FTCCI Review

Azadi Ka Amrit Mahotsav

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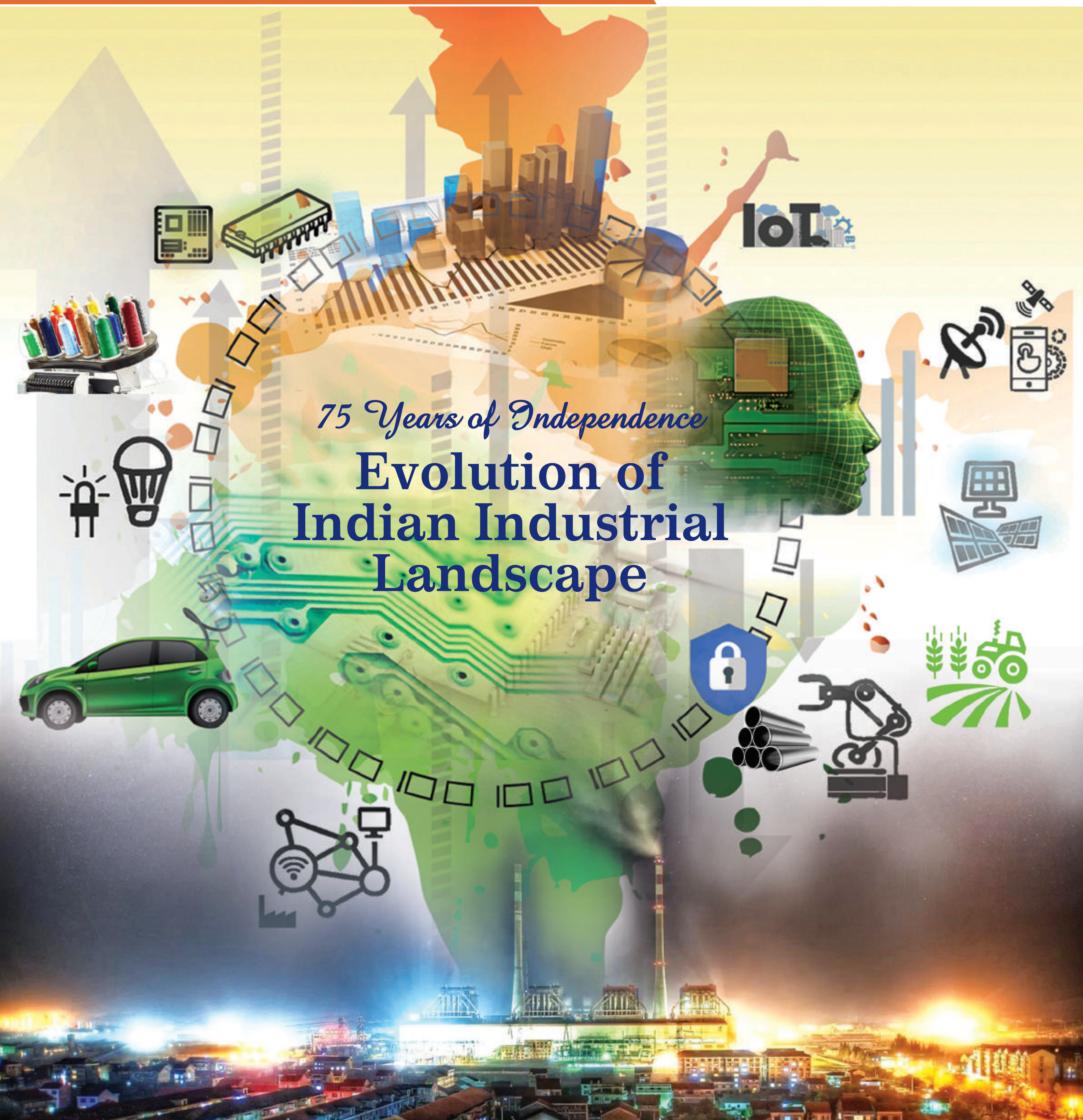

75 Years of Independence

Evolution of Indian Industrial Landscape

FTCCI Review

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Inside

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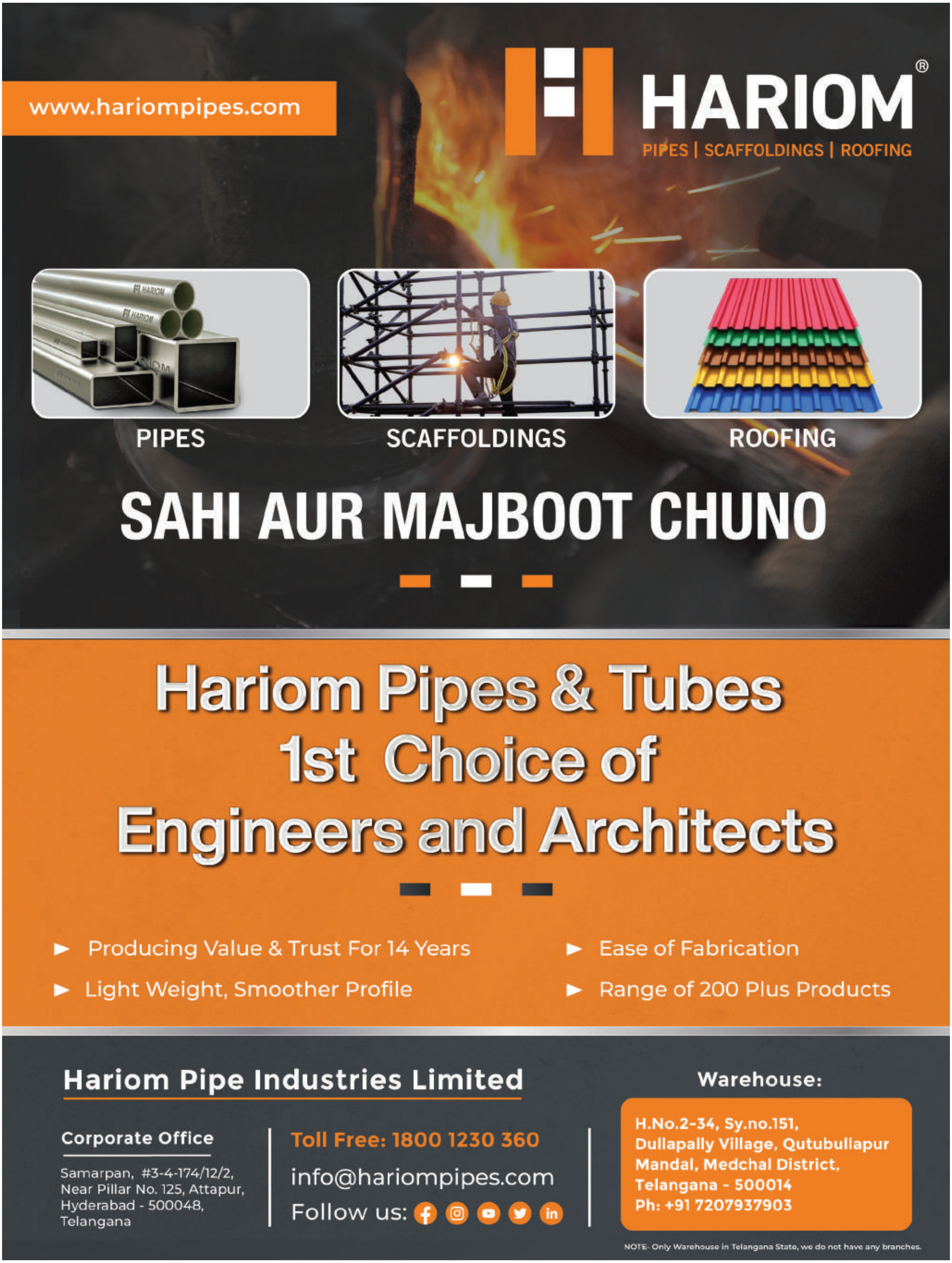
105th ANNUAL GENERAL MEETING

Outgoing President
Sri K.Bhasker Reddy
welcoming the Incoming
President Sri Anil Agarwal by
pinning the lapel pin

Incoming President
Sri Anil Agarwal
welcoming the Incoming
Sr Vice President
Sri Meela Jayadev
by pinning the lapel pin

Sri Anil Agarwal, President and Sri Meela Jayadev, Sr Vice President welcoming the Incoming Vice President Sri Suresh Kumar Singhal by presenting bouquet.

Sri K.Bhasker Reddy, Immediate Past President and Mrs. Veena, Secretary are also seen.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NOTE- Only Warehouse in Telangana State, we do not have any branches.

Dear Members

It is a proud moment for me to address you all through this platform and let me first express my sincere thanks to all the members, managing committee members and past presidents of the esteemed organization for reposing their faith in me and giving me the opportunity to serve the organization as President for 2022-23. I once again reiterate that FTCCI will actively and consistently take up the issues concerning industry, trade and commerce and strive to protect their interests. I appeal to all the members of FTCCI to strengthen the organization by actively participating in its activities and by giving inputs and suggestions on various issues faced by them.

I am pleased to note that I am starting my tenure with a positive note that India's GDP is estimated to grow at average 7 per cent in 2022-23. Morgan Stanley said Indian economy is set for its best run in over a decade and is likely to be the fastest growing Asian economy as pent up demand being unleashed. It is good news for the industry and trade and surely help all sections of people.

The Federation celebrated 75th Independence Day with much enthusiasm and organized a talk on "India @75 – Marching towards $5 trillion economy" by Dr. D. Subbarao, IAS (retd), ex-Governor of RBI and a public finance expert. He threw light on many issues that influences/determines the pace of India's growth and the significance of achieving GDP of $5trillion. I once again express my thanks to Dr. Subbarao for making the 75th Independence Day memorable.

At the FTCCI Excellence Awards Ceremony, Hon'ble Industries Minister KTR suggested that the Federation should study the areas where the cost of doing business is more than that of its competitive states so that industry in Telangana perform better and I am glad to inform that Federation team started to compile various costs in Telangana vis-à-vis other states such as Gujarat, Maharashtra, Tamil Nadu and Karnataka. Soon the paper will be submitted to government and FTCCI will make all efforts to reduce the cost of doing business in the State.

Other important aspect is that, Federation is helping MSMEs to register with e-commerce portals to increase their area of operations and size of market and organized a training program along with Amazon. The program is attended by more than 100 small entrepreneurs and I congratulate all the participants for taking the first step towards going digital and avail the wider opportunities. We are extending this training program to MSMEs located in other Districts too and provide them hand-holding support to get on-board of e-commerce.

Similarly, 6 Day EXIM Management program conducted at Nizamabad was a huge success and more than 50 enthusiastic entrepreneurs and working people who desire to build their career in EXIM Business attended the course. We are going to conduct the course in other Districts too such as Warangal and Karimnagar to help companies enter into EXIM trade and gain the benefits. This also is undertaken as part of imparting skills and support the ambitious program of raising exports of goods and services to $1 trillion each by 2030.

Two major hurdles for MSMEs – the inordinate delay in enforcement of contracts and delayed payments be addressed by government – both at union and state level – for making MSMEs stronger and healthier.

The World Bank's ease of doing business report 2020 ranked India at 163 out of around 190 countries globally on enforcement of contracts — measuring the time and cost for resolving business disputes. For an entrepreneur, it takes a tremendous amount of effort and energy to ensure suppliers deliver on time and buyers pay on time. While this seems basic professionalism but this culture is not normalised in the informal MSME landscape. Government may take initiative to inculcate the culture among the MSMEs.

Also, there is a long-standing demand of the MSME sector for working capital support by mandating government and private buyers to release payments for goods procured within the stipulated time of 45 days from the receipt of goods. However, the situation is far from seeing a turnaround.

On this 75th year of Independence, let us all wish for an improved business environment, particularly for MSMEs, and address the two major issues to make India a manufacturing hub.

Anil Agarwal
President

Discoms permitted to raise Rs.10,200 cr. under UDAY scheme

No clarity yet on permission for open market borrowings

The State government secured a major relief in terms of borrowings for strengthening power sector.

The government has received approved for raising approximately Rs.10,200 crore under the UDAY (Ujwal Discom Assurance Yojana) scheme from the Union government. The development follows the meeting of Chief Secretary Somesh Kumar and Finance Special Chief Secretary K. Ramakrishna Rao with Union Finance Secretary on Wednesday. UDAY was launched with an overall aim of operational and financial turnaround of DISCOMs through efficiency improvements and financial restructuring in generation, transmission and distribution.

There is however no clarity on whether the State could go ahead with raising open market borrowings as projected in the Budget estimates. As against the Rs.52,167 crore OMBs projected in the Budget, the Centre had reportedly permitted raising Rs.23,000 crore, going by the recent statement issued by the Chief Minister's Office.

https://www.thehindu.com

Power generation capacity to hit 820GW by 2030; over 500GW from non-fossil fuel sources: R K Singh

Union Power and New & Renewable Energy Minister R K Singh said the country's electricity generation capacity will reach 820GW by 2030, including over 500GW from non-fossil fuel sources. In his message at the launch of a report of The Energy Resource Institute (TERI), Singh said: "By 2030, the total capacity for power production would be about 820GW. Out of that, more than 500GW will be non-fossil."

Pointing out that India has already started adding storage capacity to renewable energy, the minister said the government has come out with one of the largest bids on storage and is trying to bring down the storage cost by adding volume.

He also emphasised on India's commitment to energy transition targets though the country has one of the lowest per capita emissions. TERI released a roadmap charting the feasible pathways to achieving the ambitious decarbonisation targets.

Apart from suggesting policies as well as technological interventions to achieve the 2030 goals, TERI's roadmap also calls for state leadership in the development of pumped storage plants and feed-in-tariff for solar generation.

https://economictimes.indiatimes.com

India must become hub for manufacturing photovoltaic modules: Union minister Bhagwanth Khuba

ndia must become a manufacturing hub for photovoltaic modules and not just be traders of solar components under the Aatmanirbhar initiative, Union Minister Bhagwanth Khuba said on Thursday. Khuba, the Minister of State for New and Renewable Energy, was speaking at the Mercom India Solar Summit 2022.

"So far India was dependent on other countries (for PV modules and solar components) but under Aatmanirbhar Bharat, we should not become only traders, we have to be manufacturers. India must be a hub of it," he said while addressing over 300 participants in a session on renewable energy.

The minister said the government launched the PLI scheme to manufacture of PV modules and related components in India to support the domestic solar sector.

In April 2021, the Union Cabinet approved a Rs 4,500 crore Production Linked Incentive (PLI) scheme to boost domestic manufacturing capacity of solar PV modules.

The funding under the scheme for domestic solar cells and module manufacturing was enhanced to Rs 24,000 crore by the government to make the country an exporting nation.

On the duties levied on solar modules, the minister said, "it was not to discourage our Indian investors. It is to encourage Indian manufacturers so India should become a solar manufacturers hub in future."

In 2021, the government had announced imposing 40 per cent BCD (basic custom duty) on solar modules and 25 per cent on solar cells with effect from April 1, 2022.

https://economictimes.indiatimes.com/industry/renewables/india-must-become-hub-for-manufacturing-photovoltaic-modules-union-minister-bhagwanth-khuba/articleshow/93202080.cms

Low-tariff solar projects in jeopardy

India may miss the ambitious target to install 300 giga watt (GW) of solar power by 2030 due to a cost push and complexities in acquiring land.

Solar photovoltaic modules (panels) and cell prices have increased by over 40% over the past eighteen months. This has been driven by an increase in polysilicon prices. Cost pressure is significant for projects aggregating 4.4 GW awarded over the last one and half years, wherein tariffs are below Rs 2.2 per unit.

Rise in interest rates is another key cost head for solar IPPs, with estimates that 150 basis points increase in interest rates would lead to an increase of up to 20 paise in the bid tariff, Icra's vice president and sector head for corporate ratings, Vikram V, said.

Besides, land ceiling laws and delays in environmental clearances from local authorities like panchayats are a huge impediment in starting project work. Delays in land acquisition causes cost overrun, which often make projects unviable, opines Varchasvi Gagal, chief executive officer and managing director of Delhi-based Datta Infra, a land aggregator. The company has so far acquired 7,000 acres for housing 1.4 GW of solar projects and has total a land bank of 45,400 acres across the country.

The cost of land accounts for 5-7% of the total project cost but the threshold for the total project cost was directly related to transmission line distance, unit losses, and soil quality. The cost of PV modules and structures were the only price variables, otherwise the fixed costs were always volatile, Gagal said. Chaudhury finds Centre's solar park policy as a solution to this problem to some extent and the government's renewed thrust would expedite capacity addition.

https://www.financialexpress.com

Parliament panel suggests amending power tariff policy

The parliamentary standing committee on energy suggested amending the current tariff policy to cut down the generation cost and supply affordable electricity to consumers.

In its 26th report presented to the Lok Sabha, the panel stated : "The government should suitably amend the present Tariff Policy, not only to enable it to cater to the needs of the changed scenario but also to achieve its unaccomplished goals, particularly in connection with the efficiency to ensure affordable tariff, rationalization to bring down the generation cost and financial viability in the distribution sector."

The panel, headed by Rajiv Ranjan Singh, suggested reducing the aggregate technical and commercial (AT&C) losses in the country, which is still about 21 per cent. The benefit of reduction of AT&C losses should be passed on to consumers, in the form of lower tariff, the panel said.

Though the government has achieved 'electricity for all' under the Tariff Policy 2016, it is yet to ensure affordable tariffs, the panel said.

Terming coal-based thermal power as "mainstay of the power sector in the country", the panel suggested maximum utilization of all coal-based thermal plants—which will remain mainstay in near future also—in the country, by restricting their emission, through various interventions, including the use of carbon capture technology. Supply of coal to the power plants also needed further rationalization to reduce generation cost, the panel stated in the report.

https://www.deccanherald.com

India's power deficit slips from 2% in April to 0.6% in June: R K Singh

Power deficit came down from 2 per cent in April to 0.4 per cent in May and 0.6 per cent in June despite significant rise in demand of electricity, Parliament was informed.

In a written reply to the Lok Sabha, Power Minister R K Singh said electricity supplied grew 12.8 per cent in April 2022, as compared to the year-ago month, across India.

Power requirement, on the other hand grew 14.7 per cent in April on all-India basis, resulting in a deficit of 2 per cent.

"The gap between energy requirement and energy supplied had been reduced considerably...to 0.4 per cent and 0.6 per cent during the months of May 2022 and June 2022 respectively, despite the significant increase in energy requirement during these months as compared to the corresponding months of May 2021 and June 2021," he said.

The gap between energy demand and supply is generally on account of factors other than inadequacy of power availability in the country e.g. constraints in distribution network, financial constraints, commercial reasons, forced outage of generating units etc, he explained.

He said the coal stock available at the power plants monitored by the Central Electricity Authority (CEA) on daily basis was about 25.6 Million Tonnes (MT) as on March 31, 2022.

The stock depleted to 21.9 MT as on April 30, 2022 but increased during May and June and has now reached 28.7 MT as on July 21, 2022, which is sufficient for an average of 10 days at a requirement of 85 per cent Plant Load Factor (PLF), he added.

In another reply, the minister said the cumulative inter regional transmission capacity of the National Grid as on June 30, 2022 is 1,12,250 MW, which is likely to get enhanced to 1,18,050 MW by the end of 2023.

In another reply, he said the industrial consumers consume the maximum electricity at 41.16 per cent followed by domestic consumer (25.77 per cent), agriculture consumers (17.67 per cent) and commercial 8.29 per cent.

Singh also told the House that the power supply hours in urban areas and rural areas as on July 8, 2022, was 23.78 hours and 21.48 hours, respectively.

https://economictimes.indiatimes.com

Mandatory GST e-invoicing for firms with Rs 10-crore sales from October

The goods and services tax (GST) e-invoicing will be mandatory for firms with a turnover of over Rs 10 crore from October 1, down from the current threshold of Rs 20 crore to further plug leakages and ensure better compliance.

A notification in this regard was issued by the Central Board of Indirect Taxes and Customs.

E-invoicing for business-to-business (B2B) transactions started with a very high threshold from October 1, 2020, when firms with a turnover of over Rs 500 crore came under its ambit. In the second phase, businesses with a turnover exceeding Rs 100 crore were mandated to issue e-invoices from January 1, 2021. In the third phase, firms with a turnover of over Rs 50 crore had to generate e-invoices from April 1, 2021. It has been extended to firms with a turnover between Rs 20 crore to Rs 50 crore from April 1, 2022.

The e-invoice has resulted in bringing in more taxpayers into the net which rose from about 1.25 crore in October 2020 to about 1.38 crore at present.

These system reforms have played a big role in the recent surge in GST collections from an average of Rs 0.9 trillion in FY18 to Rs 1.23 trillion in FY22 and Rs 1.5 trillion in the first four months of FY23, giving some relief to states as a five-year guaranteed GST compensation for shortfall has ended on June 30.

One of the criticisms of GST after it was rolled out on July 1, 2017 was that the tax authorities have not been able to streamline the return filing process and were not able to do invoice matching between the buyer and supplier because of which there was a fear that there may be revenue leakages and non- compliance was going undetected.

This phased move to bring more taxpayers under e-invoicing may deter the generation of fake invoices, thereby leading to better tax compliance and collections.

https://www.financialexpress.com

Food processing zones in all 33 Telangana districts

In a major fillip to the food processing sector in the State, the Telangana government is planning to create special food processing zones in all 33 districts under the new food processing policy.

Special zones of at least 500 acres each are being planned in every district with logistics and warehousing support including export-oriented infrastructure, pollution mitigation measures, plug and play facilities for startups and MSMEs.

The Telangana food processing policy was approved with an objective of encouraging enterprises across 10,000 acres of special food processing zones. Under this, special incentives are approved for industries to be set up in the food processing zones with additional provisions for SCs, STs, minorities, women entrepreneurs and farmers groups.

In the past one year, several new investments were made in the State. Sub-sectors that saw most action in this space were dairy, beverages, animal feed, pet food and snack foods. A total of 60 new food processing industries with proposed investments of `2,309 crore and proposed employment of more than 20,000 personnel were granted by the State government.

Marquee brands

1) Amul's new plant will be set up in a special food processing zone with an investment of `300 crore to manufacture dairy products.

2) Mars Petcare is planning to invest `500 crore in the State to triple its capacity. The project will link supply chains to State producers in cereals, fisheries and poultry.

3) Fishin' Company will set up a fully integrated freshwater fish culture ecosystem including hatcheries, feed manufacturing, cage culture, processing and exports at Mid-Manair reservoir in Rajanna Sircilla.

4) Hindustan Coca Cola Beverages is establishing a new `1,000-crore plant. This factory to be set up at Banda Thimmapur Food Processing Park, Siddipet, will be their second in the State.

https://www.newindianexpress.com

India has zero probability of slipping into recession, says survey

The probability of recession for several other Asian economies remained unchanged in the survey. Economists see a 20% chance that China will enter recession, and a 25% likelihood that South Korea or Japan will enter one. Asian economies have largely remained resilient compared to Europe and the United States.

The risk of recession in a handful of Asian economies is rising as higher prices spur central banks to accelerate the pace of their interest rate hikes, according to the latest Bloomberg survey of economists.

Sri Lanka, which is in the midst of its worst economic crisis ever, has an 85% probability of falling into recession in the next year, up from a 33% chance in the previous survey — by far the highest increase in the region. Economists also raised their expectations for a chance of recession in New Zealand, Taiwan, Australia and the Philippines to 33%, 20%, 20% and 8%, respectively. Central banks in those places have been raising interest rates to tame inflation. The probability of recession for several other Asian economies remained unchanged in the survey. Economists see a 20% chance that China will enter recession, and a 25% likelihood that South Korea or Japan will enter one.

Asian economies have largely remained resilient compared to Europe and the United States.

Surging energy prices have hit countries such as Germany and France the most, with a spillover effect impacting the rest of that region, said Steven Cochrane, chief Asia Pacific economist at Moody's Analytics Inc.

In general, Asia's risk of recession is around 20-25%, he said, adding that the odds of the US entering one is around 40%, while Europe stands at 50-55%.

Bloomberg Economics' model puts the chance of a US recession at 38% within the next 12 months, up from around 0% just a few months before. That model incorporates a variety of factors ranging from housing permits and consumer survey data to the gap between 10-year and 3-month Treasury yields.

https://economictimes.indiatimes.com

Credit growth to MSME sector expanded by Rs 52,800 cr in 22-23: Report

Credit growth to the Ministry of Micro, Small & Medium Enterprises (MSME) sector has expanded by Rs 52,800 crore in the current financial 2022-23 year against degrowth of Rs 61,000 crore during the similar period of the previous year, SBI Research said in its weekly report 'Ecowrap'. Overall credit growth has gained further traction over the previous fiscal and has recorded a three-year high growth of 14 per cent as of mid-July.

Retail loans during the period expanded by Rs 1.34 lakh crore against degrowth of Rs 26,500 crore last year, the report said. The sector-wise credit data for the month of June 2022 indicates that there is a substantial improvement in incremental credit to each and every sector. Going forward, the banking sector outlook depends upon the evolving geopolitical situation and its impact on global commodity prices and logistics. "In FY23, we expect both deposits and credit will continue to grow in double digits, despite the interest rate reversal," the SBI Research added.

https://economictimes.indiatimes.com

Fiscal deficit in Q1 at 21.2% of FY23 budget estimate

The Centre's fiscal deficit in the June quarter came at 21.2% of the budget estimate (BE) for FY23, up from 18.2% of the corresponding target a year ago, as it maintained the pace of capital expenditure even as non-tax revenues dipped. However, it reined in revenue spending in the later part of the period, with overall expenditure growth declining from 23.7% on year in May to 5.4% in June.

According to data released by the Controller General of Accounts on Friday, the Centre's fiscal deficit for April-June of FY23 stood at Rs 3.5 trillion, 28% higher than in the first three months of last fiscal.

The Centre has front-loaded capex in FY23 so far, leading to 57% year-on-year growth in the first quarter to Rs 1.75 trillion.

"The sustained double-digit growth in capex will help the economy at a time when the private investment is in wait-and-watch mode due to the monetary tightening across the globe and the uncertainty created by the Russia-Ukraine conflict. In fact, impact of government capex is getting reflected in the double digit year-on-year growth of various infrastructure sectors like steel, cement in Q1FY23," said Sunil Sinha, Principal Economist at India Ratings.

Net tax revenues grew 22.6% in Q1FY23 over the same period last year as against the required rate of 6.3% to achieve the full year target of Rs 19.35 trillion. However, non-tax revenue contracted by 51.2% on year in the first three months of FY23, reflecting much lower receipts in dividends and revenues from other economic services.

The government has been maintaining that the fiscal deficit target of 6.4% of the GDP would be met. Elevated levels of inflation in the economy will boost the nominal GDP which in turn would help the government exceed its tax collection targets of FY23 by a decent margin.

"The windfall tax on crude oil and other export duties along with the buoyancy in taxes will give adequate headroom/fiscal space to the union government to undertake higher expenditure on the subsidy and cover up the loss of revenue due to cut in excise duties on petrol/diesel. On the whole, the fiscal deficit in FY23 to come in the range of 6.2%-6.4% of GDP," Sinha said.

The Centre's revenue expenditure grew 8.8% on year to Rs 7.73 trillion as against the budget target of 0.2% dip on year for FY23 as the expenditures such as on interest payments remained robust.

The Centre is keen on revenue expenditure compression in FY23, given the strong external headwinds, and wants to generate some savings on this front. This is particularly important at a time when the Centre intends to realise its record budgetary capital expenditure target of Rs 7.5 trillion, betting big on its high-multiplier effect to spur growth. The finance ministry has asked various departments to avoid presenting new schemes that would warrant substantial revenue expenditure in FY23.

https://www.financialexpress.com

Seminar on Year end closure under GST and How to face Department Audit

8th July, 2022

Sri K. Bhasker Reddy, President, FTCCI in his welcome address said that from time to time FTCCI is educating recent changes in GST council recommendations and preparing for yearend closures for better compliance. He appealed to the participants to make use of this platform for representations to the Government for redressal.

Sri S. Thirumalai , Advisor- GST and Customs Committee in his address said that this seminar is sensitizing the businesses to start preparing for audit proceedings by undertaking activities such as re assessing the tax positions, reconciliations of ITC, periodic review etc to ensure that there are no last-minute surprises from the GST department.. He further stated that today's speakers will also briefly touch upon the 47th GST recommendations and its impact on Trade and Industry.

CA Mohd. Irshad Ahmad in his presentation he extensively explained the Overview of Audit Provisions, Preliminary response to audit notice, Data preparation and submission, addressing the audit findings.

He informed that Directorate General Audit (CBIC) has prepared an audit manual GSTAM-2019 which is generally followed by the audit teams in conducting the audit.

The audit team will generally review the initial data submitted and based on the same will seek further details such as:

- Nature and type of business
- Turnover details as per books i.e.salesledger
- List of purchases

The process of seeking this type of information continues till the date of completion of audit.

CA Sudhir V.S in his presentation explained Key year end compliances/ activities - General

- Compliance w.r.t. filing of Form GSTR- 9 and GSTR-9C for the FY 2021-22, before 31.12.2022 (no requirement to be signed by CA/ CMA – although ensure compliances and reconciliations)
- File application for / renewal of LUT for FY 2022-23
- Filing of application for refund claims. Time limit to be considered for the purpose of filing of refund application in view of SC decision on extension of time limit
- Track status of goods sent on job work or goods sent on approval whether all the goods have been received back within the due time period. (1 yr inputs/ 3 years CG)
- Verify year-end accrual/provision entries for transactions with related parties and evaluate the GST implications. (import of service possibility)
- Verify if any GST DN / CN should be issued for any value short/excess charged or any sales returns by the customer
- Verify compliance of section 18(6) for transfers/sale of P&M. Consider valuation in case of related party transactions.
- Matching of GST accounting CGST records with SGST in books.

The team of experts clarified number of doubts raised by participants.

T-Hub partnership with FTCCI to strengthen startup ecosystem in Telangana :

21st July, 2022 : The MoU was signed between Mr. Mahankali Srinivas Rao, CEO T-Hub and Mr. Anil Agarwal, President, FTCCI at T-Hub

As part of the district outreach initiative of FTCCI, Sri BP Acharya, IAS (Retd), Chief Advisor of FTCCI, interacted with Office Bearers and Members of the Warangal Chamber of Commerce on 19th July 2022 at Warangal Collectors' office. Sri Ravinder Reddy, President and Secretary Sri M Ved Prakash, of Warangal Chamber of Commerce, several exporters and members attended the interaction with Senior District Officers such as Addl Collector (Revenue) and Local Body, General Manager, District Industries Centre(DIC), Joint Director - Agriculture, Addl. Director - Horticulture, Addl. Director - Handlooms, Secretary of Agriculture Market Committee, Officers of Greater Warangal Municipal Corporation, etc. attended the Meeting

Workshop on Launching your Online Business with Amazon

22nd July, 2022: Enabling e-commerce adoption through digitalized selling & online marketing by FTCCI & Amazon to make MSMEs in Telangana to switch to e-commerce. 120+ Delegates participated in the workshop

ISO Surveillance Audit : 30th July, 2022

Mr A. Sivaiah, Certified Lead Auditor, M/s. HYM International Pvt Ltd. along with Sri T Sundara Ramaiah, Retd. District Judge has done the ISO Surveillance Audit and recommended to the Agency for renewal of the Certificate for one year.

Meeting with His Excellency Mr. Agus P. Saptono, Consul General and Mr. Endy K.I. Ginting, Consul (Consular & Protocol) of Consulate General of the Republic of Indonesia, Mumbai

27th July, 2022

The interactive meeting was organized for visiting Indonesia delegation and FTCCI members to explore trade and investment opportunities in Indonesia and Telangana.

Mr. Anil Aggarwal, President, FTCCI said that there is considerable potential for expanding trade in the areas of automotive components, automobiles, engineering products, IT, pharmaceuticals, bio-technology and healthcare sectors between Indonesia and Telangana. To enhance the trade between the two countries more particularly with the State of Telangana, President suggested for Opening of Consulate/Trade Office in Hyderabad, starting a direct flight from Hyderabad, Exchange of Business Information – Trade Fairs/Exhibitions, Trade Enquiries, signing of MoU with industry Chambers of Indonesia and FTCCI and Awareness Program on Halal Certification.

His Excellency Mr. Agus P. Saptono, Consul General of Republic of Indonesia said "Indonesia for this year has assumed the Presidency of G20, will be focusing on three priority issues such as global health architecture, digital transformation, and sustainable energy transitions under the overall theme of "Recover Together, Recover Stronger." India has a lot to offer to Indonesia especially in the areas of IT, Health and Pharmaceutical, Machineries and automotive sectors. The average value of bilateral trade between Indonesia and India in last five years has reached to around US $20.95 billion. India and Indonesia has set an ambitious $50 billion target for bilateral trade by year 2025. The strength of the Indonesian economy not only rest on the country's enormous natural resources like oil and gas, coal, copper, gold, forestry and plantation products but also manufacturing for the domestic and export markets such as textiles, footwear, electronics, automobiles, pulp and paper. He assured to look into the suggestions made by FTCCI to enhance trade with the prosperous and happening state of Telangana.

Mr. Meela Jayadev, Senior Vice President, Mr. AVPS Chakravarthi, Managing Committee Member, Mr. Valmiki Harikishan, Chair, Tourism & MICE Committee and industry representatives were present at the meeting.

Certificate Course on Export Import Management

28th to 30th July
4th to 6th August, 2022

6 Days Certificate Course on Export Import Management : July 28 to 30 & August 4 to 6, 2022 at Nizamabad, Sri N Dinesh Reddy, President, NCCI and V. Babu Rao, General Manager, District Industries Centre, Nizamabad, attended. 53 Participants have enrolled for the EXIM Course

International Executive program on SME-Finance - Approaches & Strategies

2nd August, 2022

FTCCI, WTC & NI-MSME conduct interactive session on MSME growth for Executives from 19 countries

29 executives and officials of various Ministers representing 17 countries attending International Executive Program on SME Financing - Approaches & Strategies had an interaction with FTCCI along with WTC Shamshabad and ni-msme. The event as organized by FTCCI to create awareness of the business environment in India, more specifically, in Telangana and also MSME growth & its contribution to the economy.

The officials were from the countries of Mauritius, Bangladesh, Namibia, Tajikistan, Belarus, Ethopoia, Zambia, Ghana, Bangladesh and others.

Welcoming the delegation Mr Anil Agarwal , President FTCCI said " We are glad that we are sharing our experiences and success with regard to conduct of MSMEs sector with our partner country officials form 19 countries. This program is aimed to help share the processes we have adopted in smooth facilitation of running the MSME business with our visitors so that they can implement some of these measures successfully in their regions. We are happy to host this with World Trade Centre and ni-msme officials. We are happy to note that World Trade Centre is coming up in Hyderabad. We ensure FTCCI and WTC will jointly conduct activities that helps promoting exports from the state of Telangana.

FTCCI is playing a proactive role in the promotion of industrial growth and also in improving business environment. Small and Medium Enterprises (SMEs) play a major role in most economies, particularly in developing countries. SMEs account for the majority of businesses worldwide and are important contributors to job creation and global economic development. However, access to finance is a key constraint to SME growth, it is the second most cited obstacle facing SMEs to grow their businesses in emerging markets and developing countries.

Establishing credit-information infrastructure and providing credit guarantees could help ease SMEs access to finance" Mr Agarwal added

Mr Mallikarjuna Gupta World Trade Center said " We are glad to have biggest World Trade Center in Hyderabad soon. We will help facilitate the local business to trade with other regions and countries. Through this program we would like to inform the visiting delegates that WTC will help in all forms and share knowledge which can be useful to revive and sustain MSMEs sector in their countries "

Dr Visweswara Reddy, ni-msme said " We are hosting these delegates for our intern [program spread over 45 days. As part of the program the visiting delegates got to know the challenges of MSMEs sector and how to overcome the same from industry experts like FTCCI "

The visiting delegates said they were sponsored by their respective governments to Hyderabad India to know among others, running of MSME sector; gain knowledge to run MSME business; role of banks and technology in MSME sector; strategies to grow MSME sector; role of MSMS sector in building a nation economy

Webinar on CARO & Amendments

6th August 2022

Sri Meela Jayadev, Sr. Vice President, FTCCI, stated that CARO 2020 is a new concept for the issue of audit reports in case of statutory audits of companies under the Companies Act, 2013. CARO 2020 has included additional reporting requirements after consultation with the National Financial Reporting Authority (NFRA). He said the CARO 2020 is expected to significantly improve the overall quality of reporting by the Auditors on the Companies' financial statements and thereby lead to greater transparency and faith in the financial affairs of the companies.

CA Naresh Chandra Gelli said CARO 2020 significantly enhances the work done by the statutory auditors in reporting on the appropriateness of the quarterly statements filed by companies with banks for working capital purposes, end use of funds, and defaults in repayment, are important measures to identify misuse and diversion of borrowed funds.

Sri Josekutty VE., Registrar of Companies (RoC) – Telangana appreciated the FTCCI performance and its efforts to make the entrepreneurs and corporates aware of the various amendments in Corporate Laws.

Speaking about the amendments, Sri Josekutty said that the Ministry of Corporate Affairs has switched to the V3 Version of the MCA 21 Portal. So far, the designated partners or directors could file all the documents in MCA if they are registered users. But from the last month, only business users can file documents in the V3 version. All the eforms of LLPs have been migrated to V-3 version and V-3 has been fully implemented.

The Registrar stated that the RoC Hyderabad office had sent emails to more than 40000 designated partners of the LLPs in the State of Telangana advising them to switch over to the business user for filing documents in e-forms on the MCA portal. On successful implementation of LLPs, the Ministry plans to switch over nine more e-forms of companies relating to directors, charges, and deposits to the V3 platform from 31.8.2022. In the State of Telangana, there are more than 80000 active companies and more than one lakh directors. Hence, all those who are directors of companies in Telangana have to enrol themselves as business users to continue to file company documents on the MCA portal. He has requested FTCCI to propagate this information among the FTCCI Members and the business community so that directors, professionals, and companies know about the switching over to the V3 platform.

About filing Financial Statements, the RoC said that the Companies are expected to follow the accounting standards prescribed under the Companies Act and disclose a true and fair view of the state of affairs of the company. It is made mandatory that a qualified auditor shall audit the accounts. Hence, the Auditor has a vital role in ensuring that these companies' financial statements which are kept in the repository of ROCs, disclose a true and fair view or an accurate picture of the company's financial position and follow the accounting standard.

As per Section 143 of the Companies Act, an Auditor has the right to seek any information about the accounts and vouchers and get the documents for verification, whichever they find necessary to conduct the audit. If an auditor qualifies his report, the Board is duty-bound to provide their explanation in the Board's report. If the Board doesn't disclose them in the Board's Report, it is a punishable offence under section 134. If a company violates or deviates in reporting the accounting standard, the Ministry can order an inquiry, an inspection, or an investigation depending on the gravity of violations or deviations reported.

The RoC said that CARO 2020 is a new format for issue auditors comments on certain issues, which will enhance the overall quality of reporting of the company auditors. CARO 2020 applies to statutory audit of certain companies commencing from 1st April 2022. As per the CARO, the auditor has to report whether the company disclosed the details of tangible and intangible assets. Similarly, there are CARO reporting on investments and any deviation from the provisions of the Act will result in compulsory imprisonment of the persons involved. Furthermore, if the Auditors report in CARO that the company has failed to transfer the unspent amount to a separate account or to a designated fund within the time prescribed, the penalty will be double the unspent amount.

The Keynote Speaker, CA A Siva Prasad, Managing Partner – SGRP and Associates LLP, Chartered Accountants, gave a detailed presentation by touching on every amended clause.

The Webinar was attended by Chief Guest – Sri Josekutty V.E., Registrar of Companies – Telangana, Hyderabad, Ministry of Corporate Affairs, Govt. of India. Sri Meela Jayadev, Sr Vice-President, Sri Suresh Kumar Singhal, Vice-President, CA Naresh Chandra Gelli V, Chair, Dr Tasneem Shariff, CA Ritesh Mittal, Co-Chairs of the Corporate Laws & IBC Committee of FTCCI, and Smt M Veena, Secretary, FTCCI.

Sri Suresh Kumar Singhal, the Vice-President, proposed a vote of thanks.

Unique Health Tour of JSPS Homeopathy College to its members and their family at JSPS Homeopathy College & Hospital, Ramanthapur

11th August 2022

The team of JSPS Homeopathy College has introduced their services such as General OP, Gynic OP, Casualty, Girls Hostel Compound for education, Pharmacy, Dilution Filt, 5A, Clinical HIV laboratory Potential of Homoeopathy in Health Care System, Preparation of Medicines and etc. The Health Tour was held followed by round table discussion between the team of JSPS College and FTCCI.

Mr. Anil Agarwal, President, FTCCI, Mr. Shekhar Agarwal, Chair, Healthcare & Disaster Management Committee, Mr. Vikram Daga, Mr. Mohan Raidu, Dr.Linga Raju, Principal and Dr. Ch. Srinivas Reddy, Vice Principal, JSPS Homeopathy College & Hospital, Ramanthapur and other members of FTCCI were participated at the tour and seminar.

Dr. Ch. Srinivas Reddy, Vice Principal, JSPS Homeopathy College, Ramanthapur has given detailed presentation on Homeopathy and its benefits. He said that the follows a set of rules enabling the physicians to select the medicine when administered on the sick persons that would enhance the self healing tendencies, thus not only cure the diseases, but also prevent it as well as promote positive health. This is the holistic concept Homoeopathy advocates. Institute having 210 teaching institutions Assistance for UG & PG training, Organizes UG & PG Training, UG Colleges : 178 (12785 admissions) and PG Colleges : 31 (1040 admissions). A separate regulation for Under graduation & Post graduation is only in India, Central Council of Homoeopathy & Regulations.

He said that the Board is headed by the Inspector. Main function of the Board is to register out going Medical Practitioners of AYUSH Systems. At present there are 20,780 Registered Medical AYUSH Practitioners in the State.

During the Meeting, Prof. (Dr.) Srinivasulu Gadugu, Head, Dept. of organon of medicine, JSPS Government Homoeopathic Medical College has given a detailed presentation on overview of Ayush in India & central schemes for Ayush industry in the country.

The Ayurveda, Yoga and Naturopathy, Unani, Siddha & Homeopathy (AYUSH) industry represents the traditional form of Indian medicine, and has been part of India's socio- cultural heritage. The industry, that has approximate annual turnover of Rs.12000 Crore is

essentially dominated by micro, small and medium enterprises (MSMEs) which account for more than 80% of the enterprises that are located in identifiable geographical clusters.

AYUSH industry has the potential to contribute positively to national health programme by providing traditionally and historically proven healthcare solutions.

Cluster based approach is increasingly being recognized as an effective and sustainable strategy for competitiveness enhancement of MSMEs. Such an approach, which leverages the geographical proximity of the enterprises on 'collaborating while competing' principle is participatory, cost effective and provides critical mass for customization of interventions.

Department of AYUSH would allocate Rs 121.75 Crores in the 12th five year plan to fund the projects under the scheme.

FTCCI has came out with the action plan such as conducting the health camps and organising an awareness programmes on Homeopathy.

The meeting ended with fruitful discussions.

76th Independence Day Celebrations

Address by Dr. D. SubbaRao, (IAS Retd.,) Former RBI Governor on

India @75- Marching Towards $5 Trillion Economy

15th August, 2022

Welcoming the gathering Mr. Anil Agarwal, President, FTCCI said "From a third world country now India has become 6thlargest economy of the world. From $82 per-capita income in 1960 India has come a long way to the present $2220 per-capita income. Our Country has found place in the top 5 nations in the field of science and space exploration which is indeed a proud moment. India is the leading producer of Coal, Steel, Electricity and Pharmaceuticals globally. India's GDP stood at Rs 2.7 lakh crore at Independence and 74 years on, it has reached Rs 135.13 lakh crore."

Mr. Srinivas Garimella, Chair IDC committee FTCCI said "Last 75 years of India's journey has been satisfactory. We are on the right track after our contribution to world economy has come down to 3% from 25% before independence during the 300 years of colonial rule. India might have missed the bus but expressed confidence that next 75 years is India's."

Dr. D. Subba Rao,former RBI Governor, said "India can become a $5 trillion economy as envisaged by Prime Minister Mr Narendra Modi not before 2028-29. Also for this we need to clock an annual GDP growth of 9% consistently for the next 5 years". He also said "I see 8 key challenges for India to overcome to achieve the dream of $5 trillion economy. They are Increasing Investment; Improving productivity; Improving Education and health outcomes; Creating jobs; Raising Agriculture productivity; Maintaining macroeconomic stability; Managing Global Mega Trends and Improving governance"

Dr D SubbaRao further said " Though Indian has made strides in all spheres of lives in the last 75 years, we still have 200 million people under the poverty line which is a huge concern. Also to progress and grow we need to take along with us the 600 million people in all our development activities. With 12 million youth entering the job market every year, its only manufacturing sector which can provide jobs of that scale and not the Agriculture, or services sector.

Touching on recent issues Dr D.Subba Rao added "Good that PM Narendra Modi triggered a debate on state Subsidies. All political parties are at fault for the situation. He cautioned that the States and Union government must realize that, we do not have surplus budgets and while some safety net is surely needed, they must be cautious and selective on what freebies to be given from borrowed monies and the future generations should not be burdened with unnecessary debt burden".

FTCCI has released a booklet of compilation of Industrial growth strategy over the last 7.5 decades on the occasion of 75 years of independence.

Sri Suresh Kumar Singhal, Vice-President FTCCI proposed Vote of Thanks and the program ended with presenting the momentous to the Chief Guest.

Empower micro, small units digitally

In India, 98% of manufacturing micro and small enterprises (MSMEs), estimated at 1.6 crore, are single-owner enterprises even if they are proprietary or partnerships and family enterprises or private limited enterprises. Stages of their growth are similar to biological organisms like the seeds transforming into flowering or fruit-bearing trees.

This article discusses the issues relating to their digital transformation per se and not their ease of access to finance. Medium enterprises and those in the service sector are not the focus of this article as they are already digitally savvy. Digital transformation is the foundation for a sustainable future. It enhances the reach to the customers and markets and enables the supply chains to transform into value chains. It helps in faster realisation of revenues.

Dr.B.Yerram Raju

Enterprise-level hurdles

Most MSMEs have rigid mindsets, lukewarm approaches to change and fear of growth. Digitisation transforms such mindsets with ease. For example, manufacturing micro-entrepreneur startups often find land as a big hurdle because of its ever-increasing price. Space-wise the next question relates to locating an enterprise – closer to home, closer to raw materials, closer to a political constituency, closer to markets or where there is the ease of starting, like in clusters and industrial parks or industrial estates. Digitisation, upfront, through a search engine, operating through the internet or cloud technology, could help him find a viable solution.

Entrepreneurs should be open to listening and learning so that they can continually review their growth journey. They can develop business plans with data support; build confidence in their employees and stakeholders and improve the quality of the product consistent with market requirements. Then, why are they not going ahead?

Reasons for Slow Pace

First is access. Second is cost. Small firms find the reach to a software company extremely difficult. Even if they find one, it is difficult to verify and validate the firms' ability to help them, despite the best ecosystem engineered by the union and State governments.

The ecosystem covers the effective interaction between various stakeholders of MSMEs, both in terms of cost and speed. Policy advocacy, stakeholder interactions, institutional support, both from the public and private, better communications and incentive delivery system etc are all a part of the ecosystem.

Change Movers

Both the union and State governments are going all-out to support the digitisation of MSMEs. Around 2.5 lakh villages have been provided with broadband connectivity. Networking has improved. Business to businesses (B2B), Business to government (B2G), and Business to Customers (B2C) have acquired speed. Realisation of the transactions has become easier with factoring in Trade Receivables Discounting System (TReDS) for transactions of firms with an annual turnover of Rs 100 crore and above, Government e-market Place (GeMs) portal for procurement of goods and services by governments, PSUs, and larger firms, and for delayed payments, the Centre's Samadhan portal, MSE Facilitation Councils of the State governments and the Insolvency and Bankruptcy Code (IBC) resolution for firms with Rs 1 crore investment in the MSEs. These are a few examples to highlight the change movers or facilitators in the ecosystem. In addition, the Reserve Bank of India has established account aggregators to resolve the information asymmetry and moral hazard issues of the lenders across the lending institutions – commercial banks, NBFCs and fintechs.

Telangana – Prime Mover

Telangana is unique in the institutional building for strengthening the ecosystem. The State proved that one can start the industry immediately after conceiving an idea. All approvals are delivered on the TS-iPASS within 15 days and in the absence of receipt of approvals, the approvals are deemed to be given.

Telangana State Program for the Rapid Incubation of the Dalit Entrepreneurs (TS-PRIDE), We-Hub for women entrepreneurs, T-Hub for startups, TS-HART for handicrafts and artisans, Nethanna Bima for handloom weavers, Telangana Academy for Skills and Knowledge (TASK), Telangana State Innovation Cell, Research and Innovation Centre of Hyderabad (RICH) and Telangana Industrial Health Clinic Ltd (TIHCL), the only institution in the country for the revival of stressed manufacturing MSEs, etc, are autonomous institutions run on transparency and good governance practices.

The State has minimum inspections and maximum facilitation for the MSMEs. Uninterrupted power supply to the industry, industrial water, 12 new industrial parks in addition to the existing 25-odd, and Industrial Local Area Authorities have reinforced the ecosystem uniquely.

Case Study

TIHCL, following the digitisation process, during the last four years, assisted 334 MSMEs either through margin funding or non-finance stress resolution, stabilising employment of around 13,000 people and around Rs 1,000 crore capital.

Deccan Pulverisers at Talakondapally in Mahabubnagar, run by a woman entrepreneur, engaged in manufacturing of silica/potash powder from quartz/feldspar mineral stones, employs 27 workers. Almost on the brink of collapse, at the instance of its main financier, State Finance Corporation, it approached TIHCL for a resolution. The due diligence was completed in a week and it was noticed that the unit faced problems from day one. It spent more than the sanctioned amount for the construction of the factory shed. Later, struck by a natural calamity, the shed was damaged and the delay in delivery of machinery further elongated the commencement of commercial operations. The unit became NPA on SFC books. TIHCL's Critical Asset Funding loan of Rs 25 lakh, which reduced the interest burden for the enterprise by 4% and provided much-needed relief in the working capital cycle, led to the upgradation of the asset to standard from the NPA status within ten days. The pending incentive was also released by the government.

With TIHCL support, the firm saw 100% capacity utilisation taking its turnover from Rs 90 lakh to Rs 145 lakh in six months. The revival effort was conditioned by the company agreeing to digitise its operations that allowed TIHCL to handhold and monitor till it realised its cash flows.

TIHCL is a fully online functioning non-deposit NBFC. It does due diligence in a week and its USP is handholding and monitoring through a low-cost customised and consent-based enterprise resource planning architecture set up with the MSMEs they serve. It has signed MoUs with FTCCI, ALEAP, SBI, for effective coordination and with the Centre for Economic and Social Studies for research.

Startups' Role

Data builds trust and this data should be reliable and verifiable easily by the stakeholders for rendering quick support. This is possible only through digitisation. Startups should turn their focus on the MSMEs for developing customised solutions at low cost and handhold them till they smoothen their supply chains and access finance easily. AtmaNirbhar Bharat will be truly competitive when the MSMEs are facilitated to become digitally savvy. Such startups should be accredited by either the government or an industry federation.

First published https://telanganatoday.com/opinion-empower-micro-small-units-digitally

**Advisor, Industrial Development Committee,
FTCCI and an Economist and Risk Management Specialist*

75 Years of Independence

Evolution of Indian Industrial Landscape

> “Long years ago, we made a tryst with destiny; and now the time comes when we shall redeem our pledge, not wholly or in full measure, but very substantially. At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom”
>
> —— **Pandit Jawaharlal Nehru**

INTRODUCTION

On 14 August 1947, Pandit Nehru had declared: “Long years ago we made a tryst with destiny, and now the time comes when we shall redeem our pledge. The achievement we celebrate today is but a step, an opening of opportunity, to the great triumph and achievements that await us.” He reminded the country that the tasks ahead included “the ending of poverty and ignorance and disease and inequality of opportunity”. These were the basic foundations on which India embarked upon its path of development since gaining independence in 1947.

Key Highlights

Parameter	1947-48	2020-21
Per Capita Income	INR 249.6	INR 91,481
Power Generation	1362 MW	448.11 GW
Unemployment Rate	3.60%	6.70%
Inflation	8.80%	1.40%
Literacy Rate	12%	77.7%
Rail Route Length	54,693 Km	67,956 Km
Road Length	399,942 Km	6,215,797 Km
Poverty	70%	17.9%
GDP	INR 2.7 lakh crore	INR 198.01 lakh crore

I. Industrial Policy Resolution -1948

The first Industrial Policy Resolution was announced on April 6, 1948 laying the foundation for industrial growth strategy through mixed economy. The policy resolution laid stress on the role of the state in the development of industry, and divided the industrial activities into four broad areas:

1. **Items under central government control** : Manufacture of arms and ammunition, The production and control of atomic energy, Ownership and management of railway transport, etc.
2. **Items under the state government control** : Coal, Iron and Steel, Aircraft manufacture, Shipbuilding, Manufacture of telephone, telegraph and wireless apparatus, excluding radio receiving sets, Mineral oils, etc.
3. **Items of basic importance (planned & regulated by central government)** : Salt, Automobiles and Tractors, Electric Engineering, Other Heavy Machinery, Machine Tools, Heavy Chemicals, Fertilizers and Pharmaceuticals, Power, Cotton and Woollen Textiles, Cement, Sugar, Paper and Newsprint, etc.
4. **Items for Private Sector** : The rest of the industrial field will be open to private enterprise.

Clearly, all major industries and infrastructure development was controlled by Government and private sector had minimum role in industrialization process.

1 It was a departure from the British Era policy of laissez-faire or free economy model.

2 It was brought in when there was neither constitution nor any proper legal framework around industrial development.

3 The Industrial Policy Resolution 1948 was not entirely socialistic in nature, for it provided opportunities for both the private as well as public sectors.

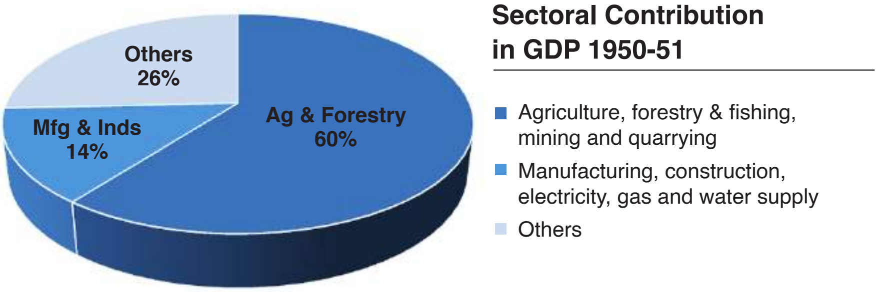
4 It did not wish to discontinue the existing private units but rather advocated that new industries in this category will henceforth only be set up by the central government.

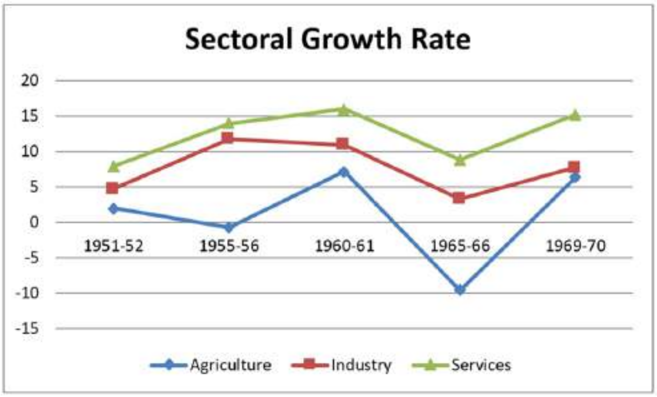
2. 1950-1970

The second comprehensive industrial policy announced on 30th April, 1956 was regarded as the "Economic Constitution of India". Eight years had passed since the declaration of 1948 industrial policy resolution.

During the period, many important changes and developments had taken place in India. The constitution of India had been enacted, guaranteeing certain Fundamental Rights and enunciating Directive Principles of State Policy. Planning has proceeded on an organised basis, and the First Five Year Plan had been completed. Parliament had accepted the socialist pattern of society as the objective of social and economic policy.

These important developments necessitate a fresh statement of industrial policy, more particularly as the Second Five Year Plan will soon be placed before the country. This policy was to be governed by the principles laid down in the Constitution, the objective of socialism, and the experience gained during these years.





Thus, the major objectives of the 1956 policy, among others, were - Improving living standards and working conditions for the mass of the people; To reduce disparities in income and wealth;

To prevent private monopolies and concentration of economic power; Progressive reduction of disparities in levels of development between different regions. Thus, the policy resolution aimed at achieving a socialistic society. After considering all aspects with the Planning Commission, the Government of India had decided to classify industries into three categories, having regard to the part which the State would play in each of them.

1. **In the first category i.e., Schedule A:** are to be industries, the future development of which was the exclusive responsibility of the State. All new units in these industries, save where their establishment in the private sector has already been approved, was set up only by the State.
2. **The second category i.e., Schedule B:** to consist of industries which progressively be state-owned and in which the State will, therefore, generally take the initiative to establish new undertakings, but in which private enterprises was expected to supplement the efforts of State.
3. **The third category i.e., Schedule C:** to include all the remaining industries, and their future development was, in general, be left to the initiative and enterprise of the private sector. Development will be undertaken ordinarily through the initiative and enterprise of the private sector, though it was open to the State to start any industry even in this category. It was the policy of the State to facilitate and encourage the development of these industries in the private sector, in accordance with the programmes formulated in successive Five-Year Plans.

The Government of India stressed the role of cottage and village and small-scale industries in the development of the national economy.

3. 1970-1980

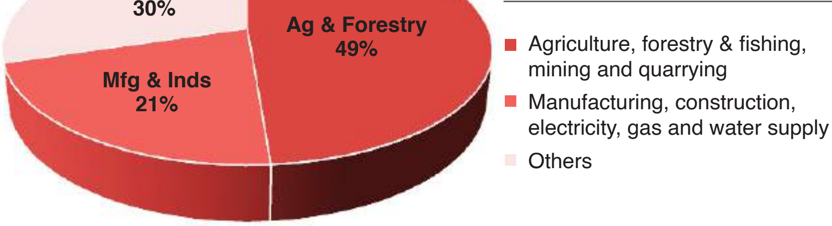
The 1956 Policy Resolution was followed for many years and few changes were brought in 1970 and further in the year 1973.

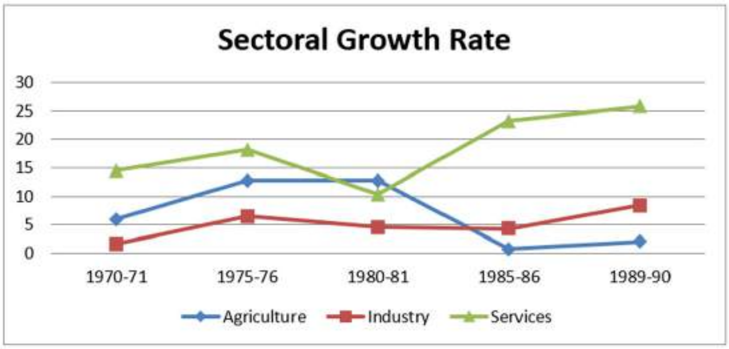
The Industrial Licensing Policy of February 18, 1970 had placed certain restrictions on undertakings belonging to the large industrial houses defined on the basis of assets exceeding Rs.35 crore.

In 1973, the definition of large industrial houses for industrial licensing restrictions was adopted in conformity with that in the Monopolies and Restrictive Trade Practices Act (MRTPA) 1969 on the basis of assets exceeding Rs.20 crore to provide more effective control on concentration of economic power. A consolidated list of industries that were of basic, critical and strategic importance for the growth of the economy and that had long term export potential were specified. MRTP companies and foreign concerns were made eligible to participate in industries that were not reserved for production in the public sector (Schedule A of IPR, 1956) or the small-scale sector (involving investment in plant and machinery upto Rs.7.5 lakh and upto Rs.10 lakh for ancillary undertakings).

Preference was given to small & medium entrepreneurs over the large industrial houses and foreign companies in the setting up of new capacity. Cooperatives, small and medium entrepreneurs were also encouraged to participate in the production of mass consumption goods.

Sectoral Contribution in GDP 1973-74





The 1977 Policy statement stressed the need for correcting the distortions that crept into the 1956 policy resolutions and provided for closer interaction between agricultural and industrial sectors. It accorded the highest priority to the generation and transmission of power and an exhaustive analysis of industrial products was made to identify products which are capable of being produced in the small-scale sector. The list of industries exclusively reserved for the small-scale sector was expanded from 180 items to more than 500 items.

District Industries Centres were set up to provide, under a single roof, all the services and support required by small and village entrepreneurs. In addition, the Khadi and Village Industries Commission would plan and develop the 22 village industries under its purview.

Other distinguished feature of the 1977 policy was -foreign companies that diluted their foreign equity up to 40% under the Foreign Exchange Regulation Act (FERA), 1973 would be treated on par with Indian companies. A list of industries was issued where no foreign collaboration, financial or technical, was considered necessary since indigenous technology was fully developed in the field. For all approved foreign investment, complete freedom for remittance of profits, royalties, dividends and repatriation of capital (subject to rules and regulations common to all) was provided. Only in highly export oriented and/ or sophisticated technology areas fully owned foreign companies were to be permitted.

Thus, the 1970s were marked with continued dominance of public sector, control over private sector activities and regulation of foreign investment.

4. 1980-1990

The Industrial Policy Statement of July 1980, was again based on the Industrial Policy Resolution of 1956, spelling out the socio-economic objectives like :

(i) Optimum utilisation of installed capacity;

(ii) Maximum production and achieving higher productivity;

(iii) Higher employment generation;

(iv) Correction of regional imbalances;

(v) Strengthening of the agricultural base through agro-based industries and promotion of optimum inter-sectoral relationship;

(vi) Promotion of export-oriented industries;

(vii) Promotion of economic federalism through equitable spread of investment and dispersal of returns; and

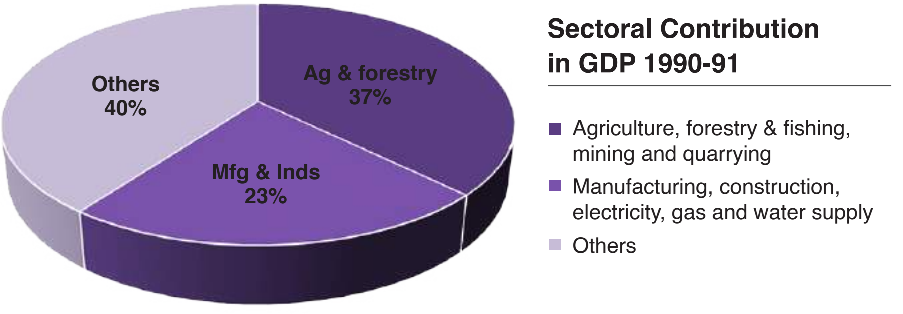
(viii) Consumer protection against high prices and bad quality.

To boost the development of small-scale industries, the investment limit in the case of tiny units was enhanced to Rs. 2 lakh, of a small-scale unit to Rs.20 lakh and of ancillaries to Rs.25 lakh. A scheme for building buffer stocks of essential raw materials for the Small-Scale Industries was introduced for operation through the Small Industries Development Corporations in the States and the National Small Industries Corporation in the Centre.

Sadly, the objectives of adapting a mixed economy were not realised and people started losing faith in the public sector. The performance of majority of PSUs was pathetically low and was getting dragged down by red tapism, corruption, bureaucracy etc. realising this, the government had decided to launch a drive to revive the efficiency of public sector undertakings through a time bound programme of corrective action on a unit by unit basis.

5. 1991 Industrial Policy and the beginning of Reforms

The March of the Indian Economy towards Privatization, Liberalization and Globalization



Poor economic management and low revenues started affecting the Indian economy adversely in 1980s. The economic problems started worsening in 1985 as imports swelled, leaving the country in a twin deficit - the Indian trade balance was in deficit at a time when the government was running on a huge fiscal deficit. The collapse of the Soviet Bloc, with which India had rupee exchange in trade, also caused problems. By the end of 1990, in the run-up to the Gulf War, the foreign exchange reserves fell to the level that could barely finance three weeks' worth of imports. By July that year, the low reserves had led to a sharp depreciation/devaluation of the rupee, which in turn exacerbated the twin deficit problem.

The union government could not pass the budget in February 1991 after Moody downgraded India's bond ratings, and it further deteriorated due to non-passage of budget. The situation worsened and ultimately the government of India sought bailout from IMF and World Bank. This crisis paved the way for the liberalisation of Indian economy since one of the conditions for bailout include opening up Indian economy to participation from foreign entities in industrial entities, including state owned enterprises.

Thus, the historic journey of Indian economy towards liberalization, privatization and globalization began with 1991 Industrial Policy Statement on July 24, 1991.

Government had decided to take a series of initiatives in respect of the policies relating to the following areas.

The historic journey of Indian economy towards liberalization, privatization and globalization began with 1991 Industrial Policy Statement on July 24, 1991.

A. Industrial Licensing:

Under this policy, with the exception of 18 industries, the licensing system had been removed for all other industries. Some of those 18 industries, where the licensing system was still mandatory were; Army and Defence, Forest Conservation, Industries engaged in manufacturing goods which were harmful to the Environment and industries, and which were manufacturing luxury goods, for the affluent (very rich) class, etc.

[De-Licensing]

Abolishment of Industrial Licensing for all except 18 industries. Some examples are coals, petroleum, sugar, animal fats, leather, wood based products etc.

With the passage of time the licensing requirements were further reduced.

In respect of de licensed industries no government approval is required

As of Today, only five industries alcohol, cigarettes, hazardous chemicals, electronics aerospace & defence equipments and industrial explosive requires licensing.

B. Foreign Investment:

Provision had been made to for foreign investors to invest up to 51 percent in the equity shares of Indian Companies. Earlier, this limit was limited upto 40% only. This was supposed to have increased the flow of foreign capital into India and make possible technical exchanges from the developed countries.

[Opening up to Foreign Firms]

FDI was allowed up to 51% under automatic route for high technology firms.

FDI was allowed in Capital goods, metallurgical, electronics and food processing industries.

The government w.e.f 2016 has abolished the FIPB route to FDI in order to improve ease of doing business.

Presently FDI is allowed upto 100 percent is large number of Industries under automatic route.

C. Foreign Technology Agreements:

No prior permission from the government was to be required in importing foreign technology, up to the limit of One Crore rupees. Indian companies were free to negotiate their terms and conditions, with their foreign collaborators, in matters of technology transfers (exchange of 'technical know-how).

D. Public Sector Policy:

Those public sector undertakings which were not doing well at that time, but in which there were enough chances of improvement, were re-constituted. Public sector undertakings, which werefacing constant financial crisis, were to be kept under observation by the 'Board of Industrial and Financial Reconstruction' or by any other institution, named by the government.

[Public Sector]

The industries reserved for the public sector was reduced from 17 to just 8

The eight reserved industries were: Arms and Ammunition, atomic energy, coal, ignite, mineral oils, mining of iron ore, magnesium ore etc and mining of cooper, lead, zinc etc. and Rail Transport.

As of today, only three industries are reserved for public sector; Atomic energy, minerals specified in the schedule to the atomic energy and Rail transport.

The government also decided to give away its shareholding in the public-sector enterprises.

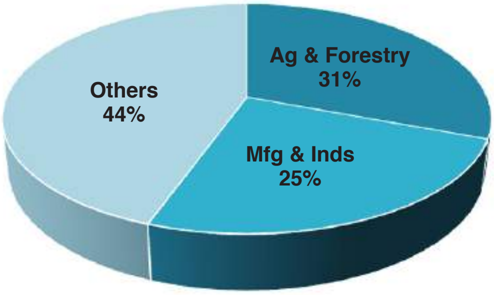
E. MRTP Act:

The industrial policy 1991, had also brought in major changes in the Monopolistic and Restrictive Trade Practice Act. Companies having an investment of Rs. 100 crores, were not required to take prior Government permission, for opening new subdivisions or to expand the present industry or for amalgamation of companies. This industrial policy had also eliminated the investment limit, which was fixed by the MRTP Act.

A package for the Small and Tiny Sectors of industry was announced separately. Thus, the new industrial policy of 1991 brought in comprehensive changes in economic regulation in the country. The scope of private sector participation had been widened to almost all industrial sectors except three. The most welcome change under the new industrial policy was the abolition of the practice of industrial licensing ending the era of license raj or red tapism in the country.

The unshackling of industries from licensing and permits had provided much needed impetus to the growth of the sector. But the growth was skewed towards services sector than the manufacturing sector as is seen from sectoral contribution in GDP. The share of agriculture sector reduced from 37 percent in 1990-91 to 31 percent in 2000-01 to 19 percent 2020-21. While the industrial sector contribution increased from 23 percent to 25 percent to 27 percent; the share of services sector raised from 40 percent to 44 percent to 54 percent during the same period.

The growth was skewed towards services sector than the manufacturing sector as is seen from sectoral contribution in GDP



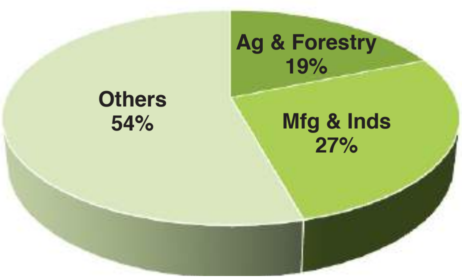
Sectoral Contribution in GDP 2000-01

- Agriculture, forestry & fishing, mining and quarrying
- Manufacturing, construction, electricity, gas and water supply
- Others

Thus, the success of India's growth story was driven mainlyby the service sector while the growth of industrial sector remained stagnant.

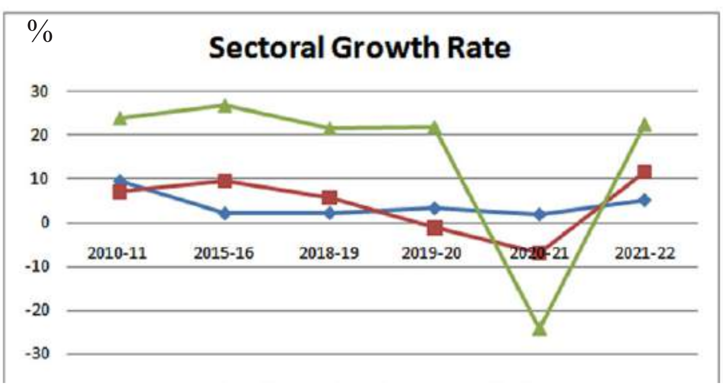
Despite strong policy measures, the industrial sector contribution in the overall GDP remained close to 15%, which is far lesser than that of other emerging economies like China (whose share was close to 45%). As a result, India had failed to provide gainful employment to its massive labour force. Lack of employment in the manufacturing sector had put excessive pressure on the agriculture sector to provide employment, which is not possible under any economic model. The result of this is the phenomenon called "Jobless Growth", which had become specific to India.

The Government recognising this fact, and to promote manufacturing sector launched National Manufacturing Policy in Nov 2011 with the objective to increase manufacturing sector growth to 14-15 % in the medium term and share in GDP to 25% by 2022.It proposed to create an enabling environment for the growth of manufacturingand was to be propelled through setting up of National Investment and Manufacturing Zones(NIMZ) with significant incentives like easy land acquisitions, integrated industrial township development, world-class physical infrastructure



Sectoral Contribution in GDP 2020-21

- Agriculture, forestry & fishing, mining and quarrying
- Manufacturing, construction, electricity, gas and water supply
- Others



From 2015, there seemed to be a clear shift in the industrial policy of the government – it started to focus on making Indian industry globally competitive and also convert India into a manufacturing hub by attracting international investors. To achieve this goal, the government made efforts to improve the rank of India in World Bank's Ease of Doing Business Index. With various initiatives taken and reforms introduced – the rank of India in EoDB improved from an abysmal 142 in 2014 to a more healthier63 in 2022.

Make in India campaign was launched by the government of India in Sep 2015 to make India a manufacturing hub. The aim of the Make in India program was to project India as an efficient and competitive powerhouse of global manufacturing. The program aims to convert India into "World's Factory" by promoting and developing India as a leading manufacturing destination.

Make in India was essentially an invitation to the foreign companies to come and invest in India on the back of the Government promise to create an environment easy for doing business. Government of India is presently supporting the program by taking various measures such as:Improving Ease of Doing Business and promoting use of technology; Opening up of new sectors for FDI; undertaking de-licensing and deregulation of the economy on a vast scale; introduction of new and improved infrastructure through industrial corridors, industrial clusters and smart cities; Strengthening IPR infrastructure to nurture innovation etc. Most importantly, the government is striving to building a new mindset i.e. to partner industry instead of working as a regulator in Economic Growth of the country.

The focus is now more on improving business atmosphere by removing / repealing the clauses / Acts that have become redundant, introducing reforms in various sectors such as banking and finance, insurance, power, introduction of Insolvency and Bankruptcy Code for speedy resolution of insolvency, introduction of Labour Codes etc.

The New Industrial Policy 2018 created focus groups, with members from government departments, industry associations, academia, and think tanks to look into the challenges faced by the industry. The Six thematic focus groups include Manufacturing & MSME, Technology &Innovation, Ease of doing business, Infrastructure, investment, trade and fiscal policy, Skillsand Employability.Besides, a Task Force on Artificial Intelligence for India's economic transformation has also been constituted to provide inputs for the policy.

Prime Minister Narendra Modi pronounced in the 76th United Nations General Assembly that, "When India grows, the World Grows, when India Reforms, the World Transforms".

This profoundly brings out the role India proposes to play in the world's economy and its growth.

The recent draft statement on industrial policy 2022 highlighted that the Indian industry is now poised to play a key role in global economy and the government is aiming to create the necessary environment for the Indian industry to become globally competitive. Innovation and technology are given thrust to encourage Indian manufacturing move up global value chain and integrate with global supply chains.

Presently, Indian industry has many strengths. With the rapid transformation of the industrial sector, India is poised to become a major manufacturing country and has also emerged as an attractive destination for foreign investment. Further, India's Start-Up ecosystem has emerged as the third largest in the world, and has become one of the major countries for development of unicorns. Consequent to ongoing reforms, India has improved its rank in World Bank's Ease of Doing Report from 142nd[2014] to 63rd[2019], while its rank in Global Innovation Index has improved from 81st[2015] to 46th[2021].

Conclusion: clearly government is moving from a role of doing business to being a facilitator and is gradually withdrawing from production of goods and services except for those of interest in the national security like atomic energy, arms, and ammunition. All sectors were opened for private investors including development of infrastructure such as roads, airports, seaports, power generation etc. and existing CPSUs and PSUs are also being handed over to private investors through a disinvestment strategy.

The motto of the present government "Government has no business to do business" may well turn out to be a welcome strategy.

As we complete our 75th year of Independence, India & its people seem to be more sanguine than ever, that the future belongs to them and they would script the next 75 years of global economic growth story.

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The banking sector in the throes of massive change

RBI's proactive measures are preparing the ground for a robust financial system, driven by technology and innovation

AS PER the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated.The financial and economic conditions in the country are far stable as compared to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well. The RBI has also pushed for the creation of a 'Bad bank' to alienate illiquid and risky assets held by banks and financial institutions or a group of banks. The implementation of such ideas will help banks to clean up their balance sheets by transferring their bad loans so that they can focus on their core business of taking deposits and lending money.

Of late, RBI has introduced "The Payments Vision 2025" with the core theme of 'E-Payments for Everyone, Everywhere, every time' (4Es) and aims to provide every user with safe, secure, fast, convenient, accessible and affordable e-payment options. The activities will be taken up during the period up to 2025 and will be pivoted on five anchor goalposts of Integrity, Inclusion, Innovation, Institutionalisation and Internationalisation.

India with a 1,416 million population in 2022 currently has around 658 million active internet users, a figure which is estimated to surpass 900 million users by 2025.This means 6.7 million new internet users every month, who will be exposed to cybercrime's penetration in the banking system. The year 2020 saw 4,047 cases of online banking fraud; 2,160 cases of ATM fraud;1,194 credit/debit card frauds; and 1,093 OTP frauds. The most prevalent mode of RBI's proactive measures are preparing the ground for a robust financial system, driven by technology and innovation banking frauds is Phishing; Spear Phishing; Spoofing; Vishing; Skimming; Smishing; SIM Swap. However other modes of fraud are also evolving, like scam through QR code scan and impersonation on social media.

With the huge on-boarding of people to digital banking, backed by a spurt in internet penetration in different parts of the country, it is important to have a more secure digital environment with high rate of awareness on digital and financial literacy. The current plan of RBI for 'Payments Vision 2025' is to drive financial inclusion to the bottom of the pyramid. Juxtaposed with the current banking cybercrime scenario, this calls for a vigilant cyber fraud cell and a foolproof cyber security system with high level of awareness among those recently on boarded to the system. The Reserve Bank of India (RBI) has opened the fourth cohort under the Regulatory Sandbox (RS) for 'Prevention and Mitigation of Financial Frauds' to support the Payments Vision 2025 initiatives and gain Fintech's support to have a more secure environment. However, the results will be delivered over time.

The current plan of the Reserve Bank for 'Payments Vision 2025' is to drive financial inclusion to the bottom of the pyramid

Alongside these advancements, the Reserve Bank's regulatory approach has been realigned to support and foster all such innovations. The regulatory guidelines for account aggregators and peer-to-peer lending operators are indicative of a proactive regulatory approach. An enabling framework for the Regulatory Sandbox has been in place for the last three years. The Reserve Bank Innovation Hub (RBIH) has also been set up by the RBI to catalyse innovations in the Fintech sector. RBI is now moving towards the introduction of a central bank digital currency (CBDC).

The objective of the Regulatory Sandbox (RS) is to foster responsible innovation in financial services, promote efficiency and bring benefits to consumers. It is a formal regulatory programme for market participants to litmus test new products, services or business models with customers in a live environment, subject to certain safeguards and oversight. The proposed financial service to be launched under the RS should include new or emerging technology, or use of existing technology in an innovative way and should address a problem and bring benefits to consumers. The central bank has so far concluded three RS, i.e.,on 'Retail Payments', 'Cross Border Payments' and 'MSME Lending',with good participation and effective development and results. A paradigm shift in Banking due to the technological revolution in the sphere of financial services is one of the biggest disruptions the financial ecosystem is undergoing amidst Mergers and Acquisitions (M&As) in the sector. It goes without saying that the edifice of growth and development in modern. economies is built on the foundation of a vibrant,

resilient and well-functioning financial sector. In line with this goal and in order to manage capital, bad loans intensity and regional factors more efficiently, along with a motive to spearhead digital advancements, the Government of India (GOI) has consolidated 10 public sector banks (PSBs) into 4 banks, along with other mergers & acquisitions.

As per reports from Deloitte, since the pandemic began, around 72% of the banks have undertaken restructuring initiatives. The restructuring initiatives are mainly focused on fostering near-term developments, leading to M&As. However, the restructuring initiatives were more for digital transformation purposes than cost cutting. Over the past eight quarters, 13 banks with more than $10 bn in assets have been sold and removed from the candidate pool. But on the plus side, the period has seen a rise in the total number of banks with more than $10bn in assets. A continuation of this trend will drive future deal volumes, whereas stalled loan growth, soaring deposits that keep complicating net interest margin improvements and mergers will lead to problems. Loan growth in the industry over the past two years has been just 5.8%. Scrutinising a bit deeper, consumer lending is up 2.4%, real estate lending has grown 4.9%,and C&I lending is up only 1.2% during this period. The primary source of loan growth in the banking industry during this period has been lending to non-depository financial institutions.It is further striking to note that during the same period, domestic deposits have grown by more than 35%, along with 12% rise in cash holdings during 2019-21.The downward shift in net interest margins (NIMs) from 2019 to 2021 makes it challenging for banks to achieve the types of returns their stakeholders expect. Margins at this level put pressure on the management to leverage an M&A partnership to improve the financial future of the enterprise. Hence, banks with a differentiated lending pipeline and innovative product offerings clearly have a valuation advantage in a market thirsty for loan origination, especially with a surplus of deposit with them.

Regulatory Sandbox (RS) seeks to foster innovation in financial services, promote efficiency and bring benefits to consumers

Therefore, it is important to realise the need of the hour as has been highlighted by Shaktikanta Das,Governor, RBI: "The trend of technology driven changes in the financial services sector will continue in the future. Participants and players in this sector will have to strive hard to remain relevant in the ever-changing economic environment by continuously improving the quality of their governance; reworking their business strategies and business models; designing products and services with the customer in mind; ensuring operational resilience and risk management; and focusing on more efficient products and services by leveraging on technology. The possibilities are immense only if we are ready to embrace them while meeting the challenges."

(The article was edited by Premchand Kankaria, Chair, Banking, Finance & Insurance Committee, FTCCI, and prepared by Lokesh Fatehpuria, Joint Director, FTCCI. The data has been sourced from various government and private websites and articles giving a brief about the sector and industry)

Insolvency and Bankruptcy Code

...Being agile to be relevant

The Insolvency and Bankruptcy Code is gearing up for yet another set of changes to the Insolvency Resolution Process Regulations for Corporate Persons to meet the ever-changing market dynamics. The Insolvency and Bankruptcy Board of India has placed the discussion paper on proposed changes for public comments on 27th June 2022.

The proposed changes are set out hereinunder:

*Mr. Y. Sriniwas Arun

1.Timelines for certain activities

a. **Seeking Expressions of Interest (EOI) (reduced from 75 days to 60 days)** given the fact that at EOI stage only basic information of the corporate debtor is required to be given while inviting seeking participation from prospective resolution applicants.

b. **Issue of Information Memorandum timeline (increased from 54 days to 90 days)** considering the delay in compiling this critical document due to reasons such as lack of information, incomplete books of accounts, non-cooperation from promoters etc.

c. **Filing of avoidance transaction related matters (reduced from 135 days to 130 days)** to enable the resolution applicant/(s) decide on any changes warranted to the resolution plan having regard to the avoidance transactions and possible outcome thereto.

The proposed timelines are well thought through and a step towards harmonizing the interim activities within the Corporate Insolvency Resolution Process (CIRP) with the underlying objectives/ impact without breaching the overall timelines.

2.Marketing of assets by the resolution professional

It is critical for the information of the asset/ corporate debtor to be made available and further having a strategy in place for targeted resolution applicants to ensure wider participation and better prospects of resolution.

It is proposed that the Resolution Professional (RP) and the Committee of Creditors (CoC) take an informed decision on the need to have marketing strategy and use professional assistance in this regard to achieve the above objective for such cases where total claims exceed Rs. 100 Crores.

Having a marketing strategy to ensure wider participation and maximization of value of the corporate debtor is a welcome step. However, the need for having a marketing strategy based on outstanding claims as against the assets/credentials of the corporate debtor seems misplaced since participation in the opportunity is driven by the synergies to be created and not the quantum of subsisting liabilities. The net assets coupled with unique business models and credentials of the corporate debtor could be a better determinant for the need to have a marketing strategy.

3.Efforts for resolution of functional / operating parts of the Corporate Debtor

It is proposed to permit the RP and the CoC to explore resolution of part assets/ businesses by allowing submission of different resolution plans for these part assets/ businesses. The evaluation matrix can be amended accordingly to give an opportunity to the prospective resolution applicants who stepped aside in view of obsolete technology and assets/ legacy issues.

4.Guiding factors for the CoC to decide on early liquidation

Where the corporate debtor is/has been de-funct or non-operational for 3-5 years, product/service offered or technology used is obsolete, there is a lack of intangible assets like brand value, intellectual property, accumulated losses/depreciation etc., the decision to liquidate the corporate debtor should be taken by the CoC at the initial stages of insolvency resolution process thus ensuring that further deletion of assets and loss of time to explore the possibility of resolution under CIRP is avoided.

5.Exploring compromise arrangement after CoC approves liquidation

In order to make efficient use of the time and to keep the assets in the market, it is envisaged that the CoC and RP should explore the option of compromise or arrangement during the period between the making of an application for liquidation to the receipt of approval thereof by the Adjudicating Authority ('AA'). In the event, a compromise or arrangement is worked out, the liquidator can, on passing of the order approving liquidation, immediately file for compromise or arrangement.

6.Contents of Information Memorandum (IM)

It is proposed to mandate inclusion of certain details in the IM which would bring to the fore the value of the corporate debtor apart from details of the assets, such as brought forward losses in the income tax returns, input credit of GST, key employees, key customers, supply chain linkages, utility connections and other infrastructure facilities.

7.Dealing with asset provided through a personal guarantor as part of the CIRP of the Corporate Debtor

The assets belonging to promoters/ guarantors without which meaningful resolution of Corporate Debtor is not possible, and which are already mortgaged/charged to creditors for securing the loan of the Corporate Debtor can be made part of the resolution estate with the consent of the mortgagee / charge holder (creditor).

Though a welcome step to enhance the possibilities of resolution, the nature of charge created in favour of the creditors and status as regards its enforcement; consideration proposed against transfer of such asset or interest thereto. The consideration shall in most cases be a contentious issue having regard to the fact that corporate insolvency proceedings are followed by personal insolvency proceedings of the personal guarantors sooner or later.

8.Others:

a. Geo-tagging of immovable assets - The RP shall enable geo-tagging of the immovable assets wherever possible and include such information as part of the IM.

b. Discussion of valuation report with CoC – Along with the RP, CoC must be given an opportunity to interact with valuers to understand their valuation methods, underlying assumptions, and justifications so that a veritable valuation is accepted. The confidentiality agreements or disclosures may be taken before such discussion is carried out.

c. Need for repeating the valuation exercise - The CoC may decide to repeat the valuation exercise in CIRPs where the timeline has extended beyond the mandatory 330 days due to difficult market conditions or force majeure conditions or legal stalemate.

d. Status of the CoC after approval of the resolution plan by the CoC - The RP shall continue to conduct the CoC meetings during the period between approval of plan by the CoC and approval by the AA. During such period he shall, through the meetings, keep the CoC informed on the progress on CIRP, approval of the resolution plan and to consult with the CoC in all matters regarding the operations of the CD.

e. Minimum entitlement for dissenting financial creditors - The payment to dissenting financial creditors shall be linked to the realizable amount, (being a notional amount which is the difference of amount available for distribution under a resolution plan and the amount distributed to operational creditors under resolution plan above the amount available to operational creditors as per section 53(1) out of the amount distributed as per the resolution plan), in the event of liquidation when the resolution plan has been approved instead of the current provision of linking it to the amount due to them in the event of liquidation, which is a notional number.

This change is significant in so far as it would discourage dissent in view of higher payout on the basis of entitlement under liquidation process.

f. Process email - The IRP shall be required to open an email account for conduct of the CIRP and handover credentials of the same to the RP while he demits office. The RP should also handover the credentials to the other RP in the event of replacement or to the Liquidator in the event of liquidation.

g. Need for IRP /RP to communicate to call creditors to submit claims - The interim resolution professional shall send notice to all the creditors whose name is recorded in the books of accounts of the Corporate Debtor together with a copy of the public announcement.

Broadly, the proposed changes are intended to achieve timely resolution/ maximization of value of the corporate debtor by removing ambiguity as regards certain aspects of the Code and regulations framed thereunder, stipulating effective dissemination of relevant information for wider participation and in turn, maximization of value of the underlying asset in the insolvency resolution process and balancing the interests of various stakeholders.

*Partner, Link Legal, Hyderabad.
The views expressed herein are his personal views.

FTCCI
OFFICE BEARERS With

TMES General Body Meeting held in the chamber of Spl Chief Secretary, LETF Dept, Government of Telangana : 4th August 2022

With Dr. D. SubbaRao, (IAS Retd.,) Former RBI Governor : 8th August, 2022

With Mr. Roopesh Kumar Gupta, Managing Director, Hariom Pipe Industries Limited and their team : 10th August, 2022

Dr. E. Vishnu Vardhan Reddy, Special Secretary (Investment Promotion and External Engagement) Department of Industries and Commerce and Mr. Rajender Reddy G, Director- Logistics, Industries & Commerce Dept, Government of Telangana : 10th August, 2022

Bihar Investors Meet held at Hyderabad : 23rd July 2022 at Raddison Hotel, HyderabadFTCCI Senior Officials Mr. K. Bhasker Reddy, Immediate Past President and Ms. Khyati Naravane, CEO with Shri Syed Shahnawaz Hussain, Hon'ble Industries Minister, Government of Bihar at Bihar Investor's Meet

Indigo Airlines 16th Anniversary Celebrations with FTCCI : 4th August, 2022

FTCCI in Media

FTCCI gets new President and Sr Vice President

The Federation of Telangana Chambers of Commerce and Industry (FTCCI), at its 105th Annual General Meeting, unanimously elected Anil Agarwal as President and Meela Jayadev as Senior Vice President for the year 2022-2023 FTCCI...

He has served on the Managing Committee of FTCCI for over a decade and played a key role in several ... as Energy ... others. During h... Energy

...Industries Pvt Ltd, ...ufactures TMT bar... Meela Jayadev i... Director of M/s. S... gation Systems P... tor of Sudhakar P... Pvt Ltd., and Su... mers Pvt Ltd. Sudhakar is the biggest PVC Pip... manufacturer in ... and belongs to t... SUDHAKAR Grou... hold name in plas... tems in Telanga... Pradesh, Karnataka

5 లక్షల కోట్ల డాలర్ల ఆర్థిక వ్యవస్థ సాధ్యమే

- జీడీపీ ఏటా 9% చొప్పున పెరిగితేనే..
- ఉపాధి కల్పనకు 'తయారీ' రంగమే మేలు
- ఆర్‌బీఐ మాజీ గవర్నర్ దువ్వూరి సుబ్బారావు

హైదరాబాద్: మరో ఆరేళ్లలో (2028-29 ఆర్థిక సంవత్సరం నాటికి) భారత ఆర్థిక వ్యవస్థను ఐదు లక్షల కోట్ల డాలర్ల ఆర్థిక వ్యవస్థగా తీర్చిదిద్దడం పెద్ద కష్టం...

T-Hub calls entries for Lab32 accelerator

SPECIAL CORRESPONDENT
HYDERABAD

Innovation ecosystem enabler T-Hub is inviting applications from startups to be part of the ninth cohort ... progra... The ... worki... tions ... Tech, ... chain ... Tech, ... The

వ్యాపార నిర్వహణకు సర్టిఫికెట్ కోర్సు

సాక్షి ప్రతినిధి, నిజామాబాద్: వ్యాపార ...లో మెళకువలు నేర్చుకునే ... నగరంలోని ఫూలాంగ్ వద్ద గల హోటల్ ఈనెల 28 నుంచి 30, ... 4, 5, 6 తేదీల్లో శిక్షణ నిర్వహిస్తున్నా... ఎఫ్‌టీసీసీఐ డిప్యూటీ డైరెక్టర్ రాజే... మంగళవారం ఓ ప్రకటనలో తెలిపా... భారత పరిశ్రమ, వాణిజ్య మంత్రిత్వ ... నిజామాబాద్ చాంబర్ ఆఫ్ కామర్స్ ...

ఎగుమతులను పెంపొందించాలి

Suresh Kumar Singhal is new V-P of FTCCI

HYDERABAD

Suresh Kumar Singhal, an industrialist with over four decades of experience in paper and steel industries, was unanimously elected as

ప్రపంచ ఆర్థిక రంగంలో ఎంఎస్ఎంఈలది ముఖ్యపాత్ర

రెడ్‌హిల్స్: ప్రపంచవ్యాప్తంగా ఎంఎస్ఎంఈ(మైక్రో, స్మాల్, అండ్ మీడియం ఎంటర్‌ప్రైజెస్)లు మెజారిటీ వ్యాపారాలు కలిగి ఉన్నాయని, ఉద్యోగకల్పన, ప్రపంచ ఆర్థికరంగాభివృద్ధిలో ముఖ్య...

విదేశీ ప్రతినిధులతో ఎఫ్‌టీసీసీఐ ప్రతినిధులు

तेलंगाना में स्टार्टअप इकोसिस्टम को मजबूत करने के लिए एफटीसीसीआई के साथ टी-हब की साझेदारी

'Need 9% GDP growth to become $5-trillion ec...

STATE BUREAU
Hyderabad

...ndia's GDP has to grow at ...ine per cent for the next ...ve years till 2028-29 to be ...five trillion-dollar econ...y (about Rs 400 lakh ...re), former RBI Gover... Dr D Subbarao said. ...peaking at India@75 — ...ching Towards $5 ...lion Economy on the ...sion of 75 years of In...ndence held by indus...ody FTCCI, he said ...ocus should be on in...ing investments, im...ng productivity, edu... and health ...nes, creating jobs, agriculture produc... maintaining macro...ic stability, manag...al megatrends and ...mproving governance. These are the challenges that face India today, Subbarao said.

"Though India has made strides in all spheres in the last 75 years, we still have 200 million...

'Parties to blam... for culture of freebie politic...

TIMES NEWS NETWORK

Hyderabad: As the debate on freebie politics rages on, former Reserve Bank of India governor, D Subbarao, has blamed all the political parties in the country for the situation and urged the central and state governments to exercise caution.

"It's good that Prime Minister Narendra Modi has triggered a debate on state subsi...

To progress, w... need to take al... with us the 600 million people in all our devel...ment activities

D Subbarao | EX-RBI GOVER...

five years.

Speaking on 'India Marching Towards $5 T... Economy' at the Federa... Telangana Chambers o... merce & Industry (F... the ex-RBI chief said ... eight key challenges t... dia needs to overcome t...

ఎఫ్‌టీసీసీఐ ఇండిపెండెన్స్ డే వేడుకల్లో దువ్వూరి సుబ్బారావు

ఫెడరేషన్ ఆఫ్ తెలంగాణ ఛాంబర్స్ ఆఫ్ కామర్స్ అండ్ ఇండస్ట్రీ (ఎఫ్‌టీసీసీఐ) హైదరాబాద్ ఆఫీసులో సోమవారం నిర్వహించిన 75 వ ఇండిపెండెన్స్ డే

'Freebies will burden future generations'

Ex-RBI Governor moots code of conduct for political parties

SPECIAL CORRESPONDENT
HYDERABAD

Former RBI Governor D. Subba Rao (fifth from left) at a meeting organised by FTCCI in Hyderabad, on Monday.

Former Reserve Bank of India (RBI) Governor D. Subba Rao on Monday sought to caution how freebies unless targeted can become a burden for future generations.

"Our budgets are deficit which means the freebies are being financed by borrowings... should be cautious, critical about what freebies are being given [as] if they do not contribute to growth and revenue the burden of repayment will fall on our children. So do you want to sin against the children?" he said at the Independence Day celebrations organised by the Federation of Telangana Chambers of Commerce

Rao, responding to queries after delivering an address on India @75 - Marching Towards $5 Trillion Economy, said this pointing to how the Prime Minister has triggered a debate on the important issue.

While freebies are important to provide some safety net for vulnerable sections, it should not become a way of political administration that every government or every political party competes on promising something or

Once they form government, they then compete to give freebies to stay in power.

"That I think will take us in wrong direction," he said.

"As much as there should be some expenditure on freebies, we should be extremely selective on what freebies, when and how much," he said, adding political parties should agree on a code of conduct.

To a query on the Goods and Services Tax (GST), Mr. Rao said it is a challenge for

tax revenue to meet oblig...tions and at the same tin... keep rates low enough f... making business and indu...try viable.

Noting that it is good f... government if tax revenu... are buoyant as tax-GDP rat... is low in the country, he sa... in the long run, howeve... more revenue should con... from direct taxes and le... from indirect taxes since tl... latter are regressive as tl... rate is same for rich ar... poor. In contrast, direct ta...es can be calibrated to l... progressive, he said.

In his address, Mr. R... said it may take longer for I...dia to become a $5 trillio... economy on account of tl... pandemic's impact. Tl... country can achieve the go... in 2028-29 if the GDP growth... is 9% consistently for next five years, he said.

FTCCI president Ani... Agarwal and Chair IDC com...mittee Srinivas Garimella

Govts must be careful on freebies

PNS ■ HYDERABAD

Former RBI Governor Dr Duvvuri Subba Rao welcomed the debate triggered by the PM's statement on subsidies.

"All political parties are at fault. He ...ned that all States and the ...Government must realise ...do not have surplus budg... ...while some safety net is ...they must be selective on ...ebies are given using bor...unds and that future gen... should not be burdened ...t," he said. He was speak... ...e FTCCI on 'India @75 – ...g towards a USD 5 Trillion ...' on the 75th anniversary ...Independence

వాణిజ్యం

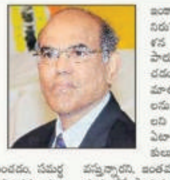
9% వృద్ధితోనే 5 ట్రిలియన్ డాలర్లు

- ఆర్బీఐ మాజీ గవర్నర్ దువ్వూరి

హైదరాబాద్, ఆగస్టు15: వచ్చే ఐదేండ్లలో 9 శాతం చొప్పున క్రమ వృద్ధిని సాధిస్తేనే, 2029కల్లా దేశ ఆర్థిక వ్యవస్థ 5 ట్రిలియన్ డాలర్లకు చేరుకోగలదని రిజర్వ్...

9% వృద్ధితోనే 5 లక్షల కోట్ల డాలర్ల ఆర్థిక వ్యవస్థ

ఆర్‌బీఐ మాజీ గవర్నర్ దువ్వూరి సుబ్బారావు



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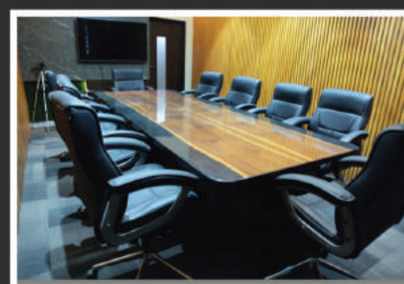

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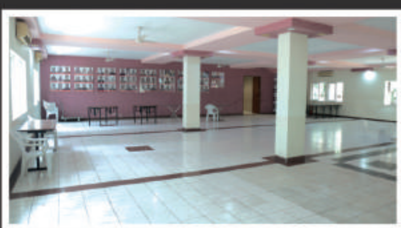

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