

# northern notes

NEWSLETTER OF CONFEDERATION OF INDIAN INDUSTRY

NORTHERN REGION



## Towards Sustainable North

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## Foreword

As we reach the half year mark, we are delighted to present the July 2010 edition of Northern Notes.

True to our theme of Sustainable North, the last 2 months witnessed a host of Green initiatives in the region: the Environment Summit, the Climate Change sessions, Rain Water Harvesting projects, Energy Saving Awareness campaigns, etc. To top it all was the Yi Go Green campaign which saw 150 participants cycling through Chandigarh carrying the message of 'Green; Conservation; & managing our carbon footprint'. The campaign, to be honest, was a lot of fun without losing the seriousness of the message. Just goes to show that the fun can be impactful too.

We finally got our land for the Water Institute in Rajasthan for which we signed the Lease Deed on 6 July in Jaipur. We hope that the Water Institute in Rajasthan will be an iconic and ground breaking initiative towards water management & conservation.

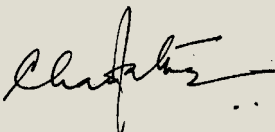
While skilling and promoting specific sectors was on top of the agenda when we interacted with various government leaders, business development was what our members demanded of us. A Buyer Seller Meet in Haryana was much appreciated by our members as it helped increase their business linkages.

The discussions on setting up Skill Centres in Rajasthan and Haryana and internal discussions to fine tune the Skill Gap studies, were some of the initiatives that were behind the scene and do not necessarily find mention in Northern Notes.

We are proud to have placed 43 differently abled people under the Northern Region's Ability 2010 Campaign.

As we work to prepare ourselves for the 3rd quarter, we draw inspiration from the encouragement our members give us. Their expectations goad us to work better. There is so much to do, as was revealed during our Membership Meets across the region. We hope we will be able to meet those expectations.

As always, we look forward to your valuable comments.



(CHARU MATHUR)

Edited, printed and published by

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# spotlight

## International Conference & Exposition on Climate Change

9 June 2010, Chandigarh



"CII is taking up comprehensive causes and trying to create awareness about the importance of protecting the environment, and taking steps to create and use technologies, that can help in avoiding environmental degradation. It should be congratulated and applauded for what it is doing," complemented Mr Shivraj Patil, Governor, Punjab and Administrator, Union Territory, Chandigarh.

Advocating a need for integrated approach Mr Suresh Prabhu, Chairman, Centre for Energy, Environment & Water and Former Union Minister for Power, Government of India said, "We are working with CII to develop an integrated policy for water, energy and environment piloting the project in 10 states of which 4 are from Northern region. The identified states will be announced soon!"



The International exposition demonstrated expertise in technology – both present and future. Some very unique and the state-of-the-art 360° carbon solutions dedicated to maximise the returns on carbon assets included new age solar installations, technically advanced 1 Megawatt (WWD-1) wind turbine generators and biomass gasifier.

Sharing the international view, Mr Philip Douglas, First Secretary, Climate Finance & Technologies British High Commission, Department for International Development, India, offered that UK and India collaboration stands as a huge opportunity in this regard to share best practices and work towards business environment which are circumcentered around sustainability.

CII is also working with the Himachal Pradesh Government towards streaming carbon neutrality for Himachal. Reiterating this, Mrs Sarojini G Thakur, Additional Chief Secretary, Department of Environment & Scientific Technology, Himachal Pradesh said that a top down bottom up approach is what the state is following and we have partnered with CII for greening the

industry in three major industrial belts to incentivise green technology and promote carbon credits.

The sessions focused on industry and sustainable development and translated the dialogues at international levels, giving a more localized and regional perspective to address climate change.



## Buyer-Seller Meet 2010: Fostering new business linkages

29 June 2010, Gurgaon

The meet aimed to address the lack of marketing strategy for MSME sector and to facilitate business linkage between Public Sector Undertakings and large, micro & small scale units.

“Quality standards, competitive pricing and timely delivery are the key elements to forge business linkages” said Mr P K Bansal, Additional Director Industries, Government of Haryana. Mr Bansal added that industry should invest in research and development and use the latest technology in order to achieve business excellence. Representatives from large organisations shared the process of selection of vendors for their organisations which provided first hand vendor information to the small enterprises.

List of buyers included: Delhi International Airport Pvt Ltd (DIAL), Engineering Projects India Pvt Ltd (EPIL), Whirlpool India Ltd, Indian Sugar & General Engineering Corpn (ISGEC), Hero Honda Motors Ltd, National Small Industries Corporation Ltd (NSIC) and MSME Development Institute (MEMEDI).

One-to-one meetings with large companies for 20 sellers were very useful for them to grow and build linkages and were well appreciated.

Need to Focus on :

- Regular on-site assessment
- Machining of small & medium components
- Work towards flexible manufacturing requirements



- Qualified staff & skilled workmen
- Promoting PDCA culture
- Regular review meetings for customer expectations
- New technologies and better systems
- Good relationship between top management & workmen



## Signing of Lease Deed for CII Water Institute land

6 July 2010, Jaipur

Mr S S Singhvi, Director, ESTI and Ms Charu Mathur, Regional Director, CII Northern Region, signed the Lease Deed for the land of CII Water Institute, Rajasthan.

## A tale of focus: Abhinav Bindra

3 June 2010, Chandigarh

Deliberating on the purpose of change, the current Olympic champion Abhinav Bindra said that change is difficult but not to change means failure. He said, “We need to be prepared to change 5 attributes in life – thinking, attitude, action, habits and expectations.” Telling a tale of focus, sweat & killer instinct, he guided the participants to have self-belief for achieving the goal.



## Accelerating Success through Innovation

22 June, 2010, Gurgaon

Stressing on the need to integrate skill with education, CII NR Deputy Chairman, Mr Vijay K Thadani said that we need to bridge the gap between education & knowledge during a session on 'Accelerating Success through Innovation.'

He stressed on three directional changes by the Government of India, which will have profound impact on the education & skills scenario in the country.

- a) Right to Education Bill,
- b) Higher Education Reforms
- c) Employability and the skill development pace

CII is working actively with the Government to work out a Public Private Partnership (PPP) model. Our vision for India is to provide accessible, affordable and quality education that prepares its youth for greater roles in the global economy by tapping their full potential and accessing new opportunities, said Mr Thadani, In this, National Skill Development Centre and the National Skills Commission are some of the important initiatives of the Government and the CII has participated both in terms of providing the requisite competency as well as guidance to the Government and the charter of the Skill Development Programme, the country will have 500 million skilled youth.



### 'NEED TO INTEGRATE SKILL WITH EDUCATION'

**CHANDIGARH:** Stressing on the need to integrate skill and education, Deputy Chairman, CII, Northern Region, Vijay Thadani, on Tuesday called upon the industry to help bridge the gap between the demand and supply of skilled manpower.

Speaking at a function held here by the confederation, he urged the industry to change its mindset and have a dignified view of skill.

Thadani said higher education should be developed in the country to achieve the maximum input, adding, "Relevance, reach and quality are the three major issues which need to be addressed." **HTC**

Relevance, reach and quality are the major issues that need to be addressed

## Central Government interactions

### Meeting with Mr Saugata Roy, Hon'ble Minister of State for Urban Development

7 July 2010, New Delhi

A CII delegation met the Hon'ble Minister of State for Urban Development for taking forward the key recommendations of REALTY 2010: 6th International Conference on Real Estate held on 10th February 2010 at New Delhi. The issues highlighted during the meeting were dematerialisation of land and property records; master planning & land availability; promotion of distributed and single window clearance for real estate projects

The delegation comprised Dr Amit Kapoor, Member, CII Sub Committee on Infrastructure and Honorary Chairman, Institute for Competitiveness; Mr Jaivir Singh, President, Impact Projects; Mr

David Jones, Practice Leader – Real Estate & Infrastructure, Grant Thornton among others.

### Interactive Session with Mr R Bandyopadhyay, Secretary, Corporate Affairs, Government of India, 1 May 2010, Dharamshala

While interacting with the industrialists and chartered accountants, Mr R Bandyopadhyay, Secretary, Corporate Affairs, Government of India, said that the Centre was contemplating replacing of Companies Act of 1956 with a new one. He also urged chartered accountants to help the government in gathering feedback regarding the problems being faced by the companies.

Left to right: CII delegates in a meeting with Saugata Roy, Hon'ble Minister of State for Urban Development; Interactive Session with R Bandyopadhyay, Secretary, Corporate Affairs, Government of India





## CII-Yi: GO Green!

1-5 June 2010, Chandigarh

Yi Chandigarh organised the 'Go Green Campaign' calling upon more than 500 people towards supporting the health of the planet. The week-long campaign was put together to address the concern of environment conservation. Through the campaign Yi Chandigarh contributed to the belief of a 'Better Environment' and thus a 'Better Tomorrow'.



### 150 Young Indians cycle to be on the Green side, 1 June 2010

The Campaign was launched with a cycle rally in which over 150 youth from school and colleges paddled to spread the message – "Go Green – Be on the Green side". Mr Surinder Sharma, Regional Director, Ministry of Environment, Government of India, flagged off the rally.

### Jagtey raho!! 2-3 June 2010

"kahan jaogey jab dharti mar jayegi"; "Kaya karogey jab pade nahi hongey". The street plays were staged by young enthusiasts from the city to stimulate environmental awareness.

The RJs from big 92.7 FM added the spice with their 'firangi' ascent. Over 300 people gathered and participated in the interactive trivia that had the winners walking away with attractive prizes.



### Reduce – Recycle – Reuse 5 June 2010

The week long celebrations of the Environment Day concluded with a panel discussion on e-waste management and live demo on rain water harvesting.

BE ON THE GREEN SIDE

# water & environment



## 2nd Environment Summit: Environment not a resource but essential for sustenance

5 June 2010, Dehradun

The summit focused on addressing the multiple aspects of climate change in context of Uttarakhand.

Environment is not a resource but an essential for life and hence sustenance, said Dr A N Purohit, Former Vice Chancellor, Garhwal University. Dr Purohit emphasised the need for sticking to our environment-friendly traditional ways of life.

Addressing the 200-delegate session Padma Bhushan Shri Sunder Lal Bahugana stressed the importance of people's involvement in conserving the environment.

Mr Rajiv Berry, Chairman, CII Uttarakhand, shared CII's involvement in various aspects across the country and mentioned that CII had been involved in the development of the National Action Plan for Climate Change (NAPCC) and would be keen to work with the Government of Uttarakhand in formulating the State Action Plan for Climate Change (SAPCC).

Prof VPS Arora announced setting up of a Regional Centre for Climate Change & Glaciology at Kumaon University, funded by Uttarakhand State Council for Science and Technology (UCOST).



Release of 1st Environment Summit Proceedings

### Key Discussion points

- Scientific aspects of climate change, global & Indian policy perspective & mitigating climate change
- Development of the National Action Plan for Climate Change (NAPCC)
- Setting up of a regional centre for Climate Change & Glaciology at Kumaon University, funded by UCOST
- Need for improving the awareness on sanitation and disposal of hazardous waste from electronic items of daily use



## National conference on business action on climate change

4 June 2010, Jaipur

Providing a platform to Indian industry to deliberate on the mitigation strategies and technologies across various sectors, the Conference focused on integration of the government policies and plans, identifying short-term and long-term actions to be taken for mitigation and adaptation; and recognising, building and strengthening partnerships – with the government, among business, involving civil society – to implement solutions.

Hon'ble Chief Minister Shri Ashok Gehlot was the Chief Guest and Shri Ram Lal Jat, Hon'ble Minister of State for Environment and Forest was the Special Guest at the programme.

Hon'ble Chief Minister appreciated the conference theme and also the work done by CII and the Water Institute.

More than 175 delegates from various parts of Rajasthan, Gujarat, New Delhi, NCR participated at the conference.

## Seminar on Rain Water Harvesting

17 June 2010, Jaipur



Now that Rain Water Harvesting (RWH) is mandatory in Rajasthan, CII took the opportunity to spread awareness about the concept and provide hand-holding to those who wish to construct rain water harvesting structure in their premises.

The session focused on:

- Selection of RWH design
- Basic construction, installation, operation and maintenance of RWH structure
- Bridging the gap between knowing & doing – RWH case studies

### Rain Water Harvesting structure completed

CII Rajasthan and Water Institute undertook the construction of Rain Water Harvesting structure at Rajasthan Pradesh Congress Committee, Jaipur recently. This was done on the behest of Hon'ble Chief Minister Shri Ashok Gehlot. The structure was completed on 8 July 2010. It will recharge 4 lac litres of water per year with a life of atleast 20 years i.e. in totality 80 lakh litres of water will be recharged. Two borewells (190 ft and 160 ft), one big filter pit, two other smaller silting pits were constructed.

The flow of water was tested through a water tank of 5000 litres of water which passed through the filter pits/ borewells and ultimately recharging the ground water level.

## CII and Government of Himachal Pradesh joined hands for greening of industry

7 July 2010, Baddi

The CII sensitisation programme in collaboration with Himachal Pradesh State Pollution Control Board on Green Cluster Approach aimed at making interventions in the industrial sectors for greening the manufacturing practices. The sectors identified were steel, textiles, pharmaceuticals, fast moving consumer goods and cement.

The Chief Guest, Mrs Sarojini Thakur, Additional Chief Secretary, Environment and Scientific Technologies, Government of Himachal Pradesh and Chairperson of HPPCB, emphasised on cluster approach, wherein specific sectors were identified in all the major



Mrs Sarojini Thakur, interacting with the industry members

industrial areas. An action plan will be formulated for enhancing efficiencies in energy conservation, waste management, water conservation, which will contribute a lot in monetary as well as in ecological terms, she informed. Mrs Thakur also requested the industry representatives to collectively take up the baton for making industry more environment friendly through the suggested cluster approach.

The working and functioning of the clusters were thoroughly discussed with the respective industry representatives and the hiccups were addressed by Mr Shikhar Jain, Senior Counselor, CII-ITC Centre of Excellence for Sustainable Development.

## CII-BEE workshops go sector specific to promote energy efficiency

With the persistence to promote energy efficient practices, the CII-BEE workshops at various industrial locations in the Northern states have already been flagged off. This CII-BEE project would involve in-depth interventions at the firm level for energy audits thus helping the companies with efficient & optimal utilisation of energy resources.

## नालागढ़ में ऊर्जा बचत कार्यशाला

नालागढ़ — भारतीय उद्योग परिसंच ( सीआईआई ) और व्यूरो आफ एनर्जी एफिनिंसी ने ऊर्जा स्रोतों के पूर्ण दोहन व इस्तेमाल के लिए साझा तौर पर प्रयास शुरू कर दिए हैं। इसका मकसद कंपनियों में ऊर्जा का पूर्ण व बेहतरीन इस्तेमाल करवाना है। इसी कवायद के तहत व्यूरो के सलाहकार पवन तिवारी, परियोजना अभियंता गौरव कुमार ने नालागढ़ में सीआईआई द्वारा आयोजित एकदिवसीय कार्यशाला में उद्योगपतियों को ऊर्जा के बेहतरीन व पूर्ण इस्तेमाल के लिए क्रियान्वित की गई विभिन्न योजनाओं की विस्तृत जानकारी दी। उन्होंने इस दौरान ऊर्जा के बचाव से उत्पादन व गुणवत्ता बढ़ाने व आर्थिक बचत तकनीक के मूलमंत्र भी सुझाए। कार्यशाला में राज्य विद्युत बोर्ड के अधीक्षण अभियंता नीरज कपूर ने भी ऊर्जा के दोहन व इसकी बर्बादी को कम करने के खास विचार सुझाए।

CII-BEE workshops were held in Himachal Pradesh and Punjab:

14 May 2010, Baddi	Pharma sector – using bio degradable waste for power generation
18 June 2010, Parwanoo	Automotive and precision engineering sector
16 July 2010, Ludhiana	Textiles

## Environment, Occupational Health & Safety Legal Requirements (EHS) for industry

21 May 2010, Ludhiana; 23 June 2010, Lucknow; 8 July 2010, Haridwar

With the objective to comply with existing EHS laws and provide an update on the latest amendments being introduced, CII in association with CII-ITC Centre of Excellence of Sustainable Development, organised workshops on Environment, Occupational Health & Safety: Legal requirements.

Vishwabandhu Bhattacharya, Counselor, CII-ITC Centre of Excellence for Sustainable Development, conducted the sessions and informed the delegates about the legal and institutional system established by the Government of India to meet these challenges within the overall framework of India's development agenda and international principles and norms.

## Meeting with Mr Jairaj, Chief Conservator of Forest, Uttarakhand

8 June 2010, Dehradun

CII has been advocating development of the State Action Plan on climate change. At the latest round of discussions held with Mr Jairaj, CCF, Director (Environment) & Member Secretary, Uttarakhand Biodiversity Board, CII has offered its knowledge, technical and convening support to help the State government develop a comprehensive and pragmatic Action Plan.

## Green Indian Mission – Public Consultation

22 June 2010, Dehradun

The Ministry of Environment & Forest, GoI, held its Green India Mission Public Consultation for Uttarakhand as part of its series for National Mission for Green India in Dehradun. A draft mission document prepared by experts from both within and outside the government was presented before the public and comments/suggestions were invited, in the presence of Mr Jairam Ramesh, Minister of State, Environment & Forests, Government of India. Mr Rajiv Berry, Chairman, CII Uttarakhand, participated and shared CII's views on the draft National Mission for a Green India.

## Celebration of International Biodiversity Day

22 May 2010, Dehradun

CII participated in a conference organised jointly by the Uttarakhand State Biodiversity Board & Forest Research Institute (FRI) on the occasion of International Biodiversity Day. Mr Rajiv Berry, Chairman & Dr S Farooq, Vice Chairman, CII Uttarakhand, were present at the occasion and shared their views.

Left to right: CII-BEE workshop in progress at Parwanoo; Jairaj, CCF, Director Environment & Member Secretary, Uttarakhand Biodiversity Board with CII delegation; Workshop on (EHS) Legal Requirements at Haridwar





# policy pulse



## Creating lasting impressions

Kartikeya Bharat Ram  
*Chairman, CII (NR) Special Focus Group on Commonwealth Games 2010 & Dy. Managing Director, SRF Ltd*



Sport is clearly the flavour of the season. Millions across the globe got hooked on to the world cup football in South Africa, Delhi gets busy giving final touches to its preparation for hosting the Commonwealth Games this winter. This will, in fact, be the first time that such a large international sporting event will take place in India. We are waiting with bated breath to see the athletic prowess of some of the world's top sportsmen on our Indian soil. Understandably, the excitement is palpable. And, the countdown has begun. October 3, 2010 is the day when the Queen's Baton Relay will enter the Jawaharlal Nehru Stadium, marking the opening of the Commonwealth Games 2010.

No doubt, a fierce sporting rivalry is on the cards. But it's not just the winners or the losers who will hold prominence. A competitive sport of such large scale is all about challenging the human spirit and pushing the limits of possibilities in an ambience of bonhomie and gaiety. The front-end experience is, however, guaranteed only through a robust back-stage preparation. A gamut of activities is required to be configured to ensure that the multiple sporting events are played out in a clockwise precision. There is no allowance for imperfection.

By all means, staging the games will be a gigantic task. The sheer number of visitors including the participants is staggering. As per official estimates, around 8,500 athletes and officials representing 71 countries from across the globe are expected to compete in 17 sporting events over 12 days during the 19th edition of the tournament. Besides, the arrangements will have to be made for lacs of fans, media and the VIPs who will visit Delhi from overseas between October 3 and October 14.

For India, it will not be a mere sporting extravaganza. This will be a question of our country's pride and prestige. In fact, there's an opportunity to showcase India as a modern, progressive, charismatic and tourist friendly nation to the world at large. The visitors must get a warm welcome on their arrival in the city. It's a huge responsibility.

This, however, can't be the preserve of the Government alone. All sections of the society, the industrialists, the businessmen, the NGOs, the social workers, the administrators, the media, the police and the common citizens must join hands with the Government. Each one of us has a role to play. We need to co-create the event which promises to enhance India's standing in the international arena.

The good news is that the government is doing a lot to improve the infrastructure facilities in stadia and in the city. In fact, the Government is shelling out around \$17.5 billion on overall civic infrastructure alone. A slew of projects for improving streets and roads, city beautification, public transport, new power plants, water supply services, Games Village, traffic management, security services and health services are presently underway. Plans are also underway to streamline Delhi's solid waste management system. A matter of concern, however, will be to augment production facilities to be able to effectively deal with water supply and power supply situations, which are presently in a dire state.

The legacy of the improvement activities will surely live on. The results are beginning to show. Delhi Airport is already being rated as one of the most improved airports in the world. The life for the commuters on the road has also improved significantly as a result of the preponderance of flyovers and metro lines. The city, of course, looks swankier.

The bordering states of Delhi like Haryana, Rajasthan and Uttar Pradesh are obviously expected to respond and rise to the occasion. The real benefit will come only when these bordering states complete the last mile of improvement activities by building and establishing better, stronger and enviable resources and image for the host city. Besides, there is a crying need to improve the connectivity of Delhi with Agra and Jaipur connectivity for the benefits of the tourists.

The tourism industry must leverage the event to reposition India as a tourist attraction in a hotly contested global market. They need to undertake constant promotional campaigns to reach out to the global audience. The Government initiative to clean and revitalise the city's monuments, an integral part of the rich heritage of Delhi's past, will provide a shot in the arm for the country's tourism industry. The allied industries like marketing, advertising, education and hospitality sectors can also benefit immensely from the opportunities thrown open by the Games.

The service industries will thus have a pivotal role to play in providing the experience as per our promise to the visitors. We need to create a model of service delivery for each and every activity that the visitor will encounter at different touch points. A service script needs to be developed specifying the sequences of behaviour that the people concerned are expected to learn and follow during service delivery. More importantly, we must identify and train the brand ambassadors who will role model the requisite behaviour in our attempt to institutionalise the desired improvements in service delivery.

The impact of the Commonwealth Games on employment is also considerable. The Ministry of Tourism has planned to provide around 3,000 trained hospitality staff over the 12 days of the programme under the Ministry's "Earn While You Learn" scheme. In addition approximately 3,500 tourist taxi and coach drivers working in the NCR region are also being trained to become more tourists friendly and hospitable as part of the preparations for the Games.

The economic development of the nation as a ramification of staging the games will also be enormous. Every rupee that we spend will boost employment and business opportunities leading to a positive impact on the country's GDP.

Most importantly, it's our passion and love for the sports that will make the difference. The key lies in preparation. Our task is cut out. We should leave no stone unturned in our effort to take India's reputation to a new height. It's well worth the effort as the sportsmen always say - "no pain is great enough when you are pursuing a dream."

And finally, we must remember that the first impressions are always the lasting impressions.

— ✕ —





## GST: A sectoral perspective

Pratik Jain  
Executive Director  
KPMG

Krishan Arora  
Associate Director  
KPMG



Industry sectors, grappling with diverse issues in present indirect tax system, can surely expect a respite in form of GST, which is expected to have a multifold impact across sectors, not only in terms of overall tax cost but also from an operational perspective. GST would require business to revisit their existing models as well as assess any potential impact on any future ventures.

It has been a while since two official documents on GST viz. 'First Discussion Paper' by Empowered Committee of State Finance Ministers (EC), followed by report of Thirteenth Finance Commission (TFC report) were issued. Both these documents, while providing an insight on broad framework of GST, have also triggered a widespread confusion due to divergence in their respective views on many aspects.

While precise impact would depend upon final shape of the GST legislation, discussion paper and TFC report have already thrown up a plethora of issues that could have a varied impact on different sectors.

### FMCG/ Retail

Currently, supply chain structuring, being a focal detriment for this sector, is generally influenced by available exemptions/concessions, benefits of special transactions and legislative avenues for tax optimization. However, the scenario is likely to change as GST is likely pave the way for a common Indian market thus making it imperative for business to re-strategise their supply chain.

Under GST, various sourcing patterns may be impacted. For instance, since CST paid on inter-state procurements currently becomes a cost, most business prefer local sourcing (VAT being creditable). However, under GST, taxes paid on inter-state procurements would generally be creditable and thus not a cost. Similarly, other taxes (like Excise duty and Service tax), paid on traded products, currently become a cost. With seamless cross-credit eligibility for goods and services under GST, such costs are likely to reduce.

Furthermore, distribution patterns would require a revisit with

CST phased out and likely taxability of stock transfers under GST. Although credit would be available to business for GST paid on stock transfers, it could lead to cash blockage situation, thereby requiring careful planning. Additionally, industry may need to reconsider its location strategies in light of withdrawal of area-based tax exemptions and taxability of stock transfers. These factors, put together, may impact business strategies regarding multiple warehouses, choice of location, overall logistics costs, etc.

### Aviation

While on one hand, recent changes in Service tax laws have widened tax net for airline operators (scope of service category 'transport of passenger by air service' has been expanded to cover all classes for domestic and international journeys), simultaneously, their overall Service tax liability have been significantly capped with provision of abatements. Nonetheless, the airline industry has been experiencing constraints not only on account of high tax incidence on procurement of inputs, but also due to its input credit inadmissibility. The most significant cost can be said to be VAT levy on ATF, which generally ranges between 4% and 30% depending upon state in question. Moreover, even Cenvat credit eligibility for relevant duties paid on ATF has been a contentious issue for airline operators.

The discussions between Centre and States have hinted towards exclusion of petroleum products from GST scope, which may not be good news. In such situation, one can only expect a trickle down effect of passing the burden of such costs to ultimate customers.

Further, with possible withdrawal of concessions/abatements under GST, the industry would undoubtedly need to re-assess their overall tax costs.

Also currently, there is lack of clarity on taxability/jurisdiction for various activities like in-flight catering services and sale of merchandise, MRO activities, etc. One would expect Government to bring out clear provisions for place of consumption/supply for the purpose of taxability/jurisdiction in GST regime, taking into account the peculiar nature of such transactions.

## Telecommunication

A significant impact of GST on this sector would be likely increase in effective tax rate from current 10% to likely 16%-18%, possibly resulting in higher tax incidence on provision of telecom services, which could ultimately be passed to users.

Telecommunication activities have been prone to numerous litigations on account of double taxation. The coverage and taxability of telecom services under Service tax as well as VAT legislations has been a problematic space for a long time (e.g. supply of SIM cards, telecom software etc.).

Further, a major issue posing challenge is non-availability of cross-credit between taxes paid on goods and services leading to cascading of taxes. To illustrate, no set-off is available for VAT paid on infrastructure facilities like telecom towers, telecommunications equipment, etc. against output Service tax liability of telecom service providers. The situation is further aggravated with authorities disputing Cenvat credit on telecom towers, pre-fabricated shelters and other goods which are installed at a tower/cell sites. These issues would hopefully be done away with under GST entailing a uniform tax base for good and services with a cross credit mechanism.

Also, keeping in mind the typical nature of telecom services, it would be imperative for Government to incorporate lucid place of supply rules, defining place of consumption for supply of such services (including import and export) to rationalize tax payment and compliance for service providers. It may be ideal to incorporate separate and distinct place of supply rules for B2B and B2C transactions in this regard.

## Real estate

Although sale of immovable property is currently outside the purview of VAT, agreement to sell immovable property prior to completion of construction could be taxable under GST. While speculation continues as regards applicability, the possibility of GST levy only on first sale made by builder cannot be ruled out. The rationale behind this is that if GST is levied on second sale also, credit would need to be provided not only for purchase costs, but also towards repairs and maintenance expenses, which may be difficult to monitor.

Further, leasing of commercial property, taxability of which is currently a subject matter of dispute, is also likely to find coverage under GST. However, the overall impact may partly be neutralized if a liberal credit regime is made available (e.g. full credit of construction costs).

Furthermore, should GST be applicable on real estate, if Stamp duty is not discontinued/subsumed under GST, it could be a significant incremental cost.

Separately, fate of currently available special schemes (abatements/composition scheme) for tax payment being uncertain under GST, the overall impact of GST on this sector cannot be under-estimated.

## Power

Currently power sector not only enjoys many exemptions/concessions on procurements, majority activities have largely been kept outside the purview of indirect taxation. However, it is still not clear as to whether power sector would be included within scope of GST in light of divergent views taken by EC and TFC.

While inclusion of power sector could significantly bring down currently prevalent tax costs, its overall impact needs to be mapped, specifically where power is sold to end customers. The sector is also likely to face cash flow issues on account of high tax incidence in terms of likely GST rate and possible discontinuation of any existing duty exemptions/benefits (concessional rate of CST, duty exemptions for Mega Power Projects, in-transit sales etc.).

## Conclusion

Given the above, the Government at this crucial juncture, would need to identify and address key challenges faced across industry segments on account of present indirect tax structure. It should also grant adequate opportunity to them for addressal of their concerns, before the final legislation is issued. This would not only go a long way in gaining acceptance of industry at large, but also help make this radical reform a success.

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## DTC 2.0: Getting ready for tax reforms

Naveen Aggarwal  
Executive Director, KPMG

Indian income-tax law is almost 50 years old and has been subjected to thousands of amendments over this period through the annual Finance Acts. These numerous amendments coupled with frequent policy changes on account of changing economic environment and complexity in market have rendered the present law virtually incomprehensible to an average taxpayer.

Since complex tax legislation increases the cost of compliance as well as administration, the Government unveiled a new Direct Tax Code (DTC), which was opened for public comments in August 2009. Taking into account the feedback received, revised discussion paper on DTC was released in the month of June. This has partially addressed several months of speculation hovering over the contours of new law by addressing eleven key areas of concern raised last year. While the Government has been sensitive to representations made by various stakeholders, it seems determined to balance the needs of revenue by fine tuning proposals to raise additional taxes and introducing additional anti-avoidance measures.

It is indeed heartening to note that the revised discussion paper has addressed some concerns of India Inc as companies would now pay Minimum Alternate Tax (MAT) on book profits and not on gross assets as was earlier suggested. Although the tax rate for MAT has not yet been notified, there is an expectation that it shall be brought down to reasonable levels from the existing rate of 20% (approx). However, what has not been addressed in this revised proposal is the effect arising out of 'transition to IFRS' for phase one companies in India with effect from 1 April 2011. Thus, while some companies will follow IFRS converged standards for computing book-profit based MAT, there will be several other companies which will continue to follow the Indian accounting standards for computing MAT. In such a situation, it becomes imperative to address this divergence in usage of accounting norms to ensure that the identical net profit base is used by all corporate taxpayers in India for computing MAT.

Allaying fears of a blanket treaty override, another welcome clarification by the Government is that the tax treaty will continue to override the domestic law to the extent it is more beneficial to

the taxpayer. Whilst the international investing community heaves a sigh of relief, one needs to be cognizant that treaty override will still prevail in three specific situations, viz, invocation of General Anti-Avoidance Rules (GAAR), Controlled Foreign Corporation (CFC) provisions and when Branch Profits Tax is levied. Thus, effectiveness of this proposal of 'limited treaty override' would depend on how reasonably these provisions are administered by tax authorities.

Similarly, clarification given by the Government on the controversial GAAR proposed in the first draft of the DTC was keenly awaited. It seems that wide sweep of GAAR provisions would now be circumscribed in view to welcome clarification given by the Government. GAAR is now not intended to apply to all tax mitigation structures but would only capture non-bonafide arrangements and would be subject to certain safeguards, e.g. GAAR would be invoked only in certain circumstances and beyond a specified de minimis threshold to be specified by the CBDT.

It has also been clarified that taxpayers would have the benefit of getting resolution through the newly formed Dispute Resolution Panel (DRP), where GAAR is invoked. Undoubtedly, DRP has wide powers to issue binding directions to tax authorities for finalizing assessment. However, the experience of taxpayers with DRP mechanism in the first year of its birth and operationalisation has not been very encouraging. In view of these initial reactions, it would remain to be seen whether DRP is an effective remedy for adjudicating GAAR disputes.

As regards determination of residential status of foreign companies, in a welcome clarification, the Government has now proposed to adopt the internationally recognised principle of 'place of effective management' as the test of residence. Accordingly, a foreign company would be considered an Indian resident if (i) its board of directors or executive directors make their decisions in India; or (ii) the executive directors perform their functions in India, in cases where the commercial and strategic decisions made by them are routinely approved by the foreign company's board of directors. Thus, the revised proposal provides more certainty than the earlier DTC provision which stated that mere 'part control' of a foreign company from India would trigger tax residence in India.

One striking feature of the revised discussion paper on raising the complexity in the Indian tax law is that Controlled Foreign Corporation (CFC) rules are now proposed to be introduced for the first time in India. CFC rules would now herald a regime in India, whereby undistributed passive income earned by foreign companies directly or indirectly controlled by Indian residents, would be taxed in India in the hands of the resident shareholders.

CFC rules are typically put in place to prevent companies from parking their earnings in offshore, low-tax jurisdictions and thereby deferring or avoiding paying tax in their home countries. US was the first country to introduce CFC norms way back in 1962 during the tenure of the former President John F Kennedy. Now-a-days, CFC regulations are in place in most EU countries, Asia Pacific countries like Korea, Japan and others. In India also, the working group on non-resident taxation had first proposed introduction of CFC rules in 2003. However, it never saw the light of the day until the revised discussion paper was released last month.

While this proposal is in line with the practice adopted in several developed capital exporting countries, the moot question is whether India has an extensive corporate investment base out of India and whether Indian taxpayers and tax administrators are ready for such a step. CFC regulations would need careful examination as they can have a significant impact on outbound structures adopted by Indian companies for overseas expansion. Equally important for the Government would be to ensure that tax credit rules are framed appropriately so as to avoid double taxation.

Similarly, supplementary guidance on exemption rules would be important to watch out for as, internationally CFC rules prevalent in many countries contain some exceptions if the offshore entity is not located in a low tax jurisdiction. For instance, US exempts the CFC income in a high tax country, where the taxpayer establishes that the effective rate of income-tax imposed by the foreign country is greater than 90% of the maximum corporate tax rate.

The Government has also reinstated most of the favorable tax treatments currently available under the Exempt-Exempt-Exempt (EEE) regime to individuals on their long term savings and this is also a welcome measure. This proposal for taxing withdrawal of accumulated contributions has been subject to huge debate as it was considered to be harsh in the absence of a comprehensive social security system in India. The omission of profit linked incentives for SEZ units under the DTC was seen as a retrograde step, adversely impacting SEZ development in contrast to the promises held out in the SEZ Act. Partly redressing this, existing SEZ units would continue to enjoy profit-linked tax benefits for the unexpired period. However, the proposal of not extending the benefit to new SEZ units, set-up after the DTC comes into effect, continues to remain an issue and is being widely criticised.

The above proposals have also been accompanied by silence on the part of the Government on the tax rates by inserting a cautionary note in the revised discussion paper that due to the concomitant reduction in tax base originally proposed in the DTC, the indicative generous tax slabs, rates and other monetary limits for deductions will be reconsidered.

Overall, the revised discussion paper on DTC has received positive feedback from various stakeholders and industry players. Revision of some of the proposals, which existed in the draft DTC is indicative of the fact that the government has been open minded and responsive to the suggestions received in response to the first draft of the DTC. However, since the discussion paper only outlines the tax proposals and the principles embodying them, the true impact of such proposals would need to be evaluated based on the actual text of the DTC.

Since new law is likely to throw new interpretation issues on account of change in language and structure of the provisions, various interpretations settled by judicial rulings over the decades may no longer hold good. Thus, it becomes imperative that the new code is finalised as a more logical, simpler and clearer piece of legal document, which incorporates principles well established by judicial rulings. Let's hope the Finance Minister, who has kept his mind open on the DTC, takes all possible measures to turn it into a fine legal masterpiece, which is in sync with the changing business and economic landscape and lasts for at least another five decades!

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## Taking agriculture to agribusiness

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Researchers estimate that during 2000 to 2050, the world shall consume the same amount of food as it has done so since the beginning of agriculture some 10,000 years ago. This massive appetite juxtaposes rising population growth atop a rising affordability as our living standards advance. This consumption will need diversity in foods to blends local tastes, styles & servings with their internationalized counterparts. We will insist foods be available on demand and be more demanding of quality and of value. Many more miles of food travel will be in evidence to supplement local seasonality, out-sourcing of exotic, regionally authentic, health conscious foods and others.

How will these changes impact the future of our agriculture? Just as agriculture will need to grow more, it will need prudent agribusiness to deliver both locally & globally. Are agriculture and agribusiness really two disparate entities? Our policy makers seem to make us believe so. Agriculture is viewed as a simple minded event, its practioners in constant need of deep protective support. The resulting isolation renders the agribusiness linkage to be a hotchpotch of tiny/small informal activities and large regulated industries. We have over 120 million farms, each individually owned & operated, to churn out over half billion origins as food, feed, fuel or fibre annually. Waste is inevitable.

Despite the supermarket phenomenon, globally, the largest concentration of agribusiness activities range from \$1 million to \$10 million in investment size. Purposeful agriculture reaches out to many agribusiness forms. Our own purposeful pursuit of food assuredness is mostly won in terms of gross total availability. Changing demand patterns are growing in visibility and consuming strength. We have God-gifted wealth in agriculture versatility. We are widely regarded to possess good business savvy, ingenuity & hard effort. Taking agriculture to agribusiness is clearly opportune, a paradigm shift ahead as we stride to our rightful place in the developed world.

What are the opportunities that could be gainfully pursued? How problematic is this journey into recurring food profits? How can

I put a sustainable business together? These are not easy questions to answer. Pertinent solutions can be found by diligently applying just two fundamental agribusiness methodologies – Value Chain Analysis and Supply Chain Management. Simply put, a Value Chain Analysis can identify the potential for possible competitive entry whereas Supply Chain Management is critical to the pursuit of commercial success of the agribusiness venture. In the context of India's vast agriculture landscape, they become especially critical pathways to sense profit, to establish profit and, finally, to secure profit.

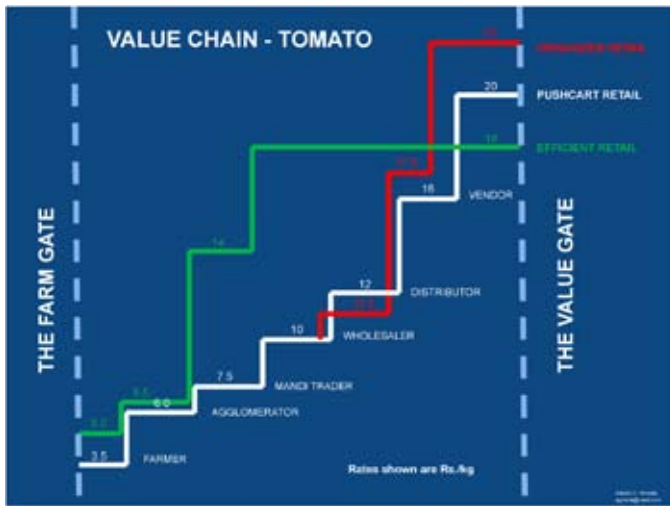
## Agribusiness value chain analysis

The three faces of value as associated with agricultural products are:

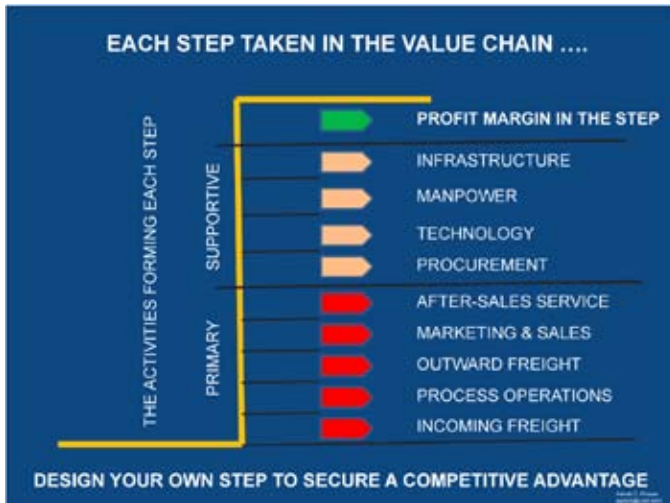
1. Value Creation – this takes place only at the farm and is the farm gate value
2. Value Enhancement – this takes place post the farm gate via a variety of techniques
3. Value Capture – this is the essential business conclusion of the value chain for all products

Value chains map the status of value as products advance up the staircase from farm to consumption. This staircase has risers that represent value levels and treads that describe the commercial activity at each step. In global food business, not all staircase will finish at the same height since eventual product value commanded could be deliberately differentiated. The width of the tread equates to market presence in generally similar activities. Value chains make it possible to understand and rank existing commercial organizations at each tier for product skills and value delivery capabilities.

A typical example of a Value chain mapping for fresh tomatoes is as follows:



Value chain analysis can provide clues to estimate the competitiveness of cost structures and likely gross margins. Harvard University Professor Michael E. Porter has aptly defined the key components of Competitive Advantage in the Value Chain linkage. In the context of this Author’s value staircase analogy described above, Professor Porter’s basic components have been redrawn as follows:



The functions of linkage with prior and forward steps do provide clues to opportunities for more efficient value addition in quality and quantity of end products/services. Backward and forward linkages can be better assessed for business development.

### Agribusiness Supply Chain Management

In the industrial context, supply chains are regarded as being physical delivery of ordered products from suppliers. Agribusiness

supply chains are not as simple or simplistic as their industrial counterparts. This is particularly so in India where we have a vast multitude of seasonal growing origins, geographic spread, available varieties, controlled market structures, intricate trade channels, varied qualities to name a few.

Opportunities abound where problems exist. Our large agribusiness canvas is riddled with inefficiencies that originate from small-only-is-best mindsets, inadequate infrastructure and policy governance systems that date back to the days of newly independent India. For example, the APMA mandi system that had sought to protect farmers from market exploitation today effectively bars very same farmers from making any direct sales other than to mandi cartels. Fortunately, policy changes made by a few States do permit some alternate pathways for business linking so that agribusiness can access direct farm procurement, contract farming, private mandi platforms etc. The slow but welcome advent of producer organisations is another situation for active supply chain managers of the future.



The agribusiness supply chain as it happens in India has four working components, namely:

#### Transfer of products

Physical market delivery of agricultural products from farm to consumption entails several actors, several platforms. The stages include farm agglomeration, transportation to mandis where open auction bidding takes place, purchase by wholesalers, interim warehousing, grading, packaging and delivery to retail. In order to minimize produce spoilage, nearly all mandi functions take place well before sunrise.

#### Transfer of payments

Most transactions at the mandi are in cash. The mandi is perhaps the largest source for crop and private funding. Payments are adjusted against running accounts maintained by brokers, wholesalers, dealers and distributors. Private auction systems practiced are zealously concealed and known only to the farmer and the first point buyer. Market sales attract a mandi fee on declared auctions and is collected by the APMC, a locally administered body.

#### Transfer of ownership

Depending on the type of product, an estimated 5 changes of ownership title could take place. There are large numbers of transaction brokers who assess the product quality, its pricing, packaging etc on behalf of their clients. Each mandi sale could attract an average of 3 brokerages to be paid out.

#### Transfer of information

This is perhaps the weakest link in our farm chain. The mandi market functions lack transparency and are usually driven by lack of information, even misinformation. There are many intermediaries with exploitative interests to individually protect. There is not enough timely information for farmers to plant specific cash crops and sought after varieties. Suppliers of farming inputs and State extension agencies are often less than effective.

The agribusiness supply chain manager must remain constantly alert to opportunities for direct sourcing and to leverage the strength of knowledge of each of the 4 drivers above of farm supply chains. Activity costs in the mandi system are high and often inappropriate to the value addition being delivered. Even simpler processes such as cleaning, grading and packaging are often missing. All that this does is add exponentially to the cost being asked for. Supply chain losses in the system include a physical spoilage due to wasteful practices and value a reduction due to quality spoilage/downgrade. Though the figure varies from product to product, a cumulative effect ranging from 15% to 30% is not unusual.

## Taking Indian agribusiness forward

One of the biggest changes happening to developing India of today is that agriculture is beginning to get noticed. Rising consumptions and even faster rising prices of farm goods on virtually a daily basis have dispelled earlier notions that farmers should only farm for food security. The agribusiness sector provides a direct value multiplier effect of 2.5 to 3.5 times to the amount of GDP being attributed to agriculture. Agriculture will always support a nation wide variety of input agribusiness and output agribusiness. Its political significance and ramifications are not lost in a vibrant democracy such as ours.

Food processing has been talked about for long as being our sunrise sector but has very little daylight is as yet on show. Granted that consuming demand in the past may have been low, our food habits of today require variety and convenience like never before. Globally, the consumption of fruits & vegetables is the backbone of organised food retail. Opportunities exist to set up Primary Processing Centres near to growing areas for agglomerating, handling and transporting produce to the food service sector, the food processing sector and to modern organised Retail sector. Just creating warehousing may not be enough.

But agriculture requires the patience to watch grass to grow. Crops are prone to the forces and factors of nature. The thinning (and graying) of the farm sector is reason for concern. Agribusiness shall need to be inherently sensitised to contend with seasonality and variability. Agribusiness need to happen in a pioneering spirit, seek collaborative partnerships and linkages. The role for Governments will need to be supportive and non-intrusive.

This then is the challenge ahead, the opportunity ahead. Agribusiness is the most purposeful joining of agriculture and of business and for opportunities that are right there for the asking and for the taking.

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# JNNURM - Status of Reforms in Northern States

“What I should like in regard to every city is a clear plan of what the city would look like, say, twenty or thirty years later”

- Pt Jawaharlal Nehru, first Prime Minister of India

The Union Government launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in December 2005 for integrated development of urban infrastructure and services. The JNNURM was launched with the goal of achieving "reforms-driven", fast-track and planned development of identified mission cities.

The programme requires the participating states and cities to undertake a variety of reforms. The overall objective of the reforms is to improve urban governance, remove multiplicity of agencies involved in city management, make the processes citizen centric and help Urban Local Bodies (ULBs) become financially self-sustainable.

The innovative part of the programme lies in the fact that it combines reforms with grants to cities to enable them to simultaneously undertake projects for improving basic infrastructure services such as water supply, wastewater disposal, bus transport system and the like. The total investment envisaged in urban areas in the seven-year mission period (2007-12) is over Rs 1,000 billion. Of the total investment, the Government of India has committed to provide about Rs 665 billion<sup>1</sup> and the rest to be borne by respective State Governments and City Governments. The funds are expected to act as incentives to support urban reforms both at the state and city level.

## JNNURM is reform oriented programme...

As a result of the JNNURM programme, the cities have started to think big and now have the opportunity to fulfill their long pending dreams of creating good urban infrastructure. There is a positive wave in all cities regarding the projects being launched and implemented. JNNURM has attempted a reform-linked grant programme to involve both ULBs and state governments in evolving and implementing integrated plans for transforming the infrastructure of designated cities. Due to the programme structure, the cities have been compelled to achieve certain reform milestones in order to continue receiving government grants. It has revived hope for municipal governance and autonomy, as envisaged by the 73rd and 74th amendments to the Constitution. The ULBs are allowed autonomy in terms of selection of projects based on priority and need, choice of financial products, and levy of user charges for municipal services offered.

<sup>1</sup> JNNURM, Annual Update, 2008-09, MoUD, GoI

## Types of reforms

The Reform Agenda comprises a set of 'Mandatory' and 'Optional Reforms' to be implemented at the State and ULB level during the seven-year period (2005-12). The twenty three reforms are further classified as State level and ULB level reforms; however this nomenclature is merely for ease of categorization, since most of the reforms require close co-ordination between the local and state government. E.g. the ULB reforms such as E-governance and Municipal Accounting also require state intervention in the initial stages of implementation. Many of these reforms will help to empower ULBs. These reforms are:

- Implementation of 74th Constitution Amendment Act (CAA)
  - Elections to ULBs
  - Transfer of 12th Schedule functions to ULBs
  - Formation of District Planning Committee (DPC) and Metropolitan Planning Committee (MPC)
  - Formation of State Finance Commissions and implementation of its recommendations
- Public Disclosure Law
  - Regular disclosure budgets, projects, revenues, financial statements, etc.
- Community Participation Law
  - Formation of Area Sabhas for active participation of community into budget making process, monitoring of project implementation, etc.
- Integration of City Planning and Delivery Function with ULBs
- Accounting Reform
  - Introduction of accrual based double entry accounting system
  - Preparation of Annual Balance Sheets.
- Property Tax Reform
  - Introduction of Self Assessment System (SAS)
  - More than 90% of properties to be on tax records
  - More than 80% of tax collection

- User Charges
  - At least 100% collection of operation and maintenance expenditure
- Administrative and Structural Reforms
  - HRD policy
  - Municipal Cadre
- Encouraging Public Private Partnership

## Status of reform implementation at ULB and state level<sup>2</sup>

There are many instances of urban reforms carried out under the JNNURM programme in the mission cities. Summation of key achievements and progress is given below:

- 13 cities and 145 small towns have accomplished e-governance reforms.
- 29 cities and 156 small towns have migrated to double-entry accrual-based accounting system.
- 45 cities and 184 small towns have internal earmarking of funds for services to urban poor.
- 16 cities and 186 small towns have achieved 85 per cent coverage in property tax collection, and 13 cities and 128 small towns have achieved 90 per cent collection efficiency.
- 40 cities and 244 small towns have taken initiatives to encourage PPP in projects.
- 24 cities and 276 small towns have introduced computerised process for registration of land and property.
- 47 cities and 334 towns have undertaken revision of building by-laws for mandatory rainwater harvesting in all buildings.
- 15 cities and 125 small towns have made provision for earmarking 20-25 per cent of developed land for Economically Weaker Section (EWS) and Low Income Group (LIG) category.
- Ten states have transferred functions mandated under the 74th CAA to the ULBs; 19 states have constituted DPCs; 4 states have constituted MPCs.
- Repeal of Urban Land Ceiling and Regulation Act (ULCRA) in all the Northern states; enactment of Public Disclosure Law in 14 states enabling greater transparency and accountability in ULBs, rationalisation of Stamp duty up to 5% in 9 states, and enactment of Community Participation Law in 9 states.

## Some of the major reforms initiated in Northern States:

- Amongst state-level policy initiatives, the Uttar Pradesh government approved the Uttar Pradesh Water Management and Regulatory Commission Act, 2008, to establish an independent water regulator in the state.
- In Rajasthan, the Water Institute, a joint initiative of the Confederation of Indian Industry (CII) and the state government, was set up in Jaipur to facilitate urban water management.
- Rainwater harvesting is now made mandatory in new buildings (in specified buildings) in Haryana, Rajasthan, New Delhi, Kanpur and Lucknow, and digging bore wells requires permits in Delhi and Gurgaon.
- The Rajasthan government has also come up with a comprehensive land titling legislation.
- In Punjab, the functioning of public transportation systems has been transferred to the city governments, and the Punjab Municipal Infrastructure Development Fund has been constituted by the state government for raising resources from the capital markets.
- Unified metropolitan transport authorities have been established in the mission city of Jaipur.
- Introduction of double entry accounting system across all local bodies in Jaipur, Allahabad and Shimla.
- Introduction of e-governance across all the local bodies in Jaipur.
- Streamlining and simplification of issue of building permissions in Amritsar, Ludhiana, Jaipur and Ajmer.
- Introduction of self-assessment system of property taxation in Delhi.
- The city of Faridabad has taken Community Participation to the next level by involving the community in monitoring project progress from tendering to the execution stage.
- The Municipal Corporation Chandigarh (MCC) undertook a project involving upgradation of water supply infrastructure for proper monitoring and automation with computerised surveillance through the supervisory control and data acquisition system. The system enables central control of remotely located field stations (like tube wells and water works) and monitoring of important process parameters. In addition, it may provide some financial benefits also.
- The Uttar Pradesh government also approved a scheme to install water meters in seven cities in the state under the JNNURM.

<sup>2</sup> 12 February 2010, India Infrastructure & JNNURM, Annual Update 2008-09

- Uttar Pradesh has invited private sector participation to implement a 24x7 water supply project on pilot basis in Allahabad and Lucknow.

## Triggering urban reforms

Reforms can be triggered by creating external pressures on municipal bodies and city administration. In Surat, extreme circumstances such as the plague in early 1990s lead to the reforms. Local leadership in terms of Commissioner in Ahmadabad, Mayors in Alandur and Indore, and President of Textile Exporters Association in Tirupur lead the reforms in these cities. The State Government played a key role in reforming Hyderabad city. The Bangalore Citizens Report Cards was an attempt towards improving accountability by involving citizens in performance assessment of public agencies. JNNURM has

also played a crucial role in introduction of far reaching reforms in ULBs. A recent report by TERI (2009) has said the following could trigger reforms:

- Informed and tax-paying citizens demanding better services and greater accountability;
- Creating competitive pressure by comparing performance of ULBs;
- Linking all Government and multilateral funding to performance of ULBs on MoUD's standardised service delivery benchmarks and reforms.

Source: Chetan Vaidya, Working Paper on Urban Issues, Reforms & Way Forward In India, July 2009

Status of Reforms in Northern States/Cities							
Reforms		Mega Cities	Industrial Mega Cities	Mixed Economy	Cultural Cities	Cities with environmental significance	
State Level Reforms	Transfer of Water Supply Function		Faridabad Ludhiana	Chandigarh	Amritsar	Shimla	
	Transfer of City Planning Function					Shimla	
	Implementation of 74 CAA (Constitution of MPC/DPC)		Faridabad Ludhiana Kanpur	Jaipur Lucknow Meerut	Varanasi, Agra, Amritsar, Allahabad, Ajmer-Pushkar, Mathura, Haridwar	Shimla	
	Enactment of Community Participation Law		Faridabad	Jaipur	Ajmer-Pushkar		
	Enactment of Public Disclosure Law	Delhi	Faridabad Kanpur	Jaipur Lucknow Meerut	Varanasi, Agra, Allahabad, Meerut, Ajmer-Pushkar		
ULB Level Reforms	Mandatory Reforms	E-Governance		Jaipur			
		Property Tax – 85% Coverage				Agra, Allahabad	
		Property Tax – 90% Collection Efficiency			Lucknow Chandigarh	Allahabad	
		User Charges (100% O&M Cost Recovery) – Water Supply					
		User Charges (100% O&M Cost Recovery) – SWM					
		Internal Earmarking of Funds for Poor		Faridabad Kanpur	Jaipur Lucknow Meerut Chandigarh	Varanasi, Agra, Amritsar, Allahabad, Ajmer-Pushkar, Mathura, Haridwar	Dehradun Nainital



Status of Reforms in Northern States/Cities							
Reforms	Mega Cities	Industrial Mega Cities	Mixed Economy	Cultural Cities	Cities with environmental significance		
ULB Level Reforms	Optional Reforms	Shift to Double Entry Accounting		Jaipur	Allahabad	Shimla	
		Introduction of Property Title Certification System in ULBs		Chandigarh			
		Revision of Building Bye Laws – streamlining the Approval Process		Ludhiana	Jaipur	Amritsar, Ajmer-Pushkar	
		Revision of Building Bye laws - Mandatory Rainwater Harvesting in all buildings	Delhi	Faridabad Kanpur	Lucknow Jaipur	Ajmer-Pushkar, Allahabad, Mathura, Meerut, Varanasi, Agra	Shimla Dehradun
		Earmarking 25% developed land in all housing projects for EWS/LIG		Ludhiana	Chandigarh Jaipur	Amritsar, Ajmer-Pushkar	
		Simplification of legal and procedural framework for conversion of agricultural land for non-agricultural purposes				Jaipur & Ajmer-Pushkar	
		Byelaws on Reuse of Recycled Water	Delhi		Chandigarh		
		Encouraging PPP		Kanpur	Lucknow Jaipur	Amritsar, Ajmer-Pushkar, Agra, Allahabad, Mathura, Meerut, Varanasi	
		Administrative Reforms					
		Structural Reforms					
		Introduction of computerized process of Registration of land and property			Jaipur		Shimla
		Introduction of Property Title Certification System in ULBs			Chandigarh		
		Revision of Building Bye Laws – streamlining the Approval Process		Ludhiana	Jaipur	Amritsar, Ajmer-Pushkar	
		Revision of Building Bye laws - Mandatory Rainwater Harvesting in all buildings	Delhi	Kanpur Faridabad	Lucknow Jaipur	Ajmer-Pushkar, Agra, Allahabad, Mathura, Meerut, Varanasi	Dehradun Shimla
		Earmarking 25% developed land in all housing projects for EWS/LIG		Ludhiana	Chandigarh Jaipur	Amritsar, Ajmer-Pushkar	
		Simplification of legal and procedural framework for conversion of agricultural land for non-agricultural purposes			Jaipur	Ajmer-Pushkar	

Source: Implementation of Reforms under JNNURM (Lessons for PEARL)ASCI (Hyderabad), Ministry of Urban Development, Website of JNNURM and Working Paper on Urban Issues, Reforms and Way Forward In India

## Conclusion

Overall, Gujarat, Maharashtra, Andhra Pradesh, Karnataka, West Bengal and Tamil Nadu have made very good progress.

The implementation of JNNURM projects in states like Madhya Pradesh, Orissa, Uttar Pradesh, Punjab and Haryana is satisfactory. However, the pace has been slow in the North-Eastern States, Jammu & Kashmir, Uttarakhand, Jharkhand and Bihar.

# members' meets

## Chandigarh, 22 June 2010



### Key issues discussed

- development of R&D institutes to make Chandigarh an R&D Hub
- expedite work on Chandigarh Industrial Policy
- conversion of leasehold to freehold
- development of IT sector in Chandigarh and ensure speed in implementation
- need for a cluster of 7-8 leading companies in the tricity
- development of Chandigarh on NCR pattern
- implementation of Mass Rapid Transport System

## NCR, 1 June 2010, New delhi



### Key issues discussed

- NCR connectivity needs to improve
- better infrastructure required for Delhi & NCR to gear up for the forthcoming Commonwealth Games 2010
- special focus should be on medical tourism and healthcare packages during the Games
- need for strategic security management

## Himachal Pradesh, 21 June 2010, Parwanoo



### Key issues discussed

- continuous quality power supply
- infrastructure including roads, rail & air connectivity
- development of peripheries of the state on lines of NCR
- transport unions
- establishment of tool rooms in all industrial corridors

## Rajasthan, 26 June 2010, Jaipur



### Key issues discussed

- simplification of tax laws
- setting up of settlement committees in up-coming GST, IGST and other tax regimes
- emphasis on skill development
- prioritisation of Total Water Management

## Uttar Pradesh, 29 June 2010, Kanpur

### Key issues discussed

- kick start CII office at Kanpur
- immediate focus on Industrial Infrastructure in Kanpur and usage of various government schemes for industrial development
- provision of night landing facility at the Chakeri airport
- facilitate industry interface with IIT Kanpur, HBTI and other institutes
- focus on skill development especially for leather industry
- institutionalise industry interaction with government
- priority to deal with pollution



# in focus



## Innovation Conclave – 'Driving Growth through Innovation'

15 June 2010, New Delhi

The CII conclave focused on what some of the organisations in the product/service innovation space have done to reach out to masses and focus on the concept of 'fortune at the bottom of the pyramid' and be cost effective without compromising on quality through process innovation.

Mr Somenath Ghosh, Chairman and Managing Director, National Research Development Corporation (NRDC) inaugurated the Conclave. Over 140 participants comprising CEOs, innovation heads, decision makers, heads of strategy, and senior executives from different companies attended the conclave and benefited from deliberating at the discussions.

## Crop Diversification: 'A diagnosis of the past and prescriptions for the future'

8 July 2010, New Delhi

CII conference called for the issues of sustainability in use of land, water and soil resources. "Market and institutional issues, backward forward linkages, infrastructure, value addition, revisiting land reforms, market reforms etc are the other aspects that should be kept in mind while undertaking the crop diversification drive," said Mr UC Sarangi, Chairman NABARD.

Mr. Salil Singhal, Co-Chairman, CII National Council on Agriculture & Chairman PI Industries Ltd suggested a roadmap for



Release of report on 'Crop Diversification: A Diagnosis of the Past and Prescriptions for the Future'

crop diversification through measures like post harvest technology, institutionalising rural credit, developing a strong political and administrative will to rejuvenate agriculture.

A report on 'Crop Diversification: A Diagnosis of the Past and Prescriptions for the Future' compiled by CII was also released at the event with Technopak as the knowledge partner.

The report highlighted the need for acceleration of PPPs, adoption of crop diversification thereby leading to attainment of sustainability in agriculture and food processing. Few key challenges in crop diversification were identified as fragmented land holdings, inadequate infrastructure, natural resource management, etc.

## Biomedical Waste Management

3 June 2010, Srinagar

The conference was aimed at bringing all the stake holders on a common platform so as to plug the gaps in the vital chain of Bio Medical Waste management in J&K. Chief Guest at the session was Mr Shantmanu, Commissioner Secretary Forest & Environment Department, Government of J&K. He complemented CII for taking the initiative in organising a conference on a very relevant subject, the importance of which has unfortunately been largely neglected. The Session was attended by over 100 delegates consisting of senior doctors from medical & dental colleges Srinagar, CMOs of district hospitals, medical superintendents and the paramedical staff related to bio medical waste management.

# building people



## Developing social intelligence

26 May 2010, Gurgaon

The workshop stressed on recent findings from the exciting fields of research, translated into a set of specific, practical technique working through emotional dynamics, which leaders and professionals can use on a day-to-day basis to increase their effectiveness in dealing with people. Steering the workshop Simerjeet Singh, a certified Neuro Linguistic Programming (NLP) trainer from United Kingdom, acquainted industry with the skills in role-playing and self-presentation, healthy human relations and improving professional atmosphere.

## Leadership & strategy for corporate sustainability

11 June 2010, Chandigarh

The training programme on leadership aimed at laying out the business case for the sustainable business model; the key drivers for sustainability; the role of leadership visions & the potential of new markets. Sharing cases studies the session conceded that 'Vision' facilitates a transition in the company values. The difficulty in changing one's perspective on work or one's company is due to insecurity, path dependencies, misunderstandings and adjustment problems.

## How to be a star performer

12 June 2010, Jodhpur

To have an in-depth knowledge of nine breakthrough ideas of being a Star Performer, the seminar faculty, Mr Tapas Dasmohapatra from Think Inc, New Delhi, elaborated on the nine work strategies that boost the productivity and presence of an individual – viz initiative, networking, self-management, perspective, followership, teamwork, leadership, being organisational savvy and show & tell. The objective

of this seminar was to help people understand what is it that separates the stars from the rest Mr Ravi Jain, CEO, Jodhpur Development Authority was the Chief Guest at the well-attended programme.

## Right people, product and processes: Key to enhanced productivity

30 June 2010, Chandigarh

The workshop, 'Unleash your productivity through better people, product and processes' intended to inculcate the concept of productivity for self and organisation; understand personal contribution towards improvement; relate, understand and use the improvement tools for better productivity to generate higher value for self and the organisation.

Col Amar Bindra, Chief Enabler, the Performance Enablers, stressed on enhanced skills & methods which are needed to achieve ever-increasing targets in today's demanding workplace. All aspects of these three important Ps were discussed and analysed at length and participants from diversified sectors shared their best practices.

## Affirmative action project to train 23 SC/STs on computer based accounting skills

In sync with CII's national mandate on Affirmative Action, CII Chandigarh launched a three month training programme from June 2010 for skill enhancement of 23 SC/ST youth and to enable them become employable in Small Industry Employable in the field of Finance & Accounts and routine office management activities. In spite of having basic qualifications, many SC/ST candidates find it difficult to get suitable jobs due to lack of confidence or job skills to face the interview panels. The focus therefore has been on addressing these gaps by imparting soft skills training, introducing personality development courses and scale up vocational skills development programmes.

Ravi Jain, CEO, Jodhpur Development Authority addressing the participants; Workshop on 'Unleash your productivity through better people, product and processes', in progress; Skill enhancement programme for 23 SC/ST youth





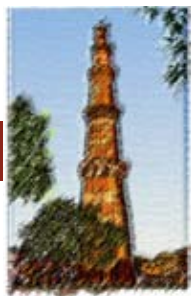
## CHANDIGARH

### Sister Shivani shares mantra for stress free life with CII, 4 June 2010

A minute of silence – a minute of introspection evoked everyone to see within and ponder about their life at 200 packed session on ‘Stress Free Lifestyle’ by Brahma Kumari Sister Shivani. Sharing the mantra of stress-free lifestyle, international speaker of Brahma Kumaris, Sister Shivani deliberated that it’s about changing within and learning to respect other’s choices to live peacefully.

“Stress is not about the work, it’s about the way we think while doing the work. All what is required is to change the way we deal with the things,” said Sister B K Shivani, a Rajyoga meditation teacher and spiritual guru. Identifying challenges as a way of life, she emphasised that the challenges outside can’t be changed. So all one can control and change is within inner self and the way we react to these challenges.

With her serene and captivating demeanor, Sister Shivani immediately struck a chord with her audience and all were taken away to a journey of introspection and discovering the beauty within.



## DELHI

### Interaction with Mrs Sheila Dikshit, Chief Minister and Mr Rakesh Mehta, Chief Secretary, 1 June 2010

A CII delegation led by Mr R M Khanna, Chairman, CII Northern Region called on Smt Sheila Dikshit Chief Minister and Mr Rakesh Mehta, Chief Secretary of Delhi. The CII delegation comprising Mr Vijay Thadani, Deputy Chairman, CII (NR), Mr Zubin Irani, Chairman, CII Delhi and Mr Virat Bhatia, Vice Chairman, CII Delhi,



briefed the Chief Minister and Chief Secretary on the initiatives planned by CII Northern Region especially for Delhi.

The Chief Minister suggested CII to conduct a study on promoting Delhi as Knowledge hub and organise an exposition on technologies like Light-Emitting Diode (LED) and solar energy that could be used by people and industry to combat climate change.

Mr Zubin Irani, Chairman, CII Delhi, informed the Chief Minister about the awareness session which will be organised by CII to assess the impact of GST on various sectors.



## HARYANA

### Meeting with Mrs Urvashi Gulati, Chief Secretary, 22 June 2010, Chandigarh

At the meeting with Mrs Urvashi Gulati, Chief Secretary, CII delegation led by Mr Khanna, emphasised on the need for a skill gap study to be conducted for the state, which would help the state understand the skills required viz a viz employment opportunities.

The Chief Secretary was enthused with the suggestion of working together of CII and Government for the skill gap study for Haryana.

Mrs Gulati said that this proposal should be jointly sent by CII to Mr P K Gupta, Financial Commissioner & Principal Secretary, Technical Education and Mr Ajit Sharan, Financial Commissioner & Principal Secretary, Finance.

Mr Khanna flagged that even though the Haryana Government had taken several initiatives for improving power supply by augmenting generation capacity but the state was facing erratic power supply due to transmission and distribution losses. The transmission and distribution system would need to be strengthened for an efficient and reliable power supply.



## HIMACHAL PRADESH

### Meeting with Prof Prem Kumar Dhumal, Chief Minister and other Government officials

21 June 2010, Shimla

CII delegation led by Mr R M Khanna, Chairman, CII Northern Region met with Her Excellency, Mrs Urmila Singh, Governor, Prof Prem Kumar Dhumal, Hon'ble Chief Minister, Mr Kishan

Kapoor, Industries Minister and Mrs Asha Swarup, Chief Secretary of Himachal Pradesh. At the meeting the state government consented to support CII's unique initiative – APPLE FEST 2010 at the Ridge, Shimla in September. CII delegation also ascertained state government's participation in Agro Tech 2010 and opening of trauma centres across Himachal along with discussing power and connectivity issues in the state.



Meeting with Prof Prem Kumar Dhumal, CM, Himachal Pradesh



## JAMMU & KASHMIR

### CII calls on Mr Sudhanshu Pandey, Commissioner, Secretary Finance, 1 May 2010, Jammu

A CII delegation led by Mr Vicky Mahajan, Chairman, CII J&K, called on Mr Sudhanshu Pandey, Commissioner Secretary Finance, Government of J&K, to discuss the industrial issues in the state and recommended the exemption of work Contract Tax / Service Tax.

### CII calls on Sudhanshu Pandey Commissioner Secretary Finance



**NI Correspondent**  
JAMMU, MAY 01: The delegation of the members of Confederation of Indian Industry (CII) today called on Mr Sudhanshu Pandey, Commissioner Secretary Finance Government of J & K to discuss the industrial issues in the state. The delegation also discussed the exemption of work contract tax / service tax for a period of one year ending March 2011 however, no SRG extending VAT refund on purchases made through SICOP has been issued. This was causing great financial loss to the industry in J & K. The Confederation recommended that necessary SRG extending VAT refund on purchases made through SICOP be Govt. order 168-IND of 2005 dated 10.06.2005 had lapsed on 31.03.2010. CII recommended that this incentive should be further extended till GST regime was rolled out throughout India. The Confederation also requested that the VAT



## PUNJAB

### Interaction with Mr Jai Singh Gill, Chairman, Punjab State Electricity Regulatory Commission, 14 June 2010, Ludhiana

The agenda of the interaction was to replicate the Pune Power Model in the state. Interacting with the industry stalwarts, Mr Gill assured his full support to make Punjab a power surplus state and requested CII to prepare an actionable roadmap for the same.

### CII delegation calls on Mr Gaurav Yadav Police Commissioner, Jalandhar, for better traffic management

28 June 2010, Jalandhar



Jai Singh Gill, Chairman, PSERC addressing participants at the Interaction on "Punjab Power Model"

### CII Member companies adopt city parks & green belt for beautification

25 May 2010, Amritsar

CII members adopted 2 parks at District Shopping Centre and 500 mts of green belt along GT Road in Amritsar. The member companies are Divine Destination & Kochar Infotech Pvt Ltd.

Mr Jitender Jain, Chairman, CII Amritsar urged City Administration to also look at the issues of stray dog menace and lack of adequate parking places in the city.

Mr D P S Kharbanda, Municipal Commissioner, assured that he would personally make sure that all improvement suggestions by CII are implemented and urged industry to adopt the green belt area alongside the GT Road from Tara Wali Bridge upto Elevated Road.



## RAJASTHAN

### Interaction with Mr Rajendra Bhanawat, Managing Director, RIICO Ltd, 26 June 2010, Jaipur

At the interaction, Mr Rajendra Bhanawat, Managing Director, RIICO Ltd said, "Rajasthan is the largest state in the country with the 10% land of India and we are limited in various resources but still we are way ahead because of our core competencies of having cultural richness, minerals, tourism and people who are undefeatable entrepreneurs." Mr Vijay K Thadani, Dy Chairman, CII NR & CEO of NIIT Ltd said that Rajasthan has the potential to emerge as the next destination driving investments and growth.

### Interaction with senior officials from Ministry of Commerce, Government of India and State Government, 24 June 2010, Jaipur

CII participated in the meeting held with senior officials from Ministry of Commerce, Government of India and State Government on various state issues like agriculture and skills. Officials who attended the meeting included, Mr A K Mangotra, Additional Secretary, Ministry of Commerce, Government of India; Mr S Ahmad, Addl Chief Secretary, Government of Rajasthan; Mr Ravi Mathur, Principal Secretary – SSI; Dr Purushottam Agarwal, Commissioner, BIP; Mr Umesh Kumar, Administrator, Rajasthan Agri Marketing Board; Mr Rajendra Bhanawat, MD, RIICO; and, Mr Asit Tripathi, Chairman, APEDA.



Rajendra Bhanawat, Managing Director, RIICO Ltd, during an interaction with CII members; Dr M K Devarajan, Chairman & Managing Director, RAJSICO and Niranjan Arya, Commissioner, Commercial Taxes, Rajasthan



## Meeting with...

- Mr Ashok Gehlot, Chief Minister, Rajasthan, 28 May 2010, Jaipur
- Mr T Srinivasan, Chief Secretary, Rajasthan, 21 June 2010, Jaipur
- Mr Ram Lal Jat, Minister of State for Forest, Environment & Mines, Rajasthan, 26 May 2010, Jaipur
- Mr Manohar Kant, Principal Secretary – Labour & Employment, Rajasthan, 5 July 2010, Jaipur
- Mr S Ahmad, Addl Chief Secretary – Agriculture, Rajasthan, 12 May / 22 June 2010, Jaipur
- Mr Sunil Arora, Principal Secretary – Industries & Chairman, RIICO Ltd, Rajasthan, 11 June 2010, Jaipur
- Ms Usha Sharma, Principal Secretary & Commissioner – Tourism, Rajasthan, 17 June 2010, Jaipur
- Dr M K Devarajan, Chairman & Managing Director, RAJSICO and Mr Niranjan Arya, Commissioner, Commercial Taxes, Rajasthan, 28 May 2010, Jaipur



## UTTAR PRADESH



## Industry Interface at Kanpur

29 June 2010, Kanpur

Despite being the second largest revenue earner for Uttar Pradesh, the industries of Kanpur are still struggling with infrastructure, broken roads, poor drainage, choking sewage system and poor water supply. CII Northern Region Deputy Chairman, Mr Vijay K Thadani, visited the city to interact with the senior officials of Government of Uttar Pradesh including Shri Arun Kumar Sinha, Principal Secretary, SSI & Export Promotion, Uttar Pradesh, Mr Amit Ghosh, Commissioner, Kanpur and prominent industrialist.

The interaction saw the convergence of all prominent industrialists of Kanpur which included Padam Shri Irshad Mirza, Chairman & Managing Director, Mirza Tanners Ltd., Mr Mukhtarul Amin, Member - CII UP & Managing Director, Superhouse Ltd., Mr P K Khanna, Past President - Indian Paints Association & Managing Director, Khanna Group Of Industries, Mr Alok Lohia, Lohia Starlinger Ltd, to name a few.

The actionable points that emerged from the discussion are follows:

- At least two large and modern industrial areas required additionally in Kanpur including one exclusively for the leather industry
- Operations of the dry port at Kanpur to be substantially improved with complete automation leading to better service delivery for importers and exporters
- 100% completion of the 4-lane highway between Lucknow and Kanpur including the new bridge on the river by March 2011
- Efforts needed on a war-footing to clean the Ganges water and effect total stoppage on effluents being poured into the river without prior treatment
- Hourly, non-stop and air-conditioned luxury coaches to be started between Lucknow airport and Kanpur city centre with one hour commuting time
- Night landing facility at the Chakeri airport with expansion of runway to be undertaken



## UTTARAKHAND

### Role of IPR – enhance business of SMEs, 6-7 May 2010, Dehradun

The CII-MSME workshop focusing on the drug and pharma cluster aimed to make the industries aware about the intellectual property system, the protection it can provide for their inventions, brands, and designs, the relevance of Intellectual Property Rights (IPR) in day-to-day business, high costs associated with obtaining and enforcing IPR. The workshop was attended by around 60 participants from various industries, academicians & legal professionals.



Rajiv Berry, Chairman, CII Uttarakhand interacting with T G Srinivasan Lead Economist World Bank

### Meeting with World Bank team, 1 July 2010, Dehradun

World Bank team visited CII Uttarakhand to discuss key issues related to the state and to understand the impact on industrial development post concessional industrial package.

The team also explored if the current environment was conducive for the new

industry to setup operations in the state. Key issues deliberated related to power, infrastructure, connectivity, environment, tourism and skill development. Mr T G Srinivasa, Lead Economist, World Bank, Mr Pyush Dogra, Environmental Specialist, World Bank, Mr Rajiv Berry, Chairman, CII Uttarakhand & Dr S Farooq, Vice Chairman, CII Uttarakhand were present at the meeting.

### Assessment report on IT Enabled SWS in the State presented to Principal Secretary Industrial Development, 6 July 2010, Dehradun

Taking forward the agenda of an effective Single Window System in the state, CII presented the draft assessment report on IT-enabled SWS in the State. The objective of the report is to define the project vision, objectives and scope for an IT-enabled Single Window System in the state. Mr P C Sharma, Principal Secretary, Industrial Development; Mr S Ramaswamy, MD SIDCUL; Mr S C Nautiyal, Addl Director, Department of Industrial Development; Mr Rajiv Berry, Chairman; Dr S Farooq, Vice Chairman, CII Uttarakhand; Mr Rahul Mullick, Director – Advisory Services KPMG & Mr Anand Dubey, Assistant Manager – Advisory Services, were present at the meeting.

### Interaction with Mr C S Semwal, Additional Secretary – Finance, on gearing for GST

6 July 2010, Dehradun

Mr C S Semwal shared various aspects of the GST and its implications on the industry and also briefed the council on the following key areas:

- Proposed framework for GST
- Rate structure & difference between CGST & SGST



Interaction with C S Semwal, Additional Secretary – Finance

- Impact of GST especially on MSME's
- Transactions liable to multiple taxes

### Meeting with..

- N S Napalchyal, Chief Secretary, Government of Uttarakhand on sustainable Himalayan development, 14 May 2010
- Dr Ajay Gairola, Member Secretary, Uttarakhand Environment Protection and Pollution Control Board, 20 May 2010 and 22 June 2010, Dehradun

# exploring horizons



## Encouraging global linkages



From hosting a session with Finance Minister Pranab Mukherjee in Washington DC to representing young entrepreneurs at the G-20 Summit in Toronto, June has been quite an eventful month for the Confederation. CII launched an Indo-US SME initiative with its partner organisation USIBC to strengthen linkages between mid-sized companies in US and India. CII Director General Chandrajit Banerjee also presented an agenda for technological cooperation in clean water and hygienic food at the newly constituted Indo-US Science & Technology Commission. CII also met President Obama, who addressed the reception of the Strategic Dialogue, reaffirming his commitment to strengthening relations with India.

## Austrade focus on Northern region

19 May 2010, Jaipur; 24 June 2010, Ludhiana

Following the signing of MoU between Austrade and CII in April 2010, interactive sessions were organised between CII NR and Austrade to explore possibilities of enhancing trade between India and Australia. The sessions were addressed by Mr Micheal Carter, Trade Commissioner, Australian High Commission in Punjab and by Ms Rebecca Ball, Trade Commissioner, Australian Trade Commission in Jaipur.

## AIIESEC international delegation to work in rural UP

18 May 2010, Lucknow

The interactive session shared the expertise and role of corporates in bringing a positive change in rural areas with budding international leaders from AIIESEC International. The AIIESEC international delegation from Netherlands, Mexico, Malaysia, Philippines, Slovakia and Ukraine will work for six weeks in the rural areas of Uttar Pradesh and Uttarakhand.

## Switzerland and India: New emerging domains for strategic partnerships

21 May 2010, Jaipur

Swiss Ambassador, H E Phillipe Welti discussed business opportunities available between Switzerland and India.

## Exploring the sunshine sectors of Zambia

5 July 2010, Lucknow

Identifying agriculture, mining and tourism as three sunshine sectors of Zambia, H E Kely Walubita, High Commissioner of Zambia to India, invited Indian corporates to establish their business in these sectors there.

## Meeting with Md Habibur Rahman Khan Commercial Counsellor, H C of Bangladesh

15 June 2010, Dehradun

Md Habibur Rahman Khan, Commercial Counsellor to the High Commissioner of Bangladesh, interacted with Mr Rajiv Berry, Chairman, CII Uttarakhand along with other members to explore mutually beneficial business opportunities.

Left to right: Ms Rebecca Ball, Trade Commissioner, Austrade during interaction with industry members; H E Phillipe Welti interacting with CII members; Md Habibur Rahman Khan, Commercial Counsellor to the High Commissioner of Bangladesh, interacting with CII delegation



# reaching out



## Launch of CII- Nanhi Chhaan Green Initiative 2010

9 June 2010, Chandigarh

H E Mr Shivraj Patil, Governor, Punjab and Administrator Chandigarh, launched the CII-Nanhi Chhaan green initiative 2010 at CII Northern Region Headquarters in Chandigarh. Mr Patil also inaugurated the CII Nanhi Chhaan sapling distribution counter. Mr Hapral Singh, Past Chairman CII Northern Region briefed Mr Patil about the concept and shared CII plans on mass plantation, corporates engagement and Nanhi Chhaan launch with Indian Army in Jammu. Over 330 saplings were distributed to the participants.

## Defeating stigma requires multi-pronged approach: CII

11 June 2010, Chandigarh

"Coming together is a beginning, staying together is progress and working together is success," exclaimed Dr J P Singh, Director Health and Family Welfare, Punjab highlighting the significant role of CII in helping engage the industry for leveraging workplace strategy & beyond for combating TB.

The sessions blended the experience and insight of corporate and non-corporate leaders, sparking exchanges of ideas and best

## Corporates open arms for differently abled

NEHA HOLLAND  
Training News Service

**Chandigarh, May 25**  
Despite being the only applicant for a post advertised by a premier company, Deepak (28), a B.Tech, MBA, was rejected because of his 75 per cent visual disability in 2009.

In another case, Vinod Sharma (28), with 80 per cent orthopaedic disability, had never dreamt that he could be employed at all. Hundreds of such persons with disabilities (PWDs) have now found a ray of hope.

Waking up to the conscience of corporate sector towards its social responsibility by providing a fair chance to persons with disabilities (PWDs), the National Technical Teachers' Training and Research (NTTTR), in collaboration with the Northern chapter of the Confederation of Indian Industry (CII),



## ABILITY 2010 continues...

For the year long initiative of CII Northern Region, to forge partnership to create sustainable livelihood for the differently-abled, Tata Business Support Services Limited and Fortis Healthcare have come forward to support the initiative. 6 more candidates were selected for the position of customer care executives making the total number of placed candidates to 43.

Identifying the potential in the candidates during the fifth placement rounds for the Customer Support Executives positions on 6 June 2010, Tata Business Support Services Limited has planned to undertake free soft skills / Employability Training Programme for the differently-abled.

IBM Daksh handed over the joining letters to 13 candidates selected in the hiring rounds on 28 April and 25 May 2010.

practices. Dr P K Shridhar, State TB Officer, Punjab, shared the vision and overview of the National Program RNTCP stating the impacts of TB at Workplace. Out of 1.5 million cases registered for HIV and TB, 2500 were from Chandigarh. "Let's get together, get going to join hands for fighting this catastrophe of TB-HIV," adjured Dr Vanita Gupta, Project Director, Chandigarh State AIDS Control Society, while addressing the conference.

CII is handholding the TB management initiative by engaging the corporates through Memorandum of Understanding, and facilitating the service delivery model.

**CII's health initiatives...**

CII HIV/AIDS Tele-helpline 1800 180 2008 toll-free counselling service continues in 2010-11: The operational cost of the helpline is supported by Punjab State AIDS Control and the helpline has been well-received by 4771 clients since its inception.

**CII generates HIV awareness among city youth***7 July 2010, Mohali*

The HIV/AIDS awareness session for executives at Tata Business Support Services Limited focused on one of the most vulnerable sections of the society, the youth. "Hard to believe but true, these youngsters actually lack knowledge about the epidemic they are being exposed to. But sadly their 'chalta hai' attitude and easy access to everything is the reason that drives these people to risky behaviour," said Ms Meenu, Deputy Director – TI, Chandigarh State AIDS Control Society.

**Launch of HIV/AIDS Target Intervention Project for migrants,***15 May 2010, Mandi Gobindgarh*

HIV has become a key issue of concern with interstate migration. Mandi Gobindgarh in District Fatehgarh Sahib, Punjab comprises about 40,000 migrant workers who live without their families. The findings of National AIDS Control programme have considered this migratory population to be high risk to HIV. To counter the vulnerability amongst the workforce in Mandi Gobindgarh CII Northern Region has initiated an HIV/AIDS Target Intervention Project with assistance from Punjab State AIDS Control Society. The project would cover 5000 workers starting from 15 May 2010 to March 2012.

## EXIM Bank's schemes to support exporting companies

Imbued with both challenge and potential are the Northern Region states. Northern Region has attracted global attention for its robust recovery and extended its hospitality to foreign dignitaries and business delegations from various parts of the globe including UK, United States, Bavaria, Canada, Australia, China, Switzerland and Zambia, among others.

In order to promote financial assistance to the importers and exporters EXIM bank offers export credit facilities that can be availed by Indian companies as well as overseas entities. These include pre-shipment credit at manufacturing stage, supplier's credit at post shipment stage, and buyer's credit to overseas buyers for import of eligible goods from India.

For the promotion of industries including the small and medium enterprises, Exim Bank has a suite of services under its industrial loan portfolio. Finance for export oriented units includes Term and Working Capital finance. Encouraging the participation of Indian companies in overseas joint ventures and acquisitions are its Overseas Investment finances.

Recognising the need of Indian SMEs for business advisory services to enhance their international competitiveness in a highly competitive globalising world, Exim Bank of India has been endeavouring to provide business leads, handholding for export contracts, countries/sector information dissemination, capacity building in niche areas such as quality, safety, export marketing and financial advisory services such as loan syndication.

Exim Bank has a dedicated Agri Business Group to cater to the financing needs of export oriented companies dealing in agricultural products. Financial assistance is provided by way of Term loans with varying maturities, pre-shipment/post-shipment credit, overseas buyers' credit, bulk import finance and guarantees.

Exim Bank has strong linkages with other stakeholders in agri sector such as Ministry of Food Processing Industries, Government of India, NABARD, APEDA, Small Farmers' Agri-Business Consortium (SFAC), National Horticultural Board etc.

## CII Environment Summit

### "Coordinated effort of stakeholders key to conservation"

By OUR STAFF REPORTER DEHRADUN.

The summit was jointly organised by the Unacademy Council of Science & Technology (UCOST), Unacademy Environment Protection Initiative Council (EPI-COUNCIL), Unacademy Forest Department, Unacademy Science Education and Research Centre (E-RESEARCH), Unacademy Environment and Conservation of India Society (E-CIS), the Centre for Science & Technology (CST), Unacademy, and the Ministry of Environment, Forest and Climate Change, Government of India.



Addressing the summit, well-known environmentalist Swaminathan Balgopal urged the participants to work together in conserving the environment. He said that conserving water and soil are two important aspects of conserving the environment. In the context of Unacademy, the guests are also a crucial component, he added.

### Shivraj Patil lauds CII of its green initiatives

By Bureau DEHRADUN.

COMPLIMENTING CII on its green initiatives, Union Minister Shivraj Patil, Minister of Environment & Forest, Government of India, said that "the working with CII to develop an integrated policy for water, energy and environment protection is a project in its own right. It is a very noble and commendable initiative."

Addressing a round table discussion on the long run both to the water, energy and environment protection, Patil said that "the working with CII to develop an integrated policy for water, energy and environment protection is a project in its own right. It is a very noble and commendable initiative."

### Leadership has nothing to do with age: CII chairman

By KANAKA DEVI DEHRADUN.

"GLORY and fame is not what makes life worth living as values come first and success follows," said Abhinav Bhatia during an interaction 'An Achiever's Tale', organised by the Confederation of Indian Industry (CII) to motivate budding entrepreneurs and students on Thursday.



The only Indian to win an Olympic Gold at the Beijing Olympics, he has been a cross-country journey for the speaker. Sharing his experiences, Bhatia said "It really works the way we want it to be. It is essential that we adapt our selves. To change is difficult but not change is fatal."

### Students take a vow to go green, rally for clean environment

By DEHRADUN.

AROUND 200 students from various schools participated in the World Environment Week celebration which commenced at Chandigarh on Thursday. On the occasion, a cycle rally was organised jointly by CII-VSI, Sir Tara Chand Foundation and CPTI. Environment, the theme of the rally was 'Go Green'. The rally was flagged off at 10 am by Sir Tara Chand, Regional Director, Northern Region, Ministry of Environment and Forest, Government of India, Chandigarh, from CII Centre, Sector 16. It terminated at Bhagwati Garden, Sector 1, Chandigarh.

Students took a vow to go green and rally for clean environment. They pledged to plant trees, save water and electricity, and use eco-friendly products.

### प्रदेश के उद्यमियों को आस्ट्रेलिया में कारोबार का न्योता दिया

#### आस्ट्रेलियन हाई कमिशन के उत्तर भारत के ट्रेड कमिश्नर का निमंत्रण



### "Collective responsibility can save climate"

By DEHRADUN.

Addressing the summit, well-known environmentalist Swaminathan Balgopal urged the participants to work together in conserving the environment. He said that conserving water and soil are two important aspects of conserving the environment.

Addressing the summit, well-known environmentalist Swaminathan Balgopal urged the participants to work together in conserving the environment. He said that conserving water and soil are two important aspects of conserving the environment.

### शिक्षा एवं गुणवत्ता बढ़ाने के लिए दें सहयोग : थडानी

#### स्कॉलिंग मूवमेंट को पूरे भारत में जल्द से जल्द लागू करने पर दिया जोर

श्री. अरवि, 22 जून (संवाद) - शिक्षा एवं गुणवत्ता को बढ़ाने के उद्देश्य से शिक्षा उद्योग में सहयोग देना आवश्यक है। इसमें निरंतर प्रयास से ही सफलता मिलेगी। श्री. अरवि, जो शिक्षा उद्योग में सक्रिय हैं, ने कहा कि गुणवत्ता बढ़ाने के लिए सहयोग देना आवश्यक है।



श्री. अरवि, 22 जून (संवाद) - शिक्षा एवं गुणवत्ता को बढ़ाने के उद्देश्य से शिक्षा उद्योग में सहयोग देना आवश्यक है। इसमें निरंतर प्रयास से ही सफलता मिलेगी।

### CII, govt shake hands for Kanpur's makeover

#### FIVE-STAR hotel chain, two industrial areas and much more

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### Need to market state's assets: CII

#### INDUSTRIAL SECTOR Ideas to attract business houses to invest in state

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### CII Organises Conference On Biomedical Waste Management

#### Work on solid waste management, the top priority of the state

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# Business Leaders Programme

11 - 14 September 2010  
The Westin Sohna, Haryana

## Faculty



### Prof. Stuart L Hart

Professor of Management  
Samuel C Johnson Chair in  
Sustainable Global Enterprise  
Cornell University

## Guest faculty



**Mr. Ratan Tata**  
Chairman  
Tata Sons Limited



**Mr. Y C Deveshwar**  
Chairman  
ITC Limited

## Key takeaways

- Improved strategic thinking and focus on sustainability actions
- Sharpened competitive skills and confidence to change from business-as-usual to sustainable business
- Skills for building relationships and alliances across non-profit, public, and private sector boundaries
- Frameworks to shatter the trade-offs between business and sustainability objectives while managing complex stakeholder relationships
- Strategies to gain competitive advantage through sustainability practices
- Vision and action plan on tackling sustainability challenges and opportunities on work

## Participating companies: 2007 – 2009

- Adani Enterprises
- Aditya Birla Group
- Coal India
- Cadilla Healthcare
- Everest Industries
- E I Dupont India
- Infosys Technologies
- ICICI Foundation
- ITC
- L&T
- Mahindra & Mahindra
- NTPC
- Power Grid Corporation of India
- Radisson Hotel
- Reliance Industries
- Rio Tinto
- Taj Group of Hotels
- Vedanta Group

## Companies participating this year

- Infosys
- Intel
- ITC
- Jamshedpur Utilities & Services Company
- Jubilant Organosys
- Kirloskar Brothers
- L&T
- Rio Tinto
- Sesa Goa
- Tata Consultancy Services
- Tata Power

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