COSIDICI COURIER

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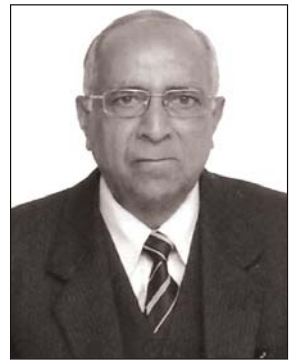
CONTENTS

From The Editor's Desk

AN ORGANISED LOOT OF NATIONAL RESOURCES

It was indeed a great confession on the part of the Government when the then Union Finance Minister, Jaswant Singh reacting to the huge non-performing assets (NPAs) in the financial sector had characterised the ever rising bad debts in banks and financial institutions as a virtual loot of the national resources. While expressing his serious concern over the fast deterioration in the financial health of banks and financial institutions, he had indicated his firm resolve to put in place an appropriate legislation to arm the financial institutions with power to recover their dues without recourse to long drawn litigation. The NPAs of the financial sector including commercial banks, development finance institutions *(IDBI, ICICI, IIBI, IFCI, LIC and GIC)*, State Level Financial Institutions (SFCs, SIDCs etc.), co-operative banks including urban co-operative etc. have been estimated at around Rs.1,50,000 crore. A large part of this sum is owed to the financial and banking system by a handful of few high profile borrowers. Interestingly, the promoters of most of the defaulting companies are either related to influential politicians or have close political connections. The Banks and Financial Institutions have found it difficult to recover their dues from such defaulters either because of political interference or because of the often unhelpful, and sometime dubious, role played by various courts and tribunals. A combination of corruption and nepotism has enabled crony capitalists to run riot, threatening the banking and financial sector. The NPAs of the financial sector account for 15% to 20% of the total outstanding credit forming upwards of 5% of gross national product, almost the same as the Union government's fiscal deficit. The loot of national wealth does not stop with the financial sector. This loot is much more naked and deep in the case of collection of Govt. taxes - both Direct and Indirect. The conservative estimate says that while nearly 25% of the realisable taxes are compromised by the corporate giants in collusion with bureaucracy, substantial amount of Corporate Taxes including Income-Tax had not been recovered by the government and were outstanding against a few high profile corporate giants. The total outstanding taxes on account of corporate taxes including income-tax for the year 2000-01 were estimated at more than Rs.74,143 crores. The revenue deptt. figures indicated that as on February 28, 2002 it has an outstanding sum of Rs.62,134 crore in corporation tax and income-tax dues locked up in disputes. This sum has gone up from Rs.56,430 crore on March 31, 2001 to Rs.62,134/- crore by February 28, 2002, indicating a 5% growth annually in these tax outstandings. By the finance ministry's estimates, tax arrears on all direct taxes in 1998-99, 1999-00 and 2000-01 were to the tune of Rs.44,143 crore, Rs.52,970 crore and Rs.59,425 crore respectively. As against this, the GDP during these years was Rs.17,40,935 crore, Rs.19,29,641 crore and Rs.20,87,988 crore, while the fiscal deficit was Rs.1,03,737 crore, Rs.1,04,717 and Rs.1,11,972 crore respectively. Now, had the unrealised tax revenue been realised during these years, the fiscal deficit as a percentage of the GDP could have been contained at 3.2% in 1998-99, 2.6% in 1999-00 and 2.5% in 2000-01. Besides heavy arrears under corporate taxes as mentioned above, it is disquieting



Shri K.K. Mudgil

to point out that the bureaucracy in the tax administration in collusion with corporate big wigs had under-assessed their income and levied substantially short income-tax. The Comptroller and Auditor-General of India's (CAG's) report on direct taxes had pointed out a short levy of Rs.654 crore on automobile, cement and textile sectors (involving 97 companies) over a period of six years. It is significant to mention that the companies referred to in the report are of high profile promoters who have strong political connections and have also pocketed substantial loans from commercial banks and financial institutions. Less said the better about the leakage of government revenue in the collection of excise and customs duties. If the taxes are collected honestly by the government and the NPAs of banks and financial institutions are also recovered, it will go a long way in helping the government in containing its fiscal deficit within reasonable limits and would obviate the need for levying fresh taxes. The government would have sufficient resources to invest in social sectors which are starved of funds like primary education, rural health, drinking water facilities etc.

It is quite significant to mention that the planning process set in motion in early 50s through implementation of Five Year Plans aimed at balanced growth of the economy with social justice and elimination of poverty, destitution and unemployment from the country. Notwith standing the laudable objectives of our planning process, the implementation of Nine Five year plans have resulted in concentration of power and wealth in the hands of few persons in the country who enjoy the national resources and are also powerful instruments in forming the government. Because of power concentration in few hands, there has been an unholy nexus between the politicians, bureaucrats and the corporate sector which works for each other's benefit. The high level of NPAs in the financial institutions and heavy arrears of taxes outstanding against high profile corporates are the result of such collusion. With a view to providing protection and shelter to the unscrupulous borrowers of bank loans, government had set up the Board for Industrial and Financial Restructuring (BIFR) for the purpose of rehabilitating sick units. In actual practice this statutory body has over-jealously worked to protect willful defaulters from the hazards of recovery proceedings launched by the banks and financial institutions. Therefore, the loot of national wealth has been engineered by the above nexus. It is now a common knowledge that the government institutions like UTI, IFCI, IDBI, SFCs and SIDCs have been plundered by the vested interests enjoying patronage of the political bosses and now the government is keen to provide them with hefty rescue packages to keep them in business. While these institutions will be recapitalised, the small investors who had kept all their life's savings with UTI etc. for better returns have been pushed to the wall. Interestingly, the loot from these institutions will be financed by the government by taxing the common man. No one in the government has ever spoken of instituting an independent enquiry into the financial loot of these institutions and fix responsibility.

The then Union Finance Minister, Shri Jaswant Singh deserves our praise for keeping his word on what has come to be dubbed the "NPA Ordinance". By securing the Lok Sabha's approval on the very first day of its normal functioning for the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Bill, 2002. Mr. Singh has demonstrated his commitment to his stated Agenda of financial sector reform and he must be complimented for playing a positive role in this regard. The bill is of considerable significance as the ordinance it replaces had been challenged in the court of law that had stayed the sale of assets till the bill was passed by Parliament. The passage of this Bill will facilitate the recovery of NPAs by banks and financial institutions without intervention of the courts. The provision in the Bill (enforcement of security interest) is broadly on the pattern of Section 29 of the SFCs Act, 1951, which empowers SFCs to take over the assets of the defaulter unit and dispose off the same without the intervention of the court etc. Since Section 29 of SFCs Act has not helped SFCs to recover its NPAs to a significant extent, it has to be seen over a period of time if this ordinance really helps banks/ financial institutions in recovery of their NPAs without hassle. In view of the political climate and level of corruption prevailing in the country, it would be naïve and unrealistic to imagine that the Bill alone will be able to neutralize the power of well-connected and corrupt. If the government is really sincere in recovering the bad debts of banks/financial institutions, the political bosses and the senior bureaucrats should desist from interfering in the functioning of the financial institutions.

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{ K.K. MUDGIL }

<u>*Note*</u> :

This Editorial originally appeared in the September-October, 2002 Issue of "COSIDICI COURIER". The situation in the country today with regard to corruption and loot of the national resources has assumed enormous proportions. The figures quoted in the Editorial have gone up many times in asmuchas the NPAs in the financial sector have crossed Rs.2.50 lakhs crores, unrecoverable taxes registered a steep increase. Besides, the mineral resources of the country, which rightfully belong to the masses, like Coal, Iron etc. are cornered by the nexus referred to in the article and it has become a national debate. This editorial is being repeated since it is considered more relevant in today's context.

Editor ❐❐❐❐❐❐

Yesterday is but a dream, tomorrow is only a vision. But today well lived makes every yesterday a dream of happiness, and every tomorrow a vision of hope.

Kalidas

APPOINTMENTS

- Shri B.R. Meena, IAS has been appointed as Vice Chairman & Managing Director, Andhra Pradesh Industrial Development Corporation Ltd., {APIDC}, Hyderabad vice Smt. Nilam Sawhney, IAS.

- Shri S.S. Bains, IAS has been appointed as Managing Director, Punjab Financial Corporation {PFC}, Chandigarh vice Dr. Arvinder Singh, IAS.

- Shri Mukul Singhal, IAS has been appointed as Managing Director, The Pradeshiya Industrial & Investment Corporation of Uttar Pradesh Ltd. {PICUP}, Lucknow vice Shri Hari Raj Kishore, IAS.

- Shri Manoj Singh, IAS has been appointed as Managing Director, Uttar Pradesh State Industrial Development Corporation Ltd. {UPSIDC}, Kanpur vice Mohd. Iftikharuddin, IAS.

- Shri Bhushan Gagrani, IAS has been appointed as Chief Executive Officer, Maharashtra Industrial Development Corporation {MIDC}, Mumbai vice Dr. K. Shivaji, IAS.

- Shri Raghuram Rajan, former IMF Chief Economist has been appointed as the Chief Economic Advisor in the Finance Ministry, GoI vice Shri Kaushik Basu.

* * *

WONDERS WITH WASTE : A KANPUR SUCCESS STORY

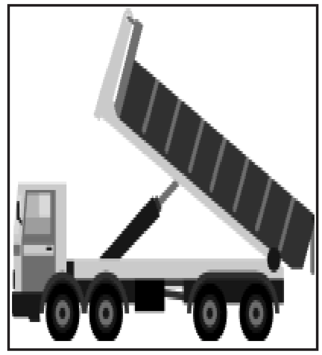
BY

Dr. Isher Judge Ahluwalia *

We Indians have got so used to seeing garbage spilling over from municipal dustbins at street corners and often even strewn around in open public spaces, that we accept this phenomenon as inevitable. We look the other way with what seems like futile hope that some day, someone will find a solution to our problem and rid us of this major health hazard of urban living in India.

The integrated solid waste management project in Kanpur offers hope. Located on the western bank of the Ganga, Kanpur is an important industrial city of Uttar Pradesh, the largest state of India. With a population of 36 lakh (3.6 million) and a total area of 260 sq km, the city is divided into 110 Municipal Wards. Kanpur has been home to textiles, leather, fertilisers and arms manufacturing, each with its capacity to pollute.

The state of solid waste management in Kanpur was no different from most other Indian cities until only a few years ago. Kanpur Nagar Nigam (KNN) had the responsibility for collecting, transporting and disposing of the solid waste generated in the city, estimated at about 1,500 tonnes per day. There were numerous collection centres in the city, more than 400 of which were open dumps. A fleet of 132 vehicles and 3,000 safai karmacharis were supposed to collect and transport the city garbage and dump it at an 'authorised' site a few kilometres away from the city. This they did at an annual cost of Rs.42 crore, which has now come down to about half. Scientific disposal of the garbage was not even contemplated. The collection and transportation activity was financed out of grants from the State Finance Commission. A community of rag-pickers was involved in removing recyclable waste from the waste chain.



It is worth recalling that it was only in 2000 that the Government of India, exercising its powers under the Environment (Protection) Act of 1986, notified the Municipal Solid Waste (Management and Handling) Rules. The Supreme Court played an important role in nudging the Government of India to act in this area, which is otherwise the responsibility of the States. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) launched by the Government of India in 2005 further focused attention on the need to improve public service delivery in urban areas in general and solid waste management in particular and provided funds to support such activity.

Seizing this opportunity, KNN and the government of Uttar Pradesh worked together to experiment with public private partnership in transforming the system of solid waste management in the city.

On a recent visit to Kanpur, I was pleasantly surprised

The writer is Chairperson, ICRIER & also former Chairperson of the High Powered Expert Committee on Urban Infrastructure Services, which submitted its report to MoUD in March 2011

Courtesy : Financial Express

to find hardly any garbage on the streets. I visited what earlier were garbage collection centres in Shastri Nagar and near MG college, Civil Lines. These have now been converted into parks with the help of the local community. One of the largest dhalaos (open, temporary dumpsite) has not only been converted into a park but has also become a public space for the expression of art; 11 art enthusiasts have made beautiful paintings on a wall that once stood as testimony to public apathy towards urban hygiene. Yet another garbage collection centre has been converted into a Ward office.

How did this happen? In June 2008, KNN gave a BOOT (build, own, operate, transfer) contract for processing and disposing of solid waste to A2Z Infrastructure, a private company that was selected through a process of competitive bidding. Land (46 acres) was given free on a long lease of 30 years for the project. The plant with capacity to process 1,500 tonnes of solid waste per day was set up with a tipping platform, a pre-segregation unit, a composting unit, a refuse-derived fuel (RDF) unit, a plastic segregating unit, a briquette manufacturing unit, and a secured landfill in place.

Of the total project cost of Rs.110 crore, Rs.56.6 crore came from JNNURM and the rest from the private partner. Subsequently, the contract for collection and transportation was given to the same company, once again through a competitive bidding process. This created conditions in which the waste collection and transportation activities could be integrated with waste processing and its scientific disposal, with possibilities for revenue generation.

Door-to-door collection of garbage is being done in bins attached to rickshaws by safai mitras using hand gloves and protective masks. The garbage is directly unloaded into refuse compactor trucks of varying capacity, which can typically take the load of 40-50 bins. This way, the garbage is compressed while being transported and more of it can be accommodated in the vehicle. There are still a few dumpsites on the streets, but they are on their way out. Each transport vehicle is equipped with GPS and every incidence of the compactor halt to collect garbage is monitored and recorded. This minimises the scope for deception and discourages fuel theft.

Monthly user charges have been set by KNN in the range of Rs.30-50 for households, Rs.1,000-6,000 for industry and Rs.15 for the urban poor. These are collected by A2Z on behalf of KNN, and the monthly collection at present is Rs.0.75 crore. To sensitise people to the benefits of door-to-door collection, there was no charge in the first three months. Shri Vikram Singh, Former Municipal Commissioner of Kanpur and the promoter of this partnership says, “There is scope to recover up to Rs.1.5 crore from user charge collection.” And rag-pickers have been given the opportunity of starting a new life. As Rajneesh Mehra of A2Z told me, “Some of the former rag-pickers (130, to be precise) now earn a regular salary as safai mitras, sport a bank ATM card, enjoy social security and health benefits, and their young kids have started going to schools. We plan to employ many more.”

The garbage is taken to a central site where it is sorted, segregated and transformed into a number of products of value, such as premium quality compost, RDF, and interlocking tiles from construction debris for use in footpath paving. After selling off some other recyclable material, very little (less than 2% or so) remains to be deposited in the landfill. The landfill which was expected to fill up in 7 years may actually take much longer thanks to the success in reusing most of the waste.

The Kanpur Waste Management Plant is the largest producer of compost from organic waste; about 50% of the waste collected from Kanpur is biodegradable. The quality of the compost is enhanced by scientific inputs coming from the R&D lab at the plant. The premium quality organic fertiliser is sold through fertiliser marketing companies like KRIBHCO, IPL, Coromandel, Green

Star, and also directly under their own brand 'Vasundhara'. The plant is not able to meet the growing demand for organic fertiliser, thanks to the Fertiliser Control Order of 2010 that has defined the specifications of the compost made from organic sources (including food components) and the scarcity of quality compost in the country.

In 2010, A2Z Infrastructure, the private company, invested Rs.110 crore of their own money in setting up a waste-to-energy plant, thus creating the largest integrated project in solid waste management in Asia. This power plant enabled the company to exploit the synergies between collection, processing and disposal. The plant produces 15 MW of electricity, using RDF produced in-house. It uses circulating fluidised bed combustion (CFBC) technology, an advanced fuel combustion technology from Germany. These boilers burn RDF, a fuel made from garbage, at low temperatures, ensuring that the plant does not emit any oxide of nitrogen or sulphur, nor dioxins and furans. It has negligible particulate emission, several times smaller than the national standards prescribed by the Central Pollution Control Board. This is the first use of CFBC technology in India and also its first use in a less than 100 mw power plant in Asia. The plant has been registered with UNFCCC for carbon credits, claiming certified carbon reductions achieved by CDM projects under the Kyoto protocol.

It is not surprising that the project has been recognised for its significant achievements. KNN received the JNNURM award of excellence for Best City for Improvement in Solid Waste Management from the Prime Minister in 2011. While setting an example on solid waste for others, Kanpur must now address the challenge of liquid waste, joining hands with others to remove filth from the holy waters of the Ganga.

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Hope is important because it can make the present moment less difficult to bear. If we believe that tomorrow will be better, we can bear a hardship today.

Thich Nhat Hanh

BANE OF DELAYED PAYMENTS

Yogesh Dixit *

Small and medium enterprises (SMEs) could improve their liquidity materially and enhance profits by 15% if they received payments from large corporate customers on time. This is a finding from a recent study conducted by Crisil on the receivable levels of SMEs. On an average, SMEs with large corporate customers carry receivables valued at 80 days of sales on their balance sheet: 15% of such SMEs carry receivables of more than 120 days. This has a significant impact on the financial position of SMEs, straining their balance sheets and vitiating financial ratios. Crisil estimates that timely payments by large corporates in line with the provisions of the MSMED Act will help SMEs reduce interest costs, and improve profitability by about 15%. This will have a critical bearing on the long-term health and sustainability of India's SME sector. For the study, Crisil has taken a sample of more than 5,000 SMEs rated by it, and classified them according to their customer profile. An analysis of the receivables levels shows that SMEs with sales to corporate customers have average receivables of 80 days, which is significantly higher than those of SMEs belonging to non-corporate clients. Besides, the average receivables position of 80 days appears to be on the higher side compared to the provisions of the MSMED Act, which stipulates that MSMEs should be paid within a period of 45 days.

The averages, however, hide more than they reveal. The average receivables of 80 days for SMEs with corporate clients may not look too grim: but a detailed analysis reveals that 60% of SMEs with corporate clients have receivables in excess of 60 days, and 35% have receivables in excess of 90 days. An analysis of the receivable levels by end-user industry of SMEs reveals that the challenges of high receivables are endemic across industry sectors. SMEs supplying to sectors such as power, engineering and agro/specialty chemical sectors, which have inherently longer working capital cycles, appear to have the highest receivables position. With notable exceptions such as agriculture products, metal and metal product industries, most industries appear to be operating on a receivables cycle of 60 days and above.

A bigger worry for the SME sector, however, is the trend that Crisil has observed in the correlation between the SMEs' scale of operations and their receivables. The smaller the enterprise, and the lower the turnover, the weaker its receivables position tends to be, and the more vulnerable it is. Around 40% of the SMEs with a turnover up to Rs.10 million and 43% with a turnover between Rs.10 million and Rs.50 million have receivables of 90 days and more. The fact that smaller enterprises constitute a sizeable share of India's SME space and are most susceptible to liquidity pressures makes it critical that they receive their payments on a timely basis.

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The writer is Director ~ SME ratings, Crisil. Courtesy : Financial Express

LEGAL MATTERS ~ DELAYED PAYMENTS DISCIPLINED

Upholding the rights of the small-scale industry under the Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, the Supreme Court has held that such units can demand higher rates of interest from a buyer if there is a delay in making payments for the goods. But the claim cannot be made retrospectively for contracts made prior to the commencement of the Act in September 23, 1993, it clarified, citing two cases: M/s Purbanchal Cables & Conductors Pvt Ltd vs Assam State Electricity Board, and Assam State Electricity Board & Others vs M/s Shanti Conductors Pvt Ltd. The Act aimed at ensuring prompt payment of money by buyers to the small industrial units or an ancillary industrial undertaking who are not paid on time even after supplies are effected and accepted and hence had to suffer severe financial crunch. In one of the cases, Purbanchal received payments from the electricity board only for initial supplies made before December 1992. The manufacturer had filed a recovery suit before a trial court, which granted compound interest at the rate of 18.25% per annum plus interest of 5% above the rate of interest. However, the Gauhati High Court set aside the order. The suppliers submitted that there is extrinsic evidence to show that the Act would apply even to those contracts that were executed prior to September 1992 but where supplies were made after the Act came into force.

RAJASTHAN STATE INDUSTRIAL DEVELOPMENT & INVESTMENT CORPORATION LIMITED {RIICO}

Shri Rajendra Bhanawat, IAS joined Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) as Managing Director in November 2009. He has had an illustrious career since he joined service in 1988. Some of his assignments have been Secretary, Agriculture Deptt.; Secretary, Rural Development Deptt.;, Commissioner, Employment Deptt. Jaipur. Under his dynamic leadership RIICO has made remarkable progress in the last 3 years as a result of taking some landmark decisions. Procedures have been simplified to ensure easy and quick availability of land to entrepreneurs. This has also helped in providing financial assistance on simple terms and highly competitive rates to various types of eligible projects. Under his able guidance RIICO is playing a catalytic role in the industrial development in the state by upgrading its facilities and services to keep pace with the requirements and expectations of the business community as under :-

- Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), an apex industrial organisation of the State Government of Rajasthan, since its inception in 1969, has emerged as a multi –faceted, dynamic and vibrant institution.

- It keeps pace with the industrialization process by providing complete and innovative support services to industries–industrial infrastructure, finance, consultancy and other industry related assistance.

Key Decisions and Achievements

- RIICO is emphasizing on acquisition of new land and creation of high quality infrastructure in the industrial areas. Upto February 2012, 323 industrial areas were established across the entire state.

Shri Rajendra Bhanawat, IAS, Managing Director, RIICO

- From December 2008 to February 2012, loans of Rs.538.92 crore were sanctioned and Rs.373.15 crore were disbursed. A recovery of Rs.407.15 crore has been made during this period.

- With a view to support companies in technology and emerging sector, especially in IT Sector, RIICO jointly with SIDBI has promoted ***Rajasthan Venture Capital Fund (RVCF)***. The Fund, which is managed by Rajasthan Asset Management Company Private Limited, a private sector autonomous organization, is providing Venture Capital assistance and mentoring services to projects on pan India basis with focus in Rajasthan and NCR.

- RIICO is the implementing authority under ***ASIDE*** Projects to develop Link Road (4-lane) in Ghilot, Neemrana on Delhi -Jaipur Highway.

- RIICO has allotted land to Honda Car Project in Bhiwadi Industrial Area. This would be the first car manufacturing plant in the state. The main car production unit is being set up on

455-acre land while its ancillaries are being built on 155-acre land. The state expects an investment of Rs.1,100 crore and direct employment for 3,000 people when the plant begins production.

- In order to give thrust to development of commerce and industry the State Government in its budget announcement for the year 2010-11 declared for development of an ***Exhibition Cum Convention Centre*** on approx. 42 acres land situated at Sitapura Industrial Area of RIICO at Jaipur on PPP basis. RIICO appointed PDCOR ltd., Jaipur as Transaction Advisors for detailed feasibility study and preparation of bid documents.

- RIICO has approved participation in ***first phase of Metro Rail project*** in Jaipur through an investment of Rs.100.00 crores by way of equity subscription. The Corporation has already released Rs.42.33 crore.

- RIICO has approved a participation of Rs.10.00 crore in the ***share capital of Rajasthan State Petroleum Corporation Ltd.***

- There are ***three SEZs in the State***. Two SEZs are situated in Sitapura (Jaipur) for Gems and Jewellery industry while one SEZ is in Jodhpur for the development of handicraft industry. In 2010-2011, SEZs achieved exports of Rs.778 crore.

- Mahindra Group, in collaboration with RIICO, has set up an SEZ in Jaipur. It is expected to catalyse an investment of Rs.11,000 crores.

- RIICO is setting up a new ***industrial zone for the food processing industry***, especially for forest products. In this zone, a special package will be implemented to provide employment to 'Sahariya' youth.

- RIICO will organise an international 'Textiles and Apparel Trade Fair' from 22-25 November, 2012 with FICCI as the co-organiser.

- To promote the ceramic industry in the state, RIICO, in association with the CII and the Indian Ceramic Society, organised an ***international exhibition of ceramic, glass and allied products*** in Jaipur from 11-14 November, 2011. Over 180companies, including 16 foreign firms, participated in the event.

- To test Guar Gum (guar) and its various products and to develop new products Agro Test Lab situated at Boranada, Jodhpur would be equipped with state-of-the-art technology. RIICO and APEDA signed an agreement for the same on 14 December, 2010. According to the MoU, APEDA would provide RIICO with Rs.3.83 crore to setup the lab. First installment of the grant has already been received and the lab project report is under preparation.

- Regional Industrial promotion scheme (backward district) 2011-12 has been launched by RIICO through its own sources in industrially backward districts like Karoli, Swai Madhopur, Dholpur, Baran, Pratapgarh to promote industrial investment in the area by providing production incentive for starting production within stipulated time period under the scheme.

- To promote entrepreneurship, ***RIICO has decided to provide ready built up space on concessional rate to establish incubation centre in industrial area Sitapura, Jaipur.***

Simplification of Land Allotment Rules & Policies

- The Corporation has simplified the rules and made provisions for setting up hotels, electronic weigh bridges and petrol pumps on industrial land without levy of any additional charges, liberalizing previous policies of charging for land use change.

- To facilitate vertical expansion in industrial area, height up to 15 mtrs for construction has been allowed by replacing the earlier norms of construction of up to 2 storeys on plots in RIICO industrial areas.
- Land is earmarked in various industrial areas for construction of multistorey residential premises to benefit labourers and low income group employees in industrial areas.
- For redressal of grievances and providing speedy relief to entrepreneurs, divisional level camp chaired by Hon'ble Industries Minister and senior key officials of RIICO were organized at Jodhpur, Udaipur, Bhiwadi, Ajmer, Alwar, Bharatpur, Bikaner, Kota, Sikar and Jaipur. A total of 662 cases were disposed-off through these campaigns.
- NOC for conversion of Agriculture Land for industrial/social infrastructure purpose like school, hospital and also for industrial area/ industrial estate purpose has been allowed on payment of nominal peripheral charges. However, Hotel as tourism industry have been fully exempted from payment of such peripheral charges.
- The Corporation has allowed relief in service charges, fire service charges, re-payment of term-loan to the allottees of Sitapura Ph.I to IV, EPIP institutional area which were affected by fire incident on 29.10.09 in IOC depot.

Simplification of Financial Assistance Policies for Industrial Projects :

- RIICO has simplified its policies relating to sanction of term loans to industrial units. Norms related to Equity Ratio, Maximum loan ceiling etc. have been relaxed.
- With the simplification of rules for sanction of term loans the delegation of powers to the Managing Director and the Industrial Committee has been liberalized. The terms loans of upto 10.00 crores can bee sanctioned Expert Industrial Committee. Apart from this, processing fees and service charges have also been reduced, which is effective from 30 December, 2009.
- The terms and conditions related to the prepayment of loan have also been simplified. Now, only 1 percent charge is levied on loan outstanding once the entrepreneur has prepaid the loan before time. This rule is effective from 2nd November, 2010.
- Single Window Act: The State Government has introduced Single Window Act from the Financial Year 2011-12. Under the provisions of this Act, all Financial Assistance proposals of Rs.1.00 crore and above are being sanctioned within a fixed time frame.

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We are today trying to master every kind of knowledge but are unable to discover our owntrue nature.

Sathya Sai Baba

LETTER TO THE EDITOR

Date : 31/08/2012

Deepika Kumar

Dear Editor,

The topics discussed in the bi – monthly journal of Cosidici Courier gives readers an insight to the developments happening in our financial world. The subjects covered in the editorial of May – June 2012 regarding "Strategic Importance of Strengthening SLFIs ~ In Retrospect and Prospect" was worth reading . Even the "Small Is Big At Creating Factory Jobs" by Ms. Shobha Ahuja has very well depicted the need of the hour to give importance to the growth of the small scale industries . The whole issue is very well covered and managed.

I would like to congratulate the entire staff involved in the making of May-June 2012 issue a success. All the best to COSIDICI for all their future endeavours.

Regards,

Yours Sincerely,

Sd/-

{ DEEPIKA KUMAR }
ASSTT.GENERAL MANAGER
IDBI BANK LIMITED
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Life's challenges are not supposed to paralyse you, they're supposed to help you discover who you are.

Bernice J Reagon

HSIIDC

HSIIDC facilitates setting up of airports

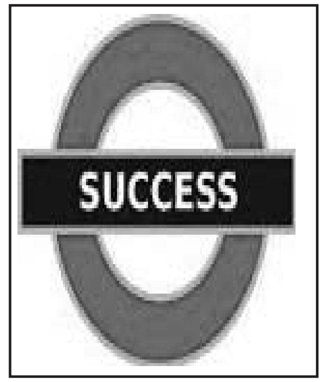
Haryana is set to have its first ever domestic flight connectivity, with two civil airports and a cargo airport approved by the Directorate General of Civil Aviation (DGCA).

The two domestic airports will be built in Karnal and Hisar, while the cargo airport will come up in Rohtak. The plan to open the airports was discussed in a meeting between Haryana Chief Minister, Shri Bhupinder Singh Hooda and Union Civil Aviation Minister, Shri Ajit Singh on July 27, 2012 in Delhi.

The Karnal airport will function from the existing aerodrome at the Flying Club, which has been running since 1967. Its small runway, just 3,000-feet-long and 150-feet-wide is now being extended to 4,500 feet in the first phase and then up to 6,000 feet. Once complete, it will accommodate ATR Turboprops and jets.

The length of runway at the Hisar aerodrome is 4,000 feet, which will be extended to 6,000 feet. The choice of locations for civil airports has been a combination of factors - Karnal fast developing as an educational hub and the need for a transit route for industrialists.

The cargo airport at Meham, once operational, will attract business from the new Delhi Mumbai Industrial Corridor (DMIC), which will cover 29,362 square km area, accounting for about 66.4 per cent of Haryana. Its domestic and international operations will be facilitated by HSIIDC. Nearly 2,770 acres of land has been offered to the Centre to set up a greenfield cargo airport. "Displacement of population would be assessed and would be taken care of as per the rehabilitation and resettlement policy of the Haryana government," said HSIIDC, MD, Shri Rajiv Arora, IAS.



TIIC

TIIC sets Rs 200 cr loan disbursal target for Erode region

Tamilnadu Industrial Investment Corporation (TIIC) would provide Rs 200 crore as loan to entrepreneurs in the Erode region during 2012-13, a senior official has said. During last fiscal, a sum of Rs 115 crore was released as loans in the region comprising Erode, Coimbatore, Tiruppur and Nilgiris, TIIC Regional Manager, Shiri S Gururaj said at a loan mela here last evening. He said Rs 41 Crore loan would be disbursed during this fiscal to the entrepreneurs of Erode district alone. He said TIIC would advance upto Rs 20 crore with 25 per cent capital subsidy from the government for installing generators upto 300 KVA to industrial units which submit proper projects.

DSIIDC

CCTV cover for 530 liquor shops in Delhi

Over 530 liquor shops in the city will come under CCTV camera surveillance by the year-end as part of Delhi government's initiative to prevent people from drinking in and around such vends and check rowdiness. In the first phase, CCTV cameras will be installed in 225 vends run by DSIIDC; the work is likely to be completed by next month.

Officials said the cameras will have to cover at a least 50m area on all sides of the liquor shop. The cameras inside the vends will capture daily activities. "Often people drink in and around liquor shops, which is an offence. CCTV surveillance will ensure a better environment in and around the shops," said a senior official of the excise department.

The Delhi Excise Act, which came into effect in October 2010 replacing the Punjab Excise Act 1914, provides for a fine of Rs 5,000 for consuming alcohol at a public place and a fine of up to Rs 10,000 with a three-month jail term if the offender creates public nuisance.

The city has 532 liquor shops, of which 450 are being run by Delhi State Industrial and Infrastructure Development Corporation (DSIIDC), Delhi Tourism and Transportation Development Corporation (DTTDC) and Delhi Consumers Cooperative Wholesale Store (DCCWS). Excise officials said the shops will have to keep the footage for at least 30 days and the enforcement wing of the department will keep checking them. The government may even set up an integrated control room for monitoring CCTV footages.

RIICO

RIICO, Binani cement ties

RIICO has signed a Memorandum of Understanding (MoU) with Binani Cement Ltd., for the acquisition of 37-hectares of land at Pindwara district, Sirohi. The land will be used as a dedicated truck parking yard. With the increase in the company's activities at the Pindwara cement plant, the need was felt to acquire additional land as the transportation of cement and other raw materials had increased substantially. Mr. R.S. Joshi, President (Corporate Affairs), Binani Cement Ltd., said that the proposed yard is an integral part of the Rs.691 crore expansion project of Binani Cement Ltd. at Pndwara and its grinding unit at Neem-Ka-Thana. A key player in the Indian cement industry, Binani Cement Ltd. operates a 6.25 million tones per annum (MTPA)-capacity plant at Pindwara, Sirohi and a 1.5 MTPA-capacity plant at Neem-Ka-Thana.

Four new textile parks approved

The Union Textiles Ministry has approved four new textile parks in Rajasthan under the Integrated Textile Parks Scheme of the Government of India. The proposed parks are: the Rajasthan Integrated Apparel City at Bhiwadi, the Mewar Integrated Textile Park at Bhilwara, the Jaipur Carpet Park Limited at Dausa and the Himmada Integrated Textile Park at Balotra. RIICO has already earmarked land at Tapukara Extension, Bhiwadi, for the Rajasthan Integrated Apparel City. Earlier, under the same scheme, five such parks were approved for Rajasthan. Out of the five parks, two will be set up at Silora at Kishangarh, two in Pali and one at Bagru near Jaipur. RIICO has made available land for the two parks at Silora and the one at Bagru.

Ceraglass India 2012

RIICO is organising Cereglass India 2012 in Jaipur in December this year. Rajasthan is a ceramic hub as it has as an abundant supply of raw material for ceramic and tile manufacturers. Shri Rajendra Bhanawat, IAS, Managing Director, RIICO led a delegation to spain to meet Ms. Mar Casanova Llorens, Counselor of the Ministry of Industry, Economic and Commerce, State of Valencia; Mr. Armando Ibanez Guaita, President, CEVISAMA; and Mr. Alberto Catala Riuz de Galarreta, President , Fair Authority of Valencia, Spain. The Indian delegation invited the Spanish industry to participate in the ceramic fair 'Ceraglass India 2012,' to be organised in Jaipur in December this year. The other members of the Indian delegation were Mr. S.K. Somany of Somany Tiles, Mr. Vinod Ajmera, Mr. Anil Sharma and representatives of the Confederation of Indian Industry (CII). CEVISAMA is the largest fair of ceramic tiles and machinery in the world. Spain's share in the world tiles market is approximately 10 percent.

* * *

QUESTIONS OF CYBERQUIZ ~ 37

Q.1. What is Spider Food ?

[a] The algorithm used by search engines or spiders; [b] Embedded key words, usually invisible, in a web page; [c] A bait for a spammer; [d] Web pages left out inadvertently by a spider in response to a search request.

Q.2. On his first visit to Honolulu, Ward Cunningham was directed by the airport counter agent to take the shuttle buses at the airport. The word that describes the shuttle bus service there means "fast" in Hawaiian language. That was the first Hawaiian word Cunningham learned. Cunningham gave this name to a concept he created later on. Name the concept.

{a} WikiWiki or Wiki; [b] Extreme Programming; [c] Webopedia; [d] Awiwi.

Q.3. Which body presents the Webby Awards ?

[a] International Academy of Digital Arts and Sciences; [b] Internet Corporation for Assigned Names and Numbers Authority (ICANN); [c] Internet Assigned Numbers Authority (IANA); [d] Association for Computing Machinery.

Q.4. What name is given to a web site that is no longer being maintained but remains online and available for viewing ?

[a] Abandoned site; [b] Orphaned site; [c] Disowned site; [d] Ghost site.

Q.5 Which website is said to be 404-complaint ?

[a] A website that complies with all the recommended ethical practices; [b] A website that has been removed by the administrators due to Net abuse by the web site owners; [c] A website that has not been updated since a long time; [d] A highly attractive website.

For Answers See **Page No. 18**

Travel light on your journey in life. Your desires and expectations are heavy baggage which slow you down and thwart your progress. Let them go.

Swami Chidanand Saraswati

SUCCESS STORIES OF RFC ASSISTED UNITS

M/s. Polycon International Ltd.

A story revolving around trust, faith, help and hard work - The trust and help provided by RFC while faith and hard work showcased by the client. Starting with loan of Rs 65 Lakhs in the year 1992, the client took about 13 loans, the latest of Rs 111 Lakhs in 2009. The company currently has a turnover of Rs 35.50 Crore.

With finances which are sound and concrete, the industrial unit of PET jars and bottles grew in leaps and bounds, gradually unfolded its potential and was able to touch the horizons of success and reached a place from where they could only move forward and beyond.

The Corporation also has excellent views about the promoter and appreciates their regular repayment behavior. The promoter enjoys Card Loan facility with the Corporation.

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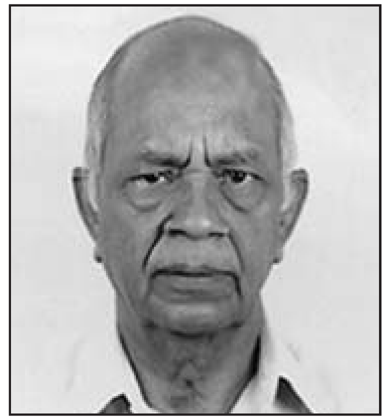

Shri Lal Chand Baid, Director

M/s. Shree Fats & Proteins Pvt. Ltd.

The product, solvent extracted oil, received a good market with financial help given by RFC to this first generation entrepreneur. Beginning with a loan of Rs 81 Lakhs in 1992 and subsequent loans thereafter the present turnover of the Unit is Rs 12000 Lakhs which is remarkable.

RFC is of the view that the client has been of a good conduct and has been regular in repaying the loans. The association has been a healthy and beneficial one for both the organisations.

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Shri Gopal Goenka, Director

You cannot travel the path until you have become the path itself.

Gautama Buddha

ANSWERS OF CYBERQUIZ ~ 37

Ans.1.[b] Embedded key words, usually invisible, in a web page : Key words are embedded into a webpage to attract search engines and to ensure that the page appears high on the list generated by the engines in response to a search.

Ans.2.[a] WikiWiki or Wiki : A wiki allows a visitor to the "wikified" website to edit the content of the site from their own computer. It does not require knowledge of HTML.

Ans.3.[a] International Academy of Digital Arts and Sciences : It is a 500-member body of leading web experts, business figures, luminaries, visionaries and creative celebrities.

Ans.4.[d] Ghost Site : The difference between a ghost site and other abandoned sites is that the ghost site contains a statement acknowledging that it is no longer being updated.

Ans.5.[b] A website that has been removed by the administrators due to Net abuse by the website owneers : According to an entry in Wikipedia, "the 404 or Not Found error message is a HTTP standard response code which indicates that the client is able to communicate with the server, but the server is either not able to find the file that has been requested, or it is configures not to fulfill the request. The expression 404-complaint is a tongue-in-cheek reference to the standard '301 complain' Murkowski Bill disclaimer used by spammers".

* * *

You are what you want to become. Why search anymore? You are a wonderful manifestation. The whole universe has come together to make your existence possible. There is nothing that is not you. The kingdom of God, the Pure Land, nirvana, happiness, and liberation, are all you.

Thich Nhat Hanh

DO YOU KNOW ?

DIFFERENT WAYS TO USE ALOE VERA

- Pamper yourself to a soothing body rub. Slice aloe leaves lengthwise and use the inner sides as a biodegradable body scrub in the shower.
- Treat burns from minor mishaps in the kitchen—from grease splatters or hot utensils.
- For more major kitchen mishaps like a scald, mix some aloe gel and vitamin E oil into a little jar for a homemade burn healer.
- Soothe and heal sunburns the feel-good way. Aloe contains cooling properties similar to menthol.
- Take the sting or itch out of insect bites.
- Reduce tissue damage from frostbite.
- Alleviate mysterious rashes.
- Make feet baby soft with an exfoliating foot mask by mixing together a half cup of oatmeal, a half cup of corn meal, four tbsp. of aloe vera gel and a half cup of unscented body lotion.
- Swab over blisters for quick relief.
- Use as an antidote to allergic skin reactions.
- Replace creams and lotions as a general moisturizer for dry skin. Aloe is fast absorbing!
- Prevent pesky pimples and treat acne.
- Prevent scarring and stretch marks.
- Help rid of Rosacea.
- Reverse signs of aging skin and wrinkles. Cleopatra did!
- Help eliminate Eczema.
- Brighten skin. Aloe can decrease pigmentation and dark spots.
- Make skin new again with an exfoliating, organic sugar scrub by mixing together two tbsp. of aloe vera, 2 tbsp. of organic brown sugar and 1 tsp. of organic lemon juice.
- For rougher patches mix together an organic salt skin scrub using two cups of sea salt, one cup of aloe vera, one cup of organic coconut oil and two tbsp. of local, organic honey.

- Speed up hair growth by massaging aloe into the scalp, letting it sit for 30 minutes, and rinsing.
- Reduce hair dandruff by mixing aloe vera juice with coconut milk and wheat germ oil. Massage into scalp and rinse.
- Replace aloe with conditioner for silkier, smoother hair.
- Treat minor vaginal irritations.
- Drink aloe vera juice to relieve gastrointestinal disorders like indigestion.
- Sip it to aid in elimination. Many times, it's recommended for its laxative effects.
- Drink to lower blood sugar levels—especially for diabetics.
- Strengthen gums and promote strong, healthy teeth by taking orally or use toothpaste with aloe vera ingredients.
- Drink to help ease congestion, stomach ulcers, colitis, hemorrhoids, urinary tract infections and prostate problems.
- Take orally to reduce cholesterol and triglycerides for a healthy heart.
- Sip to minimize inflammation and infection of the eye and ear.
- Toast to its general detoxifier and health boosting qualities!
- Take a swig to reduce symptoms of irritable bowel syndrome including bloating and discomfort.

* * *

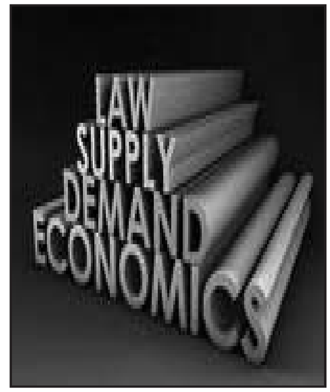
Govt to boost credit flow for exporters

The government is mulling a greater flow of credit for exporters by allowing banks with significant presence abroad, and foreign currency deposits available, to arrange for borrowings abroad or to seek lines of credit from foreign banks.

Merchandise exports have slipped again into the negative territory, with a fall in demand from traditional markets. In the first quarter of 2012-13, exports fell 1.7 per cent to $75.2 billion, compared with $76.5 billion during the same period last year. Exporters say an important reason for the stall in growth is a gradual decline in export credit as a percentage of net bank credit and also as a percentage of exports.

"The government is now looking at various measures for extending easy loans to the exporting community. We are looking at a liberalised regime of export credit in foreign currency. There is going to be greater synergy within banks, so that exports do not get adversely affected," Shri Anup K Pujari, director general of foreign trade, said.

While the compounded annual growth rate (CAGR) of export credit during 2001-11 was 13.45 per cent, export growth in these 10 years had been at a CAGR of 19.11 per cent. Export credit as a percentage of total exports fell from 19.8 per cent in 2008 to 13.4 per cent in 2011, according to Reserve Bank data.



As a short-term measure, the government has also planned to make finance available in foreign exchange by banks to exporters through other smaller banks that do not have forex liquidity available. Such extra lending by bigger banks to smaller ones would not exceed a mark-up of 10 basis points. It has also been decided that in case of packing credit, the exporter would not be forced to take cover unless it is for an export credit in one convertible currency, for which the export order will be duly invoiced in another convertible currency. Besides short-term credit, the government has also planned to direct banks to provide term loans for modernisation and equipment financing, setting up of units for exports and for project exports. "The declining trend of export credit, both as a percentage of net bank credit, as well as a percentage of exports, is one of the biggest handicaps for tiny and small units, which are not given timely credit to meet their export requirement".

DECLINING TREND OF EXPORT CREDIT

Year	*Exports (Rs.cr.)*	*Exports Credit (Rs. cr.)*	*Export Credit as % of Exports*
2007-08	655,863	129,983	19.8
2008-09	840,755	128,940	15.3
2009-10	845,533	138,143	16.3
2010-11*	1,142,648	153,794	13.4
** up to December 2011*		*Source: RBI*	

Indirect tax collections up 13.8% in April-June

Indirect tax collections during the April-June period rose by 13.8% to over Rs.1.07 lakh crore, much slower than the targeted 27% growth for this fiscal. The government has fixed indirect tax—comprising customs, excise and service tax—collection target at Rs.5.05 lakh crore for the current financial year, an increase of about 27% from 2011-12 target.

During the first quarter of the current fiscal, the collections on account of customs and excise duty stood at Rs.38,744 crore and Rs.41,147 crore respectively. Besides, service tax levy contributed Rs.28,068 crore to the central exchequer.

For the month of June, indirect tax collection grew by 14.8% to Rs.37,748 crore. While collections from customs duty stood at Rs.13,284 crore, excise mop up during the month stood at Rs.13,849 crore. Besides, service tax collection was at Rs.10,615 crore. The indirect tax mop-up in 2011-12 at Rs.3,92,781 crore was 99.6% of the Budget estimate. The gross direct tax collections in the April-June period grew by 6.77% to Rs.1.11 lakh crore, less than the targeted annual growth of 15%.

Direct tax collections rise 47% in Apr-Jun

Direct tax collections, net of refunds, increased 47.2 per cent to Rs.84,273 crore during April-June 2012-13, against Rs.57,267 crore in the corresponding period of last financial year. The sharp rise was on account of higher refunds that pulled down the net collections in the year-ago period. Refunds in April-June this year stood at Rs.26,909 crore, compared with Rs.46,868 crore of tax refund in the corresponding period of 2011-12.

Gross direct tax collections (including tax refunds) were up by just 6.77 per cent in the first quarter of this year, signaling a slower economic growth had an impact on tax payments. Gross direct collections in April-June stood at Rs.1.11 lakh crore, against Rs.1.04 crore in the year-ago period.

While gross collection of corporate taxes showed an increase of 3.48 per cent to Rs.70,594 crore, against Rs.68,223 crore in April-June last year, personal income tax mop-up was up by 13 per cent to Rs.40,520 crore, compared with Rs.35,858 crore in the same quarter of 2011-12. Collections from wealth tax showed a dip of 3.03 per cent to Rs.32 crore, against Rs.33 crore in the same period last year.

Textile min may agree to grant benefits to mills under TUFS

The textile ministry is considering the industry's proposals of granting benefits under the Technology Upgradation Fund Scheme (TUFS) to mills that are seeking loan restructuring. According to RBI's guidelines, once the restructuring of loan is done then the assets are classified as substandard. Mills with such assets are currently not entitled to avail of benefits under the TUFS. An interministerial committee is set to decide on the issue at its meeting. Several textile firms fell into a dent trap owing to a sudden fall in product prices after two successive years of steady rise in raw material costs.

"*At present, TUFS allows interest reimbursement for a period of seven years but the textile industry is pressing for an extension of 10 years for companies which fall under the debt restructuring procedure,". RBI has approved the proposal of providing a two-year moratorium on term loans and conversion of working capital into working capital term loan.*

Current account deficit is 4.2% of GDP in F.Y. 2012

With a sharp rise in the import bill and an economic downturn, India's current account deficit (CAD) shot up to $78.2 billion (4.2 per cent of gross domestic product) for the year ended March 2012, from $46 billion (2.7 per cent of GDP) the previous year. This is the highest level of CAD ever—both in absolute terms and as a proportion of GDP—according to the RBI. For the quarter ended March, CAD rose to $21.7 billion (4.5 per cent of GDP), compared with $6.3 billion (1.3 per cent of GDP) for the corresponding quarter the previous year.

Govt clears 14 FDI proposals worth Rs.1,584 cr

The government in July approved Rs.225- crore foreign investment in Indian operations of Asian equity research major CLSA, besides 13 other FDI proposals, involving Rs.1,584 crore. CLSA is an Asian unit of European Banking major Credit Agricole and is being purchased by China's leading brokerage firm Citic Securities. The proposed FDI in CLSA Singapore Holdings is for "induction of foreign equity in an investing company (of CLSA) to carry on the business of process outsourcing services for clients, both domestic and offshore," the ministry said. Without identifying the entity bringing in the FDI, it said "currently the Investor company is non functional".

The government also cleared the Rs.674 crore proposal of Maharashtra-based Abhijeet Power for induction of foreign equity in an investing company to make downstream investment. Pune-based Bajaj Finserv, which was seeking government's approval to issue and allot equity shares to carry out the business relating to NBFC activities directly and through subsidiaries under Rights Issue, also has been cleared. The financial services provider firm proposes to bring in FDI worth Rs.100 crore. In the telecom sector, the government has given its approval to Netmagic Solutions to bring in FDI worth Rs.182.8 crore.

The company has sought permission to increase in foreign equity upto 74% and induction of a new foreign collaborator to undertake the business of Internet Service Provider (ISP) with gateways. Among other proposals which have been cleared included that of Hyderabad-based Takshila Tech Parks and Incubators (India) amounting to Rs.182.5 crore and MF Global Sify worth Rs.81 crore. While 14 FDI proposals were cleared, decisions on 15 other proposals were deferred due to various reasons.

New Bill empowers government with sweeping powers to regulate societies

Having failed to locate 25 lakh out of the 32 lakh societies registered under the archaic Society Registration Act of 1860, the central government now plans to empower itself to take over, suspend, penalise, confiscate, cancel, impose financial and penal penalties, and investigate any and every society or its properties that operates in multiple states. In order to do so, it has just floated the draft of 'Multistate Societies Registration Bill, 2012'.

Once this Bill becomes a law, all societies, either registered under the old law, or the new ones, will have to mandatorily register themselves in accordance with the stringent provisions of the proposed law. Also, all such societies will have to file annual reports, balance sheet and details of office bearers among others with MCA-21 of the ministry of corporate affairs as the Bill proposes to treat all multi-state societies as corporate bodies. The proposed Bill will also strengthen the inflow of funds to such societies including those received from overseas.

The Bill, which has been floated by the ministry of corporate affairs (MCA) for comments and suggestions from the stakeholders, proposes power to the central government to cancel registration of societies if any multistate society registered under this Act has furnished false or misleading documents for obtaining registration or has failed to comply with the provisions of this Act. However, the draft Bill states: "No cancellation shall be done by the central government without affording the multi-state society an opportunity of being heard".

States call for easing of NMIZ norms

With land acquisition for national manufacturing and investment zones (NMIZ) becoming difficult for states, many of them have urged the commerce and industry ministry to ease land requirement norms for the same. States like Haryana, Punjab and Himachal Pradesh, among others, have urged the ministry to reduce the minimum land requirement of 5,000 hectare to 1,000 hectare as it would put pressure on agricultural land.

Haryana currently has one NMIZ - Manesar-Bawal Investment region - which is expected to see total infrastructure investments of over Rs.71,000 crore and provide employment to over 28 lakh people in the next 30 years. NMIZs — which are a key component of the country's National Manufacturing Policy (NMP) — are mega industrial zones where the government is offering a host of incentives like exemption from capital gains tax and liberalised labour and environment norms to promote these zones. Besides, the NMP proposes to create 100 million jobs by 2020. The government has been taking several steps to increase the share of the manufacturing sector in the GDP to at least 25% by 2020 from the present 16%.

The first phase of the NMIZ will be set up along the Delhi-Mumbai Industrial Corridor, which is expected to come on stream in the next few years. The project is being executed in Gujarat, Maharashtra, Madhya Pradesh, Himachal Pradesh, Rajasthan and Uttar Pradesh with an investment of over $90 billion. Moreover, NMIZs are intended to be self-governing and autonomous industrial townships of at least 5,000 hectare which will enjoy single-window clearances and relaxations in labour and environmental clearances. The NMIZs will be managed by a SPV to be headed by a government official. Not only land acquisition, but attracting investments in social infrastructure is also a hindrance in setting up NMIZs. It is possible to go into the hinterland where land is inexpensive but investment will come only if the social infrastructure is in place. Where this infrastructure is available, land is under pressure. Hence, NMIZs should be set up in smaller areas.

Rs.1,000-cr initial corpus for sovereign wealth fund to buy resources

India is likely to have a sovereign wealth fund with an initial corpus of Rs.1,000 crore to buy natural resource assets such as coal blocks abroad. The initial corpus was likely to be contributed by the government through budgetary support, which might come from a supplementary grant.

The official said the fund could be a trust or a company like the Specified Undertaking of the Unit Trust of India. "Besides the initial Rs.1,000 crore, the new entity could raise funds from the market or could use surplus cash lying with public sector units,". The money is not needed immediately as the fund will take some time to pick up since the markets would have to be identified first, according to official sources.

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We live in a wonderful world that is full of beauty, charm and adventure. There is no end to the adventures we can have if only we seek them with our eyes open.

Jawaharlal Nehru

ACTIVITIES OF COSIDICI

Executive Committee Meeting :

The Executive Committee Meeting of COSIDICI was held on 20th July, 2012 at Jaipur. The members were concerned that SIDBI had sharply cut back the refinance limit provided by it to SFCS this year which had aggravated the problem of low capital base and non-availability of funds for them. SIDBI vide its letter dated June 15, 2012 had informed these SFCS that its Board has since approved refinance support to SFCs to the extent of 70% of the principal repayments due during FY 2013, 50% in FY 2014, 30% in FY 2015, 20% in FY 2016 and 10% in FY 2017. The outstanding refinance assistance would however continue till final repayment in FY 2022 thereby providing a 10 years exit time frame. This would enable the SFCs to gradually phase out their reliance on SIDBI's refinance as the major source of funding, while simultaneously working out their new business models with alternative sources of funding.

SIDBI had further clarified that refinance over and above theses limits, could be considered on case-to-case basis only if the guarantee of the State Government was available. However, it would not be possible to provide refinance to defaulting SFCs, while SFCs availing refinance would need to generally comply with the major observations/ recommendations of SIDBI's annual inspection.

The Executive Committee felt that the SFCs had complied with all the conditions of the tripartite MoU signed between SFCs, SIDBI and the state government. The state governments had fulfilled their role by giving either budgetary or equity support. In this connection, Shri Yaduvendra Mathur, IAS, CMD, RFC informed the Executive Committee that the State Government of Rajasthan had provided a budgetary support of Rs.10 crore as fresh equity in 2012-2013 to the Corporation. In order to broad base its resources RFC had raised Non-SLR bonds of Rs. 100 crore @ coupon rate of 9.60% p.a. in May 2012. The corporation had restructured its administration by dividing its 38 field offices into 6 operational groups for better monitoring and effective control. Around 250 officers/staff had been sent on deputation thus enabling the Corporation to bring down its administrative expenditure. RFC had also launched VRS Scheme towards the same end. It also organized training programmes from time to time to enhance the professional skills of its officers to make them aware of current practices as also of the new business avenues and strategies in the changing scenario.

Dr. J. Balaji, IAS, MD, AFC, Guwahati said that the business scenario was upbeat in the state of Assam. AFC was therefore, receiving many business proposals for which the Corporation required funding. The Executive Committee felt that AFC should request its Chief Minister to write to the DONER for its fund requirements. AFC was lending to the MFIs @ 6% for which the state government of Assam had provided Rs.10 crore. The Corporation had posted a net profit of Rs.1.22 crore in 2010-11.

Shri M. Madangopal, IAS, MD, KSFC, informed the Executive Committee that KSFC had also undertaken a restructuring exercise resulting in its net NPAs being brought down from 58% in FY 2003 to 3.72% in FY 2012. The Corporation had also achieved the target of NPAs below 5% out of the fresh sanctions. The Corporation had restructured its liabilities by hiving off high-cost funds. It had raised Rs. 300 crore and swapped high-cost bonds thus reducing its cost of funds to 8.58%. The

Government of Karnataka had infused equity of Rs.153.14 crore in KSFC which had made a net profit of Rs.11.09 crore in 2011-12. Its Net worth improved to Rs. 292.94 crore and CRAR to 12.49%. It had undertaken many fee based activities like e-stamping services and marketing of Insurance Products of LIC and IFFCO-TOKIO. It had also under taken a new initiative for infrastructure development by allotment of land.

Shri Sahu Thomas, Financial Controller, KFC then informed the Executive Committee that following COSIDICI letter dated April 17, 2012 to RBI, KFC had also written to the Central Bank requesting it to allow the Banks to treat loans sanctioned by it to SFCs for on-lending to Micro and Small Enterprises as eligible for classification as direct or indirect finance to MSME sector because they were lending to SFCs only after considering the end use of funds. He further informed the Executive Committee that KFC had also requested SIDBI to continue with its support. The members appreciated this effort and felt that such an exercise would promote participation, cooperation and facilitate better understanding between SIDBI and SFCs. The SFCS were inherently strong and were instrumental in bringing about 'inclusive growth'. The SIDBI recognized this role of SFCs and was willing to help them within the parameters of directives of RBI and Government of India. Shri Kamal Chakrabarty, IAS, MD, WBFC, Kolkata informed the Executive Committee that the State Government of West Bengal was convinced that SFCs which had played a crucial role in the industrialization of the Country in the past five decades had still a big role to play in developing industries in the decentralized sector of the states. The State Government had, therefore, decided to write to the Union Finance Minister to provide support to the WBFC through SIDBI refinance. The Executive Committee, therefore, **Resolved** that : -

"*SFCs may approach the Chief Minister or the Finance Minister of their respective states to write to the Union Finance Minister to revive SFCs by providing adequate resources at low cost so as to enable them play their mandated role in fulfilling the socio economic obligations of the government and taking economic progress to the grass root levels."*

Strengthening of Training Arrangements for the officers of SLFIs :

The members appreciated the efforts of RFC which had organized a two days Seminar on "Financing Infrastructure with Special Focus on MSMEs" on 19th & 20th July, 2012 for its senior and middle level Managers. Eminent persons having rich knowledge and experience shared their thoughts and experience with the participants. The details of the programme had been circulated among the member corporations and was attended by 24 officers of RFC and RIICO alongwith two officers from KSFC; 2 from AFC, 2 from HSIIDC and 1 from TIIC. The next training programme would be organized by APSFC from 3rd to 5th October, 2012 on the theme *"NPA Guidelines & Management"* at Hyderabad.

Shri Rajendra Bhanawat, IAS, CMD, RIICO said that nowadays for a project to become operational certain environmental clearances were required. RIICO had taken a major initiative in the matter. He, therefore, offered to hold a training programme to apprise the officers of SLFIs about the existing policies and legal documentation required for obtaining the necessary environmental clearances.

Shri M. Madangopal, IAS, M.D., KSFC informed the Executive Committee that it had developed a user friendly software for SFCs for which he was requested to organize a training programme in addition to the topic *"Documentation & Legal Aspects of Project Financing*"for the officers of member corporations. The members felt that the training programme could be held simultaneously with the Executive Committee meeting of COSIDICI proposed to be held at Karnataka in the month of December, 2012. Shri M. Madangopal, IAS, M.D., KSFC had shared his ideas with the participants of the training programme organized by RFC the previous day. Similarly, the delegates of the

Executive Committee could share their experience with the participants of the programme organized by the KSFC.

Award Ceremony For The Successful Units Funded by SLFIs :

The Executive Committee appreciated this initiative of COSIDICI and felt that it would give exposure to SLFIs which have contributed greatly to the country's overall economic progress. The Executive Committee decided that the award ceremony should be held in February, 2013 and that day would also be celebrated as the Foundation Day of COSIDICI. It could then be made into an annual event to coincide with the Foundation Day. The awards could be divided in five categories and there would be three nominations in each category. The Member Corporations would be responsible for inviting the stakeholders in the SLFIs viz. MSME, SIDBI, Commerce/Finance Ministry both from the Centre and the States. The Lecture to be delivered by an eminent personality would be on the topic ***"The Role of SFCs and SIDCs in Promoting MSME Sector***". This kind of Award Ceremony would highlight the importance of SLFIs in today's financial scenario and also give due recognition to the units funded by them.

Membership of COSIDICI to Delhi Khadi & Village Industries Board (DKVIB) Govt. of NCT Of Delhi :

The Executive Committee approved the enrolment of DKVIB, which was engaged in similar activities as our Member Corporations as Member of COSIDICI.

Seminar/Training programme on "Financing Infrastructure with Special focus on MSMEs"

RFC had organised a Seminar/Training programme on "Financing Infrastructure with Special focus on MSMEs" on 19th and 20th July, 2012 at its headquarters in Jaipur in association with the Department of Management Studies (DMS), Poornima Group of Colleges (PGC). Officers of RFC, RIICO, other Member Corporations as well as from Bureau of Investment Promotion (BPE), Rajasthan Urban Infrastructure Finance & Development Corporation Limited (RUIFDCO), Jaipur Metro, Jaipur Development Authority attended the programme.

The State Financial Corporations were struggling to develop and implement viable business models and innovations in financing needed to be nurtured. One of the possibilities would be to support MSMEs, which were involved in creating and maintaining infrastructure. Typically, the SFCs were doing only asset-based financing. There remained an area to finance projects based on the cash flows, which was essentially non-resourse financing. In such a financing methodology, proper documentation and legal contractual arrangements were critical. The Seminar-cum-Training Programme discussed such issues and was practical and skill-oriented. RFC had invited a select group of thought leaders from the fields of financing infrastructure with focus on MSMEs.

Shri. Rajiv Chawla, Chairman, Integrated Association of Micro Small and Medium Enterprises of India (IAMSME), Faridabad and President, Faridabad Small Industries Association (FSIA) made a presentation on the role of these organizations and their contribution towards assisting the growth and development of MSMEs and their partnership with different organizations for implementation of various collaborative programs aimed at capacity building and skills upgradation of the MSME Sector.

Shri V.S. Rathore, Executive Director, SIDBI explained the new financing models of SIDBI with reference to Infrastructure financing. He further informed the participants about the new and innovative activities of SIDBI viz. SIDBI Loan Syndication Activities, its Cluster Development approach as well as its initiatives in Joint venture projects.

Shri M. Madan Gopal, IAS, MD, KSFC, said that SFCs were as relevant today as they were 50 years back. He then gave a Power Point Presentation on

KSFC. He said that like all other SFCs the mandate of the Corporation was for the cause of MSMEs and First Generation Entrepreneurs. It thus had distinct social responsibility. The Corporation had played an effective role in entrepreneur development, employment generation and socio-economic development. It had taken development to the grass-root levels of the state by funding units run by weaker sections, women entrepreneurs and first generation entrepreneurs as well as in backward areas. The Corporation had got a lot of support from SIDBI in its above efforts.

KSFC had diversified its activities and started fee based activities like marketing Life/General Insurance products of LIC and IFCO-TOKIO respectively; marketing mutual fund products of UTI, LIC and HDFC and monitoring of IPOs as per SEBI requirements. It had become Corporate Recovery Agency of Banks and FIs and was also providing e-stamping services. KSFC had undertaken a new initiative for infrastructure development activity under which land allotment from KIADB was complete and project development was under way.

Prof. Sebastian Morris, Professor of IIM Ahmadabad interacted with the participants and pointed out that Business development and diversification of lending activities was the need of the time and new avenues of growth would have to be explored for sustainability in the current environment. Financing of infrastructure was a rapidly growing opportunity and a good option for the SFCs. He informed the participants about the current policies and practices being followed for efficient discharge of the various services related to lending operations in the sector. The participants felt that the two day training / seminar had been very useful and had brought about greater general awareness besides increasing their level of preparedness to meet the challenges thrown by the need for diversifying their activities in the field of infrastructure.

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When you travel towards your objective, be sure to pay attention to the path. The path teaches us the best way to arrive and enriches us while we are travelling along it.

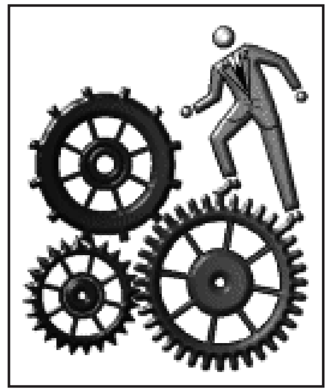
Paulo Coelho

MSME sector seeks panel to monitor credit flow

Representatives of micro, small and medium enterprises (MSMEs) have asked Finance Minister Shri P Chidambaram to set up a committee to monitor whether such enterprises are benefitting from the directives issued periodically to banks by the RBI, to the effect that ample credit must be made available to them at moderate interest rates. Recently finance ministry had issued a directive that foreign currency loans must be provided to the MSME export sector. The cost of rupee credit has gone up substantially, following the RBI's 13 successive hikes in policy rates since March 2010. As a result, many exporters were availing of the foreign currency loan window, which was steadily drying up. The difference in cost of credit between Indian MSMEs and their competitors is in the range of five to six percentage points, China's cost of credit is only 6.5 to seven per cent, while for Indian exporters it is 14 per cent.

A recent study by the International Finance Corporation and the Japanese government, titled MSME Finance Market in India, stated that the debt gap is Rs 2.3 trillion ($46 billion) for micro enterprises, Rs.0.5 trillion ($10 billion) for small enterprises, and Rs.0.1 trillion ($2 billion) for medium enterprises. The gap in debt finance is primarily due to unserved micro enterprises and underserved small enterprises. "There is an apprehension that since banks now operate in an environment of de-regulation, advisories such as the RBI's often succumb to the pressures of profit and bottom lines. Hence in order to obviate such a situation, a monitoring committee must be put in place by the ministry of finance, to enable all MSMEs to benefit from the RBI's directives," said Shri Ahmed.

RBI Deputy Governor Shri Anand Sinha said at a recent conclave on MSMEs that that the Central Bank had issued instructions to all banks to ensure timely flow of credit to the MSME sector. It had also raised the limit for collateral-free loans. Yet, "Only five to seven per cent of MSMEs get institutional funding,". In order to increase credit flow, RBI Deputy Governor, Shri KC Chakrabarty said at the same conclave, the central bank has already advised banks to achieve a 20 per cent year-on-year growth in credit to SMEs. "RBI is closely monitoring the achievement of targets by banks on a quarterly basis and banks have been advised to devise strategies to step up their lending to micro units.



New labour Bill aims to ease HR procedures for SMEs

In a major relief for small firms, the Centre plans to bring in a law that will ease labour procedures for companies employing up to 40 workers. The move will help SMEs — especially IT companies — save on compliance costs.

The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Amendment Bill aims to do away with the cumbersome procedure of maintaining numerous registers and submitting multiple returns, which not just increases the cost but also the legal hassle for small firms.

The passage of the amendment Bill will benefit establishments employing up to 40 workers as they need to maintain two registers instead of three, and submit just one return electronically under 16 labour laws.

The present Act provides that "very small" establishment, employing up to nine workers, can maintain only one register and submit one return every year. Small firms, employing 10-19 workers, have to maintain three registers — one each for wages, attendance and welfare amenities. They also need to submit one return a year.

UP to launch MSME business portal

To boost the growth of micro, small and medium enterprises (MSMEs) in Uttar Pradesh, the state government will launch a business portal for MSMEs, upload a district-wise MSME database and revitalise the state's financial institutions. The B2B (business-to-business) portal will facilitate registration of MSMEs operating in various industry segments. "We plan to launch a B2B portal for voluntary registration by small scale industries," UP Small Scale Industries (SSI) and Export Promotion Principal Secretary Shri Mukul Singhal said.

UP is home to an estimated 3.1 million MSMEs, about three-quarters of which are in the services sector. An overwhelming majority of them are in the micro sector and are unregistered. Meanwhile, the government is collating a composite district-wise MSME database jointly with industry bodies. The database is expected to be uploaded on the department's website by the end of September.

The department expects MSMEs to benefit in several ways if data about them is put in the public domain — industry would have first-hand, accurate information about complementary and supplementary industries in UP; and the data would help industries expand their market base.

Major MSME pockets in UP include Varanasi, Allahabad, Moradabad, Saharanpur, Lucknow, Kanpur, Agra, Ferozabad, Meerut, Bhadohi, Ghaziabad, Noida, Bareilly, Gorakhpur, Khurja, Aligarh and Mathura. Varanasi is famous for Banarasi sarees, Agra and Kanpur for leather, Bhadohi for carpets, Moradabad for brassware, Lucknow for chikan and Aligarh for locks.

The government is also considering reviving the UP Financial Corporation (UPFC) and the Pradeshiya Industrial & Investment Corporation of UP (PICUP). UPFC owes about Rs.800 crore to Sidbi and is in dire need of restructuring. "We want to incorporate lessons learnt from the past to improve Picup," Shri Singhal said, adding that the corporation could soon start MSME and infrastructure financing after due diligence. In 2012-13, UP is targeting the setting up of 50,000 micro/small units and creating 400,000 jobs. The government is formulating a new industrial policy. Discussions with stakeholders are complete, industry's concerns are being addressed and provisions for the growth of MSMEs are being incorporated.

Plan Com paper for focus on SME growth

As the country faces external headwinds, a view has emerged in the Planning Commission to boost the small and medium enterprises (SME) sector, for putting the country on a sustained high growth path in the 12th five-year Plan (2012-17).

A paper, presented by the Planning Commission at a meeting with state planning boards, says small businesses are a way to faster growth, as SMEs are more attuned to the domestic economy. The author of the presentation, Shri Pronab Sen, principal advisor, said the paper looked at objective conditions. He said corporate sentiment was down due to problems related to the Euro zone and other domestic issues. In this situation, the focus should be on the small scale sector. If things are fortunately situated, the corporate sector would come back roaring. "That is not an issue. If it does not, let's get the SME sector up," the former chief statistician said. If the SME sector story could be perked, it would provide conducive conditions for the corporate sector as well. "But that will take time. It will take a year and a half." India's economic growth slipped to a nine-year low of 6.5 per cent in 2011-12.

According to the Commission :

- Small businesses are a way to faster growth, as SMEs are more attuned to the domestic economy

- As external conditions are not in India's hands, the country must focus on things which are under its control
- For pushing up the SME sector, governance needed to be improved.
- SMEs need to be given more fund
- SMEs' infrastructure, such as power, issues must be addressed

Shri Sen said for pushing up the SME sector, governance needed to be improved. SMEs face challenging issues in terms of corruption, in terms of all kinds of hurdles to their establishment and operations. The second issue was finance. "With corporates withdrawing, finance has become less of an issue. But, to really give SMEs a boost, they need to be given more finance than available today." The third issue is infrastructure. "Corporates can overcome infrastructure bottlenecks through their own resources. SMEs do not have those resources." Infrastructure issues mainly relate to power.

Bengal leading job creator in SME sector

West Bengal has been rated as the highest employment generating state in the small and medium enterprises sector in the country. Around 43,000 jobs were created in the state between April 2011 and February 2012.

"We laid emphasis on job creation in village industry, which includes Khadi and textiles, sericulture, handicrafts and agro-based industry," said Shri Manas Bhunia, West Bengal Small & Micro Industries and Textile Minister. This has been achieved through the geographical cluster approach. Against the targeted 17 clusters the department created 37 clusters over the past one year, and 51 more clusters development projects are in the pipeline.

The most challenging task according to the minister was to revive the dying power loom sector in the state. "We invited investors to explore all possibilities for the setting up of power looms that would boost the garment and hosiery sector in the state," he added. The government has initiated a loan waiver scheme for the handloom sector. Despite West Bengal having one of the lowest credit-deposit ratios in the country, several national and private banks have come forward to give loans for the setting up of small and medium enterprises in the state.

The government has started a Rs.310 crore 'Natural fiber mission' project in the backward regions of the state. Of this Rs.50 crore will be spent on a textile hub project at Gangarampur in South Dinajpur district, Rs.38 crore project on a silk park in Malda district, and Rs.48 crore will be invested in East and West Midnapur districts on mat grass projects. The Khadi sector is to get Rs.42 crore. The department is also planning to revive the ailing 'Tantuja' and 'Manjusha', the West Bengal government's two handloom and handicraft outlets.

Sidbi to fund foreign buys of MSMEs

The Small Industries Development Bank of India (SIDBI) is ready to fund domestic MSMEs to acquire foreign companies. "We will be funding the acquisition value plus the facilitation charges. The money will come from the Rs.600-crore India Opportunity Fund that we have just launched," Deputy Managing Director Shri NK Maini said.

Facebook, FICCI to campaign in six cities to woo SMEs

Facebook has started its "Small and Medium Business Boost" programme in India, after its successful roll-out in the United States, United Kingdom and Europe. Just as it teamed up with the British Chambers of Commerce, the company has tied up with Ficci recently to help smaller firms understand the potential benefits of advertising on the site. "In the next eight months starting by the end of July, both Ficci and Facebook will be organising roadshows in six major cities across the country". Faridabad and Hyderabad have been identified as the first two locations to conduct such programmes.

"Each of the participating SMEs will receive an advertising grant of $50. Participants will also be given self-help toolkits, resource guides and modules which would include image building, recruitment and retention, business associate acquisition, research, product development and procurement," Shri Ankhi Das, Facebook's head of public policy for India, said.

According to Facebook, the advertising vouchers will be valid for a period of three months and are meant to allow participating SMEs to develop their own marketing campaigns on Facebook. "The prime minister's taskforce on MSMEs recently identified low usage of technology as a major cause for poor competitiveness of the sector. Facebook's partnership with Ficci will enable SMEs with educational resources and free advertising to help them get started and grow their businesses online".

Through this industry interaction Ficci and Facebook plan to rope in at least 600 SMEs. Participants will receive tutorials on how to build a presence on Facebook through pages and engagement through advertising programmes on the site.

According to a Deloitte study, the social media giant has supported 35,200 jobs in the UK and 232,000 jobs across the EU and Switzerland in 2011. It also made possible an economic impact of •15.3 billion last year.

SIDBI to give MSMEs a boost

The Sidbi, is working on development initiatives for the benefit of micro, small and medium enterprises (MSMEs), said Shri N K Maini, deputy managing director, Sidbi. SIDBI will set up credit facilitation centre in industrial clusters. Facilitation centres would be set up in 10 clusters in the next couple of months. Overall 400 clusters have been identified and all the clusters would be covered this financial year. The credit facilitation centre would have a retired banker who will assist in clearing problems and challenges being faced by MSMEs. The bank that last year registered an overall growth of 17 per cent is eyeing 17-20 per cent growth this year. Sidbi is also targeting loan syndication facility for MSMEs. Under this scheme, rating agencies would be roped in and MSMEs taking help of the agencies hired by Sidbi could get loans at lower rates.

Sidbi has also identified four niche areas where the bank would be focusing on lending which included funding for MSMEs, targeting service sector, looking to promote industry going for sustainable development and assisting firms in receivable management service. Sidbi is eyeing 30-50 per cent growth in 2012-13 in the four identified areas as MSMEs are finding it tough to raise equity.

According to reports, the total credit requirement of MSMEs is Rs.25,000 crore while availability is just Rs.3,000 crore. To bridge the gap between availability and requirement funding, Sidbi plans to take steps, including equity and quasi equity, Sidbi venture capital fund and acting as fund of funds. Sidbi is also looking to promote sustainable development by investing in energy-efficient projects and working towards a clean and green technology. Third area that SIDBI has identified is helping service sector that forms part of MSMEs.

Electronics manufacturing clusters scheme

The electronics manufacturing clusters (EMC) scheme, approved by the Union Cabinet on 5th July, 2012 is a major step forward in India's search for import-substitution and a decent global share in electronics manufacture.

Though India's IT services firms have earned fame and a name in the global market, in hardware manufacturing the global share of India is only 1.31%. The country, therefore, imports 50% of its hardware. But rising demand would take that figure to 75% by the decade-end. The country's demand for electronic products, at $45 billion in 2008-09 by government estimates, is projected to reach $400 billion by 2020. Domestic production, in contrast, was just about $20 billion in 2008-09. Even in this, value addition was less than 10% in most products. This is a major handicap. At the current growth rate, domestic production would come to about $100 billion by the end of this decade, but that would still require imports of $300 billion by 2020, going by the $400-billion demand. The $1.75-trillion electronics industry is the world's largest and fastest growing manufacturing industry, and is projected to reach $2.4 trillion by 2020. The industry is being globally integrated with a few large global players catering to a large part of the world. The government's vision is to transform India into a global hub for electronics system design and manufacturing (ESDM), taking off from its proven strengths in chip design and embedded software.

The draft national policy on electronics (NPE) 2011 talks of setting up more than 200 EMCs with world-class logistics and infrastructure. The draft NPE also proposes to set up two semiconductor wafer manufacturing facilities and create a vibrant R&D, design & engineering and innovation eco-system in the ESDM sector. The EMCs would be an integral part of this strategy.

A salient feature of the electronics manufacturing clusters scheme is that it is sort of open-ended, with no ceiling on the number of clusters that can be promoted in a year. Any company, industry body, financial institution, academic/research institution and state or local governments or their agencies can float a special purpose vehicle (SPV) to organise a cluster in any part of the country. The government will give this SPV 50% of the project cost for a greenfield and 75% of the cost for a brownfield project, as grant-in-aid, subject to a ceiling of Rs.50 crore for every 100 acres of land.

EMCs will be the basic building blocks of electronics manufacturing programme envisaged by the draft NPE. But the responsibility to carry this forward is primarily on the country's entrepreneurs and their representative bodies. Clusters can make various products like mobile phones, personal computers, semiconductors LCDs, etc., and they will form part of the country's larger design to "achieve global leadership in VLSI (very large-scale integration), chip design and other frontier technical areas". The turnover from such segments alone is expected at $55 billion by 2020. Exports from the ESDM sector is envisaged to go up from $5.5 billion in 2008-09 to $80 billion by 2020. Another objective is to create long-term partnerships between the EDSM industry and strategic sectors like defence, space, atomic energy, etc. The government aims to develop core competencies in sectors like automotive, avionics, industrial, medical, solar, information & broadcasting and the like through use of ESDM in these sectors. Universally, clusters offer 5-8% cost advantage to a unit because of reasons such as increased supply chain responsiveness, consolidation of suppliers, decreased time-to-market, superior access to talent and lower logistics costs.

The EMC scheme is yet another government initiative in recent years to promote the MSMEs after the public procurement policy, national manufacturing policy, revised defence offset policy, Factoring Regulation Act and retail reservation, besides budgetary support.

Govt to redefine SMEs

The government is considering changing the definition of small and medium enterprises (SMEs) for giving a boost to single brand retail in the country. Aiming at bringing in more foreign investments in the country, the government wants to remove hurdles in way of such investments from across the sectors, including single brand retail.

As per the present definition, all entities having investment of $1 million in plant and machinery would fall under the ambit of SMEs for the purpose of single brand retail. However, as the sector thrives, SMEs would grow and the $1 million definition would need tweaking.

"Policy evolution is a continuous process. Once the Indian SMEs are engaged with (foreign players), the definition will require a change because you have a SME performing well and you cannot punish it for that. Global majors are already sourcing from them… When you are selling this kind of material (30%) to a global major, you may not remain a SME under the present definition," commerce and industry minister Shri Anand Sharma, said.

Rajasthan gives interest subsidy to SMEs in backward regions

State Industries Minister, Shri Rajendra Pareek has announced granting interest subsidy to small and medium entrepreneurs setting up units in the state's less developed districts. The interest rate will be subsidised by 3% for small scale units and 2% for medium scale units located at the backward regions of the state. The minister made the announcement following a board meeting of RIICO held on 28.08.2012 during which the interest subsidy scheme was finalised. Shri Pareek said that the subsidy in interest rates will give a further boost to the economically backward and tribal regions. "We hope more and more entrepreneurs will get encouraged by this scheme to set up industries that will create more jobs for the local people and lead to all around development," The interest rate subsidy scheme would be applicable in the three tribal districts of Banswara, Dungarpur and Sirohi and the five industrially backward districts of Karauli, Baran, Sawai Madhopur, Dholpur and Pratapgarh.

Financial assistance is provided by RIICO presently at a documented rate of 14.50%. Entrepreneurs already get a rebate of 2% on timely service of the interest and installment obligations on the loan. They are also eligible for a further 1% rebate in the interest rate if they are classified as 'good borrower'. The interest rebates announced under the scheme will be in addition to the rebates which are admissible to 'good borrowers' and for timely repayment of term loan dues. Hence, the effective rate of interest for 'good borrowers' who repay their loan and interest timely has become 8.50% for these districts.

To promote industrial development in the underdeveloped districts, the state government has launched two schemes to give incentives to entrepreneurs to commence production. The schemes are the Tribal Area Industrial Promotional Scheme 2009-10 and the 'Regional Industrialisation Promotion Scheme (Backward Districts) 2011-12. There are nearly 2500 running industries in these areas. "The government has put in place a far sighted industrial policy to bring in investments which ensure inclusive economic growth. We are committed to achieving growth in all regions and therefore our efforts are geared towards attracting investments to the backward regions, to areas where traditional industry flourishes and areas which are rich in natural resources", added Shri Pareek.

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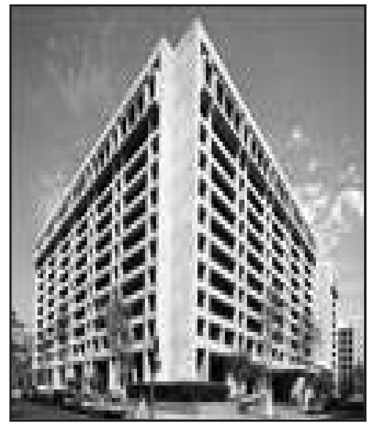
Knowing yourself is the beginning of all wisdom.

Aristotle

Revised Guidelines on Priority Sector Lending

The Reserve Bank has revised the guidelines on priority sector lending - targets and classification. The highlights of the revised priority sector guidelines, which have become operational from July 20, 2012, are :-

- Overall target under priority sector is retained at 40 per cent.
- The targets for both direct and indirect agricultural lending are kept unchanged at 13.5 per cent and 4.5 per cent of adjusted net bank credit, respectively.
- The following important activities, among others, form part of priority sector lending :-
- Loans to micro and small service enterprises up to Rs.1 crore and all loans to micro and small manufacturing enterprises.
- Loans up to Rs. 25 lakh for housing in metropolitan centres of population above 10 lakh and Rs.15 lakh at other centres.
- Loans to food and agro processing units.
- Loans to individuals for educational purposes including for vocational courses up to Rs. 10 lakh in India and Rs. 20 lakh abroad.
- Loans for housing projects exclusively for economically weaker sections and low income groups, provided the cost does not exceed Rs. 5 lakh per dwelling unit.
- Loans to distressed farmers indebted to non institutional lenders.
- Overdrafts up to Rs.50,000 in no-frills accounts.
- Loans to state sponsored organisations for scheduled castes and scheduled tribes.
- Loans to individuals for setting up of off-grid solar and other off-grid renewable energy solutions for households.
- Loans to individuals other than farmers up to Rs.50,000 to prepay their debt to non-institutional lenders.



- Foreign banks having 20 or more branches in the country will be brought on par with domestic banks for priority sector targets in a phased manner over a maximum period of 5 years starting from April 1, 2013.
- Foreign banks with less than 20 branches will have no sub-targets within the overall priority sector lending target of 32 per cent.
- Bank loans to primary agricultural credit societies (PACS), farmers' service societies (FSS) and large adivasi multi-purpose co-operative societies (LAMPS) ceded to or managed/controlled by such banks for on lending to farmers for agricultural and allied activities are included under direct agriculture.
- Investments by banks in securitised assets, outright purchases of loans and assignments to be eligible for classification under priority sector.

Priority sector loans sanctioned under the earlier guidelines i.e., prior to July 20, 2012 will continue to be classified under priority sector till maturity/renewal.

Declaration of Dividend

The Reserve Bank has revised the criteria for primary urban co-operative banks (UCBs) declaring dividend without prior permission. Accordingly, UCBs may, henceforth, declare dividend subject to compliance with the following parameters :-

- Capital to risk-weighted assets ratio (CRAR) norms as prescribed by the Reserve Bank should be complied with.

- Net non-performing assets (NPAs) should be less than 5 per cent after making all necessary provisions (including provisions required as per assessment made by the Reserve Bank in the last inspection report).
- There is no default in cash reserve ratio (CRR)/statutory liquidity reserve (SLR) during the year for which dividend is proposed.
- All required provisions should be made for NPAs, investments and other assets as per prudential norms.
- The dividend is paid out of the net profit and after making all statutory and other provisions and adjustment for accumulated losses in full.

UCBs complying with all the above parameters except net NPA, and desirous of declaring dividend may approach the respective regional office of the Reserve Bank for permission for declaring dividend provided the net NPA is less than 10 per cent.

Home Loans-Levy of Fore-closure Charges

The Reserve Bank has advised that from June 26, 2012 UCBs should not charge foreclosure charges/ pre-payment penalties on home loans on floating interest rate basis.

The Committee on Customer Service in Banks (Chairman: Shri M. Damodaran) had observed that foreclosure charges levied by banks on prepayment of home loans are resented upon by home loan borrowers across the board especially since banks were found to be hesitant in passing on the benefits of lower interest rates to the existing borrowers in a falling interest rate scenario.

ARCIL makes first stressed loan acquisition in 2012

Asset Reconstruction Company of India Limited (ARCIL), has made its first loan acquisition this year, buying Rs.100 crore worth of stressed small and medium enterprise (SME) loans from Karur Vysya Bank.

In 2011-12, ARCIL purchased less than Rs.100 crore worth of stressed assets compared with Rs.1,300 crore in the previous year. The firm's assets under management (AUM) shrunk from Rs.6,800 crore to Rs.6,000 crore between 2010-11 and 2011-12 as loan recoveries outpaced buyings. ARCIL has also entered into an agreement with Bank of Maharashtra to act as a recovery agent for the bank. As a recovery agent ARCIL will not purchase stressed assets from the bank, but will help banks in their loan recovery process. Shri P. Rudran, MD and CEO of ARCIL said that other banks like Bank of India and Allahabad Bank are also seeking board approval to appoint ARCIL as a recovery agent.

Shri Rudran said that the finance ministry has recently introduced a new incentive structure for ARCs acting as recovery agents. As per the new incentive scheme, the lower the collateral value on a loan account, the higher is the commission for the ARC. He, however, said the agency business, which is a fee-based activity, will not bring in a large portion of ARCIL revenues. ARCIL currently has a net worth of Rs.1,600 crore with Rs.324 crore share capital. In financial year 2010-11, it made a net profit of Rs.3.3 crore. ARCIL is expected to announce its 2011-12 results at the end of September. Asset reconstruction companies (ARCs), through a trust, buy stressed assets of banks at a discount, recover them, and earn a fee for managing the trust. There are currently 14 ARCs functioning in India.

SBI chief wants NPA rules changed

SBI chairman Shri Pratip Chaudhuri has called for a change in non-performing assets' (NPAs) norms, and reiterated the need for ending the practice of banks keeping reserves with the RBI. He felt "There is a need to change the norms relating to NPAs. "For instance, a company has taken a two-year loan to install a machinery. If it fails to repay in two years, just because the repayment has been stretched beyond its original schedule, we should not consider it as an NPA. Nowhere in the world such a yardstick is applied. We need to see if the machinery equipment is sound and capable of generating good output." The bank chief made these comments to reporters on the sidelines of a banking seminar organised by FICCI. SBI saw a surge in bad loans in the first three months of this financial year. The bank added close to Rs.7,500 crore of bad loans on a gross basis during the quarter, prompting investors to sell its shares. Its gross NPA ratio was at 4.99 per cent, while net NPA ratio was at 2.22 per cent at the end of June 2012.

Shri Chaudhary further said there would soon be an improvement in the NPA numbers. "We accept the reality, but still, I think, NPA concerns are largely overplayed. In the next two to three quarters, our NPA management will be much better. Current trends do not indicate any increase in our NPAs. In fact, there could be a contraction in our NPAs in this quarter," he added.

The bank has asked some of its borrowers to sell non-core assets to improve cash flow. If a company is short of capital, SBI is ensuring that the firm takes steps to strengthen its capital base. "If the company is asset-rich but cash-poor, we are positioning more loans to them," said Shri Chaudhuri. SBI has also appointed 20 senior executives from various public sector enterprises to review the technical aspects of industrial projects before sanctioning fresh loans against them.

Shri Chaudhuri said RBI must phase out cash reserve ratio (CRR) as it is increasing banks' cost of funds and preventing lenders from reducing interest rates to revive the slow economic growth. He said the statutory liquidity ratio (SLR) was adequate to ensure solvency and liquidity reserve of banks. As the RBI does not pay interest on CRR, this acts as a tax on the banking system, placing banks at a competitive disadvantage vis-a-vis NBFCs and mutual funds. As a result, resources are being transferred from the tightly regulated banking sector to the more lightly regulated financial institutions. If CRR is not abolished, he said, RBI must pay an interest on these funds.

World bank loan for Bihar project

The World Bank will provide an additional $100-million interest-free loan to fund the ongoing Bihar Rural Livelihoods Project-Jeevika (livelihood). The agreement was signed between the Bihar government, the Union government and the bank.

No Direct Lending Role For Nabard: Govt

The government has turned down a proposal to allow the country's largest rural bank to lend directly to customers. NABARD, which is into re-financing, was looking to broaden its portfolio through direct lending to the infrastructure sector, especially creation of warehouses. There was this demand (for direct lending), but after careful consideration it was decided that NABARD should stick to its developmental role and continue to engage through re-financing. Since both commercial and regional rural banks have a greater outreach, NABARD should support them rather than getting into competition.

There is no risk attached with such loans, as the Food Corporation of India takes warehouses on lease for a 10-year period, which ensures a fixed revenue stream. The government plans to increase the paid-up capital of NABARD to Rs.5,000 crore by infusing about Rs.2,000 crore this fiscal, which will give the bank more headroom for expansion. In the current fiscal, the government has allocated Rs.5,000 crore for creation of warehousing facilities.

UCO Bank needs Rs.14,000 crore

UCO Bank needs close to Rs.14,000 crore over the next five years to meet the new Basel-III capital norms, Chairman and Managing Director, Shri Arun Kaul said. The bank has decided to cut its foreign presence and lend more to retail and SME sectors to preserve capital. Shri Kaul said at the bank's ninth annual shareholders' meet that the bank is now focusing on lending to retail, SME and farm sectors, where the capital to risk-weight is lower."

UCO Bank closed last financial year with a capital adequacy ratio of 12.35 per cent. Of this, Tier-I ratio was 8.09 per cent. In 2010-11, its capital adequacy ratio was 13.80 per cent. According to Basel-III norms, Indian banks need to maintain a minimum capital adequacy ratio of nine per cent in addition to a capital conservation buffer, which will be in the form of common equity at 2.5 per cent of the risk-weighted assets. It means, banks' minimum capital adequacy ratio must be 11.5 per cent, according to Basel-III norms. Indian banks are currently required to have a capital adequacy ratio of at least nine per cent.

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AUGMENTING YOUR Qi REMOVE YOUR PAIN

Some people can be crippled by pain on various parts of their body's, but this pain can be removed. It doesn't have to involve lots of drugs as these merely mask the pain. Through an acupuncture doctor it's possible to not only mask the pain but to remove it forever. Read on to find out more about the various acupuncture procedures and how to supplement these procedures for the very best results.

The Belief

Acupuncture is largely built on a Chinese philosophical concept known as Qi. This is the life force that flows through all living things. By harnessing this energy it's possible to just eliminate pain in a completely natural and healthy way. An acupuncture doctor is the individual who can aid people in harnessing their Qi and removing their pain.

Common Problems Solved

Below are just some of the common problems that acupuncture procedures have helped cure in the past and in the present:

- Sleeping disorders such as insomnia.
- General pain in the back, elbow, and knees.
- Stress, anxiety, and severe depression.
- Asthma and other allergies like hay fever.

The Acupuncture Procedures

The main procedure that acupuncture is associated with is sticking needles into various parts of the body. Many people worry that this is dangerous, but it isn't. Those who are trained in acupuncture know exactly where to stick these needles without hurting anyone. More importantly, they are not stuck deep into the body; they remain close to the surface of the skin.

The treatment with these needles can occur as a single treatment and it does have a great impact. The difference between a good treatment and a great treatment, though, is what's done alongside it. In many cases, doctors will use electricity and heat to aid the flow of the Qi and to cause it to intensify. This will help to remove the pain and cure the patient.

It should be noted that patients can only see noticeable changes in their pain in time. It will require multiple sessions and it can't be something that's solved in only a few hours. Keep at it and the pain will eventually leave.

After Acupuncture

Acupuncture is designed to be a relaxing procedure, as well as a healing one. That's why it's important to adhere to the following guidelines after the treatment. Those guidelines are outlined below :-

- Refrain from eating large meals as this will put unnecessary strain on the body.
- Avoid drinking alcohol for 24 hours for the same reasons. The liver is forced to exert itself to remove the harmful toxins emanating from alcohol.
- The body should remain warm and covered to aid the flow of the beneficial Qi around the body.
- Hydrate the body by drinking lots of water to keep the body relaxed.
- Stress and strain can reverse all of the beneficial relaxation attributes gained from an acupuncture doctor. That's why it's a good idea to avoid working out or undergoing strenuous activities.

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The author is John Trodey Source : ArticleBiz.com

India allows FDI from Pakistan

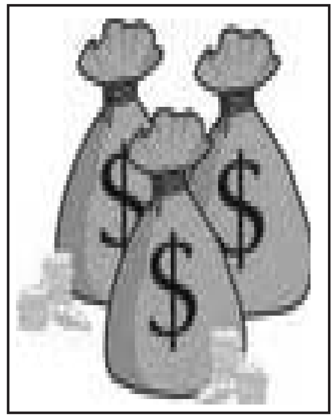
India on August 01, 2012 allowed foreign direct investment (FDI) from Pakistan, though not through the automatic route. Earlier, investment from people residing in Pakistan or from a company based in that country was not allowed. The Government has allowed all kinds of investments from Pakistan, without a cap on the investment. However, FDI from Pakistan would not be allowed in the defence, space and atomic energy sectors.

Steps are being taken to facilitate greater export and imports of necessary items between the two neighbours. In March, Pakistan did away with the positive list with India. This opened its markets to a wide range of Indian goods. However, it introduced a negative list of 1,209 items it couldn't import from India. India can now export more than 7,500 tariff lines to Pakistan.

Asset recast firms to be allowed to convert bad loans into equity

The government is set to allow asset reconstruction companies (ARCs), such as Arcil, Pegasus and Reliance ARC, to convert the bad loans they acquire from banks to equity in the debtor company in a move aimed at making corporate turnaround an easier and remunerative business in the wake of slowing economic growth. The Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Bill, 2012, will be tabled in Parliament in the monsoon session. The Bill seeks to strengthen both the Sarfaesi Act and the Recovery of Debts due to Banks & Financial Institutions (RDBF) Act.

It proposes to remove a major hurdle that prevented ARCs from investing in rescuing an indebted and poorly run company as corporate turnaround often needs more capital and a change in the way business is done. ARCs now do not have the freedom to convert the bad debt they acquire into equity as they are bound to restructure bad loans as per RBI guidelines, which are silent on debt-equity conversion by these entities. Banks, on the other hand, ensure that they have the option to convert a loan into equity by making it a part of the loan contract they sign with the borrower.



As per official data, the outstanding amount of large borrowers with public sector banks alone was Rs.5,80,000 crore at the end of March, 2011. ARCs have now acquired assets worth close to Rs. one lakh crore. The RBI has approved about a dozen ARCs, of which, Arcil, promoted by 15 banks including SBI, IDBI Bank and HDFC, has gained market leadership.

The proposed Bill will also allow multi-state co-operative Banks to invoke the Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act of 2002 and take possession of a borrower's pledged assets if dues are not paid within 60 days of demanding repayment. This proposed right would give a comfort level to co-operative banks in making lending decisions and could help in improving credit offtake.

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Knowing yourself is the beginning of all wisdom.

Aristotle

Public Debt Management

What is Public Debt Management?

Sovereign debt management is the process of establishing and executing a strategy for managing their government's debt in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals the government may have set, such as developing and maintaining an efficient market for government securities.

In a broader macroeconomic context for public policy, governments should seek to ensure that both the level and rate of growth in their public debt is fundamentally sustainable, and can be serviced under a wide range of circumstances while meeting cost and risk objectives.

What is the Objective of Debt Management?

The main objective of public debt management is to ensure that the government's financing needs and its payment obligations are met at the lowest possible cost over the medium to long run, consistent with a prudent degree of risk.

What is the importance of Public Debt Management?

Poorly structured debt in terms of maturity, currency, or interest rate composition and large and unfunded contingent liabilities have been important factors in including or propagating economic crises in many countries throughout history. For example, irrespective of the exchange rate regime, or whether domestic or foreign currency debt is involved, crises have often arisen because of an excessive focus by governments on possible cost savings associated with large volumes of short-term or floating rate debt. This has left government budgets seriously exposed to changing financial market conditions, including changes in the country's creditworthiness, when this debt has to be rolled over. Foreign currency debt also poses particular risks, and excessive reliance on foreign currency debt can lead to exchange rate and/or monetary pressures if investors become reluctant to refinance the government's foreign currency debt. By reducing the risk that the government's own portfolio management will become a source of instability for the private sector, prudent government debt management, along with sound policies for managing contingent liabilities, can make countries less susceptible to contagion and financial risk.

What are the different categories of Public Debt Management?

Under current budgetary practice, there are three categories of Union government liability that constitute public debt – internal, external and "other" liabilities.

Internal debt is classified into (1) market loans, (2) other long and medium-term borrowing and (3) short-term borrowing and is shown in the receipt budget of the Union government. It includes market loans, special securities issued to the Reserve Bank of India (RBI), compensation and other bonds, treasury bills (including 14-days treasury bills issued to States only), commercial banks and other parties, as well as non-negotiable and non-interest bearing rupee securities issued to international financial institutions.

External debt represents loans received from foreign governments and multilateral institutions. The Union Government does not borrow directly from international capital markets. Its foreign currency borrowing takes place from multilateral agencies and bilateral source, and is a part of official development assistance (ODA). At present, the Government of India does not borrow in the international capital markets.

However, as noted by the report on Ministry of Finance for the 21st Century (Kelkar Report), this is a partial picture and does not account for "proxy" foreign exchange borrowings, in the form of contingent liabilities. Foreign exchange borrowings by para-statal agencies is substantially influenced by the Union Government. For example, the State Bank of India (SBI), which is majority owned by the Union Government and the RBI, borrows in foreign currency through instruments such as Resurgent India Bonds, India Millenium Deposits and Millenium India Bonds (MIB). The Union Government and RBI restrict how SBI can use these funds, and the Union Government provides exchange rate guarantees for this borrowing. Government-owned banks have raised substantial funds through this route for many years now; 1.6 billion USD was raised using the "India Development Bond" in 1991, 4.2 billion USD using the "Millennium India Deposit" in 2000, (MoF, 2004).

The "other" liabilities category not a part of public debt, includes other interest bearing obligations of the government, such as post office savings deposits, deposits under small savings schemes, loans raised through post office cash certificates, provident funds and certain other deposits.

What is the Debt Portfolio of the Government?

A government's debt portfolio is usually the largest financial portfolio in the country. It often contains complex and risky financial structures, and can generate substantial risk to the government's balance sheet and to the country's financial stability. As noted by the Financial Stability Forum's Working Group on Capital Flows, "recent experience has highlighted the need for governments to limit the build-up of liquidity exposures and other risks that make their economies especially vulnerable to external shocks." Therefore, sound risk management by the public sector is also essential for risk management by other sectors of the economy "because individual entities within the private sector typically are faced with enormous problems when inadequate sovereign risk management generates vulnerability to a liquidity crisis." Sound debt structures help governments reduce their exposure to interest rate, currency and other risks. Many governments seek to support these structures by establishing, where feasible, portfolio benchmarks related to the desired currency composition, duration, and maturity structure of the debt to guide the future composition of the portfolio.

What is Cash Management and Annual Financial Statement?

Cash management in India is a collaborative effort of the Reserve Bank of India (RBI) and the Budget Division, Ministry of Finance. The RBI acts as the banker to the Government and in this process maintains the Consolidated Fund of India. It also participates actively in the cash forecasting process, which is carried out via negotiations between the Budget Division and the RBI. The Monitoring Group on Cash and Debt Management coordinates this process in its meetings. The RBI uses the Ways and Means Advances, which are short-term (three month) loans to States to smooth temporary mis-matches in revenues and expenditures.

Under Article 112, the Central Government is required to submit an annual financial statement before both Houses of Parliament each year, showing estimated receipts and expenditures for that year. The estimates of expenditure in the annual financial statement fall into two categories: (1) sums required to meet expenditure that the Constitution provides is to be charged upon the CFI and (2) sums required to meet other expenditure proposed by the Central Government.

Under Article 113(1), estimated expenditure charged on the Consolidated Fund of India under the first category is not submitted to the vote of the Parliament, but nothing in Article 113 prevents either house of Parliament from discussing those estimates.

Under Article 113(2), the Lok Sabha shall have the power to vote on "other expenditure", i.e. the second category of proposed expenditure in the annual financial statement.

Once Parliament sanctions grant based on the annual financial statement, an Appropriations Bill is introduced to provide for the appropriation out of the CFI of all monies required to meet these grants and any expenditure charged on the CFI.

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JOB ADVERTISEMENT

Post of Secretary General in COSIDICI ~ An Apex Body of SLFIs based at New Delhi

COSIDICI is an apex body of all the State Level Financial Institution in the country. Its aim is *"to provide and arrange means and facilities for dissemination of knowledge and information relating to promotion and development of industries, for exchange of views and ideas on subjects of common interest to all Member Corporations."*

The Position

- The Secretary General is the Chief Executive Officer of the COSIDICI responsible for its corporate development; The CEO is the growth engine in respect of providing strategic inputs to the management and to coordinate the execution of the policy decisions taken thereof or otherwise subject to the general directions of the Executive Committee.
- He shall exercise such powers and duties as may be delegated to him by the Executive Committee and by the President and shall function under the superintendence and administrative control of the President.
- The Secretary General, as the head of the institution, is responsible for furthering operations and activities and for protecting the integrity of the Secretariat;
- The role of the Secretary General is principally promotional and he is responsible for **:-**
- *Actively promoting the aims and objectives of COSIDICI;*
- *Maintaining regular links with Member Corporations and providing necessary advice and guidance as may be appropriate for effective functioning of COSIDICI;*
- *Ensuring implementation and design of programmes of the Council as per the direction of the Executive Committee.*

The Secretary General shall also have the overall responsibility for :-

- *Getting the Minutes of the Executive Committee and the General Body recorded.*
- *Maintaining the accounts as required by the General Body and the Rules & Regulations.*
- *Submission of reports/returns to Government Authorities, as may be necessary, under any enactments for the time being in force.*
- *Custody of the property of the COSIDICI.*
- *Convening the meeting of Executive Committee in the ordinary course. He shall, however, obtain the President's instructions in regard to:*
- *Drawing up the Agenda, and*
- *Fixing the date and venue for the Executive Committee Meeting.*
- *Convening a meeting of the Executive Committee if so directed by the President or on request, in writing, by more than half the number of members of the Executive Committee.*
- *Representing the COSIDICI in law suits.*

The Person

The Secretary General shall be the executive head of the organization. He/she should be Delhi-based, dynamic and proactive with minimum 25 years of work experience in financial sector (below the age of 62). The incumbent should have held the post of a Chief General Manager or equivalent in a financial institution. Qualified persons with experience in policy intervention and Government liasioning may apply. The post is for a term of 2 years which can be renewed once for two years. Interested candidates may send their CVs by ***30th September 2012*** to ***e-mail :*** **cosidici@rediffmail.com.** For details login to website ***www.cosidici.com.***

Terms of Appointment

The successful candidate will be expected to start work on *1st November, 2012*. The appointment will be for *2 years* which can be renewed once.