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SECRETARY GENERAL'S DESK

IMPORTANCE OF INDUSTRY - INDIAN CONTEXT

Industrial growth is essential for the sustained economic development of any nation. A well balanced *industrial (manufacturing) sector* is at the centre of economic development - with growth in a variety of different industrial sectors that feed off each other. A strong industrial base mitigates risks and facilitates economic planning - with surplus being re-invested into infrastructure development, in turn providing a base for further industrial growth. History shows that in the process of becoming a developed economy, the share of the *industrial sector* rises and that of the *agricultural sector* declines. This is only possible through conscious and planned industrialization. As a result, the benefits of industrialization 'trickle down' to other sectors of the economy in the form of the development of *agriculture* and *service sectors,* leading to more and more employment, output and income. If agriculture is the backbone of the economy, industry is the driving force.

The development experience of the rich nations of the world shows that much credit goes to 'Industrialization' for the economic development of advanced nations of the world. In addition to developed countries, the remarkable progress which has been made by countries like Taiwan, Korea, Malaysia and Hong Kong is also based on industrialization. Industrial development plays a major role in the development of nations and if the developing countries wish to remove their backwardness, they should focus on accelerating industrial growth. In a developing economy like India, with increasing population, agriculture is unable to provide necessary employment. Industrial growth is indispensable to achieve sustained progress and to address the problem of unemployment. Fortunately, there is good scope for the development of industries in India.

Indian Advantage

India has many favourable factors for rapid development of industries as mentioned below **:**

India is rich in **:**

- natural resources, such as minerals, forests, fisheries, etc. required for the development of industries.

V.S. RATHORE
Secretary General, COSIDICI

- commercial crops, such as sugar-cane, raw cotton, raw jute, tobacco, oil seeds, etc. required for the development of agro-based industries.
- *power resources, such as coal, hydro-electricity, atomic energy, etc. required for turning the wheels of industries*.

India is rich in human resources – both skilled/ technically qualified as well cheap labour required for a competitive edge for the development of industries.

The country's large population provides a wide market required for the development of industries.

Industrialisation would lead to better utilisation of natural resources - minerals, forests, fisheries, etc. which the country has in abundance. It would create more and varied employment opportunities addressing the problem of unemployment and under-employment in the country. Further, it can absorb the surplus agricultural labour, and thereby, reduce the problem of disguised unemployment in rural areas.

Industrial growth will also promote agricultural development in the country in many ways. Through industrialization, the requirements for the development of agriculture can be met. Improved farm-implements, chemical fertilizers, storage and transport facilities, etc, appropriate to our own conditions can be adequately provided only by our own industries. Further, with the development of agro-based industries such as sugar-cane, raw cotton, raw jute, tobacco, oil seeds etc, there will be more demand for these materials. This, in turn will promote the development of agriculture.

Industrial development leads to an increase in the income and purchasing power of the people; at the same time making available a wide variety of goods and services for domestic consumption as well as for exports. It contributes to the development of the tertiary or *service sector*, i.e. trade, transport & communication, banking & insurance, tourism & hospitality etc. It would be helpful in maintaining a proper balance between agriculture, industry and the *service sector*, which is essential for the all-round economic progress of any nation. It thus imparts a dynamic element to an economy in the form of rapid growth and a diversified economic structure which makes it a developed and progressive economy.

Indian Economy's post-independence journey:

The post-independence-era of Indian economy from 1947 to 1991 was based on a mixed economy, combining features of capitalism and socialism; resulting in an inward-looking and import-substituting economy with interventionist policies that failed to take advantage of the post-war expansion of trade. This model contributed to widespread inefficiencies and corruption, and the failings of this system were due largely to its poor implementation. The extensive regulation was sarcastically dubbed as the "License Raj". The slow growth rate was named the "Hindu rate of growth". The central pillar of the policy was import-substitution and the belief that India needed to rely on internal markets for development and not international trade. However, a Balance of Payments crisis in 1991 pushed the country to near bankruptcy with foreign exchange reserves being reduced to a point that India could barely finance three weeks' worth of imports. In order to rescue the Indian economy from this crisis, the International bailout package came when India promised for the much needed economic reforms.

Post Liberalization Period (1991 onwards) marks the opening up of the Indian economy and making it more competitive, getting the Government out of the complex mass of regulations, empowering the States to take more responsibility for economic management and thereby creating a kind of competition among the States for foreign investors. The reforms did away with the Licence Raj, reduced tariffs and interest rates and ended many public

monopolies, allowing automatic approval of Foreign Direct Investment (FDI) in many sectors. While the overall thrust of liberalisation has remained the same, since then, no government has tried to take on powerful lobbies such as trade unions and farmers, on contentious issues such as reforming labour laws and reducing agricultural subsidies. By the turn of the 21st century, India had progressed towards a free-market economy, with a substantial reduction in state control of the economy and increased financial liberalisation. The GDP growth rate, which had collapsed to 0.8% in 1991-92 rebounded to a near normal of 5.3% in 1992-93; then progressively accelerated to 6.2% in 1993-94 and further to an average rate of 7.5% during the 3 years 1994-95 to 1996-97. With the advent of real integration of the Indian economy in the global economy, India enjoyed even higher growth rates averaging more than 9% during the period 2003-2007. Growth then moderated due to the global financial crisis starting in 2008, leading to a slowdown in the Indian economy. Thereafter, investments have stalled and the government has cut back on capital expenditure to ensure fiscal prudence. An economic contraction, resulting stagnation and loss of jobs now plagues the Indian economy.

Industrial (manufacturing) Sector versus Service sector :

A noteworthy feature of India's economic growth over the past two decades has been the faster growth of the *service sector* in comparison with growth in both *manufacturing* as well as *agriculture sectors*, so much so that the share of *service sector* has risen to 58% of the GDP, which is equal to that in developed nations. Unfortunately, in India it has come at the displacement of manufacturing since the due share of GDP which could have gone to manufacturing has not happened. The *service sector* has provided a good foundation to build the economy but the country should aim for a balance between the two sectors. The observed dominance of service ahead of industry with the decline of agriculture has given rise to apprehension as to whether the sequence of the growth process would be reversed in the future, particularly when the industry is yet to achieve adequate growth.

The constraints in the operating environment in *manufacturing sector* (labour laws, poor infrastructure, power scarcity, land acquisition issues) make manufacturing a cumbersome and inefficient activity, thus dissuading entrepreneurs from investing more actively in this sector. The *service sector*, which is relatively less regulated, has seen more entrepreneurial activity and thus more growth. Lack of vibrancy in the *manufacturing sector* robs the country of many job opportunities, which a country with such a large population cannot afford.

India's unique positioning in the global marketplace as a services-led economy is in contrast to most other developing economies, including China, which have taken the traditional route of labour-intensive manufacturing followed up by higher value added part-labour, part-capital intensive manufacturing. India's share of global manufacturing stands at little over 2 percent, while China has, over the years, positioned itself as the manufacturing hub of the world, accounting for over 22 percent of global manufacturing. In India, while the *service sector* – employing comparatively skilled English-speaking people – has had its share of glory, it cannot provide employment to the teeming masses. The scale and nature of employment that is required to employ people with limited skills and education can only be provided by mid and low-end manufacturing.

India must revive its industrial (manufacturing) sector :

The policymaking focus has now finally shifted to the *manufacturing sector*, with the government framing a National Manufacturing Policy in 2011. The policy has laid out plans to promote the *manufacturing sector* so as to raise its contribution to GDP from 16 percent (at present) to 25 percent and creating 100 million new jobs by 2025. India will need massive investment, including major contributions from foreign investors to achieve its stated goal of reviving the *manufacturing sector* and providing jobs to the tens of millions of unemployed youth. What will be particularly helpful to India's job creation needs is vertical FDI, wherein production in the economy is intended not just to serve the domestic markets but also global exports. Such FDI has to be more employment intensive and should also go into building quality infrastructure. This would also ensure that India is seen as more than just a consumer economy, where the primary category of FDI is horizontal or market-seeking.

Reforming existing labour laws, while politically difficult, will eventually be in the interest of the people. Equally urgent is the need to upgrade India's physical infrastructure to encourage domestic and foreign direct investment in the *manufacturing sector*. This will absorb the rural labour surplus that is migrating to the cities by providing employment in labour-intensive, less technology-intensive manufacturing catering to the contemporary needs of the economy.

Conclusion :

The well-known sequence of structural transformation from *agrarian economy* to a predominantly *service economy* en-route *industrial economy,* as noticed in the developed world, has not been witnessed in India. While the fast growth in the *service sector* is welcome, it should not be at the cost of *manufacturing sector*. The continued expansion of *service sector* in India by-passing the *manufacturing sector* may not be good for long term macro-economic health of the economy. Moreover, the sustainability of service sector momentum without corresponding growth in the manufacturing sector is doubtful. Continued empowerment of *manufacturing sector* will enable Indian economy to attain high and sustainable growth in the long-run.

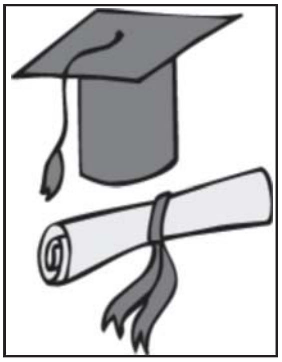
Vikram Singh

(V.S. RATHORE)

■■■

APPOINTMENTS

- Shri D.M. Spolia, IAS has been appointed as Chairman & Managing Director, Delhi Financial Corporation {DFC}, New Delhi vice Shri Arvind Ray, IAS.
- Ms. Veenu Gupta, IAS has been appointed as Managing Director, Rajasthan State Industrial Development & Investment Corporation Ltd. {RIICO}, Jaipur vice Shri Naveen Mahajan,IAS.
- Dr. Madhu Khare, IAS has been appointed as Managing Director, Madhya Pradesh Financial Corporation {MPFC}, Indore vice Shri K.C. Gupta, IAS.
- Shri Madhusudan Sharma, IAS has been appointed as Managing Director, Rajasthan Financial Corporation {RFC}, Jaipur vice Shri Yaduvendra Mathur, IAS.



- Shri Menino D'Souza has been appointed as Managing Director, Goa Industrial Development Corporation (GOA-IDC), Panaji vice Shri Faizi O. Hashmi, IAS.

QUESTIONS OF CYBERQUIZ~46

1. It is a satellite consortium of 136 nations, including India. It has 24 satellites and carries more than half of all international phone calls. The hotline linking Whire House and Kremlin passes through one of its satellites. Name this consortium.

[a] Iridium; [b] Intelsat; [c] Pansat; [d] WorldTel.

2. Which famous IT company was founded in 1984 by Len Bosack and his wife Sandy Lerner ?

[a] Cisco Systems; [b] Oracle Corp; [c] Microsoft; [d] Sun Micro Systems.

3. Cyrix, a chip maker, was a bitter rival of Intel's. There was a huge tomb in the lobby of Cyrix Corp.'s corporate headquarters. What words (a joke aimed at Intel) were inscribed on this mausoleum?

[a] In memory of Intel; [b] Here lies Intel; [c] Intel no more; [d] Intel inside.

4. Dismissing any threat to its business from telephone, an internal memo of this company in 1876 mentioned. "This telephone" has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value to us. Name this company;

[a] Western Union; [b] USPost; [c] UPS; [d] DHL.

5. In 1986, in order to ward of a hostile takeover attempt from Burroughs, Sperry Rand engineered a major price hike of its shares. The airm was to prevent takeover by forcing a much bigger fund requirement on the part of Burroughs in order to complete the takeover bid. In the corporate terminology, what is this strategy called ?

[a] Shark watcher; [b] Poison Pill strategy ; [c] Sandbag strategy; [d] Golden share strategy.

For Answers See Page No. 11

WAY BANKS AND FIs ARE NOT USING THE BRAHMASTRA?

*S. MURLIDHARAN**

The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Act, 2002 [SARFAE-SI] Act, 2002 is a landmark legislation and potent tool in the hands of the creditors, but ironically, being used sparingly by them.

It enables 75% or more of secured creditors (in terms of outstandings), namely, banks and financial institutions to take possession, without the leave of the Court, of the borrower after serving a sixty day notice of the intention to do so when the loans and interest thereon are classified as non-performing assets (NPA) as per the RBI norms.

In the face of mounting NPAs besetting our financial institutions, it is a trifle curious that they are not going for the jugular of the borrowers many of whom are willful defaulters. True, our epics tell us *brahmastra* must be used only as a last resort but then our lenders indulge in financial indiscipline and default.

The Sick Industrial Companies (Special Provisions) Act, 1985 (the SICA) provided sanctuary for both crooks and genuine defaulters, with the BIFR at its wits' end in telling between the two so much so that anyone approaching it invariably could keep the baying secured creditors at bay, thanks to the invidious provision in that law that conferred an automatic stay on coercive proceedings against the assets of the sick company. Small wonder crooks wore sickness on their sleeves. What is surprising is while the SICA made the secured creditors helpless, banks have been courting trouble to the point of self-flagellation by voluntarily agreeing to reschedule debts in the name of Corporate Debt Restructuring (CDR), a euphemism for molly-coddling financial indiscipline and defaults. In a milieu where Corporate Social Responsibility (CSR) is the buzzword, CDR is an anachronism. The reason why CDR and not CSR rules the roost is not far to seek—crony capitalism and the politician-industrialists nexus.

Lest NPAs sink our banks and financial system, some stringent measures are called for. The plausible reasons for them not going for the defaulting borrowers' jugulars are:

- Poor project appraisal at the time of grant of loan.
- Padding up the cost of capital assets with its implications of gold-plating and over invoicing and the concomitant kickbacks.
- Absence of takers for undertakings on the block in an economy that has been sluggish for quite sometime now.

They may apprehend that they may be stuck with stock of undertakings a la the income-tax department, which too said the preemptive purchase of immovable properties scheme to thwart tax evasion produced a negative side effect in a depressed market for properties. So much so the scheme was discontinued. But banks must realize that the sacrifices involved in CDR at the end of the day will be a lot more than the loss arising out of possible distress sale of the seized undertakings.

At any rate, the government can relax its FDI norms in favor of such undertakings so that the harried banks can invite global tenders for sale, thus, heightening the chances of better realizations. The government must realize that indulging borrower default is as repugnant as tax amnesty schemes given the demoralizing effect of both on the honest people.

The ultimate brahmastra of course is disgorgement order passed on the willful defaulters. Section 266 of the Companies Act does vest the power on the Tribunal to pass a disgorgement order on the defaulting promoters and directors of sick companies if they are found to have misappropriated company's funds directly or indirectly. While such orders must be passed, the institution of benami in the country often thwarts such efforts.

Conversion of outstandings into equity even partially should be a strict no-no. Kingfisher lenders are holding the can now after being fobbed off with shares in lieu of a part of outstandings.

Lastly, we must emulate the USA, and mandate that legislators cannot earn income from other activities anything more than 15% of their income as legislators. That would keep crony capitalists away from Parliament.

**** The author is a Chartered Accountant.***

Source : Business Standard

We can use our precious and passing moments to nourish and enrich our hearts by loving ourselves and all living beings…not the New Year day alone but may every throb of our life be a moment of loving happiness.

Chitrabhanu.

SICOM LIMITED

Shri Baldev Harpal Singh, IAS joined SICOM Limited as Managing Director, in July, 2011. Some of his assignments since he joined Service have been Director, Social Welfare Deptt.; Joint Development Commissioner, SEEPZs Mumbai; Secretary Rural Development & Water Conservation Deptt.; Secretary Food, Civil Supplies & Consumer Protection Deptt.;, Prl. Secretary, Industries Deptt.; Prl. Secretary, Energy & Labour. SICOM is scaling new heights of achievements under the able stewardship of Shri Baldev Singh.

Since its inception in 1966, SICOM has dedicated itself to providing entrepreneurs with a range of fund-based and non fund-based products and services. For more than 4 decades SICOM has been responsible for catalyzing the development of infrastructure and industry in the State of Maharashtra.

After 1994 SICOM has been offering its services for projects located anywhere in India. SICOM has 5 regional offices at Delhi, Nagpur, Pune , Aurangabad and Nashik. SICOM's belief in continuously upgrading its products and providing a wide range of financial and advisory services to Indian and international investors is reflected in its vision.

SICOM has undertaken :

- Mega Industrial projects in the State which have helped in making Maharashtra the premier destination for industry like Reliance, IPCL Nagothane Complex Bajaj Auto, Ashok Leyland, Mahindra & Mahindra, Kinetic Engineering, Grasim, HLL etc. would not have been possible without SICOM.
- Transformation of small cities like Aurangabad, Mahad, Nagpur and Nashik into becoming industrial centres.
- Promoted State-level development institutions like CIDCO etc.
- Investment in joint ventures like Maharashtra Elektrosmelt, Noble Explochem, Lorcom Protectives Siroplast etc. for the industrialisation of remote areas in Maharashtra.

Advisory Services to SME sector

- Guidance relating to setting up of Projects/ Service facilities to foreign and Indian investors.
- Structuring of Financial needs for Projects/ Services
- Site Selection Services
- Assistance in arranging Infrastructure required for Projects/ Services facilities
- Buying / Selling and Business activities
- Mergers & Acquisitions
- Liaison with Govts/Semi Govt. organisations/ Industry Associations / International Associations
- Feasibility Studies
- Market and feasibility Data acquisition
- Strategic Planning
- Restructuring Analysis
- Marketing related support for Industry/ Services sectors
- Appraisal of self financed cases for sales tax incentives purpose

Advisory Services to Corporates, Infrastructure sector, Government etc.

- Guidance relating to setting up of Projects/ Service facilities to foreign and Indian investors.

- Structuring of Financial needs for Projects/ Services
- Appraisal of projects under package scheme of incentives
- Assistance in arranging Infrastructure required for Projects/ Services facilities
- Mergers & Acquisitions
- Liaison with Govts/Semi Govt. organisations/ Industry Associations / International Associations
- Feasibility Studies/DPRs
- Advise on concession agreements
- Transaction advisory services for PPP projects

Treasury & Forex Section

The Treasury in SICOM was constituted in June, 1996 mainly with a view to achieve significant improvement in asset liability management, efficiency in management of funds and for exploitation of opportunities arising out of availability of substantial funds from PSUs in the nature of short term deposits.

Treasury Functions

The functions covers the following broad areas:

Resource Mobilisation

- Long Term : by way of LOC from Banks/SIDBI/ IDBI Debentures
- Short Term : by way of CDs, ICD and CP

Deployment of Surplus

- Sovereign Securities viz Central/State Securities, T Bills and Trading in Dated Securities.
- Deployment in Corporate Papers viz CP, Bonds, Debentures
- Inter Corporate Deposit
- Debt schemes of Mutual Funds - Active churning of Mutual Fund Portfolio

Derivates Desk

- Treasury makes use of derivatives instruments to hedge and reduce cost of capital.
- Trading in Derivatives if any arbitrage opportunity is seen.

Team composed of professionals with wide experience in treasury / fixed income markets with capabilities to adapt to the dynamic financial markets

FUND-BASED

Long Term Loan

Project Finance

Term Loans and Non Convertible Debentures (NCDs) for projects in the Industrial, Services & Infrastructure sectors and diversification, modernization and expansion of existing projects

- Funding up to 60% of the cost of the project.
- Period up to 9 years for SME sector and 7 years for Infrastructure sector
- Financial assistance of Rs.1 billion per Company upto Rs.1.8 billion per Group
- Orientation towards cash-flow financing

Equipment Finance

- For purchase of additional or balancing equipments like energy saving devices, pollution control facilities in an existing project
- Equipment that adds value to the existing project

Corporate (Medium Term) Loan

- Tenure of 1 year to 5 years
- Companies having good past record and credit rating preferred.

Short Term Loan

- Tenure may be for the period of 3 to 11 months
- Repayment is either in bullet payment or in installments.

Bill Discounting

- Ranging from Rs. 10 million to Rs. 150 million
- Aims at supplementing the working capital sources over and above the limits sanctioned by the Banks for rated companies

Thrust areas for funding are as under:

Infrastructure:

- Roads and bridges
- Small Urban Infrastructure projects e.g; water supply, sanitation etc.
- Construction equipments

Services Sector :

The identified segments include:

- IT and IT enabled services
- Media and Entertainment
- Hospitals, Healthcare
- Restaurants, Multiplexes, Shopping Malls
- Education and
- Tourism

Manufacturing Sector :

Financial assistance to new clients in this sector would be restricted to existing Companies operating in following segments with a 3 year track record of profitability parameters (i.e. green channel norms)

- Auto-ancillaries
- Pharmaceuticals (Bulk drugs and Formulations)
- Textiles only under TUFS (Technology Upgradation Fund Scheme)
- Liquor and Breweries
- Agro-based and food processing
- Chemicals
- Electricals and Electronics

Common people pray for rain, healthy children and a summer that never ends. It is no matter to them if the high lords play their game of thrones, so long as they are left in peace.

George R Martin.

LETTER TO THE EDITOR

Dt.: 18th February, 2014

Dear Editor,

Shri R.K. Chopra

I have been a regular reader of "COSIDICI COURIER" bi-monthly Journal. I am glad to mention that it gives very interesting reading with profiles of Member Corporations their Activities, Economic Scene, Policy Updates, Success Stories of Assisted Units, Inspiring Quotes etc. Specially the articles on MSME are found highly informative and educative.

I am sure that this Journal has proved to be useful to the Bankers, Financial Institutions, Libraries, Entrepreneurs, Consultants and other Readers.

There is always something new in every Issue of COSIDICI and I look forward to receiving the next Issue.

I congratulate you on bringing out such a useful magazine.

With Best Regards,

Yours Sincerely,
Sd/-
(R.K. CHOPRA)
Proprietor-cum-Chief Consultants
Chopra ConsultantS (I&F)
Member - M.P. Chamber of Commerce & Industries, Gwalior,
Member - Association of Industries
Gwalior (Madhya Pradesh)

ANSWERS OF CYBERQUIZ~46

1.[b] Intelsat : It was founded as International Telecommunications Satellite Organisation, an intergovernmental consortium owning and managing a constellation of communications satellites (Intelsats) to provide international broadcast services. It is now the world's largest commercial satellite communication services provider.

2.[a] Cisco Systems : Both are credited with making major design enhancements to router, one of the technologies that makes the Internet possible, invented by William Yeager. In fact, there was the first commercial router.

3.[d] Intel Inside : Intel used the advertisement slogan "Intel Inside" from 1990 to 2005. Clearly, Cyrix wanted to give the message that one day it would like to see that arch rival Intel in a tomb! Cyrix merged with National Semiconductor in 1997.

4.[a] Western Union : Western Union is now an American financial services and communications company. It was founded in New York in 1851 as The New York and Mississippi Valley Printing Telegraphs Company.

5.[b] Poison Pill Strategy : This is one of the defensive strategies adopted by target companies in take-over situations to make the cost of takeover quite unattractive. For example, the target company may issue fresh preference shares with the proviso that in the event of takeover the preference shareholders can redeem their shares at a high premium.

ANIIDCO

ANIIDCO invites developers for 'mega' Mohanpura project

The Andaman and Nicobar Islands Integrated Development Corporation Limited (ANIIDCO) has called for EOIs (Expression of Interest) from potential developers in the private sector for development of the land measuring 1 hectare at Mohanpura into a commercial complex-cum-multiplex and hotel. To facilitate the social life of the inhabitants and the visitors of Island, ANIIDCO proposes to develop the land for a recreation centric development including commercial complex, multiplex, hotel, restaurants, gaming zone, etc.

Seeking private sector participation for the project, the ANIIDCO has urged developers to come up with ideas and suggestions for the development of the land. The proposal should contain the project concept note including suggested activities, suggested model for development of land i.e. lease or outright sale in single or multiple parcels, estimated project cost and proposed financial model, timelines for project design, construction and implementation etc.

The facility surrounded by Mohanpura School, Mohanpura Bus Stand and Shivram Complex, is expected to emerge as an iconic recreational Centre, attracting both tourists and the local population of the islands. the project will consist of two distinct components i.e. The Commercial Complex – cum – Multiplex and 3 Star Hotel.

The Commercial Complex will have a state of the art Shopping Facility and will host facilities like Shopping Complex, a Two-screen Miniplex, an Entertainment Zone and multi-cuisine Food Court. The proposed 3 Star Hotel in the complex will have at least 60 keys and will have facilities Restaurants, Bar, Banquet Halls, conference rooms etc conforming to the 3 – Star standards of the Ministry of Tourism (MoT), Government of India (GoI).

The Shopping Complex, besides leasing out space for various retail outlets, shall also comprise of an additional Food Zone / Food Court. The 2–screen Multiplex will also be another significant recreational activity, considering the heterogeneous population of Andaman and Nicobar Islands and will cater to the leisure and entertainment requirement of the denizens.

Modern Fun Zone, including Bowling Alley, Snooker Pool etc is also under consideration to be included in the entertainment complex.

HSIIDC

HSIIDC allots plots online

Haryana State Industrial & Infrastructure Development Corporation (HSIIDC) is attempting to attract new investors to the region. The latest in a series of systemic upgrades announced by the Corporation's head offices is the new online facility for prospective entrepreneurs planning to invest in Haryana. The 'online mode' for allocation of industrial plots aims to make the process of allotment speedier.

"Applicants only have to register on the HSIIDC's e-governance portal and submit the application fee along with all the required documents," said an official. As of now, industrial and commercial plots in IMT Faridabad, IMT Bawal, along with those in industrial estates in Panipat and Barhi, are up for allotment through the online facility.

Application deadlines for the new plots have been set for April, before which the HSIIDC would be hoping that it would somehow manage to reverse the decline in new investment that industrial zones in Haryana have suffered over the last five years.

Udyog Vihar may come under Municipal Corporation of Gurgaon

Management and upkeep of the industrial sectors of Udyog Vihar have been exclusive concerns of the HSIIDC up until now. But some of the civic responsibilities in these parts may soon be taken over by the MCG, according to senior state officials. Senior HSIIDC representatives in Gurgaon corroborated the claim, saying the MCG may begin work in Udyog Vihar "*within a month or so*". The Municipal Corporation will be taking over hygiene management here, which includes works like sweeping the roads and garbage disposal. The MCG will also be looking after streetlight maintenance in the industrial areas.

GIIC

GIIC allotted Panchmahal Steel shares

Gujarat Industrial Investment Corporation Limited (GIIC) has been issued and allotted 1,73,869 Equity Shares of Rs. 10/- each as fully paid-up at a share premium of Rs. 152.75 per share aggregating to Rs. 2,82,97,180/-. The paid-up capital of the Company was Rs. 18,90,44,600/- which on such allotment, has increased to Rs. 19,07,83,290/- divided into 1,90,78,329 fully paid-up equity shares of Rs. 10/- each.The aforesaid issue and allotment of Equity Shares to GIIC Limited has been made in accordance with the Order dtd. August 27, 2013 passed by the Hon'ble High Court of Gujarat in OJ Appeal No. 1 of 2009 in Company Petition No. 3 of 2008 with Civil Application No. 218 of 2010 in OJ Appeal No. 1 of 2009 under the Scheme of Compromise and/or Arrangement between the Company and its Secured Lenders & Equity Shareholders.

HPSIDC

HPSIDC pays dividend of Rs.1.54 crore

H.P. State Industrial Development Corporation (HPSIDC) contributed Rs.One Crore & Fifty-Four Lakh as dividend. Industries Minister, Shri Mukesh Agnihotri presented a Cheque of on behalf of HPSIDC to the Chief Minister, Shri Virbhadra Singh. M.D., HPSIDC, Shri Rajinder Singh informed that the HPSIDC has earned a profit of around Rs.4 crore during the last financial year and was the only State PSU to have declared and paid dividend at the rate of five per cent of the capital to the State Government.

J&K SIDCO

J&K to boost food processing

The Jammu and Kashmir Government has invited consultancy firms to prepare a vision document for charting the growth of the food processing sector in the State, a senior official of J&K State Industrial Development Corporation (J&K SIDCO) said.

He said J&K SIDCO had invited an Expression of Interest from consultancy organisations for preparing the document. The areas of focus for the food processing and agro-based industries in J&K include sauces, ketchups, fruit/vegetable juices, jams, jellies and pickles.

KSIDC

Kerala State Industrial Development Corporation signs MoU with 7 countries to boost ayurveda

Kerala State Industrial Development Corporation (KSIDC) has set up a special cell to promote ayurveda. KSIDC, Managing Director, Smt. Aruna Sundararajan, IAS announced in February, 2014 that the Corporation has signed memoranda of understanding with seven countries including Russia, Japan, France, UK, Canada, Nepal and Slovenia, at the Global Ayurveda Festival (GAF) in Kochi. This will initiate a new process of partnership in the ayurveda industry with KSIDC playing a proactive role. Prominent ayurveda brands in Kerala such as Dhathri, Pankajakasturi, Punarnava and Care Keralam also signed MoUs with various international companies. Twelve countries have approached KSIDC at the GAF meet with venture plans in the sector. The Corporation has proposed setting up a single window cell for approval.

GIDC

GIDC to partner in Mundra Plastic Park venture

Gujarat Industrial Development Corporation (GIDC) has decided to invest 15 per cent in setting up of a Special Purpose Vehicle (SPV) for the development of a plastic park in Mundra. The Adani Port and Special Economic Zone Limited (APSEZL) plans to develop the plastic park under the Union chemical and fertilizer department's scheme for developing such parks through public private partnership mode. Adani group proposes to invest around Rs 196 crore for developing the park on 118 acres of Mundra Port SEZ. GIDC sources said, "As per the Government of India's policy, the state government has to partner with private companies to develop such parks. The state government has asked the GIDC to invest in the SPV. The APSEZL has sent its proposal to the government. They have tied up with 47 plastic producers to establish their exports units in the park. The company had requested for 15 per cent equity from the state government for the project."

Since the Centre's policy dictates that the State share in SPVs be at least 26 per cent, the GIDC and the company are still working out the proposal. According to the APSEZL proposal, the internal rate of return of the equity will be around 30 per cent. The central government scheme states that the APSEZL will receive 50 per cent of the project cost or a maximum of Rs 40 crore from the Centre.

The Centre has cleared the APSEZL's proposal after rejecting it in 2011-12. APSEZL has developed a textile park under a similar scheme that is operational since 2011. The SPV for the textile park did not have any mandatory provision for the state share. Adanis have attracted around Rs 818 crore investment in the textile park out of which around Rs 343 crore is foreign investment.

UPSIDC

Centre approves two early bird projects for U.P.

Promising fresh investments in U.P. the State government said in December, 2013 that two of the four earlybird projects approved by the Centre for the Delhi Mumbai Industrial Corridor have been granted to Uttar Pradesh. The two projects - one integrated industrial township at Greater Noida and a multi-modal logistics hub at Dadri - are expected to bring in more than Rs.25,000 crore as investments into the state.

Making the announcement about the development, the State Government said the Uttar Pradesh State Industrial Development Corporation (UPSIDC) would allot 600 acres of land for the integrated industrial township in the first phase. In the second phase, an additional quota of 1,500 acres will be allotted to the project. At present, the state government has not earmarked land for the multi-nodal logistics hub at Dadri. However, arrangements are underway to assign land to this project as well.

About 7% of the DMIC project, which stretches between Dadri and the Jawaharlal Nehru Port Trust in Mumbai, passes through U.P. The Centre has sanctioned a total of Rs 1008.95 crore for the two early bird projects; Rs 617.20 crore for the integrated industrial township at Greater Noida and Rs 391.75 crore for the multi-modal logistics hub at Dadri. Through the early bird projects in the Dadri-Noida-Ghaziabad investment region under DMIC, the state government is expected to generate fresh employment for nearly 12 lakh persons.

For developing the integrated industrial township at Greater Noida, the Greater Noida Authority plans to form a Special Purpose Vehicle (SPV) with the Delhi Mumbai Industrial Corridor Development Corporation Ltd (DMICDCL). In the first phase, UPSIDC will give 600 acres of land and 1500 acres in the second phase as equity for this early bird project. According to the SPV guidelines, while the state government agencies will hold 51% stake in the holding company, 49% ill be held by DMICDCL. Among the main regions that will benefit from the industrial intervention include Surajpur, Sikandrabad and Chola Industrial areas of UPSIDC, which are also in alignment with the DMIC project in U.P.

For the second project, the multi-nodal transit hub at Boraki will also be developed by an SPV formed between the Greater Noida Authority and DMICDCL. In order to enable the smooth implementation of projects and signing of State Support Agreement under DMIC, the government also plans to amend the existing UP Industrial Development Act, 1976. According to official data, about 15% of the DMIC influence area on either side of the Western Dedicated Freight Corridor (WDFC) and spreading across 36,068 sq km lies in Uttar Pradesh. With WDFC and the Eastern Dedicated Freight Corridor (EDFC) converging at Dadri, U.P. has the unique advantage of having access to both freight corridors.

The government also announced its decision for an equity infusion of 5% into the EDFC project. According to Central government estimates, the EDFC project will bring about Rs 42,000 crore worth investments into UP. As a part of the project, the government has identified three integrated manufacturing zones on the alignment of EDFC. The proposed investment zones will be developed in the western districts of Agra and Aligarh, including Mathura, Hathras and Firozabad. Investment zones will also be developed at Auraiya and Kanpur, including Kanpur Dehat, Allahabad and Varanasi including Kaushambi and Sant Ravidas Nagar. The government has also proposed six investment industrial zones along the EDFC. These have been proposed at Etawah-Auraiya Industrial Zone (6000 hectares), Pashchimanchal Industrial Zone (2000 hectares), Braj Industrial Zone (2000 hectares), Kanpur Logistics hub (6000 hectares), Allahabad-Naini-Bara Investment Zone (3000 hectares), Mughalsari-Varansai-Mirjapur Investment Zone (3000 hectares).

KSFC

Schemes for scheduled caste and Scheduled Tribe entrepreneurs by KSFC scheduled to encourage establishment of units by them in Karnataka Interest subsidy scheme of government of Karnataka for scheduled caste/ scheduled tribe entrepreneurs :

Objective:

To encourage SC/ST entrepreneurs to establish micro and small scale industrial/service/ business units.

Eligible borrowers:

- The Scheme is applicable only to the loan availed by the scheduled caste and scheduled tribe entrepreneurs.
- The unit shall be fully owned i.e., 100% by SC/ST entrepreneurs.
- All partners/entrepreneurs either can be SCs/STs or both.
- The interest subsidy under the scheme shall not be in addition to other interest subsidy schemes of GoK/ GoI. If an entrepreneur has claimed interest subsidy under any other scheme of GoK/ GoI, he will not be eligible to claim interest subsidy under this scheme.
- To be eligible for interest incentives under the scheme, the unit should not be in default in payment to the financial institutions.
- The units will be eligible for interest subsidy for a period of five years from the date of disbursement of the loan by KSFC.
- All the schemes listed out in the SFCs Act and activities specifically permitted by SIDBI are eligible to be covered under the scheme. Financing of private vehicles is *not* eligible under the scheme.

Eligibility Criteria:

The entrepreneurs are eligible to avail interest subsidy for only term loan upto Rs.2.00 crore either for fresh unit or expansion/diversification/ modernisation of existing units for more than one occasion/time.

The minimum loan size of Rs.5.00 lakhs for all activities except existing units going for upgradation/modernisation. In case of medical and veterinary doctors the minimum limit is Rs.2.00 lakhs.

Rate of Interest: Net Rate of Interest 4% p.a

KSFC may sanction loans under this scheme with normal interest rates. The difference between the lending rate of KSFC and effective rate of 4% to the borrowers will be reimbursed out of the interest subsidy released by the Government of Karnataka under this scheme.

Soft seed capital fund scheme of government of Karnataka for Scheduled Caste/ Scheduled Tribe entrepreneurs:

Objective:

The soft seed capital amount as may be required to meet the gap in the equity as per the prescribed debt equity norms, after taking into account promoter's contribution subject to a maximum of 25% of the project cost and to a maximum of Rs.25 lakh (Rupees Twenty-five lakhs only). However, the soft seed capital assistance shall not exceed the promoter's equity.

Eligible borrowers:

Proprietory concerns promoted by SC/ST entrepreneurs, partnership firms, trust, societies and corporate bodies where all the partners/ members/directors belong to SC/ST category;

New projects in micro, small enterprise for manufacture, preservation and processing of goods.

Existing micro, small enterprises, undertaking expansion/modernisation/technology upgradation/ diversification etc.

All new and existing service enterprises. However, assistance would be made available only for acquisition of fixed assets.

Terms of assistance Rate of Interest:

No interest shall be charged on the Soft Seed Capital. However, a service charge of 1% p.a. shall be levied by the lending institutions.

Repayment period: Normally 7 (seven) years (including moratorium upto three years) shall be given for the repayment of soft seed capital; the repayment period thereof should however, be co-terminus with the repayment period of normal term loan for the project. The financial institution shall arrange to remit the recovered soft seed capital amount due to the State Government.

Whenever borrowers are making repayment/pre-payments of the principal/for the term loan alone, the financial institution shall deduct the amount of soft seed capital assistance due proportionately and remit to the Government.

Security:

Second charge on the assets offered as security to the term loan and personal guarantee of the promoters.

Other Terms:

Assistance under the scheme is subject to the following conditions:

- The projects covered under Single Window Scheme (SWS) can also be extended assistance under Soft Seed Capital scheme, if it satisfies the eligibility criteria under both the schemes. Soft Seed Capital assistance in such cases shall be restricted to 25% of the project cost less margin money for working capital.
- Any other interest/charge, service charge that has to be recovered from the unit can be recovered by the lending institution. All other terms and conditions applicable to term loan are also applicable mutatis mutandis to the assistance under the scheme in addition to the above conditions.
- In case of postponement/ re-schedulement of term loan component, the Soft Seed Capital component in default may also be postponed/ rescheduled with such schedule being co-terminus with the term loan.

■■■

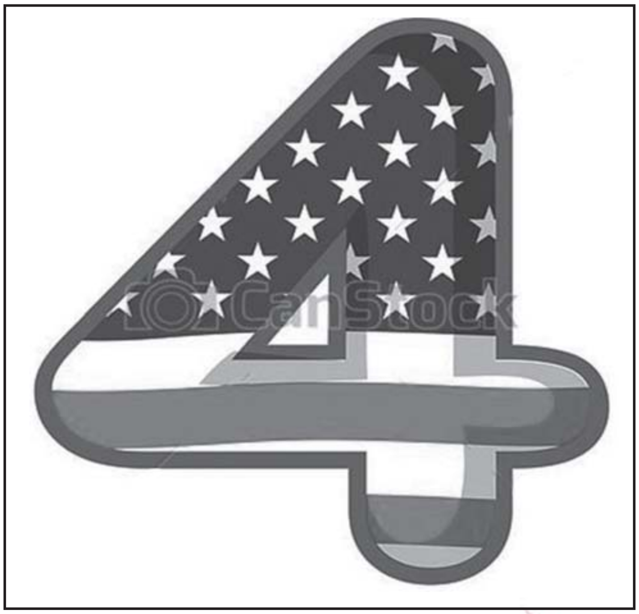
I am just a common man who is true to his beliefs.

John Wooden.

DO YOU KNOW !

MAGIC OF NUMBER FOUR

- The word FOUR has FOUR letters. In the English Language there is no other number whose letters equal its value.
- On a Standard Computer Keyboard, 4 shares its key with the $ sign.
- There are FOUR suits in a deck of cards.
- A group or set of FOUR is called a quartet.
- There are FOUR points on the compass.
- There are FOUR phases of the moon.
- In India, the FOUR main seasons are spring, summer, monsoon and winter.
- There are FOUR major directions : North, South, East and West.
- In cricket, a boundary is FOUR runs.
- In Roman numerals, the number is written as "IV".
- Tetra means FOUR
- A tetragram is a word with FOUR letters (like four itself).
- A quadruped is a FOUR footed animal.
- A quadrilateral is a FOUR sided figure.
- A quarter is one part of a whole, divided into FOUR parts.
- A narrow rowing boat for four people, used in a boat race
- A solid figure with four faces is a tetrahedron.
- Four is the first positive non-Fibonacci number.
- There are four Sacred Months in Islam: Muharram, Rajab, Dhu al-Qi'dah and Dhu al-Hijjah.
- Humans have four canines, four incisors and four wisdom teeth.



- There are four basic states of matter: solid, liquid, gas, and plasma.
- The four elements of alchemy are earth, water, air and fire.
- The mammalian heart consists of four chambers.
- All insects with wings except flies have four wings.
- Humans have four canines, four incisors and four wisdom teeth.
- The cow's stomach is divided in four digestive compartments: reticulum, rumen, omasum and abomasum.
- The four stages of life Brahmacharya (student life), Grihastha (household life), Vanaprastha (retired life) and Sannyasa (renunciation).
- Four sights – observations which affected Prince Siddhartha deeply and made him realize the sufferings of all beings, and compelled him to begin his spiritual journey—an old man, a sick man, a dead man, and an ascetic

■■■

RBI Allows MSEs to Sell Stake to Foreign Investors

RBI has allowed micro and small enterprises (MSEs) who have de-registered their small scale industry status to sell stake to foreign investors to help them attract funds. It has been decided that such companies may issue shares or convertible debentures to a person resident outside India. RBI said "a company which is reckoned as Micro and Small Enterprises (MSE)... may issue shares or convertible debentures to a person resident outside India, subject to the limits prescribed." It also allowed industrial units not into MSE to issue shares in excess of 24 per cent of its paid up capital.

Fiscal Squeeze Hurts Micro Firms

The government has tightened expenditure to meet the fiscal deficit target, either by delaying payments or not awarding new contracts, but it may be hurting those most vulnerable to such tightening — small and micro enterprises, self-employed professionals and the retail trade. Loan demand by these sections has jumped sharply as they scramble for borrowings to make up for a shortage of cash. Small and micro enterprises, hit the hardest by delayed payments in an environment that's already imperilled by a sluggish economy, borrowed 22 per cent more in November 2013 than they did a year earlier, according to Reserve Bank of India data. Loans to self-employed professionals climbed 28 per cent. Overall loan growth in the same month was 14.7%.

Rajan Concerned Over Plight of MSMEs

RBI has therefore opened a Rs 5,000-crore refinance window in November that operates through Small Industries Development Bank of India. A few weeks before that, in late October, RBI Governor Raghuram Rajan had expressed concern over the plight that micro, small and medium

enterprises (MSMEs) are likely to find themselves in. "I am saying specific entities have tight liquidity conditions, especially MSMEs," he had said. "It is both urging PSU (public sector unit) entities and government that while you are dealing with some of these problems, dealing with the pace of payments is quite important. Why should some poor entity that has supplied you now face distress, because it has not got the payments?" The central bank elaborated on this theme when the window was opened in November. "The liquidity support comes in the wake of slowdown in the economy, which has resulted in liquidity tightness in a large number of micro and small enterprises (MSEs) in the manufacturing and services sector, particularly due to delayed settlement of receivables from large corporate, public sector undertakings and government departments," the Reserve Bank of India said.

Retail traders, who need to pay suppliers, face delays in getting money from their customers who are already hit by rising inflation that's taking an increasingly large bite of their income. Borrowing by retail traders from banks jumped 26% in November. The trend will continue over the next couple of quarters until the demand situation improves

Start by doing what's necessary; then do what's possible; and suddenly you are doing the impossible.

St Francis of Assisi.

TRANSFORMING RURAL INDIA WITH DIGITAL TECHNOLOGIES

*UMA GANESH**

Digital Technologies have made a dramatic impact in not just bringing the world closer for everyone but, as netizens, everyone is now part of the global village. The intimacy and the familiarity with each other, experienced in villages are now being sensed in the global digital village as well. As a result, it is easy to reach out to communities and get across the message to anyone if we have recently witnessed how the political and the governing process itself has been transformed in Delhi on account of the power of active communication and collaboration amongst people. Opinion making, experience sharing and building leaders overnight are the new exciting trends of the digital technologies. The potential of collaborative technologies in the context of rural upliftment, can lead to path breaking socio economic changes. Arab Spring set the stage for re imagining the world we live in, in recent times. Any revolution the world has lived through, has been the resultant of a shift in the beliefs and vision of people collectively, when large communities of people are influenced by such information which makes them think differently. In the past, the medium of such communication were books or radio or public meetings. Television and Internet have taken the world by storm and digital technologies in particular have empowered the people through timely and reliable information which can also be verified. Thus, it is exciting to envisage how the rural masses can be enthused to seek and share information about various aspects of their lives leading to better opportunities for themselves.

The Indian rural market is undergoing transformation with better access to information and changing patterns in demand structure and lifestyle. According to *rural marketing org*., India has 6.27 lakh villages and business in rural India grew at about 11 per cent annually over the last decade. FMCG sales are expected to grow to $33 billion by 2015, of which $22.1 billion will be contributed by rural areas. Poverty levels have dropped to 22 per cent in 2011-12 from 37.2 per cent in 2004-05 as per the reports of the Planning Commission. While this is a very positive development, the challenge going forward would be not only to reduce the level

further, but is also to ensure the people who have moved up, remain there and become part of the growth story. This would require focus among story. This would require focus among others, things, on education and skill development leading to better livelihood options.

It is widely acknowledged fact that digital technologies hold a great promise for rural development and transformation. Broadly, we could classify the ICT offerings meant for the rural sector into three categories. The first would be those solutions which are aimed at 'empowerment'. The second would be 'enablement'. The third category would be 'market expansion'. Let us try and take a look at some examples of each of these dimensions to understand how ICT is making a transformational impact on the rural sector.

When we examine the first dimension- empowerment- E chaupal comes up as a fine example. E chaupal with over 6500 kiosks in 40,000 villages in 10 states covering 4 million people, is an often quoted example of efficient supply chain system empowering the farmers with timely and relevant information and enabling them to get better returns for their produce. Because of the community centric approach it adopts, the system has managed to create opportunities for providing other offerings as well to the farmers- insurance and farm management practices, to name a few.

The e-governance system is the example of the second dimension-enablement-with immense potential to create transparency and good governance through IT. The successful implementation of this system in areas such as land records in the states of Maharashtra, Andhra Pradesh and others is indeed a great step in removing the malpractices and creating assurance of rightful ownership with the citizens. In recent times, Aadhar has been seen as yet another tool to empower the masses by confirming their identities. Despite the recent judgement of the Supreme Court and the opposition to this scheme on the grounds of politicization, security and privacy, Aadhar is a good example of ICT solution attempting to provide access to monetary benefits by establishing the correct identity and through this approach, trying to expand the rural economy by energizing the dynamics of the economic systems.

The third dimension, namely market expansion with digital technologies, can be gleaned from several examples. Village and heritage tourism in remote parts of the country have picked up a huge momentum on account of awareness being created through online portals and thus attracting more visitors as compared to the past. Direct connect with the potential customers with the smart use of digital technologies through ecommerce has facilitated a large number of artisans and agro based small enterprises in the rural areas to bring in new businesses from new markets. Women's livelihood is being facilitated amongst the weavers' community in the North Eastern states by marketing their products through the internet medium and thus, facilitating custom orders or off the shelf sales without women having to travel long distances to exhibit their wares. We need a game plan for orienting rural India with such case studies on using the technology to market their services to wider audiences outside of the rural base-be it web presence and marketing for their traditional crafts and arts or farm produce to customers globally or bring in customers to their base through smart communication strategies, marketing their villages as holiday destinations.

While we see benefits from all three dimensions of engagement through digital technologies, we would be able to experience substantial upliftment and sustainable development only when the purchasing capacity also increased in rural markets. India's rural income is slated to grow from US$ 572 billion to USD 108 trillion by the year 2020. 70 per cent of population which lives in rural India accounts for about 50 per cent of India's GDP. Per capita GDP in rural areas has been growing faster than in urban locations since 2000 which stands at 6.2 per cent CAGR versus 4.7 per cent. Hence, most companies have recognized the need to shift focus to rural from urban areas in order to get the lion's share of the market. The big challenge sellers face is, how to reach the dispersed rural masses with diverse cultures and languages and find cost effective means of making this happen. Digital technology could be one of the means of achieving this but how feasible is it to implement in the Indian countryside? Let us examine some of the key trends of digital penetration and usage in rural India.

Out of the 833 million people residing in the rural parts in India, according to the Internet and Mobile Association of India, as of June 2012, there are 38 million Internet users and 12 per cent of them could access the Internet on their mobile phones. What is noteworthy is that this population that accesses internet via mobile phones has increased seven fold in just two years- from 0.50 million in 2010 to 3.6 million in 2012. Key factors that have helped in increasing mobile penetration in rural areas include falling prices of handsets, increased battery life, lower data charges and improved network infrastructure and this trend is likely to continue. There is still a very sizeable market for used mobile phones majority of which are not connected to the internet. It is estimated that the unique mobile users are around 100 million. Awareness and access of internet via mobile phones for entertainment and communication are currently the highest as compared to other online services such as e-commerce, education, jobs and social media, which are slowly but steadily picking up pace.

In the coming years, as mobile and internet usage increases in the rural markets, organisations targeting the rural markets need to come up with a marketing strategy vastly different from today's approach to the markets. As opposed to the urban markets, the challenge in the rural markets is targeted reach rather than gaining their attention. On account of significant variations in the profiles of rural population, homogeneous approaches may not work. With a sound database and analytics of profiles of individuals, targeted marketing for products and services could be successful. Rural customers traditionally value community recommendations for their buying decisions. Social media marketing can be gainfully deployed with smaller communities focusing on their interest areas and using them to promote products and services. Building partnerships with NGOs, financial institutions and Government agencies to create social platforms and through these platforms, gently nudging the rural customers to buy their products and services, is required to be done. ITC and HLL are two good examples of early practitioners of ICT in rural marketing who have been successful using such approach to win over rural customers. Personal devices like smart phones and tablets are non intrusive media available for marketing organizations to reach out to such customers in innovative ways.

To win over rural customers for new offering, businesses have to invest in all round the year communication and engagement with the potential customers. Many organizations find this hard to do as the timelines for the returns are not predictable. With digital technologies, with the understanding of the pockets where penetration and usage pattern is good, companies could start seeding their offerings using relatively inexpensive media and slowly expand in other territories based on such experiences. The rural population which is connected via mobiles, is predominantly putting it to use for the purpose of entertainment and communication. One of the key inhibiting reasons for not using other content is due to lack of relevant content available in local languages. Businesses would be able to benefit a great deal by being attentive to this need and ensuring that content relevant for decision making is made available to the rural masses in vernacular languages in an entertaining manner.

Although, last mile connectivity continues to be the major challenge to establish the reach with the rural areas, there have been innovative initiatives like DakNet in Orissa and Babasaheb Ambedkar Open University (BAOU) in Gujarat through buses equipped with ICT using which, the rural citizens are able to access the internet for their needs. While penetration of personal devices and access to the internet will grow steadily, in the medium term, Common Services Centres (CSCs), set up by various State Governments, could be leveraged to some extent, CSCs were announced and rolled out with a lot of fanfare but the public private partnership envisaged is yet to come up with a sound business model. Organizations keen on tapping rural markets cannot ignore these CSCs and, in fact, should study carefully the successes achieved in some states and use them to pilot their plans for rural markets. Understanding the usage patterns of rural netizens, determining how to stay engaged with them sizing up internet enabled and non enabled mobile phone usage and creating appropriate content in vernacular languages, would be critical to making digital marketing a success in the rural areas.

In the case of IT products/solutions, very few offerings have been designed specially keeping in the mind the rural customers. Further, most of the solutions or products-IT or non IT have often aimed at addressing the needs of the population and not necessarily enhancing the demand side. It is when IT solutions are designed to create new demand that there will be overall expansion of rural economy powered by digital technologies. Although, the Government has been keen on bridging the digital divide and has initiated several projects towards this objective, there is a huge requirement for building more IT products and solutions leading to noticeable change in the rural economy. Of late, there are several innovative social ventures being conceived around the use of digital technologies aimed at the rural segment. Rural BPOs, for instance have caught the imagination of some entrepreneurs, although replication of this model in many locations with consistent quality and predictability of business have been not easy. In states such as Tamil Nadu, Kerala and Goa where the difference between rural and urban living styles and the aspirations of the youth, are not very divergent in rural vs urban locations, we are seeing an interesting phenomenon of the same set products and services being relevant to both audiences, albeit with a difference in pricing to take care of the purchasing power capabilities. Apart from designing IT products or solutions, providing access is equally an important subject of attention. The ISPs and the State Governments are assiduously working towards expanding the last mile connectivity and it would be only a matter of time by when this dream is realized. In rural areas, we are witnessing the power of digital technologies in everyday life through examples such on online ticketing and electricity bills payments, matrimonial alliances, even if people do not have access to digital devices at home, as the cyber cafes and shared desktops are handy and offer inexpensive alternate access.

The key stakeholders in rural development involving the grass root level organizations and NGOs, the Government, the technology providers and providers of rural centric offerings would have to come together and create an integrated approach aimed at expanding the rural economy. The Citizen Service Centres (CSCs) which were designed to address this objective and launched with much fanfare in many states, have unfortunately not taken off due to lack of viable business models attractive to the investors and offerings appealing to the rural audience. The need for building a technology enabled education system which brings in the best of expertise and teaching pedagogies at the fingertips of the students is much more significant in rural India than the urban locations where students do have choices. We need a MOOC like approach to skill development oriented programs in vernacular languages, which could be delivered through CSCs and schools in rural locations. The project involving 34 ITIs in Kerala, majority of which are in remote parts of the state, for training students in employable skills using CISCO's Webex system supported by the dual language content and training delivery by Global Talent Track is an example of how with the blend of innovations and technology, the needs of rural youth could be addressed, despite the challenges of power and other infrastructure issues.

Rural transformation through ICT innovations requires a long term approach with an appetite for risk taking and tolerance for failure. Although, some of the current venture fund initiatives are supporting the proposals that are aimed at 'inclusive India', there is also a need to create venture funds with the specific focus on innovations for rural India as the demand generation and the characteristics of market functioning are very different from the urban models and their customer mindsets. With the growth of agriculture segment hovering around 2 per cent, and the resources being scarce, the objective of equipping the villages to embrace knowledge economy powered by digital technologies has to be vigorously pursued to build a sustainable development plan.

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The author is CEO, Global Talent Track. Prior to founding GTT, Uma Ganesh was the Chief Corporate Development Officer in HSBC Global Resourcing. She is currently the member of the Executive Council of National HRD Network.

'New' is a beautiful word which opens up many possibilities. If every day can be viewed as 'new' then, life blossoms-like new leaves, buds, flowers and fruit-full of colour, fragrance, taste and rasa: the very essence of living.

Sonal Mansingh.

Exports up 3.8% in Jan; Trade Deficit Shrinks to $9.92 Billion

Exports rose at a modest pace for the third month running, but the sharp drop in imports led by gold helped bring the trade deficit below the $10-billion mark in January, which will further improve the current account deficit.

Exports rose 3.79% to $26.75 billion in January from a year ago, moderately ahead of the 3.5% rise recorded in December, according to data released in February.

Imports dropped at a fast pace in four months in January, declining 18.07% to $36.6 billion because of a 77% plunge in bullion imports, helping narrow the trade deficit to $9.92 billion in January from $10.14 billion in December. "We now firmly believe that FY14 CAD (current account deficit) should go below $40 billion and would be closer to 2% of India's GDP," said Shri Soumya Kanti Ghosh, Chief Economic Adviser, State Bank of India.

India's currency depreciated sharply last year amid concerns over funding the current account deficit after the US Federal Reserve announced its intention to wind down its $85 billion a month bond purchases. The current account deficit had swelled to a record 4.8% of GDP in the year ended March 2013.

The Indian rupee has held steady because of the much-improved CAD after government took measures to discourage gold imports while low economic growth kept other imports depressed.

Forex reserves up to $ 292.24bn

India's forex reserves increased to $292.24 billion as of January 24, from $292.08 billion in the earlier week, the RBI said on 1st Februray 2014. Changes in foreign currency assets, expressed in dollar terms, include the effect of appreciation or depreciation of other currencies held in its reserves.

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"I must do something" always solves more problems than "Something must be done."

Let your aims be common, and your hearts of one accord, and all of you be of one mind, so you may live well together.

Rig Veda.

Risk Weights and Provisioning For guaranteed Low Income Housing Loans

For loans guaranteed by Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH):

Risk weight: NBFC-MFIs may assign zero risk weight for the guaranteed portion. The balance outstanding in excess of the guaranteed portion would attract a risk-weight as per extant guidelines.

Provisioning: In case the advance covered by CRGFTLIH guarantee becomes non-performing, no provision need be made towards the guaranteed portion. The amount outstanding in excess of the guaranteed portion should be provided for as per the extant guidelines on provisioning for non-performing advances.

The CRGFTLIH has been set up by the Ministry of Housing & Urban Poverty Alleviation, Government of India for the purpose of providing guarantee in respect of low income housing loans.

Committee on Comprehensive Financial Services for Small Business and Low Income Households

The Reserve Bank of India released on its website for public comments, the Report of the Committee on Comprehensive Financial Services for Small Business and Low Income Households. The Reserve Bank of India had, in September 2013, set up a Committee on Comprehensive Financial Services for Small Business and Low Income Households, under the Chairmanship of Dr. Nachiket Mor, Member on the Reserve Bank's Central Board of Directors.

Vision

The Committee, while laying down its vision statement for financial inclusion and deepening, has suggested providing a universal bank account to all Indians above the age of eighteen years and has recommended a Vertically Differentiated Banking System with Payments Banks for Deposits & Payments and Wholesale Banks for credit outreach with relaxed entry point norms of ' 50 crore.

Priority Sector Lending

On priority sector, the Committee has recommended Adjusted Priority Sector Lending Target of 50 per cent against the current requirement of 40 per cent with sectoral and regional weightages based on the level of difficulty in lending. The Committee has also recommended risks and liquidity transfers through markets. In view of the fact that banks may choose to focus their priority sector strategies on different customer segments and asset classes, the Committee has recommended that the regulator provide specific guidance on differential provisioning norms at the level of each asset class. A bank's overall Non Performing Assets Coverage Ratio would therefore be a function of its overall portfolio asset mix.

Definition of NBFCs

On definition of Non-Banking Finance Companies (NBFCs), the Committee has recommended only two categories - one for core investment companies and another category for all other NBFCs. The Committee has advocated regulatory convergence between banks and NBFCs based on the principle of neutrality with regard to classification of non-performing assets and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 eligibility.

State Level Regulators

The Committee has suggested that a State Finance Regulatory Commission (SFRC) be created into which all the existing State Government-level regulators could be merged and functions like the regulation of Non-Government Organisations-Micro Finance Institutions (NGO-MFIs) and local Money Services Business could be added on. The Committee has desired that the Reserve Bank should issue regulations on suitability, applicable specifically for individuals and small businesses, to all regulated entities within its purview so that the violation of such regulations would result in penal action for the institution as contemplated under the relevant statutes through a variety of measures, including fines, cease-and-desist orders, and modification and cancellation of licences.

NBFCs

RBI eases Pricing of Credit Directions for NBFC-MFIs

It has been decided that the interest rates charged by an NBFC-MFI to its borrowers will be the lower of the following:

(i) The cost of funds plus margin, or

(ii) The average base rate of the five largest commercial banks by assets multiplied by 2.75.

The average of the base rates of the five largest commercial banks shall be advised by the Reserve Bank on the last working day of the previous quarter, which shall determine interest rates for the ensuing quarter.

The above instructions will come into effect from the quarter beginning April 01, 2014. The Reserve Bank will announce the applicable average base rate on March 31, 2014 and every quarter end thereafter.

Third Quarter Monetary Policy Review

The Reserve Bank of India announced the Third Quarter Review of the Monetary Policy Statement 2013-14 on January 28, 2014.

On the basis of an assessment of the current and evolving macroeconomic situation, the following policy actions were taken:

policy repo rate under the liquidity adjustment facility (LAF) increased by 25 basis points - from 7.75 per cent to 8.00 per cent; and

cash reserve ratio (CRR) of scheduled banks kept unchanged at 4.0 per cent of net demand and time liability (NDTL).

Consequently, the reverse repo rate under the LAF stands at 7.0 per cent, and the marginal standing facility (MSF) rate as well as the Bank Rate at 9.0 per cent

RBI permits ARCs to convert debt into equity

Reserve Bank in January permitted asset reconstruction companies (ARCs) to convert debt of crisis-ridden companies into equities as part of restructuring process. Securitisation or reconstruction companies are permitted to convert a portion of debt into shares of the borrower company as a measure of asset reconstruction provided their shareholding does not exceed 26% of the post converted equity of the company under reconstruction. Such companies are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60% of the amount outstanding to a borrower as against 75% at present.

The following changes have been made following amendments made in Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) and on the recommendations of the Key Advisory Group constituted by the government on the Asset Reconstruction Companies (ARCs). ARCs are specialised entities which pick up stressed assets of banks and financial institutions at a discount and make recovery. Such companies are also permitted to acquire debt from other ARCs subject to certain conditions. The condition, including that such transaction should settled on cash basis. The selling ARCs will utilise the proceeds so received, for the purpose of redemption of underlying security receipts.

Debt recasts for 2013 hit record Rs.74,000 crore

Loans worth Rs.74,000 crore for 77 customers have been recast by the corporate debt restructuring (CDR) cell in the 12 months to December 2013, the largest amount reworked in any year. In December alone, the cell restructured six accounts worth Rs.10,121 crore, including Lanco Infratech's Rs.7,324 crore, a senior banker said. While borrowers had requested for easier repayment terms for an amount Rs.1.27 lakh crore, banks limited the amount to Rs.74,000 crore. Bankers for their part are unwilling to call an end to recasts. "The pace may slow down somewhat but it's too soon to conclude that requests for restructuring are going to fall significantly.

In its financial stability report (FSR) released in January 2014, the RBI raised serious concerns on the rising quantum of restructured loans. As on September 30, the average stressed asset ratio — the ratio of gross non-performing assets (NPAs) and restructured advances to total assets — stood at 10.2% for the banking system, with state-owned banks accounting for the bigger share.

Govt. may infuse Rs.175 crore into Corporation Bank

Corporation Bank is planning to raise Rs.175 crore from the government to meet the lender's capital requirement. Shri SR Bansal, Chairman and Managing Director, Corporation Bank, said in February 2014 that during the fiscal 2013-14, the government had infused Rs.450 crore and will give another Rs.175 crore by end of the fiscal. Speaking at the launch of bank's SME loan centre, Shri Bansal said with the the proposed infusion, the government's stake will increase to 63% from the current 58%. The bank would focus on retail, SME and agriculture. Currently, the retail portfolio accounts for 15%of the total credit portfolio and the plan was to increase it to 25% in the next 12 months. To boost lending to these sectors, specialised centres for each of the businesses are being set up across the country. "Home loan is where the bank is bullish about in the retail segment". On NPAs, he said in Q3, slippages are expected to be less compared with Q2. He attributed this to the recovery steps the bank has taken up.

Govt. to Provide Rs.1,400-cr Loan Subsidy for Rural Women SHGs

The Ministry of Rural Development said in February 2013 it will provide Rs.1,400 crore to give subsidised loans to women self-help groups in rural India. The nearly 3% interest subvention given to women will be effective on loans of up to Rs.3lakh taken after April 1, 2013. The decision, which is expected to benefit 3crore women in 25lakh selfhelp groups across the country, comes just ahead of the general elections due in April. The move would benefit a large number of women SHGs in Odisha, Jharkhand, Uttar Pradesh, Madhya Pradesh, Bihar, Chhattisgarh and Andhra Pradesh. In the first phase, the ministry will provide loans to women self-help groups at the rate of 7 per cent against over 10 per cent market rate in the 150 identified naxal-affected districts, making it at par with crop loans to farmers. This would cost Rs. 650crore to the government and would be funded from the Rs 2,600-crore budgetary allocation to the ministry under the National Rural Livelihood Mission (NRLM). However, in the remaining districts across the country, the women self-help groups would be compensated through rebate which will cost the ministry another Rs 750 crore, taking the total outgo on subsidised loans to Rs. 1,400crore. "This means that they would get loan at market rate only, but if they pay it back promptly, the difference in the amount between the market rate and subsidised rate will be credited to the account of women SHGs," Shri Ramesh said, adding that the rates would be further lowered to 4 per cent for SHGs who repay the loan on time.

The idea is to provide subsidised loans to all 640 districts in the next five years. "In 2012-13, 85 per cent of bank loans to SHGs were in four southern states - Andhra Pradesh, Tamil Nadu, Karnataka and Kerala.

As per the ministry, banks had given Rs.21,000 crore as loans to SHGs in 2012-13. Of this, Bihar got Rs.222 crore, West Bengal (Rs.515 crore), UP (Rs.450 crore), Maharashtra (Rs.580 crore), MP (Rs.137 crore) and Gujarat (Rs.119 crore). Under the National Ajeevika Mission, the ministry aims to raise the number of SHGs to 60 lakh in next five years enrolling 7crore women as compared to 3 crore now. The ministry claims to have added 30 lakh women through 3 lakh new SHGs under NRLM in 2013-14.

World Bank forecasts F.Y. '14 growth at 4.8%

The World Bank has forecast India's economic growth at 4.8 per cent in the current financial year. The projected estimate was, however, a bit higher than the 4.7 per cent the multilateral agency had forecast in its October outlook.

In its Global Economic Prospects released in January the World Bank said weak growth in India has taken a toll on corporate and banks' balance sheets. The gross non-performing and restructured loans rose to 10.2 per cent in September 2013, with India's central bank warning of stress on asset quality in the iron & steel and infrastructure sectors. Further, strains from a sharp withdrawal of foreign capital could increase the risk of corporate debt distress, while one-off costs of bank recapitalisation could put pressure on fiscal positions.

According to the report, weaker growth in India following years of rising inflation and CAD, has opened a large negative output gap, which is projected to gradually close as the economy recovers. Bank expected the pace of India's economic growth to pick up and stand at 6.2 per cent in 2014-15 and at 7.1 per cent in the next financial year.

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NATURAL SUPPLEMENTS BOOST OUR HEALTH & IMMUNITY

Wadner Tranchant

Supplements developed by scientists in the laboratory are state-of-the-art formulations that carry nutrients that the human body needs. These natural health products are high grade and of the purest quality making them very potent indeed. They are especially prepared by companies for public consumption.

Nutritional supplements are available over the counter and as days go by, more and more people are opting to use them not just to maintain their health but as a cure for certain illnesses as well. These products gain the patronage of many consumers since they facilitate the immune response and promote homeostasis. There are of course skeptics who do not believe in them but users can already attest to the effectiveness of these natural supplements.

Proven Effective

It is the responsibility of the manufacturers to make sure that they use only the finest ingredients. Before they are released to the public, they need to be certified and validated by the appropriate regulatory bodies. Once proven by the health and nutrition board that these products are safe and effective, they are released and made available to everyone.

When we get sick we are prescribed antibiotics by our doctors. These are synthetic products designed to cure various diseases. But before modern pharmaceutical products became available, humankind relied on substances found in nature to cure them of their illness. Using vitamin products and other health supplements is just like going back to nature and letting her healing powers resolve our health issues.

The advantages of natural over synthetic :

Synthetic medications have the elements that cure various diseases but they are also composed of possibly harmful chemicals. They are designed to work fast but the downside is that they may cause damage in the long term.

Now, there are natural alternatives available from any vitamin shop that provides great protection from infections without the potential adverse reactions. And natural remedies may be the more effective treatment agents because they are better at treating the source of the problem. Synthetic meds may be effective at resolving symptoms but not the origins of the disease.

Paradigm Shift

The shift to alternative health products from pharmaceuticals is the trend these days, and more and more companies are joining the fray. The demand is high and there is enough for everyone.

All the product lines in the market today are made from the highest quality ingredients. And some companies even make it a point to support local organic farmers. Organic farming has low environmental impact and the ingredients used by health supplement companies come from organic sources. Another reason why natural supplements have become rather popular is that they are made from earthy friendly components. Health products without harmful agents are the more popular choice these days. You are protecting your body from additional harm and getting more nutrition than is usually available.

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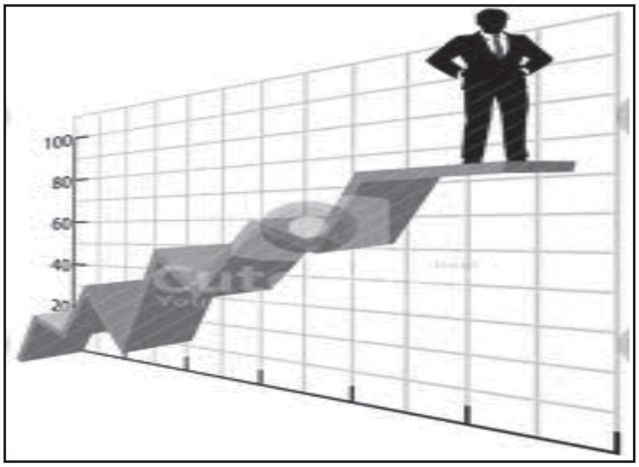
Action may not always bring happiness, but there is no happiness without action.

William James.

SUCCESS STORIES OF KSFC ASSISTED UNITS

M/s Akshay Enterprises, Bangalore



M/s. Akshay Enterprises, Bangalore approached Karnataka State Financial Corporation {KSFC} for financial assistance for purchase of KIADB land, for construction of building and for the acquisition of the plant and machinery for the establishment of a Corrugated Box manufacturing unit at Bidadi Industrial Area, Ramanagar District. A proprietary concern of Sri. Raja Nayak, belonging to Scheduled Tribe Category, presently, runs a school in Bangalore. He was associated with his brother's corrugated box manufacturing unit M/s Arjun Packaging, Bommasandra for about five years and gained knowledge about the activity.

With the experience gained, he established his own corrugated box manufacturing unit. KIADB has allotted ¼ an acre of land at Bidadi Industrial Area, Ramanagar District to the promoter. The promoter constructed new building in the proposed land and to acquire plant and machinery necessary for a packaging unit including corrugation machine, rotary reel sheet cutter, sheet pasting and pressing machine and other related equipments from reputed machinery suppliers.

The story of the entrepreneur runs back to his struggle even during his childhood. Though Raja Nayak had dreams of becoming real estate baron, inspired by a bollywood movie, the destiny dragged him to become a successful entrepreneur. At the age of 52 years, he is running a Rs.50.00 crore diversified business which is into packaging, logistics, packaged water and education. He started Akshay Enterprises, Bangalore that deals with corrugated fiber board boxes used in packaging.

He also diversified into education by running a school in Bangalore, built a logistics company called MCS and made inroads into packaged drinking water market under the brand 'Jala Drops'. With such versatile business acumen in his background, he approached KSFC for financial assistance under Interest Subsidy Scheme for Scheduled Caste & Tribes Entrepreneurs. Being a strong proponent of Dalit uplift, Sri Raja Nayak who is also President of Dalit Indian Chamber of Commerce & Industry (DICCI), Karnataka Chapter, undoubtedly is an inspiration to dalit start up entrepreneurs.

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The revolution is going to happen not through powerful people but through common people- and they have tolerated enough. And it is coming to a climax. The climax is on the one hand very painful; but on the other hand it is a new beginning, a fresh beginning.

Osho.

IS CSR A SUSTAINABLE BUSINESS MODEL?

Kumkam Sen*

The concept of social responsibility and philanthropy has been a part of charitable initiatives of the Indian business houses, as also by the zamindars in the days of the permanent settlement as a tribute to God. A later phase was triggered by the Gandhian movement and the initiatives of industrialists of that time, such as, Birlas, Tatas, Modis and Dalmias who were inspired in undertaking similar initiatives as a part of the Gandhian philosophy starting with dharamshalas and places of worship. These initiatives were undertaken under the Indian Trust Act, based on the principles of trusteeship and the fiduciary requirement to provide a return for the gains of business. It is only in the new Companies Act (2013) that statutory provisions and responsibilities pertaining to corporate social responsibility(CSR) have been made mandatory under law, requiring companies having a net worth of Rs 1,000 crore or more to constitute a separate Corporate Social Responsibility Committee of the Board, of which one member has to be an independent director. As privatisation waned due to policy changes in the nationalisation era, the public sector became an active player in setting up schools and hospitals in their townships. Though the productivity of the public sector plummeted in the eighties, with privatisation, the public sector still remains active in its social initiatives and the large corporations, such as ONGC and Indian Oil Corporation continue to serve the community in various ways. The revival of CSR in the 1990s can be traced to the upsurge of environmental concerns, which fathered the initial public interest litigations, and more recently the Green Tribunal. Auto manufacturers and others engaged in industries which involve pollutants tend to be targeted, and the Mahindra's are one of the foremost in CSR as Maruti.

The question is whether CSR is warranted and corporates are happy with CSR featuring in the Companies Act being made mandatory. There are divergent views. Certain companies believe CSR provides an opportunity for being inclusive and the process benefits the outlook of employees as well as customers. Essentially, it is the state's duty to provide welfare to society under the Constitution. It is another matter if a corporation decides to utilise its funds in social welfare, without being coerced by regulations. There is also a difference in green investing and social projects. If the company's activity involves production or use of alternative natural resources and other environmentally conscious business people or invest in given mutual funds, that itself goes a large way. If the company's business is healthcare, then pro-bono work in that sector also has its positive business indicators. But the CSR schedule to the Act involves unwarranted expenditure by corporations in certain activities in respect of issues which are not within their domain expertise. There is also an element of intrusion of investor rights in introducing mandatory CSR. Both the investor and the corporation are taxpayers. Investment decisions are not made on the basis of CSR projects, but on the dividends issued by the company and the net value. In the zeal for corporate governance and other forms of compliances, lawmakers should not lose sight of the purpose of a limited liability company.

For multinationals that operate in a global market, it is not possible to have separate approaches and staffing for their social responsibilities. Every jurisdiction has its specific regulations for companies and their compliances. In addition, there are international CSR standards and guidelines to comply with, all of which is a full time task, particularly, if it has no nexus with the corporation's business.

Undoubtedly, there are other worthy activities in which companies' funds may be deployed such as self-regulation and good governance. A business ethics initiative is more important for business and also a worthy cause. Businesses are fighting for survival in adverse conditions. This is not the appropriate time to engage in expenses which do not bring value addition to their businesses and eat into profits.

*** Kumkum Sen is a partner at Bharucha & Partners Delhi office.***

ANDHRA PRADESH

A.P. budget shows Rs. 474-crore surplus

A vote-on-account budget for the next fiscal was presented in the Andhra Pradesh assembly on 10th February 2014 by Finance Minister Shri Anam Ramanarayana Reddy. According to the budgetary figures, the state government proposes to spend Rs 1,83,129 crore during 2014-15. This includes non-Plan expenditure of Rs 1,15,179 crore and Plan expenditure of Rs 67,949 crore as against Rs 52,995 crore in 2013-14. This will leave a revenue surplus of Rs 474 crore and a fiscal deficit of Rs 25,402 crore. The fiscal deficit is pegged around 2.6% of the GSDP and is well within the limit prescribed by the Fiscal Responsibility and Budget Management Act. The increase is mainly due to restructuring of the existing centrally sponsored schemes (CSS) into 66 schemes. The Plan assistance under all the CSS and block grants would be classified as central assistance to state plan, to be released from the central plan, would now flow as central assistance to the state plan.

ASSAM

New industrial policy for Assam from March 1, 2014

The Assam government in February 2014 announced ‘The Industrial and Investment Policy of Assam, 2014’, a new industrial policy that would come into effect in the state from March 1, 2014. This is an effort to fine-tune the state government’s policy to promote industry. The new policy would be in place for a period of five years and has identified promotion of micro, small and medium enterprise (MSME) sector as its “priority area”. The new policy has laid down “various incentives” for units set up by private sector, joint sector, co-operatives, partnership, self-help groups, trust, NGOs and units set up by state government.

GUJARAT

Gujarat promotes manufacturing

The Gujarat government is promoting the manufacturing sector with the aim of improving the income and employability of the people of the state, said Industries and Energy Minister Shri Saurabh Patel. It plans to increase the manufacturing sector’s contribution to Gross State Domestic Product (GSDP) to 32 per cent from the present 27 per cent in the next five years. With Gujarat managing to achieve seven per cent growth in agriculture, 11 per cent in manufacturing and 11 per cent in services over last year, the state has clocked an average annual growth rate of over 10 per cent between 2005-06 and 2011-12. While manufacturing has always been Gujarat’s strength more emphasis on this sector was being given to secure future generations. “We are giving more importance to this sector because we believe that students coming out from schools and colleges from rural areas will require employment. The goal of the State is to improve the income of the people of the state, improve employability and bring investment in industry and agriculture. As the per capita income increases, everything will fall in place. According to the minister, the financial stability of the state is good from all points. The fiscal responsibility and budget management norms have been met, and even exceeded. Gujarat is a revenue-surplus state, taxation revenue is buouyant, and most important, confidence in the state is on the high side.

It is not that Gujarat has looked after only the manufacturing side; it has also paid enough attention to agriculture and given importance to water conservation for agricultural purposes.

There are two mistakes one can make along the road to truth...not going all the way, and not starting.

Gautama Buddha.