



# UTTAR PRADESH NEWSTRACK

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## Viewpoint

**Mr Umesh Agarwal- Convener, Agriculture Panel**



**Umesh Agarwal**

Dear Friends,

In India, agriculture is not a business carried for profit, but a source of livelihood. Agriculture in India still engages about 60 percent of work force and contributes about a fifth of the GDP. A very large majority of farmers / cultivators belong to the category of small and marginal holders.

It is therefore imperative to introduce systems to enable farmers to benefit from their diligence, and the country to reap entire benefits of the agricultural produce.

Provision has been made in the Model APMC Act for constitution of State Agricultural Produce Marketing Standards Bureau for promotion of Grading, Standardization and Quality Certification. Karnataka, Maharashtra, Gujarat and Rajasthan amended the APMC State Act to facilitate E-Trading and we are hopeful that Uttar Pradesh will join this list soon. We are already in the process of engaging with the government on modification of certain provisions of the APMC Act which would help in increasing agricultural profitability in the state.

India has recently initiated Mega Food parks, which as the name suggests, will be a one point source of food - processed, frozen and natural, catering to the entire nation. Current union budget sanctions another 12 Mega Food Parks this year, which we feel is a great opportunity for CII members to jointly avail.

Our endeavor with the Agri panel is to identify effective strategies in efficient, direct and free marketing, organized retailing, smooth raw material supply to agro-processing industries, contract farming, standardization, training of farmers, direct purchasing and export, to overcome deficits and develop a roadmap to transform agriculture into a profitable business and significantly improve agriculture productivity and diversity.

We look forward to working closely with you all.

Warm Regards

(UMESH AGARWAL)

# UP MONITOR

## ECONOMY UPDATES

- ◆ The UP government has sent a revised and enhanced proposal on plan outlay to Planning Commission for 2011-12. Earlier fixed at Rs 45,000 crore, the proposal is now pegged at Rs 47,000 crore. The state government is hopeful of getting it approved from the Planning Commission. The revision of the annual plan comes from a quantum jump in the state's share in the Central taxes which is expected to touch Rs 51,000 crore as against the original calculation of Rs 45,000 crore. If the outlay of Rs. 47000 crore is approved, UP will be way ahead of other states. A distant second would be Maharashtra with its plan size of Rs 42,000 crore. Gujarat trails behind with a plan outlay of Rs 32,000 crore followed by Bihar (Rs 24,000 crore), Madhya Pradesh (Rs 23,000 crore), West Bengal (Rs 22,000 crore) and Delhi (Rs 15,133 crore).
- ◆ The government has decided to withdraw Mandi Tax and development cess on leather and hide. The decision will be in effect from April 1, 2011. Over 20 lakh people would benefit from the decision. This would also help the leather industry expand export business.

## INFRASTRUCTURE UPDATES

- ◆ On the power front, the cabinet has approved the plan to purchase power from five sugar units of Bajaj Hindustan Ltd. of 90mw each. It has also given a nod to UP PCL to purchase electricity from 1980 Lalitpur power project. The state would start getting 450mw of power supply from Next August. The government has already tied up with Reliance to buy 2400mw from its Chitrangi plant from 2014.
- ◆ The state cabinet has given its nod to the proposal of investments of Rs. 10,000 crore through Public Private Partnership to strengthen the power transmission network in order to ensure adequate electricity by 2014. Private companies Isolax and Cobra have been selected to carry out the work under the PPP model in two phases. The work includes setting up of transmission sub-stations and construction of transmission lines.

## OTHER NEWS

- ◆ The government has decided to set up 148 model schools in backward development blocks and also establish 144 girls' hostels. The schools would be developed as Centers of Excellence. The hostels would provide facilities to poor girls of schedule castes, backward classes and minority communities. A committee headed by the Chief Secretary was constituted to implement the plan. This model schools would be centrally under the Madhyamik Shiksha Abhiyan.
- ◆ The state cabinet decided to launch free emergency medical transport service. The government will purchase 988 Basic Life Support (BSL) Ambulances and allow them to run under Public Private Partnership (PPP). One ambulance each would be available in all 820 block developments in 72 districts and four ambulances would be provided in districts with population above 10 lakhs.

## NEW LAND POLICY

### Key features of the new Land Acquisition Policy announced by the State Government:

- ◆ 16% of the acquired land to be given back to farmers after it is developed
- ◆ State no longer to acquire land for private sector projects, though it would have a window to acquire on behalf of companies through industrial development authorities
- ◆ Private sector acquisitions to be done directly by companies at a rate which is calculated with the consent of atleast 70% of the farmers
- ◆ Land Acquisitions for public purposes to be done through mutual agreement under Karar Niyamawali

The new policy announced on June 2<sup>nd</sup> has been implemented with immediate effect. Though, farmers whose land is already under the process of acquisition would not benefit from the policy. Protesting farmers in areas like Bhatta Parsaul continue to be deprived of the benefits.

## BUREAUCRATIC SHUFFLE

- ◆ **Neeta Chaudhary** has been relieved of the charge of Principal Secretary- Medical, Health and Family Welfare and appointed as Commissioner- Social Welfare department. She would be replaced by **Sanjay Aggarwal** who was earlier Principal Secretary- Sugar Industry and Cane Development, Cooperative Department and Registrar- Cooperative Societies.
- ◆ **Netram**, Principal Secretary to the Chief Minister and Principal Secretary- Stamp & Registration has been relieved of the additional charge of Principal Secretary- Food and Civil Supplies Department. The charged has been given to **B. S. Bhullar**, Principal Secretary II- Department of Finance.
- ◆ **Rajan Shukla**, Commissioner- Food and Civil Supplies has been made Chairman of PACT while **Santosh Kumar Yadav**, Chairman- PACT is now Commissioner- Food and Civil Supplies.

## CII INITIATIVES

### CII Session on Innovative Financing for SMEs

One of the key problems faced by an entrepreneur is arranging funds for expansion, modernization or establishment of any new projects. Many a times an entrepreneur is not able to explore and is not aware of the various agencies or financial institutions that can be approached for financial assistance. Against this background CII is organized a session on Innovative Financing for SMEs on 20<sup>th</sup> May 2011 at Hotel Orange Pie, Sector-66 Noida.

Lack of knowledge about the various schemes available with these institutions & paucity of time is a major constraint for the SMEs said Mr Mayank Ajay Gupta, Chairman – CII Western UP Zonal Council

Traditional financing mechanisms have not been able to meet the requirements of the SMEs. Financial institutions are therefore coming up with innovative funding schemes.

Representative from SIDBI, ICICI Bank, Axis Bank and Syndicate Bank had presented on various schemes and options available with them. Crisil Ltd made a presentation on credit ratings for SMEs.

Mr Ashish Malhotra, Convener, CII Western UP MSME Core Group & C.E.O for Ashish Manufacturing Co. Pvt. Ltd. form Noida gave the vote of thanks.



**Mr R C Shukla, Director (OFTG) Board of Apprenticeship Training, Mr B Kiran Kumar, DGM, SIDBI, Mr Mayank Ajay Gupta, Chairman, CII Western UP Zonal Council, Mr Rajiv Panthary, AGM, ICICI Bank**

# CII INITIATIVES

## Meeting with Australian Deputy High Commissioner



**Dr. Lachlan Straham with CII Members at the interactive session organised 3 May, 2011**

Confederation of Indian Industry (CII) organised an interactive session with Dr. Lachlan Straham, Deputy High Commissioner, Australian High Commission. The session focused on exploring new business avenues through mutually beneficial partnerships between India and Australia. The session was chaired by Mr. Alok Saxena, Vice Chairman- CII UP Council. Key members of the confederation participated in the discussion.

Thoughts were exchanged around how India and Australia can partner to accelerate industrial growth in both countries. Though the bilateral economic relationship between the countries is fairly strong but still has considerable potential to expand. A feasibility study shows that both countries would gain 30 billion Australian Dollars over the next twenty years once the trade barriers are lowered. This importance of the discussions grew stronger in the background of the formal announcement regarding India and Australia opening negotiations on free trade.

The key issues discussed during the session revolved around knowledge partnerships, policy issues and the kind of value additions which each country can provide to the other. Australia is also looking at creating a CEO Forum for exchange of ideas and business opportunities between the two countries. The other members of CII present during the session shared their views about the potential that lies in Uttar Pradesh as well as the challenges that lie in the State.

# CII INITIATIVES

## Panel Meeting- Skills

The first meeting of the CII UP Skills Panel was held on 13 May 2011, Mr Kiron Chopra, Convener of the Skills Panel gave an overview of Skilling as a national issue and mentioned that Uttar Pradesh being the most populous state possesses an indispensable role to play.

The panel stressed on the need to do a Skills Gap Study for UP which would help in understanding the needs of the state and also summarized the trades which have high demand in the region, namely plastic molding machinery operators, rice mill machinery repairmen, welders, sugarcane machinery repairmen.

The discussion paved the way for the activities of the panel for the year 2011-12 and highlighted areas of intervention.



**Mr Kiron Chopra (centre), Convener of the CII UP Skills Panel with the members of the panel at the deliberation which took place on 12 May, 2011**

# CII INITIATIVES

## Panel Meeting- Agriculture



**Panel Convenor, Capt. Umesh Agarwal with the other panelists and Indo-Gulf Officials at the Consultative Meeting held on 27 May, 2011**

The first meeting for the Agriculture Panel was organised on 12 May, 2011 at the CII State Office. Chaired by the convener, Capt. Umesh Agarwal, the panelists had a broad discussion on various issues related to the agri-business sector in Uttar Pradesh. The panelists defined the annual agenda during the meeting with strong focus on modification of the APMC Act and planning of an extensive Agri-Conclave in Uttar Pradesh.

Matters related to storage, irrigation, land ownership were also brought up in order to get to a holistic perspective of the agri-business scenario in the State.

Further to this, a consultative meeting to discuss amendments in the APMC Act was also organised on May 27<sup>th</sup>. The meeting primarily discussed the Agricultural Infrastructure and Investment Policy which was introduced by the State Government in 2007 but withdrawn later. The panel would work towards advocating the reintroduction of some of those provisions along with original agenda points relating to the APMC Act.

## MEMBERS SECTION

### ORGANIC INDIA



**Organic India, M.D. Mr. Krishan Gupta with farmers at launch of "Tulsi Cool"**

CII Uttar Pradesh Member Organic India, one of India's leading manufacturers and exporters of herbal formulations and food products, has opened its market in Australia with one of the largest distributor, Kingston Foods in Sydney. It has successfully dispatched four FCL container orders from its Lucknow factory in a matter of four months. The company has also initiated business and opened distribution in Kenya and Hungary. Recently, *Tulsi Cool*, a cold Tulsi drink made especially to cool down during summers, was launched by Mr. Krishan Gupta, M.D and Global CEO, Organic India. Organic India is having its presence in over 30 countries like USA, Germany, Australia, UK, France etc. It is recognized as one of the fastest growing brand in USA.

## MEMBERS SECTION

### TATA MOTORS

The Lucknow unit of Tata Motors Ltd, headed by Mr. Alok Saxena, also the Vice Chairman, CII Uttar Pradesh State Council, is engaged into the business of manufacturing & assembling of medium and heavy commercial vehicles. The plant is spread over 600 acres of land and has an annual capacity to assemble 90,000 medium & heavy commercial vehicles.



Rapid urbanization and growing concerns over global warming has necessitated need of fuel efficient, low emission greener vehicles. Tata Motors has taken an initiative to develop CNG-Electric Hybrid buses that not only have substantial improvement in fuel economy & low emissions but also has enhanced vehicle features and passenger comfort. Tata Motors first showcased CNG-Electric Hybrid low-floor buses at the recently held commonwealth games in Delhi. It presented Delhi Transport corporation (DTC) four Hybrid low-floor buses – India's first such vehicle. This is also the first time in India that Hybrid buses will be used for public transportation.

The company has recently won export orders for ten CNG-Electric Hybrid buses for city transportation in Madrid, Spain. The buses are currently under development at Tata Motors, Lucknow and are planned to be shipped in few months time. CNG is an alternate fuel, is greener and cost effective. Tata Motors has an edge in manufacturing the CNG low-floor buses. Readers would recall that DTC – one of the biggest Tata Motors customer of CNG vehicles – is already using around 2500 nos. of such buses for passenger transportation.



## MEMBERS SECTION

### JAKSON LIMITED

Jakson Limited, a member of CII Uttar Pradesh has taken the lead in powergen industry with its up coming plans. It has supported CII's initiative of **Green Building Movement** and is the founder member of "Indian Green Building Council". Jakson's upcoming corporate office at Noida is on its way to acquire the **Platinum Certification** in accordance with the guidelines of the Indian Green Building Council's LEED standards.



This futuristic building reflects the company's eco-friendly vision which has also been replicated in its manufacturing plants. The new Corporate Office has been designed using energy efficient architecture, eco-friendly building materials, and building management systems that provide a vibrant clean, healthy and safe workplace for employees.

