



PART A: News pertaining to Planning Commission



30.12.2014

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and **Communication, IT & Information Division**



1 Make in India: PM Narendra Modi approves action plan for ease of doing business

By ET Bureau | 30 Dec, 2014

NEW DELHI: Prime Minister Narendra Modi approved an action plan to create an enabling environment to do business in India and boost domestic manufacturing in 25 sectors at the end of a day of deliberations on how best to take forward the government's Make in India campaign. The plan details what each sector will achieve in the short and medium term or one to three year.

During the day-long effort, responsibilities have been fixed, road map has been prepared, required changes in policies have been decided... Now I don't think there is any requirement for paperwork. Now, things will be implemented automatically," Prime Minister Modi said on Monday. He had unveiled the initiative during his Independence Day address in August.

"I want to change the ABCD culture--avoid, bypass, confuse, delay--to the ROAD to success--responsibility, ownership, accountability, discipline," he said at the end of the session at Vigyan Bhawan.

As many as 23 secretaries made presentations on their performance in the last six months and what they aimed to achieve in the next one to three years.

Modi called for a globally recognized Brand India that would be renowned for "zero defect, zero effect", or free from manufacturing defects and having no adverse impact on the environment.

"We want maximum movement of men, money, machinery, materials and minerals across the country," he said, coining another acronym.

The PM said in three months, government machinery had geared up. "If we have to change laws, we are ready. If we have to change rules, we are ready. If we have to change the system, we are ready," he said on a day the government approved

ordinances to ease parts of the land acquisition law and another to speed up arbitration. He also stressed on the need for development of human resources that would be required over the next 30-40 years, calling on universities, institutions and industry to work together to make India a country of skilled people.

Unless we go to the world with innovation and research... like in the IT sector we have shown our prowess 25 years back but we didn't create a Google, our talents have gone abroad,"

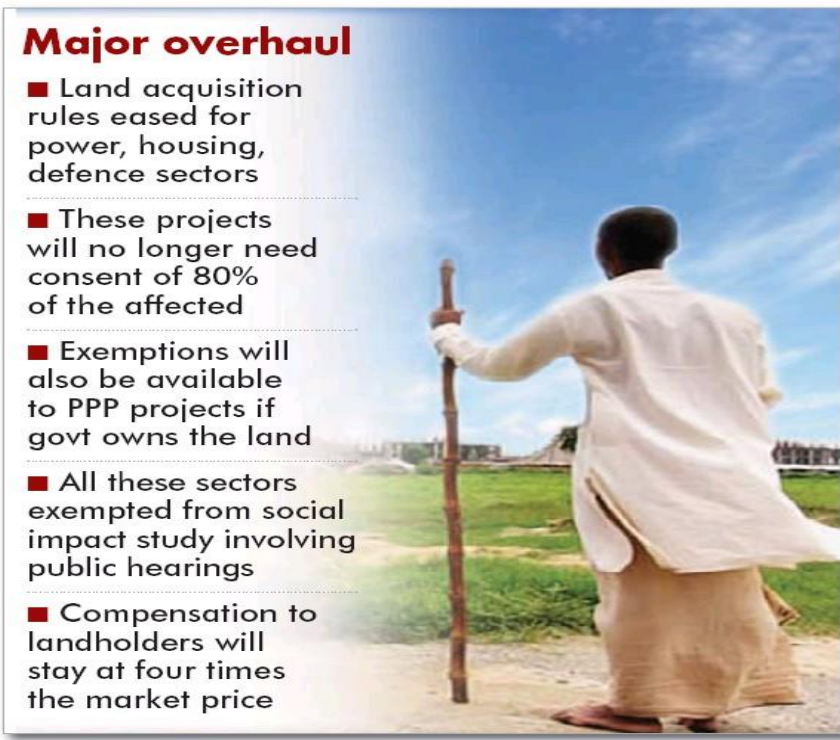
Revenue secretary Shaktikanta Das assured industry of predictability and transparency in the tax regime. "He said that the government will aim to make the taxation regime friendly and fearless," said a government official citing him.

In a separate session with state chief secretaries and principal industry secretaries on improving ease of doing business, states agreed to adopt best practices of others to create a uniform regime.

2. **New** ordinance eases land acquisition to push reforms Three major approaches to build 100 smart cities

Financial Chronicle 30 Dec 2014 KR SUDHAMAN KA BADARINATH

AS A **New** Year gift, the government on Monday cleared an ordinance to amend the land acquisition Act, which will ease the land acquisition norms for power, housing and defence projects and pave the way for **commissioning** of stalled projects worth thousands of crores of rupees.



Major overhaul

- Land acquisition rules eased for power, housing, defence sectors
- These projects will no longer need consent of 80% of the affected
- Exemptions will also be available to PPP projects if govt owns the land
- All these sectors exempted from social impact study involving public hearings
- Compensation to landholders will stay at four times the market price

Striking a balance between farmers' interest and industrial growth, finance minister Arun Jaitley said land for defence projects, rural infrastructure, affordable housing, housing projects for poor, industrial corridors and infrastructure — including social infrastructure — would be exempted from some key requisites of the existing law.

In yet another important decision, the cabinet cleared the way for regularisation of unauthorised colonies that had come up in the national capital between March 2002 and June 2014, benefiting 60 lakh people living in 2,000 such areas.

The move comes weeks ahead of fresh assembly elections in **Delhi** in February.

The land acquisition Act enacted by the then UPA government in January had imposed several restrictions to protect the

These projects will no longer need consent of 80% of the affected

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All these sectors exempted from social impact study involving public hearings

Compensation to landholders will stay at four times the market price interest of landowners, which also held up projects worth almost \$300 billion.

After the **new** government came to power, many states had asked prime minister Narendra Modi to overhaul the law. The amendments will make land acquisition easier by getting rid of provisions like assessment of social impact and impact on food security and consent of 80 per cent of landowners. THE NDA government's most ambitious urban development **plan** is underway. It has cleared three major approaches for building 100 smart cities in phases. Retrofitting, re-development and greenfield projects would be the three respective approaches to be taken up by the government, an official told Financial Chronicle on condition of anonymity.

Retrofitting will be aimed at 'substantial improvement' of existing cities while re-development will involve makeover of prevailing cities that have large heritage value. As part of greenfield projects, **new** cities will be identified for development, the official added.

The government's vision of readying the blueprint to build 100 smart cities will be '**new** economic hubs', which would provide costeffective, technology-driven amenities and services.

3. 3. FLASHBACK 2014: PM Modi the driving force of new government

28 Dec 2014, 10:49 Jagran Post News Desk Jagran Post Editorial | Last Updated: 28 Dec 2014, 16:43

New Delhi: With an absolute majority for BJP and the image of a strong leader, Prime Minister Narendra Modi and his PMO emerged the driving force of the new government which critics have dubbed as centralisation of power.



Prime Minister Narendra Modi

But for a "rank outsider" to Delhi's charmed power circles, Modi made a quick transformation from being a Chief Minister to a Prime Minister who has apparently taken to foreign policy like fish to water.

He engaged vigorously with world leaders including Barack Obama and Chinese President Xi Jinping and made a surprise invitation to SAARC leaders including Pakistan Prime Minister Nawaz Sharif for his swearing-in ceremony.

But it is another story that by the year end, Indo-Pak relations remained in deep freeze after India called off foreign secretary-level talks over Pakistan High Commissioner engaging with Hurriyat leaders.

The seven months of the new government have presented a picture that everything about it is "PMO-centric" or "PMO- driven", a marked difference from the one headed by Modi's

predecessor Manmohan Singh who was considered by many as "weak".

That the PMO would call the shots in the new government was evident at the very beginning when Modi called a meeting of all top secretaries of the central government a week after taking over on May 26 and told them that they should take decisions "without fear" and he would back them.

While allocating portfolios too, Modi made a special mention that "All important policy issues" will be his responsibility, which was read as PMO being omnipotent.

This provided ammunition to the Opposition, which kept taking digs that the Prime Minister is the only one who calls shots in the new government and the rest do not matter.

Unmindful of this, Modi drove the agenda as the government launched a number of initiatives. These include the Swachh Bharat campaign, Jandhan scheme, Saansad Adarsh Gram Yojana for adoption of villages by MPs and 'Make-in-India' campaign.

The Opposition described the government's action as an attempt to divert attention from the significance of birthday of Mahatma Gandhi or the death anniversary of Indira Gandhi. The Congress party called many of these schemes as "copy cat" programmes of the UPA government.

Some other initiatives included steps to simplify rules by doing away with 'archaic' laws and bringing in self-certification of documents instead of attestation.

With the Prime Minister laying thrust on attracting maximum foreign investment, steps were taken to liberalise the FDI policy, including in critical sectors like defence and insurance.

The Swachh Bharat (cleanliness) campaign, launched on Mahatma Gandhi's birthday on October 2, has led to a spiral effect with several political leaders and personalities from various walks of life participating in it in a symbolic manner.

However, there have been controversies surrounding it while some feel it is just a stunt.

The Pradhan Mantri Jandhan Yojana is aimed at ensuring that every family has a bank account with a life insurance of Rs one lakh. The scheme is mainly targeted at the poor people.

Over eight crore people had opened bank accounts under the scheme till the end of last month and government is hopeful that 10 crore people will be covered under the scheme by January 26 next year.

'Make-in-India' is a campaign being pushed by the Prime Minister himself. The idea behind this initiative is to make India a manufacturing hub that would create job opportunities, bring in foreign investment and technology by setting up units for exports to third countries.

Modi has underlined that India has the capability to manufacture anything and hence effort should be made in this direction.

Another significant scheme promoted by him is the 'Saansad Adarsh Gram Yojana' under which each MP is encouraged to adopt at least three villages for development by 2019.

One more PM-led initiative is to dismantle the socialist- era Planning Commission established by Jawaharlal Nehru and replacing it with a new body that is in tune with contemporary economic reality.

He announced the decision in his maiden Independence Day address from Red Fort and recently held consultations with Chief Ministers on the way forward. While most Chief Ministers favoured the step, Congress-ruled ones opposed it and wanted the current body to be revamped and revitalised.

However, the Opposition is not amused. It accuses the Prime Minister of going back on every poll promise and making "a U-turn every week".

Listing these 'U-turns' in a booklet which was released earlier this month, Congress accused the government of resorting to "white lies" on black money, flip-flop on issues with Pakistan and "double standards" on insurance bill.

Congress said that Modi had promised clean politics but delivered a "tainted cabinet". The Opposition party also accused him of making a 180-degree turn on the issue of Article 370 in Jammu and Kashmir and many "slip-slops" on holding elections in Delhi.

At the international level, Modi did things which none of his predecessors had done. He even beat the drums, literally, in Japan in his bid to attract investments.

At the same time, he laid special thrust on building ties with neighbours. He chose Bhutan as his first foreign destination as Prime Minister and followed it up with a visit to Nepal.

The move to invite Sharif for the swearing-in was expected to lead to steps to normalisation of relations with Pakistan.

Some bonhomie was witnessed initially and the two countries set the date for talks between their foreign secretaries on August 25.

However, the momentum was lost when Pakistan indulged in border ceasefire violations, firing continuously at Indian civilian areas and security positions, along the International Border and Line of Control, resulting in casualties.

To complicate things further, Pakistan's High Commissioner Abdul Basit met Kashmiri separatists before the scheduled foreign secretary-level talks. This angered India further and it cancelled the talks, lending a setback to the efforts to normalise the ties.

As regards China, while Modi played a gracious host to Xi in Gandhinagar, the Chinese troops intruded into hugely embarrassing India.

PART B

NEWS AND VIEWS

Tuesday 30th, December 2014

Polity

: PDP seeks to buy more time to decide

Economy

: Rupee plunges to 13-mth low of 63.67
vs dollar

Planning

: Centre sets up joint task force to boost
mobile manufacturing

Editorial

: Many faces of terror

Communication, IT Information Division

CURRENCY CONUNDRUM

₹ plunges to 13-mth low of 63.67 vs dollar

HT Correspondent

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MUMBAI: Extending losses for the fourth straight session, the rupee on Monday fell by 10 paise to close at a 13-month low of 63.67 against the dollar, led mainly by importers who rushed to buy the foreign currency.

The Indian currency opened at 63.66 to the dollar, and fell to 63.71, before ending the day at 63.67.

This is the rupee's weakest close since 63.71 recorded on November 12, 2013.

However, traders said the trend is unlikely to sustain and the rupee is expected to rise against the dollar in the coming months. According to an Angel Broking report, the sharp downside to the rupee will be capped due to selling of dollars by foreign banks. Also, positive factors such as strong equity markets, fresh capital inflows combined with some inherent weakness in

CURRENCY INVESTORS NEED TO BE CAUTIOUS DUE TO THE VOLATILE NATURE OF THE RUPEE, ANALYSTS SAID

the dollar in overseas markets will restrict a sharper fall of the Indian currency.

Analysts said currency investors need to be cautious due to the volatile nature of the rupee.

Kotak Institutional Equities said in a report that investors should pay more attention to the rupee. "India may have seen the best of current account deficit/balance of payments on a monthly basis in November/December 2014. But any change in external conditions for the worse in the form of higher global crude oil prices and higher US Fed rates may put pressure on the rupee," according to the report.

RBI eases norms for Indian cos investing abroad

Press Trust of India

• letters@hindustantimes.com

MUMBAI: Encouraged by comfortable forex reserves, the Reserve Bank of India on Monday relaxed norms for Indian companies investing abroad by doing away with the ceiling for raising funds through pledging of shares, domestic and overseas assets.

"It has been decided that banks may permit creation of charge pledge on the shares of the joint venture (JV)/wholly owned subsidiary (WOS)... (irrespective of the level) of an Indian party in favour of a domestic or overseas lender for securing the funded or non-funded facility... under the automatic route," RBI said in a notification.

Earlier, fund raising for overseas investment by Indian firms were subject to various limitations.

India's forex reserves rose \$3.163 billion to \$319.997 billion in the week to December 19.

GOING GLOBAL

Jaitley hints at tax regime of global standards

Says high cost of capital has slowed manufacturing

BS REPORTER

New Delhi, 29 December

As the Union finance ministry begins preparing the Budget for 2015-16, Finance Minister Arun Jaitley on Monday hinted at putting in place a globally compatible tax regime to revive the manufacturing sector.

He also nudged the Reserve Bank of India (RBI) to cut the policy rate. The high cost of capital, he said, was the most important factor in the slowing of manufacturing growth in the recent past.

Jaitley indicated the easing of entry norms for manufacturing as an idea being mulled. He said there had to be a shared vision between the Centre and states, political parties, regulators and allied institutions to put India back on a growth track.

"Our regime has to be competitive. People purchase goods; they don't like to purchase taxes along. Unless our taxation regime is internationally compatible, the cost of our products is going to be more. Competition is going to be international. Am I going to provide them a tax regime which is compatible to what they get across the world?" he said in an inaugural address at a meeting on the government's Make in India initiative.

The workshop had discussions with Cabinet ministers, secretaries, industry representatives of 25 identified sectors of the Make in India campaign, state representatives to provide feedback on areas of concern and the way ahead.

Tax regime

Jaitley recalled his first Budget had introduced advance ruling mechanisms (on taxation) for domestic investors as well.

"Even before they (investors) spend the first rupee or the first dollar, they are conscious of the



Finance Minister Arun Jaitley addresses the National Workshop on Make in India, in New Delhi on Monday

PHOTO: PTI

FM not too pleased with Rajan's advice

A word of caution by Reserve Bank of India governor Raghuram Rajan does not appear to have entirely gone down well with finance minister Arun Jaitley.

Earlier this month, Rajan had cautioned the government against overdoing export orientation in the Make in India campaign. Jaitley said, "Whether Make in India is made for consumers within India or outside is not so relevant. The principle today says consumers across the world like to purchase products which are cheaper and are of good quality." He did not take the name of Rajan.

Delivering the Bharat Ram Memorial Lecture, Rajan had said, "There is a danger when we discuss Make in India, of assuming it means a focus on manufacturing, an attempt to follow the export-led growth path that China followed." He was, he said, "Cautioning against picking a particular sector such as manufacturing for encouragement, simply because it has worked well for China. India is different, and developing at a different time, and we should be agnostic about what will work."

BS REPORTER

fact as to what the tax administration is and what the tax liability is in India," he said.

He rapped the predecessor government for retrospective tax amendments which became "a defining moment against India globally." Uncertainty over the tax administration had scared investors away. "Has it not resulted in a closedown of plants which were comparable to global competitors?"

It may be recalled that Vodafone is embroiled in a tax dispute with the government after the latter amended the Income Tax Act with retrospective effect. Nokia shut its factory

near Chennai last month over tax issues. Jaitley said entry points into the manufacturing sector had to be eased. "Our initial barriers have to be lowered and perhaps even removed. If we keep the doors closed, investments won't come in."

He promised more reforms to bring an upturn in the sector, saying only radical steps could do so. He indicated more of changes in labour laws and in the power sector. And, emphasised the need to have a skilled workforce among youth.

Signals for RBI

He identified cost of capital as a

single factor which had slowed manufacturing. Though he did not directly name RBI, it is a fact that the central bank has consistently refused the finance ministry's expressed desire to a lower policy rate.

He said there was a need to ensure liquidity in the markets. "We need to ensure capital is available, we need to ensure that for those sectors which are starving, we are in a position to provide adequate capital."

He said the success of the scheduled meet of bankers with Prime Minister Narendra Modi later this week and the Make in India campaign would give a fillip to manufacturing.

Investor issues

On the ease of doing business, Jaitley asked, "What is it that has happened in the past few years that added to the complication of doing business (in India)?" He said project implementation "across ministries, across states, across regulatory mechanisms requires to be expedited". Calling for a shared national vision to boost growth, Jaitley said: "It is not merely between political parties. It is not merely between Centre and state governments. It is also between various other institutions, which have become altars of governance."

He regretted that "judicial institutions, besides administering justice, in some areas have also become an organ of governance itself". Jaitley said India's economic growth would be "much better" in 2015-16. "The past two years witnessed an economic slowdown. This year might be somewhat better, and next year will be much better."

The government expects growth in gross domestic product to be 5.5 per cent in 2014-15, up from 4.7 per cent the year before.

High rates regime main reason for manufacturing slowdown: FM

fe Bureau

New Delhi, Dec 29: On a day when the RBI mooted structural reforms to revive investor confidence in the Indian economy, the government has singled out the prevailing high interest rate regime as main reason for manufacturing slowdown. The Centre has promised to bring down entry barriers to businesses as well as a competitive tax regime to boost manufacturing growth under its 'Make in India' programme.

"The cost of capital is one singular factor which has contributed to the slowdown in manufacturing growth in recent years. The credit off-take is slow, the infrastructure creation slower... We need to ensure capital is available, we need to ensure that those sectors which are starving we are in a position to provide adequate capital to those industries," finance minister Arun Jaitley said at a 'Make in India' event.

"The entry point into the

Though the RBI in its latest Financial Stability Report acknowledged investor optimism over the India growth story, it said the challenge ahead for the government was to deliver 'commensurate structural reforms'

manufacturing sector itself has to be eased. Our initial barriers have to be lowered and perhaps even removed. If we keep the doors closed, investments won't come in," he said, adding that the project implementation "across ministries, states and regulatory mechanisms requires to be expedited".

Though the RBI in its latest Financial Stability Report (FSR) acknowledged investor optimism over the India growth story, it said the challenge ahead for the government is to deliver "commensurate structural reforms".

In its monetary policy review earlier this month, the RBI had maintained the re-

po rate at 8% as it keeps an eye on the January 2016 CPI inflation target. The consumer price index (CPI) has dropped to 4.38% in November — its lowest since inception in January 2012. It was 5.52% in October. Wholesale price index inflation had decelerated at its fastest pace in five years at 1.77% in October — compared with 2.38% in the previous month.

These have added to the industry clamour for "accommodative monetary policy" to spur growth.

Referring to the forthcoming bankers' retreat with Prime Minister Narendra Modi, Jaitley said its success could give the required fillip

to the 'Make In India' campaign and spur domestic manufacturing.

On RBI governor Raghuram Rajan's recent call for a redefinition of the much-touted "Make in India" campaign, Jaitley said "Whether Make in India is made for consumers within India or outside is not so relevant. The principle today says that consumers across the world like to purchase products which are cheaper and are of good quality. They hire services which are cheaper and good quality."

RBI governor Raghuram Rajan had recently pitched for the concept of "Make for India" saying the world might not accommodate another "export-led China," and therefore Indian manufacturing should rely on huge and expanding needs of the domestic market.

Rajan had cautioned against subsidizing inputs to specific industries just because they are deemed important or labour intensive.

Centre sets up joint task force to boost mobile manufacturing

PRESS TRUST OF INDIA

NEW DELHI, DECEMBER 29

GOVERNMENT has set up a joint task force, which will include industry representatives from Samsung, Microsoft Devices and Lava, to rejuvenate nation's mobile phone manufacturing ecosystem with a view to achieve production of 500 million units of mobile handsets by 2019.

Industry body Indian Cellular Association (ICA) National President Pankaj Mohindroo has been appointed as Chairman of the task force. Nokia SEZ president and director — India Operations Josh Foulger has been made co-chairman along with Lava Co-Founder Hari Om Rai.

Samsung India managing director BD Park, Sony India managing director Kenichiro Hibi, Microsoft devices director for Government relations Sandeep Bhargava, LG India MD Soon H Kwon, Micromax Informatics Co-founder Vikas Jain are also on board as members of the task force.

The Department of Electronics and Information Technology (DEITY) Directors SK Marwah and Asha Nangia will represent government in this task force. In an office memorandum, DEITY has announced setting up of a 'Fast Track task Force' to "re-

INDUSTRY

body, Indian Cellular Association, national president, Pankaj Mohindroo has been appointed as chairman of the task force

establish and catalyse significant growth in mobile handset and component manufacturing eco-system in India."

As per the office memorandum, the terms of reference of the task force includes promotion of "large scale manufacturing/assembly activity to achieve production of 500 million units of mobile handsets by 2019 i.e. annual manufacturing output of Rs 1,50,000 crore to 3,00,000 crore."

It is estimated that this production can create employment opportunity for 15 lakh people. ICA in its budget recommendation has said that in absence of corrective measures, mobile exports from India will crash to zero in 2015.

Mobile market in India is estimated to grown by 32 per cent or to \$12 billion in 2014 but imports account for three-quarters of the market.

ECONOMY & PUBLIC AFFAIRS

A mixed bag for Parliament in '14

BS REPORTER

New Delhi, 29 December

Every year, parliament witness one or two events which leave a bad impression. It was this year, too. However, this doesn't eclipse the highs of 2014.

The first session in February but the last for the Congress-led United Progressive Alliance (UPA) government, remained unfruitful as expected. Seven Bills were passed and another 10 introduced in both Houses.

"The Session saw extensive disruptions over the issue of separate statehood for Telangana and the plight of Tamil fishermen. It ended on a low note, with an MP using pepper spray

in the Lok Sabha to protest the introduction of The Andhra Pradesh Reorganisation Bill, 2014. Seventeen MPs were suspended by the Speaker for grave disorder," said PRS Legislative Research, a non-profit organisation.

The 15th Lok Sabha completed its five-year term in June. It left 128 Bills pending, the highest at the end of any Lok Sabha. Of these, 68 lapsed and another 60 Bills, also pending in the Rajya Sabha (where Bills never lapse, as it is a permanent House), have been forwarded to the 16th Lok Sabha.

The new or 16th Lok Sabha following an emphatic victory of the Narendra Modi-led National Democratic Alliance (NDA) saw some serious trans-

action of business. The productivity in both Houses during the Budget session (July-August) was quite high. Five Bills were passed and another 14 introduced in both Houses.

"It lost a significant time to disruptions during the winter session over the issue of reported religious conversions and was able to work for 59 per cent of its scheduled time in the Rajya Sabha," said PRS. In the Lok Sabha, though, it was high productivity.

Around 40 Bills were introduced this year. These included the Constitution 122nd Amendment (Goods and Services Tax) Bill, The Electricity (Amendment) Bill, The Juvenile Justice (Care and Protection of Children) Bill, The Factories (Amendment) Bill and The Rights of Persons with Disabilities Bill.

"Eight ordinances were promulgated. Two of these were by the UPA government and six by the current NDA government. These included the Coal Mines (Special Provisions) Ordinance, promulgated twice, the Telecom Regulatory Authority of India (Amendment) Ordinance, and the Insurance Laws (Amendment) Ordinance," stated PRS.

The new Lok Sabha saw the highest percentage till date of women (11) and the largest number of members (47 per cent) over the age of 55, and a small decrease in members with at least a graduate degree (75 per cent).



PARLIAMENT IN 2014

	Winter Session (Feb)	Budget Session (July-Aug)	Winter Session (Nov-Dec)
LS productivity (%)	21	104	98
RS productivity (%)	27	106	59
Question Hour productivity in LS (%)	11	84	81
Question Hour productivity in RS (%)	0	38	25
Time spent on legislative business in LS (%)	11	13	35
Time spent on legislative business in RS (%)	31	16	33
Bills passed by both Houses	7	5	11
Bills introduced in both Houses	10	14	16

Source: PRS Legislative Research

Modi Okays Action Plan for Ease of Doing Biz

Strategy to boost local manufacturing, take forward Make in India campaign finalised

Our Bureau



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NARENDRA MODI

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velled the initiative during his Independence Day address in August.

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ance in the last six months and what they aimed to achieve in the next one to three years.

Modi called for a globally recognized Brand India that would be renowned for "zero defect, zero effect", or free from manufacturing defects and having no adverse impact on the environment.

"We want maximum movement of men, money, machinery, materials and minerals across the country," he said, coining another acronym.

The PM said in three months, government machinery had geared up. "If we have to change laws, we are ready. If we have to change rules, we are ready. If we have to change the system, we are ready," he said on a day the government approved ordinances to ease parts of the land acquisition law and another to speed up arbitration. He also stressed on the need for development of human

resources that would be required over the next 30-40 years, calling on universities, institutions and industry to work together to make India a country of skilled people.

"Unless we go to the world with innovation and research... like in the IT sector we have shown our prowess 25 years back but we didn't create a Google, our talents have gone abroad," he lamented.

Revenue secretary Shaktikanta Das assured industry of predictability and transparency in the tax regime. "He said that the government will aim to make the taxation regime friendly and fearless," said a government official citing him.

In a separate session with state chief secretaries and principal industry secretaries on improving ease of doing business, states agreed to adopt best practices of others to create a uniform regime.

Modi promises changes in law to boost growth

■ Prime minister says 'we must look at how to develop Brand India globally'



Prime Minister Narendra Modi

New Delhi, Dec 29

KEEN on boosting domestic manufacturing, Prime Minister Narendra Modi on Monday promised to change laws and style of government functioning to create jobs and bring the derailed economy back on track.

Three months after launching the 'Make in India' campaign, he patiently heard industry leaders and government officials on impediments hindering the manufacturing sector and promised collective and transparent decision-making.

"In the last three months the government machinery has geared up, and is now ready to change... If we have to change laws, we are ready. If we have to change rules, we are ready. If we have to change system, we are ready," he said after the day-long workshop on the campaign.

Stating that silos in government functioning have been demolished, Modi stressed on collective decision-making.

"Government is generally trapped in 'ABCD' culture from top to bottom.... A means Avoid, B-Bypass, C-Confuse, D-Delay. Our efforts is to move from this culture to 'ROAD' where R stands for Responsibility, O-Ownership, A-Account-

ability, D-Discipline. We are committed to moving towards this roadmap," he said.

He said human resource development, innovation and research should become a part of the government DNA. Unveiling his vision for making India a manufacturing hub, he said: "Make in India will have to have a hash-tag of zero defect and zero effect on environment."

"We must look at how to develop Brand India globally... Unless it is there we will not be able to make a name for ourselves in the global market," he said.

Calling for a balanced development in the country, Modi said there should be maximum movement of man, material, money, machine and mineral across the country.

"During the day-long effort, responsibilities have been fixed, roadmap has been prepared, required changes in policies have been decided... Now I don't think there is any requirement for paperwork. Now, things will be implemented automatically," Modi said.

Modi said his government was adding a new paradigm to the PPP (public-private partnership) model by involving all stakeholders in key decision-making processes.

The Government, he said, hitherto operated in secrecy, but this workshop was an example of openness and working together to achieve desired goals. He called upon all sectors of manufacturing to take inspiration from the space sector and the achievements of India's space scientists.

"Growth should be balanced across India and special efforts should be made to ensure that the East, which is rich in natural resources, should be as developed as the Western parts of the country," he said.

PTI

Changed land Act good for farmers, says PM

New Delhi: Amid a controversy over the Government's decision to make significant amendments in the Land Acquisition Act, Prime Minister Narendra Modi on Monday said changes in the law were required to ensure faster processing without compromising on compensation or relief and rehabilitation measures for farmers.

Hours after the Union Cabinet chaired by him took the decision to take an ordinance route to amend the legislation enacted during the previous UPA Government, Modi said the proposed amendments meet the twin objectives of farmers' welfare, along with expeditiously meeting strategic and developmental needs of the country.

"Certain amendments have been made in the Act to further strengthen the provisions to

protect the interests of the affected families.

"Important aspect of amendment is to make developmental & security related works faster without compromising benefits/compensation to farmers," the Prime Minister tweeted.

He said the present changes will allow a fast track process for defence and defence production, rural infrastructure including electrification, housing for poor including affordable housing, industrial corridors and infrastructure projects including projects taken up in PPP mode where ownership of the land continues to be vested with the Government.

"Pro-farmer step: Excluded Acts brought under RFCTLARR Act for Compensation and R&R.

"Pro-development: Faster processing without compromising on compensation or R&R measures to farmers," Modi tweeted.

The Prime Minister also said "several suggestions" had come up during the Centre's interactions with State Revenue Ministers and key implementing Ministries.

"States, Ministries and stakeholders had been reporting many difficulties in the implementation of this Act," he said.

Government recommended promulgation of an ordinance making significant changes in the Act including removal of consent clause for acquiring land for five areas of industrial corridors, PPP projects, rural infrastructure, affordable housing and defence.

PTI



Reforms push: Cabinet clears land acquisition ordinance

Clauses for social impact assessment, approval of 80% of affected people go

OUR BUREAU

New Delhi, December 29

The Centre today recommended an ordinance to make significant changes to the Land Acquisition Act so as to fast-track projects in key sectors such as power, roads, defence and housing.

A Cabinet meeting, chaired by Prime Minister Narendra Modi, took note of the difficulties in implementing the Land Acquisition Act. The Centre claimed that the amendments will strengthen the provisions to protect the interests of the 'affected families' and also reduce procedural difficulties in acquiring land required for 'development'.

The Centre has been interacting with States on the Act. In June, several States, including those ruled by the Opposition, had conveyed to the Centre that the pre-

Change agent

Land law amendment effect



- Faster processing of acquisition
- Fast-track process for defence and defence production
- No compromise on compensation or rehabilitation measures
- No compulsory social impact assessment for infrastructure, social infrastructure projects
- No compulsory consent from farmers for 5 project categories, such as affordable housing and industrial corridor

sent Act was creating trouble in acquiring land for even State projects. Their main objections were to the compulsory consent of 80 per cent of the affected landowners and the social impact assessment of the alienated land.

The Act had kept out of its purview 13 most frequently used laws for land acquisition. The Centre was supposed to bring in a notification in Parliament to extend the provisions of compensation and rehabilitation and resettlement (R&R) to the people affected by land acquisition carried through

the 13 Central Acts, as mentioned in the Fourth Schedule. However, the Centre said the ordinance will bring these Acts under the purview of the Land Acquisition Act. "These Acts are applicable for national highways, Metro rail, electricity-related projects, etc. Thus, a large percentage of farmers and affected families were denied the compensation and R&R measures prescribed under the Act," a Government statement said, adding the amendments will benefit farmers and affected families.

The ordinance proposes a fast-

track process for defence and defence production, rural infrastructure (including electrification), housing for poor (including affordable housing), industrial corridors and infrastructure projects (including projects taken up under the public-private partnership mode). The ordinance does away with the clauses on compulsory social impact assessment and approval of 80 per cent of people whose land is being acquired.

Move criticised

The Centre's move has met with stiff opposition. Congress spokesperson Abhishek Manu Singhvi said: "The issue is of legislation of vital matters like land acquisition by stealth and ordinance. How can we support that?" "Ordinance Raj cannot last beyond the Budget session."

Land rights activists like Medha Patkar said the dilution of the need for people's consent and conducting the social impact assessment for all the projects is completely uncalled for and will only make matters worse.

Smart cities should aim at improving governance: Modi

Workshop for State, Central urban bodies soon

OUR BUREAU

New Delhi, December 29

Smart cities should aim to improve the quality of urban governance, lending greater strength to the country's overall governance processes, said Prime Minister Narendra Modi.

Chairing a high-level meeting with Government officials on the smart cities initiative, the Prime Minister has asked the Ministry of Urban Development to convene a workshop of all Central and State urban development authorities at the earliest, a statement from the Prime Minister's Office said.

The workshop should also focus on reforms in laws related to urban development, he said, calling for identifying parameters that could be laid



Prime Minister Narendra Modi

down for smart cities. Modi asked officials to identify the basics of infrastructure, quality of life, and citizen-centric services that would be essential to cities of the 21st century.

The cities should be identified as hubs of economic activity and focus on solid-waste management and waste-water treatment, the statement added.

The Prime Minister has asked Government officials to visualise 'urban-dependent' population, in addition to 'urban' population, while planning for these cities.

ACQUISITION NORMS UPA law tweaked for exemptions

Nod for ordinance to amend Land Act

Amendments relax requirements of consent, Social Impact Assessment

National Bureau

NEW DELHI: Seeking to strike a balance between farmers' welfare and the strategic and developmental needs of the country, the Union Cabinet on Monday urgently cleared an ordinance to unshackle defence, infrastructure and rural power projects caught in land acquisition procedures.

Through this executive order, the Cabinet has amended the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

The 2013 Act was the UPA 2 government's answer to forced acquisitions, the previous law's silence on rehabilitation and re-settlement of displaced persons, low rates of compensation and the 'urgency clause' — which allowed complete dispossession without prior notice to affected families — under the Colonial 1894 land acquisition law.

Monday's amendments have now relaxed the requirements of consent and Social Impact Assessment survey for projects in five areas — national security and defence, rural infrastructure and electrification, affordable housing for the poor, development of industrial corridors and infrastructure and social

RULES TO BE RELAXED

APPROVAL FOR EASING LAND ACQUISITION NORMS



13 laws to be aligned with compensation provisions of 2013 land acquisition law



A protest against eviction without compensation. — File Photo: AFP

- The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 came into force on Jan 1, 2014

There is a need to strike a balance between farmers' interests and industrial growth
— ARUN JAITLEY, Finance Minister

FOR BUYERS

Projects in defence, rural and social infrastructure, rural housing and industrial corridors **exempt from:**

- Seeking consent of 80% of the affected landowners
- Holding social impact study with public hearings

FOR LANDHOLDERS

- Compensation to stay at 4 times the market price in rural areas
- Job provision for persons ceding land for industrial corridors

Investors who want secure property rights may not perceive it as a stable solution
— PRANJUL BHANDARI, Economist

infrastructure including PPPs in which ownership rests with the government.

The higher rates of compensation, as originally prescribed in the existing Act, would however continue.

The amendments, the government explained, were meant to mitigate "procedural difficulties" brought about by the original law in 2013.

The second important aspect of the amendment is to

speed up developmental and security related projects without compromising on the benefits/compensation to be given to the farmers.

A statement said due to the "prolonged procedure for land acquisition, neither the farmer is able to get benefit nor is the project completed in time for the benefit of society at large."

Relief for 2,000 unauthorised colonies in Delhi

Smriti Kak
Ramachandran

NEW DELHI: Spelling relief for 60 lakh people living in nearly 2,000 unauthorised colonies in Delhi, the Cabinet on Monday approved the proposal to amend the existing guidelines that enable regularisation of these colonies. The Cabinet has approved extension of cut-off date for regularisation from March 31, 2002 to June 1, 2014, Union Finance Minister Arun Jaitley announced here.

Earlier, 895 of 1,639 colonies were found eligible for consideration by the Congress government. After the Cabinet approval on Monday, these 1,639 colonies plus another 300 colonies that have come up since March 2002 will now be regularised.

"The decision to regularise the colonies that was taken in 2012 was by notification and without the Cabinet approval. Today, this [regularisation] has the sanction of Parliament. [...] now we have taken another proactive step in offering protection to people by getting the Cabinet approval," Mr. Jaitley told *The Hindu*.

ACTION FIRST

No Enquiry Now, Home Min Plans to Wipe Out NDFB (S) Brass First

Aman.Sharma@timesgroup.com

New Delhi: The Home Ministry is not inclined to order an inquiry into the lapses that led to the Assam killings though Assam CM Tarun Gogoi had asked for the same when Home Minister Rajnath Singh visited Guwahati.

"This is the time to look ahead and concentrate on operations with the aim to wipe out the NDFB(S) leadership...not do an inquiry into lapses that may have preceded the attack. There will also be no dialogue with anti-talks faction of any insurgent group as the NDFB(S) has specifically lost all legitimacy for talks after this dastardly attack. The Army will target their top leadership and not just cadres," a senior home ministry official told ET.

Meanwhile, Security forces today arrested a cadre of NDFB (S) and four linkmen in connection with the violence unleashed by the group which has left 81 people dead.



HOME MIN OFFICIAL

There will also be no dialogue with anti-talks faction. The Army will target their leadership and not just cadres

Centre Unhappy with Relief Work in Assam



NEW DELHI: The Home Ministry is unhappy with the Gogoi

government for not "projecting the 'correct picture' of the facilities at relief camps in the state. "What we have learnt from Tribal Affairs Minister Jual Oram's visit and media reports is that the relief camps do not have basic facilities while Assam contended otherwise," a ministry official said.

Modi Comes Good on His Pravasi Promise, to Merge PIO & OCI Cards

New Year Gift

Modi govt readying ordinance to merge PIO and OCI cards via amendment to the Indian Citizenship Act, 1955

Modi had first announced the measure during his September visit to the US



On Jan 7, Pravasi Bharatiya Divas kicks off in Gandhinagar. Home ministry wants to bring Ordinance to Cabinet before the event

Citizenship (Amendment) Bill, 2014, tabled in LS earlier this month could not be taken up for discussion. Next Parliament session is in Feb

Modi promised in Sydney in November to merge PIO-OCI scheme within two months



Home ministry likely to bring ordinance to amend Indian Citizenship Act of 1955 before January 7

Aman.Sharma
@timesgroup.com

New Delhi: The government has quietly readied yet another ordinance — this one to merge the PIO and OCI cards — to make good a promise made by Prime Minister Narendra Modi during his visits to the US and Australia when he vowed to make it easier for the Indian diaspora to connect with their homeland.

The home ministry will soon bring an ordinance to amend the Indian Citizenship Act of 1955 and a senior official said this was like-

ly to be done before January 7 inauguration of the Pravasi Bharatiya Divas in Gandhinagar. This will mark a fresh test to accepted political conventions for passing legislation using the ordinance route and could expose the government to criticism that it was disregarding Parliament.

The upcoming ordinance is expected to specify a date by which existing PIO (Persons of Indian Origin) cardholders will be deemed as having the rights and privileges enjoyed by Overseas Citizens of India (OCI).

Indian Overseas Cardholder >> 16

Scheme Called Indian Overseas Cardholder

>> From Page 1

Modi had promised, most recently in his Sydney speech to the Indian diaspora on November 17, that the PIO and OCI cards would be merged within two months. The home ministry had introduced the Citizenship (Amendment) Bill, 2014 in the Lok Sabha earlier this month but it could not be taken up due to frequent disruptions.

The thinking in the government, officials said, was that if it decided to wait until the next session in February, the promise would not be met. "It will be an

embarrassment if the PIO-OCI cards are not merged by then. Hence, the home ministry has prepared an ordinance as a gift to NRIs," a home ministry official told ET, adding that the upcoming Pravasi Bharatiya Divas gave the government the perfect setting to make good the PM's promise. The home ministry official said the ordinance would be presented to the union cabinet for clearance very soon, preferably as early as in its next meeting. Modi has for long aggressively courted the Indian diaspora, many of whom are financially well off in their adopt-

ed nations, to invest in India. His public meetings during his visits abroad as PM have been well attended and his election campaign too also saw the involvement of large numbers of Indian expatriates.

The PIO and OCI cards are expected to be merged into a new scheme that will be called Indian Overseas Cardholder and will retain many of the features of the OCI, which is more popular among Indian expatriates because it allows them to have a lifelong Indian visa and financial privileges applicable to non-resident Indians. A PIO card-

holder by comparison could only stay in India for six months at a time. The government has issued nearly 53,000 PIO cards so far, while around 10 lakh people have been granted OCI status.

The planned ordinance will also involve amendments to allow foreigners breaks for a period not exceeding 30 days during the prescribed one-year stay in the country before they can apply for Indian citizenship. At present, foreign nationals marrying Indians cannot leave the country even for a single day during the one-year period before applying for citizenship.

J&K GOVERNMENT FORMATION

PDP seeks to buy more time to decide

Delay reflects the difficulties that surround party's next step

Zahid Rafiq

SRINAGAR: The PDP and the BJP may appear close to an alliance in Jammu and Kashmir, but the last word has not been said and nothing is certain until it is sealed, according to sources in the two parties.

Both camps are uncertain about the likely reaction of the people supporting them to the proposed alliance. Ongoing activities in the PDP and the BJP indicate serious nervousness in arriving at a decision on government formation.

PDP president Mehbooba Mufti has asked for a meeting with State Governor N.N. Vohra on December 31, a day before the deadline given by the latter, and according to sources in the party, she is likely to ask for more time be-



Mufti Mohammad Sayeed

fore taking any decision regarding government formation.

"The meeting with the Governor has been advanced on the request of Mehbooba ji and she will be meeting him this Wednesday at Raj Bhawan in Jammu," chief spokes-

person of the PDP, Naeem Akhter told *The Hindu*.

The delay in making any decision by the PDP, in a way, reflects the difficulties and dangers that surround the party's next step, more so if it is towards the BJP.

"It is a terribly difficult verdict and Mufti Sahib [Mufti Mohammad Sayeed] is the man in most difficulty. The BJP is also facing a difficult time as it had made tall promises to people in Jammu about appointing a Hindu Chief Minister and breaking the dynasty rule in the State," a senior PDP leader told *The Hindu*. "They [BJP] also have to be careful as they are treading a difficult path."

The BJP high command held a meeting with its legislators in Delhi on Monday to discuss the J&K situation. The party has to decide on its

Hindu CM demand and arrive at a common ground with the PDP to be a part of the government in the State.

However, the pressure is far more on the PDP to make a decision which, while being politically expedient, does not cut the party's growing roots in the Valley.

The PDP has to think about the impact of a possible alliance with the BJP on the voters in Srinagar, where, for the first time, the party has bagged five of the eight seats in the region.

"It is a fact that people voted for us believing that we would save them from the BJP and the RSS. And if we go with the BJP now, they will see it a colossal betrayal and it will surely be a disaster in at least Srinagar," a senior PDP leader and legislator from Srinagar told *The Hindu*.

PDP patron Mufti Mohammad Sayeed, on Sunday, sought one-on-one consultation with his legislators. Now, party sources said, they have widened the net of consultations to include the voices of their workers and members of civil society.

"Mufti sahib wants a ground report and he does not want to be disrespectful to the people and their mandate. So we are going to take time. He is a man of patience and the PDP will seek more time from the Governor to make any decision," a senior PDP leader said.

"Our big problem with the BJP is that we really do not understand them. Even Mufti Sahib does not understand Modi and Amit Shah. They are not the old school leaders with whom one can really reason things out," the PDP leader added.

TUESDAY, DECEMBER 30, 2014

Many faces of terror

Sometimes, terror is its own purpose. Militant groups with an identifiable cause often claim responsibility for their acts or choose their targets carefully. But those behind Sunday's low-intensity explosion in Bengaluru that indiscriminately targeted ordinary people in a crowded public place have chosen to remain anonymous so far. The bomb blast, which claimed the life of a woman from Chennai who was on a visit to Bengaluru, was clearly intended to spread fear and set off panic, rather than send any specific political message. The aim seems to have been to create a feeling of insecurity among the city's residents, and invite greater, harsh policing. This is not the first time Bengaluru has been subjected to a terror attack of this nature. Such low-intensity blasts are suspected to be the handiwork of local networks of extremists with limited material resources and logistics support. Investigators see similarities with the blast on board a Bengaluru-originating train arriving at the Chennai Central station, in which activists of the Students Islamic Movement of India, who escaped from the Khandwa jail last year, were believed to be involved. While it is too early to pinpoint responsibility, the fact remains that India-based terror modules have chosen Bengaluru for repeated attacks. While New Delhi and Mumbai have seen attacks with the involvement of organisations from across the border, most of the explosions in Bengaluru have been traced back to Indian groups such as those of Abdul Nasir Maudany or Al Umma or the Indian Mujahideen. The exception was the shooting at the Indian Institute of Science during an international conference, exactly nine years ago, which was carried out by Indians supposedly with links to the Lashkar-e-Toiba.

Whether the blast was intended to protest the arrest of the pro-Islamic State tweeter in Bengaluru, would be known only after further investigation. But, Bengaluru, a city with a large floating population, with workers drawn from different parts of the country, is surely growing too big and diverse for conventional policing. True, it is difficult to prevent terrorists picking soft targets. Intelligence inputs on the possibility of such attacks are usually vague and non-actionable. A separate intelligence information cadre, as proposed by Chief Minister Siddaramaiah, could help in data surveillance, and in tracking online activities of suspects, but whether this could in itself help prevent similar attacks on soft targets is another matter altogether. The Bengaluru police, which have had remarkable success in apprehending the perpetrators in these attacks, might need to adopt problem-oriented policing to prevent terror crimes with a greater level of success.