India's BJP wins power, but daunting task ahead. By Chaitanya Kalbag

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NEW DELHI, March 15 (Reuters) - Atal Behari Vajpayee received the green light on Sunday to form India's next government, but his coalition is likely to be even more shaky than the one it replaced.

Vajpayee's Hindu nationalist Bharatiya Janata Party (BJP) will take power for the second time in 22 months, but he will head a minority government in a fractured parliament, and face widespread scepticism over the future direction of India's economic reforms.

The 71-year-old poet-politician is expected to last longer than in 1996, when he had to resign after just 13 days in office.

But India's 14th prime minister has been ordered by President Kocheril Narayanan to secure a vote of confidence in the Lok Sabha, the lower house of parliament, by the end of the month.

"The president has...advised Mr Vajpayee to secure a vote of confidence on the floor of the house within 10 days of his being sworn in," a communique from Narayanan's office said.

Vajpayee, who will be sworn in on March 19, nearly four months after the United Front coalition government collapsed in chaos, was tense and low-key in the glare of television lights in the forecourt of the sandstone presidential palace.

"I accept the challenge. The country is mired in serious problems but with everybody's cooperation we can overcome them," he told reporters after a 50-minute meeting with Narayanan.

But in a later statement he sounded more confident, saying: "Tomorrow marks the beginning of a new era of cooperation, conciliation and consensus."

Vajpayee will hold office at the pleasure of a host of raucous regional allies, and his coalition is widely viewed as being shakier than the 15-party United Front it will replace.

Already, the BJP's strong "Hindu first" election manifesto appears to have been watered down substantially, and the "National Agenda" Vajpayee plans to unveil on Tuesday will have to accommodate a string of purely parochial demands.

"Life with one partner in power is difficult enough - Mr Vajpayee will have to keep peace with a whole harem in order to remain in power," M.J. Akbar wrote in the Asian Age newspaper.

The BJP received an early taste of the perils ahead when one reluctant ally, Jayaram Jayalalitha, who controls 27 valuable lawmakers, held the process of government-making in suspense for three days while waiting for her demands to be conceded.

Matters swung in Vajpayee's favour on Sunday, two weeks after India's national elections threw up a badly-splintered parliament, when Sonia Gandhi, the newly-appointed president of the Congress party, said she lacked the numbers to bid for power.

"We have no numbers to form a government so we are not staking a claim," the Italian-born Sonia told reporters after a meeting with Narayanan.

But Congress, the second-biggest group in parliament, immediately served notice it would not be content to sit in opposition. "We accept the president's decision. But we will try to defeat the government during the confidence motion," party spokesman V.N. Gadgil said.

President Narayanan's three-page communique listed the factors - and the convoluted arithmetic - that had led him to give Vajpayee the mandate.

The president said Vajpayee had the support of 264 lawmakers in the 539 declared seats in parliament's lower house.

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But Narayanan said Chandrababu Naidu, chief minister of the southern state of Andhra Pradesh, had promised in a telephone conversation that his 12 lawmakers would stay neutral in a confidence vote, and that this would most likely tip the scales.

Polling for four more of the Lok Sabha's 545 seats will take place on March 18 and 30 and June 21 but may only marginally affect the BJP's final tally. Narayanan nominates two MPs.

Vajpayee faces urgent economic tasks, and the markets will wait to see who he names as his finance minister on March 19.

The government needs to pass temporary spending measures before March 31, the last day of the 1997/98 fiscal year, and start work immediately on shaping a budget for 1998/99.

Share prices are expected to make strong gains on hopes of stability and an end to the political uncertainty after rising marginally in holiday-shortened trading last week.

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