visible impact of these four initiatives is a focus on India's maritime domain, with its fulcrum in the Indian Ocean.

Modi government means business and there cannot be 'business as usual' with this government.

26. Since May 2014, India's Neighborhood First policy, Act East policy, Security and Growth for All in the Region (or SAGAR) policy, as well as a calibrated convergence of India's Connect Central Asia policy with an emerging Think West policy, have generated a new awareness of the significance of connectivity with the rest of Asia. One visible impact of these four initiatives is a focus on India's maritime domain, with its fulcrum in the Indian Ocean.
27. A significant strand of the Modi foreign policy has been a careful nurturing of major power relations and a deft management of an ever-shifting global and regional balance of power in Asia and beyond. The Modi government has managed to carve out a robust

relationship with Washington, even as it has stabilised ties with Moscow.

28. India's engagement with Europe, too, is now more forward-looking and devoid of the unnecessary rhetoric of perpetual inferiority. There is a clear message going out that India will act on its own terms and conditions and can skilfully play the role of a balancer in Asia.
29. New Delhi's outreach to like-minded states in the region such as Japan, Australia, Vietnam, Singapore, Philippines and Malaysia has become substantive. Gone is the diffidence of the past when India used to walk on eggshells for fear of offending China.

China

30. Modi has taken a strong position on the South China Sea dispute in favour of states such as Vietnam and the Philippines, and expanded the United States-India bilateral naval exercises to include Japan. India's Quadrilateral engagement with the US, Japan and Australia is beginning to take shape.
31. India and China are cooperating in joint regional initiatives like the Bangladesh-China-India-Myanmar (BCIM) corridor and that China has also promised large-scale infrastructure investment in India.
32. Modi has taken a principled position and avoided piggy-backing US policy to contain China, and being seen in that prism, while at the same time strengthening strategic

and security relationship with the US. For China, the Indo-Pacific 'has become a concept of strategy rather than of geography.

33. The seventy-three-day face-off between India and China at Doklam that ended on 28 August 2017 marked the second recent watershed in India– China relations. On 30 August 2017, Yue Gang, a retired colonel of the PLA's General Staff Department and frequent commentator on military matters, quite significantly said, 'Despite Beijing's deliberate ambiguity, China has apparently made substantial concessions in order to end the dispute. India has got exactly what it has wanted. It was a humiliating defeat for China to cave in to pressure from India despite all the tough talk.'

Pakistan

34. A dramatic shift in the South Asian strategic landscape came when the Indian Army's Special Forces took out several suspected terror camps across the volatile Line of Control (LoC) in Kashmir in response to an attack on an Indian army post in Kashmir by Pakistan-based terrorists in September 2016.
35. The Modi government succeeded in ensuring the postponement of the South Asian Association for Regional Cooperation (SAARC) summit after several member states took India's lead and decided to boycott the Islamabad meeting in November 2016. This was one of the rare occasions when regional states spoke in one

voice against Pakistan's use of terror as an instrument of state policy.

36. Even as Pakistan was reeling from these pressures, the Modi government decided to use the instrumentality of military power—a tool which New Delhi had avoided for long. New Delhi has been able to raise the costs for Pakistan's misadventures and to ensure that Islamabad pays a price for trying to bleed India with 'a thousand cuts' using terrorist organizations like Lashkar-e-Taiba and Jaish-e- Mohammad. Equally significant has been the Modi government's decision to call the world's attention to the plight of the Balochi people who have resisted the Punjabi-dominated military establishment of Pakistan.
37. While New Delhi sought to isolate Pakistan, it proactively reached out to other neighbours. India's ties with Bangladesh, Sri Lanka and Afghanistan, in particular, deepened with New Delhi deciding to step up military cooperation with Kabul, to reach out to Colombo and to resolve the boundary dispute with Dhaka.

Vietnam

38. India and Vietnam agreed to further enhance cooperation in the oil and gas sector and actively implement the agreement signed in 2014 between Petro Vietnam and the ONGC Videsh Limited (OVL). The two countries also signed a contract for offshore high-speed patrol boats between Larsen & Toubro and Vietnamese Border

Guards utilising the USD 100 million line of credit for defence purchase extended by India to Vietnam. India has extended such a line of credit to Mauritius and Seychelles, too.

39. During the visit of Vietnamese Defence Minister General Phung Quang Thanh to India in May 2015, the Indian Coast Guard and the Vietnam Coast Guard signed a memorandum of understanding (MoU) for the establishment of a collaborative relationship to combat transnational crime and develop mutual cooperation. A joint vision statement for the period 2015-2020 on defence cooperation was also signed.

U.S

40. Modi has quietly but resolutely moved India away from the rhetoric of non-alignment to the practice of strategic partnership. This does not imply that India is content to be a camp follower of the US or, for that matter, any other great power. To the contrary, India has ploughed its own course in foreign policy, dictated by a sense of its own interests. Given this refreshing change in Indian attitude, it is not surprising that leaders as different as Barack Obama and Donald Trump have been united in their pursuit of a new relationship with India.
41. Modi signed the bilateral Logistics Exchange Memorandum of Agreement with the United States in 2016 for facilitating logistical support, supplies and services between the United States and Indian militaries

on a reimbursable basis, and providing a framework to govern such exchanges.

42. Modi invested heavily in developing strong friendships with his American counterparts, first Obama and now Trump, guided by the logic that, even if US and Indian national interests did not always cohere, the latter would always come out ahead if the individual steering policy in Washington were favourably disposed towards India.
43. Prime Minister Modi has, without apology or embarrassment, emphasised solidarity among democracies as a leitmotif of India's new engagement with the world. It represents Modi's considered effort to augment Indian security by developing a network of key partnerships that include Japan and especially the US—countries that represent sterling antipodes to

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authoritarian China.

Israel and Middle East

44. In September 2014, Prime Minister Modi met Netanyahu on the sidelines of the annual session of the UN General Assembly.
45. Modi undertook a three-day visit to Israel in July 2017. This was the first prime ministerial visit to the Jewish state and was a standalone visit, that is, he did not visit Palestine as had been the custom since normalisation of Indo-Israeli relations in 1992. While staying in Jerusalem, Prime Minister Modi chose not to visit Ramallah—the headquarters of the Palestine National Authority—only a few miles away, thereby conveying India's ability and willingness to pursue friendly ties independent of one another.
46. The bilateral talks and agreement focused on less attractive but more critical areas such as cooperation in agriculture, water management and other developmental issues like Israeli expertise in desalination, waste management and recycling and start-ups. Until Modi's visit, these issues rarely received media or scholarly attention in India and his developmental approach towards Israel compelled many to move the shift away from the traditional security paradigm.
47. The first major shift came in July 2015 when India refused

to join other countries in the UN Human Rights Council (UNHRC) in condemning Israel for 'war crimes' during the Gaza conflict of 2014.

48. A far more significant shift came in late 2016 over the question of Jerusalem. A few months earlier, it endorsed an Arab-sponsored vote in the United Nations Educational, Scientific and Cultural Organisation (UNESCO) which questioned Jewish links to the city, despite the presence of two Jewish temples before Christ. In a similar vote in October that year, India abstained.
49. The United Arab Emirates (UAE), for example, has a large Indian community and has been a major trading partner for decades, but the last prime ministerial visit to the Emirates took place in 1981 when Indira Gandhi visited that country and the same holds true for much of the Middle East.
50. Prime Minister Modi broke this prolonged political indifference towards the region and has been visiting key countries since his maiden visit to the UAE in August 2015. This was followed by his visit to Saudi Arabia (April), Iran (May) and Qatar (June) in 2016, to Israel (2017) and to Palestine, the UAE and Oman in early 2018. He has been meeting Middle Eastern leaders in various international forums such as the UN and G-20 summits. Other Indian leaders have been visiting other countries of the region, including war-torn Iraq, Syria and Yemen. The only country which had not seen an Indian visitor has been Libya, where the civil war forced

India to close down its mission.

Neighbourhood First

51. The 'neighborhood first' takes on the challenge of the divisive regional politics by forging common economic development, cultural and human concerns. This is remarkable in its orientation given that South Asia as a region has been often viewed as a flash point, a tinderbox and a strategic schism. To conceptually turn it around as a union of states reflects a distinct leadership vision.
52. At the SAARC Summit in Kathmandu in 2014, when the SAARC Motor Vehicle Agreement (MVA) fell through, India decided it would pursue subregionalism, that is, a similar agreement with Bhutan, Bangladesh and Nepal (BBIN) MVA.
53. Several subregional initiatives like the BBIN, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Indian Ocean Rim Association (IORA) are feeding into the effort to boost regional cooperation and create infrastructure for the public good. These initiatives are not in isolation but connected to each other. The BBIN links the eastern part of South Asia while BIMSTEC connects South and Southeast Asia. The BBIN is a regrouping of the earlier trilateral mechanisms within the SAARC, for example, the Nepal, India and Bangladesh (NIB) trilateral on the development of the Ganga basin and the Bangladesh, India and Bhutan (BIB) effort to develop hydropower on

the Brahmaputra.

54. Sub-regionalism since 2014 has been a centrepiece of India's diplomacy. Prime Minister Modi at the Kathmandu SAARC Summit in 2014 said, 'The future I dream for India is a future for our entire region.' Soon after, External Affairs Minister Sushma Swaraj noted in a speech: 'We also recognise that India, by virtue of its size and location, has a special responsibility in driving the locomotive of South Asian growth and renaissance.'

Act East

55. Prime Minister Modi unveiled his Act East policy at the Association of Southeast Asian Nations (ASEAN) summit in Myanmar's capital Naypyidaw in November 2014, only months after assuming power in May 2014.
56. Prime Minister Modi has engaged with an objective to maintain equilibrium in the Indo-Pacific, while maintaining and strengthening bilateral relationships with both China and Vietnam. This has two broad components. First, a multi-pronged engagement with China; and second, strengthening India's defence capability and beefing up of the defence capabilities of countries like Vietnam.
57. The announcement of a historic Land Boundary Agreement during Prime Minister Narendra Modi's visit to Bangladesh in June 2015 carried forward India's approach to address disputed boundary issues with her

neighbours through dialogue and cooperation.

58. In June 2015, a Bangladesh–Bhutan–India–Nepal Motor Vehicles Agreement was signed under BIMSTEC. In April 2017, India ratified the BIMSTEC memorandum of understanding for power grid interconnectivity, opening the way for trade in electricity among its members.
59. ‘BIMSTEC not only connects South and Southeast Asia, but also the ecologies of the Great Himalayas and the Bay of Bengal. For India, it is a natural platform to fulfil our key foreign policy priorities of ‘Neighborhood First’ and ‘Act East’.
60. The twelfth India–ASEAN Summit held in Myanmar in November 2014, was welcomed by the ASEAN. The ASEAN–India Delhi Declaration of January 2018 stands out for its common position on broadening and deepening the ASEAN–India strategic partnership for mutual benefit.
61. Modi represented India at the ASEAN–India Summit, the East Asia Summit and the Regional Comprehensive Economic Partnership (RCEP) Summit in November 2017 in Manila and this put India at the centre stage in the Asian region, called ‘Indo-Pacific’.
62. By inviting all the ten ASEAN heads as guests for the Republic Day celebrations, India was sending multiple messages. First, it recognized the ASEAN as a single entity. Second, if India wanted to expand economically, then the ASEAN and West Asian countries are its future

partners. Third, it was highlighting that India and the ASEAN countries have civilisational links anchored in their common Hindu–Buddhist legacy.

63. Expanding regional road connectivity under the Trans-Asian Highway rubric—with New Delhi keen to link its north-east region to Southeast Asian states and Myanmar more than willing to act as a strategic gateway—is India’s priority in its engagement strategy and a key component in the Modi government’s Act East policy.
64. There is also an agreement to establish an ASEAN–India maritime transport working group involving India, Cambodia, Myanmar, Thailand and Vietnam to develop a shipping network. In September 2016, at the India–ASEAN Summit in Vientiane, the Laotian capital, Modi had proposed a joint task force on connectivity between the TH and Cambodia, Laos and Vietnam.

Security & Growth for All (SAGAR)

65. A significant major initiative of Prime Minister Modi’s government in foreign policy: his two official visits to Sri Lanka in 2015 and 2017, as well as his statements in Mauritius in March 2015, provide a broad vision of India’s maritime foreign policy. Prime Minister Modi asserted that ‘the Indian Ocean Region is one of my foremost policy priorities. Our approach is evident in our vision of “SAGAR”, which means “Ocean” and stands for Security and Growth for All in the Region.’

66. The five objectives of the SAGAR policy are to position India as a net security provider in the region; to enable India's contribution to the enhanced maritime security capacities of the region; to work for collective action to respond to challenges from the maritime domain; to bring about integrated sustainable development of the region, including the Blue or Ocean Economy; and to ensure that the primary responsibility for peace, stability and prosperity of the region is on the countries of the region.
67. India's ground-level diplomacy has interwoven relationships with key countries in the region such as Sri Lanka, Maldives, Seychelles and Mauritius. A structured Trilateral Maritime Security Dialogue (between India, Sri Lanka and the Maldives) has been designed to address geostrategic security, and economic and developmental interests in the Indian Ocean Region. India's approach to the future track of the Indian Ocean Region Association (IORA) has been integrated into this approach.
68. At the meeting of the African Development Bank in Ahmedabad in May 2017, Prime Minister Modi referred to a proposal for an Asia–Africa Growth Corridor, which could be implemented in partnership with Japan. This adds a significant dimension of using the maritime domain of the Indian Ocean to integrate India's connectivity with Africa.

UNSC

69. Modi's ability to effectively link India's past with the country's future in furthering Indian aspiration was underscored when he talked about India's aspirations for a permanent seat at the United Nations Security Council (UNSC). Where previous Indian governments had been diffident in highlighting the contribution of Indians to the two World Wars, Modi paid a tribute to about 10,000 Indians who died fighting alongside their French counterparts in World War I, underlining the fact that Indians have been sacrificing their lives for world peace and stability for over a century. As such, India's place on the UNSC is the nation's right.

APPROACH OF THE MODI GOVERNMENT

Narendra Modi's New India: Not a Hegemony but a Refreshing Narrative

Earlier in March 2017, when the BJP had won a resounding mandate in the provincial elections in the state of Uttar Pradesh, Prime Minister Narendra Modi had first spoken of a New India. He reminded his audience, that, 'a government is formed with bahumat (majority), but runs through sarvamat (consensus), we work for those who voted for us and also for those who did not vote for us'. The following are some of the measures through which the government went about implementing this idea.

1. The implementation of goods and services tax (GST), achieved through consensus, the massive exercise of taking along and on board all state governments has demonstrated his commitment to India's federal structure. The Modi government's decision to abolish the Planning Commission—to which states in the past had to come as supplicants—his steadfast refusal to interfere in areas that are strictly within the purview of

On 15 August 2017, like every year, Modi brought in a new dimension, and called for societal, governmental collaboration. He defined the goals and contours of a New India exhorting everyone to work to rid India of the corrosion of poverty, dirt, corruption, terrorism, casteism, communalism, and to 'create a New India of our dreams by 2022'—the seventy-fifth anniversary of India's independence. Modi insisted that call of New India must be Bharat Jodo (unite India), he sees that as 'our true strength; irrespective of caste, community and religion, we are one India'.

state governments has often earned him criticism, but is also laying the foundations of India's federal structure on a stronger footing.

2. On 15 August 2017, like every year, Modi brought in a new dimension, and called for societal, governmental collaboration. He defined the goals and contours of a New India exhorting everyone to work to rid India of the corrosion of poverty, dirt, corruption, terrorism, casteism, communalism, and to 'create a New India of our dreams by 2022'—the seventy-fifth anniversary of India's independence. Modi insisted that call of New India must be Bharat Jodo (unite India), he sees that as 'our true strength; irrespective of caste, community and religion, we are one India'.

3. For Narendra Modi and his governance philosophy, through which he aims to shape new India, all sections are its natural constituency. His government and the party aim and aspire to work in equal measure for all Indian citizens. He and BJP president Amit Shah emphatically spoke about the need to end discrimination in distribution of developmental benefits and stressed that opportunities of development and growth should reach across all sections in equal measure.
4. Modi is clear on the aspect that development should not be denominationally driven, unlike other times when one prime minister piloting the UPA's sinking ship had declared that minorities had the first demand on resources. In contrast, Modi, then chief minister of Gujarat, had stated that it was the poor, the marginalised, the deprived, regardless to which community and

It is refreshing to see a prime minister who repeatedly speaks of sanitation, clean drinking water, improving rural health and of the dignity of women. The entire movement has also led to the emergence of several 'natural leaders' across villages who work to keep up the momentum, motivate and connect people and spread greater awareness, rejuvenating thus a traditional system of leadership and community participation that had once existed, but had disappeared with an increasing dependency on the state systems.

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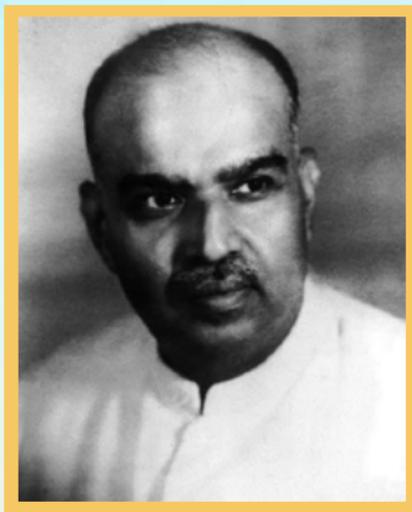
5. A change in our collective mindset is what he aims at. Since he took over the reins of power, Modi has initiated change through people's participation—a combination of what he has called Jan Shakti and Jan Bhagidari.
6. In his first year, Modi called for saving the girl child, for strengthening and empowering her decisively. Later, he spoke about the need for sanitation and cleanliness and for launching a nationwide movement to achieve these if India aspires to be a great power.
7. Thereafter he spoke of the need to electrify villages, homes and lives, which were deprived of power and were relegated to sidelines for the last seven decades. Each exhortation of his was not a mere slogan, but saw a detailed translation into comprehensive national movements involving stakeholders across states and societal strata.
8. It is refreshing to see a prime minister who repeatedly speaks of sanitation, clean drinking water, improving rural health and of the dignity of women. The entire movement has also led to the emergence of several 'natural leaders' across villages who work to keep up the momentum, motivate and connect people and spread greater awareness, rejuvenating thus a traditional system of leadership and community participation that had once existed, but had disappeared with an increasing

dependency on the state systems.

9. Empowering and enabling is Modi's mantra of a New India. As he points out, he 'aspires to change the system from being a regulatory one to becoming an enabling one'. The need of the hour is, he says, 'to immediately reinvent our working style as well as mindsets. It's high time that we moved from being "regulators" to "enabling entities"'
10. In fact, the BJP and Modi government have invested tremendous energy to bring the issues affecting the daily lives of ordinary Indian citizen to the centre stage of electoral and political discourse. Let me also categorically state that the issue of nationalism and service to nation is not an electoral tool for the BJP. It is the very essence of the party's existence and it would not bow down on anything that hurts the pride of India or endangers our nation's security.
11. Modi has opened new channels of communication, such as use of social media by him and his government. Public grievances raised on social media platforms are swiftly addressed (take the example of assistance given to non-residents in distress by MEA). Such approaches signify a marked difference from the past and how we perceive governance.
12. While Modi's government, inspired by its philosophy of ensuring the security of all Indians across the world, rescues Father Alexis Prem Kumar, Judith D'Souza and Father Tom Uzhunnalil, some choose to approach the

United Nations Human Rights Commission (UNHRC) and make false claims about oppression and internal displacement of religious minorities in India. In fact, in states like West Bengal and Kerala, the BJP workers and supporters continue to be targeted by the ruling dispensations there.

13. India is increasingly seen as a responsible power, not only willing to stand up for its national interest but also eager to contribute to the global well-being. The Doklam episode with China and the mature manner in which India under Modi handled it, with firmness shorn of rhetoric and chest thumping; sticking to international norms of doing things, not buckling under pressure and earning wide support is in itself an example of how India has matured in its external dealings since 2014.
14. India's national security is more zealously guarded, India is not hesitant to safeguard what is rightly hers, does not back-pedal when she has to defend her turf, the surgical strikes in September 2016 was an example of that, much to the chagrin of many at home who wish India to be a soft and compliant state.
15. The BJP under Modi is increasing its footprints across the country by winning allies and support of various communities. This is no hegemony, but a refreshingly new narrative of a New India.



“The dream, of an Indian nationhood which would comprise within itself men and women professing different religion, who regard India as their common motherland, had fired the imagination of generations of political thinkers and workers in this country. I believe that its consummation, if ever be achieved, will be all to the good of our country.”

-Dr. Syama Prasad Mookerjee
Mahakosala Provincial Hindu Sabha Conference,
Raipur, 7th December, 1940

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