



# ECONOMIC Digest

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GLOBAL BUSINESS OPPORTUNITIES AROUND IN WISCONSIN



## BUDGET SUGGESTIONS





**E**ight pm on Eighth of November 2016 will forever be etched as the most shocking moment for many a people in our country. The Prime Minister spoke to the nation and announced demonetisation of high denomination currency notes. It was a tsunami for some, but it was welcomed by most. PM Modi's 'Swachha Bharat' had made another clean sweep!

All hues of economists are busy making assessments of the after effect. Political parties are as usual busy politicizing the subject to the extent being irrelevant and every channel on the television and all the tabloids and news papers were making hay while the queues grew longer and longer. The events also brought forth a lesson that the big and mighty are well advised to keep quiet for a little longer instead of voicing their motivated forecast in a hurry. The fallacy of the statements by Dr. Amartya Sen, Dr. Kaushik Basu and above all Dr. Manmohan Singh about the effects of demonetisation was evident even while they were pronouncing it. The failed 'Bharat Band' and the thumping vote of the common man during the local body elections that the ruling party received in Maharashtra and Gujarat 20 days after the demonetisation is a reflection of the fact that the common man approves of this move despite the hardships faced due to the cash shortage.

Agreeably this was the most essential most daring and the most secretive of the actions our government ever took. As we go to press on this last day of November 2016, all the banks in the country are still busy counting an enormous inflow of cash that is flowing in to the formal banking system. The RBI's annual report 2015 – 16 stated that the currency in circulation in the denominations of 1000 and 500 rupees is Rs. 14, 17, 950 Crores. Out of this as per the RBI data between 10 to 27 November, Rs.8, 44, 982 Crores including Rs.33, 948 Crores of exchanged money was brought in, into the banks. We still have thirty more days before the window for depositing the old currency is closed. It is evident that the 10 Trillion mile stone will be crossed with a handsome margin by that day. This also means that by the end of the year banks will have excess liquidity after catering for normal withdrawals during the same time. We are sure RBI and the FM will already be working on withdrawing some of this liquidity by issuing some securities. Nevertheless the buoyancy gained will be unprecedented.

As is said, "Sometimes the best helping that you can get, is a resounding slap across your face". The corrupt people small and large would have got the help they deserve. Considering that the income tax amendment will provide 49.9 % as tax and a 25% as a deposit for the "Pradhan Mantri Garib Kalyan Yojana" (PMGKY) there will be sufficient funds for all poverty alleviation programmes. Critics are making exaggerated forecasts of drop in the growth rate. The moderates and the studious are putting the short term set back to the growth rate to be 0.5% to 0.9%. We are of the opinion that the effect of this event has to be assessed and seen in short, medium and long term. We do believe that the drop in growth rate will be short lived and not exceed two to three quarters. The objectives of unearthing black money and eliminating terror funding will be achieved in large measures, the money

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raised through realisation of taxes including even property tax at local levels to income tax and fines aiding PMGKY is a substantial gain. The spin off effect of accelerating the pace of moving towards digital economy will eventually be the largest gain.

Dr. Raghram Rajan, the Ex-Governor of RBI spoke in the MEDC flagship event, Dr. Dhanjayrao Gadgil Memorial lecture in February 2014, on the subject of, "Inclusive growth and the role technology can play in it." He dwelt at length on inclusive growth through adaptation of technology to provide banking services at hand for every Indian. His initiative of e-banking, mobile wallets and increase in ATM services in rural India, is reaping benefits now. Similarly UID has already become a strong and reliable 'Aadhar' for the digitised economy and cashless India of the coming decades. PM Modi and his team has put these initiatives to efficient use to ensure better financial governance, transparent accounting and eradication of ill gotten hidden wealth.

I am pleased to inform our readers that a delegation from the 'Wisconsin Economic Development Council' (USA) visited MEDC in November. We had a very meaningful interaction resulting in a planning a tour of our members to USA in July 2018, for B2B tie ups in furtherance of the 'Make in India' policy. This month's digest will provide our readers with the preliminary details.

The cover story for this issue of the digest is 'Budget Suggestions'. This will be a budget like never before. The merger of the railway budget with the general budget will enable greater capital investment by the railway in increased connectivity through new routes, up gradation of services and enhanced safety. In the GST regime that is expected to be heralded with this budget, the annual games that the FMs of the past have been playing with the direct and indirect taxes with an eye on the vote bank will also diminish. If the budget, appropriation bill and the finance bill are passed by the parliament by mid March, then the government can start spending and implementing its schemes and programmes from the first of April. We therefore made the December issue as the, 'Budget suggestions' issue. Do read on and do post your suggestions on the MEDC web site or the MEDC face book.



Cdr. Dipak Naik  
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**W**isconsin is a U.S. state located in the north-central United States, in the Midwest and Great Lakes regions. It is bordered by Minnesota to the west, Iowa to the southwest, Illinois to the south, Lake Michigan to the east, Michigan to the northeast, and Lake Superior to the north. Wisconsin is the 23rd largest state by total area and the 20th most populous. The state capital is Madison, and its largest city is Milwaukee, which is located on the western shore of Lake Michigan. The state is divided into 72 counties.

Wisconsin is ideally located and has just the right infrastructure for business and industry to flourish. The infrastructure of Wisconsin comprises of 9 Highway systems covering more than 11,800 miles

(18,990 km), 13 Railroad Lines: 8 Commercial Airports, 13 Commercial Ports and 03 Foreign Trade Zones create a seamless link in the nationwide intermodal system to move goods to market.

Following Pie Chart will demonstrate it to you the share of industries in the GDP of Wisconsin.:



### STRONG BUSINESS GROWS IN WISCONSIN

Wisconsin's reliable infrastructure, skilled workforce and business-friendly policies provide a solid foundation for business growth. But that's just the beginning. Companies choosing to relocate or expand their operations in the state benefit the state's proven research and development capabilities and strong collaboration between academia and industry. And for those looking to hit the ground running, Wisconsin offers development-ready certified sites. The result is a business climate that helps companies operating in the state to compete both nationally and globally.

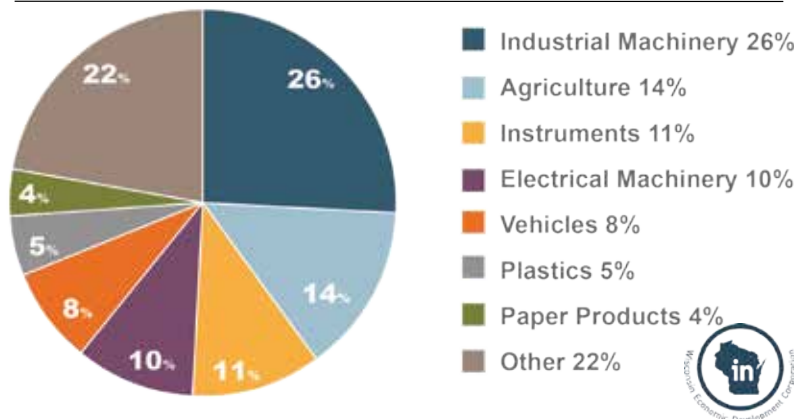
Also let us bring to your notice that Following are the top destination for Exports:



## WISCONSIN TRADE WITH INDIA

EXPORTS	Commodity	2015 Exports M	% Change 2014-15
	Total	\$215.1	-6.29%
	Scientific & Medical Instruments	\$81.6	+11.67%
	Industrial Machinery	\$59.0	-31.33%
	Electrical Machinery	\$18.5	-3.51%
	Articles of Iron/Steel	\$5.5	+19.92%
	Sugars	\$4.4	-20.48%
IMPORTS	Commodity	2015 Imports M	% Change 2014-15
	Total	\$674.2	-0.53%
	Textiles	\$124.8	+28.55%
	Scientific & Medical Instruments	\$76.4	-3.64%
	Apparel	\$73.7	-8.42%
	Pharmaceutical Products	\$72.7	-15.97%
	Industrial Machinery	\$61.7	+8.45%

## WISCONSIN EXPORTS 2015



### WISCONSIN KEY INDUSTRY CLUSTERS:

#### MANUFACTURING:

Technological advancements made by Wisconsin manufacturers to lead industry trends, in both productivity and sustainability. They are strong in the following areas:

**Bold tax policies that support business:** Wisconsin's manufacturers can maximize production with a tax credit that virtually eliminates the tax on income from manufacturing activity in the state. When fully phased in, the effective corporate tax rate for manufacturing and agricultural activities will be just 0.4 percent.

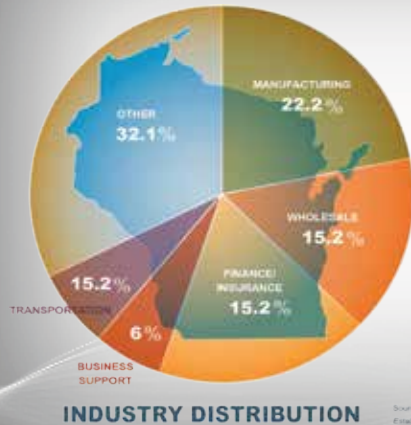
**A capable and adaptable workforce:** With \$150 million invested in worker training, Wisconsin's manufacturing workforce is one of the best in the nation. It is prepared to meet evolving industry demands through customized university and technical college training programs focused on productivity and workplace readiness.

**World-class supply chain:** With more than 460,000 manufacturing jobs in Wisconsin, the state's manufacturing job concentration is 84 percent above the national average (Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Annual 2014 Employment). Wisconsin's diverse and adaptable supply chain is renowned for its quality and is supported by integrated logistics capabilities built to move products quickly and economically.

**Industry-academic collaborations:** In partnership with manufacturers



# WISCONSIN FDI PROFILE



NUMBER OF FOREIGN OWNED ESTABLISHMENTS:  
**1,537**

JOBS IN FOREIGN-OWNED ESTABLISHMENTS  
**86,440**

Source: Beverage Analytics PDF © U.S. Metro Area, The Geography of Jobs and Program Services, Entrepreneur, 2014

across the state, the University of Wisconsin System has achieved center-of-excellence status for more than 100 programs geared toward maximizing the state’s manufacturing capabilities. The statewide economic impact of these centers of excellence is \$15 billion per year, underscoring the value they add to Wisconsin’s manufacturing industry.

Worldwide impact: Manufactured goods account for 84 percent of all Wisconsin exports (U.S. Census Bureau data as reported by Global Trade Information Services), with \$55 billion of output (Bureau of Economic Analysis) demonstrating a healthy worldwide demand for products and technologies originating in the state.



Wisconsin is a global center for energy, power and control technology

development, with demonstrated industry leadership across the energy continuum—from energy conservation to generation and transmission. Our market-leading capabilities result from cutting-edge research and development conducted jointly by world-class academic institutions and companies committed to addressing the world’s energy challenges.



Located in the heart of the United States’ most productive agricultural and manufacturing region, Wisconsin is known as “America’s Dairy land.” Not only does Wisconsin rank among the nation’s top producers for many food categories, it’s also a national leader in food safety science. Food and feed safety certification specialists from the Wisconsin Manufacturing Extension Partnership help food companies operating here achieve and maintain

Global Food Safety Initiative Certification. Plus, the University of Wisconsin-Madison offers degrees in food science to ensure a steady stream of food specialists entering Wisconsin’s workforce.



With the two largest Great Lakes—forming three of Wisconsin’s borders, plus 15,000 lakes within the state’s boundaries, Wisconsin has made the most of its unique geography to build core industry strengths that draw upon abundant fresh water. The concentration of global water industry leaders and the presence of The Water Council in Wisconsin have bolstered a reputation for the state as an authority on water technology advancements.



In Wisconsin, research institutions are working together with new and established bioscience enterprises to create solutions to global food, health and sustainability challenges. Powerhouse in research and development: With some of the strongest international leadership and research capabilities in the world, Wisconsin has one of the nation’s most diverse and fastest growing bioscience sectors. The

University of Wisconsin, one of the top research universities in the nation, conducts more than \$1.2 billion per year in academic research and development—with 70% going to the bioscience sector.

Creating business development opportunities: Wisconsin is an ideal destination for companies seeking research partners, joint ventures and transfer and production capabilities. Life science companies can benefit from the support of WEDC, the UW Office of Corporate Relations, Bio-Forward and resources that provide state-of-the-art facilities, like University Research Park-Madison and the UW-Milwaukee Innovation Center.



Wisconsin is a rapidly developing leader in the aviation and aerospace sector. Uniquely positioned to advance the global aerospace industry, the state offers aerospace manufacturers the infrastructure and talent necessary to reach the highest levels of production and operational excellence. For companies tackling the challenges of aviation or for companies looking to access the research and development in our aerospace sector, Wisconsin has solutions.

### Shovel-Ready Sites, Business-Friendly Policies

The Wisconsin Economic Development Corporation's

(WEDC's) Certified In Wisconsin® Program establishes consistent standards for the certification of industrial sites, providing confidence to companies looking to avoid costly construction delays. The program puts in place all the key reviews, documents and assessments most commonly required for industrial use.

### Tax Credits

To help encourage business growth and job creation, Wisconsin provides tax credits and exemptions on sales and property tax for qualifying manufacturing and agricultural businesses—two industries that play a significant role in creating a

competitive advantage for the state. The Manufacturing and Agricultural Tax Credit virtually eliminates the tax on income from manufacturing activity in Wisconsin. In addition, WEDC's Business Development Tax Credit Program supports job creation, capital investment, training and corporate headquarters location or retention through refundable tax credits to greatly reduce a company's tax liability.

The WEDC recently met with the MEDC in Mumbai on 22 November 2016. The two EDCs have planned to take this initiative further for mutual benefit in keeping with the philosophy of "Make In India"



Wisconsin's capital city, Madison, home of the University of Wisconsin, was ranked by the Brookings Institution as the nation's number-one metro for science, technology, engineering and mathematics (STEM) college graduates. © 2016 Board of Regents of the University of Wisconsin System.



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2 BHK (Compact)	48,64 sq. mtr
2 BHK (Luxury)	79,11 sq. mtr
3 BHK	111,81 sq. mtr
4 BHK	180,67 sq. mtr
4 BHK Sky Villa	434,35 sq. mtr
Row Villas	499,29 sq. mtr

NA Order No. Maha/Kaksha-3/7/ Bi. She. Pra.Kra./86/2013  
EC No. SEAC-2212/C,R,235/TC-III  
Commencement No. LND/BP/ Panch/C-2/513/2943  
Renewal C-2/6 dated 08/01/2015

#### Bank Approvals



#### Land Owner /Developer/ Promoter- Sun Infrastructure Pvt. Ltd.

- Master Plan Designed By - HOK Singapore
- Approved by Nashik Municipal Corporation
- 11 Buildings are open for booking in Phase I (12 storied towers, sky villas and row villas)
- Possession time with amenities for buildings open for booking (Phase I) - 3 Years
- The project is within Nashik Municipal Corporation Limits

Financed & Approved by Canara Bank & State Bank of India



Disclaimer: All the specifications, designs, facilities, dimensions etc., are subject to the approval of the respective authorities and the developers, and cannot form part of an offer or contract. The developers reserve the right to change the specifications or features without any notice or objections.



Dr. R.K. Pattnaik Dr. Tulsi Jaykumar

## Budget 2017-18 : Agenda For Structural Reforms

**B**udget 2017-18 comes with the promise of 'Being Different'. From this budget on, there will be a removal of the distinction between plan and non-plan expenditure, a merger of the general with the railway budget, as also the advancement of the budget presentation by a month. Will these changes end up being merely cosmetic changes, or do they signify meaningful 'structural reforms' as claimed by the government. Given the significance of fiscal policy in affecting growth, and the constraints on monetary policy to achieve the same, it is important that consecutive budgets provide a flavour of their growth-generating potential.

This paper seeks to critically analyse the budgeting exercise and provide suggestions for the way forward.

### 1. BUDGETS IN INDIA

The Fiscal Responsibility and Budget Management Act (FRBM) and the revised roadmap of fiscal consolidation presented by the Thirteenth Finance Commission provided the roadmap for fiscal consolidation for successive governments. Figure 1 provides a snapshot of the performance of the Union government on different fiscal indicators set out.

The story of fiscal consolidation- especially in the wake of the drastic decline in the growth rates of the economy in the aftermath of the global financial crisis- was one of sharp reductions in total expenditures as a proportion of GDP. The decline was sharper in the case

of capital expenditures, as compared to revenue expenditures (See Figure 2). This, in turn, has led to a steady increase in the ratio of revenue deficit to fiscal deficit over the years, indicating that a large part of the borrowings are being used to

FIGURE 1: DEFICIT TRENDS AS A PERCENTAGE OF GDP

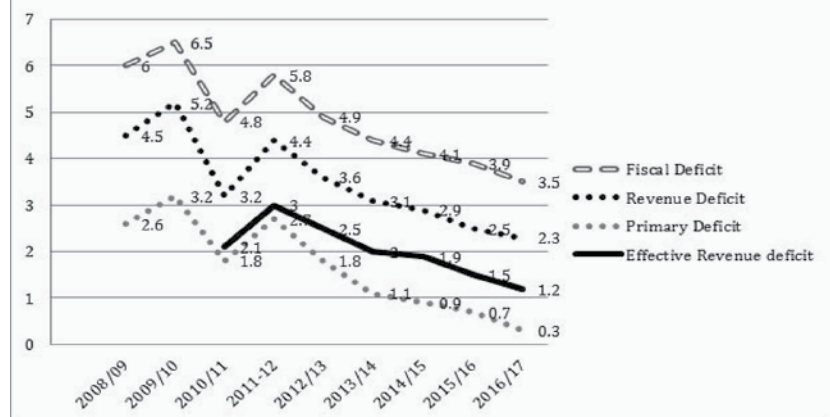


FIGURE 2: TRENDS IN UNION GOVERNMENT EXPENDITURE

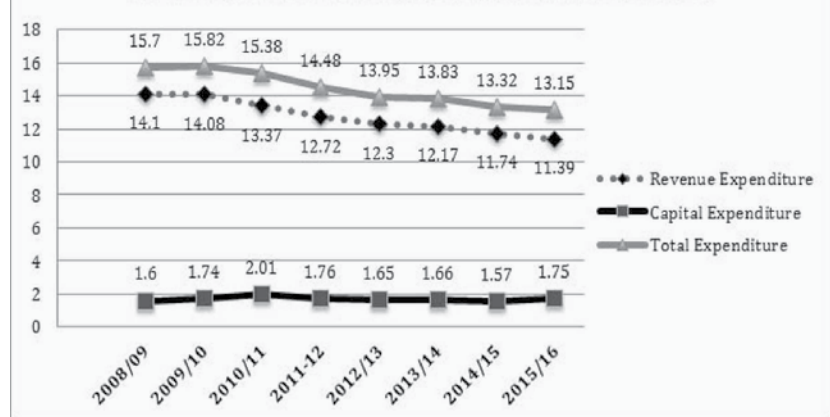
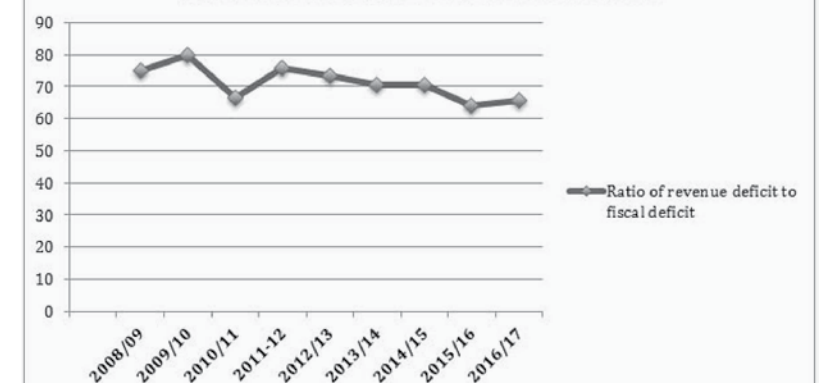


FIGURE 3: Ratio of Revenue Deficit to Fiscal Deficit



finance revenue expenditure (See Figure 3). This trend decline in capital expenditure has continued into budget estimates for 2016-17 as well. Thus, the budget estimates of 2016-17 reduced the budgeted capital expenditure relative to GDP from 1.75 in the revised estimates of 2015-16 to 1.64. Thus, growth stimulus will not come from growth-inducing capital investments in public infrastructure- both social and economic.

## 2. FISCAL SUSTAINABILITY

The moot question is how to achieve qualitative fiscal sustainability i.e., attending fiscal consolidation target under FRBM without making cutbacks in non-defence capital outlay and developmental expenditure, particularly economic and social services.

In order to ensure this, a two-pronged strategy is important:

- (a) *Fiscal empowerment (maximize revenue to budget to create fiscal space) and*
- (b) *Expenditure benchmarking in respect of non-defence capital outlay and social sector expenditure.*

### 2.1 Fiscal consolidation and Fiscal empowerment: Formulation of future agenda

Qualitative fiscal sustainability would require the elimination of revenue deficit. A zero revenue deficit will provide fiscal space for primary revenue balance to meet the interest obligations of the government. Further, borrowings of the government in terms of fiscal deficit will be fully utilized for investment through capital expenditure.

The fiscal road map for the period 2015-2020 recommended by the 14th Finance Commission (FC XIV) has kept the Revenue deficit/ GDP ratio for the Union government at a deficit of 0.93 percent in the terminal year 2019-2020. With states accounting for a revenue surplus of 1.88 per cent, the consolidated surplus (of both the centre and states) works

out to 0.95 percent during the terminal year. Thus, a zero revenue deficit in the terminal year will require an even higher revenue mobilization than that estimated by FC XIV.

Our suggestion is that in the terminal year of FC XIV 2019-20 for the RD to be zero, the gross tax revenue to GDP should be 11.89 per cent (i.e. the same ratio as in 2007-08). Accounting for the tax devolution to States at 4.46 per cent of GDP, net revenue to centre will be 7.43 per cent as against FC XIV projection of 7.12 percent. Secondly, non-tax revenue to GDP ratio should increase to about 2 per cent of GDP (i.e. the same ratio as 2007-08), as against the FC XIV recommendation of 1.53 percent. Thus, these two corrections together will provide around 0.88 per cent of GDP and will by and large help in eliminating revenue deficit.

#### 2.1.1 Effective Revenue Deficit: A classic case of creative accounting

The amendment to the FRBM Act in 2012 introduced the concept of Effective Revenue Deficit and mandated the central government to reduce the fiscal deficit, revenue deficit and effective revenue deficit (ERD), in order to eliminate the effective revenue deficit by 31 March 2015, and thereafter build up adequate effective revenue surplus.

ERD was introduced as the Government of India realized that the elimination of RD looked difficult within a five-year span. However, introduction of ERD is a classic case of creative accounting and is against any norm of fiscal prudence. It goes against the constitutional provisions of budget making, since according to Article 112 of the Constitution, all central grants are to be treated as revenue expenditure. ERD suffers from time inconsistency. Fiscal transparency suggests that sudden shocks to the accounting arrangement should best be avoided.

ERD has implications for general government finances. Grants, whether capital in nature or otherwise, are treated as non-tax revenue receipts. Hence in the Annual Financial Statements (AFS) of state governments, they are meant to finance revenue expenditures. To the extent that the Central Government reduces its RD and if these are not treated as revenue receipts of states, the RD of states goes up by similar amount of reduction, while at the same time having no impact on the General government's RD. Since RD is not eliminated, there are macro-economic implications in terms of savings and growth and vicious cycle of deficit and debt!

Thus, in the interest of constitutional budgetary accounting coupled with adverse macro-economic implications for savings and growth, the concept of ERD may be revisited and could be dispensed with.

In fact, the FC XIV has commented on the "moral hazard issue of creative budgeting" associated with the effective revenue deficit, and has suggested that the concept be done away with through an amendment to the FRBM Act, with effect from April 1, 2015.

However, the central government still continues with the concept of effective revenue deficit, reflecting non-adherence to the constitutional requirement. As recommended by the FC XIV, the central government may consider amending the FRBM Act to introduce the elimination of revenue deficit altogether, as also withdrawing the concept of Effective Revenue Deficit, which has no constitutional validity.

### 2.2 Fiscal Consolidation and Expenditure benchmarks: Formulation of future agenda

Expenditure benchmarking in fiscal consolidation has a positive and negative connotation. The negative



connotation emphasizes reductions in non-developmental expenditure; however, the positive connotation focuses on higher provisioning for developmental expenditure. The FC XIV in their projections recommended a cut back of 2.65 percent of GDP in revenue expenditure between 2014-15 and 2019-20. This cut back is extended to general services, social services and economic services. On the other hand, the commission has recommended enhancement of capital expenditure by 1.14 per cent of GDP. The underlying assumption here is that revenue expenditure is bad and unproductive, while capital expenditure is good and productive. We posit that rather than benchmark expenditure as per accounting classification, expenditure should be classified as social sector expenditure or growth inducing expenditure.

### 3. ISSUES IN THE FINANCING PATTERN OF FISCAL DEFICIT

The government, following the FRBM Act, has focused on the level of deficit indicators relative to GDP, especially the level of fiscal deficit. The financing pattern of fiscal deficit has been less debated. Table 1 lists the various sources of financing the Centre's Gross fiscal deficit.

The government uses its cash balances held with the RBI (cash deficit and cash surplus) as a means to finance fiscal deficit. Since April 2007, under the Borrowing Rule, the RBI has been prohibited from participating in the primary auctions of the government's market borrowing programme. Thus, the government has been increasingly resorting to Ways and Means Advances (WMA) from the RBI to fund cash deficits. Simultaneously, flexibility has also been introduced regarding cash surplus maintenance by the central government with the RBI. Evidence suggests that both the central and state governments either take recourse to higher WMAs or maintain huge cash surpluses to finance fiscal deficit.

Poor cash management practices not only waste money, but also inhibit the development of local financial markets and undermine the effectiveness of monetary policy.

Hence, the policy options relating to expenditure pattern, institutional arrangement for repayment of market borrowings, and cash management are as below:

#### 4.1 Expenditure Pattern in respect of capital outlays

The central government accounts for

almost two-thirds of the consolidated revenues and debt. The expenditure responsibilities of state governments are more as per the Constitution. Though the central government's fiscal management has implications for monetary management, as also critical for financial and external sector stability, the role of the state governments is greater in terms of social sector development.

Hence, there must be an emphasis on expenditure pattern at both levels of the government, with priority towards growth-oriented expenditure. The FC XIV has recommended higher combined capital outlay provisioning of 7.5 per cent of GDP in 2019-20.

While higher allocation of capital outlays is a necessary condition and is welcome, but the sufficient condition is return on capital assets. It is a myth that all capital expenditure is growth oriented.

Two Union budget announcements in terms of expenditure classification changes and FRBM modifications have critical implications for public debt sustainability. It is important to note that the Annual Financial Statements (AFS), which in essence are presented according to the requirement of the Indian constitution (Article 112), set out only revenue and capital expenditure, further breaking those into General Services, Social services and Economic services. In fact, they contain no Plan and non-plan breakup. Further, prior to 1987-88, there was no plan and non-plan break up. The expenditures were decomposed as developmental and non-developmental. Plan and non-plan classification was introduced only since 1987-88. Hence, the current reforms at dropping the classification of plan and non-plan expenditure may have little significance; what is more important is to focus on growth-inducing expenditure.

**TABLE 1: CENTRE'S GROSS FISCAL DEFICIT AND ITS FINANCING**  
(in Rs. Billion)

Year	Gross fiscal deficit	Financing of GFD - External finance	Financing of GFD - Market borrowings	Financing of GFD - Other borrowings	Financing of GFD - Draw down of cash balances	Financing of GFD - Total Internal finance
2008/09	3369.92	110.15	2469.75	351.68	438.34	3259.77
2009/10	4184.82	110.38	3943.71	144.60	-13.86	4074.44
2010/11	3735.91	235.56	3263.99	172.06	64.30	3500.35
2011-12	5159.90	124.48	4841.11	354.21	-159.90	5035.42
2012/13	4901.90	72.01	5074.45	265.56	-510.12	4829.89
2013/14	5028.58	72.92	4756.26	391.11	-191.71	4955.66
2014/15	5108.17	129.33	4576.17	-374.85	777.52	4978.84
2015/16	5350.90	114.85	4514.89	942.00	-220.84	5236.05
2016/17	5339.04	190.94	4251.81	764.34	131.95	5148.10

SOURCE: RBI, Handbook of Statistics of the Indian Economy

## 4.2 Institutional arrangement for repayment of market borrowings

The repayment obligations for market borrowing appear huge in the future, thereby putting a pressure on government finances and macroeconomic management. Recognizing this, the 12th Finance Commission strongly recommended establishment of a sinking fund as an institutional arrangement to ensure overall fiscal discipline.

Historically, a sinking fund arrangement called the Consolidated Sinking Fund (CSF) scheme was launched for State Governments in 1999-2000. The rationale for this sinking fund was to enable states to tide over the roll-over risks due to their weak cash management practices and also due to problems with under-subscribed State Development Loans.

A revised CSF scheme was introduced since 2006-07. By February 2014, twenty-one state governments had constituted the CSF and the outstanding corpus stood at about Rs 60,000 crore. However, the Union Government had not constituted a sinking fund. Keeping in view the experience of the States in this regard, the central government may consider setting up of CSF at the earliest. The FC XIV had also recommended CSF as “an integral part of prudent fiscal management”.

## 4.3 Cash management

The government's cash management, resulting mostly from ineffective expenditure management, has remained poor and inefficient as may be seen from the trends of surplus/ deficit cash maintenance with the RBI. The central government may consider the following:

- Introduction of an ex-ante cash flow statement on a daily basis to analyze the cyclical and structural factors.
- Elimination of structural factors contributing to cash surplus and fixing a limit of surplus for the government in the same manner as

ways and means advances (WMA).

- Transferring the investment in 14-day intermediate treasury bills with immediate effect to a “consolidated sinking fund” investment to address the humps in debt repayment in the immediate future.
- Advance tax collections on a monthly basis, in place of a quarterly basis.
- In order to ensure transparency, the central government and the RBI may consider disseminating data to the public on the modalities of surplus investment, which includes the volume, rate of interest and maturity.
- Fixation of WMA limits for the central government with mutual agreement has largely remained arbitrary, as also a sub-optimal choice. The suggested option for the central government could be that the limits be fixed on the basis of a formula linking it to the budgetary transactions rather than need, as it is currently the case with the state governments.
- The calendar for market borrowings and treasury take care of repayments to a large extent, but it could be re-examined taking into account the cash flow statement. In order to make this effective, all the agents have to be proactive, not leaving the management to RBI. The approach so far has been to treat cash management of GoI and State governments separately. It is appropriate to put in place a comprehensive approach. It would be advisable to have an expert committee to review the current arrangements for WMA/ Overdraft/ surplus and prescribe the limits and other related arrangements

## 4.4 Benchmarking social sector and growth inducing expenditure

In the context of public debt sustainability, the government may consider presenting the social sector expenditure and growth

inducing expenditure (both in its revenue and capital components) as a part of FRBM exercise.

## 5. CONCLUSION

The government's attempts to bring about structural reforms in the budgeting process are welcome. For this to remain not merely a cosmetic exercise, however, the focus will need to be on fiscal empowerment and bench marking of social sector and growth inducing expenditure. The decision to do away with plan and non-plan expenditure is a welcome move. However, the revenue and capital expenditure composition should follow the system of national accounts (SNA) classification, viz. broadly the economic and functional classification and not the creative accounting type such as Effective Revenue Deficits.

The structural reform in the monetary policy with institutional reforms by introducing Flexible Inflation Targeting (FIT) and Monetary Policy Committee to take decisions on monetary policy repo rate will go in long way in strengthening the monetary and fiscal policy coordination.

The implication of the demonitisation is also an important issue. There are views that there will be windfall gains for the budget from profit transfer from the RBI and amnesty schemes. Unless the full data are unfolded it will be difficult to conclusion.

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Dr. Ashok Datar

## Expectations from the Budget after Demonetization

In the wake of demonetization and GST, people expect a forward looking, bold and aggressive budget from the govt. of India. Their expectations from the Prime Minister Modi are sky high. But Narendra Modi is a practical baniya at heart and he should be able to provide a sensible yet unconventional budget. He has recognized the mood of people to accept some hardships in the implementation of demonetization. Subsequent steps to reduce the grip of black money on our economy and polity be a part of the economic agenda which would naturally lead to the budget which will be more of an overall policy document now that railway budget will also be a part of general budget. People are in a mood to accept some bold pro people initiatives. For last 2 years, we have benefitted from low oil and commodity prices. General Inflation is under control and food inflation can be tamed with good monsoon. It is, therefore, worthwhile now, as compared to any time in the past, to set out some hitherto impossible ideas into action both in raising the resources, spending wisely on a scale with focus- which was not attempted so far. This govt has made Digital India as a key program and we should expect some high quality information and statistics to provide the justification for the new initiatives.

Analysis of tax returns will tell us no. of assesses in different income

brackets such as :- below rs. 10 lakhs, 10-20 lakhs, 20-50 lakhs, 50-100 lakhs, 1 – 5 cr , 5 cr to 10 cr and so on. This will help us to create an honor tax slab of 40% for those with income above Rs. 50 lakhs which according to our estimates will bring a substantial contribution to improve the I Tax to GDP ratio. Incidentally, even USA and most European countries with lesser income inequality than us have marginal slabs above 45 to 60% A slab of 40% is fully justifiable for incomes beyond Rs. 50 lakhs pa.

### Intelligent information on taxation & macro finance to make sense to citizen

The debate on both GST and demonetization of 86% of the currency has highlighted the need for clear & meaningful information and database has become important in the era of Digital India. Smarter & comprehensive measures against the stock and flow of black money are needed. Analyse & mine the tax returns of 3.5 cr income tax assesses.

It is not only an academic purpose that we should have numerical analysis of these tax returns which doesn't violate any privacy of any tax payers. It would be very useful to know how many tax payers are there in each of the following income slabs – below 5 lakhs, 5-10 lakhs, 10-20 lakhs, 20-50 laks, 50 to 100 laks, 1 cr to 5 cr , 5 to 10 cr, 10 to 25 cr, 25 to 50 cr, 50 to 100 cr and above 100 cr as annual income

and how much tax each of these slabs contribute.

Further, what is the agri income (its freq distribution) and in what income slab these entities with agri income fall. I notice a column on agri income in the income tax return form. If the agri income is not shown in the returns , it must be made obligatory . Today, those who have only agri income don't file any tax returns. We should insist that they should also file income tax return with or without income tax.

### Tax agri income if the assessee has income from other sources.

It is believed that exemption of agricultural income is extensively abused. From these returns- which are totally in digital format, it is quite possible to identify how many assesses have declared agricultural income. We can find out total agri income that is declared and correlate the same with income from other sources and establish correlation between them. This can help us to identify the likely assesses who may have shown agri income just to avoid the income tax. It is useful to provide tax break for agricultural income but only if there is no other substantial income. Also pure agri income beyond Rs. 10 lakhs should be taxed. By using intelligent digital info sources, we can find out where the clear intention is tax evasion as adjusting other unaccountable income with notional agri income.



It is suggested that we should bring agri income under taxation with one major concession and that is net agri income (net of expenses) upto Rs. 8 lakhs should be exempted and thereafter agri income should be treated as regular income. There should be audit on genuineness of agri income by using 10% slab should apply on first 5 lakhs (beyond Rs. 8 lakhs), second 5 lakhs should attract 20% and agri income beyond Rs. 18 lakhs should be taxable at 30%. This concession should not apply to those income tax payers with income from sources other than agri income.

### Funding of Political Parties

Now is the time for this reform whereby not more than 5% of receipts of the political parties can be in cash form. This can be a part of program to promote cashless economy. Only then they should be allowed relief from income tax. Further, they should be subject to normal audit requirements with publishing of the accounts. We can't miss this historical opportunity for this reform! Only a bold prime minister can initiate this and that too in the current atmosphere. We should consider that candidates for election should not only declare their wealth, as they do today, but also explain increase in wealth if it is beyond Rs.5 cr in the previous 5 years.

### Other Reforms in direct taxes:

1. Dividend as well as capital gains (subject to indexation) should also be treated as ordinary income. It will have no impact on capital formation. We should also examine the Mauritius route and see how this can be plugged. This should be accompanied by a reduction in corporate income tax to 25% to

begin with and introduction of investment allowance of 25% for assets invested (together with a certain increase in employment) for a period of 3 years to encourage capital formation.

2. Higher direct taxes should be accompanied by 100% tax benefit for large, well managed charity trusts who will invest in schools, colleges, research institutions & hospitals - provided these are not run like for profit industries. For this purpose, we should have high audit and public disclosure standards. This will encourage high quality social charity something like Bill Gates, Warren Buffett, Zuckerberg and George Soros. This kind of social charity will cost only 40% of the total cost to the society!

3. All religious bodies, temples, dargahs, churches must declare their wealth with a certificate from certified auditors. They should pay a tax on their wealth - 5% for gold and 3% on other assets. But if they are invested in govt bonds, they should not be liable to such "wealth tax." Their contribution to schools, colleges, hospitals or other well defined charities with good auditing and disclosure standards should allow a tax benefit like any other trust. There could be some basic minimum amount of wealth that can be held in the form of cash or gold, say between Rs.10 lakhs to rs.1 cr. depending on the expenditure needs of the trust. This can make a lot of difference to investments in social infra structure where govt can't be as efficient in delivering services as private sector if it is honest. Record of good trusts in India and abroad should be a good example.

4. There should be an excellent database for all properties and land - especially urban land. Each property/land holding must have a defined owner with a pan card and adhar type of card which should go into database so that we can find out benami properties. We should bring all real estate under property tax by using capital value base. We can introduce "a no occupancy fee" for a property and this should be supported by a fair rent control act which should respect the agreement between land lord and tenant - whether for 9 months, 3 years or perpetual. Further, rental income can be incentivized. This will unlock idle housing and help bring prices down for the real estate.

5. As a part of common civil code, we should eliminate HUF as an entity.

The issues of employment, make in India, high growth rate and reduction in inequality and a serious boost to pro environment programs such as solar energy, reduction in use of fossil fuels such as coal and oil deserve high priority in a visible manner.

### Indirect taxes and choices for Make in India

A higher target for direct taxes will enable the govt to keep GST at a common low rate of 12 to 15% for all products other than sin products such as tobacco, alcohol for which there should be a higher slab. This will be a positive move to address inflation.

We should levy a cess on auto fuels to reduce the consumption of these fuels in transportation. This should be based on crude oil prices at \$ 100/barrel and standard refining charges. This will generate a large surplus which should be ring fenced and used to cross

subsidize solar installations in cities as well as villages. Further, the focus of agri support price should now shift from wheat, rice and sugar cane to pulses and oilseeds to ensure reduced imports and improve the nutrition. More particularly, we should undertake a large program for cold storages for potato, onions, tomatoes and other vegetable to ensure fair and stable price for farmers and consumers. Solar cold storage and pumps together with drip irrigation must be efficiently and substantially encouraged. This can also increase production and consumption of vegetables and fruits.

We need to identify the items that need a special focus for make in india for quantum increases for improving the life of common man, protection of the environment and similar products and services, including rail and road safety, track renewal etc . A few examples would illustrate the point. India produces 28 lakh cars worth approx. rs. 1,75,000 Cr. As compared to this, production of rail coaches is almost negligible – worth Rs.5000 +Cr. It is pointed out that a number of coaches made with old technology are responsible for accidents and slow speeds. Can we not think of an increase of 5-10 times in the manufacture of more coaches, high quality buses. Similarly, can we increase the production of solar equipment, biogas converters, solar based cold storages, pumps etc.? Production of such things of high quality and efficiency in India may be more appropriate than ‘very low value added’ products like textiles for exports.

Education of citizen on imports/ exports in value & quantities and debt

1. As a part of improving financial literacy of the citizen and an

indirect but important step in governance It is important that citizen know

2. the volumes, values and tax levels for products such as computers/ laptops/printers , mobile phones, medicines, gold , automobiles, tv sets and other items of public interest and curiosity. should also provide this info separately by country of manufacture .
3. Budget should also provide info on the outflow and inflow of forex amount as well as no. of outgoing/incoming tourists and students.
4. Info on trends in govt and private sector borrowing from abroad and govt borrowing from India by important categorie such as PPF, govt bonds, etc. and level of borrowings at the end of year.
5. Also in an educative and lucid format info on customs duties, excise on petroleum products and other popular large volume products
6. Breakdown by service tax by type of services.
7. frequency distribution of income tax by income slabs and an explanation and figures on lost revenue as well as details on voluntary disclosures, demonetization details ( currency notes for high denominations in circulation prior to 9th Nov and surrendered to banks and taxes and penalties recovered.
8. Cost of support prices and volumes for various crops such as wheat, rice, sugar cane and any other.
9. Clear cut and ready cooked info on trends in income tax, other direct taxes , service taxes, other indirect taxes with groupings that can make

sense to common citizen

10. Salaries and other expenses on legislators, and administration with separate figures for police and defense personnel
11. Trends in pension provisions and disbursals
12. Income and expenditure for various cesses incl swachchata mission

### Concluding remarks

This budget should be different with a lot of easy to make sense kind of information –which can educate people and making the debate meaningful where more people from different domains can participate and not only economists or financial world. It should convince people at large that govt means business of increasing productivity especially agricultural sector, it would provide cross subsidy to encourage pro environment initiatives in a substantial manner , It will seriously take the battle against black money in a methodical manner and bring the poor in the mainstream .

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- Founder trustee of Mumbai Environmental Social network – a think tank for analysis and sustainable solutions in urban transportation and planning - active in these areas for last 15 years. MESN has worked on governance oriented projects in bus lane, parking, modal share of traffic , GIS based slum mapping, developing abused spaces etc. for last 12 years.





**Prof. Vibhuti Patel**

## Gender concerns in The Union budget 2016-17

**B**udget is an important tool in the hands of state for affirmative action for improvement of gender relations through reduction of gender gap in the development process. It can help to reduce economic inequalities, between men and women as well as between the rich and the poor. Hence, the budgetary policies need to keep into considerations the gender dynamics operating in the economy and in the civil society. There is a need to highlight participatory approaches bottom up budget, child budget, green budgeting, local and global implications of pro-poor and pro-women budgeting and inter-linkages between gender-sensitive budgeting and women's empowerment. Understanding the relationship between macroeconomic policies and the Union Budget, state budgets and the local self-government institutions in the context of economic reforms and globalisation is a MUST as it has influenced women's lives in several ways. It is good economic sense to make national budgets gender-sensitive, as this will enable more effective targeting of government expenditure to women specific activities and reduce inequitable consequences of previous fiscal policies. The Gender Budget Initiative is a policy framework, methodology and set of tools to assist governments to integrate a gender perspective into the budget as the main national plan of public expenditure. It also aims to facilitate attention to gender analysis in review of macroeconomic performance, ministerial budget preparations, parliamentary debate and mainstream

media coverage. Budget impacts women's lives in several ways. It directly promotes women's development through allocation of budgetary funds for women's programmes or reduces opportunities for empowerment of women through budgetary cuts.

### **Union Budget 2016-17:**

The Railway Budget and the Union Budget for financial year 2016-17 were presented on 25-2-2016 and 29-2-2016 respectively. The Union Budget 2016-17 has allocated Rs. 90625 crores for gender concerns in different ministries. But it does not show any increase in the "Gender budget" i.e. financial allocation that directly benefits women and girls with budget allocation of 4.58% of the total. The revised estimate in the Union Budget for 2015-16 is 4.55 per cent of the total allocations and the financial allocations to the Ministry of Women and Child Development (MWCD) were slashed from Rs. 21194 crores to Rs. 10382 crores. Due to pressure from the MWCD, the revise budget was increased to Rs. 17352 crores. The current budget has made financial allocation of Rs. 17408 crores to MWCD.

### **Cooking Gas:**

The Union Budget allocates Rs. 2000 crores to provide the BPL families with a cooking gas connection at a subsidized rate so that poor women will not have to use Chulha for cooking resulting into inhalation of carbon monoxide, major cause of their respiratory tract infections. Gender economists have demanded that the LPG connection

must be in the name of women members of poor households. The timeline given by the FM state that during 2016-17, crore 50 lakh BPL (Below Poverty Line) households. The budget also promises to continue the Scheme for at least two more years to cover a total of 5 crore BPL households. This scheme may be boon to 'neo-middle class' but majority of the toiling poor women cannot afford to buy 'subsidized' cooking gas @ Rs. 6000/- per cylinder.

### **Predicament of women Farmers**

Women farmers and cultivators are the backbone of agricultural production in India. Majority of agricultural labourers are women. In agricultural sector also the allocation at Rs 20400 crores is lower as compared to the 2014-15 in which the allocation was Rs 22309 crores. The current budget makes a non-plan allocation of Rs.15000 crores to the Ministry of Agriculture to transfer funds to compensate commercial banks for providing subsidised credit to agriculture.

The budget permits 100 per cent FDI in rural markets. This wills women small and marginal farmers hard. Entry of corporate sector into agrarian marketing has already made condition of farmers precarious as a result of their monopolistic control where large number of poor sellers face handful of buyers. Desperate farmers will have to distress selling of their products to the multinational corporations.

Several states in our country are facing severe drought resulting into agrarian



unemployment. In this context, increase of MGNAREGA allocation by 7.7% is highly inadequate.

### Stand Up India Scheme

The Union Budget has provided an outlay of Rs. 500 crores to promote entrepreneurship among SC/ST and women. Each nationalised bank will have to facilitate at least two projects per bank branch, one for SC/ST and one for women entrepreneur. This schemes claims to benefit at least 2.5 lakh SC/ST/ women entrepreneurs. Quarterly social audit is a must for this scheme or else like 'Nirbhaya fund', this allocation will also remain unspent.

### Railway Budget:

In the Railway Budget has promised a 33% sub-quota for women under all reserved categories, was provided. Looking at increasing attacks on women commuters, the railways need to allocate more funds for security and safety of women on the railway platforms and in the trains.

### National Mission for Empowerment of Women (NMEW):

The Gender Budget Statement has increased NMEW's allocation to 50 crores which is double as compared to previous year. The budget has not taken serious consideration with respect to violence against women that has escalated many fold. While schemes to combat trafficking and empowering adolescent girls have received increased funds, the schemes meant for implementation of PCPNDT act, the Protection of Women from Domestic Violence Act have not received much allocation. Corpus of Rs. 3000 crores under Nirbhaya Fund has largely remained unutilized. On March 8, 2016, the Union Budget 2015-16 had allocated Rs. 653 for Scheme for Safety

of Women in Public Road Transport with an objective to ensure safety of women and girl child in public transport by monitoring location of public road transport vehicles to provide immediate assistance in minimum response time to the victims in distress. The proposed scheme under the "Nirbhaya Fund" envisages setting up of a National Emergency Response System with a control room under the overall control of Ministry of Home Affairs, which will receive alerts from distressed women and take action on it. Under the scheme for giving grants to states for setting up driving schools, preference is given to proposals for driving school for women. Similarly, 'Beti Padhao, Beti Bachao' scheme was announced with the goal of improving efficiency in delivery services for women. Proposal submitted by different ministries, local self-government bodies and state governments under these schemes are gathering dust and funds have remained largely unutilized.

### Social Sector:

Subsidised education and health are most beneficial to women and girls. The Union Budget, 2016-17 provides Rs. 40000 crores for school education which is slightly higher than last year's allocation of Rs. 39039 crores and higher education has received Rs. 16500 crores this year as compared to from Rs. 15855 crores. Both are grossly inadequate. This will result into intensification of privatisation and commercialization of school and higher education.

The same is happening with respect to health sector-withdrawal of the state from public health to promotion of private health sector. Except for 3000 stores for distribution of subsidized medicine, the budget subsidizes private insurance companies and pharmaceutical industries in the name

of public-private partnership.

Flagship programme such as Integrated Child Development centre (ICDS), like last year, has faced cuts in allocations. In 2015-16 the budgetary allocation was merely Rs. 8000 crores but the actual disbursement of funds was Rs. 15394 crores. Nutrition of pregnant mothers and children in 0-6 age group will suffer as the Union Budget 2016-17 allocates only Rs.14000 crores. Even the Mid- Day Meal Programme will also face financial crunch as the allocation is merely Rs. 9700 crores, while inflationary prices of food items have increased drastically. In spite of increase in workload, the foot soldiers of ICDS and National Rural Health Mission (NRHM) don't even get minimum wages; leave aside pension, social security benefits and health insurance.

### Public distribution system:

Instead of direct distribution of food grains and essential items, the budget paves way for cash transfer in PDS through provision of automation facilities for 3 lakh Fair Price Shops, ATMs and mini-ATMs in rural linked to Adhar. The budget does not promise of price control for essential commodities to ease poor women's woes.

Trend analysis of allocation to social sector in the pre (before 1991) and post (after 1991) structural Adjustment Programme (SAP) phase has revealed that poor women have suffered the most due to drastic budgetary cuts in Public Distribution System and public health, safe public transport & child care facilities, food security, drinking water and sanitation. There is no gender mainstreaming with respect to safety of women in the budgets of Local Self Government Bodies.

### Digital India Scheme

The Union Budget promises a lot

thro' digital India scheme but there is no financial allocation for specific programmes and schemes for digital empowerment of girls and women.

### Smart Cities:

The Union Budget, 2016-17 has given priority to formation of 100 smart cities in terms of high allocation for physical infrastructure, IT based and cyber technology based governance. Smart cities have to be Safe cities. Town planners, policy makers and budget experts need to do gender budgeting to ensure women-friendly civic infrastructure- water, sanitation, health care, safe transport, public toilets, help lines, skill development for crisis management and, safety at work place. While making budgets for social defense services, consideration must be given to safety of girls and women in schools and colleges in terms of prevention of child sexual abuse through public education and counseling facilities, separate toilets for girls and boys in schools, legal literacy on POCSO Act, 2012 and Prevention of Sexual Harassment Workplace Act, 2013. Provision must be made to have special cells in the police department to take action against display of pornographic images, SMS messages, cybercrimes that victimize young girls at public places or in public transport- buses, local trains, rickshaws and taxis.

There is need to integrate safety of women as a major concern in flagship centrally sponsored schemes such as Jawahar Lal Nehru Urban Renewal Mission (JNNURM), PMSSY, NUHM are supposed to have 30% of funds as Women's Component.

### Revenue Generation

Several state governments have sent GR regarding allocation of 5% of total revenues for women and children. This should be increased to 10%.

Kerala has done this. Moreover, urban local self-government (LSGs) bodies can raise revenues by heavy taxes on Tobacco, alcohol, private vehicles and entertainment industry. Some amount of fine collected for causing damage to environment (introduction of Green Tax), high speed driving, wrong parking and breaking rules can also be used for welfare of women and children. Surcharge, earmarked charge for specific purpose such as Education Cess-2 % of salary, income tax for disaster management has raised revenues for urban LSG. In Maharashtra, transport tax at the time of Bangladesh war in 1971, later on was diverted to EGS kitty.

The Centrally Sponsored Schemes are meant to have national focus on poverty alleviation or welfare. Fund sharing pattern between centre and state has changed from 75:25 from 60:40 and many poor states are not able to contribute their share, as a result most of the anti-poverty programmes and flagship schemes are not fully implemented or are totally non-implemented. By putting the onus on state governments to provide for social sector, the Centre is washing off its hands with respect to needs of SC, ST, women and minorities.

Gender sensitive budget demands re-prioritizations of financial allocations by urban and rural. Local self-government bodies in favour of

- Working women's hostels, crèches, cheap eating facilities, public toilets
- Women friendly and SAFE public transport- local trains, Metro, buses
- Housing- Subsidized housing for single/ deserted/ divorced/ widowed women
- Nutrition- Strengthening PDS and nutritional mid-day meals
- Health- Abolition of user fees for BPL population, one stop crisis centre in public hospital for women/

girls survivors of violence linked with shelter homes

- Skill training centres for women and tailor made courses
- Safe, efficient and cheap public Transport-bus, train, metro
- Water- Safe drinking water in the community centres
- Waste Management- Technological upgradation- Occupational health & safety of recycling workers/rag pickers
- Proper electrification in the communities
- Multipurpose Community centres, half way homes for elderly and mentally disturbed women

### Conclusion

To ensure gender sensitive budgets, the official budget-makers in rural and urban local self government bodies, legislative bodies and the Parliament of India need to make pro-active efforts. At the same time, capacity building workshops on gender sensitive budget making for actual budget-makers in the finance departments of the PRIs, state governments and finance ministry of the central government must be conducted regularly and vigorously. The State Commissions for Women and National Commissions for Women must take lead in bringing gender economists, elected representatives at all three levels and the cadre of all ministries on the same platform to discuss the technical issues regarding schemes and programmes and arrive at consensus.

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# Maharashtra Budget – 2016-17

## - Need to scale up Revenue & not curtail Social Spending

Ms. Vijayata B. Sawant

**M**aharashtra accounts for nearly 14% of gross state domestic product (GSDP) of all states. Being one of the largest states in the country, its fiscal strength has a definite bearing on the combined finances of both central and state governments. This article aims to examine the fiscal scenario of the state of Maharashtra by examining trends in its receipts and expenditure of the recent years. In addition, we have considered the actual for the first half (that is, April-September) of 2016-17 and compared the same with that of the corresponding period of last year.

### 1. Trends in Receipts and Expenditures

#### i) Revenue Receipts

According to the state budget of Maharashtra for the year 2016-17, total revenue receipts of the state, as percentage of its GSDP, stood at 10.1% in 2015-16. However, it was budgeted to be even lower at 10.0% of GSDP in 2016-17.

States Own Tax Revenue (OTR), which constitutes the major portion of total revenue receipts, registered a decline to 6.6% of GSDP in 2015-16, from 6.9% to 7.2% witnessed during 2009-10 to 2012-13. Simultaneously, the share of OTR in total revenue receipts fell to 65.8% in 2015-16 from 68% to 72.5% during 2009-10

to 2013-14. The budget estimates for 2016-17 had placed State's OTR even lesser at 6.5% of GSDP, further undermining the positive prospects of States' OTR's contribution to the total revenue receipts. This is because the revenue received from Sale Tax, which constitutes a considerable part of State's OTR followed by Stamps and registration Fees, has not contributed much to the share of revenue receipts to GSDP.

The tax to GSDP ratio is one of the key economic indicators in gauging the fiscal performance of the state. However, in the aforementioned scenario, the tax-GSDP figures are indicative of a subdued performance, in so far as the Budget Estimates of 2016-17 are concerned. Even in the absolute terms, the growth rate of revenue receipts has been anticipated to decelerate by 11.3% in 2016-17 (BE) from 19.8% registered during 2015-16(RE). Furthermore, Grants in Aid from Central Government have also been estimated to decline by (-) 0.1 to Rs 24,964 crore in 2016-17 (BE) against Rs 24, 982 crore in 2015-16 (RE). As a percentage to GSDP too, they are expected to fall to 1.1% of GSDP in 2016-17 (BE) compared to 1.3% during 2015-16 (RE). (Table 1)

#### ii) Revenue Expenditure

Revenue expenditure (RE), as a percent of GSDP in 2016-17,

was budgeted at 10.2%, which is marginally less than 10.5% estimated for 2015-16. The revenue expenditure are classified under three major headings, namely, social services, economic services and grant-in-aid and other support to local bodies.

Since the development expenditure under revenue side during 2015-16 was 7.1% of GSDP, but the budgetary allocation for the same in 2016-17 has been reduced to 6.7% of GSDP. The expenditure incurred under social services items in 2015-16 accounted for 4.7% of GSDP, but the same was budgeted still lower at 4.5% of GSDP in 2016-17. Lower budgetary allocations are seen throughout social sector segments, except for 'water supply, sanitation, housing and urban development'. Expenditures estimated on major segments namely, 'education, sport, art & culture', 'health & family welfare', 'social welfare and nutrition', have dropped in 2016-17 to 2.2%, 0.4% and 0.5%, respectively, from 2.3%, 0.6% and 0.7%, respectively, in 2015-16 (RE). Even though the anticipated expenditure to 'water supply, sanitation, housing and urban development' has increased, it was only marginal to 0.7% of GSDP in 2016-17 from 0.6% of GSDP in 2015-16. Overall, there is drop in the expenditures on the social services.



On the economic services too, development revenue expenditures had been estimated to fall in 2016-17; the expected allocation of funds was lesser at 1.9% of GSDP compared to 2.1% of previous year's revised estimates. Although expenditure on agriculture and allied activities and rural development is greater than that made on the rest of the economic sectors, the level of expenditure allocated to these sectors is not up-to the mark. Estimates of expenditure for rural development in 2016-17(BE) have seen a marginal increase of 0.5% of GSDP from 0.3% of GSDP in 2015-16(RE). On the backdrop of agrarian crisis, drought conditions, the anticipated expenditure on agriculture and allied activities could have been even more substantial. The expected expenditure has been lesser at 0.4% as a percent of GSDP in 2016-17 (BE) from 0.5% in 2015-16 (RE). Irrigation activities could have also received some rise in the estimated expenditure which would have augured well for the agricultural sector as well. But, even the funds expected to be spent on irrigation activities have remained sluggish, at a meager 0.1% of GSDP. Expenditures expected on sectors like energy, industry and minerals, transport and communication have too been estimated to witness scarce allocation of 0.3%, 0.1% and 0.2% of GSDP, respectively, in 2016-17 (BE) compared to 0.5%, 0.2% and 0.3%, respectively, in 2015-16 (RE). (Table 2)

Public spending is one of the major parameters in order to accomplish socio-economic development. In

other words, the state government will have to increase the development expenditure incurred on social services and on economic services too, rather than minimizing it. Also, as per the Reserve Bank of India's 'State Finances -A Study of Budgets of 2015-16', the data for Revenue Expenditure of state governments clearly indicate that, amongst the non-special category states, Maharashtra incurs very less development expenditure. The Revenue expenditure to GSDP ratio and Development revenue expenditure to GSDP of Maharashtra is lower compared to several major states during 2013-14 to 2015-16, except that of Gujarat.

### **Capital Receipts and Expenditure**

Capital Receipts were anticipated to decrease in 2016-17 (BE) to 2.3% of GSDP from 2.5% in 2015-16 (RE), though receipts from public debt, primarily from internal debt was pegged at 2.1% of GSDP compared to 1.9% 2015-16 (RE). The receipts from small savings, provident funds are likely to remain subdued in the current financial year. As a percent of GSDP, capital expenditure has too been sluggish. Similar trends like that of revenue expenditure are expected to be seen in the allocation made to social service sector and economic service sector. As a percentage of GSDP, capital expenditure anticipated to be incurred on social service sector stagnated in 2016-17 (BE). Capital Expenditure as a percent of GSDP, anticipated in the economic sectors in 2016-17, also witnessed the same grim scenario. (Table 1 and 3)

## **2. Fiscal performance during the first half (April-September):**

As per the provisional figures upto September 2016, provided by the Comptroller and Auditor General (CAG), one gets an overview of the half yearly accounts of the State. Revenue receipts by September 2016 have been around 39.8% of the Budget Estimates, which is on a lower side as compared to revenue received during the corresponding period of past two-three years. The revenue receipts accumulated during the first half (April – September) 2015-16, 2014-15 and 2013-14 were around 41.9%, 43.3% and 42.8%. This is likely to portend a bit worrisome picture on the revenue deficit front. Added to this, though capital receipts till September 2016 are at 15.8% of BE, the borrowings and other liabilities too constitute 15.6% of the BE, nullifying the positive effect of capital receipts. Therefore, the Fiscal deficit will not be contained if revenue mobilization isn't augmented, which would then mean curtailing expenditure. (Table 4)

## **3. Fiscal Deficit and Revenue Deficit**

Fiscal Deficit from 2008-09 to 2015-16 as a percent of GSDP has been within the range of 0.9% to 1.9%, barring an exception of 3.1% in 2009-10. The revenue deficit has been within the range of 0.2% to 0.9%, except for 2012-13 where it was at -0.3%. As per the Budget Estimates of 2016-17, the state was likely to register revenue deficit and fiscal deficit of 0.2% and 1.6%, respectively, of its GSDP, which was lower than 0.5% and 1.9%,

respectively, reported for 2015-16 (RE). (Table 5)

Maharashtra government has been following fiscal consolidation path by trying to reduce the fiscal deficit. However, as the trends in the receipts and expenditure are examined, it is conspicuous that the performance of revenue receipts has not been satisfactory. On the contrary, smaller allocations are expected to be made in 2016-17 on expenditure front, primarily on account of development expenditure.

On the same note, as stated in the Maharashtra's Economic Survey 2015-16, the 14th FC has recommended following limits for borrowing; additional to three per cent, if there is no revenue deficit in the year for which the borrowing limits are to be fixed and the preceding year:

1) If a state's Debt to GSDP ratio is less than or equal to 25 per cent in the previous year, the state will be entitled for flexibility of 0.25 per cent over and above the annual limit of three per cent of GSDP in a given year.

Sr. No.	Items	2013-14	2014-15 (AE)	2015-16 (BE)	2015-16 (RE)	2016-17 (BE)
(A)	Revenue Expenditure (1+2)	9.4	9.9	10.3	10.5	10.2
	Development Expenditure	6.1	6.5	6.5	7.1	6.7
(a)	Social Services	4.3	4.3	4.3	4.7	4.5
1	Education, Sport, Art & Culture	2.3	2.2	2.3	2.3	2.2
2	Health & Family Welfare	0.4	0.5	0.5	0.6	0.4
3	Water Supply Sani. Housing and Urban Development	0.4	0.4	0.6	0.6	0.7
4	Social Welfare and Nutrition	0.6	0.7	0.4	0.7	0.5
(b)	Economic Services	1.7	2.1	2.1	2.1	1.9
1	Agriculture and Allied activities	0.5	0.5	0.4	0.5	0.4
2	Rural Development	0.2	0.3	0.7	0.3	0.5
3	Special Area Programme	0.0	0.0	0.0	0.0	0.0
4	Irrigation and Flood control	0.2	0.1	0.1	0.1	0.1
5	Energy	0.3	0.6	0.3	0.5	0.3
6	Industry and Minerals.	0.2	0.2	0.2	0.2	0.1
7	Transport and Communication	0.3	0.3	0.2	0.3	0.2

Note: AE - Actual Estimates, BE - Budgeted Estimates, RE - Revised Estimates  
Source: 1) Budget in Brief 2016-17, Govt of Maharashtra, Mumbai 2) - Economic Survey of Maharashtra, 2015-16

2) If a state's interest payments are less than or equal to 10 per cent of revenue receipts in the preceding year, then the state is eligible for an additional borrowing limit of 0.25 per cent of GSDP in a given year.

Either or both above options can be availed by a state either separately or simultaneously if any or both the criteria are

fulfilled. Thus, state can avail maximum borrowing limit of 3.5 per cent in a year.

Applying the above criteria to Maharashtra, Shetty (2016) argued that the state could negotiate or avail for higher borrowing limits from the central authorities, since it has also adhered to provisions made by Fiscal Responsibility Budget Management Act (FRBM) and the FC's acceptance of 3% Gross Fiscal Deficit norm and 2% Revenue Deficit norm, Shetty (2016). This would help the state in gaining more funds and therefore allocating them and increasing the expenditure even more on social welfare.

### Conclusion:

By studying the overall fiscal scenario of the state, it can be inferred that the state has managed to sustain the fiscal deficit target well below 3% as per the FRBM Act. However, the fiscal consolidation

Sr. No.	Items	2013-14	2014-15 (AE)	2015-16 (BE)	2015-16 (RE)	2016-17 (BE)
(A)	Total Revenue Receipts	9.1	9.2	10.1	10.1	10.0
1	State's own Tax Revenue	6.6	6.4	6.6	6.6	6.5
i	Sales Tax	3.8	3.8	3.8	3.8	4.1
ii	Stamps and Registration Fees	1.1	1.1	1.1	1.1	1.1
iii	State Excise Duties	0.6	0.6	0.7	0.7	0.7
2	Non-Tax Revenue (1+2)	0.7	0.7	1.0	0.7	0.9
3	Share in Central Taxes (1 to 6)	1.0	1.0	1.5	1.4	1.4
4	Grants in Aid from Central	0.8	1.1	0.9	1.3	1.1
(B)	Government	2.4	2.6	2.3	2.5	2.3
	Total Capital Receipts	11.5	11.8	12.3	12.6	12.3

Note: AE - Actual Estimates, BE - Budgeted Estimates, RE - Revised Estimates  
Source: 1) Budget in Brief 2016-17, Govt of Maharashtra, Mumbai 2) - Economic Survey of Maharashtra, 2015-16

**Table No 3: Capital Expenditure as % of GSDP**

Sr. No.	Description	2013-14 (AE)	2014-15(AE)	2015-16 (BE)	2015-16 (RE)	2016-17 (BE)
(A)	Capital Expenditure	9.4	9.9	10.3	10.5	10.2
(a)	Social Services	0.1	0.1	0.2	0.2	0.2
1	Education, Sport, Art & Culture	0.0	0.0	0.0	0.0	0.0
2	Health & Family Welfare	0.0	0.0	0.0	0.0	0.0
3	Water Supply Sani. Housing and Urban Development	0.0	0.0	0.0	0.1	0.0
4	Social Welfare and Nutrition	0.0	0.0	0.0	0.0	0.0
(b)	Economic Services	1.0	0.9	1.1	1.1	1.1
1	Agriculture and Allied activities	0.1	0.2	0.2	0.3	0.2
2	Rural Development	0.0	0.1	0.3	0.1	0.2
3	Irrigation and Flood control	0.5	0.4	0.3	0.4	0.4
4	Energy	0.1	0.1	0.1	0.1	0.1
5	Industry and Minerals.	0.0	0.0	0.0	0.0	0.0
6	Transport and Communication	0.3	0.2	0.2	0.3	0.2

Note: AE - Actual Estimates, BE - Budgeted Estimates, RE - Revised Estimates  
Source: 1) Budget in Brief 2016-17, Govt of Maharashtra, Mumbai 2) - Economic Survey of Maharashtra, 2015-16

**Table 4: -Fiscal performance during the first half (April-September)**

Sr. No.	Description	Budget Estimates 2016-17	Actuals upto Sept. 2016	Budget Estimates 2015-16	Actuals upto Sept. 2015	% Actual to Budget Estimates	
						2016-17	2015-16
1	Revenue Receipts	220810	87861	198231	83072	39.79	41.91
1.1	Tax Revenue	175849	75586	159697	71055	42.98	44.49
1.2	Non-Tax Revenue	19997	4430	20665	4765	22.16	23.06
1.3	Grants-in-aid & Contributions	24964	7845	17869	7253	31.42	40.59
2	Capital Receipts	49214	7780	46625	-943	15.81	-2.02
3	Total Receipts	270024	95640	244855	82129	35.42	33.54
4	Total Expenditure	268493	95478	243809	81940	35.56	33.61
4.1	Revenue Expenditure	235858	88067	212767	76375	37.34	35.9
4.2	Capital Expenditure	32634	7412	31042	5564	22.71	17.93
5	Loans and Advances disbursed	1532	162	1046	189	10.57	18.09
6	Revenue Surplus (+)/ Deficit (-)	-15048	-206	-14536	6697	1.37	-46.07
7	Fiscal Deficit (-)/ Surplus(+)	-48064	-7485	-45526	1243	15.57	-2.73

Source: Comptroller and Auditor General of India, <http://cag.gov.in>

**Table 5: Revenue Deficit and Fiscal Deficit as % to GSDP**

Year	Revenue Deficit	Fiscal Deficit
2013-14	0.3	1.6
2014-15	0.7	1.8
2015-16 (RE)	0.5	1.9
2016-17 (BE)	0.2	1.6

Source: Source: 1) Budget in Brief 2016-17, Govt of Maharashtra, Mumbai

or the reduction in deficit should be steered by increasing revenues rather than resorting to reduction in public spending. State government should make provisions or take steps to enhance the revenues since even cutting expenditures has a limit. Having stated that, expenditures on social services also needs a trigger.

Spending on education, health and nutrition, etc. will indirectly act as investment since it would create better workforce for the future. The benefits of public spending might not be accrued in the short run. However, in the long run, it will act as one of the catalyst in fostering better economic and development growth.

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Prof. Prakash Singh

## Budgeting the Budget

: A way to balance and boost the growth of Indian economy through Industry revolution

The 85th annual budget presented by Finance Minister of India Mr. Arun Jaitley in the Lok Sabha could be termed as development centric as it was a positive move towards making Indian Industries self-capable to make them perform better in global arena and this would act as a highway to develop a new India. But still there is a long way to go as some part of our budget is only a well **Documented Plan** rather than **Plan of Action with Implementation**.

Government of India has been planned and started various schemes to promote and develop Indian MSME sector which includes:

1. Prime Minister's Employment Generation Programme (PMEGP)
2. Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE)
3. Credit Linked Capital Subsidy

4. Scheme of Fund for Regeneration of Traditional Industries (SFURTI):
5. Micro and Small Enterprises Cluster Development Programme (MSE- CDP)
6. The Niryat Bandhu Scheme

All these above are sounding like a documented plan without any road maps of implementation. As **Prime Minister's Employment Generation Programme (PMEGP)** is dedicated to generate employment for the masses and for that there is a need to start a new vertical which will monitor the pulse of the market and suggest the MSME **what to produce** and **where to market**. So there is a need for **Prime Minister's Market Monitoring Agency (PMMMA)** apart from **PMEGP**.

**Credit Guarantee Trust Fund for Micro and Small Enterprises**

**(CGTMSE)** is a good step for the growth of this sector as the scheme aims to provide credit to Micro and Small enterprises for loans up to Rs. 100 lacs without collateral or third party guarantees.

But there is a need to categorize the loan amount as per the various stages like:

- Research Fund..... loans up to Rs. 10 lacs

A local cluster can be formed who will help in offering research data on market, customer, and competitors. It will also help in conducting research to know the feedback of the customer and needs & wants of the market.

- Start-up Fund..... loans up to Rs. 200 lacs

For setting up the enterprise, the government will sanction loans to purchase machineries and setting up the plants and can become the partner along with that enterprise (PPP Model-Public Private Partnership Model).The government can monitor the progress or pain of that enterprise and can offer on the spot solutions.

- Production Purchase Fund..... loans up to Rs. 100 lacs
- Market Promotional Fund..... loans up to Rs. 100 lacs
- Expansion Fund..... loans up to Rs. 100 lacs
- Upgradation Fund..... loans up to Rs. 100 lacs



Budget 2016: The 85th annual budget presented by Finance Minister of India Arun Jaitley can be called a growth oriented one putting major thrust on Agriculture and infrastructure. (Photo: PTI)

## SUGGESTIONS FOR EFFECTIVE BUDGET:

For the upcoming **Budget 2017**, the following suggestions have been offered:

### 1. MITRA scheme to be added in the upcoming Budget.

In spite of being the 2nd SME nation of the world, our MSME are struggling a lot and few of them are closing everyday due to lack of right guidance at right time. The solution to this major problem is to initiate a new scheme titled “MITRA” in the upcoming Budget 2017.

This will be a scheme for industries where Industry-Institute-Government will work as a one team and act as MITRA of the Nation (Friend of Nation). The word MITRA stands for Market Industry Training Research Advice. The enterprise can get A to Z information about Market, Industry, Training, Research and Advice related to financial support, use of various marketing techniques and ways to attract and retain customers. Government can allocate fund for MITRA scheme in the upcoming Budget.

Short term courses can be designed by the Institute as per the need of the Industry in which the trainee will get On Field Training in various enterprises as a part of their project. Government will encourage such initiatives by offering monetary benefits and awards like

- Udyog Guru,
- Udyog Shree,
- Udyog Bhushan,
- Udyog Ratna

### 2. Ease of Doing Business for MSMEs:

There is a need for increasing ease of doing business for MSMEs through initiating e-MSMEs. Through this any

entrepreneur or industrialist can start the enterprise in duration of 24 Hrs and it will be possible by starting the documentation process electronically. All registration process will be done through a single window i.e. www.mysme.in where enterprises can upload their documents for starting the enterprise, make payment, post their queries and can get live support from the experts, supporting agencies and government authorities. They can apply for electricity, water and other connections by one click and the concern authorities will act within 4Hrs on that. Government can launch Mysme mobile app also where they can post their notices, schemes, guidelines regarding MSMEs. Using mobile number, the enterprise

3. Through Pradhan Mantri Kaushal Vikas Kendra (PMKVK), government can start such training centres in each industrial regions and motivate MSMEs to train their employees at their nearest PMKVK without any investments. It can help them in reducing their training costs.
4. There is need for setting SME Mart where customers can purchase the products manufactured by MSMEs and industries can purchase their raw materials, components, finished goods from various enterprise. To encourage these initiatives, government can announce tax rebate to those enterprises and it will boost the sale of goods and services offered by Indian enterprises.
5. Announcement of Survival Aids For Enterprises (SAFE) funds to those enterprises which are sick or about to sick.
6. One Taxation policy can be imitated for MSMEs by categorizing the tax slabs as per area i.e. Tier I, II, III and so on and also Tax holiday for all new Start-ups upto 5 years.

7. There is a need to redefine the definition of MSMEs in Indian context. There is a need to use both parameters- Investments and Number of Person employed while redefining MSMEs.
8. More and more Tax exemptions can be offered to MSMEs on the basis of increase in turnover. Tax Exemptions Slabs Trainer (TEST) can guide the enterprises regarding the necessary steps taken to get more and more tax exemptions.

### Conclusion:

For boosting the economy of any nation, the sectors which play an important role are agriculture and industry. Agriculture manages the growth of economy internally and industry manages it both internally and externally. Industries are the Growth Originating Drivers which we can say GOD and through the Budget we can upgrade it.

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Dr P. Sekhar

# Innovative Strategies for Proactive Budget through Secured Governance

**T**he aim of this article is to explain that the level of sustainable growth or pre-empt strategic plan for to minimize the budget deficits and maximize the infrastructure development for national growth.

## ORIGIN OF BUDGET

The phrase budget is evolved from bowgette that means 'a leather bag' in French. The budget is declared publicly to disclose the government's effective future expenditures intended to make stronger the nation's economy and make secure economic stability through tax proposals.

The budget was first introduced in India on 7th April, 1860 by the East-India Company to the British Crown. Pre-independence finance minister, James Wilson presented the budget in 1860. One week prior to the disclosure,

publishers of the budget under the finance ministry, are kept isolated from the press and other sources.

## BUDGET

A budget is really a quantitative expression of a monetary fund allocation for various activities in a limited period of time. It may include planned sales volumes and revenues, resource quantities, costs and expenses, assets, liabilities and money flows. To put it simply a budget can be an itemized summary of likely income and expenses for a certain period. It is a crucial tool to assist the government too many things to do and must prioritize spending and manage receipt for national growth. It will be significant indicator for strategic plans of business units, key industry organizations, corporate activities or events in measurable terms.

A budget is the sum of money allocated

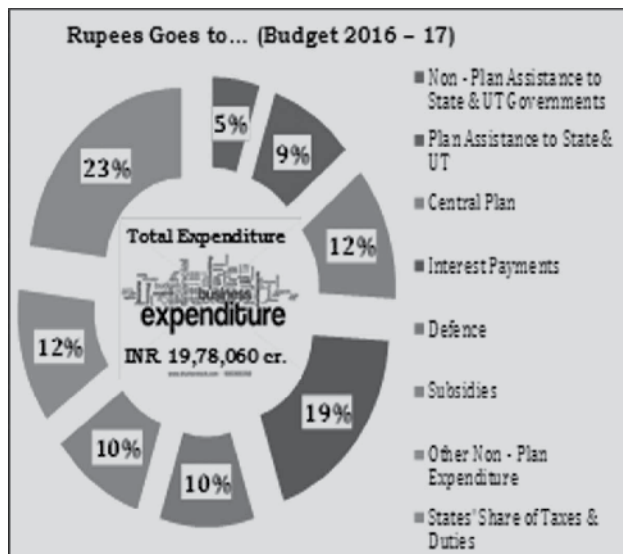
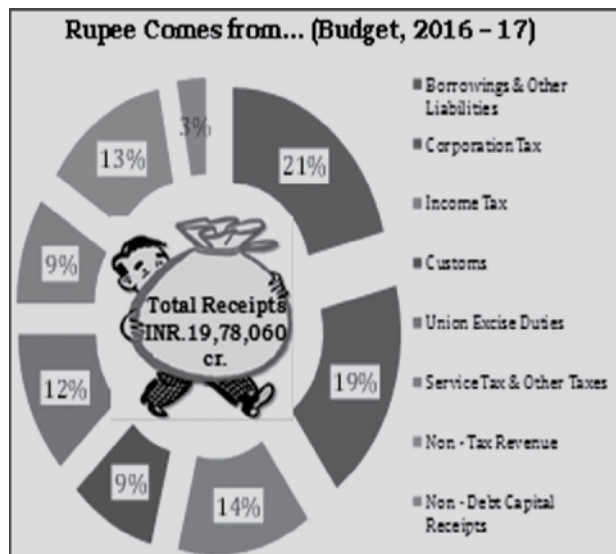
for a particular purpose and the summary of intended expenditures along with proposals for how to meet them.

## DEBT POSITION OF THE GOVERNMENT OF INDIA

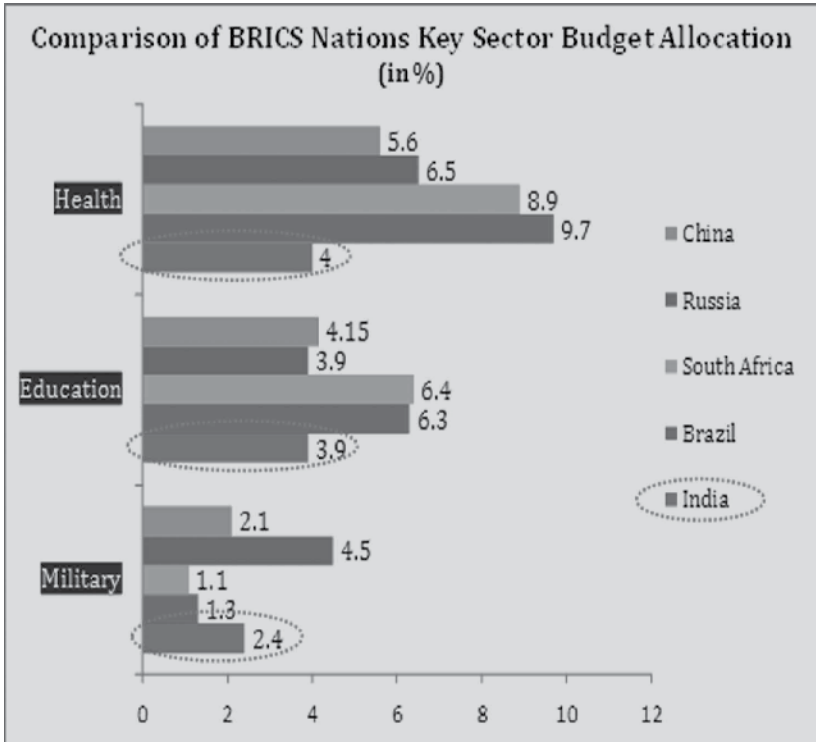
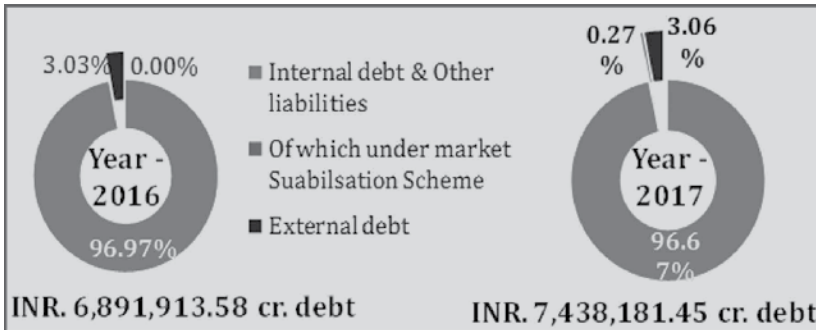
The outstanding internal and external debt and other liabilities of the Government of India at the end of 2016-2017 is estimated to amount to INR. 74,38,181.45, as against INR. 68,91,913.58 crore at the end of 2015-2016(RE).

## Comparison of BRICS Nations Key Sector Budget Allocation

BRICS is the acronym for the association of five nations – Brazil, Russia, India, China and South Africa. As the total government revenue varies widely among the BRICS nations, budgetary allocation to some key sector as percentage of GDP is good indicator to compare government spending.







**Key challenge for the Union Budget for 2016-17**

The key challenges for the Union Budget for 2016-17 was the extent to which it could adhere to the medium term agenda for fiscal consolidation and at the same time provide enhanced allocations in the much-needed areas such as infrastructure development, social sector schemes and recapitalisation of finance sector, given the constraints imposed by the higher outgo on pay and pension post the recommendations of the Seventh Central Pay

Commission (SCPC) and the One Rank One Pension (OROP) scheme for the defence services. Despite the revenue augmentation measures, the higher outlay towards salaries and pensions has limited

Sr. No	Head of Expenditure	2015 – 16 (in crores)	2016 – 17 (in crores)
1	Receipts (RE & BE)	1,807,475.19	1,964,865.37
2	Interest	442,620	492,670
3	Subsidies	257,800	250,430
4	Pensions	95,730	123,370
5	Defence	143,240	162,760
6	CST Compensation	16,320	10,470
7	Grants Capital Assets	132,000	166,840
	Balance	459,970	524,500

[Note: RE – Revised Estimates, BE – Budget Estimates, CST – Central Sale Tax]

the fiscal space available to provide higher budgetary allocations for capital spending. The 7th Pay Commission recommended salary and pension hikes of up to 23%, which, if made applicable from April 1, will cost the government INR.1.02 lakh crore in 2016-17. There is scope of bringing down the subsidies expenditure significantly, as a large portion of it is misdirected. The allocation for major subsidies has been INR. 2.30 lakh crores in the BE for 2016-17.

**Trends in Revenue and Capital Expenditure (INR. Crores)**

The Indian government has proposed to spend INR.19,78,060 crore in the fiscal year 2016-17, which is 10.8% higher than INR. 17,65,436 crore, revised estimates for previous year.

**Strategic Fund Planning for New Budget Year**

A budget is a comprehensive financial plan for accomplishing the financial and operational goals of a country. A huge responsibility on public administrations to carefully plan and execute government expenditure at all levels. Government could try to show its good policy – making, strengthen the economy, enable the private sector to flourish, generate higher incomes and living standards for its citizens, ensure security and the rule of law, and preserve social cohesion - all on a long-term, sustainable basis - depends not just on the resources at its disposal, but how they are used funds for public expenditure. Spending public funds obliges the Government to make choices on priorities, through a regular budgetary cycle of planning, negotiation and implementation.

Infrastructure is a vital tool for increasing economic progress and striving to advance the welfare and promote the life style of people. This is the right time that developing an action plan for increasing public and private financing

of infrastructure development, as well as improving its efficiency. There are several causes of the generally disappointing infrastructure investments. Secured governance offers a strategic plan for maximising the effectiveness and efficiency of public expenditure that means securing the greatest value from these spending decisions, applying controls and avoiding waste and errors in the end.

Moreover it develops an action plan for providing infrastructure for public with minimum investment by government, enhance investment climate and integrate environmental with economic concerns. It creates a platform for enhanced collaboration among public and private stakeholders.

The Indian government has taken some significant steps for economic growth in that demonetization is one of the major actions. Through demonetization a strong, well articulated roadmap should be prepared by the government on its utilization of the deposited money. Ensuring that sufficient funds are made available for infrastructure development and it would be a key solution for sustainable economic growth of the nation.

Smart Cities are engines of growth centres or HUBs for the economy of every nation, including India. Around 31% of current population resides in urban areas and contributes 63% of India's GDP. With increasing urbanization, urban areas are expected to house 40% of population and contribute 75% of India's GDP by 2030.

Large numbers of young people are migrating because rural India is saturated and cannot provide employment opportunities for a growing population. Many end up as rag pickers or casual construction workers. They come alone and then bring their relatives or friends. It is a chain migration. Even the government

of India and state governments has taken various measures to develop rural areas. They do not want unplanned migration to urban areas, which lack basic facilities and so various rural development programs have been established.

There is a strong interrelation between smart cities and the regional growth and urban development as well as between smart villages and regional and rural development. Given increasing urbanisation trends, transformations towards knowledge-intensive economies, cultural trends and growing shares of resource consumption and emissions, cities become even more of a focal point for achieving economic growth, social inclusion and environmental sustainability.

“Smart Cities have been characterized and defined by a number of factors including sustainability, economic development and a high quality of life. These factors can be achieved through infrastructure (physical capital), human capital, social capital and/or Information and Communication Technologies (ICT) infrastructure”. The Mission will cover 100 cities and its duration will be five years (FY2015-16 to FY2019-20).

The India government unveiled a ‘Concept Note on Smart Cities’ giving broad contours about smart cities and their related aspects like financing and selection criteria. The general appearance of the city has to be pleasing and clean. A very important feature of all smart cities is good citizen access to information. About INR.50,000 crores needs to be invested in each smart cities and the value might be increase more than 3 times of present value within 2 – 3 years. This unearned increment in land value has been equal to construction cost of road infrastructure through private stakeholder.

### **Secured Governance for Infrastructure Development**

“Secured Governance offers a strategy

for the government to get all the basic infrastructure development with a negligible investment by the Government. It is a concept of developing Techno Economic Corridors connecting HUBs which will act as growth centre for individual sectors. The very concept of “Secured” here implies a secured convergence or knitting with various sectors defining a growth for an economy.”

Today we find the valuation due to infrastructure growth is not optimally channelized towards infrastructure development and results in inequalities in society. Secured Governance compliments the present PPP (Public Private Partnership) developmental model, by ensuring balanced participation of the private and public sector taking advantage of value and valuation of infrastructure thereby yielding higher returns. It facilitates an equal opportunity for Private sector and Government to work together with a single window clearance system to achieve greater results to bring National progress with profitability to the participating organizations.

This valuation of infrastructure, which grows manifold, needs to be shared by society and by the Government to support infrastructure development, ensuring balanced growth. Secured Governance aims at addressing this.

A system to integrate economic interdependence between various sectors will decrease uncertainty regarding where risks begin and end. Judicious planning and with a higher degree of societal participation in the development process will lead to a new empowered, transparent and interdependent Governance systems synergizing the nation building process.

While affording equal opportunity for Private and Public Sectors, the role of the Government is envisaged more as a regulator, which helps progress projects

by pragmatic and minimal regulation and at the same time, ensuring speedy single window clearance to meet desired deadlines. This can result in national progress with profitability to those participating.

**Secured Governance HUBs :-** Development of a Primary economic sector for a defined region with development of a Township or smart city which includes infrastructures such as Residential complexes, Official and Industrial Facilities, Power and Water, Banking, Educational Institutes, Transport facilities and infrastructures, Healthcare, Hospitality Sectors, Retail Market, and other subsidiary Sector.

#### **Secured Governance HUBs**

- We propose 200 HUBs, many more mini HUBs and Nano HUBs with a techno Economic Corridor to meet the demand;
- India will need a whopping investment especially in Infrastructure development Projects and Urbanisation under Secured Governance Projects;
- The investors will draw returns from the project based on value created by the system which covers the project cost and yet gives opportunity for investors to device models to commercialize the project and gain profits from the valuation of infrastructure.

#### **Nano HUBs in India**

Nano HUBs will be a part of an existing or new development project. These HUBs will not only facilitate public utility space for the travelers but also promote small scale commercial units generating employment and revenue for the defined region. Building Nano-HUBs in all districts of India will generate employment opportunities for 3 to 4 lakh personnel. Moreover there are more than

6 lakh villages in India which will act as a growth centres or Nano - HUBs aimed economic and social development in rural area.

#### **Secured Governance Self – Sustaining Strategy for Government Institutions**

It is a common observation in India that most of the govt. runs hospitals/ educational institutions have underused capacity. We can do a lot better to utilize our existing public infrastructure. Secured Governance proposes a model where the additional FSI given to the social Institutions, would be utilized by worthy entrepreneurs through a transparent system of selection. It's worth keeping in mind that upgrading existing infrastructure will have a comparable, or better, return on investment than building new capacity. Government Institutions have to take pragmatic steps to roping in entrepreneurs to develop the existing land and infrastructure with allied activities in sports, healthcare, vocational institutions, soft skill development centers etc. by apparently having relaxed regulations will catapult the entire thing into a massive growth phenomenon

As financial deficits remain high in many countries in the world and spending needs continue to rise, but value and valuation of government assets will be an important option for meeting these needs. India budget proposes a 15.3% higher expenditure at INR.19.78 lakh crore in 2016-17, comprising INR.5.50 lakh crore under Plan and INR.14.28 lakh crore under non-Plan. Secured Governance is a holistic approach towards addressing the growing budget and investment needs of government, aiming at balanced growth with imaginative mobilization of resources, and necessary societal participation, ensuring legitimacy, enhanced civic engagement and increased transparency that promotes harmony in our system. Secured Governance strategy

could create adequate and coordinated measures to ensure the provision of financial, human, technical, information and other capacity building resources. From social institutions and roads of government owned assets, there are multiple approaches to create new sources of revenue that government can use to improve finance strength or invest in new infrastructure development or other key priorities.

***drsekhar@microfoundation.net***

*View expressed here are personal*

*Dr. P. Sekhar is an acknowledged development thinker having authored well-documented series of 60 plus books on Secured Techno-Economic National Growth. These books have been a source of Global growth strategies. This is well received in Government and Management as it gives path-breaking analysis on what they have and what they need, and different growth oriented strategies for key sectors to assess their potential.*

*He held a number of executive positions and had been an advisor to various government bodies for their strategic plans for National Growth and Development.*

*He holds a Master's Degree in Science with a doctorate in Solid State Electronics and Nuclear Physics. He has developed over 200 path-breaking Technologies in IT and Security and used globally. His concept of 'Secured Governance' developed by him offers a series of recommendations on various aspects of multi-sectorial growth to meet the challenges of the 21st century. He is a popular writer and Speaker in many international and domestic forums and magazines on various topics like Smart cities, Blue economy with the concept of secured governance.*







**Dr. Prakash Hebalkar**

*This column focuses on trends in global trade and investments in the past month.*

This month two events dominated the global picture. Donald Trump's victory in the presidential race and its immediate reflection in US Congressional attitudes and activity was one. The renewal of OPEC's cartelisation activity was the other.

One of the consequences of the Trump transition was the sounding of the death knell for the Trans-Pacific-Pact or TPP trade agreement mostly between Pacific ocean littoral members of the G20 excluding Russia and China. The pact was an obnoxious one that had been promoted by Obama and his Secretary of State Hillary Clinton but later denounced by all the leading presidential candidates including Clinton and Sanders but most notably by the winner, Donald Trump. Ironically and some what curiously, it was obnoxious to both us in India (not a party) and for Trump but for different reasons! Clearly both saw it as a losing proposition even as the pharmaceutical industry which drove the pact saw it as a winner. An earlier column in this series outlined the most obnoxious elements of the pact, viz the Interstate Dispute Resolution provisions.

A sweeping Pacific trade pact meant to bind the U.S. and Asia effectively died

## Global Trade and Investment Trends

Friday, as Republican and Democratic leaders in Congress told the White House they won't advance it in the election's aftermath, and Obama administration officials acknowledged it has no way forward now.

Obama Administration Gives Up on Pacific Trade Deal - WSJ from Mohamed A. El-Erian's <sup>1</sup>Tweet

The other major development was the revivification of OPEC largely at the urging of Saudi Arabia, which had tried for years to kill the shale oil development in the USA by keeping oil prices low by overruling the cartel's tradition of output-restriction, but succumbed owing to huge losses of sovereign revenues and implications for their own country's economy and polity. Curiously, in a period of several decades of global pressurisation in trade negotiations (of primarily developing countries) for opening up of imports to enable increased output in the exporting countries, OPEC has

been a standout doing the exact opposite but with no opprobrium or international pressures to stop doing it!

**Consequences of this revival of OPEC for global economies are mixed.**

The oil exporting countries should see some relief after eight years of declining fortunes which have seen the UAE turn to real estate development to keep the economy going, while the Saudis pumped up a war in Yemen and not satisfied with that pushed fundamentalists like ISIS to start battles on numerous fronts while encashing some of their investments in the developed world to pay the bills. Iran, an important market for Indian exports (largely via Dubai sanction-beater-traders and hence misreported as exports to the UAE) got great relief in the deal whereby its "cut" was not on October 2016 production but on a theoretical maximum reached several years ago. Russia too may see some improvement in its fiscal balance depending on actual output achieved.

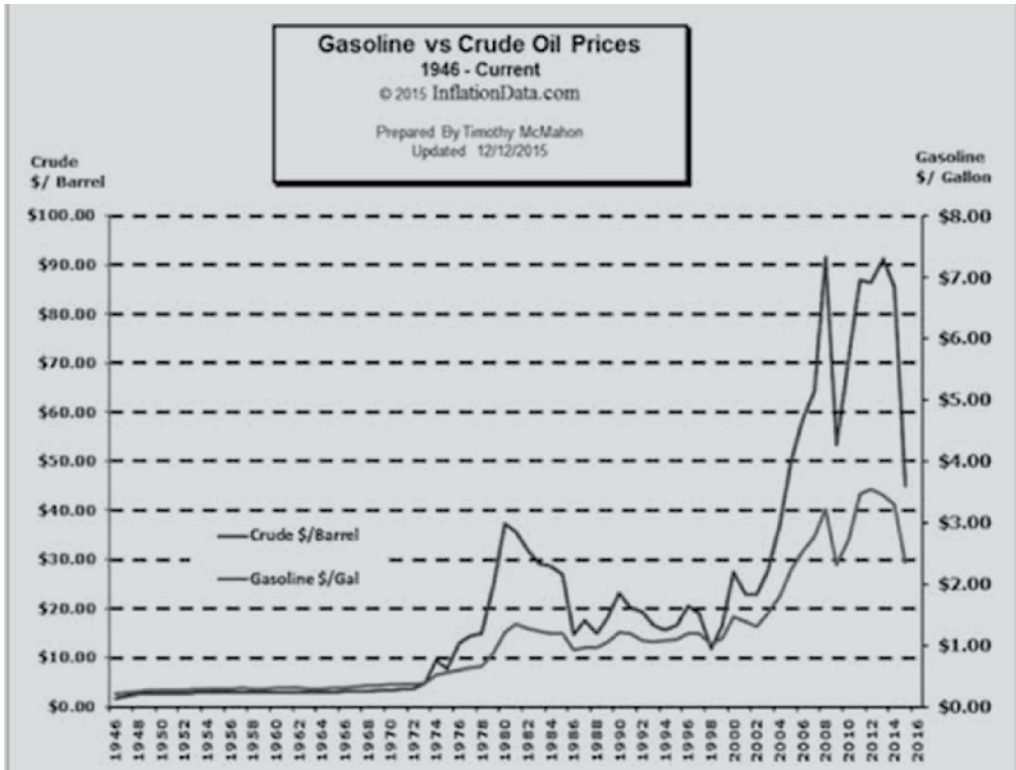
The oil importing countries will see increased imports and impacts on inflation, but in a generally deflating economy this impact may be marginal at least at this stage.

<sup>1</sup> Mohamed A. El-Erian is an Egyptian American businessman. He is chief economic adviser at Allianz, the corporate parent of PIMCO where he served as CEO and co-chief investment officer (2007-2014). He serves as chair of President Obama's Global Development Council,<sup>[1]</sup> a columnist for Bloomberg View,<sup>[2]</sup> and a contributing editor to the Financial Times.

US shale output, which had made the USA a net oil exporter and which had reduced only slightly in recent years also had seen significant restarting of exploration and production investments. As a result, the USA will be the least impacted negatively if at all and in fact may benefit from some increase in exports to the oil exporters especially Iran.

India will see mixed results on the trade front and some inflation on the domestic front. Many of our lazy exporters sell basic goods to the Gulf countries and West Africa and they may see export growth. Oil processors especially in Saurashtra may not see much benefit as their value addition or “refining margins”, is low to medium depending upon the relative impact on end-product pricing of oil price increases. These margins have fluctuated over the years from \$1 per barrel to double digit dollars (see chart): Imports of oil for our own domestic needs will bring inflation contagion to the Indian economy especially if it keeps growing at 7+% rates.

Finally some good news;

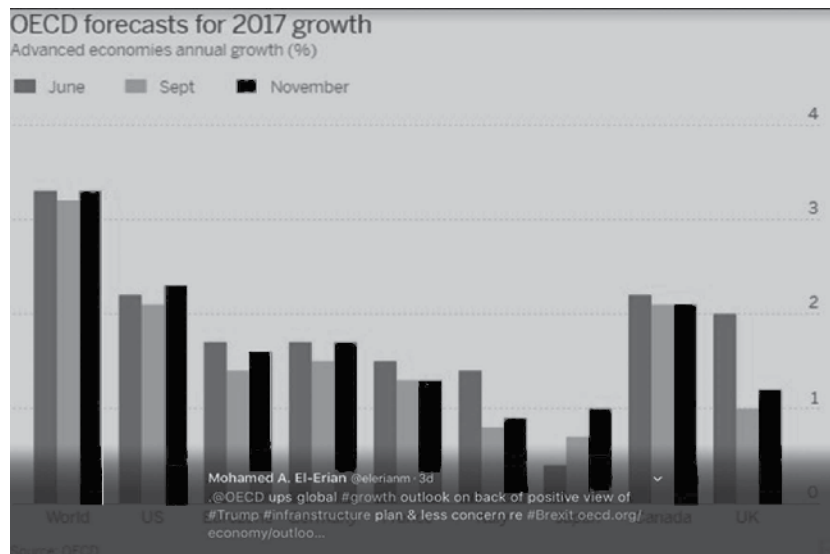


the global economy may see somewhat better prospects as the OECD suggests, but more as the impact of the Trump election and his proposal for large infrastructure investments in the United States rather than OPECs notorious output-restriction activity (see bar chart).

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*views expressed here are personal*

*The author is a public policy consultant and President of ProfiTech, a strategic consultancy also Member of MEDC Economic Digest Editorial Board*



# It's all about the honey, honey

- Ms. Sarika Saswade-Sawant



**S**arika Saswade is one of the few women honey collectors in the city. After accruing about 10 years of experience in the field and making it to the Indian School of Business, the guide speaks to her about the challenges of the profession and why honeybees are a species one needs to pay heed to

**Q.** When did you become interested in becoming a honey collector?

*A. After completing a Masters in Social Work, I started working with Sahyog Parivar, which is founded by Prashant Savant. While working with the NGO that is dedicated to adopting environment-friendly agricultural practices, I realised that the tribal population was getting shortchanged by the agents, when selling honey. I started working for the tribals and encouraged women to get involved as well. So, since 2000, I have been working as a honey collector.*



One can see a beekeeper retrieving the bees during the honey making process

**Q.** How did working towards the environment enter the picture?

*A. When we started working our purpose was to educate tribal people. We also started informing farmers on how to save the honeybee. Most people think that the bee only bites but in fact the species play a very important role in preserving the eco-balance. Our main motto is to teach them the best techniques of collecting honey and selling it at the right price.*

**Q.** How did your initiative gain a business dimension to it?

*A. After we learned the modern techniques to collect honey, the production of honey also increased in huge quantities. The tribals also acknowledged the benefits and voluntarily asked for meeting the demand of the market. After this, the Sahyog Parivar started exhibitions and opened many outlets to which there has been a good response.*

**Q.** How many tonnes of honey do you collect?

*A. We have 750 beehives through which we are getting 20 tonnes of honey.*

**Q.** Are women more suitable for honey production?

*A. Women are more suitable for this business because they do it softly and skillfully.*

*Women generally follow all the instructions of cleanliness that are suitable to the bee.*

**Q.** What type of training do you provide to those who are interested in starting their own honey farm?

*A. To freshers, we give five days' training for 15 people in their village.*



**Q.** What types of honey are you making?

*A. We are making different types of honey — Purple Honey, birada bhirada honey and Coriander honey. From the honey produced, the organisation is also making chocolates, modaks, and cakes. It is also used for coating dry fruits.*

**Q.** What type of challenges do you face as a female honey collector?

*A. Firstly, women are less in this field. As a woman, I am facing a number of problems like wandering in the night and finding/negotiating with agents while selling the product.*

### The difference a bee makes

*“Well-known scientist Thomas Alva Edison once said, ‘If the honeybee is destroyed from the world, from that moment onwards all mankind would be wiped out from the world within four years.’*

*This is because the honeybee plays a significant role in pollination. The bee is not only helpful for increasing production of grain but quality also,” says Saswade.*







Prashant Sawant and Sarika Saswade ensure that bee-friendly honey collection practices are adhered to on their bee farm



# Antibiotics in honey?

## Here's the solution!

**ECO-FRIENDLY ENTREPRENEURSHIP**

**Social entrepreneurs Prashant Sawant and Sarika Saswade from Sahyog Pariwar NGO are leading the pure honey movement through workshops on bee-keeping and natural honey collection**

**ALEFIYA RASHIQ**

**H**oney, conventionally considered to be a safe, sweet energiser filled with multiple health benefits, was under the scanner about a year and a half ago following a Centre for Science and Environment study. The findings claimed that most Indian brands of honey contained heavy dosages of antibiotics, the consumption of which over time could result in resistance to antibiotics, and further serious medical consequences.

The question that remains then is, "Where does one find pure honey, bereft of enhancement and tweaks?" Two environment conservationists from Maharashtra, Sarika Saswade and Prashant Sawant, seem to have the answer.

**Accolades earned**

- Both Prashant and Sarika have been selected by the KVIB (Khadi and Village Industries Board) as 'Kendra Chalaks' to train the farmers and tribals of certain districts on bee-keeping
- Amrutyog was awarded the 'Bestselling organic honey product' in 2011 at LOW Pre-Diwali NGO fair
- Saswade has also been selected for the '10k women' programme by Symbiosis and ISB, held for women business entrepreneurs all over the world, on accord of her honey project.



Prashant Sawant



Sarika Saswade

- Sawant has been selected by the PPP programme of India and Germany, to keep the honey antibiotic-free

**A 'natural' solution**

The duo has taken up the initiative of collecting honey by nurturing honeybees in a natural environment. Currently, they are looking after a settlement of 100 colonies at a farm located near Chas Kaman Dam ahead of Khed, near Pune.

This is not a permanent setting—they keep on migrating so as to ensure that the bees continue to thrive in abundance in a natural, floral environment. Two different varieties of bees, the Rock bees (Wild bees) and European bees are specially used to enhance the honey

collection process here. "We keep the bees in environments where they can get the most nectar and pollen from the flowers, which in turn help in pollination process. This, in the bargain, boosts the crop yield, spelling rich dividends for the farmers," explains Saswade.

**Beneficial workshops**

Sarika, in collaboration with Sahyog Pariwar, an NGO from Mumbai, also conducts workshops which include five-day-long training programmes for farmers and tribals. Held at nominal fees, the workshops acquaint the participants with the finer aspects of bee-keeping. The group ensures honey collection happens through natural means, and without causing any harm to the bees, or their eggs and larvae.

>> Continued on Page 5

**EXTRAA**

To purchase Amrutyog Honey, or to register for bee-keeping training workshops, Contact Sarika Saswade: 9423577196 Prashant Sawant: 9423851016 209, Shivajinagar Gaothan, Near Panchmukhi Maruti Temple, Pune

## Trade Mission from Wisconsin Economic Development Corporation (WEDC), State of Wisconsin, USA visited MEDC on 22nd November 2016.



**M**EDC was pleased to welcome the trade mission from Wisconsin Economic Development Corporation (WEDC), USA. On 22 Nov 2016.

The delegation included Mr. Mark Hogan, CEO and Secretary, Ms. Katy Sinnott, Vice President, International Business Development Division, Mr. Khay Khong, Market Development Director – Asia, Mr. Vikrat Kohali, India Head Operation of WEDC and Ms. Soniya Dardhan, Co-ordinator of the Mission.

Wisconsin has some of the most diverse offerings for manufacturers and products in the United States and is one of leading manufacturing states in the U.S. Wisconsin is strong in aerospace manufacturing; bioscience, energy, power and control, food and beverage, and water technology..

WEDC leads economic development efforts for the State of Wisconsin, including identifying and fostering mutually beneficial global business opportunities with targeted international markets, nurturing business growth and job creation. WEDC's International Business Development Division aims to elevate Wisconsin's economy by increasing exports, foreign investment and expanding export assistance capacity in their state.

The purpose of the interactive meeting was to give the members of the WEDC trade mission an overview of the economic and investment friendly scenario of the State of Maharashtra and how the two states of Maharashtra and Wisconsin can work together for the benefit of their respective people. The official of the WEDC expressed their desire to work jointly with MEDC in fostering efforts.

After a formal welcome and a quick brief about MEDC, Cdr. Dipak Naik, President, MEDC pointed out various business opportunities between Wisconsin and India and in particular Maharashtra. The scope of growth of mutual business in agriculture, solar Energy, food processing, dairy products and educational sector was spelt out by him.

Mr. Mark Hogan, CEO & Secretary of WEDC made a brief presentation on 'Business Opportunities in Wisconsin and possible guidance from WEDC. He appreciated Indian Market Trend and 'Make in India' concept., Ms. Katy Sinnott, Vice-President, WEDC explain sector wise business opportunities in Wisconsin including, aerospace manufacturing; bioscience; energy, power and control; food and beverage, education and water technology. The business environment for FDI, Export in Wisconsin was very friendly and healthy she added. Mr. Kay Kong, Market Development Director – Asia, International Business Development explained the business opportunities in IT-BT Industries. Mr. Vikram Kohali, Head-India Operation, stated that the WEDC will provide all possible help to Indian businessman those want to make investment and business collaboration in Wisconsin.

Mr. Arun Hardikar gave a brief about Indian Pharma Industry, Defense Expo organized in India, India Export commodities and trade. He described the Make in India concept and also elaborated the Indian Packaging Industry. Mr. Anil Gachke, Chairman Industries committee, MEDC elaborated the possibility of bilateral exchange and joint ventures in solar power generation, wafer manufacturing, He further explained the availability of raw material and

knowledge and skills in India he also spoke about the scope for water technologies and education, Mr. Chandrakant Sadadekar, Member, MEDC Governing Board suggested that we can make joint ventures for manufacturing and repackaging for sales to Asian, middle eastern and eastern countries. Prof. B.N. Lad, Director research and training suggested that we will conduct Joint

research project & Student Exchange Programme (SEP) with Chicago.

Apart from these eminent participants the meeting was attended by Dr. P. Sekhar, Chairman of Micro Foundation, Mr. Mehul Shah, Onlookar Press, Ms. Sonali Jakatdar, GM, Mr. Suresh Ghorpade, DGM and Ms. Pooja kalamkar, from MEDC.

The president MEDC and the CEO, WEDC then agreed on a time bound

plan and action steps to take this initiative further. The two councils will plan a visit by a MEDC delegation for an industrial tour, conference and B2B tie ups to Wisconsin in July 2017.

Mrs. Meenal Mohadikar, Vice-President summed up the day's proceedings and expressed the vote of thanks.



## MEDC - ACADEMIC INSTITUTE, Interactive Meeting 22nd November 2016.



MEDC conducted Academic Institute meet on 22nd November, 2016 at Y. B. Chavan Center. The purpose of the meeting was to involve academic institutes in practical fields of the business. Cdr. Naik, President of MEDC said that MEDC will identify the industry, since we have a better approach so we can connect the institutes to the several private industries as well as to different government bodies. Also, MEDC will collect the projects from the industry & will let academic institute to know and get involved with it. We are working on building the gap between industry and academic and that's why we building Youth Cell in the Colleges.

All the Academic Institutes have expressed that Internships are important for student these days, it add value to their resume and these days students looks forward for it. Everyone agreed to the points that we

need to get students beyond academics. Students want Live Project on courses like – econometrics, statistics, etc. and syllabi structure should change. Industry is isolated & institutions are isolated and there is need of connection between it and we need MEDC to help us in this. Sometimes academicians feel that there is No discipline in Industry so we need to figure out the correct industry. These days Programmes & courses have been changed, following are the few examples: Regulation within industry, Climate Change & Water Policy Governance. Education can show in a way that industry can do better. We need to know what is relevant to the students and act according to that. Even faculty needs to understand what the faculty requirements are. Programme of institutions has been changed and now industry and colleges are coming together to work, which is a good sign. We feel,

Intellectual Vibrancy is gone students are losing verbal skills so MEDC can help us. We are also organizing Student Tour to give students a better impact of the subject. MEDC is conducting “Word of Wisdom” and student exchange programme and we need your support.

At the end, it was said that MEDC needs syndicated research from the students of different fields. Any institute can come to MEDC with different ideas and approach. MEDC can open the door of professional world for the students. MEDC is conducting one research paper on the Analysis and Effect of Demonetization. We need to know What Other Countries Are doing after demonetization. MEDC also want few topics coming from the institutions side. Each institution should have different areas, so we can conduct Debate, discussions or quiz based on the subject of different streams. Also, we student to do primary survey for their research which will give them subject knowledge.

The meet went so well and we got positive response from the entire academic institute. Now we are looking forward for great collaboration and building a new bridge between academics and industries.







*Central India's biggest Agri Expo 8th Agrovison Concluded with overwhelming response*



Agrovison the annual summit of farming was organized between 11th to 14th Nov 2016 at Reshimbagh ground under the able guidance of Shri Nitin Gadkari, Chief Patron, Agrovison, Hon'ble Minister of

Road Transport, Highways and Shipping GoI, and Dr. C.D. Mayee, Chairman-Advisory Council-Agrovison.

Agrovison, a small sapling planted some 7 year ago to encourage, empower and educate farmers has

now become one of the signature event in Central India and every year come with more diversification in farming with new techniques and advance technology. The summit aims to train farmers about the new technologies, innovative methods to





increase the farm yield, bridge the knowledge gap and empower them through enhanced income.

Organised every year by **Agrovision Foundation, MM Activ, Puri Group, Maharashtra Economic Development Council (MEDC) and Vidarbha Economic Development Council (VED)**, Agrovision is gaining immense popularity in Central India. This year the expo was inaugurated by Hon'ble Chief Minister of Maharashtra Shri Devendra Fadnavis. The dignitaries who visited 8th Agrovision include Shri Omprakash Dhankad, Agriculture Minister Hariyana, Shri Pandurang Fundkar, Agriculture

Minister Maharashtra, Hon'ble Minister for Dairy and Animal Husbandary, GOM, Shri Mahadev Jankar, Hon'ble Shri Brijmohan Agrawal, Agriculture Minister of Chhattisgarh, Shri Sudhir Mungantiwar, Hon'ble Minister for Planning, Finance & Forest, GOM, Shri Chandrashekhar Bawankule, Hon'ble Minister for Energy, New and Renewable Energy, GOM, Shri Giriraj Singh, Hon'ble State Minister for MSME. The Agrovision workshops were inaugurated at the hands of Shri Vijaybhai Rupani, Hon'ble Chief Minister of Gujarat, Shri Harish Chauhan, CEO, Farm Div. Mahindra Rise and Shri. Sanjiv Puri, CEO. ITC, were guest of

honour at the Inauguration.

8th Agrovision was spread in 25000 sq.mt total area. There was approximately 3500 Sq.ft. open space for the display of big machineries, tractors etc. Over 400 medium and small enterprises and well known companies from agri field displayed their products and services in the National Expo of Agrovision. Grassroot level innovators were added attraction for the visiting farmers. Lakhs of farmers from Maharashtra and adjoining states like MP and Chhattisgarh visited the expo.

Around 40 workshop were conducted in specially erected four halls in 3 days by experts in agriculture field on various topics. Around 50 thousand farmers attended the workshops. Special workshop sessions were organized by experts on 'coal to methanol' and 'Bamboo plantation as agri forestry'

One day conference was organized on the topic 'Development of







Cotton hubs and textile parks in Vidarbha'. The conference was addressed by Dr. Kavita Gupta, Textile commissioner of India and Internationally acclaimed fashion designer, Ritu Beri alongwith other experts from the field. The conference was largely attended by cotton growers, cotton processors, people willing to setup their business in textile field and students of fashion institutes. The 4 day event concluded on 14th November 2016 .

### 8th Agrovision - Highlights

- The Biggest Agriculture Summit of Central India
- Most sought after event in the country
- over lakhs of farmers visited the event
- Over 400 exhibitors participated
- Over 30 Thousand farmers attended the workshops
- 31 comprehensive workshops
- 45 experts from across the country as resource person
- 11 progressive successful farmers shared their success stories
- 2 One Day Conference on Bamboo Plantations as Agroforestry
- And Bamboo Industry and Development of Cotton Hub and textiles in Vidarbha
- Event Spread over 23Thousand Sq.mtrs.





Inauguration of the MEDC Special Economic Digest on 'AGRO VISION' By the hand's of Hon'ble Chief Minister of Maharashtra



### COMPREHENSIVE WORKSHOPS



### OVER 400 EXHIBITORS IN 6 HANGERS





## KEY MESSAGES



**Shri Devendra Fadnavis, Hon'ble  
Chief Minister, Maharashtra**

*"Climate change has become a reality and therefore new technologies must be developed for adoption and mitigation to the upcoming challenges. Vidarbha farmers are facing the dual challenge of not only periodical droughts but also price fluctuation. Agrovision has become an important platform to learn of the mitigation strategies and crop diversification for price realization."*



**Smt Harsimrat Kaur Badal, Hon'ble  
Union Minister for Food Processing  
Industries**

*"Agrovision is a unique platform where farmers and entrepreneurs can know various avenues in food processing industry"*



**Dr. C.D. Mayee, Chairman, Advisory  
Council - Agrovision**

*"In Central India the farmers now await for the arrival of Agrovision to learn the new innovations in agriculture. It has achieved its goal in creating the awareness in diversification of farming from cotton, soyabean, millet and making a shift to dairy, horticulture, sericulture, bee keeping, floriculture, polyhouse farming, processing etc. It is just the beginning of a change"*



**Shri Nitin Gadkari, Chief Patron,  
Agrovision Hon'ble Union Minister for  
Road Transport, Highways & Shipping**

*"Realizing that the rainfed farmers need technological support Agrovision has made a big dent in the lives of farmers where they are exposed not only to the latest technological innovations through Exhibition but also to interactive sessions on the technology inputs through scientists and progressive farmers. Agrovision will change the agrarian scenario in the water-parched Vidarbha by building confidence of the farmers in technology."*



**Shri Pandurang Fundkar, Hon'ble  
Minister of Agriculture, Maharashtra**

*"There is an urgent need for farmers to adopt professional approach while farming and use output. Agricultural events like Agrovision helps farmers to learn about the latest technologies and techniques in the agricultural sector. It is an excellent initiative for the benefit of entire farming community"*



**Shri Ravi Boratkar, Organizing  
Secretary, Agrovision; Jt. Managing  
Director, MM Activ Sci-Tech  
Communications & Vice-President,  
MEDC**

*"Agrovision has been successful in establishing itself as a major agricultural event of the Central India. Growth of this sector will create a new class of young entrepreneurs, satisfied farmers and possibly even farmers turned entrepreneurs, creating a win win situation for all"*



**Shri Radha Mohan Singh, Hon'ble  
Union Minister for Agriculture &  
Farmers Welfare**

*"I am thrilled after visiting the stalls full of information and knowledge on the latest technologies in commercial agriculture. Through the Workshops and Conferences the farmers have an unique opportunity to gain the techniques of profitable farming even in dryland agriculture."*



**Shri Chandrashekhar Bawankule,  
Hon'ble Energy & New and Minister  
of Renewable Energy, Maharashtra**

*"The Vidarbha region of Maharashtra is reeling under farmers' suicide crisis. The conduct of Agrovision year after year would go a long way in reassuring the distressed farmers that the government is firmly behind them and would help them tide over adverse situations related to farming."*

### ORGANIZERS

**AGROVISION  
FOUNDATION**

**MM ACTIV  
Sci-Tech Communications**  
Media | Events | Training | Advisory



## JOIN US AT MEDC'S UPCOMING EVENTS



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Mazagon Dock Shipbuilders Limited (MDL) is a Defence Public Sector Undertaking under the Ministry of Defence, Department of Defence Production and is a leading shipyard of the country. MDL desires to expand the MSEs Vendor Base for supply of materials and services required for various projects.



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- **SERVICES**: Calibration of Test Equipments, AMCs for various Equipments, BRCs for installation of pipes, Insulation, IT and related items, Maintenance Contracts, Housekeeping and Gardening, Copier, Courier, etc

**All MSMEs** are requested following details:

- Name of the firm.
- Nature of the business with product / service details.
- VAT, CST, Excise, Service Tax Certificates.
- Annual Reports for the last three years with ITRAs.
- MSE certificate issued by competent authority.
- Vendor registration certificate from any Govt bodies / PSUs.

**The shortlisted/ selected firms will be considered for on the spot registration at MDL during the program**

### The schedules of the Program :

\* MSMEs owned by SC/ST : 8<sup>th</sup> Dec. 2016 at 2.00 pm \* START Ups & MSME : 16<sup>th</sup> Feb. 2017 at 2.00 pm

#### WOMEN ENTREPRENEUR'S

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(Spread Your Wings Across The Globe)

24th – 28th February 2017



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- \* B2B meeting/ interactive sessions & Exhibition



For more details and registration pl. contact : Ms. Pooja – 9869529491 / Ms. Sonam - 8898787833

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