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Federation of
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Bengaluru

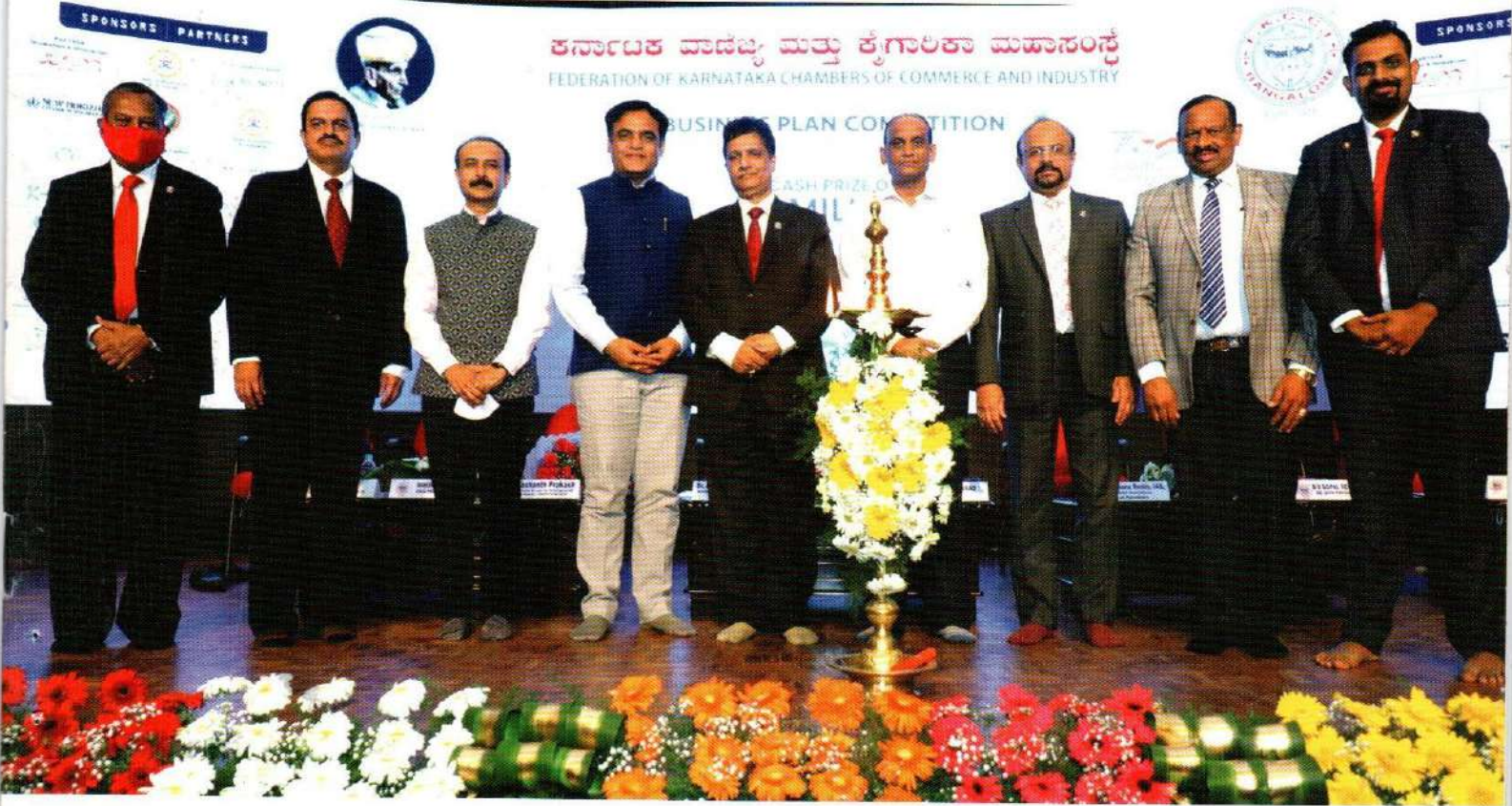


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Volume XXXII | Issue 3 | March 2022

MANTHAN 2022

A FKCCI Initiative to Harness Entrepreneurial Capital among Youth



At Curtain-raiser of the 14th Edition of FKCCI's flagship event, MANTHAN-2022: Dr C.N. Ashwath Narayan, Hon'ble Minister for Higher Education, Electronics, IT & BT, Science & Technology, Skill development & Entrepreneurship, Dr E.V. Ramana Reddy, IAS, Additional Chief Secretary, Department of Industry & Commerce, Sri Prashant Prakash, Chairman Vision Group for Start-ups, GoK and Founding Partner Accel India, with Team FKCCI led by Dr I.S. Prasad, President and Office-Bearers

INSIDE:

- ▶ State Budget 2022 can be Transformative
- ▶ FKCCI for more APMC Mandis
- ▶ Tourism needs booster dose: FKCCI



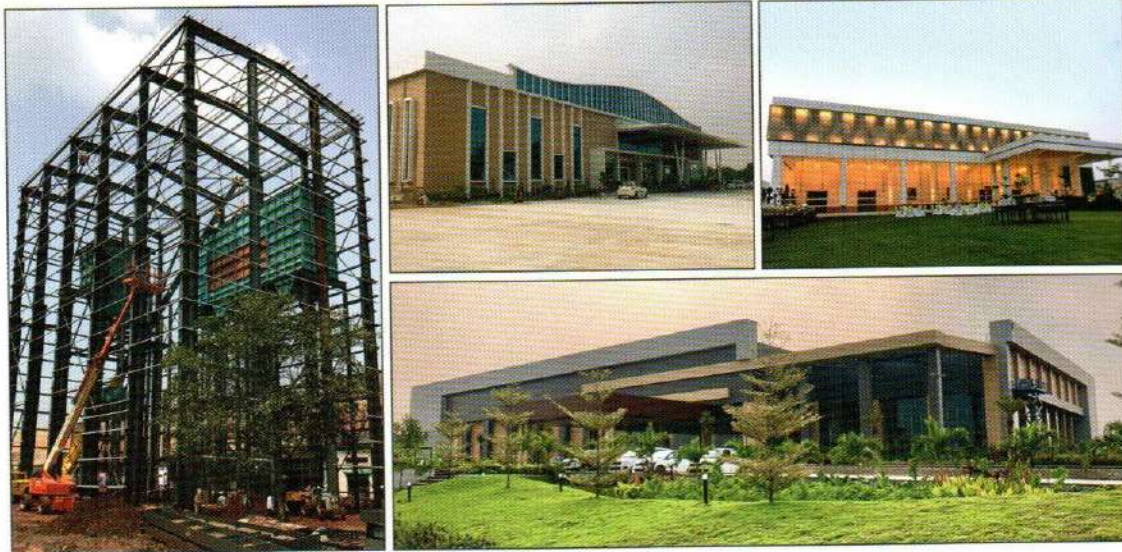
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NAMMA NIMMALLI

FROM THE PRESIDENT

'Show me your budget and I will tell you what you value': The Union Budget, followed by the State Budget for 2022 reminded me of this famous quote of Mr Joe Biden, President of the United States of America.

Hon'ble Chief Minister, Sri Basavaraj S. Bommai, through his Budget, revealed what he valued viz. the resilience of revenue growth and holistic growth of the State moored in infrastructure spanning roads, rail, ports, airways, heliports and ropeways. We are happy that the Budget has heeded our plea to include specific allocation for development of the Kalyana Karnataka Region, with allocation of Rs 3,000 crore to it. Rural roads are also set to get an improved look with Rs 1600 crore allocation.

On the development front, Bengaluru continues to get the lion's share of funds with a total of Rs 8,409 crore for 'comprehensive development of the city', with major announcements such as building of Super-speciality hospitals with 500-bed capacity to be established in four parts of Bengaluru on PPP model, and a Mega Jewellery Park also under PPP model that aims to provide employment opportunity to nearly 10,000 people.

We are also proud that Karnataka has attracted 40% of Foreign Direct Investment during April-December 2021 and is number one in the country, and further, Bengaluru is poised to get another distinction as the Meeting, Incentives, Conference & Exhibitions (MICE) hub. We at FKCCI will work with the Government to ensure that the State capital gets the infrastructure upgrade that will match up to its status as the start-up hub.

The much depressed Tourism and hospitality sector is set to get a terrific boost with many initiatives in the budget. Since the Budget followed an interaction meet with Hon'ble Minister for Tourism & Ecology, GoK, Sri Anand Singh, at FKCCI, we believe that our suggestions made during the meet found resonance in the budget and we are thankful to the Government for accepting our views. Like how the term "double engine" has become popular in the political lexicon, we would like to believe that FKCCI works with the Government(s) both at the



State as well as the Centre, as a 'double engine' on the advocacy front, on behalf of our Industries, Trade & Services.

The Curtain-raiser for the 14th Edition of FKCCI's flagship event, MANTHAN-2022, chaired by Dr C.N. Ashwath Narayan, Hon'ble Minister for Higher Education, Electronics, IT & BT, Science & Technology, Skill development & Entrepreneurship and Dr E.V. Ramana Reddy, IAS, Additional Chief Secretary, Department of Industry & Commerce, GoK, proved to be an immensely successful event. I am delighted to share with all our Members that Sri Prashant Prakash, Chairman, Vision Group for Start-ups, Government of Karnataka and Founding Partner Accel India, has offered to contribute Rs.1million to the cash prize so as to make the total cash prizes offered at Rs 2 million, and Dr A.P. Achar, CEO of AIC NITTE Incubation Centre announced Rs.2 crore seed money for top ten business plans/ideas subject to meeting the criteria of the institution. Further, Ms Sheelan Misra, Head, Udaan, New Horizon Centre for Innovation, Incubation & Entrepreneurship of New Horizon School of Engineering, Bengaluru announced that the best business plans/ideas of MANTHAN-2022 will be entitled for Rs.10 crore seed money subject to meeting the prescribed criteria.

All this only shows the humongous respect that FKCCI commands among the various stakeholders. And, this is because of our extended Parivar! Thanks to all of you!

With warm regards,
CA Dr. I.S. Prasad



STATE BUDGET 2022

Properly implemented, Budget can be transformative: FKCCI

FKCCI's proposal to make sizable allocation for Kalyana Karnataka region has been accepted, with allocation of Rs 3,000 crore to the Region. Rural roads are also set to get a better look and shine with Rs 1600 crore allocation.

Bengalureans have a lot to smile about, with allocation of Rs 8,409 crore, apart from Rs 11,250 cr for phase-3 of Bengaluru Metro. The push for the Mekedatu project with Rs 1000-cr allocation will ease the city's water scarcity.

Infrastructure has been given major thrust, spanning roads, rail, ports, airways, heliports, ropeways.

Indeed, if the four corridors of 148 km-sub-urban railway project is completed as per the target by 2026 at a cost of Rs 15,267 crore, the chief minister will be remembered with much affection by the

The Hon'ble Chief Minister, Sri Basavaraj Bommai has managed to pull off a coup, by presenting a budget that has something for everyone, viz. industry & start-ups, farm sector, ordinary workers, irrigation projects, tourism, social welfare, and the common man, by not increasing any taxes.

The expected 9.5% GSDP rides on the resilience of revenue growth exceeding the expectations.

ever-suffering commuters of the city.

Industry will eagerly look forward to the contours of the promised integrated employment policy and the framework of the incentives for labor-intensive industries. The push to construct futuristic integrated industrial townships in plug & play mode in each revenue division is an ambitious policy and if implemented in the right spirit in mission mode, it will give great dividends in the form of creating jobs across the state and it is a suggestion that we have been making to the government for many years.

It is a matter of pride that Karnataka has attracted 40% of Foreign Direct Investment during April-December 2021 and is number one in the country, and further, Bengaluru will get another distinction as the Meeting, Incentives, Conference and Exhibitions (MICE) hub. We hope the infrastructure

Dr I S Prasad, President, FKCCI before the Budget held a brief meeting with Sri Basavaraj Bommai, Hon'ble Chief Minister of Karnataka when he urged him to support the affected Industries and MSMEs in particular in the ensuing State Budget and to bring Agri-Economic Policy and to provide funds for the Prime Minister Gati Shakti Project which is going to help the State Government to achieve the vision of Hon'ble Chief Minister, 1 Trillion Economy and to make Karnataka Vibrant Economy. The Hon'ble Chief Minister said that he will review the same.



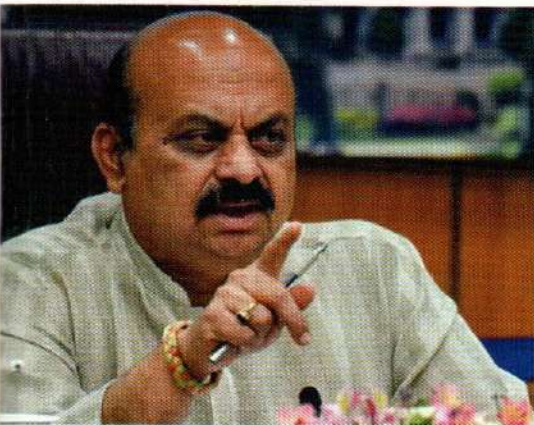
upgrade too will match up to its status as the start-up hub.

Another interesting mention in the budget is about the constitution of a pre-tender

scrutiny committee to be headed by retired High Court Judge to scrutiny tenders of more than Rs 50 crore. This can usher in transparency in the tender process and thus

relieve the concerns of a lot of businesses.

Overall, the budget definitely has something for everyone, or at any rate does not hurt most sections of the people!



HIGHLIGHTS OF STATE BUDGET 2022



Growth in Numbers

Service sector grew 9.2%. GSDP growth expected at 9.5%

Education, employment, and empowerment for socially and economically weaker section of the society is Government's priority

GST devolution allocation increased by around Rs

3,000 cr to Rs 27,000 cr by the Centre due to increased GST revenues. Government sets GST collection target of Rs 76,743 for 2021-22 fiscal

Revenue collection target for Commercial Taxes Department for 2022-23 fixed at Rs 77,010 crore

Total expenditure Rs 2.65 lakh crore



Proactive Proposals

Centre for Technology Research in Digital Governance in partnership with IIIT-Bengaluru to promote the delivery of services through e-governance

Increase in Subsidies for Kannada films from 125 to 200

Automatic driving testing tracks to be established at a cost of Rs 80 cr at Devanahalli, Kolar, Hospet, Gadag, Ballari, Vijayapura, Bhalki, Yadgir, and Davanagere

Facility to pay tax on monthly basis for vehicles that pay quarterly taxes exceeding Rs 30,000

Eco-budget of Rs 100 crore to compensate for the negative effects created on forest systems 'Blue-Plastic Management scheme' at Rs 840 crore with help from World Bank to address the issue of plastics polluting water resources in coastal areas

KSTDC "Pavitra Yatre" programme to facilitate tours to pilgrimage centres

Rs 8,049 core for comprehensive Bengaluru city development

DPR for Phase-3 of Bengaluru Metro will be submitted at a cost of Rs 11,250 crore. It will cover 32 km Outer Ring Road from Hebbal to JP Nagar and 13 km between Hosahalli and Kadabagere.

Skywalk at Rs 45 crore at Banashankari junction to connect the metro station with the bus-stand

Rs 55 Crore for connecting Metro stations with railway stations at Whitefield, KR Puram, Baiyappanhalli, Yeshwanthpura and Yelahanka

Bengaluru four corridors of Sub-Urban railway project running a length of 148 km to be completed by 2026 at a cost of Rs 15,267 crore.

Acquisition of 1,297 acres of land for Kempegowda Layout to be completed soon

500-bed super-specialty hospitals in four parts of Bengaluru under the Public-Private model

Rs 1,500 crore to develop mega storm water drains in Bengaluru to prevent flooding in residential areas

New projects, schemes to attract investments

Government to set up 5,000 MW capacity hybrid renewable energy park in 8 districts under PPP model

Mega Jewellery Park' will be established in Bengaluru - to generate employment for 10,000 people

FMCG (Fast Moving Consumer Goods) cluster to come up in Dharwad. A special incentive package will be announced soon

Karnataka Special Investment Region Act will be formulated to establish, operate and control mega industrial regions and to establish mega industrial estates

Tumakuru and Dharwad districts to be notified as Special Investment Regio

'Beyond Bengaluru Cluster Seed Fund for Start-ups' will be established in Mysuru, Mangaluru and Hubballi at a cost of Rs 20 crore. A grant of Rs 12 crore will be provided for this project this year.

New textile parks at PPP model at Navalgund and Ranibennur

Global Technology Centre plug and play facility to be established at KSSOU in Mysuru at a cost of Rs 30 crore

Global Emerging Technology Design Centre at Belagavi at a cost of Rs 150 crore in partnership with enterprises

Action to provide more incentives to industries that create more employment. Preference to attract labour-intensive industries.

New airports & up-gradation of existing ones

Greenfield Airport at Raichur at a cost of Rs 186 crore with funds from the District Mineral Fund

Proposal for airports at Dharwad and Koppal, and

to extend the runway at Mysuru Airport

Heliports to come up at a cost of Rs 30 crore at Madikeri, Chikkamagalur, and Hampi

Road and infrastructure schemes

Rs 300 crore for roads damaged during the rainy season

1,000 lakes to be developed at a cost of Rs 10 lakh per lake

2,275 km of state highways to be developed at a cost of Rs 3,500 crore

Re-asphalting of 1,008 state highways at a cost of Rs 440 crore

Proposal to Centre for a 55 km Gadag-Yelagavi new rail line at a cost of Rs 640 crore

The process to implement the Dharwad-Kittur-Belagavi rail line will be set in motion at a cost of Rs 927 crore at the earliest

Kalyana Karnataka Region

Rs 3,000 crore for Kalyana Karnataka Region Development Board. Of this Rs 1,500 cr will be for education, social and economic development, and Rs 1,500 cr for micro-projects.

Total allocation of Rs 68,479 crore is being provided for inclusive growth and the welfare sector.

For employment to youth and women, 2022-23 to be observed as 'Jeevanopaya Varsha'. Action plan worth Rs 1,100 crore proposed.

Government to build more houses for the economically weaker section. Three lakh houses to come up under various schemes in 2022-23.

300 SC/ST women to be trained in entrepreneurship at IIM

Government to set up 438 'Namma Clinics' across the State. Namma Clinics will be set up in all wards of Bengaluru.

Seven Karnataka Institute of Technology to come up along the lines of IITs

New model universities to come up in Chamarajanagar, Bidar, Haveri, Hassan, Kodagu, Koppal and Bagalkot districts

Agri and allied sectors to receive Rs 33,700 cr in

2022-23 fiscal. Three lakh farmers to get Rs 24,000 cr as farm loans.

The government has allocated Rs 500 cr for the first phase of the Pashchimavahini project - which proposes to build check dams in west-flowing rivers. Rs 1,500 cr has been allocated for the Kharland project.

Also, 234 lakes will be filled in Bengaluru Urban, Rural, Tumakuru, and Chikkaballapur districts by treating Vrishbavathy water at a cost of Rs 864 cr.

Rs 1,000 crore fund has been allocated for Mekedatu project

First phase of the Yettinahole project will be completed. The second phase gravity feeder works to be completed soon. Rs 3,000 cr fund for works related to the project has been allocated.

A training centre to come up at KR Pet, Mandya on sericulture practices at PPP model. E-payment to be implemented at silk markets.

350-acre Atal Bihari Vajpayee park near Yelahanka to increase green space in Bengaluru

The Krishi Yantradhaare scheme will be extended to all hoblis of the State. Mini Food Parks in all districts under PPP model soon.

Intricacies in Money Laundering under PMLA

A virtual Webinar on "Intricacies in Money Laundering under PMLA" was conducted jointly in association with FKCCI & Karnataka State Chartered Accountants Association (KSCAA) on Feb 19.

Advocate Swamini Ganesh addressed the participants on the various aspects related to intricacies in Money Laundering under Prevention of Money Laundering Act (PMLA).

Dr I.S. Prasad, President, FKCCI dwelt on the importance of creating awareness about money laundering and PMLA among businesses at large and also complimented the KSCAA President CA Sri Chandankumar Hegde and CA Sri Raveendra S. Kore, Chairman, Banking, Finance & Economic Affairs Committee of FKCCI. CA Sri M. Satish, coordinated the programme



AT MANYATA TECH PARK



In a major fillip to easing the traffic congestion in Bengaluru, a 3-lane Flyover on the Outer Ring Road constructed by Embassy Group at Manyata Tech Park. Bengaluru was inaugurated by Hon'ble, Sri Basavaraj Bommai, Hon'ble Chief Minister, Sri Byrathi Basavaraj, Minister for Urban Development and Sri Shivakumar Udasi, Member of Parliament, Haveri-Gadag.

New 3-lane Flyover on ORR to ease traffic woes of over one lakh commuters

Other dignitaries presiding over the inaugural included Sri Rakesh Singh, IAS, Additional Chief Secretary, Urban Development Department, Dr I.S. Prasad, President, FKCCI, Sri Gaurav Gupta, IAS, Chief Commissioner, BBMP and Sri Manjunatha Prasad, IAS, ACS to Chief Minister.

Speaking at the inauguration ceremony, the Chief Minister said, "This flyover is one of the initiatives where private enterprise has eased the traffic with an expenditure of Rs 183 crore. It will help the people who work here as well as people who travel along this stretch."

Constructed by Embassy REIT, the one kilometre long flyover connects Embassy Manyata Business Park, Nagawara and Veeranapalya flyovers on Outer Ring Road, and will benefit over one lakh employees working in different companies at Embassy Manyata Business Park by cutting down on their travelling time.



The flyover supports the local community and strengthens the total business ecosystem for the occupiers of Embassy Manyata, one of India's largest business parks with an operational area of around 12 million square feet. Spread over 121 acres, Embassy Manyata caters to over 100,000 employees from 42 top-notch corporates; and continues to be a major economic centre of Bengaluru contributing over Rs130 crore in various taxes annually.

The flyover dovetails with and

adds to the various under-development and upcoming infrastructure initiatives in the park, including South India's largest hotel and conference centre slated to open in May 2022.

The flyover is expected to reduce traffic moving towards Hebbal and KR Puram and also ease the commute to reach the Bengaluru International Airport.

This significant public infrastructure upgrade is expected to decongest traffic on the stretch by up to 70%, curtail travel time

by 15 minutes for over 2 lakh daily commuters and reduce pollution substantially in the area.

The project was delivered in record time; and its aesthetics and design reflect the ethos of Bengaluru and its progressive people, and the combined efforts of government and other stakeholders on energy conservation, water stewardship and environmental protection.

Sri Jitu Virwani, CMD of Embassy Group; Aditya Virwani, COO of Embassy Group; and Michael Holland, CEO of Embassy REIT also presided over the inaugural.

A company release said Embassy Group is delighted to launch the flyover at Embassy Manyata which is a perfect example of Embassy REIT's infrastructure and amenity upgrade investments to enhance the total-

business-ecosystem offering that its parks provide, creating an unmatched value proposition for our global occupiers. Embassy REIT, with the support of government authorities, is delivering further such public private partnership initiatives, like the upcoming metro station at Outer Ring Road near Embassy TechVillage, to enhance city infrastructure for the benefit of its people and surrounding communities.

FOR MORE COOPERATION

FKCCI seeks more APMC Mandis, lesser Trading Fees



The delegation from FKCCI included Sriyuths B.V. Gopal Reddy, Sr. Vice-President, Balakrishna Setty, Chairman, APMC Committee, Sanjay Bhasin, Director, Dr V.G. Kiran Kumar, Chairman, CSR Committee and T. Sairam Prasad, Director.

The meeting was held in the background of the Karnataka Government deciding to not repeal the amendment to

Karnataka APMC law, even though the Centre had repealed the three agriculture marketing laws.

The Cooperation Minister said the State will continue with Karnataka Agriculture Produce Marketing (Regulation & Development) (Amendment) Act, 2020.

Team FKCCI relayed the concerns of APMC and traders

regarding high trading fees and the limited number of APMC mandis which leads to insufficient market options for farmers to sell their produce. Even after imposing and collecting high fees, the infrastructure of the APMC was inadequate and lead to a high wastage of harvests, FKCCI pointed out.

APMC reforms, the problems faced by traders and enhancing the experience for the farmers, formed the core of the discussions held by a delegation of FKCCI led by President, Dr I.S. Prasad with S.T. Somashekar, Hon'ble Minister for Co-operation, GoK at his office on Feb 25.

regarding high trading fees and the limited number of APMC mandis which leads to insufficient market options for farmers to sell their produce. Even after imposing and collecting high fees, the infrastructure of the APMC was inadequate and lead to a high wastage of harvests, FKCCI pointed out.

As per a review by FKCCI, the Karnataka Agricultural Produce Marketing (Regulation and

Development) (Amendment) Bill 2020 restricts the regulatory control of the APMCs over trading activities to the market yard. However, the director or the officers authorised by the director are allowed to regulate trade in licensed direct-purchase centres and private markets.

Karnataka's amendment lacks the dispute resolution mechanism outside the market yard provided for in the repealed Central law.



The new law has created two parallel markets for agricultural produce. There are the APMCs, where traders take a licence, pay a fee (.6 per cent) and are monitored. And there are those

trading outside the yard, without any supervision, regulations or fee.

This has led to many licensed traders — both commission agents and merchants — operating outside the yard.

After a patient hearing to the delegation, the Cooperation Minister assured to look into their concerns and come up with a workable solution to the satisfaction of all stakeholders.

Abolition of Cess in Agricultural Produce Market Committees (APMCs) and providing basic infrastructure in APMCs and an online Portal for handling all payments, filing of Returns and statements which will help both farmers and traders, was part of APMC reforms suggested by FKCCI to Sri P. Ravi Kumar, IAS, Chief Secretary to Government of Karnataka when a delegation called on him on Feb 16.



The FKCCI delegation was led by Dr I.S. Prasad, President and comprised Sriyuths B.V. Gopal Reddy, Sr. Vice-President, Ramesh Chandra Lahoti, Vice-President, T. Sairam Prasad, Co-chairman, APMC Committee and Dr V.G.

Kiran Kumar, Chairman, CSR Committee.

A gist of the other reforms suggested by FKCCI is given below:

- ♦ Common rules for collection of revenue and other

conditions for the traders both within and outside the APMC Yards

- ♦ APMC should consider conditional sale deeds as absolute sale deeds so as to enable the availing of bank facilities
- ♦ Transfer of property should be done immediately to help the traders.
- ♦ All procedures in APMCs should be brought under Sakala Scheme.

The Chief Secretary, assured that all these demands would be considered by the State Government and appropriate orders will be issued.

ONE STATE, MANY WORLDS

Tourism sector needs a booster dose of infrastructure: FKCCI

The Karnataka International Travellers Expo (KITE), which was planned to revive the struggling tourism industry and scheduled to be held in February has been postponed to April due to the spread of the Omicron variant of the corona virus, said Sri Anand Singh, Hon'ble Minister for Tourism & Ecology, GoK, at an interaction held at FKCCI.

The interaction on 'Better Bengaluru Hotel & Tourism Sector' was co-chaired by Sri P.C. Mohan, Hon'ble Member of Parliament, Bengaluru Central, Dr I.S. Prasad, President and Office Bearers of FKCCI.

There is also a possibility that KITE could be postponed further as there is a question mark over full resumption of international flights.

Assuring that the forthcoming

State Budget would give a major boost to tourism infrastructure and projects such as ropeways, heliports and airports beyond Bengaluru, Sri Anand Singh said though Karnataka was ranked eighth on India's list of States dependent on international travellers, Karnataka has a high footfall of foreign tourists. For instance, KIA, as per State government data, was ranked fifth in footfall between January 2019 and January 2020.

He said that with the waning of the Omicron, tourism was already beginning to look up and for example, travellers are returning to the iconic Mysore Palace.

Pitching for revival of the tourism in Karnataka, Dr I.S. Prasad, President, FKCCI said the State government should endeavour to rebuild the tourism sector, hit severely by the COVID-19 pandemic, by leveraging digital technology and with a spirit of resilience.

Already, digital technology is becoming a prominent feature to add convenience to the tourist. For example, at Mysuru's celebrated Lalitha Mahal Palace, a heritage hotel under the Karnataka State Tourism Development Corporation (KSTDC), at the opulent Banquet Hall that could transport people to another era, guests have the option to order food by accessing a digital menu available with just a quick





scan of a QR-code printed on a board kept on tables. Similarly, at the 18th century Summer Palace of Tipu Sultan in Srirangapatna, many visitors can be seen scanning a QR-code

put up on a kiosk at the entrance to pay for an instant ticket.

Karnataka is home to two stunning UNESCO World Heritage Sites -- Hampi ruins

from the Vijaynagara Empire and the ancient Pattadakal Temple, besides a plethora of other cultural landmarks and breath-taking natural beauties, including the world-famous Jog Falls.



Earlier, Dr I S Prasad, President, FKCCI and KPHRA Hotel Associations Office Bearers called on Sri Anand Singh, Hon'ble Minister for Tourism & Ecology, GoK to discuss the development of Tourism in Tourist places and for providing various amenities to the tourists in Karnataka

Criteria for **AUDIT** Preparation for Taxpayers and Department

The Directorate General of Taxpayer Services (DGTS) Bangalore Zonal Unit and State GST, Karnataka, in association with FKCCI conducted a Webinar on Feb 8 on 'Criteria for Audit & Preparation for Audit by both Taxpayers and the Department.

Sri R. Manohar, IRS, ADG, DGTS, welcomed the participants. Smt. Ranjana Jha, IRS, Principal Chief Commissioner, CGST, Bengaluru Zone delivered the keynote address. Sri Suakzathang Nunthuk, IRS, Director General, DG Audit New Delhi presided. State GST Commissioner Smt. Shikha, IAS dwelt on the functioning and infrastructure of GST at the State-level. Dr I.S. Prasad, President, FKCCI said the government has

to look for ways to ease the burden of taxpayers, irrespective of the evolving situation. Sri R. Srivatsan, AAD, NACIN, Chennai made a Power Point Presentation on the tax architecture prevailing in the country.

Sriyuths Upender Gupta, Pr ADG, DGTS New Delhi, N.J. Kumaresh, Commissioner, Audit, Bangalore, Dr M.P. Ravi Prasad, Additional Commissioner HQ2, State GST took part in the Q & A Session.

The webinar was attended by more than 280 participants and well appreciated by all the participants and ended with vote of thanks by Sri B.T. Manohar, Chairman, GST Committee, FKCCI.

Sir M. Visvesvaraya Economic Research Centre

Federation of Karnataka Chambers of Commerce and Industry

Quarterly Newsletter | Issue - X | March 2022

1. Revival of MSMEs Through Defence Sector

One of the key goals of the Indian government's Make in India programme is to integrate MSMEs into the defence supply chain, enhancing the country's defence self-reliance and contributing to the burgeoning defence export market through indigenization. India had 13 million SMEs in 2008, contributing to 80% of the country's GDP, a ratio that had already doubled in a decade. In India, MSMEs employ up to half of the manufacturing workers. India's defence budget has been increased to Rs 5.25 lakh crore for the upcoming financial year, up from Rs 4.78 lakh crore last year. Currently, OEMs (Original Equipment Manufacturers) dominate the defence business, which is essentially integrators of components created by MSMEs. MSMEs manufacture more than 80% of components, aggregates, and assemblies of even complex weapon systems and aircraft, according to the Dhirendra Singh Committee Report from 2015 ("Facilitating 'Make in India' in Defence Sector", 2015). There are also over 6,000 MSMEs across the country that employ over 11 lakh people and supply components and sub-assemblies to DPSUs, ordnance factories.

Potential of MSMEs in Defence - Perspective for the future

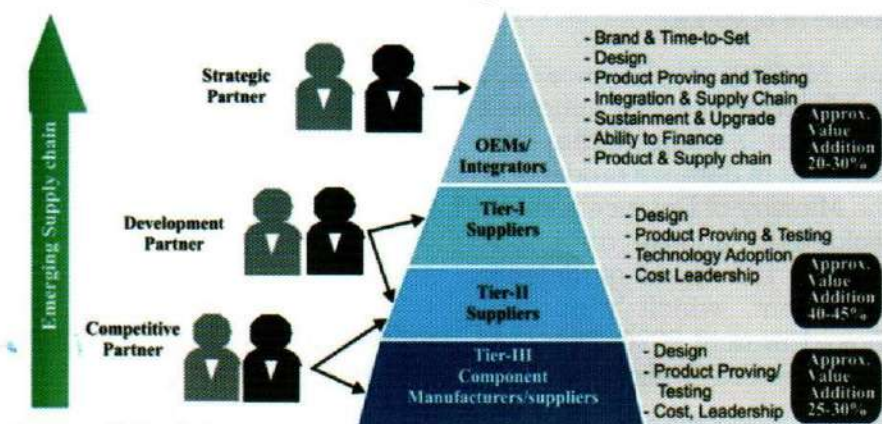
India's defence modernization

initiatives are ultimately contingent on reforming and establishing effective procurement and indigenous manufacturing capabilities. One of the most important challenges is the amount of money set aside for national security and how much of that money is spent on defence modernization or capital expenditure. In recent years, India's defence budget has shrunk to around 2.15 per cent of GDP, while an increasing portion of funds goes for only salaries, pensions, and other operational costs. With India's standing army being among the world's largest, second only to China's, personnel expenditures are squeezing out money for equipment. The army, navy, and air force are all falling short of their modernization ambitions, which has repercussions for India's defence posture. On the other hand, the military sector has grown slowly, and local manufacturers have struggled

to produce high-tech weapons and equipment because of a lack of expertise in the MSMEs. For the same reason, the Atmanirbhar Bharat policy was rolled out to reaffirm India's commitment to self-sufficiency in the aftermath of the border clash between Indian and Chinese forces in the Galwan valley ("Scheme for Promotion of MSMEs in Defence", 2019).

Promoting Defence Manufacturing through indigenization

The cost of developing innovations is substantial, with additional resources committed to qualified scientific labour and eventual industrial infrastructure. In order to do so, the government should be able to provide life cycle support. A well-thought-out upgrade programme, as well as the incorporation of technological innovation along with the mentorship of foreign OEMs, can help MSMEs grow from the ground level.



Source: Q-Tech Synergy

The contribution of each tier provider is shown in the supply chain displayed in the figure. Tier-I is reserved for government entities and selected private enterprises, whereas tier-II and tier-III limit the involvement of MSMEs. MSMEs remain stagnant as suppliers of commonplace commodities only due to high technology expenses. The OEMs must develop viable supply chains, and the government should elaborate on this in order to establish the capability for MSMEs to participate in all tiers. Indian enterprises must develop new structural models based on a Triad of technology, application, and production in such a way that tier-III players can become strategic partners. As a result, a competitive defence industrial base will develop on its own, assisting in the development of long-term ties with international OEMs for long-term contracts. Because as the defence manufacturing targets change year to year, procuring components/sub-assemblies from MSMEs gets delays which in turn increases the cost of time for the supply chain.

Leveraging Defence Policies in favour of MSMEs

The Ministry of Defence has unveiled a slew of new initiatives aimed at making India self-sufficient in defence production. The Ministry of Defence recently decided to impose an import ban on 101 types of defence equipment, which would be phased in until 2024. This is to appraise the Indian defence

industry of the anticipated needs of the Armed Forces' future needs to encourage indigenous manufacturing. Following the Ministry's decision, the Defence Research and Development Organization announced a new list of 108 systems and subsystems that the Indian defence sector will design and produce starting in 2020. The DRDO is also assisting domestic industries, such as MSMEs, in designing, developing, and testing the systems ("MoD's big push to Atmanirbhar Bharat initiative", 2020). The Department for Promotion of Industry and Internal Trade, in September 2020, increased the Foreign Direct Investment in the defence sector from 49% to 74% under the automatic route. The decision to increase FDI in the defence sector was taken by the government to increase domestic defence production, develop new technology in India and maximise the expansion of the private sector in defence production. In all categories of defence procurement, the Defence Acquisition Procedure (DAP) 2020 has enhanced the requirement for indigenous material. Recently, the government allocated a separate capital outlay of 68 per cent for the domestic industry in the defence budget 2022-23, which will aid in long-term investments and attract new capacity creation. In addition, the establishment of a nodal entity for establishing testing and certification criteria for defence systems and platforms will benefit MSMEs by allowing

for faster processes and lower costs (Peri, 2022).

Challenges:

◆ Time delays in procurement

Skewed decision-making processes, bureaucratic red tape, and multiple decision-making heads were listed as the reasons for disproportionate delays in defence procurement in a 2018 internal assessment from the Ministry of Defence. Due to hierarchical complications, decision-making on national security and defence procurement has been delayed and inefficient, resulting in the slow pace of defence modernization ("Preparedness of Armed Forces", 2018). To address this type of decision-making difficulty in defence procurement, the Ministry of Defence should implement new institutional adjustments, such as reorganising the decision-making process. For more inclusive and efficient decision-making, representatives from the armed forces should be included in defence procurement and national security decision-making. To decrease delays and corruption in defence procurement, an independent entity named the Defence Capital Acquisition Authority should be established outside of the Ministry of Defence (Karthi, 2020). The institution will be responsible for the entire defence purchase process, including legal, financial, budgetary, and technological aspects, and will include experts at each stage. Because the organisation will

consolidate the duties of numerous agencies involved in defence procurement, such as technical and trial evaluation, quality assurance, and contract negotiation, among others, this will significantly reduce time delays in defence procurement. This was recommended by the report of the expert committee headed by Indian Institute of Management Professor Pritam Singh. ("Skewed decision-making hitting military modernisation", 2018).

The Indian MSME sector is constrained by a lack of capital, but it is rich in innovation. MSMEs are unique in that they provide a wide range of products and services to fulfil the needs of local and global markets. Cooperating with a network of upstream and downstream partners can improve sectors' position, improve information flow, expand learning opportunities, and increase MSMEs' chances of success in the value chain.

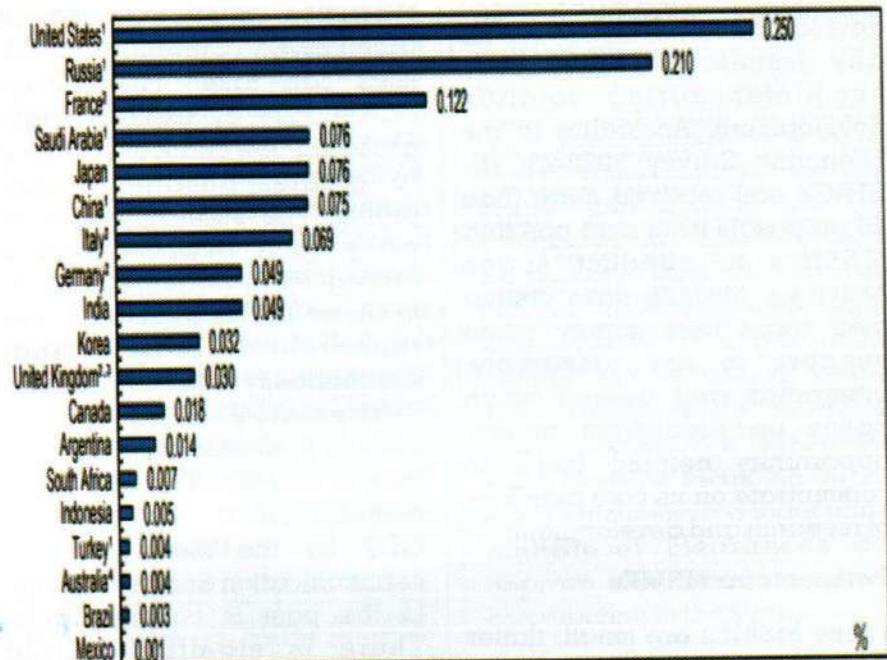
2. Role of MSMEs in The Space Economy

We might have often heard of the term "New Space Economy", but do we really know about its relevance in the current times? There is a substantial hike of 55% in the valuation of the global space economy in 2020 amounting 447 billion dollars compared to the last decade. According to a Morgan Stanley Report the space industry will be valued at \$1 Trillion by 2040. Space Economy that was once under the domain of national governments and Space

agencies is now facing cut throat competition by the arena of private players. In G20 economies, the governments still play a major role in owning, investing, regulating and developing the space industry. The balance sheets of these national governments indicate that a huge portion of their expenditure is towards the space industry which makes various economists ponder about its effectiveness. Currently there are various economists analyzing, collecting data and fabricating beneficial generalisations that would be a guide for various budding businesses in this industry. Below is a graph of the percentage expenditure in space Industry from the GDP in different economies.

Private Players and their role in the industry:

Whether its communication, navigation, pricing insurance, or merely aiding farmers to produce crops, space now offers an infinite number of opportunities for businesses that are able to develop innovative new technologies and services. With the involvement of the private players including small, medium scale businesses and start ups one extremely important question arises as to can these players strive in the Space Industry? Although "Space unicorns" have captured the new headlines, these startups and MSMEs are thinking what is called out of the box and exploring the great, unseen opportunities in this revolutionizing industry. The key drivers of the new space industry are Satellite Internet, Deep Space Exploration, Lunar Landing, Earth Observation,



Source: OCED papers for the G20 Space Economy Leader's meeting



Asteroid mining, Space Debris, Space Tourism, Space Research and manufacturing. In the recent times numerous MSMEs and startups have proved to have great scope in downstream segments besides upstream and space exploration.

In India the Indian National Space Promotion and Authorisation Centre (IN-SPACe) acts as part of Indian Space Research Organisation (ISRO). IN-SPACe promotes MSMEs by creating responsive regulatory ecosystem guaranteeing unified transfer of technological competence from ISRO to them. Dr. K Sivan, ISRO Chairman and the Secretary at the Department of Space (DoS) announced that DoS would be operational on SEED (Space Enterprise Encouragement and Development) programme, which is aimed at supporting startups and MSMEs in research, innovation and product development while resolving any issues that they may encounter during solution development. According to the Economic Survey 2022-23, IN-SPACe has received more than 40 proposals from start-ups and MSME's to conduct space activities. MSMEs have shifted their focus from supply chain vendors to AIT (assembly, integration and design) which opens up prodigious market opportunity helping ISRO to concentrate on its core activities of research and development.

Prospects for MSMEs

These MSMEs are small, flatter and hence there is abundant scope for adaptation, innovation

and management. They not only commercialise but also help the space industry in three major ways namely value creation, risk-taking and using the young talent to improve their ranking in the global space tech economy. According to the reports from EU, there are around 2,30,000 people employed in the EU Space Economy. Today there are tonnes of small and medium scaled businesses in the space industry, these emerging market lead to the creation of local jobs and employment lifting the economy. Most of the MSMEs have their prime focus on a single segment out of the key drivers in this industry, paving the way for superior outcome and specialization and chiefly driving enormous emphasis on R&D. The existence of the original space economy meant underexploited markets due to lower prices, short term development period and flexible methodologies (Allen,2020). Currently businesses can take "First Mover Advantage" by exploring and grabbing new chances leading to greater advantage and profits. The success stories of many such businesses is a driving force for entrepreneurs to invest in this industry. Many researchers believe that sustainability is one of the under appreciated subdomains, making it another area of scope for the MSMEs. The amount of contribution to the country's GDP by the manufacturing, communication and information in the past is commendable. There is significant data indicating that space agencies attract students and women to

STEM-related disciplines helping the position of women and encouraging and setting an example for the further generations to step in and contribute to this economy.

Entering this sector, MSMEs break the ice paving way for innovation and growth of the New Space Economy. They came a long way from just aiding and supplying the government and space agencies to manufacturing, launching satellites, space exploration. MSMEs indeed are the future of not only the space economy but also the countries at a global level. There is wide and immense scope for the startups and MSMEs in this emerging sector. The gap between investors and the space specialists should be filled to arouse interest of the general public, encouraging investment and building confidence that space sector is not constrained to just satellites but is indeed the future of human existence.

3. Infrastructure in Karnataka: Development under PM Gati Shakti

According to the theory of investment multiplier, investment into the economy results into multiplied growth, which is compounded during periods of contraction. The Gati Shakti plan aims to boost that multiplier through infrastructure. It is based on growth in seven 'engines' which will drive infrastructural growth, such as Railways and Logistics. These engines will be supported by interlinking sectors such as IT

and Social Infrastructure and powered by Clean Energy ("Budget 2022-2023", 2022). Therefore, as is evident, the Gati Shakti Plan, besides boosting infrastructure growth, is also intended to develop self-reliance and be an important step in fulfilling India's climate goals. Karnataka is one of the most developed states in the country and with a national level renewed focus on infrastructural development, it has the opportunity to leverage its resources and fulfil its infrastructural requirements. While some categories, like ports, only have limited potential due to factors like geographical constraints, there are still multiple projects underway which can receive a much needed boost under Gati Shakti.

Roads: Karnataka boasts two major economic corridors and many Public-Private Partnership (PPP) projects in various stages. However, Karnataka faces serious problems with respect to connectivity and road quality in rural regions, or otherwise less commercially important areas. When coupled with low quality roads and rough terrain, the state of connectivity only worsens, which adversely affects farmers, small manufacturers, and producers in other industries, such as horticulture ("Advance Infrastructure in Rural Area", 2017). Expanding road connectivity to 'less critical' areas is a vital exercise. As a start, there are multiple stretches that need better connectivity, such as Mangalore-Hubli, Bangalore-Mangalore, and Ramnagar-Anmod, highlighted in the LEADS Report 2021 (Ernst

& Young LLP, 2021).

Railways: As with roads, Karnataka's rail infrastructure is expansive, but falls short on several fronts. It is not adequate or uniformly structured. Many railways projects have been stalled due to difficulties in obtaining land, despite having been granted funding. There is also a need for rail connectivity between Ankola-Hubli and Hassan-Mangalore, the lack of which prevents optimal goods transportation. Notably, many projects have been stalled due to bureaucratic red tape and inefficient procedures, which can be lessened with Gati Shakti's focus on improved efficiency as well as greater synchronization.

Airports: With the state having very limited air travel facilities while gaining increasing importance in the international

sphere, airports are a vital part of infrastructure that needs to be carried out. The next three to four years are expected to see multiple Greenfield airports. Besides the one in Shivamogga, Vijaypur, Hassan, and Raichur are geared up to have fully functioning airports. All these airports are in varying stages of completion (CW Team, 2021). Unfortunately, as with roads, PPP projects run into hurdles on the way to getting approvals and clearances. Despite partnering with public organisations, it is the private entities left to secure approvals, inadvertently burdened with cumbersome processes. Gati Shakti's focus on procedural efficiency and reduction of multi-level clearances can improve the state of airport construction in the state.

Ports: Ports have a critical role to play in the country and the state,

01

Roads

Need improved rural connectivity and quality of roads. Improve accessibility for farmers and such in 'less critical areas'.

02

Railways

Inadequate and not uniformly structured. Also restricted by bureaucracy and inefficiency.

03

Airports

Multiple PPP projects approved. Require increased transparency and efficiency.

04

Ports

Constrained by small coastline. Scope for expansion of existing ports and offshore ports.

05

Mass Transportation

Extensive network in Bengaluru, can be expanded. Scope for rural connectivity and electric buses.

06

Waterways

Multiple water systems. Unfortunately, faced with questions of practical and ecological feasibility.

07

Logistics Infrastructure

Restricted by multiple clearances, inefficiency, slow approvals, insufficient storage space, and road and rail connectivity.

drawing in substantial amounts of foreign investment, which can further support India's aim for Atmanirbharta. However, with a mere 230 kms long coastline, constructing ports is a major challenge faced by the government. Unfortunately, there is a very limited scope of expansion, due to geographical constraints. Moreover, some ports, like the Karwar port (which is considered economically important to the state) are critical hotspots for biodiversity and important for the livelihoods of fishing communities (Shetty, 2020). In such a scenario, expanding existing ports is a better option. Moreover, offshore ports are a considerable alternative, which can be initiated with Gati Shakti.

Mass Transport: There are two areas within mass transportation with scope for development under Gati Shakti. First is rural connectivity. The state has launched two projects to expand services to marginalised areas. One of these is the 'Gram Vandi' project – intended to connect smaller, less affluent towns and villages using smaller buses – and the second is the Samudra project – providing fishermen with free transport to fishmarkets (Staff Reporter, 2021). The second area of scope is that of electric buses. With an increased focus on EVs under FAME, Gati Shakti's combined effort can considerably expand the scope of electric buses in Karnataka.

Waterways: Inland waterways in the state are stressed upon much less than other forms of transport like railways and

airports despite the state having seven critical river systems. Previously, eleven waterways were proposed within the state. However, the Water Resources Department claimed that Karnataka's river system is not suitable for the construction of waterways, with many already having dams on them and others still not having the flow required for viable transportation (Joshi, 2017). With the river basin posing practical difficulties and experts warning of potential ecological disaster, extensive expansion of waterways might not be an option for Karnataka.

Logistics Infrastructure: As mentioned earlier, the LEADS Index 2021 ranked Karnataka 8th in the country for logistical ease. The primary problems faced by the state – besides road and rail connectivity – are those of facilitation, ease of doing business, and regulatory efficiency. The report also highlights "grievance redressal" to be a "major challenge" along with a long lead time for setting up warehouses due to a cumbersome clearance process. The logistics sector is further restrained by insufficient warehousing resources as well as a lack of further raising costs, bringing down efficiency, and affecting transportation and delivery in the state. With Gati Shakti providing the required push for optimal logistical functioning, the state can improve infrastructural development and boost growth prospects.

With PM Gati Shakti opening the gates to infrastructural

development, Karnataka has the opportunity to take centre stage in the country's development, draw in more foreign investment, boost growth, and improve the standard of living for all citizens. A common thread found in the categorical analysis was that of bureaucratic inefficiency. A primary area of focus for Gati Shakti in the state should be to remove procedural barriers, improve ease of doing business, and make it easier to obtain approvals, address grievances, and carry out other industrial processes. Another common thread is that of practical difficulties. For instance, coastal infrastructure is faced with multiple difficulties. Ports have only a limited space for construction and inland waterways do not have sufficient flow, depth, or space. In such a scenario, it is important for the government to think out of the box and look at creative solutions – such as offshore ports. Fortunately, with Gati Shakti being one of the key concerns of the government this year (and probably in coming years too), such solutions have greater chances of being implemented.

4. Aspirational Districts Program : Prospects and Challenges

The Aspirational Districts Programme (ADP) was initiated by the NITI Aayog under the Government of India in January 2018. Responsibilities are divided state-wise, aiming to change the conditions of underdeveloped areas and raise the



standards of living in the country, by focusing on the strengths of each district. Another arena of focus is to go down to the block level to track the progress of the district. The ADP follows the 3Cs – Convergence, Collaboration, and Competition whose progress is reviewed every month by agencies like Tata Trusts and IDInsight by giving a rank with respect to five broad categories – Health & Nutrition (30%), Education (30%), Agricultural & Water Resources (20%), Financial Inclusion (5%) & Skill Development (5%), and Infrastructure (10%), and 49 Key Performance Indicators.

After reviewing district-wise progress, under-developed ones will get the opportunity to take inspiration from the ones showing optimal progress levels.

Analysis and Prospects

In 2020-21, Balarampur district of Uttar Pradesh showed an overall maximum improvement while Fatehpur in Uttar Pradesh

provided indications of the opposite. In comparison with the first delta ranking in 2018, there have been major transformations in multiple districts. The eye-catcher for drastic change in development is Uttar Pradesh. Previously put under the category of “lagging severely”, around 7 districts of the state made it to the top 10 list of best performing aspirational districts in India in August 2021, which has helped the state in securing extra funds for further development. Among these, the Chandauli district of UP was given the most credit after the farmers were encouraged to start farming black rice. Ready to meet rising foreign demands, volumes are now adequate for shipping to countries like Australia and New Zealand and soon will reach other countries too (Lalchandani, 2021).

1) The Role of Technology in ADP

All state governing bodies have been using technology to their maximum to provide the citizens with the basic amenities under

the five socio-economic classifications. For example, Champions of Change (CoC) - the backbone of this program, is now providing advanced features like machine learning and digitized project management workflow (“Annual Report 2020-21”, 2021) to make problem-solving more efficient and effective. Technology is also being slowly adopted in rural educational institutions through smart classrooms to enhance better understanding and visualization. Advancements in this field have also improved mortality rates in the country, noticeably in Bihar. Using the help of Google Sheets to compile data on Antenatal Care and setting up call centres, the district administrations (DAs) communicate with the women having High-Risk Pregnancies to provide information about risks and required nutrition. Based on this information, lady supervisors are assigned for health check-ups. To make information access easier, talks are in place to introduce a mobile application for these details. In addition to this, the app can also provide the women with HRP something in the lines of an emergency button in case there is a medical issue that needs immediate assistance. This would provide a signal to the district health body and they can accordingly take measures to provide the needed help.

1) What data says

According to a report submitted to UNDP by the NITI Aayog, the convergence of State and Central schemes was one of the



key factors which helped DAs and individual governments squeeze out maximum results with the help of data and innovative solutions. The report shows an increase in net resilience which is the difference between resilience and vulnerability, for all districts from 2018 to 2020. This would be an expected result given the success rate of ADP. An increase in the availability of basic nutrition, social amenities and education will automatically give the citizens with more stability and resistance to rough economic and social conditions. However, data shows that priority was given to health & nutrition, education, agriculture & water resources. Financial inclusion and skill development still need to be worked on. Administrations must work on providing better information about credit facilities. Setting up the banks alone won't be enough, the villagers must be encouraged to use facilities, which can be done

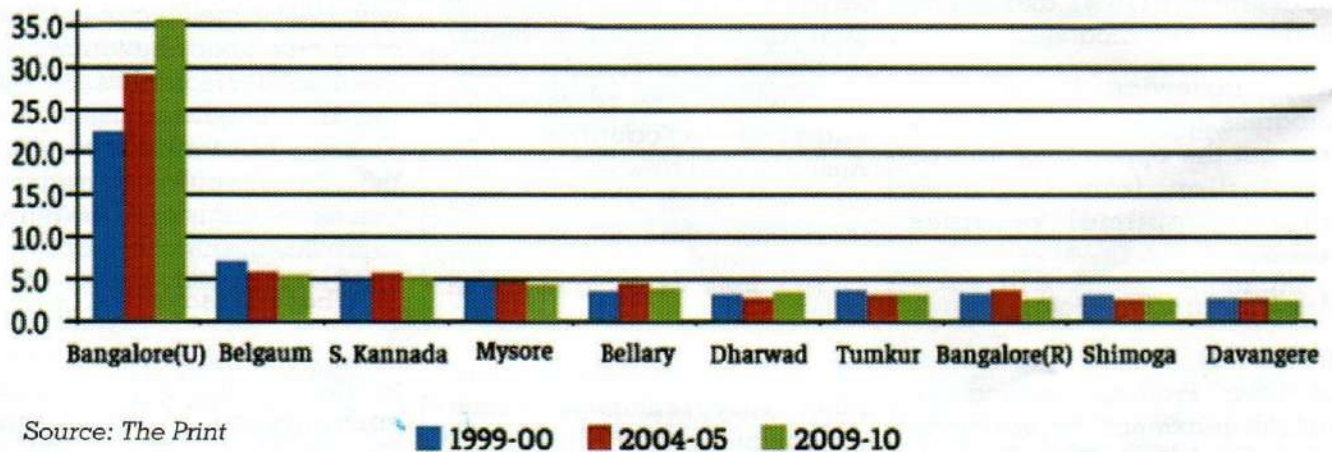
by educating them about the benefits and risks involved. This will automatically increase the rate of skill development in rural areas rise. Another area of improvement could be at the department level; better coordination between the assigned bodies will unquestionably bring out better results of progress. An important point to note is that it all starts here. If the bodies do not take up responsibilities of completing the tasks, it will not only affect the welfare of the citizens but also slow down the advancement of the entire program.

2) The Case of Karnataka

Karnataka's Yadgir district was also lauded by PM Modi for its excellent implementation of different government schemes making it one of the most "aspirational districts" in India as of January 2022. However, amongst the 112 districts assigned, Karnataka was assigned only two – Raichur and

Yadgir, this is one of the lowest allotments in India. Not to mention, the share of districts in overall income and GDP of the state is low due to uneven distribution of growth. Bangalore Urban contributes to a very large proportion of the state's GDP because of the IT industry which generates a generous amount of employment and in turn income. From the graph below, we can see that the District Domestic Product (DDP) has always been the highest in Bangalore Urban. Karnataka has been ranked last amongst its neighbours for poverty, while 13.16% of its population is multi-dimensionally poor (National Multidimensional Poverty Index, 2021). Many areas in districts of North Karnataka like Belagavi, Bagalkot, Haveri, etc. are in need of development under indicators like nutrition, child and adolescent mortality, schooling, and access to cooking fuel, sanitation, water, electricity and banking services.

FIGURE 2: SHARE OF DDP OF TOP-10 DISTRICTS OF KARNATAKA



Source: The Print

The state is better ranked under these indicators in comparison with the same in the northern part of the country. However, if we assume the Aspirational Districts Programme as the main medium for improvement, states like Bihar, Uttar Pradesh, and Haryana clearly have an upper hand for improvement as more districts have been included under the program. Since Karnataka has only two districts under the centralized scheme, it will take these districts longer to develop. Additionally, since Yadgir's performance impressed PM Modi, more funds have been directed towards its development. If we need to achieve an even distribution of growth and income throughout, more focus needs to be given to the under-developed parts instead of allotting a huge chunk of investments to make the developed districts better.

The Aspirational Districts Programme overall has shown tremendous results as projects in many districts have been saturated despite the hurdles posed by Covid19. Coordination between the Centre, States, and District Administrations has brought out results that are in line with the vision of eradicating social and economic issues which have a cause of worry for our country. Consistent efforts on identifying and developing new aspirational districts, and using resources like technology and manpower to their fullest will set the path for establishing India as one of the most structured developing countries in the world.

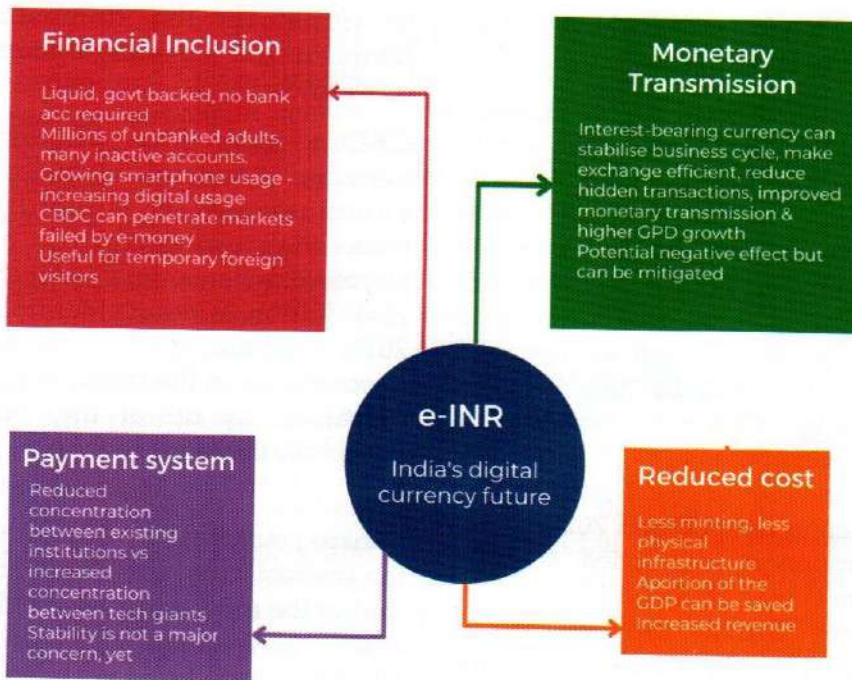
5. The forward-looking policy of the Digital Rupee

A central bank digital currency (CBDC) is the virtual form of a fiat currency issued by the central bank of a country to citizens and businesses alike. There are primary two kinds of CBDC – wholesale, used between financial entities and retail, used by the general public. China is expected to launch the digital Yen in 2022 following comprehensive pilot testing in 2020 and 2021. Other prominent economies, such as the United States, UAE, UK, and even Brazil, are in various stages of research and development. India has also revealed plans to launch the Digital Rupee. The government has plans to launch pilot tests in the first quarter of FY22 and the currency itself in the same financial year (Kharpal, 2022), of both wholesale and retail versions. However, according to the Atlantic Council's CBDC Tracker (n.d.), India is just in its R&D stage after which it will have to conduct pilot tests before a currency can be launched. Based on the fact that China's pilot tests have been running for about two years now, the probability of India being fully prepared to release a digital currency for a country as big and populous as itself within a year is extremely small, even though the first proposal for a CBDC came in 2018 from Arun Jaitley. That being said, regardless of how soon India launches its digital currency, there is a revolutionary potential

to transform the domestic financial and monetary system as we know it.

CBDCs have four primary benefits; financial inclusion, enhancement of monetary transmission, stability of payment systems, and reduced cost (Adrian & Mancini-Griffoli, 2019). Of these, the RBI intends to capitalise on the advantages presented by all of the, but especially the former two.

Financial Inclusion: India's banking structure is yet to reach the poorest, most marginalised, and/or the most remote sections of society. As late as 2017, about 190 million adults did not have a bank account and 48% of banked citizens reported having an 'inactive' account (Demirgüç-Kunt et al, 2021). In the last few years, especially with COVID-19, digital payments gained popularity and improved ease of payment for banked individuals drastically. Digital currency can take these measures a step further and provide access to payments to unbanked individuals. It would be completely liquid, government backed, and would not require a bank account. With the country adding about 25 million smartphone users every year (Abbas, 2020) and the smartphone penetration expected to reach almost 90% by 2030 ("Smartphone penetration rate", 2022), digital currencies are an optimal solution where bank accounts



and e-money have failed to reach. Moreover, a digital currency can also be utilised by temporary visitors as a wallet, envisioned by the People's Bank of China as well.

Enhancement of Monetary Transmission Systems: A digital currency can be utilised to transmit monetary policy to the rest of the country, much like credit and assets are, through the levying of interest on the currency and further through changes in that interest. According to simulation exercises using a Dynamic General Stochastic Equilibrium model, researchers have found that an interest-bearing digital currency can contribute to the stabilisation of the macroeconomic business cycle, promote efficiency in exchange, and prevent hidden transactions (reaching up to 50% of currency

in many economies) in underground economies, all of which can contribute to higher GDP growth (Nag, 2021). The RBI indicated in its latest report on currency and finance that the CBDC can be designed for greater transparency of monetary transactions (Verma, 2021) which would only further increase information symmetry and improve monetary transmission efficiency. At the same time, a digital currency can negatively impact monetary transmission by competing with non-interest paying deposits. However, risk controls can prove mitigating its impact. With India gearing up for long-term economic transformation – as is evidenced by its visionary goals outlined in the union budget 2022-2023, a digital currency can enhance that vision by effective monetary transmission and increase the investment

multiplier, all while also improving transparency and corruption level in the economy, leading to long-term prosperity.

Stability of Payment Systems:

A digital currency stands to swing the payment system stability either way depending on its structure and functionality. On one hand, it can reduce market concentration amongst the few institutions in the payments' structure. On the other hand, it can concentrate power in a few tech giants. However, with the advent of digital money and payment systems such as UPI, concentration has dispersed widely and having a centralised currency gives the monetary authority – the RBI – the chance to effectively regulate the digital payments system. As a developing country, India does not need to worry about stability as much as, say the United States. However, with fast-paced development and growth, financial stability will eventually become an important concern for India.

Reduced cost: Issuing fiat currency often takes millions of dollars' worth of costs, from minting the currency to transporting it to citizens across the country and making it available to them. A digital currency would require neither minting and physical production or investment into transportation and availability infrastructure (like ATMs). The government can potentially save a substantial portion of

their GDP through digital currencies. Combined with increased taxes due to improved transparency, India can see an increase in revenue and further propel growth prospects.

With India's financial system experiencing a shift (as is its entire macroeconomy) and technology and digitalisation expanding, the country has the opportunity to give a boost to existing measures of financial inclusion and formalisation of the informal economy, thereby propelling its development exponentially. The net benefits reaped from the digital currency depend on its design, structure, and implementation, which will require a great deal of attention, effort, and test-runs by the RBI, but there is realistic potential in the digital currency to not only transform the Indian economy as we know it but also drive its growth on an international level.

6. The Great Resignation and its impact on economy

The Great Resignation, which is spreading across the world, kicked off in the United States of America during the middle stages of the pandemic i.e., around 2021. Close to 4.5 million employees across US took voluntary resignations during September 2021 which touched 75.5 million by the end of the year (Javaid, 2022). Mainly driven by factors like burnouts, adjusting to remote work, and change in long-term goals, it was observed that the share of low-income and mid-age worker departures was higher than that

of higher-income groups. Apart from layoffs, many companies were not able to provide regular income to the employees who continued working, leave alone provide bonuses for working overtime. A very similar fad was seen in China starting April 2021 called the Tang Ping ("lying flat") started against the "996" schedule (Hancock, 2021) which represents working hours from 9am to 9pm. The movement was started by young workers to put an end to overworking and the consistent need for high-efficiency performance, along with prioritizing time for employees to de-stress.

Current State of Countries:

a) United States of America

In response to Covid19, the country's unemployment rates sky-rocketed to 13% during the second quarter of 2020. Starting out around September 2021, the Great Resignation increased the quit rate and in turn job vacancies to about 1.5 million in the country. Quit rates have seen high numbers in sectors that are labour-intensive like healthcare, hospitality, and education. In November and December alone, there were 4.53 million and 4.3 million resignations respectively ("How historic has the Great Resignation been", 2022).

b) United Kingdom

The job market in the UK has been affected severely ever since people started voluntarily leaving their jobs.

In a survey conducted by Randstad UK, the results showed that 69% of the respondents were sure of switching jobs after a few months and 24% would switch within 6 months (Brignall, 2021). Only 16% of them were worried about bagging a new job. Some companies are suggesting bonuses worth up to £10,000 to encourage employees to stay at their current positions. In light of this trend and the stress caused by Corona-virus, many firms in the country started to provide flexible work conditions with a better work-life balance. The new visa guidelines introduced by the government are set to attract more Indians for work given their high skillset and willingness to work. The new rules and requirements aim to increase employment rates in the country.

c) Europe

In a study conducted by the German company Personio, it is revealed that 46% of the workers in the Netherlands are considering shifting jobs within the next six to twelve months (Gitschuk, 2021) citing mainly deteriorating work-life balance as the reason. In Germany, inflation seems to be the main reason for people resigning from their positions. The country has the largest economy in Europe and is facing prob-



33

THE TRIGGERS

Top 5 reasons from the perspective of HR:

1. Dismissal of colleagues - 24%
2. Deterioration in work-life balance - 22%
3. Request to continue working at home after the corona restrictions have been lifted - 20%
4. Request to return to the office full-time after the corona restrictions are lifted - 19%
5. Unpaid leave - 18%

Top 5 reasons from the perspective of the employees:

1. Deterioration in work-life balance - 54%
2. Deterioration or lack of career opportunities - 23%
3. Lack of appreciation for work - 17%
4. I want to work in another sector - 17%
5. Bad management - 14%

Personio.de

blems of lack of skilled labour coupled with resignations. With surging demand, the country's inflation touched 4.1%, the highest since 1993. Companies are unable to compensate employees with more wages given high prices and at the same time fear an increase in wages that could drive inflation to higher rates.

d) India

For a country like India, a significant portion of the working population is in the I-T sector. Many companies like Infosys and Tata Consultancy Services have reported high attrition rates in 2021. Companies go on to mention that their offer rejection rate by candidates is around 80% ("The Great IT Resignation", 2022). A survey conducted by Amazon India shows that around 68% of the respondents were considering a job change into a different industry for which they may or may not have the required skillset. People prefer to move to these industries as they might provide better pay and time allocation.

High quit rates that peaked in November 2021 are only expected to increase in 2022, given that people are slowly starting to rethink their long-term goals and interests, and prioritizing their overall health over good paychecks. Two prominent reasons for people quitting their jobs have been inadequate work-life balance and change in long-term goals. Companies are starting to adopt new techniques to retain their employees through higher salaries and flexible, hybrid working conditions. However, a hike in salaries might not be very effective until the heavy workload is lifted off the

employee's shoulders. The lo is what employees curre need in the midst of a pande In India recently, cam placements with MNCs sa record CTC package of ove 1 crore in the field of IT industry. These MNCs pro such a high quote to wo graduates in lieu of these re trends of resignation, to ct more workers. MNCs must mentioning the non-mone benefits related to the wor balance that they provide the job if they want intervie to maintain a long- relationship with the comp With the influence of techn and social media growin the current generat youngsters are also s discovering new streams o which will not only gen income but will also give the time to improve their s and unwind.

Countries like UAE Portugal have rec introduced new rules relc work timings and etiquett

New Work from Home Rules

- 01 Altering work timings
- 02 Introducing in-office stress busting activities
- 03 SOLUTIONS TO THE GREAT RESIGNATION

UAE reduced the number of working days to 4.5 days while Portugal has made it illegal for bosses to contact employees beyond office hours. India recently passed a new set of labour code laws; one of them proposes temporary work contracts with employees. This will change the way recruitments are carried out and will also provide a wider range of options for the younger population. However, for the middle-aged working class, this will reduce job security and make it harder for them to find new positions as

they've dedicated most of their career to that company. Global economies must resort to measures like that of UAE and its counterparts in order to retain their staff and at the same time maintain a healthy relationship with them. Introducing new laws related to remote work would also be a very effective step towards reducing the rate of resignations in each country.

The Great Resignation of 2021 is slowly expanding its base throughout the world and that is an unpleasant sign for the individual and the global

economy. Increasing quit rates can lead to a disequilibrium causing a major labour supply shock throughout. To avoid such a situation, innovative solutions must be brought to the table, on both company and government levels. Individuals can also play their part in reducing the rate of resignations by negotiating with their company for better working conditions and re-assuring higher-ups that remote working would not reduce their productivity but instead make them more efficient.

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GST

UPDATE

Karnataka, Land of "Yogakshema", is most tax-compliant State: FKCCI

Karnataka is the most tax-compliant State in the country, which was instrumental in the Finance Ministry achieving the highest GST revenue of Rs 1.4 lakh crores ever since its introduction, said Dr I.S. Prasad, President, FKCCI.

The occasion was the Interactive meeting with Ms C. Shikha, IAS, Commissioner of Commercial Taxes, GoK on Feb 10 at FKCCI.

This achievement, the FKCCI President observed, was despite the dip in businesses in many sectors like APMC, cinema & entertainment industry, trade, hotel industry, etc. due to the pandemic, and reflected a sense of yogakshema cited in the Bhagavad Gita.

Regarding concerns of taxpayers, Dr Prasad informed that the mismatch in Actual figures filed v/s. figures captured in ASMT-10, escalate the data capturing issue to the concerned authorities, when refunds are claimed and when the taxpayer visits the CT office, the data reflected in Dealer portal and Department are showing different figures leading to intractable issues,

Stating that MSME is impacted due to 3 waves of Covid-19 and many businesses have closed down, while several others suffered from a reduction in turnover, he requested the Department not to initiate action for earlier years, and pointed out that insisting on immediate payments with very less time given to respond ended up choking the business operations. There were many instances where Audit reports are issued and subsequent adjudication by issue of Show Cause Notice is pending, leading to uncertainty for businesses. The TDS credit filed by many Government Departments are not getting reflected in the portal due to inaccurate/non-filing of Forms for TDS deduction, he said. Calling for specific training to Officers along with FKCCI GST Committee, Dr Prasad requested the Department to operate a Helpdesk once in a month at FKCCI to assist taxpayers like a CSR activity.

Sri B.T. Manohar, Chairman, GST Committee, who was later felicitated for his successful 45 years of contribution to FKCCI

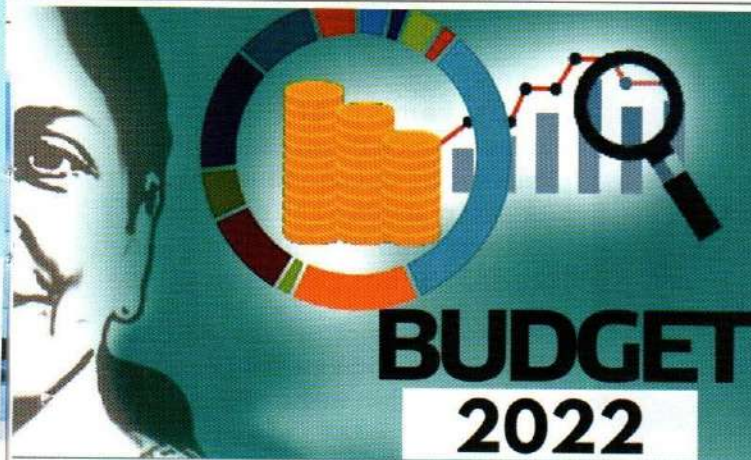
and the society on Tax issues, acknowledged that the CGST and CT Department(s) have given great support and FKCCI stands like a model in conducting awareness programs in VAT and GST. A detailed Memorandum requesting for reforms and restructuring of rate schedule under Professional Tax Act, Karnataka has been submitted to Hon'ble Chief Minister of Karnataka and Commissioner of Commercial Taxes Department, he said.

Ms C. Shikha, IAS, Commissioner of Commercial Taxes, informed that the Commercial Taxes Department, Karnataka was the second highest contributor in GST collections. On audit concerns, she admitted to some teething problems but assured that it was part of the transition and will be resolved shortly as a professional team is working on this issue.

Additional Commissioners, viz. Sri Padmakar Kulkarni, HQ1, Dr B.V. Muralikrishna, e-Governance and Dr M.P. Ravi Prasad, HQ2 took part in the deliberations. There were lot of other issues and queries raised by the Members during the interaction. The Commissioner informed that the queries raised by the participants will be resolved soon.

Sri B.V. Gopal Reddy, Sr. Vice-President, FKCCI said all the issues were responded to by the Additional Commissioners satisfactorily. The interaction concluded with vote of thanks by Sri Ramesh Chandra Lahoti, Vice-President, FKCCI.





ANALYSIS @ FKCCI

Union Budget 2022

will impact the next 25 years: MRV, Prominent Advocate

The Hon'ble Union Finance Minister, Smt. Nirmala Sitharaman deserves kudos for reining in fiscal deficit at 6.4% in a Covid-affected year and for presenting a budget that has laser focus on farm and rural sector, education, and health, guided by PM Gati Shakti riding on 7 engines viz. Roads, Railways, Airports, Ports, Mass Transports, Waterways and Logistic Infrastructure, said Dr I.S. Prasad, President, FKCCI, at an interaction on Analysis of Union Budget 2022-23 held in physical and virtual mode on Feb 3 at FKCCI.

The FKCCI President and other participants presented a cross-section of views and insights, a gist of which is given below:

Dr I.S. Prasad, President: It is good that the Finance Minister has extended the emergency credit line guarantee scheme (ECLGS) for MSMEs, by one more year till March 2023, and also the guarantee cover for MSME by an additional Rs 50,000 crores to total cover of Rs 5 lakh crores under CGTMSE which will help revive the 130 lakhs MSMEs.

He also welcomed the Credit Guarantee Trust for Micro &

Small Enterprises (CGTMSE) scheme which is being revamped with required infusion of funds, which will facilitate additional credit of Rs.2 lakhs crores for Micro and Small Enterprises and expand employment opportunities.

The outlay for capex that is, capital expenditure, has been stepped up by 35.4% to Rs 7.5 lakh crore. Customs duty has been cut on some products.

FKCCI sought for further encouraging of the start-up growth, and the budget has continued the concessional tax rate for new manufacturing set-ups at 15% for another year. The

Budget also provides for inclusive development of Agriculture, implementation of Ken Betwa Link project and other river linking projects, providing a comprehensive package for food processing with participation of State Government.

CA Sri Shravan Guduthur, Chairman, Central Taxes, Corporate Laws & ADR Committee: There are new initiatives in new and clean energy and the budget has got clarity in relation to crypto taxation, digital initiatives like the digital platform, digital banking, and fintech proposals, agri based initiatives, etc.



Chief Speaker and Guest, Dr M.R. Venkatesh, Practicing Advocate, New Delhi:

It is a budget not only for this year, but also one that will impact the next 25 years. With this, Prime Minister, Sri Narendra Modi will become the Franklin Roosevelt of India. Roosevelt became the President of America during war-time and great depression, and he responded with a simple 3R formula: Relief to the poor, Reforms for Financial Sectors and Recovery of the economy (3R).

The economic survey points out manufacturing growth has increased by 11% last year 2021-22. But for employment to grow more, manufacturing has to grow above 25%.

The Government must realise that any welfare programme has to be re-evaluated for its efficacy 5 years down the line.

The farm sector is not cribbing about non-availability of skilled man power during harvest or sowing season because of MGNREGA and consequently they are compelled to hire people

at a much higher cost, which has added on to the cost of production and CACP prices have repeatedly gone about increasing the cost of production of various food grains, MSP, inflation, CPI etc. all of which will have a cascading affect.

The Finance Minister was very conservative in the Budget numbers, as she prefers to be proved right eventually, rather than be caught on the wrong foot. The revenue receipts probably are tipped to rise from Rs 20,78,000 cr to Rs 22,00,2000 cr, showing hardly 5-6% increase, and with this it is difficult to record growth more than 8%.

One primary concern that is probably not getting addressed is the primary deficit which is gross revenue minus gross expenditure showing a deficit of around 7.2 lakh crores even before interest.

The Government is carrying Rs 135 lakh crores of liabilities against assets of Rs 80 lakh crores and the liability not backed by assets is 60% of our debt.

There has been phenomenal improvement in terms of allocation on road, railways etc. while the allocation for water resources has increased sharply from Rs 10,000 crores in 2020-21 to Rs 60,000 crores.

Capex expenditure too at Rs 7,50,000 is one of the highest allocation that we have seen.

Coming to some of the tax proposals, the digital currency tax which the FM has proposed, is long pending.

Dr M.R. Venkatesh concluded the session and took questions from the participants during the panel discussion.

CA Sri P.V. Srinivasan, Corporate Advisor on Global Tax & Corporate Laws:

The following key proposals were highlighted in his presentation:

- ◆ 15% capping of surcharge on Long Term Capital Gain applicable to all capital assets including unlisted securities
- ◆ Disallowance of expenses in respect of offence under, or which, is prohibited by any law
- ◆ Deduction is not available when Interest payable is converted into debenture/loan
- ◆ Discontinuation of concessional tax of 15% on dividend received from Foreign Company (Section 80M deduction is available)
- ◆ Regressive provision introduced in Section 68 to provide explaining source of

source of loan or borrowing

- ◆ Reduction of the amount of goodwill from block of assets, is deemed to be transfer and liable to short term capital gain tax
- ◆ Time limit for commencement of manufacturing u/s 115BAB extended up to 31-Mar-24
- ◆ Time limit for incorporation of eligible start-up for claiming deduction u/s 80-IAC extended up to 31-Mar-2023
- ◆ Bringing parity between Charity provisions i.e. Section 10(23C) and Section 11/12
- ◆ Introduction of TDS u/s. 194R on benefit/ perquisites provided u/s 28(iv)
- ◆ Higher rate of TDS/TCS u/s 206AB and 206CCA to persons who have not filed tax Returns for immediately preceding year (as against two years)
- ◆ Alternate Minimum Tax reduced from 18.5% to 15 for co-operative societies
- ◆ Deduction of expenses incurred towards Covid-19 by the employer for the employee and his family and exemption to related ex-gratia payments
- ◆ Introduction of tax on virtual digital assets including withholding tax, which would significantly seek to regulate transactions in crypto and which were hitherto, escaping tax

- ◆ Enable filing belated Income Tax Return u/s. 139(8A)
- ◆ Beneficial provisions to reduce repetitive appeals and litigations on covered matters, involving identical question of law
- ◆ No change in corporate or personal income tax rates

CA Sri Deepak Kumar Jain, Founder, Accolet Advisors Pvt Ltd & IndiaGST.com: The following proposals formed the core of his address:

- ◆ Section 38 has been introduced in GST law providing for additional conditions on the recipient to avail credit. Many of these restrictions are considered to be regressive and FKCCI should take up the issue as post-budget recommendation, to mitigate the adverse implications on a compliant assessee
- ◆ Providing reversal of ITC taken with interest, when the supplier fails to discharge outward GST
- ◆ Providing enabling provisions for allowing debit or restrictions to electronic credit ledger
- ◆ Allowing transfer of cash balances between branches of distinct persons and which would highly benefit the industry, particularly impacted from Covid
- ◆ Making amendments in Section 50(3) that provide

recovery of interest only when irregular credit is wrongly utilized. With this, many show-cause notices issued by Department for interest demand on irregular credit taken but utilized, would now be decided in favour of the assessee

- ◆ Two months of extension in time limit for issuance of credit note, availing ITC, corrections in GSTR-1 and 3B, among others
- ◆ Providing sequential filing of GSTR1 and 3B
- ◆ Providing that SEZ Act would be replaced by a new legislation with participation from State Governments
- ◆ Consolidation of tariff entries and removal of redundant exemption notifications under customs
- ◆ Chart providing indicative rate changes under Customs

Panel Discussion

The Panelists of the Sessions included Dr M.R. Venkatesh, Practicing Advocate, Sriyuths P.V. Srinivasan, Corporate Advisor, Kamal Bali, President & MD, Volvo Group, Jayanta Chatterjee, Head of Tax, ABB India, D. Muralidhar, Director, SNAM Abrasives & Past President, FKCCI.

The meeting concluded with the Panel discussions and Q&A and vote of thanks by Sri Ramesh Chandra Lahoti, Vice-President, FKCCI.



MANTHAN

South India's most prestigious Business Plan competition from FKCCI woos entrepreneurial spirit in youth



CA Dr I.S. Prasad, President, FKCCI informed that MANTHAN, a flagship event of FKCCI, was an annual Business Plan Presentation Competition instituted in 2009 inaugurated by Former President of India and Bharat Ratna, Late Dr A.P.J. Abdul Kalam, and in its 14th edition, aimed at encouraging young minds to develop the entrepreneurial spirit. This program is devised particularly for under graduate, graduate and post-graduate students from entire South India, he said, and added that the student teams are trained, their proposals evaluated and the most innovative, technically feasible, commercially viable

and implementable Business Plans are rewarded with a cash prize.

Stating that FKCCI is organizing MANTHAN in line with National Education Policy (NEP) with an aim to create more young entrepreneurs for nation-building and reducing the Industry & Academia gap by enhancing the skill sets of young students, he said it would also help to realise Hon'ble Prime Minister, Sri. Narendra Modi's vision to make India a \$5 trillion economy by 2025 with inclusive and equal opportunities for everyone, as part of Azadi ka Amruth Mahotsav celebration, and move towards a new India for the next generation.

The much-awaited Curtain-raiser of the 14th Edition of FKCCI's flagship event, MANTHAN-2022 was held on Feb 18 at Sir M V Auditorium of FKCCI, chaired by Dr C.N. Ashwath Narayan, Hon'ble Minister for Higher Education, Electronics, IT & BT, Science & Technology, Skill development & Entrepreneurship and Dr E.V. Ramana Reddy, IAS, Additional Chief Secretary, Department of Industry & Commerce, GoK.

FKCCI will organize Youth Entrepreneurship Summit for aspirational youth pursuing higher education in Karnataka during May/June to inculcate confidence, hope and seek inspiration from eminent resource persons, he said and added that requested Hon'ble Minister for Higher Education, Electronics, IT & BT, Science & Technology to use his good offices to ensure that Hon'ble Prime Minister accepts FKCCI's invitation to chair the event as the Chief Guest.

ಡಿಜಲೀಕರಣದಲ್ಲಿ ಕ್ರಾಂತಿ ಸಾಧಿಸುತ್ತಿರುವ ಭಾರತವು ಇಂದು ಅಮೆರಿಕದಂತಹ ದೈತ್ಯರಾಷ್ಟ್ರಗಳಿಗೂ ಮಾದರಿಯಾಗುತ್ತಿದೆ ಎಂದು ಐಟಿ-ಬಿಟಿ, ವಿಜ್ಞಾನ ಮತ್ತು ತಂತ್ರಜ್ಞಾನ ಸಚಿವ ಡಾ.ಸಿ.ಎನ್. ಅಶ್ವತ್ಥ ನಾರಾಯಣರವರು ಎಫ್‌ಕೆಸಿಸಿಐ ಏರ್ಪಡಿಸಿದ್ದ 14ನೇ ಆವೃತ್ತಿಯ 'ಮಂಥನ' ಸ್ಪರ್ಧಾ ಪೂರ್ವ ಕಾರ್ಯಕ್ರಮದಲ್ಲಿ ಹೇಳಿದರು.

ದೇಶದಲ್ಲಿ ಅನಕ್ಷರತೆ, ಬಡತನ ಮತ್ತು ಮೂಲಸೌಲಭ್ಯಗಳ ಕೊರತೆ ಇನ್ನೂ ಇದೆ. ಇವೆಲ್ಲವನ್ನೂ ಕಿತ್ತೊಗೆಯಲು ತಂತ್ರಜ್ಞಾನಕ್ಕಿಂತ ಅತ್ಯುತ್ತಮ ಸಾಧನ ಮತ್ತೊಂದಿಲ್ಲ. ಇದನ್ನು ಅರಿತ ಪ್ರಧಾನಿ ನರೇಂದ್ರ ಮೋದಿ, ಡಿಜಲೀಕರಣದಲ್ಲಿ ಕ್ರಾಂತಿ ಮಾಡುತ್ತಿದ್ದಾರೆ. ಹಲವು ಇತಿಮಿತಿಗಳ ನಡುವೆಯೂ ಡಿಜಲೀಕರಣದಲ್ಲಿ ಅತ್ಯುತ್ತಮ ಪ್ರಗತಿ ಸಾಧಿಸಲಾಗಿದೆ. ಹಲವು ಇತಿಮಿತಿಗಳ ನಡುವೆಯೂ ಭಾರತ ಈ ಸಾಧನೆ ಮಾಡಿದ್ದು, ಅಮೆರಿಕದಂತಹ ದೈತ್ಯರಾಷ್ಟ್ರಗಳಿಗೂ ಮಾದರಿಯಾಗುತ್ತಿದೆ ಎಂದು ಮಾನ್ಯ ಡಾ.ಸಿ.ಎನ್. ಅಶ್ವತ್ಥ ನಾರಾಯಣರವರು ಶ್ಲಾಘಿಸಿದರು.

ಸಬ್ಬಿಡಿ, ಸಾಲ, ರಿಯಾಯಿತಿ ಮತ್ತು ವಿನಾಯಿತಿಗಳ ಆಧಾರದ ಮೇಲೆ ಉದ್ಯಮಗಳನ್ನು ಬೆಳೆಸಲು ಸಾಧ್ಯವಿಲ್ಲ. ಜಾಗತಿಕ ಸ್ಪರ್ಧೆಯ ಈ ದಿನಮಾನದಲ್ಲಿ ಅತ್ಯುತ್ತಮ ಗುಣಮಟ್ಟವೊಂದೇ ನಮ್ಮ ಅಸ್ತಿತ್ವಕ್ಕೆ ಆಧಾರವಾಗಿದೆ. ಈಗ ಜಾರಿಗೆ ಬರುತ್ತಿರುವ ನೂತನ ರಾಷ್ಟ್ರೀಯ ಶಿಕ್ಷಣ ನೀತಿಯು ಈ ನಿಟ್ಟಿನಲ್ಲಿ ದಾರಿದೀಪವಾಗಿದೆ ಎಂದ ಅವರು, ಬೆಂಗಳೂರು ಉದ್ಯಮಶೀಲತೆ, ತಂತ್ರಜ್ಞಾನ, ನವೋದ್ಯಮ, ನಾವೀನ್ಯತೆ, ಆವಿಷ್ಕಾರ ರಂಗಗಳಲ್ಲಿ ಜಗತ್ತಿನ ಅಗ್ರಮಾನ್ಯ 30 ನಗರಗಳಲ್ಲಿ ಒಂದಾಗಿದೆ. ದೇಶದಲ್ಲಂತೂ ಬೆಂಗಳೂರನ್ನು ಉಳಿದ ನಗರಗಳು ಅನುಸರಿಸುತ್ತಿವೆ. ಇದಕ್ಕೆ ಪೂರಕವಾಗಿ ರಾಜ್ಯ ಸರ್ಕಾರವು 'ನಾವೀನ್ಯತಾ ಪ್ರಾಧಿಕಾರ ರಚನೆ' ಸೇರಿದಂತೆ ಹತ್ತು ಹಲವು ಉಪಕ್ರಮಗಳನ್ನು ಜಾರಿಗೆ ತಂದಿದ್ದು, ಉದ್ಯಮಗಳ ಬೆಳವಣಿಗೆಗೆ ನಿರ್ಣಾಯಕ ಸಹಕಾರ ನೀಡುತ್ತಿದೆ ಎಂದು ಐಟಿ-ಬಿಟಿ, ವಿಜ್ಞಾನ ಮತ್ತು ತಂತ್ರಜ್ಞಾನ ಸಚಿವರಾದ ಡಾ.ಸಿ.ಎನ್. ಅಶ್ವತ್ಥ ನಾರಾಯಣರವರು ಹೇಳಿದರು.

Sri B.A. Abishek, Chairman, MANTHAN-2022 said the competition has now been expanded to five States of south India, viz. Karnataka, Tamil Nadu, Kerala, Telangana and Andhra Pradesh and explained the various processes such as registration, submission of synopsis, conduct of knowledge workshops, presentation & elimination, mentoring and lastly, the grand finale.

Dr E.V. Ramana Reddy, IAS, Additional Chief Secretary to Industry & Commerce and IT, BT and Science & Technology, GoK, presented a gist of the initiatives taken by the Government to encourage start-ups and investments. The State supports start-ups through its Elevate programme that offers handholding. As a global Innovation and Start-up hub with more than 400 global R&D

centres and 4000+ start-ups, Karnataka ranked top in India Innovation Index as per Niti Aayog and is also identified as Best Performing State in start-ups. Bengaluru is the 4th largest Technology & innovation cluster, with 400+ venture capitalists & 4000+ angel investors, and Bengaluru unicorns have total valuation of US\$138 billion against all-India US\$ 221billion. All these things have happened because of the eco-system provided by the State Government, he said and promised full support to FKCCI for the betterment of industry & trade.

Sri Prashant Prakash, Chairman Vision Group for Start-ups, Government of Karnataka and Founding Partner Accel India, announced that he will contribute Rs.1million to the

cash prize so as to make the total cash prizes offered at Rs 2 million, to fulsome applause from the participants.

He informed that India has 600+ million internet users, 400+ active users on social media platform, 200+ million online shoppers and 1.1 billion mobile users. This has grown 10 times in last 5 years. The COVID further accelerated this growth. This indicates that India has an excellent infrastructure for e-platform and enormous opportunity particularly in this sector. Pointing out that India's start-up eco system is 3rd largest eco-system in the world with 55,000+ start-ups at combined valuation about USD 315 billion, he affirmed that the start-ups too will play a major role in realising our USD5 trillion economy dream.

Ms Sheelan Misra, Head, Udaan, New Horizon Centre for Innovation, Incubation & Entrepreneurship of New Horizon School of engineering, Bengaluru spoke on Innovation & Entrepreneurship and

announced that the best business plans/ideas of MANTHAN-2022 are entitled for Rs.10 Crore seed money subject to meeting the criteria of the institution.

Dr A.P. Achar, CEO of AIC NITTE

Incubation Centre made a presentation on the evolving eco-system of start-ups in India and also announced Rs.2 crore seed money for top ten business plans/ideas subject to meeting the criteria of the institution



Earlier, Dr I.S. Prasad, President, FKCCI called on Sri Rajeev Chandrashekar, Hon'ble Union Minister of State for Electronics & Informational Technology, Skill Development & Entrepreneurship, GoI and explained the salient features and purpose of the

14th Edition of MANTHAN 2022. The Union Minister appreciated the initiative and informed that a detailed discussion could be held in New Delhi to take forward the proposals.

MANTHAN 2022 last date for Business Plan entries has been extended to Feb 28. Entries invited from any Under-Graduate/Graduate/Post-Graduate student from Karnataka/Tamil Nadu/Andhra Pradesh/ Telangana /Kerala. More details on <https://manthan.fkcci.org>

National project status to Upper Bhadra project will impact lives of millions: FKCCI

The grant of national project status to the Upper Bhadra Project (UBP) can change the life of people in the drought-prone areas of central Karnataka, viz. Chikkamagaluru, Chitradurga, Davanagere, and Tumakuru, as their irrigation needs will be met by water from Tunga and Bhadra rivers, said FKCCI, thanking the Centre for its nod to what is the first project in Karnataka to get national project status.

The significance of the UBP gaining national project status means the project will be eligible

for 90% funding by the Centre, said Dr I.S. Prasad, President, FKCCI, and added that this would provide much needed relief for the farmers as nearly 367 tanks spread across the talukas in the districts of Chitradurga, Chikkamagaluru, Davanagere and Tumakuru will benefit from micro-irrigation augmented by lift irrigation method, particularly during the dry Kharif seasons, and according to one estimate, would positively impact more than 7.4 million people in the region.



The National Small Industries Corporation Limited

Raw Material Assistance/ Raw Material Distribution

NSIC facilitates MSMEs in their raw material requirement by making arrangements with manufacturers for procuring the materials and supplying the same. Provides opportunity to purchase Raw Materials (Indigenous & Imported) in cash and earn discounts. Enters into MOU with manufacturing on behalf of MSME, obtains large quantitative discount and supply the materials to MSME through transit sale and passes entire quantitative discount enabling competitiveness. (Materials like iron & Steel Aluminium, Zinc, Copper, Cement, Lead, Paraffin, Polymer Etc.) any other products can be added.

Single Point Registration Scheme (SPRS) for Govt. Supplies

NSIC is acting as statutory body for Registration of MSME's. It enables to the MSME's for supplying to Central/State Government Department and PSE's Institutional supplies Etc.

1. Tender Sets at free od cost
2. Waiver of Earnest Money Deposits
3. Price preference up to 15% over Large industry.

Credit Facilitation under Bank Tie Up

To meet the credit requirement of MSE units NSIC has entered into a MOU with various Nationalized and Private Sector Banks. Finance up to any limit in form of CC, Bills, LC/BG, and term loans from 19 banks at competitive interest Rates.

Other important schemes

Tender Marketing: Participation in domestic tenders on behalf of MSEs and benefiting them by NSIC brand name. Finance also available against orders on need basis.

Digital Services Facilitation through Aggregation Services.

In order to facilitate MSMEs in terms of Technology adoption and achieve higher business efficiencies, business automation and compliances, NSIC is now operating as an aggregator and facilitator of ICT Enabled Digital Services to MSMEs on transparent and affordable prices by way of on-boarding various service providers, M/s. Adaequare Info Private Limited, M/s. Dun & Bradstreet Information Service India, M/s. Bharti Airtel Limited and M/s. Zoho Technology Pvt Ltd offering different products/ services that are required by MSMEs for adopting the digital ways of managing their businesses. The services being offered are Accounting and GST Software-uBooks, DUNS Registered solutions, D&B I Access, D&B Hoovers, D&B Credit, Private & Secure connectivity, Domestic & International Toll Free Number, Bulk SMS, Virtual Mobile Number, Data Centre & Cloud Services, Audio & Video Conferencing Solutions, Books - Online accounting solution, Commerce - Create your online store, CRM- Build Lasting Customer Relationships, Inventory-for growing businesses and Workplace-integrate suite of applications

Interested units are requested to contact branch for further details

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FKCCI delegation with H.E. Sri Venkaiah Naidu, Vice-President of India, and Sri P.C. Mohan, MP, Bengaluru Central, on which occasion, Dr I.S. Prasad, President, briefed about FKCCI's initiatives like Manthan 2022 to encourage entrepreneurial capital among youth, and other activities like the proposed Youth Summit

Team FKCCI led by Dr I.S. Prasad, President called on Hon'ble, Pralhad Joshi, Union Minister of Parliamentary Affairs, Coal and Mines, and Sri V. Sunil Kumar, Minister of Kannada & Culture and Energy Department, GoK, as part of preparatory work for the proposed Members of Parliament (MPs) Meet in Delhi



Dr I.S. Prasad, President, FKCCI called on Sri Dinesh Chandra Patwari, IRS, Principal Chief Commissioner of Income Tax at his office to invite him for an interaction with the Members of FKCCI

Dr I.S. Prasad, President, FKCCI called on Sri D.V. Sadananda Gowda, Hon'ble Member of Parliament & Former Chief Minister of Karnataka at his office to discuss FKCCI's proposed Members of Parliament Meet at New Delhi





FOTO FEATURE



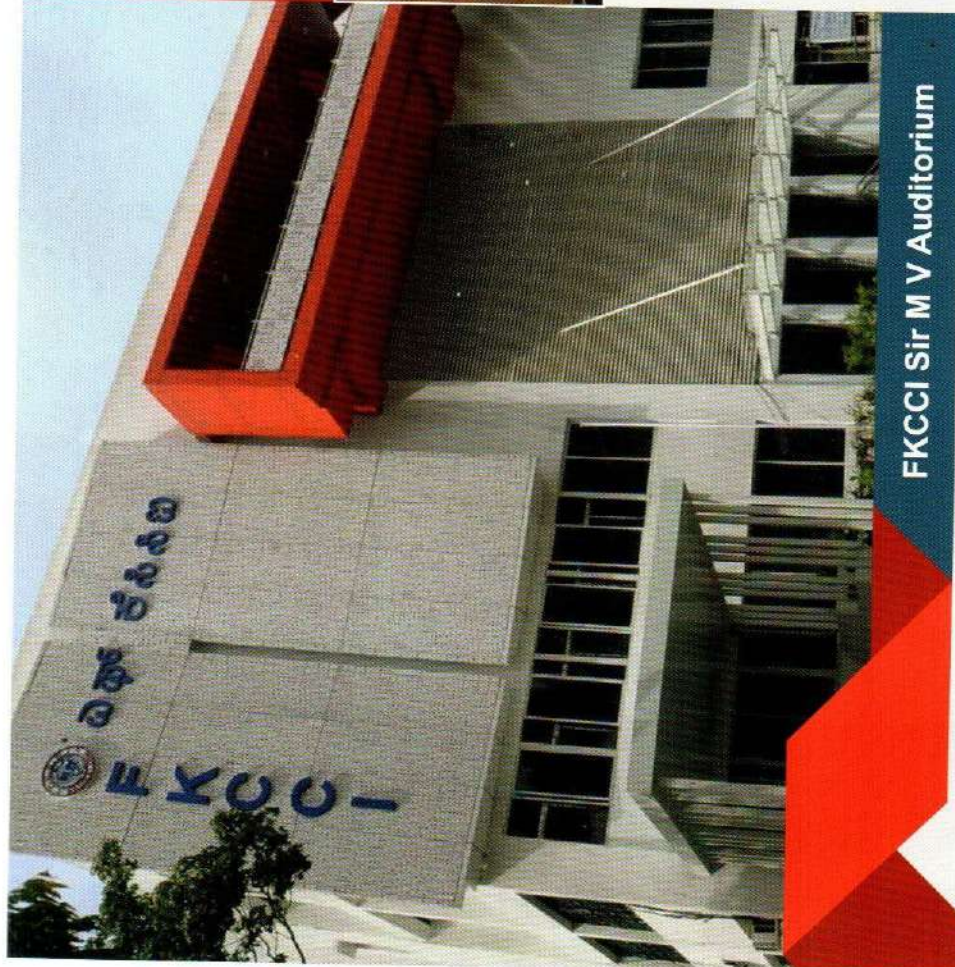
Dr I.S. Prasad, President, Sri B.V. Gopal Reddy, Sr. Vice-President, Smt. Uma Reddy, Chairman, International Affairs Committee, FKCCI greeted Ms Akiko Sugata, Consul-General of Japan on the Japanese National Day Reception held as part of celebration of the Birthday of His Majesty, the Emperor of Japan on Feb 23 at Hotel Shangri-La



Hon'ble, Sri Vishweshwar Hegde Kageri, Hon'ble Speaker, Karnataka Legislative Assembly, Sri Basavaraj Horratti, Speaker, Karnataka Legislation Council, Dr I.S. Prasad, President, FKCCI and other dignitaries inaugurated the Roundtable Discussion on One Nation, One Election, organized by Bharatiya Vikasa Vedike at Bengaluru.

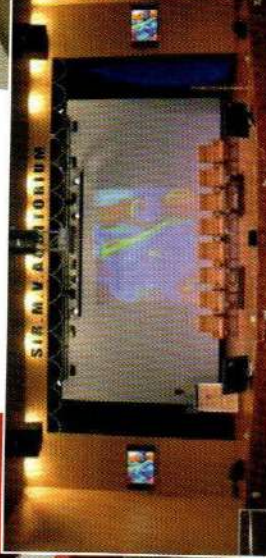


Dr I.S. Prasad, President, FKCCI addressed the Students of MBA Batch 2021-23 at Nagarjuna Degree College, Yelahanka, Bengaluru on Feb 26



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				Meeting Room	69 seats	1067 sq.ft.	Motorised Projector, DVD Player, White Board, Fully Air-conditioned

For more information & bookings please contact

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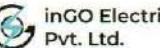
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