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NEWSLETTER OF CONFEDERATION OF INDIAN INDUSTRY

NORTHERN REGION



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Kris Gopalakrishnan shares mantra for making Global Enterprise at CII CEO Session

21 November 2011, Chandigarh

Sharing his rich experience with students and entrepreneurs from the city, Mr S Gopalakrishnan, Vice President, CII & Executive Co-Chairman, Infosys at the CII CEO Speak session emphasized on importance to invest in technology research and development and focus on the setting up hubs of innovation and entrepreneurship for tapping larger markets like India. He stressed on the efficient speed, innovative imagination and effective execution to curb global competition.

Giving his perspective on the National agenda for Indian Industry, Gopalakrishnan said "We need to encourage new businesses and small start ups, simplify laws and policies, investment in research and development of new products and services and invest in better workforce."



Eminent Industry Members at CEO series with Mr S. Gopalakrishnan

To achieve '2020 billion' export revenue, North India shoulders huge potential as the south silicon valley. With Chandigarh already on the global map, the region not only provides great workforce, but infrastructure support too.

Kris Gopalakrishnan

Vice President, CII & Executive Co-Chairman, Infosys

Steel Summit

21 October 2011, Lucknow

Enhancing Steel Consumption in India: Trends & opportunities in Rural Markets

At the onset, Hon'ble Minister of Steel, Govt. of India, Mr Beni Prasad Verma while inaugurating the Conference on Enhancing Steel Consumption highlighted the importance of collaborative efforts by the industry to raise the steel consumption in rural India and stated that the Ministry of Steel, Govt. of India is committed to the growth of steel in India mentioning that industry needs to work together to raise the steel consumption in rural India that currently stands at 8.5 Million Tonnes. He pointed that rural markets present a very large opportunity for steel industry as 70 per cent of the country's population is rural.

The minister announced that Ministry of Steel, Govt. of India through SAIL is going to revive the erstwhile Malvika Steel in Jagdishpur and is setting up SPUs in Barabanki, Lakhimpur Kheri, Gonda, Mirzapur etc to boost industrial activities at State level and provide job opportunities to the local youth. He added that RINL is also in the process of establishing SPUs in rural areas.

Mr P.K. Mishra, Secretary, Ministry of Steel, Govt. of India ;Mr C S Verma, Chairman, CII National Committee on Steel and Chairman, Steel Authority of India Ltd; Mr A P Choudhary, Chairman & MD, Rashtriya Ispat Nigam Ltd, also present at the conference collectively urged the need to look at new trends and opportunities in rural markets, in order to achieve 8 to 10 per cent growth in the steel industry and reach the level of 200 MT in the long run

CII meet focuses on green technologies for surface coating

23 November 2011, New Delhi



Mr Vijay K Thadani, Chairman, CII (Northern Region) inaugurating Surface Coating

Vice Chairman & Managing Director, Sandhar Technologies Ltd, Mr M G Mehrotra, Vice President (Technical), Kansai Nerolac Paints Ltd, India, and Mr Ramesh C Jain, Event Chairman, India Surface Coating Show 2011 & Former Group Vice Chairman, Eicher Group & Director, Graziano Trasmissioni India Pvt Ltd who highlighted the need for the Indian industry to adopt new technologies with the aim of 'zero impact' on the environment.

Focusing on sustainable technologies in the surface coating industry, the two-day conference-cum-exposition focused on new developments and innovations in pre-treatment systems, painting processes and equipment, and environment and safety aspects.

Organised to provide a platform for exchange of ideas and interactions between Indian and foreign industry players, even as the sector is poised for 11-12% growth in years to come, the adoption of green and sustainable technologies in the surface coating industry received a fillip as Indian players were exposed to new developments and scientific breakthroughs at the India Surface Coating Show 2011

Mr Thomas Moser, Head (General Finishing), Eisenmann AG, Germany, said that the challenge lay in harmonizing economic growth with the environment. R&D results, he added, were promising and many were already being implemented on the shop floor.

Mr Michael Hanschke, Sr Manager (Sales), Eisenmann, briefed the delegates on various steps that could be taken through the use of energy-saving plant components. "The idea is to achieve energy efficiency by arriving at an energy balance."

Similar thought was presented by Mr Jayant Davar Chairman, Regional Committee on Manufacturing Competitiveness, CII (Northern Region) and

Water Conclave

25 November 2011, Jaipur

With an aim to focus on various water related issues and to suggest possible solutions Water Conclave 2011 provided a platform for Government, Industry, Academia, Service Providers, NGOs and Civil Society to deliberate its effective management.

Mr Gurmeet Singh Kunnar, Minister of State for Agriculture Marketing & Water Resource, Government of Rajasthan was the Guest of Honour.

Over 15 eminent speakers from Government and industry addressed the delegates including Padam Bhushan Prof V S Vyas, Deputy Chairman, Rajasthan Planning Board & Member, Economic Advisory Council to the Prime Minister; Mr Mukund Vasudevan, Co – Chairman, Power & Water Committee, CII Northern Region & Managing Director, Pentair Water India and Mr Bastiaan Mohrmann, Head, Water South Asia, Sustainable Business Advisory, International Finance Corporation

The programme was held in conjunction with 8th National Award for Excellence in Water Management. Awards in various categories were distributed during the inaugural session of Water Conclave 2011.

A CD on Water Management Trends in Indian Industry and a theme paper focusing achievements, issues and challenges in Water Sector Infrastructure in India was also released during the programme.



Mr Gurmeet Singh Kunnar, Minister of State for Agriculture Marketing & Water Resource, Government of Rajasthan at the inaugural session.

National Council Meeting and Leadership Conclave

22 - 23 December 2011, Jaipur



After a long span of 7 years, National Council Meeting of CII was held which brought together eminent industry members from across the country. A Leadership Conclave was also organised in conjunction with the National Council Meeting to create a framework for future role and deliverables for CII enabling it to surge ahead in its pursuit of creating a developed society with distributive justice.

Mr B Muthuraman, President CII; Mr Adi Godrej, President Designate CII; Mr S Gopalakrishnan, Vice President CII; Mr Chandrajit Banerjee, Director General CII; Mr Rahul Bajaj; Mr Sunil Kant Munjal; Mr C K Birla; Mr Ajay S Shriram; Mr Vikram Kirloskar; were amongst few who attended the programme. Around 60 national council members participated in the meeting.



10 November 2011, Ludhiana

A new feather was added to the Yi cap with the launch of its 25th Chapter in Ludhiana. On 2 December 2011, Yi Ludhiana chapter had its first members' meet. The meeting included announcement of the executive council and discussions on the work plan for the year ahead.





Pravasi Bharatiya Divas 2012

7 – 9 January, 2012, Jaipur



Ministry of Overseas Indian Affairs along with Government of Rajasthan and Confederation of Indian Industry organized the 10th Pravasi Bhartiya Divas at Jaipur, Rajasthan, which witnessed participation of over 2000 delegates from 60 countries all across the globe.

Her Excellency Ms Kamla Persad Bissessar, Prime Minister of Trinidad & Tobago was the Chief Guest for the programme.

Pravasi Bharatiya Divas 2012 witnessed the participation of four Chief Ministers and eight Union Cabinet Ministers. Various concurrent sessions and state sessions added to the richness of PBD 2012.

An exhibition spread over 2800 sqm displayed the best that India had to offer in terms of strides made in business, craft, tourism and finance. Spread over ten state pavilions featuring Andhra Pradesh, Kerala, Gujarat, Bihar, Haryana, Jharkhand, Madhya Pradesh, Maharashtra

and Rajasthan, U T of Daman & Diu and pavilion of the Overseas Indian Facilitation Centre (OIFC), the exhibition saw a total participation of over 104 exhibitors.

Musical & cultural extravaganzas organized by Indian Council of Cultural Relations at the picturesque backdrops of the City Palace by Govt of Rajasthan at Sisodiya Rani Ka Bagh and by Ministry of External Affairs at Hotel Jai Mahal Palace were other attractions of the event.

Dr Manmohan Singh, Prime Minister of India and Her Excellency Smt Pratibha Dev Singh Patil, President of India addressed during the inaugural and valedictory session of the programme respectively.

President of India also conferred the Pravasi Bharatiya Samman Awards for the contributions made by the Indian Diaspora.



20000 FOOTFALLS



16th edition **CII**
**CHANDIGARH
FAIR 2011**
THE PREMIER SHOPPING FESTIVAL

20-24 OCTOBER 2011, CHANDIGARH

Reflecting its festive revelry, the 16th edition of CII Chandigarh fair was yet again a runaway success. The immense popularity of the show resulted in its extension by one day. Maintaining its primary objective of providing a premier shopping experience to consumers, the event served as an umbrella for 12 concurrent expos and focused pavilions. CII Chandigarh Fair was inaugurated by HE Mr Shivraj V Patil, Governor, Punjab & Administrator of UT, Chandigarh.

Highlights:

- The fair generated an actual sale of worth **INR 6.5 Crores**.
- More than **2 Lakh visitors** during 5 days.
- **Huge participation from Pakistan** offering melamine crockery, stylish leather, Onyx & Multani embroidered fabrics
- Handicrafts & jute products from West Bengal
- Unique handicrafts displayed by SHGs supported by NABARD. **Overwhelming response received** from artisans participating in **Social Expo**.
- **Cuisines** from South India, Hyderabad, Rajasthan, Punjab and Pakistan
- **Ministry of Earth Sciences**, Government of India participated for the first time
- **125 new products launched** during the mega event.



“I feel happy to see this well organised fair. It is very well disciplined and I felt very comfortable with organisers. They really work hard to make this event beautiful and successful. I pray for them more”. (Nasiruddin Sheikh, FPCCI, Pakistan, Chairman, FPCCI)



The first of its kind Mega event brought all the stakeholders of the Real Estate sector including the government, policy makers, suppliers, architects, bankers etc onto one platform.

Key Highlights:

- More than 60 Exhibitors
- Covered Area: 3500 Sqm
- 2000 business visitors
- Business enquiries generated to the tune of INR 50 crores
- Launch and Display of 20 new projects in the neighbouring areas of Chandigarh

Kumari Selja inaugurates CII Realcon 2011



The Centre will bring the Real Estate Regulator Bill in the winter session and will be soon put in Public domain, announced Kumari Selja, Union Minister for Housing and Urban Poverty Alleviation. "The Bill would establish a regulatory oversight mechanism to enforce disclosure, fair practices and hence improve governance and transparency in the real estate sector.", said Selja, while inaugurating Realcon 2011, a conference & exposition on Real Estate & Construction, Building Material & Financing.

She appealed the real estate industry to come forward to build cost effective technologies & solutions for affordable housing as well as help in skill development in the sector. "As 99% of the total shortage during XI Five Year Plan is from EWS and low income groups (LIG); Central Government, in partnerships with state governments is in the process of formulating comprehensive, inclusive and investor-friendly policy framework to

achieve this objective", she informed.

Giving an overview of the sector, Mr Anshuman Magazine, Chairman, REALCON 2011 & Chairman & Managing Director, CB Richard Ellis South Asia Pvt Ltd highlighted the need of affordable yet sustainable projects. Magazine stated that with 93 million people living in slums, it is a large opportunity for low cost housing. He further said that North India is being as the hub of real estate development.

The daylong conference saw eminent speakers like Mr Firdose Vandrevala, Chairman, CII National Committee on Real Estate & Housing and Chairman & Managing Director Hirco Developments Pvt. Ltd. and Mr Vijay K Thadani, Chairman, CII Northern Region deliberating on real estate & construction, building material & financing. Key discussions focused on real estate financing, innovative building designs, engineering & material, green buildings – water harvesting, recycling & energy conservation, solar panels, low cost building materials for mass housing, contemporary architecture building automation, landscaping, facades, emerging trends in building materials – bricks & tiles, stones & granites cements, steel, pre-fabricated structure, polymers, aluminum, elevators and escalators, etc, eco-friendly construction techniques.





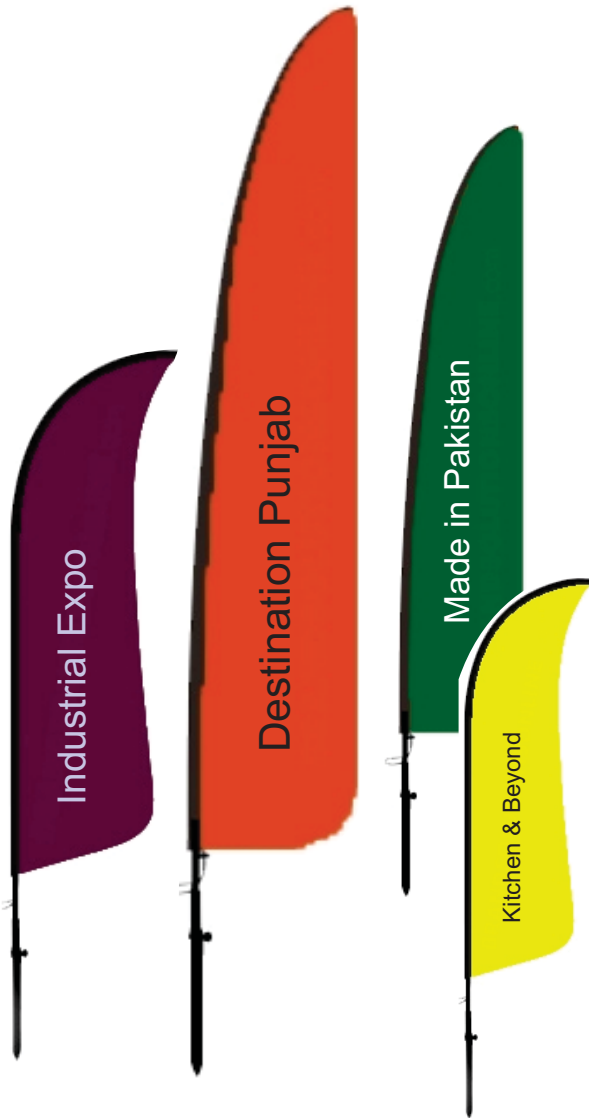
CII @ IITF

14 to 27 November, 2011, New Delhi

Dr. S. Farooq, Chairman, CII Uttarakhand State Council presenting Growth Agenda of Uttarakhand to Major General (Retd.) B C Khanduri, Hon'ble Chief Minister of Uttarakhand at IITF

Trade Fairs in 2012 – 13

S. No.	Date	Event
1	22 – 26 March 2012	Made in Pakistan
2	6 – 9 April 2012	Coolex (Chandigarh)
3	6 – 9 April 2012	Coolex (Jammu)
4	12 – 15 April 2012	Kitchen & Beyond
5	18 – 20 April 2012	Secure North
6	October 2012	Destination Punjab
7	18 – 22 October 2012	CII Uttarakhand Fair
8	7 – 11 November 2012	CII Chandigarh Fair
9	1 – 4 December 2012	Agro Tech
10	15 – 18 December 2012	CeraGlass India
11	18 – 21 January 2013	Industrial Expo



membership connect

Date	Webinar on	Faculty
2-Dec-11	Webinar on 'Leadership Skills during Changing Paradigms'	Mr Harsh Chopra, Founding Partner & Country Manager of Adizes Institute, J&K
4-Nov-11	Webinar on 'Corporate Governance at SMEs'	Mr Anthony L Crasto, Partner, Advisory, Governance Risk & Compliance Services, KPMG

Members Meet & Interaction with Chairman & Deputy Chairman CII, Northern Region

14th October, Gurgaon

Mr Vijay Thadani and Mr Malvinder Mohan Singh Chairman & Deputy Chairman CII, Northern Region interacted with CII Haryana members to understand the issues of members and apprise members on the recent initiatives and activities of CII. Major issues pointed were the infrastructure and Power in Gurgaon .



Mr Vijay Thadani & Mr Malvinder Mohan Singh at Members Meet

Workshop on 'Currency Risk Management for Corporate Managers'

11 October 2011, New Delhi

CII Northern Region organised a workshop on Currency Risk Management for Corporate Managers tailored for the Indian corporates on:

- Understanding foreign exchange risks and linkages with the risks in international goods market
- Measuring the effect of volatile foreign exchange rates on the firm
- Hedging strategies for the exporter/importer/international firms

The session was well attended by more than 50 delegates comprising of CEOs, CFOs, Senior Management, Treasury Managers, Exporters & Importers, Banking and Financial services providers, Consultants, Sales managers of companies, academicians and students.



Session on 'Changes in Service Tax Laws'

21 October 2011, Chandigarh

The Union Budget of 2011-12 introduced significant amendments in the Service tax laws. In order to enhance awareness on these amendments, a session on "Changes in Service Tax Laws" was organised with KPMG as Knowledge Partner.

Key Speakers included **Mr P S Pruthi** Chief Commissioner, Customs, Central Excise & Service Tax, Chandigarh Zone; **Mr Partap Aggarwal** Chairman, Regional Committee on Technology & Innovation, CII Northern Region; **Mr Pratik Jain** Executive Director, KPMG; **Ms Roopal Bhargava** Sr Manager, KPMG



Seminar on Legal Formulations for Sustainable Water Management

13 – 14 October 2011, New Delhi



Smt. Sheila Dikshit Chief Minister Govt of NCT of Delhi releasing the compendium on legal best practices at the seminar

Confederation of Indian Industry and Delhi Jal Board together with International Development Law Organisation organised a two day seminar to engage in an open and informed discussion on existing legal barriers and opportunities for water reform in Delhi and to chart a path forward for the sustainable and equitable management of water resources for all citizens of the NCT of Delhi with a special emphasis on law as an enabling institution.

Environment Management in Distilleries

21 December 2011, Lucknow

The conference served as common platform for the industry to discuss various environmental issues with the UP Pollution Control Board and other concerned authorities.

Mr S.K.Singh, Chief Environment Officer- Distilleries, UP Pollution Control Board stated that Sugar and distilleries are the backbone of our state's industrial growth. "It is about time that this industry takes a pro active role towards environmental management and sustainable growth. All the industry players and technology providers need to come together in order to device the most suitable solutions to environmental



Interactive Session with Dr R S Tolia

20 December 2011, Dehradun

Interactive Session was held with Dr R S Tolia, Member, Working Group on 'Mountain Eco-Systems and challenges faced by the people living in the hilly areas' for formulation of the 12th five year plan.

The discussion deliberated upon issues related to Branding of the State, Infrastructure, Tourism, Environment and Hill Development



CII delegation interacting with Dr R S Tolia Member, Working Group on 'Mountain Eco-Systems



The "Cloud" Technology: A Silver Lining For The MSME Sector

Vijay Thadani,
Chairman, CII Northern Region
CEO, NIIT Ltd

MSMEs, the backbone of Indian economy

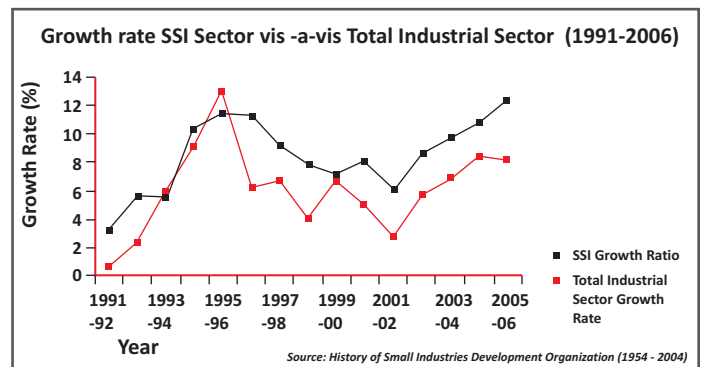
MSMEs form the backbone of Indian economy. They are a significant source of employment, they have the ability to absorb semi-skilled workforce and because they have relatively low infrastructure requirements, they can be easily set up in emerging areas.

Per the 2010-2011 Annual report of the Ministry of MSME, MSMEs contributed 8.72 per cent to our country's GDP and accounted for 40% of our exports in 2008-2009. There are 29.08 million MSMEs in India as of 2009-2010. They employ more than 69 million people (69.538 million people as of 2009-2010) and are the most significant source of employment generation at lowest cost. Research conducted by Ministry of MSME and Central Statistical Organization shows that in 2006, every Rs 10 million investment in MSME, generated employment for 151.4 persons. On the other hand, the overall economy with the same amount of investment generated employment for 37.4 persons.

Financial Year	Employment per 10 Mn investment in SME	Employment per 10 Mn investment in the Economy
FY02	157.0	76.5
FY03	155.5	70.8
FY04	154.4	58.9
FY05	152.3	44.0
FY06	151.4	37.4

Also, data shows that over the years, MSMEs have exhibited better growth rate than the industrial growth rate of the economy. Their performance during the economic slump of 2008 highlighted their resilience to stay minimally affected by recession in the west.

The government also recognizes the critical role of MSMEs in enhancing employment opportunities and in creating an equally distributed,



inclusive growth. It has accorded the sector very high priority in the industrial policy.

MSMEs hold an ever greater significance at this juncture when India is poised to leverage its demographic dividend. Working population in India will be growing over the next three decades. By 2015, 50% of our population will be less than 20 years old. This gives us competitive advantage in labor productivity. Skills development and job creation are two core strategies for leveraging this advantage. Many strategic interventions are being implemented to skill 500 million people by 2020.

On the job creation front, encouraging entrepreneurship is recognized globally as the best practice for stimulating socio-economic growth and accelerating job creation. Therefore, creating an environment for new enterprises is an important focus area. However, a new micro set up will absorb only about 10 people. But, if these micro enterprises can be supported to become small, medium and then large, significant size local employment opportunities can be created. Currently, the failure rate of MSMEs in the first five years is as high as 75%. Therefore, to fully leverage the potential of this sector, we need an active mechanism for de-risking growth.

What are some of the factors that inhibit growth?

The seven growth inhibitors

The defining characteristics of an entrepreneur are enthusiasm, innovativeness and determination. Almost all new enterprises start with these ingredients. But, they are faced with many growth inhibitors in the first few years.

Access to adequate and timely credit at a reasonable rate (capital and collateral), globally competitive quality (credibility), use of obsolete technology and knowhow (currency), dated skill sets (capability), access to global markets (competitiveness), and lack of know how to set up appropriate physical, process and people infrastructure (capacity) are some of the key challenges that plague the MSME sector in India.

Building these C's requires specialist expertise. It is a challenge for a single or a few individuals with little experience and limited budget to acquire these. For example, a small enterprise of 100 people does not have the volumes to justify separate recruitment of a Chief Learning Officer, a Chief Technology Officer, Chief Financial officer, Chief Quality Officer, Chief Information Officer Etc. On the other hand, we also know that a better predictability of the enterprise will reduce the risk perception of the banks, a skilling model for the workforce will allow for continuous improvement in efficiency and quality, and sharing of best practices within the sector will allow for better diffusion of best practices.

Can the small enterprise retain its beneficial characteristics such as enthusiasm, innovation, low overheads and high flexibility and yet compete with the giants? Can it somehow, somehow stand on the shoulders of a giant?

Technology, a key tool to enhance global competitiveness

Technology leverage in various areas can help address these challenges and ensure that Indian MSMEs are globally competitive both in terms of their productivity and as well as their quality.

Most MSMEs have already adopted ICT for basic communication. Also, they are using Internet to facilitate businesses development. Over 50 per cent of MSMEs are already subscribing to B2B marketplace.

However, so far, MSMEs have shied away from using core technology to enhance their operational processes because of the high CAPEX investments required to set up technology infrastructure and also the expertise required to manage the technology setup thereafter.

Yet, over the years, I have also met many small and medium enterprises that have successfully adopted technology to:

- Leverage the existing best practices of the function or industry (built in the processes of an off-the-shelf technology system)
- Compensate for the low skill level of their employees
- Reduce management complexity
- Add transparency for better access to funding
- Measure the current efficiency to provide benchmarks and insights for continuous improvement

Skilled manpower, integral for sustainability and growth

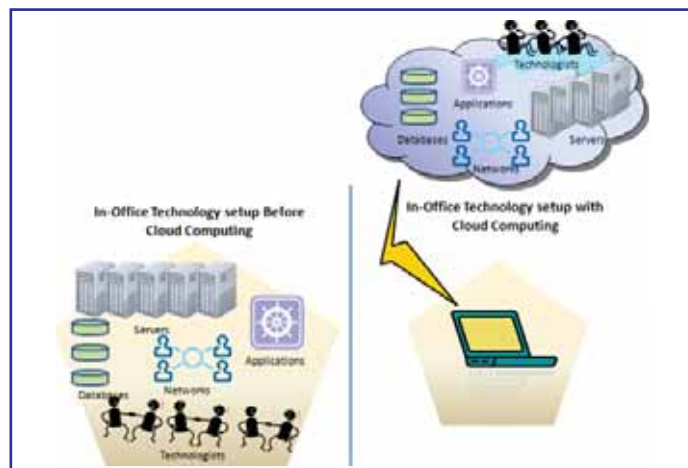
More than 94 per cent of MSMEs are unregistered, and a large number are in the informal or unorganized sector.

Therefore, besides lean processes, global best practices and technology systems, manpower is another key component that contributes to the success and failure of MSMEs. Given the small size and specialization of MSMEs, availability of the skilled manpower is scarce. Also, on-the-job training is ad-hoc and unstructured.

Raising the skill level of the manpower and setting up structures to enable continuous skilling to keep pace with global changes can make a significant contribution towards enhancing the global competitiveness of India's MSME sector.

'Cloud computing', an innovation for reducing the cost of technology leverage

Till recently, technology enabling a business operations required significant capital investment. The business had to purchase powerful servers, data centers, software licenses and user machines. In addition, they had to employ IT professionals to manage this technology setup. Since only large businesses had sufficient volumes to justify the return on such an investment, technology remained the prerogative of large businesses only. So, while large corporate became more lean and efficient by leveraging technology, the smaller ones in comparison became even more inefficient. Many small enterprises failed because

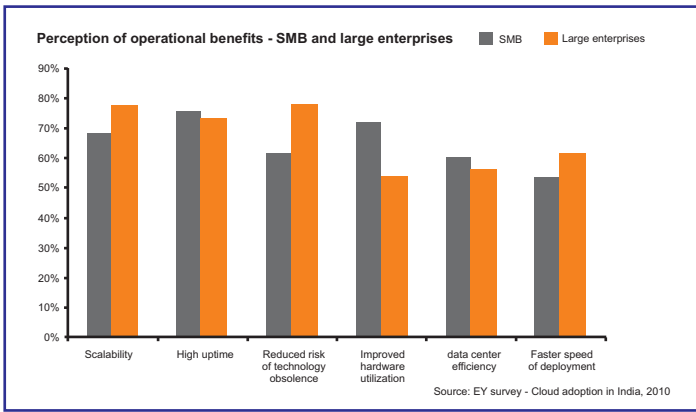


they could not keep up with the efficiency and quick upgrades of larger enterprises.

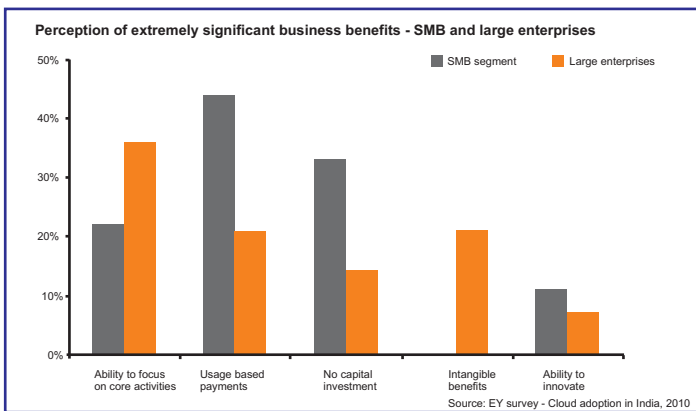
Today, cloud computing holds a promise to change that. In simple terms, it is like having rapid metro versus only private cars as the means of quick and comfortable way to travel. More people can now leverage technology at a fraction of a cost by paying only for what they use and this includes not only software applications but also expensive hardware, such as servers and physical facilities like data centers. In a very simple explanation, cloud computing is all about sharing technology resources, including hardware, software, brick & mortar and even human expertise.

Typically, an organization requires four kinds of systems i.e. Customer Relationship Management, Enterprise Resource Planning, Business Analytics and Executive Information System running on communication and data servers.

In the past, to set up any of these IT system, let's say for managing customer relationship, they needed to make the following kinds of investments:



- A Customer Relationship Management (CRM) application
- Database to store all data
- Server to facilitate communication between database and user machines
- High-end user machines to access the application
- Multiple application licenses
- Technology staff to manage the entire set up, including hardware support, application specialist, database specialist, network specialist and so on
- Experts to design or customize the CRM application
- Experts to maintain and upgrade the application and keep it current with the technological changes
- Office/physical space to host technologists and the machines
- Annual maintenance contracts to maintain the machines



All of this would add up to a significant CAPEX and OPEX cost and the cost would be justified only if there were sufficient volumes. Now, what if we could have all of these services and pay for only what we consume?

The net result is a significant reduction in cost for small users for whom volumes do not justify in-house purchase. Thus, many MSMEs can now leverage the benefits of technology and compete more fairly with the larger enterprises.

A survey conducted by Ernst & Young, comprising large and SMBs confirms the operational and business benefits of cloud computing as perceived by the respondents.

Amongst others, these include freed resources to focus on core business activities and enhanced ability to innovate.

'Cloud Campus®', a model for making skilling for MSME feasible

Given the fragmented volume of employees in the MSME sector, investing in a robust pre or post employment training program is not financially feasible. Such programs, unless government sponsored, are not financially feasible. Also, when launched they suffer from quality challenges due to unavailability of appropriate facilitators and sometimes even equipment in the local areas.

Cloud Campus® can make training for MSMEs feasible in terms of cost, accessibility, and effectiveness. Cloud Campus® is much more than just a platform to enable access to digital content 24*7. Combined with technologies such as satellite-based transmission, Cloud Campus® can be our answer to address lack of appropriate bandwidth, internet access, and expensive computers in backward and remote locations.

In technical terms, cloud is a set of interconnected servers on which data can be stored and retrieved from any physical location. For the world of learning, it means that we can stream live lectures and provide digital content to multiple locations. Thus, various fragmented learners across enterprises from different physical locations can come together, virtually, to study from an experienced facilitator. Further, use of standardized learning plans and content will ensure that the skills imparted are relevant for the enterprises and mapped to the global standards.

In addition, access to learning content can be enhanced because learners no more need high-end terminals. They can now use low-end or dumb terminal to access rich multimedia content.

Impact, defined by the determination to leverage

Cloud computing holds a great promise to both directly and indirectly address some of the key challenges of the MSME sector. IDC predicts 40% CAGR for cloud computing till 2014. It's a growing competitive differentiator.

The extent of Cloud's impact and its power lies in our desire and determination to use it. Its death lies in our skepticism and discomfort with change. The Choice is Clear.





BSE SME Exchange

Lakshman Gugulothu
CEO, BSE SME Exchange

MESSAGE TO THE ENTREPRENEURS AND INVESTORS

“BSE SME Platform provides a great opportunity to the entrepreneurs to raise the equity capital for the growth and expansion of SMEs. It also provides the immense opportunity to the investors to identify and invest in the good SME companies at early stage. It will help unleash the valuation of the company and in the process create wealth for all the stakeholders including investors, besides considerable long term capital gains tax benefits and facility to exit at any point of time.”

What is BSE's idea behind setting up of the SME Exchange?

The need for SME Exchange was there for long. Many SMEs find it difficult to get listed on the Bombay Stock Exchange (BSE) main board, there are only debt financing options without any access to equity capital for these SMEs so far. Hence, the SME Exchange. India has about 30 million SME enterprises. Out of which, there are at least one million SMEs which have potential to get listed on the SME Exchange in next one to two years.

How the BSE SME Exchange is formulated?

The successful SME Exchanges elsewhere in the World, like AIM (London), Canada (TSX V), Hong Kong (GEM), Japan (Mothers), Korea (KOSDAQ) and US (NASDAQ) were studied in detail to understand their salient features, best practices and their SME exchange model. The learning from the OTCEI, the capital market realities, and the problems of SMEs are taken into account in formulating the SME Exchange in the Indian context.

What are the Regulations governing the BSE SME EXCHANGE?

- SMEs with the post issue face value capital up to Rs 10 crores has to invariably list on the SME Exchange.
- The SMEs with post issue paid capital between Rs 10 crores and Rs 25 crores are given the option to list either on SME Exchange or on the main board.
- Beyond Rs 25 crores paid up capital, the companies have to list on the main board.
- The minimum application and trading lot size shall not be less than Rs 1,00,000/-.
- There has to be minimum 50 investors and each invest at least Rs 1,00,000/- at the time of IPO.
- Three years profit making track record is not necessary and waived off for listing of SMEs.
- IPO Grading is optional.
- The merchant bankers to the issue will undertake market making through a stock broker who is registered as market maker with the SME exchange.

- The merchant bankers shall be responsible for market making for a minimum period of 3 years.
- The market makers are required to provide two way quotes for 75% of the time in a day. The same shall be monitored by the exchange.
- There will not be more than 5 market makers for scrip.
- There is provision for migration from SME Exchange to the Main Board
- Main board companies are permitted to migrate to SME Exchange, if their paid up capital is less than Rs 25 crores.
- SME Exchange companies are permitted to migrate to the main board, provided their paid up capital exceed Rs. 10 crores and approval of the non-promoter shareholders is obtained by at least two third majority.

How is the BSE SME Exchange different from the BSE Main Exchange?

Three years profit making track record is mandatory on the BSE Main Exchange. This is not necessary for listing of SMEs and waived off. The major differentiator for BSE SME Exchange is that there is 100% underwriting of issue and the IPO issue will be 100% success, irrespective of whether it is fully subscribed or not. There is guarantee of listing, unlike on the main board.

Getting listed on the main board could take at least 8-9 months, and generally more than a year. The four important processes on filing of Draft Red Herring Prospectus (DRHP), obtaining in-principle approval of exchange, obtaining in-principle approval of SEBI, and issuing public notice are waived for listing of the SMEs. This saves at least 6 months time for bringing the IPOs on the BSE SME Exchange, compared to the main board. SEBI approval is not needed and intimation would be sufficient. Normally, the merchant banker can file RHP with due diligent certificate with the SME Exchange and its approval would be sufficient. Here, the IPOs can be brought within couple of months.

The Compliance norms are simplified. An half yearly compliance is required instead of quarterly compliance. The abridged version of the annual reports need to be sent to the investors instead of the entire annual report and keeping the soft copy of the report on the website is sufficient. The summary of the annual performance with balance sheet and P/L statement only need to be sent to shareholders.

There are many companies listed under BSE small cap whose paid up capital is less than 10 crores and willing to move to SME exchange. How will this help those companies? And how will these impact new entrants?

Some of these companies are illiquid on the BSE main board. If they are migrating to the BSE SME Exchange, they will have following benefits: First, there will be liquidity support for three years by way of market making and liquidity will be there in the secondary markets. Second, the cost of recurrent compliances from time-to-time and year after year will come down drastically. Third, the listing fees come down also. There will be no impact on the new entrants as the companies moving to the BSE SME will follow the same regulations as that of the new entrants.

What can be the size of IPOs?

Theoretically, there is no limit on the maximum. The size of the IPOs will depend on the premium the shares could get and the equity that the promoter is ready to divest or extent of additional shares the promoter is willing to issue as part of the IPO. Major of the IPOs in pipeline are in the range Rs 5 crores to Rs 50 crores. Theoretically, there is no limit on the maximum. However, practically the maximum size of the IPOs can be over Rs 100 crores also.

The minimum size of the IPOs can be less than Rs 50 lakhs also, if they are within the parameters of the regulations. As an exchange platform, we do not differentiate between big SMEs and small SMEs.

What is your advice to SMEs preparing for listing and IPO on BSE SME Exchange?

- The following documents have to be kept ready by the SMEs, if they are planning to go for IPO within a year.
- Audited Annual Reports on accounts ready.
- Peer Review by Reputed Chartered Accountant firms (at least last 5 years)
- Conversion of private limited company to public limited company
- Future Projections of the company (CMA Data) for at least next 3 years
- Infusing 50% independent directors into the Board
- Full time company secretary (Compliance Officer) to be appointed
- Detailed disclosures about the profile of the company
- Detailed disclosures on promoters & management
- Documenting the Past performance
- Due diligence on the applicability of various regulations
- Due Diligence on the various approvals required from regulatory bodies

- Documenting the Risk factors associated with the company
- Documenting the External environment effecting the company
- Listing out of litigations and documenting its magnitude and ramifications
- Documenting the Business activity
- Documenting the Material contracts and agreements
- Website is mandatory for listing companies

Suppression of profits from taxation point of view is to be avoided. Full and truthful disclosure of profits by the SMEs will help them get better valuation. Operating profit margins (EBIDTA), Profit margins (PAT), EPS (Earning per Share), Cash Flow of company, industry P/E and good will are some of the critical parameters for valuation of the company. The aspiring SMEs should prepare themselves to improve them, before coming for listing on the exchanges.

Networth of the company and Debt/Equity ratios are important to decide the extent of equity capital the SMEs can raise from the capital markets. The companies are advised to dilute the equity in phases at different stages of growth of company, instead of diluting large equity upfront, to help them optimal raise of the capital from markets for their growth and expansion.

Due diligence is the important duty of the merchant banker as part of preparing the offer document (RHP). The legal due diligence and financial due diligence are to be properly addressed by the merchant bankers as part of preparing offer documents. Restructuring of the capital and valuation are also very important aspects of the IPO process. An SME needs to transform itself into a public limited company. For this, first one has to convert the firm into private limited company. Second, convert private limited company into public limited company. SMEs are also required to restructure capital so as to comply with regulations and help raising of required equity capital through IPO. Valuation of SME has to be done to arrive at the financial strength of the company, decide the size of IPO, and pricing of the IPO.

The cost of listing could itself be seen as a roadblock by the SME. How do you propose to address this issue?

We have mobilized large number of medium MBs and small MBs to work for listing of the SMEs in BSE SME Exchange. This has helped bringing down the cost of IPOs, compared to the issues by large merchant bankers. There is nothing that can be done to reduce statutory cost, unless the Government makes amendments. The post-IPO expenses can be met from the money raised through IPO. Only the pre-IPO expenses and statutory expenses need to be paid by the promoters of the listing SMEs. We are trying to make pre-IPO expenses as minimum as possible, so that the listing is not burden for the SMEs.

What would be the approx cost of raising say Rs 10 Crores to Rs. 30 crores on SME exchange?

The cost of raising the IPO of Rs 10 crores to Rs 30 crores on the main board is about 7 to 8%. There is a cost reduction in the SME Exchange on account of printing forms, advertisement and marketing. However, there is additional responsibility given to the merchant bankers and it involves additional cost for 100% underwriting, sub-underwriting and responsibility of market making for three years. Considering all these, the overall merchant banker cost may be couple of percentages higher

than the IPO of similar size on the main board. However, we at BSE SME are working with the market intermediaries to bring down the cost of legal due diligence and rating by the CRAs. We are also exploring the ways and the means by which the cost of bringing on SME Exchange is brought down.

In addition, there is also the premium to be paid to the market maker for market making for at least three years. This is the additional cost to the listing companies in case of SME Exchange, as compared to the BSE Main board. There are various risks involved in market making and the duration of 3 years is also long, and this makes the premium to be paid for market making high. It will be difficult to quantify the cost, but it is likely to be more than the merchant banker fees and costs involved in bringing the IPO. If the period of market making is brought down, then the cost on account of market making can be brought down, enabling more and more SMEs to go for the listing on SME Exchange.

What is the cost of raising ‘Equity capital’ compared to the ‘Debt capital’?

Generally, the SMEs require capital for very long period, say about 10 to 15 years. If they are opting for debt, they need collaterals for taking debt from the Banks. They have to pay interest of about 15% per annum and service the debt for all these long years. After that, they should return the principal capital. If the promoter of SME is not able to pay the debt, his assets will be attached and the debt will be recovered from him.



MSMEs

Sandeep Dhupia
*Member, Regional Committee MSMEs, CII NR
 Partner, Advisory KPMG India Pvt. Ltd.*

MSMEs: Time to change mindsets and invest in technology, innovation and people

The importance of MSMEs to India’s economy has been written about aplenty and statistics such as MSMEs accounting for 45% of our manufacturing output and 40% of our exports, being an employer to 6 million, having exceeded IIP growth are oft repeated. It is also a fact that SMEs account for about 65% of the global GDP.

To me, these are important and definite pointers to the ability of small and medium enterprises to operate in a globalised economy. The world is shrinking and with advances in technology and access to internet, it is indeed possible for MSMEs to establish a global footprint and play a larger role in global enterprise.

The use of internet, for instance, has reduced the gap between MSMEs and their larger competitors and also enhanced their market reach to national and international markets. There are numerous examples that come to mind. Look at how some of the local Travel and Tour operators have been successful and taken on their traditional competitors at the back of advances in technology and internet. Embracing technology

The investor of equity capital is like a partner for the SME. There is no burden on the promoters and the investors cannot compel him like in debt funding. If the company performs and grows, the investor also reaps benefits. The equity capital has only one time cost of raising it. If this cost is apportioned over the long period, the cost of capital for each year is insignificant. Thus, raising equity capital is very cost effective and it does not make the promoters liable for the capital.

When are you going to launch the BSE SME Exchange?

BSE SME Exchange has received the final approval from the Regulator SEBI recently.



and investing in innovations is the future for MSMEs that will make them competitive and profitable.

Admittedly, MSMEs face numerous challenges – most of these are obvious and well known. Chief amongst these being:

- the availability of credit, perhaps the most formidable
- access to technology, which possibly results in many MSMEs getting stuck at the lower end of component value chains
- management skills – often a self imposed challenge as promoters fail to professionalise management at an early stage
- inability to attract and retain talent
- negative perceptions around scale, quality, governance etc

Many argue, and rightly so, that Government needs to do more to encourage and support MSMEs.

Funding is a major constraint and banks therefore need to lend more to this sector - SME Banking needs to be more active and less risk averse. We need a real venture capitalist (VC) model to evolve in India to fund MSME start ups.

Debt follows equity but access to equity markets is restricted for most MSMEs. Hence, there is a justifiable case for an SME exchange as a source of equity. Additionally, an SME exchange can also provide potential exit options to VC and PE houses. The model for an SME exchange or alternatively a separate SME trading platform within the BSE has been debated for a while and my only hope is that decision makers take a pragmatic view of dealing with practical problems such as the process of market building, the time period over which this process has to take place, underwriting of issues by merchant bankers, advisor fees etc.

I will revert to SME Banking a bit later.

SMEs must focus on building brands, acquiring customers, investing in technology and innovation. Technology is critical and will enable SMEs become part of the supply chains of large corporates and MNCs. Too many SMEs are caught at the low end of the component value chain because of the lack of technology. SMEs must play a complementary role in the overall supply chain, however, this is possible only if efficiency at different levels of the supply chain is enhanced. The success that the auto component industry has achieved at the back of technology investments and collaborations is a good example. A significant opportunity I believe is now presenting itself following the "offset commitments" global majors will have to fulfill as they win contracts to supply defense equipment to India.

Access to Technology and investment in Research and Development, is to my mind, crucial in establishing competitive and sustainable business models. The Government must also play its part in encouraging such investment by way of the Technology Upgradation Fund recommended by a task force. State governments should encourage MSMEs by

providing the necessary infrastructure and a cluster approach can immensely help in achieving this objective.

Many SMEs talk about exploring acquisition opportunities and while I am a supporter of inorganic growth strategies, I do believe that an SME's first and foremost aim should be to focus on organic growth - on building sustainable, scalable and competitive business models. This will set the platform for inorganic growth at an appropriate stage and for the right reasons.

Yes, MSMEs face formidable challenges and various stake holders, be it Government, lending institutions, the VC and PE community, industry associations, consulting firms need to be more responsive.

The MSME entrepreneurs should invest sufficiently in R&D, explore new financial solutions, people development, etc which are enablers for growth. Added focus on transparency and better Corporate Governance will certainly put MSMEs in a high pedestal for not only development but also build their credibility with their larger counterparts.

Promoters need to plough profits back into the business and build credibility around their organisations. SMEs must invest in governance, systems and technology. Promoters must be willing to dilute equity, offer meaningful employee stock option plans to attract and retain talent. Employees need to see a visible career path and for this to happen, managements need to professionalise, an enabling organizational environment and a corporate culture built and nurtured.

Some of the challenges SMEs face, off spoken and written about, are self inflicted and remedies and solutions also exist within.





Single Window System

Navin Agrawal

Partner, Management Consulting & Head, Government & Public Sector, KPMG

Enhancing the efficient exchange of information between trade and government.

The efficiency with which information can be submitted to government departments for approval is fast becoming a key factor in the competitiveness of organizations involved in cross border activities.



With increasing integration of economies around the world, facilitating smooth flow of information becomes a pressing requirement for governments and businesses. Efficient information systems and procedures can significantly increase the speed at which goods can move, reduce costs, improve business efficiency, and enhance the overall economic performance of a country.

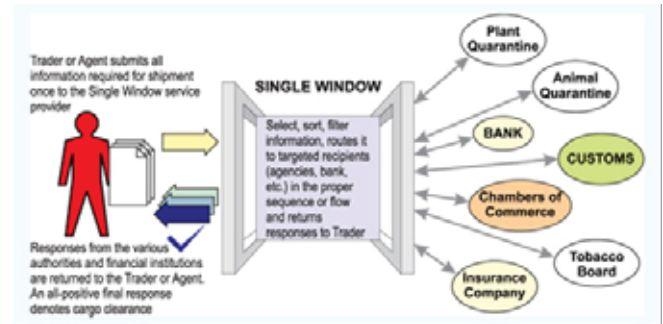
A 'Single Window System' environment aims to expedite and simplify information exchange between trade and government and bring meaningful gains to all parties involved in the transaction.

In practical terms, such an environment provides one 'entrance', either physical or electronic, for the submission and handling of all data and documents related to the release and clearance of a transaction. This 'entrance' is managed by a single agency, which coordinates on behalf of the applicant with the relevant approval agencies.

Benefits of Single Window System

A Single Window can simplify and facilitate, to a considerable extent, the process of providing and sharing the necessary information to fulfill trade-related regulatory requirements for a merchant. The use of such a system can significantly reduce costs for both governments and traders owing to optimized use of resources.

Government 	Trade 
<ul style="list-style-type: none"> Effective and efficient deployment of resources Correct (and often increased) revenue yield Improved trader compliance Enhanced security Increased integrity and transparency 	<ul style="list-style-type: none"> Cutting costs through reducing delays Faster clearance and release Predictable application and explanation of rules More effective and efficient deployment of resources



Single Window System: An Indian Perspective

I. Chandigarh : E-Sampark

This initiative has brought 11 departments of the Chandigarh Administration under the project to provide hassle free and one-stop solution for its citizens. Through e-Sampark centers, citizens get direct access to various services through trained officers without the involvement of any intermediaries. This method improves the efficiency and transparency of the approval process and the quality of service delivery. The E-Sampark experience highlights the importance of using information and communication technology to facilitate better public service delivery within the existing infrastructure and with limited human resources.

II. Gujarat : iNDEXTb

This initiative has been successful in implementing a paperless, centralized system for monitoring the status of approval of MoUs and minimizing the time required for processing of applications and seeking clarifications. iNDEXTb demonstrates the importance of information technology avenues in catering to the needs of the business and economy, in a much simplified manner.

III. Tamil Nadu : Single Window Clearance

This initiative envisages faster roll-out connectivity in the state. Single window clearance has been made available for all IT-ITeS infrastructure projects from the State Industries Promotion Corporation of Tamil Nadu (SIPCOT), which is the notified Single Window Clearance Agency on application as a fee-based service.

Challenges in Implementation of Single Window System

The implementation of Single Window may face a number of challenges that lie in:

- seeking cooperation and support of all relevant stakeholders;
- establishing a common understanding amongst the stakeholders in all aspects of the initiative;
- simplifying and standardizing of procedural requirements as they often require changes in existing laws and regulations;
- selecting standards for the harmonization of documentary requirements and approaches for electronic exchange of information; and
- harmonizing of documentary requirements especially when an approved standard is not available.

Key Factors to a Successful Single Window System

The successful introduction and implementation of a Single Window concept depends to a considerable extent on certain pre-conditions and success factors that vary from country to country and from project to project



Key Factors

- Political Will
- Strong Lead Agency
- Partnership Between Government and Trade
- Establishment of Clear Project Boundaries and Objectives
- User Friendliness and Accessibility
- Legally - enabling Environment
- International Standards and Recommendations
- Identification of Possible Obstacles
- Financial Model
- Payment Possibility
- Promotion and Marketing
- Communications Strategy

Conclusion

Many governments worldwide have adopted the Single Window initiative as a national Programme of work since they recognize that such a system can be a very effective tool in eliminating inefficiency and ineffectiveness in business and government procedures and document requirements along the supply chain. Such trade facilitation infrastructure also helps reduce trade transaction costs, as well as improve border control, compliance, and security. Single Window systems are a means to establish improved information sharing between government agencies and businesses involved in cross-border trade. A Single Window can be used as a "one-stop shop" for traders and other commercial organizations to exchange information with the government agencies that, based on regulation and control procedures, require data on a variety of aspects of the trade transactions and the flow of goods through the international supply chain.

In implementing a Single Window, a Government aims to achieve a set of strategic objectives, including increasing revenue and transparency, to increase the competitiveness of the national economy, to achieve better integration into regional and global supply chains, or to meet wider policy agendas such as implementation of regional trade agreements. While these objectives and their importance are different in each country, the Single Window projects have certain features in common.

Moreover, they all face similar challenges that relate not only to the technical aspects of such systems, but also to the organizational and inter-organizational, managerial, financial, political, legal, and national and international settings. Dealing with these challenges requires strong political will, long-term commitment and support from top management, a reliable institutional platform for collaboration, effective management of stakeholders' expectations and perceptions, workable business and architectural models, and necessary business and regulatory reforms. Even when these necessary conditions are in place, policy managers still need to develop a strategy transforming their vision into implementation. Therefore, a strategic and holistic framework that informs how these challenges can be systematically addressed is much needed.





Power Discoms in India: Identification of key issues faced and reforms required

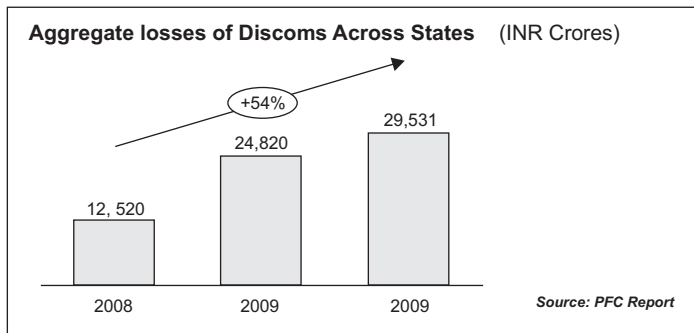
Mahadevan Seetharaman, Sailesh Pati

(Feedback Infrastructure Services)

Introduction

The Indian power sector is facing challenging times, with power distribution utilities running up an aggregate loss of INR 106,347 Crores in 2010¹ equivalent to 2% of India's GDP. While utilities have been incurring losses over the past several years, the quantum has dramatically increased recently, with annual losses more than doubling between FY 2008 and 2010. Tamil Nadu is the largest contributor to the losses, accounting for 26% of the cumulative losses till date².

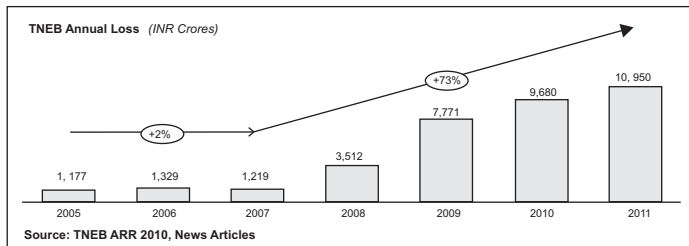
Commonly quoted reasons for these losses have been several - inability of states to increase tariff in line with increasing costs, high subsidies to the agricultural sector that effectively devolve onto the utility,



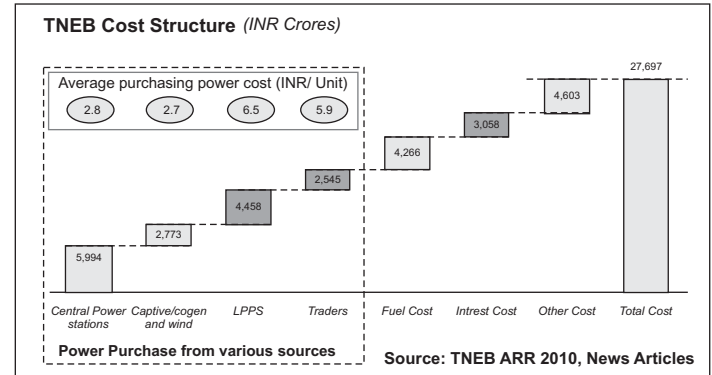
continuation of high AT&C losses, etc. This article highlights the underlying issues ailing State Discoms using Tamil Nadu Electricity Board (TNEB) as a case study³.

Key Issues faced by Discoms

TNEB has incurred cumulative loss of INR 40,651 Crores till FY 2011, with a sharp upward curve in the quantum of losses starting 2008.



The widening revenue deficit at TNEB has largely been driven by three factors:



- Power purchase from IPPs** – Faced with shortage of power from conventional sources both within and outside the state, TNEB has been forced to purchase power from diesel/gas based IPPs. Higher fuel costs for these IPPs leads to a power purchase tariff that is more than twice than that of conventional power sources like coal. The same quantum if purchased from a coal based power plant / central utility would have saved ~INR 2300 Crores. The larger issue is the poor planning by the SEBs which have not added capacity over the years in the hope of capacity addition from IPPs, many of which have not materialized (e.g. Hinduja power project in Tamil Nadu, Enron in Maharashtra).
- Merchant power purchase** – Despite power procurement under PPAs from both conventional and renewable sources, Tamil Nadu still faces significant power shortage for both base and peak demand. Since ~50% of TN's capacity is based on wind power which is seasonal, the state witnesses significant fluctuation in power availability across seasons, forcing TNEB to buy short-term power from traders at high spot prices. The resulting implication is an additional cost burden of ~INR 1450 Crores vis-à-vis the scenario if this power was purchased from central power stations under long term PPAs. This reflects the inefficiency in power purchase planning. SEBs often float tenders for immediate power requirements, rather than the long term, resulting in higher power purchase tariffs (e.g. TNEB purchased at INR 12 per unit just prior to elections).
- Interest payment** – Borrowings for an electricity utility are typically

¹ <http://business-standard.net.in/india/news/an-spv-to-buy-bad-debtsdiscoms/458687/>

² <http://www.business-standard.com/wef10/news/tamil-nadus-robin-hood-hikes-taxes/456654/>

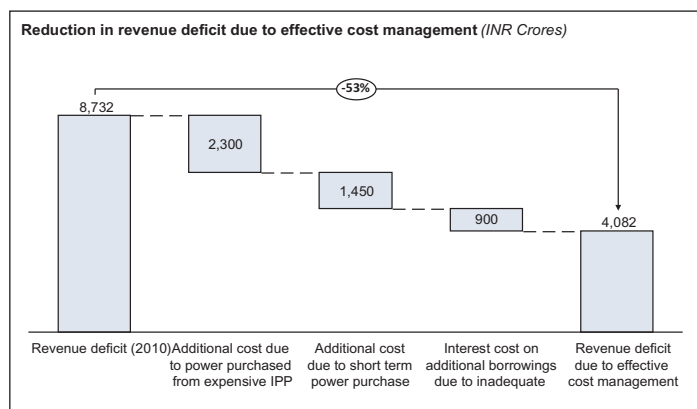
³ Though TNEB is now unbundled into TANGEDCO and TANTRANSOCO, erstwhile TNEB is considered for analysis here as its financials depict the realistic scenario

limited only to capital expenditure required for addition of fixed assets. However, in case of TNEB borrowings have increased by ~INR 14,000⁴ Cr during FY 2008-10 in comparison to gross block addition of only ~INR 9,000 Crores (of which INR 6,300 Crores is from borrowings). At TNEB's average borrowing cost of ~12% over the same period, non-capex related borrowings of INR 7,700 Crores have led to an incremental cost burden of ~INR 900 Crores annually in the form of interest payments. The problem is compounded through non-payment of subsidies by Tamil Nadu government, forcing TNEB to borrow long term debt to meet revenue expenditure requirements.

Intervening in the above areas could reduce TNEB's annual losses by more than 50%.

Measures undertaken by State Distribution Utilities to operate under losses

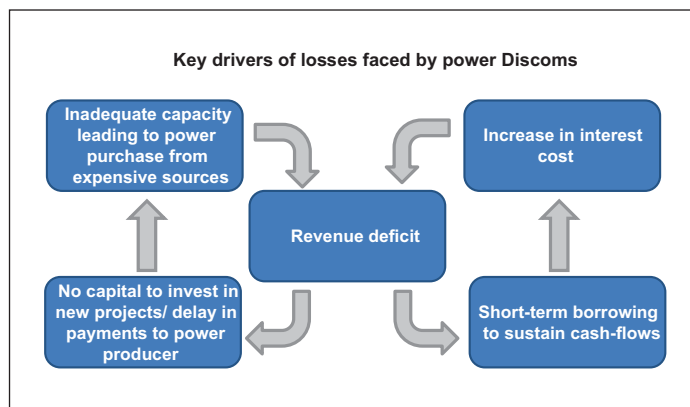
The mechanisms adopted by TNEB to manage its cash flow deficit are only exacerbating these vexing issues. TNEB has been trying to offset the cash flow impact of this widening revenue deficit through borrowings (bond issues, loans from financial institutions) and by delaying payments for power purchase (primarily IPPs and Power Trading Corporation). However, these measures are only stop-gap in nature and lead to further degradation of TNEB's financial stability.



Borrowings at increasingly adverse interest rates have created additional interest payment obligations which are driving an ever-increasing revenue deficit for TNEB. Situation is worse in states such as Rajasthan and Uttar Pradesh that provide grants to their Discoms to repay the borrowings. However, these grants do not even cover the interest payments due on the short-term borrowings. This creates a downward spiral of rising interest costs as Discoms increase borrowings to maintain cash-flows.

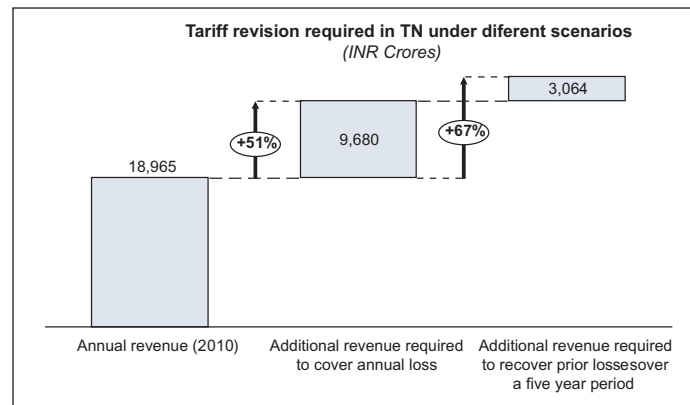
Likewise, delayed payments to power producers dissuade private investments for capacity addition in the state. This forces the state to buy expensive power from stop-gap sources, leading to further losses.

Some states like Tamil Nadu have resorted to accounting innovations to window-dress their losses. Past unrecovered losses are capitalized into 'Regulatory Assets' on the balance sheet. These assets are expected to be progressively written off as and when they are recovered through future tariff revisions. With no well-defined plan to recover past losses, these 'Regulatory Assets' serve to create an illusionary balance sheet



with positive net worth, while the Discom is in effect insolvent.

The key issue has been that utilities have been used as vehicles to implement populist measures rather than operated as commercial entities. For instance, TNEB did not file for any tariff revision during 2003-10 nor did it recover additional fuel cost even when it had fuel cost adjustment mechanism for the same. In addition to losing the opportunity to recover its losses, it has failed catalyze investments and enhance service reach and quality, resulting in the current crisis.



While most Discoms appear to be gearing up to increase the power tariff, increase in power tariff alone is unlikely to be sufficient to revive their health. For instance, a state like TN needs to increase its tariff by 50 – 70% to cover losses. This is both impractical and politically unpalatable. However, if the tariff is not increased by this extent without undertaking reforms, the losses will continue to mount.

In addition, power purchase cost is also likely to increase due to supply side issues in fuel procurement. Limited supply of gas and domestic coal (Coal India promising only 50% of guaranteed supply), delays in development of new coal blocks and increase in price of imported coal will increase production costs of thermal and gas based power plants which account for ~75% of total power generation in India. Thus, mere tariff revision is not a solution by itself, unless accompanied by several other structural changes.

Reforms necessary

Structural reforms are required both at central and state levels to resolve the mess in which the Discoms find themselves today, starting with the

4 Assuming 70:30 debt equity ratio

fundamental problem of inadequate power availability and high AT&C losses.

Addressing the conventional power shortage faced by State Discoms will require interventions on the capacity creation front by all the stakeholders, some of which have been recommended by the Shinglu Committee:

a. Central government:

- Discoms need to be bailed out through a one-time Central grant (since most states are almost insolvent already) since the past losses are unlikely to be recovered just through tariff increase. By not writing off these losses immediately, the interest burden and the resultant inability of Discom to attract new projects will widen the gap which can ultimately be bridged only through external intervention. A similar measure earlier⁵ has not been able to catalyze or sustain performance improvement. Instead it has created a bad precedent wherein Discoms believe that they will be bailed out each time there is a crisis. Hence it would be effective for the centre to provide performance linked grants (that will be adjusted from future grants to state) and directed subsidies.
- Enforce legislations that ensure the autonomy of State Electricity Regulatory Commissions in their functioning. Discoms should be empowered to initiate suo motu tariff proceedings to recover their costs without being influenced by populist measures implemented by state governments (e.g. provision of free power to farmers).
- Introduce reforms to mitigate fuel availability risk for developers as most projects are stuck due to this issue. This would help reduce project execution delays.

b. State government:

- Accelerate infrastructure development through private participation models like franchisees.
- Ensure no interference in the tariff process other than commitment on subsidies.
- No indiscriminate direction to purchase power if there is no cost reimbursement.

c. State Electricity Regulatory Commission

- Discoms will have to be empowered to manage their working capital. This would require mechanisms for timely payment of subsidies to Discoms for agricultural customers. Possible solution is the direct payment of subsidies to farmers based on “metered consumption”, instead of pooled subsidy. This will not only ensure right amount of subsidy payment but also facilitate proper metering and theft control.
- Permit full cost pass through of the “uncontrollable” cost increases.
- Tariffs need to be revised to ensure that all incurred costs are recovered in the same year.

d. Lenders

- Offer debt capital to Discoms only for capex requirements and not to fund their working capital requirement due to incurred losses.

Conclusion

To summarize, the crisis in Indian power sector has reached significant proportions and is headed for a disaster that state utilities cannot resolve on their own. The only solution appears to be government intervention through capital relief as well as introduction of structural reforms. Given the sector's significance to the growth of the economy, state and central governments need to coordinate and undertake corrective measures on high priority.



5 “One time settlement of central government entities' dues from SEBs”, Ahluwalia Committee report (2000) – wherein dues were converted into long term bonds guaranteed by state government



Directions in the Uncharted World

Shashanka Bhide

Senior Research Counsellor, NCAER

The global economy was hit by the great economic crisis of recent times three years back and recovery from the crisis has been painfully slow in the Advanced Economies, led by the US which was also at the centre of the crisis. A little more than a decade back we also witnessed the Asian economic crisis. In both the cases, India emerged relatively quickly from the shocks. There were also many lessons learned. Financial integration with the global economy provided huge opportunities of access to capital and markets but they are showed that financial prudence at the micro level and good regulation at the macro level was extremely important in the financial system. The limits to government interventions have also been demonstrated. Even the most powerful American economy is finding it difficult to come back to a sustainable fiscal position over the medium term after its attempts to see through the crisis of 2008 through fiscal support.

India emerged from its own macroeconomic crisis in 1991 in a new light. The experience of more flexible economy led to faster growth and expectations that higher rates of growth can be achieved on a sustained basis over longer periods of time such as a decade or two which would be very crucial for India to break through its decades of low income and low growth. The period between 2004-05 to 2007-08 actually marked an unprecedented four successive years of GDP growth of 9 per cent. Both the services and manufacturing sector witnessed growth rates of about 10 per cent per year during this period. The global crisis of 2008 then brought down the growth rate to below the 7 per cent mark. Although growth recovered next year to above 8 per cent, the current year 2011-12 is yet again faced with the uncertainties of turbulence in the global financial markets. This time it is the European financial system which is vulnerable to the risks of some of the governments in the region not being able to service their debt over the medium-term.

The period since the economic reforms of 1991 has been described as transformational. India has now become fourth largest economy in the world and entered the 'lower middle income' group of countries from the group of 'low income' economies. The transformation is in terms of the composition of the economy, increase in average income, improved infrastructure and social sector investments. However, in the face of continuing global crisis, an important feature of the economy is also that it has built up significant foreign exchange reserves, food reserves and large domestic market for both consumer goods and investment goods. While it has intensified its global linkages, it has also built what appear to be some safety features. There was obviously a cost incurred in accumulating these reserves but for the moment they are strengths of the economy. Although it would be difficult to be insulated from the global shocks whether it is the cyclical downturns or oil price spikes or other commodity price increases, developing a strong domestic market is important for a large economy like ours. This would be an important balance to the shocks emanating from the outside world. Of course, this

may also lend some stability to the global economy if the domestic demand is more stable in the current phase of development.

The external markets will remain an integral to the development strategies as on the upswing, the global demand can play a catalyst of further growth of the economy. If the domestic economy remains stable, even in the global down turn, external capital would be attracted by the strength of the domestic demand.

The current phase of development of the national economy is indeed marked by deficits in a number of areas and catching up on these deficits is necessary to ensure carrying the transformation of the economy further so that development becomes sustainable. For this crucial reason, focus on development of domestic markets is necessary. Whether it is infrastructure, social services or skills, what is critical for increasing the supply of these services is investments in the domestic economy. Expansion of exports of goods and services is important but it is also necessary to focus on domestic demand so that the spill over of economies of scale can benefit exports and of course more competitive production practices of export industries can benefit production in the domestic markets.

The strategy of accelerating investments in infrastructure during the Eleventh Five Year Plan has provided a core source of aggregate demand. These investments have required construction, equipment and skilled labour. The fast pace of development does mean that supply chains will have to be extended beyond the borders and therefore not limited to being a stimulus to domestic production of these inputs. However, the infrastructure that is built will enable expansion of domestic production. What is also important to recognize is the potential for expanding the domestic capacity for production of inputs to infrastructure development within the country. In order to reduce the cost of logistics involved in imports, there will be cases where the foreign





suppliers set up production facilities within the country.

The pulling-in effect of infrastructure development on other investments has been long-recognised. After all infrastructure development is for meeting the needs of production of goods and services. Expanding the domestic economy, therefore, will be driven by the expansion of infrastructure. In this sense, continued emphasis on this sector in the next ten years would be necessary to facilitate relatively high rate of growth for the economy. The current strategy of infrastructure development has also relied on private sector participation. In order for the strategy of creating infrastructure at a fast pace, including the significant role for private sector, to succeed, there are obviously other hurdles. We have had several issues that have cropped up relating to environmental clearances, land acquisition and just administrative bottlenecks. In some sense, the severity of the hurdles was not fully anticipated. There has been some learning in the process. The consequence of the revisions in policy framework may have meant increased financial cost of development but it may addressed some of the concerns relating to environmental impact and equitable sharing of benefits among the various stake holders.

The faster pace of growth has also raised the concerns on the balance in development across regions, between urban and rural settings and across different sectors of the economy. Access to good infrastructure is necessary for every one. However, its provision involves cost which has to be met largely from the revenues from the users of these services. These considerations will require choices in the type of technology used in

development and also ways to reduce the cost of services. Market competition in the development of infrastructure and provision of services along with independent regulator will be necessary so that the price of services is competitive and the consumers are fairly served. Nevertheless, maintaining balance across different segments of the economy in the development efforts will have to be a conscious goal for policies. The test of sustainability of the strategy is not only with respect to equity but also environmental quality.

The core strategy of infrastructure development can not be limited to physical infrastructure. The benefits of physical infrastructure are meaningful only when they are utilised by healthy and educated population. There will be shocks to the economy in a variety of ways. The challenge cannot be met without a prudent fiscal path. This is yet again a moment to maintain the direction of growth balancing the needs of equity and sustainability over a long term.

(Views of the Author are personal)

infrastructure



INFRANET 2011

9 November 2011, New Delhi

INFRANET 2011 aimed to discuss on the three major verticals in the Infrastructure Industry per-se Integrated Urban Development, Integrated Transport System and Integrated Energy Planning.

The objective of the conference was to throw up issues that impact due to lack of coordinated approach to infrastructure planning and find solutions that need to be implemented by the various stakeholders.

EXCON 2011 ROAD SHOW

CII organised Road shows across the region on EXCON 2011 - India's premier event for the construction & equipment industry.

Theme presentations given across discussed the role infrastructure can play in the growth story, especially in India which reflects in the projected investment in the infrastructure sector in the 12th plan period (2012-17), pegged at US\$ 100 billion.



30 September 2011, Chandigarh



21 October 2011, Lucknow



19 October 2011, New Delhi



12 October 2011, Jaipur



building people

Skill Development Centre at Bhiwadi

Skill Development Centre at Bhiwadi which started its operation from temporary premises in December 2011 is all set to be inaugurated by Shri Anand Sharma, Union Minister of Commerce and Industry, Government of India and Shri Ashok Gehlot, Chief Minister of Government of Rajasthan in mid February, 2012 with a total 56 student enrolled, the second batch has also started .



CII-IUST Career Fair Concludes

14 – 15 November 2011, Srinagar



Dr Abdul Rashid Trag, interacting with the students

The first Career Fair organized in association with Islamic University of Science and Technology (IUST) concluded at IUST Campus, Awantipora with approximately 400 students from IUST, KU and allied colleges participating at the two-day event. Speaking at the concluding function, Dr Abdul Rashid Trag, Vice Chancellor, IUST said "It is a matter of great pride for IUST to be the forum for providing new and exciting job opportunities for the youth of Kashmir. We are overwhelmed by the response of the industry."

Mr Asif Burza, Chairman, CII Kashmir Zone said, " Skilling and employability has been one of the focus areas for the J&K State Council. We believe that bridging the gap between the youth and industry will go a long way towards inclusive growth of the state."

The HR representatives from the participating companies said that they found students from the state 'articulate, intelligent and forward-looking'. The event brought together multinational companies like KPMG, IFBI, Berger paints, Dr Lal Path Labs, Bird Group, Earth Infrastructure Ltd and Aries Agro for placements.

Faculty Development Programme - II

14 – 18 November 2011, Lucknow

The second phase of the Faculty Development Programme for ITIs initiated by Confederation of Indian Industry (CII) with the Government of Uttar Pradesh and Tata Consultancy Services (TCS) was held with a batch comprising 20 instructors from ITI / ITCs of the Computer Operator and Programming Assistant (COPA) trade successfully completing their five day training at the TCS facility in Lucknow.

The certificates for the same were awarded to participants at a formal ceremony by the Chief Guest Mr Viresh Kumar, Principal Secretary-Vocational Education, GoUP.

IT today is a 72 billion dollar industry contributing 5.8% to the national GDP and providing jobs to 25 lakh people across the country. Given the growth of the IT industry in India, this programme was designed to enable the faculty members to help students capitalize on the opportunities that are arising constantly.



Students learning practical education at the lab of Skill Development Centre

Training Programme on "How to bring the best in your people"

18 November 2011, Rudrapur

To bring in the best in people and to develop Competitive Manpower, the training programme stressed to make the participants understand the power of self-belief and the importance of progressive mental attitude in achieving team and organizational goals. The workshop also aimed at understanding the importance of habits and its impact & implementing etiquettes in professional and personal life.



Expert addressing delegates at the Workshop

Effective Communication and Presentation Skills

11 January 2012, Chandigarh

A workshop on Effective Communication and Presentation Skills was organized with the following objectives:

- Presentation of ideas distinctively, creatively and convincingly
- Skill development for expressive, persuasive and dynamic presentations
- Improving presentation effectiveness using visual aids and multimedia
- Improving techniques of non-verbal communication
- To understand the importance of communication and using it effectively

The workshop was attended by more than 40 participants from various industries.



Participants during the workshop on Effective Communication and Presentation Skills

Motivational Workshop on Building World Class Organisations

17 December 2011, Jalandhar



Workshop on workers attitude

26 November 2011, Ludhiana



Reflector Campaign

29 December 2011, Ludhiana



Training Session on Industrial Safety

28 December 2011, Haridwar



Manufacturing Technology Study Mission

15-16 December 2011, Gurgaon

A Manufacturing Technology Study Mission was organized to learn from the best manufacturing practices of the following:

- Maruti Suzuki India Limited
- Sandhar Technologies Limited
- Hero MotoCorp Limited
- Carrier Airconditioning & Refrigeration Limited

The main objective of the mission was to create awareness and knowledge of the modern techniques and best manufacturing practices in the industry.

Session on Procurement Strategies

14 December 2011, Gurgaon

A session on procurement strategies & Buyer Seller Meet was organised which provided an opportunity for the MSME sector to have one to one meetings with the large companies and explore possibilities for future collaboration. The session saw some eminent names on the procurement panel including Bharat Petroleum Corporation Ltd, Power Grid Corporation Ltd, Airport Authority of India (AAI), Rites Ltd, Tata Motors, Maruti Suzuki Ltd, JCB Ltd, BSNL, and ZTE Telecom.

Mr Talleen Kumar, Joint Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India in his address said that the National Manufacturing Policy (NMP) unveils the opportunities for the MSMEs which have not been explored before. The new incentives provide a single window opportunity for the investors.

Mr Arvind Kapur, President ACMA & Managing Director, Rico Auto Industries Ltd emphasised the shift of government policies towards positive practices such as incentives and tax rebates for procuring and associating with the MSMEs.

CII at ease



From Left to Right:

CII Golf Tournament, 15 October 2011, Gulmarg ; Painting competition organized for the under privileged students , 18 November 2011, Srinagar ; TATA Motors team with the winner's trophy of Cricket tournament , 3 - 25 December 2011, Lucknow ; Shri Khajan Das, Minister Sports, Uttarakhand presenting Winner Trophy to Minda Corporation at the Final Match of CII Uttarakhand - Tata Motors Cricket Cup 2011, 5 November 2011, Dehradun ; Mr R C Bhargava, Chairman, Maruti Suzuki India Limited, being conferred the 'The Order of the Rising Sun, Gold and Silver Star', by Emperor Akihito of Japan" for his unparalleled contribution to the promotion of economic and bilateral relations between Japan and India, 2 December 2011, New Delhi ; CII Punjab members celebrating Christmas at Parwanoo - 24 & 25 December 2011, Parwanoo

reaching out



Affirmative Action – Northern Region Report Card

Affirmative Action for the Scheduled Castes and Scheduled Tribes communities is defined as a voluntary commitment by Indian companies to help the Government and civil society in the national Endeavour to ensure equal opportunity to members of the Scheduled Castes and Scheduled Tribes communities and CII has put up the same in its national agenda for action.

Affirmative Action Agenda broadly talks about Employability, Education, Supplier Diversity and Employment

Northern Region Efforts on the 4 E's

In line of the annual target assigned to Northern Region we achieved the following success:

Few Notable Affirmative Action Initiatives by Northern Region Members:

- Maruti Suzuki, Subros and Sona Koyo has adopted ITI's under IMC model on PPP mode. These members are providing Vocational education to the SC/ST candidates. The total numbers of candidates admitted for 2011-12 session in 6 ITI adopted by them is 2803 out of which 643 candidates are from SC/ST category.
- Jubilant under its "Muskaan Project" is supporting government rural primary education to 2465 SC/ST candidates.
- Jubilant is also enhancing employability of 238 SC/ST candidates by providing vocational training under its project "Nayee Disha"
- Affirmative Action Website – NR perspective: Members are encourage to visit www.cii affirmativeaction.in. to see the various AA initiative carried out by the CII membership.
- 192 Code of Conduct signatories status has been updated on the AA website.
- Feedback consultants uploaded AA initiatives of 175 members from the NR region on AA website.



CII ABILITY 2011

23 November 2011, Chandigarh

Celebrating the World Disability day, Confederation of Indian Industry in sync with its theme for the year "Business for Livelihood", and standing by its agenda for sustainable and inclusive growth for all, created a unique platform, ABILITY 2011, second in the series which gave an opportunity for the placement of differently abled candidates, facilitated through recruitment drives by the member companies. The two day initiative which is in association with NITTTR (National Institute of Technical Teacher's Training & Research) gave an opportunity to more than 70 differently abled candidates from the neighboring states with the companies like Tech Mahindra, Indigram Skill and Knowledge Initiatives Pvt. Ltd, Jubilant Food Works Limited and Pepsico India Ltd. 10 candidates were finally chosen by the corporates.



Awareness sessions on HIV/AIDS

Various awareness sessions were organised at Gurgaon, Mandi Gobindgarh, Lucknow and Dehradun, over a period of time to sensitize industry on issues related to HIV/AIDS.

13 December 2011, Gurgaon



1 December 2011, Lucknow



29-30 November 2011, Dehradun



Ensuring Equity between Business & Society

25 November 2011, Baddi

The seminar on Corporate Social Responsibility provided a deep insight and a unique opportunity to learn about CSR as a concept and its importance. It also focused on building the business case for CSR and how being responsible can lead to enhanced business performance. The participants got a fair chance to hear from various organizations, practising on why and how they adopted CSR and their future journey. The seminar also provided ample opportunities for companies to network learn and share experiences.

Visit to SOREM School

4 November 2011, Chandigarh

Mr Vijay Thadani,
Chairman,
CII Northern region
while appreciating the
activities of the students
at SOREM



Workshop by USACS



01 December 2011, Dehradun

Drug De-addiction workshop



15 January 2012, Ludhiana

Orientation meet on CSR



4 November 2012, Dehradun

agriculture

AGRICON 2011

4-5 November 2011, Lucknow



Chaudhry Lakshmi Narayan, Minister of Agriculture, Government of Uttar Pradesh at Agricon

At AGRICON 2011, Chief Guest for the conference, Chaudhry Lakshmi Narayan, Minister of Agriculture, Government of Uttar Pradesh acknowledged the tremendous potential for profitable investments in agriculture in Uttar Pradesh. He further assured that the state would be supportive to all interested parties who would like to invest in areas like food processing, warehousing, dairy, poultry and supply chain. He described AGRICON 2011 as an initiative which will bring in new ideas on how to capitalize on the existing opportunities and increase farmer incomes through better productivity and marketing.

Mr Alok Ranjan, Agriculture Production Commissioner- GoUP and Mr Abhay Kumar Singh, Chief General Manager- State Bank of India- collectively viewed on how the productivity and profits can be maximized in agriculture and related sectors.

Dairy Conclave

26 November 2011, NDRI: Karnal

With an objective to highlight the opportunities available in Dairy Farming, special emphasis was laid on connecting the farmers with the industry at Dairy Conclave. The concurrent sessions addressed by Mr M K Jalan, Chairman, CII National Committee on Dairy; Mr K S Dangi, Director General, Animal Husbandry, Government of Haryana; Dr A K Srivastava, Director, National Dairy Research Dairy Institute; Dr S K Bhalla, Chief Operations Officer, Mother Dairy; and Mr S K Sharma, Co-Chairman, CII Regional Committee on Food & Agriculture discussed on various topics like untapped potential in Dairy Industry, new Techniques for Value Enhancement in Dairy Industry; new dimensions in animal nutrition for enhancing farm productivity and Importance of value addition services in dairy sector.

A farmer interaction session was held for dairy farmers from adjoining region which discussed on various essential elements to help understand the subject better.

Conference on Livestock

16 December 2011, Jammu

Systemic and sustainable changes in the farming methods and practices, change in the mindset of farmers and utilization of new tools and techniques in the agriculture sector would be critical to keep up with the pace of development said Mr Rachpal Singh, Vice Chairman (MoS) J&K State Advisory Board for Development of Kissan, Government of Jammu & Kashmir at the conference which was organized by CII in collaboration with Sher-e-Kashmir University of Agricultural Sciences & Technology of Jammu with the intent to promote livestock for earning and employment. Various aspects including breeding, nutrition, etc. were discussed at length.

Key Takeaways

- J&K has 9.2 million livestock and 5.5 million poultry stock and there still exists vast untapped potential
- Emphasis should be on qualitative aspects such as Animal Breeding, Nutrition and Feed Additives
- Various schemes and finance provisions are required to upgrade the sector



Apple Practicum

5 November 2011, Kinnaur





A Documentary & Panel Discussion on Anger Issues

5 November 2011, New Delhi

The movie session focused on the long-term impact of chronic stress on the brain and body and examines as to how the individual can mitigate disaster by developing healthier coping mechanisms, to lead more emotionally stable and meaningful lives.

Ms Vandana Kohli, Filmmaker/ Musician/Photographer and Dr Jitendra Nagpal, Sr Consultant Psychiatrist at Moolchand Medcity and National Convener of Child Psychiatry Section – India Association of Private Psychiatry (IAPP) stressed upon the causes such as communication, detachment, distance from each other as some of the major causes behind the emotion anger.

Ms Payal Kapur, Principal, Step by Step School ; Dr Shikha Sharma, Managing Director Nutri Health Private systems Ltd ;Dr Amit Sen Senior Consultant Child Adolescent, Psychiatrist Sitaram Bhatia Institute of Science & Research also deliberated on the topic .

The discussion which was attended by over 40 senior representatives from Industry, Media Firms, and Institutions, focused on examining the emotional and physiological costs of living in a world that seems to be chronically agitated.



Yi-CII Leadership Development Programme

14th January 2012, New Delhi

The training workshop which was attended by over 50 senior representatives from Industry, Media firms, and Institutions, focused to equip existing and potential leaders with knowledge required to succeed in an increasingly competitive and uncertain marketplace.

Mr Soumen Basu, Coach & Chair, Corg Advisory took a session on “Business Leadership” which emphasized on leadership and its various attributes, degree of engagement, organizational values and the focus on 4 M’s - Market, Management, Model and Money.

Mr Vivek Singh, Coach & CEO, Corg Advisory, deliberated on “Personal Leadership”, which covered the domain of Emotional Intelligence (EI) and the unique intersection of the human emotions and mind. He also talked about the various styles of leadership.

Yi Panel Discussion: Impact of Laws on Indian Business

5 November 2011, New Delhi



L-R: Vivek Singh , Coach & CEO , Corg Advisory ; Soumen Basu, Coach & Chair, Corg Advisory; Virat Bhatia, Chair – Delhi State Council; Raghu Marwah, Chair- Yi Delhi)



competitiveness

24th Quality Circle Regional Final Competition

25 Quality Circle teams across 9 Northern States participated in Final Competition after qualifying the Preliminary Competition. Participants displayed great creativity while showcasing their Quality Circle's and was much appreciated by the judges, delegates and the participants alike. Chief Guest Mr Rajender Guleria, Co- Chairman Skills and Education CII, Northern Region appreciated the skills on display and highlighted the importance of Quality Circles.



Saftla, Tata Motors Ltd, Lucknow, Winners of 24th Quality Circle Final Competition

Winners of 24th Quality Circles Preliminary Competition			
Place	Winner	1st Runner up	2nd Runner Up
Noida , UP	CREATIVE-1, Napino Auto & Electronics Ltd,Gurgaon	KHOJ, BEL, Kotdwara	POORNAVIRAM, NDPL, Delhi
Jaipur	Prakhar, Tata Motors Limited, Lucknow	Chetna , Maruti Suzuki Ltd, Gurgaon	National Engineering Industries Ltd, Jaipur
New Delhi	Parivartan, Neel Metal Products Ltd, Gurgaon	Disha, Sandhar Automotives Ltd, Gurgaon	Tanishq, Mindarika Pvt Ltd,Gurgaon
Haryana	Innovative, Subros Ltd, Gurgaon	Challenge, Denso India Ltd,Noida	Incredible, Napino Auto & Electronics Ltd,Gurgaon
Final			
Chandigarh	Saftla, Tata Motors Ltd, Lucknow	Disha, Sandhar Automotives Ltd, Gurgaon	Sanrachna, Bharat Electronics Ltd, Ghaziabad

Interactive seminar with BSE on the SME Exchange

29 September 2011, Jammu

To create awareness among the SMEs, market intermediaries and investors about the BSE SME Exchange/Platform, an awareness session on "Raising Equity Capital through BSE SME Platform" was held.

Mr Sanjay Puri, Past Chairman CII J&K State Council & Managing Director PBI (India) Ltd. welcoming the move to launch BSE SME platform said that BSE being world's number one exchange in terms of listed companies, it is the step taken in the right direction which will provide immense opportunity to investors to identify and invest in the good companies at an early stage & will further promote spirits of the new entrants in the SME segment.



Mr Virender Sharma, Director, MSME Development Institute, Govt. of India, Jammu and Mr Lakshman Gugulothu, CEO- BSE SME Exchange, also present at the occasion appreciating the launch, said that the endeavour of the government is to make MSMEs most competitive, whether it is in terms of quality or delivery of products in the state. In order to compete, the industry will have to adopt the new techniques and technologies locally and globally. Availability of capital or funds becomes critical for the industry, hence, BSE SME platform may become another way for entrepreneurs to look at growth avenues.

A Talk on Think Globally and Act Locally

1 October 2011, Parwanoo

Mr Malvinder Mohan Singh shared his success story with the Himachal Pradesh State Council members and shared some best management practices required for transition from SMEs to the corporates of the future. He stressed on going with one's own decisions wholeheartedly in order to succeed. The session gradually turned into a highly interactive forum wherein Mr Singh answered all the queries.



CHANDIGARH

SECURecITY 2011

7-8 November 2011, Chandigarh



Mr P K Srivastava, IGP, Chandigarh inaugurating the Exhibition on SECURecITY 2011

As a part of the Chandigarh Police week, Confederation of Indian Industry in association with Chandigarh Police organised an exhibition and workshop on Secure City which was inaugurated by Mr PK Srivastava, IG Police, Chandigarh.

While addressing the session, Mr P K Srivastava, IG Police appealed for active citizen participation and vigilance to make City Beautiful a secured city. "Committed to service the citizens, Chandigarh Police have now also started with new initiative to call and seek feedback from citizens on their satisfaction on processing the complaint. This shall help us in further improving our services", he added.

Concurrent to the session, the exposition on Safety & Security solutions displayed the most advanced technological solutions in the form of latest safety, security & surveillance gadgets & equipments for Personal, Commercial, Industrial, Residential, Infrastructural Security and Safety & Fire Safety.

Interaction on Strengthening Industry Institute Interaction

4 November 2011, Chandigarh



The interaction promoted PPP in Higher Technical Education to share the best practices. Mr Vijay Thadani, Chairman CII Northern Region & CEO, NIIT Ltd informed that CII could further engage with PEC University of Technology, Chandigarh through review of curriculum, branded finishing schools, seamless internships, guest lectures, International linkages, etc

Interaction with Home Secretary, Chandigarh

20 January 2012, Chandigarh



Mr Anil Kumar, Home Secretary, Chandigarh interacting with members

CII submitted a Memorandum to Mr Anil Kumar, Home Secretary cum Secretary Industries, which included Implementation of MSMED Act in totality, development of infrastructure in industrial areas, necessity of need based changes to be allowed in the industrial plots and development of sub city centre in Sector 34. The memorandum also accentuated the need for Industrial Policy for Chandigarh.

The Home Secretary cum Secretary Industries, Chandigarh assured full support to industry & its growth.

Partnerships between City of Cologne, Germany & Chandigarh

23 January 2011, Chandigarh

Mr Kiran Malhotra, President, Indo-German Business Forum; Business Ambassador to India, City of Cologne, Germany and Managing Director, Alliance Ltd interacted with members to further the economic & Business cooperation between City of Cologne, Germany & Chandigarh.



Mr Kiran Malhotra, President, Indo-German Business Forum with CII members

HARYANA



CII delegation meets CM Haryana

17 September 2011, New Delhi

A high level delegation met Mr Bhupinder Singh Hooda, Chief Minister of Haryana to discuss the deteriorating labour situation in Gurgaon.

The delegation highlighted the ongoing labour unrest in the industrial areas of Gurgaon and Manesar which threatened to spoil the peaceful atmosphere of the industries based in Haryana. Mr Raj Bhatia Chairman, CII Haryana, said that while the Auto industry has grown over a period of time, and has been instrumental in creating employment for many it is unfortunate that today, destructive trade union activities have been on the rise, which poses a threat to the existence of industry in the state.

The delegation mentioned that the coercive approach being followed by the misguided leaders amongst the workmen negatively affects the growth prospects of the automotive sector in the state.

The Chief Minister assured the delegation that the state Government is committed towards ensuring healthy industrial growth in the state and has always stepped in to take proactive measures whenever required.

The delegation included, Mr N K Minda, Managing Director, Minda Industries Ltd; Mr J K Mehta, Managing Director, Omax Autos Ltd; Mr S K Arya, Managing Director, JBM Ltd; Mr Ashok Kapoor, Managing Director, Krishna Maruti Ltd; Mr Harbhajan Singh, Head HR and IR, Honda Motorcycles & Scooters Ltd; Mr Rajiv Kapoor, Senior Vice President, JCB Ltd; Mr Vikram Kasbekar, Head Operations, Hero MotoCorp; Mr V P Bajaj, Managing Director, Bajaj Motors Ltd and others senior officials from the prominent industries of the region.



JAMMU & KASHMIR



Meeting with Chief Minister Omar Abdullah

18 October 2011, Srinagar



Omar Abdullah Hon'ble Chief Minister J & K during interaction with CII J & K members delegation

CII Delegation led by Mr Raju Choudhary, Chairman CII J&K State Council along with Mr Waseem Trumboo, Vice Chairman, CII J&K State Council and Mr Asif Burza, Chairman, CII Kashmir Zone met Hon'ble Chief Minister Omar Abdullah to discuss the Single Window Clearance System.

A presentation on Comparative Study and Suggestions on Single Window System was presented by Mr Navin Aggarwal, Executive Director, KPMG which broadly outlined the strengths of the present system and the areas for improvement.

Mr S S Slathia, Minister for Industries and Commerce and Mr Manohar Lal, Minister of State for Industries and Commerce was also present at the occasion.



PUNJAB

Round Table on “Developing Vision Punjab”

5 November 2011, Ludhiana

Members Meet

5 November 2011, Ludhiana

Mr Vijay Thadani, Chairman, CII Northern Region informed members about the CII activities and also the services offered to the members through its various channels. He informed the members of the web portal launched by CII:www.mycii.in where members can customize their web page and also use the plethora of services meant to provide their businesses with a competitive edge. Chairman also addressed various issues raised by members and also welcomed their suggestions.



Capt. Amarinder Singh with Industry Members

To revive & reenergize the growth momentum in the state and to dwell on the need for Developing Vision Punjab, CII organized a closed door interaction of select Industry leaders with Capt. Amarinder Singh, Former Chief Minister, Punjab & President PPCC. Apart from creating a conducive business environment in the state, the roundtable meeting focused deliberations on ever emerging sectors of Punjab with focus to Infrastructure, Manufacturing, Healthcare, Textiles, Agriculture, and Food Processing etc.

Mr Harpal Singh, Past Chairman, CII Northern Region, Mr Vijay Thadani, Chairman, CII Northern region, Mr Malvinder Mohan Singh, Deputy Chairman, CII Northern Region and Mrs Kamna Raj Aggarwalla, Chairperson, CII Punjab State Council among other industry leaders participated in these deliberations.

Capt. Amarinder Singh's view on the need to ensure continuity of policies, reforms & developmental agenda in the state irrespective of the government in power was well received by the Industry.



Members Meet in Progress

RAJASTHAN

Interaction on GST & DTC

11 October 2011, Jaipur

To understand the anomalies regarding upcoming GST and DTC, Confederation of Indian Industry, Rajasthan organized an Interaction with KPMG officials and Mr Niranjan Arya, Commissioner – Commercial Taxes, Government of Rajasthan at Jaipur.



Mr Niranjan Arya, Commissioner – Commercial Taxes, Government of Rajasthan during interaction with CII

Senior state council members attended the interaction with Mr Niranjan Arya. Mr Gopal Maheshwari and Mr Priyajit Ghosh, Associate Director from KPMG were also the speakers during the session on DTC and GST respectively.

Interaction with Silk Air Officials

19 October 2011, Jaipur

With the objective to conduct the feasibility study and evaluate the potential of International flight operations from Jaipur to Singapore the officials of Silk Air visited Jaipur.



Interaction on issues related to Labour & Employment

2 December 2011, Jaipur

Dr Lalit Mehra, Principal Secretary – Labour & Employment and Mr Lakshman Gugulothu, CEO – SME Exchange, Bombay Stock Exchange at the Interaction with Members.



Family Business Sensitization Session

12 October 2011, Jaipur

The Session was organised with an objective to extend the life span of the family businesses to enable economy to continue to derive benefit from the contribution of the family businesses.

30 prominent family business houses attended the programme.



Mr M V Subbiah, Past President, CII & Former Chairman, Murugappa Group during interaction with various family business houses.



UTTAR PRADESH

Session on Compliance Management using Information Technology

22 December 11, Delhi



Mr Rakesh Dhamani addressing the session

Compliance has become one of the major risks for business & its getting more and more demanding because it's one thing where Senior Management is responsible for any nonconformity which depends on response of their team. This requires too much of follow up and takes away lot of productive time & energy. If an organization misses one such compliance, this can lead to fine/penalty or imprisonment and most importantly impacts its reputation.

With this background, the session was held where Mr Rakesh Dhamani, CFO, Continental Carbon India Ltd share a case study presentation on how they are managing compliance in their organisation, following which Mr Harinder Singh, Head – Delivery, Delcom Process Management Ltd demonstrated the way compliance can be managed using Information Technologies.

Interaction with Director, Employees State Insurance Corporation (ESIC)

8 December 2011, Noida

With an objective to discuss & share the issues being faced by the industries in Western Uttar Pradesh, CII delegation interacted with Mr Sanjay Sinha, Director, Employees State Insurance Corporation (ESIC) of Noida.

The director informed the members about Free Mobile awareness camp in Noida & Greater Noida for better understanding of the policies & procedure for ESIC.



Members interacting with the ESIC Director.



UTTARAKHAND

National Seminar on Growth and Governance"

19 November 2011, Dehradun

Dr S Farooq, Chairman, CII Uttarakhand State Council, presented his views on the Regional Dynamics of Uttarakhand at the National Seminar on "India: Two Decades of Economic Liberalization – Growth & Governance" organized by School of Social Sciences, Doon University. He shared the economic disparity between hills and plains areas of Uttarakhand and suggested how development of MSEs, Tourism & Service based Industry can help in the Economic growth of hills.



Dr S Farooq, Chairman, CII Uttarakhand State Council, at the meeting

Meeting of RBI's Empowered Committee on MSMEs

21 October 2011, Dehradun



CII delegation interacting at the RBI's meeting

CII has submitted credit related issues at the RBI's Empowered Committee on MSMEs. RBI strongly emphasized to the banks in the State to reach out to the entrepreneurs and improve credit delivery especially to MSEs. Key suggestions included land development cost in project cost for Tourism Projects and private educational institutions as MSMEs for the purpose of bank finance

Meeting with Mr Rakesh Sharma Principal Secretary, Industrial Development, Govt of Uttarakhand (Left) and Mr MH Khan Secretary, Employment & Labour Deptt, Govt of Uttarakhand (Right)



7 December 2011, Dehradun



8 December 2011, Dehradun

CII delegation called on Hon'ble Chief Minister of Uttarakhand

6 December 2011, Dehradun



Hon'ble Chief Minister of Uttarakhand releasing CII report - "Investment Climate in Uttarakhand"

CII delegation called on Maj Gen (Retd) B C Khanduri, Hon'ble Chief Minister of Uttarakhand to compliment the CM on the Lokayukta initiative and the recent changes that have been announced in the policy for promoting industry in the Hills.

Hon'ble Chief Minister also released CII report – "Investment Climate in Uttarakhand". The report highlights the positive investment climate in the state as reflected in its economic and social progress. As per the report the state has not only registered high rates of economic growth, it also ranks 1st in terms of improvement in Human Development Index during the period 1996-2006.

Call on meeting with Governor of Uttarakhand

13 December 2011, Dehradun



Dr Farooq presenting the Governor CII reports – Investment Climate in Uttarakhand

Interactive Session with Dr D K Bisen

12 December 2011, Dehradun

The interaction was organized with the objective to understand the latest policies and procedures related to Customs, Central Excise & Service tax and also to take up issues related to excise exemptions vis-a-vis central industrial package given to Uttarakhand in 2003. The interactive session was well attended by 35 industry captains from Dehradun, Haridwar & Pantnagar Industrial areas.



Dr D K Bisen, Assistant Commissioner Customs, Central Excise & Service Tax interacting with the members of CII Uttarakhand State Council

CII delegation led by Dr S Farooq, Chairman CII Uttarakhand State Council, concurred with the Governor on micro and small enterprises to be the key for industrial development in the hills.

On the issue of promoting Tourism, Ms Lovelena Mody, Past Chairperson, CII Uttarakhand, suggested setting up of Special Tourism Zones to promote tourism in an integrated and a planned manner in the state. Community engagement and environment conservation should be the two guiding principles for tourism projects in the state she emphasized.

Interaction with IDCG Officials for development of herbal sector



13 January 2012, Dehradun

Meeting with Uttarakhand Kranti Dal



14 January 2012, Dehradun

in the media

Recognising ABILITY 'Encourage direct applications to avoid immigration frauds'



emerging economic compulsion, and fostering a mate for good governance", said Sameer G Vice-Chairman,



Tattoo parade' delights families of policemen

The families of police officers and their families were delighted to see their loved ones in the police uniform, during a tattoo parade in the city. The police officers and their families were seen in the police uniform, during a tattoo parade in the city. The police officers and their families were seen in the police uniform, during a tattoo parade in the city.

'Indian IT market stands under-invested'

HT Live Correspondent
chd@rediff.com

CHANDIGARH: The Confederation of Indian Industry (CII) on Monday organised a session 'CEO speak session' with SS Gopalakrishnan, CII vice-president and Infosys Limited executive co-chairman.



Realcon-2011
CII'S PLATFORM FOR REALTY PLAYERS

SS Gopalakrishnan, CII vice-pres

Three from city go to G20 Young Entrepreneur Summit

EXPRESS NEWS SERVICE
CHANDIGARH, OCTOBER 28

ANUPAMA Arya, Sameer Jain, and Navita Mahajan will be representing the city at the G20 Young Entrepreneur Summit (YES) from October 31 to November 2

experiences with leading figures from across the world. "Through the summit we aim to look for solutions to bridge the industry and education divide in India and promote the role of entrepreneurs in innovation, job creation and growth."

CII delegation met CM



Jammu, Oct 18: CII Delegation led by Mr Raju Choudhary, Chairman CII J&K State Council along with Mr Wisam Trambou, Vice Chairman, CII J&K State Council and Mr Anil Bhanu, Chairman, CII Kashmir Zone met Hon'ble Chief Minister Omar Abdullah to discuss the Single Window Clearance System.

The presentation was followed by a brief on CII activities in Kashmir Valley by Mr Wisam Trambou, Vice Chairman, CII J&K State Council. After that individual companies raised their issues (who have investment of more than Rs 20 Cr). Chief Minister promised to meet again in Jammu after 5-6 months to review the progress.

Mr S S Sathya, Minister for Industries and Commerce and Mr Manoj Lal, Minister of State for Industries and Commerce who were

Af-FAIR with the best



The range of the fair is full of art and craft items. It is a must-visit for anyone who loves art and craft.

Khanduri urges CII to invest in Hills



By OUR STAFF REPORTER
DEHRAUN, 8 Dec: Chief Minister SC Pant met a delegation of members of the Confederation of Indian Industry (CII) when they called on him at his residence, here, on Tuesday.

During his interaction with the visiting delegation, Khanduri said that the state government had implemented the Hill Industrial Policy in 2001 to stop out-migration from the hills and provide employment to the youth. He said that even though the policy has helped in providing infrastructure to the hills, there was a need to do much more. He said that, recently, the State Government was actively encouraging the provision of the Hill Industrial Policy to make more attractive for investors and entrepreneurs. A single window had been put into place so that the entrepreneurs did not face any inconvenience.