

GSIA BI-MONTHLY NEWS BULLETIN  
**GOA STATE INDUSTRIES ASSOCIATION**

*(An Apex Association for Micro, Small & Medium Enterprises in Goa)*

ISO 9001:2008 Certified

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**GSIA Executive Committee Members for 2010-2013****President**

Mr. Shekhar Sardesai

**Vice President**

Dr. Sangam Kurade

**Hon. Secretary**

Mr. Sandeep Sardesai

**Imm. Past President**

Mr. Atul P. Naik

**Hon. Treasurer**

Mr. Rajiv Negvi

**Members**

Mr. Rajkumar Kamat

Mr. Abhijeet Naik

Mr. Shiv Kumar Patil

Mr. Parag Joshi (Co-opted)

Mr. Sanat Raiturkar

Mr. Naresh Pai

Mr. Suharsh Usgaonkar

Mr. Sameer Keny

Mr. Kiran Shirsat

Mr. Rajesh Khaunte (Co-opted)

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**GSIA Advisory Committee Members for 2010-2013****President**

Mr. Shekhar Sardesai

**Imm. Past President**

Mr. Atul P. Naik

**Past Presidents**

Mr. Atul Pai Kane

Mr. Sudin Naik

Mr. Keshav Kamat

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**GSIA Co-ordination Committee for 2010 - 2013****1. Entrepreneurship Development & Human Capital Committee****Chairman :** Mr. Atul Pai Kane**Members :** Mr. Vivek Kamat, Director, DTE  
Mr. Prabodh Kamat, SM, Dempo Group**2. Micro Industries Development Committee****Chairman :** Mr. Rajkumar Kamat**Members :** Mr. Sameer Keny  
Mr. Suharsh Usgaonkar**3. Industrial Estate Coordination Committee****Chairman :** Mr. Sandeep Sardesai**Members :** Mr. Kiran Shirsat  
Mr. Abhijeet Naik  
Mr. Sameer Keny  
Mr. Sanat Pai Raiturkar  
Mr. Rajiv Nevgi**4. Taxation/Legal Committee****Chairman :** Mr. Atul P. Naik**Members :** Mr. Keshav Kamat  
Mr. Atul Pai Kane  
Adv. Y.S. Pai Bir**5. Environmental Protection Committee****Chairman :** Mr. Keshav Kamat**Members :** Mr. Naresh Pai  
Mr. Suharsh Usgaonkar**6. Bio Technology Sector & Bio Incubator Committee****Chairman :** Dr. Sangam Kurade**Members :** Mr. Atul P. Naik  
Mr. Shekhar Sardesai**7. Communication & Publicity Committee****Chairman :** Mr. Shekhar Sardesai**Members :** Mr. Sandeep Sardesai  
Mr. Sanat Pai Raiturkar  
Dr. Sangam Kurade  
Mr. Atul P. Naik**8. Policy & Strategy Committee****Chairman :** Mr. Parag Joshi**Members :** Mr. Sudin Naik  
Mr. Atul Pai Kane  
Mr. Keshav Kamat  
Mr. Atul P. Naik**9. ITI Development Committee****Chairman :** Mr. Sudesh Rane**Members :** Dr. Sangam Kurade  
Mr. Rajkumar Kamat  
Mr. Shivkumar Patil**10. Training & Academic Programmes Committee****Chairman :** Mr. Rajkumar KamatMr. Lalit Saraswat  
Mr. Vikram Kamat



## GSIA's Representation on various Committees on the Government/ Government undertakings etc. for the tenure 2010-2013

	COMMITTEE	REPRESENTED BY
1	Goa Industrial Development Corporation (Goa IDC) Board.	President
2	State Level Co-ordination Committee for State Investment Subsidy.	President
3	Power Advisory Committee.	President
4	Micro, Small & Medium Enterprises Facilitation Council.	President
5	State Labour Advisory Board.	President
6	Integrated Education Advisory Council, Goa University.	President
7	Governing Board for Entrepreneurship and Business Development Center, Goa University.	President
8	State Minimum Wages Advisory Board.	President
9	State Planning Board/State Level Planning Committee.	President
10	Goa State Pollution Control Board.	President
11	Constitution of Skill Development Mission	President
12	Goa State Employment Subsidy Scheme for Bio Technology Units, 2009	President
13	Interest Subsidy Scheme for Bio Technology Units, 2009	President
14	Goa State Investment Subsidy Scheme for Bio Technology Units, 2009	President
15	Constitution of Sub-Committee to Skill Development Mission	Mr. Sandeep Sardesai
16	Advisory Committee of Bio Incubator Facility (ACBIF)	President /Dr. Sangam Kurade
17	Committee for Assessment of Pollution from specific Sources	Mr. Keshav Kamat
18	State Level Steering Committee for Center of Excellence (COE) Scheme under World Bank.	Dr. Sangam Kurade
19	Vocational Training Provider (VTP) Evaluation Committee(VEC) for Skill Development Initiative Scheme.	Mr. Sandeep Sardesai
20	State Board of Examination constituted by State Council for Vocational Training (SDCT).	Mr. Sandeep Sardesai
21	Human Resource Development Foundation Society.	Mr. Sudesh Rane
22	State Level Steering Committee for IMC's of ITI's.	Dr. Sangam Kurade
23	Federation of Indian Micro and Small & Medium Enterprises (FISME).	Mr. Atul P. Naik
24	Goa Handicrafts Rural Small Scale Industries Development Corporation (GHRSSIDC).	Mr. Atul P. Naik
25	Rate Contract Committee under Preferential Purchase Scheme.	Mr. Atul P. Naik
26	MSME Development Institute, Margao.	Mr. Sandeep Sardesai
27	Commercial Tax Advisory Committee.	Mr. Atul P. Naik
28	Public Grievance Committee for Customs & Central Excise.	Mr. Atul P. Naik
29	Regional Advisory Committee (RAC) for Customs & Central Excise.	Mr. Atul P. Naik
30	State Level of Inter-Institutional Committee (SLIIC).	President
31	State Level Bankers Committee (SLBC)	President
32	Goa Labour Welfare Board.	Mr. Naresh Pai
33	Regional Board / Local (ESIC) Employees State Insurance Corporation.	Mr. Sameer Keny
34	State Level Committee on Standardization & Quality System.	Mr. Sameer Keny
35	Tool Room & Training Center.	Mr. Sanjeev Trivedi
36	Federation of Association of Small Industries of India (FASII). Federation of Indian Chambers of Commerce & Industry(FICCI).	Mr. Rajiv Nevgi
37	Controller of Legal Metrology (Weights & Measures).	Mr. Abhijit Naik
38	Regional Committee of Employees Provident Fund for the State of Goa (EPF).	Mr. Sandeep Sardesai
39	College Development Council, Goa University.	President
40	Task Force Committee on GST	Mr. Atul P. Naik

*The views expressed in this Bulletin are not necessarily those of the Association. All information is provided with the usual waiver of responsibility as neither the GSIA nor its members, employees or service providers can accept liability for loss and damage resulting from omissions and inaccuracy relating to articles, information, data, telephone numbers, addresses, wording, spacing or positioning of any listings, representations and other material regardless of the cause.*



Chief Minister Shri Digambar Kamat in one of his recent interviews has said “Micro, Small and Medium Enterprises have played a vital role in the Economic Development of the State. My Government firmly believes that encouragement to such enterprises will go a long way in development of non-polluting environment friendly industries in the State of Goa and generate employment so as to ensure the progress and prosperity of the State”.

While we do not dispute the good intentions of the Chief Minister, who has been very supportive and accommodated many of the industry demands in the past, the gross and serious irregularities in the allotment of industrial plots and the fraud played upon the Public Exchequer by the Chairman and officials of GIDC has been a big discouragement for the industrial development and employment generation in Goa. It is necessary for the Government to move beyond pious declarations of intent and ensure that there is measurable, verifiable and visible progress on the ground. While we judge ourselves by our intentions, people judge us by our actions.

## *President's Message*

GSIA has been knocking the doors of the Government authorities for a long time to streamline the functioning of GIDC, investigate the reported frauds and book the culprits. GSIA, being the representative body of the industries in Goa, could not be a silent spectator to the illegalities taking place in GIDC and turn a deaf ear to the various complaints of malpractices received from

our constituents. It was only when Government showed reluctance to probe the reported plot allotment illegalities and implement the Task Force Committee Report that GSIA, with great anguish, filed the criminal complaint against the top GIDC officials including the Chairman for the numerous criminal acts comprising various illegalities and serious and gross irregularities in the allotment procedure of industrial plots.

We believe that by filing the police complaint, GSIA has gained significantly for the Industry in Goa. Taking cognizance of GSIA complaint, the Government accepted the Task Force Committee Report and constituted a Screening and Review Committee with a specific mandate so as to bring objectivity and transparency in the matters concerning allotment/transfers/revocation etc., in respect of the industrial plots of GIDC. In this endeavor GSIA appreciates the efforts of the Secretary (Industries) Shri T. M. Balakrishnan and Director of Industries Shri Sanjit Rodrigues for their wholehearted support in guiding the Task Force Committee to compile the report and help to bring in transparency and fair play in the plot allotment procedure.

The Screening and Review Committee under the Chairmanship of Secretary (Industries) has already had its first meeting and the process has been initiated to draft clear cut policies and rules on industrial plot allotments to bring down the level of discretion to a minimum. No plot allotments are likely to be made unless these rules and policies are notified which may take a few weeks. However, this moratorium would be beneficial in the long run as this would bring in the much needed transparency in allotment of plots at GIDC. With these initiatives and with new Managing Director, Shri Neeraj Semwal, IAS, at the helm of affairs, let us hope that GIDC will regain its past glory.

With warm regards,

***Shekhar Sardesai.***



## YOUR BUSINESS COMPLIANCE CALENDAR

by CA Ashish Verlekar, GSIA

### September 2011

a .	05 <sup>th</sup>	Service Tax Payment by Companies
b.	07 <sup>th</sup>	TDS Payment
c.	15 <sup>th</sup>	i) PF Payment ii) Advance Tax & FBT Installment all Assesses
d.	20 <sup>th</sup>	VAT payment - Tax > 100000
e.	21 <sup>st</sup>	ESIC Payment
f.	30 <sup>th</sup>	VAT payment - Tax < 100000
g.	30 <sup>th</sup>	Return of Income, FBT and Wealth of Companies & Others covered under tax audit

### October 2011

a .	05 <sup>th</sup>	Service Tax Payment by Companies/Individuals/ Properties/Partner-ship
b.	07 <sup>th</sup>	TDS Payment
c.	15 <sup>th</sup>	i) PF Payment ii) TDS/TCS Quarterly Statement
d.	20 <sup>th</sup>	VAT payment - Tax > 100000
e.	21 <sup>st</sup>	ESIC Payment
f.	25 <sup>th</sup>	Service Tax Return for April to September
g.	30 <sup>th</sup>	VAT payment - Tax < 100000
h.	30 <sup>th</sup>	VAT quarterly returns for July to September



### November 2011

a.	5 <sup>th</sup>	Service Tax Payment by Companies
b.	7 <sup>th</sup>	TDS Payment
c.	15 <sup>th</sup>	PF Payment
d.	20 <sup>th</sup>	VAT payment - Tax > 100000
e.	21 <sup>st</sup>	ESIC Payment
f.	30 <sup>th</sup>	VAT payment - Tax < 100000

### December 2011

a .	05 <sup>th</sup>	Service Tax Payment by Companies
b.	07 <sup>th</sup>	TDS Payment
c.	15 <sup>th</sup>	i) PF Payment ii) Advance Income Tax & FBT - all Assesses
d.	20 <sup>th</sup>	VAT payment - Tax > 100000
e.	21 <sup>st</sup>	ESIC Payment
f.	30 <sup>th</sup>	VAT payment - Tax < 100000



## NATIONAL AWARDS -2010



GSIA heartily congratulates Mrs. Leena Kamat, Proprietress of M/s Om Ventures and wife of Mr. Rajkumar Kamat our Executive Committee Member for winning the National Special Recognition Award for Outstanding Entrepreneurship in Micro and Small Enterprises (Manufacturing) for the year 2010. The Award was presented on 30/8/2011 at New Delhi by the Hon'ble President of India Mrs. Pratibha Patil.

This is, perhaps, the first time that a Goan woman entrepreneur has won the National Award for MSEs from Government of India, Ministry of MSME. M/s Om Ventures was started in 2003 as a Micro enterprise, manufacturing environment friendly architectural products like FRP doors, Metal gates, railings and allied items with factory located at D2/12 Bicholim Industrial Estate, Bicholim, Goa. Over the years M/s Om Ventures has grown from strength to strength and it is an ISO 9001-2008 certified enterprise. GSIA wishes Mrs. Kamat continued success in all her future endeavors.





## PROGRAMME ON COMMUNICATION SKILLS TO BE AN EFFECTIVE TEAM BUILDER

GSIA conducted a Training programme on "Communication Skills to be an Effective Team Builder" for the benefit of members on 30/9/2011 at GSIA Conference Hall, Patto, Plaza, Panaji Goa.

This training program was conducted by Mrs. Anita Karambalkar, who is a well-known Clinical Psychologist with 12 years of experience as a motivator to develop true potential and gain success..

The main objective of this training session was to help the members understand the dynamics of effective communication under pressure and to equip with the necessary skill and tools to diagnose organisation's crisis. Awareness of personality traits and communication style and the need for evaluation to facilitate team building was also stressed in the programme.



*Mr. Rajkumar Kamat, Programme Coordinator, introducing Mrs. Anita Karambalkar.*



## WORKSHOP ON ENVIRONMENT MANAGEMENT CERTIFICATION -ISO 14000 & OHS CERTIFICATION - ISO 18000

GSIA in collaboration with DNV (Det Norske Veritas), Bangalore organized a workshop on "Environment Management Certification –ISO 14000 and Occupational Health and Safety (OHS) Certification – ISO 18000 on 14<sup>th</sup> October 2011 at Hotel Delmon Panaji Goa. The workshop was conducted by Mr. S. Nandkumar, Zonal Chair and Head of Operations South Zone (DNV) and Mr. Purshottam Bhat, Zonal Head F & B (DNV). Participants were also made aware that both the above mentioned ISO certifications are eligible for subsidy from DITC, Government of Goa. The programme received good response especially from Pharma Sector.



*From left to Right: Mr. Rajkumar Kamat, Mr. S. Nandkumar and Mr. Purushottam Bhat*



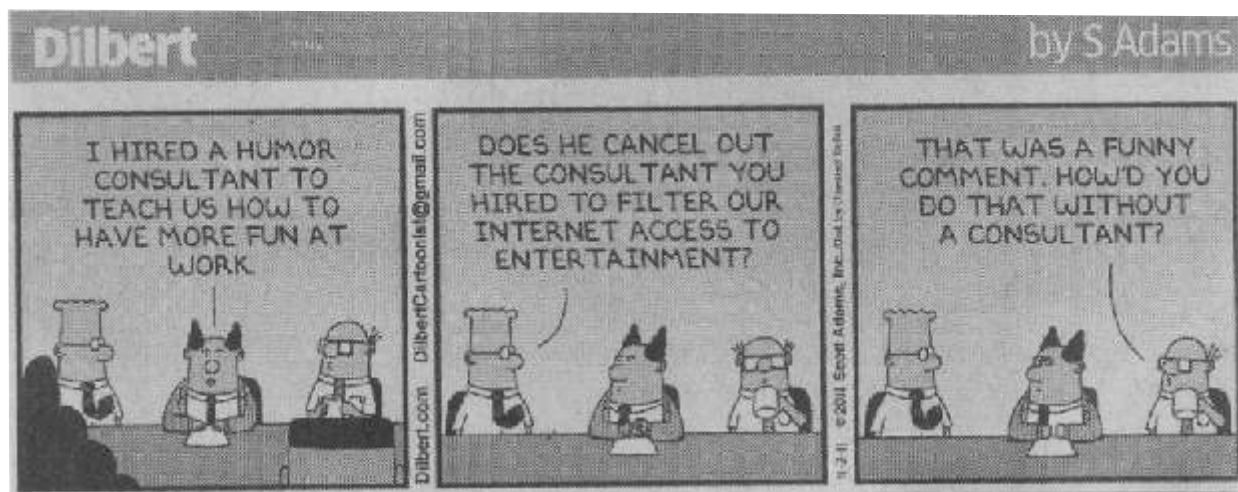
## PRESS CONFERENCE

GSIA held a press conference on 14<sup>th</sup> October 2011 at Hotel Delmon, Panaji Goa to express views/clarifications regarding the criminal complaint filed by GSIA against the Chairman, MD and ex-MD of GIDC for various irregularities in the allotment of industrial plots.

Taking cognizance of GSIA's Police Complaint, Government immediately accepted the Task force Committee (TFC) Report. As recommended by TFC, Government has now constituted a Screening and Review Committee with a specific mandate so as to bring objectivity and transparency in the allotment/transfer/revocation etc of GIDC plots



*Left to Right: Mr. Parag Joshi (Member Task Force Committee),  
Mr. Shekhar Sardesai (President GSIA),  
Mr. Blaise Costabir (Member Task Force Committee)*





## IMPORTANT NOTIFICATIONS & CIRCULARS

### I. TURNOVER CRITERIA UNDER PPS INCREASED TO 10 CRORES.

*Official Gazette — Govt. of Goa  
Series I, No. 24, 15th September, 2011  
Notification 3/40/2003-Ind (part)*

Whereas vide Notification No. 3/40/2003—IND (Part) dated 31-12-2008 published in the Official Gazette Series I No. 42 dated 15-1-2009. The Government of Goa notified the “Preferential Purchase Incentives to Micro and Small Enterprises Scheme, 2008”. And whereas the Government of Goa deems it expedient to amend the said scheme as follows:—

1. *Short title and commencement.*—

- (1) This Scheme may be called the “Preferential Purchase Incentives to Micro and Small Enterprises (Amendment) Scheme, 2011”.
- (2) It shall come in force from the date of its publication in the Official Gazette.

2. *Amendment of clause 5.*— In clause 5 of the “Preferential Purchase Incentives to Micro and Small Enterprises Scheme, 2008”, (hereinafter referred to as the “Principal Scheme”).

(i) the clause 5 is substituted, namely:—

“5. *Eligibility.*— Only those Micro & Small Enterprises having turnover not exceeding Rs. 10 crores per annum for the preceding 3 financial years and acknowledged with Entrepreneurs Memorandum Part-II by the Director of Industries, Trade and Commerce shall be eligible for the benefit under this scheme”. This has been issued with the concurrence of Finance (Exp.) Department vide their U. O. No. 1417320 dated 17-6-2011.

*By order and in the name of the  
Governor of Goa.*

*Hanumant T. Toraskar, Under Secretary (Industries).  
Porvorim, 8th September, 2011.*

### II. LIST OF PUBLIC HOLIDAYS FOR THE YEAR 2012.

*Official Gazette No. 27,  
Series II, 7<sup>th</sup> October 2011  
Notification No. 2/1/2011-GAD-H*

The Government of Goa is pleased to direct that the days specified in the Annexure–I shall be observed as Public Holidays and the days specified in the Annexure–II as Special Holidays in all Government Offices in the State of Goa during the year 2012 (Saka 1933-1934). All Government Offices will be functional on Special Holidays except if the Special Holidays occur on Saturday or Sunday.

2. In addition to the Holidays specified in Annexure–I and Annexure–II, employees are permitted to avail of any two holidays chosen from the list of Restricted Holidays specified in Annexure–III.

3. The Government is also pleased to declare Commercial and Industrial Holidays for the Commercial and Industrial Workers in Goa as specified in Annexure–IV.

4. Further, in exercise of the powers conferred under explanation to Section 25 of the Negotiable Instrument Act, 1881 (Act 26 of 1881) read with Government of India, Ministry of Home Affairs Notification No. U.11030/2/2/73-UTL dated 28-6-1973, the Government of Goa is also pleased to declare the days specified in Annexure–V as Bank Holidays in the State of Goa.

*By order and in the name of the Governor of Goa.  
Prabhakar V. Vaingankar, Under Secretary (GA).  
Porvorim, 3rd October, 2011*

#### List of Public Holidays for the year 2012

Sr. No	Holiday	Date	Day of Week
1	Republic Day	26 <sup>th</sup> January	Thursday
2	Gudi Padva	23 <sup>rd</sup> March	Friday
3	Good Friday	06 <sup>th</sup> April	Friday
4	Birth Anniversary of Dr. Babasaheb Ambedkar	14 <sup>th</sup> April	Saturday
5	May Day	01 <sup>st</sup> May	Tuesday
6	Independence day	15 <sup>th</sup> August	Wednesday
7	Id-UI-Fitr*	20 <sup>th</sup> August	Monday



8	Ganesh Chaturthi (First Day)	19 <sup>th</sup> September	Wednesday
9	Ganesh Chaturthi (Second Day)	20 <sup>th</sup> September	Thursday
10	Gandhi Jayanti	02 <sup>nd</sup> October	Tuesday
11	Dussehra	24 <sup>th</sup> October	Wednesday
12	Id – Ul Zuha (Bakri Id)*	28 <sup>th</sup> October	Sunday
13	Diwali	13 <sup>th</sup> November	Tuesday
14	Feast of St. Francis Xavier	03 <sup>rd</sup> December	Monday
15	Goa Liberation Day	19 <sup>th</sup> December	Wednesday
16	Christmas Day	25 <sup>th</sup> December	Tuesday

\*The holiday mentioned at serial no. 7 & 12 are subject to appearance of moon.

#### List of Commercial & Industrial Holidays for the year 2012

Sr. No	Holiday	Date	Day of Week
1	Republic Day	26 <sup>th</sup> January	Thursday
2	Birth Anniversary of Dr. Babasaheb Ambedkar	14 <sup>th</sup> April	Saturday
3	May Day	01 <sup>st</sup> May	Tuesday
4	Independence day	15 <sup>th</sup> August	Wednesday
5	Ganesh Chaturthi	19 <sup>th</sup> September	Wednesday
6	Gandhi Jayanti	02 <sup>nd</sup> October	Tuesday
7	Diwali	13 <sup>th</sup> November	Tuesday
8	Goa Liberation Day	19 <sup>th</sup> December	Wednesday
9	Christmas Day	25 <sup>th</sup> December	Tuesday

#### List of Bank Holidays for the year 2012

Sr. No	Holiday	Date	Day of Week
1	Republic Day	26 <sup>th</sup> January	Thursday
2	Gudi Padva	23 <sup>rd</sup> March	Friday
3	Yearly closing of Accounts	01 <sup>st</sup> April	Sunday
4	Good Friday	06 <sup>th</sup> April	Friday
5	Birth Anniversary of Dr. Babasaheb Ambedkar	14 <sup>th</sup> April	Saturday
6	May Day	01 <sup>st</sup> May	Tuesday
7	Independence day	15 <sup>th</sup> August	Wednesday
8	Id-Ul-Fitr*	20 <sup>th</sup> August	Monday
9	Ganesh Chaturthi (First Day)	19 <sup>th</sup> September	Wednesday
10	Ganesh Chaturthi (Second Day)	20 <sup>th</sup> September	Thursday
11	Half yearly Closing	30 <sup>th</sup> September	Sunday
12	Gandhi Jayanti	02 <sup>nd</sup> October	Tuesday
13	Dussehra	24 <sup>th</sup> October	Wednesday
14	Id – Ul Zuha (Bakri Id)*	28 <sup>th</sup> October	Sunday
15	Diwali	13 <sup>th</sup> November	Tuesday
16	Feast of St. Francis Xavier	03 <sup>rd</sup> December	Monday
17	Goa Liberation Day	19 <sup>th</sup> December	Wednesday
18	Christmas Day	25 <sup>th</sup> December	Tuesday

\*The holiday mentioned at serial no. 8 & 14 are subject to appearance of moon.



### III. SCREENING AND REVIEW COMMITTEE FOR ALLOTMENT/ TRANSFER/ REVOCATION OF GIDC PLOTS

**Official Gazette No. 29,  
Series II, 20<sup>th</sup> October 2011  
Notification No. 3/38/2010-IND**

Whereas, the Government of Goa vide Notification No. 3/38/2010-IND dated 24-8-2010 and subsequent re-constitution notified vide Notification No. 3/38/2010-IND dated 2-11-2010, a Task Force Committee under the Chairmanship of Secretary (Industries), Government of Goa, is constituted in order to study and identify the underutilized and unutilized plots in the various Industrial Estate of the Goa Industrial Development Corporation.

2. And whereas, the aforementioned Task Force Committee vide its report dated 22-7-2011 titled 'Task Force Committee (TFC) Report' has submitted its comprehensive report to the State Government along with its findings and recommendations.

3. And whereas, the Government of Goa has approved the aforementioned report of the Task Force Committee along with its findings and recommendations.

4. And whereas, the Task Force Committee in its aforementioned report has recommended for the constitution of 'Screening and Review Committee' with a specific mandate so as to bring objectively and transparency in the matters concerning allotment/transfers/revocation, etc. in respect of the Industrial plots of the Goa Industrial Development Corporation.

5. Now therefore, in view of the above facts, the Government of Goa hereby constitutes a Screening and Review Committee comprises of the following composition:

1. Secretary (Industries) Government of Goa	,...Chairperson.
2. Director, Directorate of Industries, Trade and Commerce	... Member.
3. President, Goa Chamber of Commerce and Industries or his representatives	... Member.
4. President, Goa State	... Member.

Industries Association or  
his representatives

5. Chairman, Confederation of  
Indian Industries (CII) Goa  
Council or his representatives

6. President, Institute of  
Chartered Accounts of  
India, Goa Chapter or  
his representatives

7. Shri Parag Joshi

8. Shri Blaise Costabir

9. Shri Sanjiv Kerkar

10. Managing Director, Goa  
Industrial Development Convenor.  
Corporation, Panaji-Goa

6. Special Invitees as Members

The Chairman/Committee may invite any person/individual as a special invitee member to attend any meeting or for any visits/inspections, etc.

7. The Terms of Reference of the Screening & Review Committee are as follows:

(a) The Committee shall review the existing plots which are "underutilized" and 'unutilised' belonging to the various parties and recommended to the Goa Industrial Development Corporation/Government of Goa, the course of action for each of these cases. The frequency of such review shall be atleast one or two industrial estates per month and shall submit a formal report of all Industrial Estate subsequent to the completion of the review within a period of 30 days of completion of entire review exercise.

(b) The Committee shall undertake the 'Policy Review' on modus operandi of plots allocation, plots revocation and plot re-allotment along with the 'Policy Review' on the awards/Penalties for industries startup and shall submits its recommendations to the Government within 45 days of completion of this exercise.

(c) The 'Screening & Review Committee' shall be empowered to summon the applicants/allottees/lease holders of land before the Committee so that the Committee can assess objectively the genuineness of the unit's intention to startup an industrial activity in the land allotted/to be allotted/ /to be transferred to them.

(d) Screen all land allotments, transfers and revocations so that the Board of Directors of Goa Industrial Development



Corporation is given a fair and merit based recommendation for a final approval of all cases.

(e) Advise the Board of Directors of Goa Industrial Development Corporation into reforming and streamlining the current procedures in all matters of land allotments, transfers and revocations such that they are made objective and transparent.

(f) Screen all the existing applications pending with Goa Industrial Development Corporation and draw up an updated waiting list.

(g) Screen all the applications for transfer of the existing plots.

(h) Screen all such allotment of plots wherein the allottees have not started commercial production as on 1st January, 2011, to verify their compliances to the terms of allotment.

(i) Screen all the incoming new applications for land allotment from time to time and allot them waiting list number once they fulfill the laid down criteria based on the current Goa Industrial Development Corporation guidelines in force.

(j) Screen all the plots being currently utilized for commercial/non-industrial application (e.g. trading, warehousing).

(k) Review the current pricing of land in the various Industrial Estates and recommend immediate as well as progressive review from time to time to the GIDC Board so as to discourage speculative buying/hoarding.

(l) Draw up a policy to facilitate reutilization of the closed industrial units including those attached by the Banks/Financial Institutions.

(m) Draw up progressive policy recommendations from time to time to discourage speculative buying/hoarding.

(n) Draw up progressive policy recommendations from time to time to encourage SMEs, expansion of existing units and non-polluting hi-tech units with proven track record.

(o) Draw up a policy for levy of non-occupancy charge for units which are holding lands with vacant sheds without starting commercial activity.

(p) Receive and address complaints if any, from the entrepreneurs and submit the findings to the Board of GIDC.

(q) Submit findings on any other matter referred to it by the Government, Directorate of Industries, Trade & Commerce or Goa Industrial Development Corporation.

8. The Goa Industrial Development Corporation shall be nodal agency for the purpose and shall provide all the necessary assistance to the Screening and Review Committee in respect of arrangement for visits to the Industrial Estates, meetings of the Task Force Committee, Secretarial Assistance, etc.

9. The Committee will start functioning with immediate effect. The Committee shall meet atleast once a month.

10. The members shall be entitled for TA/DA as per the Rules. All costs of meetings, visits, TA/DA, etc. shall be borne by the Goa Industrial Development Corporation.

**By order and in the name of the Governor of Goa.  
Hanumant T. Toraskar, Under Secretary (Industries).  
Porvorim, 10<sup>th</sup> October, 2011.**





## FACTS ABOUT FOOD SAFETY AND STANDARDS ACT

As many Food Processors (individuals and companies engaged in business of food) may be aware, the Food Safety and Standards Act -2006 was enacted to serve as a single Act in place of the PFA -1954 and the various orders like the FPO, MMPO, MPO etc. issued by the Government of India under the Essential Commodity Act. Earlier, existence of multiple enforcing agencies often caused lot of trouble to the processors. Under the provisions of this new Food Safety and Standards Act, the implementing agencies like the Food Safety and Standards Authority of India, the Central Advisory Committee and various Scientific Panels were created as a result of which, the Union Ministry of Health and Family Welfare has now finally notified the Act on August 1<sup>st</sup> 2011.

Many earlier Acts have henceforth been repealed including the earlier PFA-1954 and various Orders like (I) the FPO-1955, (II) Meat Food Product Order-1973, (III) The Vegetable Oil Products (Control) Order-1947, (IV) Edible Oils Packaging (Regulations) Order 1998, (V) The Solvent Extracted Oil, De-oiled Meat and Edible Flour (Control) Order-1967, (VI) The Milk & Milk Products Order-1992 and (VII) any Order issued under the Essential Commodities Act -1955 relating to food. The new Act covers seven areas such as:

- ◆ Licensing and Registration of Food Business.
- ◆ Packaging and Labeling.
- ◆ Food Products Standards and Food Additives - Part-I.
- ◆ Food Products Standards and Food Additives - Part-II.
- ◆ Prohibition and restrictions on sales.
- ◆ Contaminants, Toxins and Residues.
- ◆ Laboratory and Sample Analysis.

It is also hoped that backlog of PFA cases would be examined on priority in order to bring relief to the affected Food Processors. This will definitely give a boost to the growth and development of Food Processing Industries across the country.

Entrepreneurs, SME's and persons engaged in processing of food should go through these rules and regulations to enable them to understand and follow properly. It is likely that during the implementation of the above rules and regulations, some practical problems and issues may crop up. Such matters should be taken up with the local FSSAI (given below) for suitable redressable.



*Dr. Sangam A. Kurade.  
Vice President – GSIA*

State Food Safety Commissioners – Goa and neighbouring states.

1. Shri. Salim A. Veljee, Additional Food Safety Commissioner for Goa and Director (Food and Drug Administration), Directorate of Food and Drugs Administration, Govt. of Goa, Old IPHB Complex, Altinho, Panaji-403001, Goa, Tel: 0832-2430948 (O), 0832-2461862 (R), Telefax:0832-2224639, Mobile: 09822980727, E-mail:s2veljee@yahoo.co.in. (While Health Secretary, Government of Goa, has been appointed as Food Safety Commissioner, Director FDA has been delegated the power for the same).
2. Shri. D. N. Naik, Food Safety Commissioner for Karnataka, Health and Family Welfare Department, Government of Karnataka, Ananda Rao Circle, Bangalore -560009. Tel 080-22870943, Fax: 080-22201813.
3. Shri. Manish Jagdale, Food Safety Commissioner for Maharashtra & Commissioner Food and Drugs Administration Maharashtra, S. No. 341, Bandra Kurla Complex, Madhusudan Kalekar Marg, Bandra (East), Mumbai – 400051, Tel: 022-26590548, Fax: 022-24591959, Mobile: 09422783400, E-mail: svys@hotmail.com.

Some nearby NABL Accredited Laboratories for Food Testing.

1. Regional Food Research & Analysis Centre, 155/1, Jyothi, Subbarama Chetty Circle, Basaranagadi, Bangalore – 560004. Tel:-080-26521894. E-mail: rfrac@vsnl.net.
2. Bangalore Test House, 65, 20<sup>th</sup> Main, Marenahalli, Vijaynagar, Bangalore -560046. Tel: 080-23356415. Fax:080-23385979. E-mail: testhouse@satyam.net.in.



3. Shiva Analytical (I) Ltd., Plot No. 24D (P) & 34 D, KIADB Industrial Area, Bangalore Rural North, Hoskote – 562114, Karnataka, Tel: 08079-71713/71322. Fax: 08079-71321. E-mail: gupta@shivatechindia.com.
4. Vimta Labs Ltd., 142, IDA Phase-II, Cherlapally, Hyderabad - 500051. Tel: 040-27264141, Fax: 040-27263657. E-mail: vimtalab@hd1.vsnl.in.
5. Ashco Analytical Services, Lab House Plot No. F-13, Opp. Seepz, MIDC, Andheri (E), Mumbai -400093. Tel: 022-28361002/28376701. Fax: 022-28350286. E-mail: mohite@ashcoindustries.com.
6. Bureau of Indian Standards (WROL). Manakalaya, E-9, MIDC, Behind Marol Telephone Exchange, Andheri (E), Mumbai – 400093. Tel: 022-28327856/7891. Fax:022-28262057. E-mail: wrol@bis.org.in.
7. Reliable Analytical Laboratories, A-I, 5 Acres, Kothari Compounds, Near Tikuji-ni-wadi, Manpada, Thane (W) – 400605, Maharashtra. Tel: 022-25899490/91. Fax: 022-25899492. E-mail:reliablelabs@vsnl.net.
8. National Agriculture and Food Analysis and Research Institute, 3<sup>rd</sup> Floor, MCCI Building, Tilak Road, Pune - 411002. Tel: 020-24440079. Fax: 020-24441776. E-mail: nafari@vsnl.net.

While Goa does not have any NABL Accredited Food Testing Laboratories, it is given to understand that some proposal(s) for setting the same are under active consideration and would be a reality soon. This would greatly help local entrepreneurs, industries and enterprises to get their product analysis done.



### **Govt launches 'Niryat Bandhu' scheme for start-up SMEs**

The government launched a scheme - 'Niryat Bandhu' - for international business mentoring of young start-up Small and Medium Enterprise (SME) exporters.

"We are devising a new Niryat Bandhu scheme for mentoring the first generation entrepreneurs to provide hand holding support and facilitating these new exporters," said Commerce and Industry Minister Anand Sharma in his address while releasing the Foreign Trade Policy (2009-2014) in the national capital.

The officer (Niryat Bandhu) would function in the 'mentoring' arena and would be a 'hand holding' experiment for the young turks in international business enterprises.

Under the scheme, officers of the Director General of Foreign Trade (DGFT) will help mentor the interested individuals who want to conduct the business.

Over time, the scheme is expected to develop a class of businessmen who carry out the international business in an ethical manner.

*Courtesy : TANSTIA, October Issue*



## EMPLOYEES' STATE INSURANCE (ESI) SCHEME OF INDIA

“A Boon to MSME Units”

Industrialization is the process of social and economic change that transforms a human group from a predominantly rural and agricultural society into an industrial one. Of all the factors facilitating Industrialization, Human Resource is probably the most critical. Human Resource Development is a framework for the expansion of human capital within a nation. It is a combination of training and education in a broad context of adequate health and employment policies that ensure continual improvement and growth of both the individual and the Nation. It is a proven fact that a good social security system facilitates labour mobility and tends to make the entire economy more productive.

Employees' State Insurance (ESI) Scheme of India, introduced in 1952, is a comprehensive social security scheme designed to provide socio-economic protection to the employees in the organized sector. Over the years this participative health insurance scheme has proven to be a boon to the Industry in general and MSME units in particular. The Employees covered under the scheme (known as Insured Persons or I.Ps) are entitled to medical facilities for self and dependents. They are also entitled to cash benefits in the events of specified contingencies (such as Sickness, Temporary/Permanent disablement and Occupational diseases) resulting in loss of wages or earning capacity. The insured women are entitled to maternity benefit for confinement. In case of death of an insured employee, due to employment injury or occupational disease, the dependents are entitled to family pensions / dependents benefits. In addition to these basic benefits the Scheme also offers a range of other benefits to the I.Ps and their families viz funeral expenses on the death of an I.P., free supply of physical aids and appliances such as crutches, wheelchairs, dentures, spectacles etc, preventive health care services such as immunization, family welfare service, HIV/AIDS detection, treatment etc. Unemployment allowance and Super Speciality Treatment and investigation from tie-up/network hospitals of ESIC, all over the country. Even after attaining the age of Super annuation or retiring voluntarily, the insured person is eligible to receive medical benefits for himself and his spouse subject to the payment of a nominal contribution of Rs. 120 per year. ESIC has recently launched a comprehensive IT enablement project linking all ESIC branch Offices, Dispensaries, Hospitals, Regional/ Sub-



**Mr. Sameer Keny**

*GSIA'S Executive Committee Member  
& Representative on Regional Board/Local ESIC*

Regional offices, State Directorates over the internet, Smart Cards known as “Pehchan Cards” are now being issued separately for I.Ps and their family members. These will facilitate the I.P. and his family to avail the benefits of the Scheme anywhere in the country.

The scheme covers a total beneficiary population of 5.55 crores as of today and has the country's largest medical infrastructural facility under one umbrella. It is the most affordable social security system with the lowest contribution rate for multiple health insurance benefits and takes care of the IPs and his/her dependents from day one of insurable employment. It is also the only health insurance scheme that offers full medical care to the workers and their dependents without any ceiling on individual expenditure. The ESI Scheme is a self financing scheme wherein the funds are primarily built out of contribution from employers and employees, payable monthly at a fixed percentage of wages paid. The State Government also contributes 1/8<sup>th</sup> share of the cost of Medical benefits. The Present rate of Employer's contribution is a sum equal to 4.75% of the wages payable to an employee, where as the Employee's contribution is a sum equal to 1.75% of the wages payable to an employee. The wage ceiling limit prescribed for coverage of an employee under the scheme is currently Rs. 15000 per month from 1<sup>st</sup> May 2010.

Any social security scheme of this magnitude is bound to have its share of problems. In case of the ESI scheme the biggest problem is its underutilization. This is mainly due to the lack of awareness about the Scheme among both the Employers as well as the Employees. To its credit the ESIC Regional Office, Goa, has over the last few years been



making a sincere effort in precisely creating such an awareness. There is also the common problem of lack of communication of the organization (ESIC) with the grass root level, in this case the IP. This is where the local Industrial Associations have to play an active role in communicating the problems faced by both the Employers as well as the Employees to the ESIC local committee, so that steps can be taken to rectify the same. Remember the age old truism "If you really want to do something, you will find a way. If you dont, you will find an excuse".

The Goa State Industries Association (GSIA), the apex body representing MSME units in Goa on various State and

Central Govt. bodies has always supported the ESIC Regional office in facilitating the implementation of the Scheme in Goa. GSIA's persistent efforts have ensured that GIDC Corlim and GIDC Kundaim have already got exclusive ESI dispensaries and the necessary paperwork has been initiated for ESIC dispensaries in 2 more Industrial Estates, GIDC Verna and GIDC Cuncolim. It is the vision of GSIA to ensure the setting up of ESI dispensaries in all the Industrial Estate of Goa and facilitate better coordination and awareness of the ESI Scheme among all the Stake holders, so as to ensure the realization of Scheme's principle objective of "CHINTA SE MUKTI".



#### NSE gets green signal for SME exchange

The National Stock Exchange (NSE) Friday received permission from the Securities and Exchange Board of India (SEBI) to start its proposed Small and Medium Enterprises (SME) exchange, a top official of the market regulator said.

The Bombay Stock Exchange (BSE) received SEBI approval for its proposed SME Exchange Sep 28.

"I would like to inform you that today (Friday) the NSE has also been given permission to start an SME exchange," SEBI Chairman U.K Sinha said at an interactive session organized by the Bharat Chamber of Commerce (BCC) in Kolkata.

The small Industries Development Bank of India (SIDBI) is already working with the NSE to set up the SME exchange. It will be separate exchange within the NSE.

It is likely to be operational within this financial year. The SMEs would be able to raise equity from the market through the exchange and develop their business

*Courtesy : TANSTIA, October Issue*



## DRAGGED IN LAW JUNGLE

Dilip Salvekar  
Secretary General – COSIA

Right from the Prime Minister, everyone acknowledges and heavily praises the Role of MSMEs in the economy. Somebody calls the MSME Sector as backbone of the economy while others name it as employment generator. For economists, it is a wealth creator and for rulers it is a holy cow to be fed. It has a definite place in the Priority List of Bankers so also on the Manifesto of Political Parties. MSMEs has a distinct role to play as a Tax Collector and Depositor at nil remuneration besides that of Tax Payer. A MSME Entrepreneur is also a Training Centre for the want of desired workforce due to the inherent shortcomings in the prevailing education system. Over and above it is unorganized and therefore weak and vulnerable. The enactment of Micro, Small and Medium Enterprises Development Act, 2006 is for the promotion, development and enhancing the competitiveness of these enterprises. Mainly it provides for early payment of dues by the buyers plus procurement policy and capacity building as such. It will be early to comment on the fruitfulness of MSME Act since it is in infancy. But let us list the other laws which are controlling and obviously unpromotional for MSMEs, but must be followed at any cost to save himself from heavy fines or imprisonment or both. Central Acts: Though passed by the Union Govt; barring Revenue Laws, these Acts are enforced at State Level by the respective governments. These can be sub- divided as below :

### I. Tax Laws – namely

1. Income-tax Act
2. Central Excise Act
3. Central Sales Tax Act
4. Service Tax Act
5. Customs Duty Act [if MSME in Foreign Trade]

### II. Labour Laws as under –

1. Minimum Wages Act
2. Payment of Wages Act
3. Equal Remuneration Act
4. Employees State Insurance Act
5. Provident Fund Act
6. Payment of Bonus Act
7. Gratuity Act
8. Industrial Dispute Act
9. Workmen Compensation Act
10. Contract Labour act

### III. Other laws are –

1. Factory Act

2. Pollution Control Act
3. Electricity Act
4. Metrology Act [Including Package Commodities]
5. Bureau of Indian Standards Act
6. Statistics Act
7. Election Act

Additionally certain specific laws will also be applicable depending upon the nature of the enterprises. Some of these are –

1. Essential Commodities Act & Control Orders
2. Prevention of Food Adulteration Act
3. Drugs and Cosmetics Act
4. Seeds Act / Fertilizers Act
5. Goods Transport Act State Acts – Due to the constitutional powers vested in the States, these Governments also enact many laws, the implementation of which is carried on either by the State Govt. or Local Self Govts. or Special Authorities or Boards. Normally following Acts of States are to be obeyed by MSMEs.

1. Taxation Acts, namely,
  - a. Valued Added Tax
  - b. Profession Tax
  - c. Stamp Duty
  - d. Entry Tax

### 2. Labour Acts, as under –

- a. Act for unprotected Workers / Mathadies
- b. Act for Labour Welfare

### 3. Other Acts are as below –

- a. Industrial Development Corporation Act
- b. Shops & Establishments Act
- c. Municipal Corporation / Council / Gram panchayat Act
- d. Water Distribution Act or Orders
- e. Electricity Distribution Company Act and State Electricity Regulation Commission Act – orders
- f. Property Tax Act
- g. Pollution Control Orders / Rules / Notification –

Invariably a small person commencing a venture or business or running an enterprise may be in manufacture or services, is saddled with minimum above THIRTYFIVE Laws. Ignorance – No Excuse! Compliance is a MUST!! More often, an entrepreneur functions for Govt. purposes



than for himself and remains engaged in renewing licences or permits, filling returns, challans, keeping mandatory records, preserving challans, paying taxes, visiting offices of Babus and so on. No wonder India's ranking on ease of Doing Business is 134. The ranking on Starting a Business is at 165 and Paying Taxes at 164. This report has indicated that an entrepreneur in India has to spend minimum eleven days in a year to comply with Tax Payments [minimum 56 payments]. It has also said that Labour Laws in India are too rigid and protective and need immediate reforms.

The Reform process has been started from the Year 1990. We call it Liberalization – Globalization. A question lingers in mind, during last two decades do we have really reformed? As far as MSMEs concerned, the answer is, "TOO LITTLE"! The Jungle of Law must disappear so that more youth be attracted to jump in MSME Sector.

The first & foremost requirement is to ensure that the Definition of Micro, Small and Medium Enterprise is to be recognized and accepted by all Ministries and Departments of Govt. In turn it should be embodied in various respective laws. For instance Central Excise does not recognize the

Micro Enterprise as such. And what is small is based on Turnover, which is just four crore. Same is the case with other laws. Each Act overrides other and the poor MSME finds himself in a fix. It results in, obviously in harassment, malpractices and the Inspector Raj.

To mitigate journey of MSME which will facilitate its capacity building and there by competitive strength the Union Govt. may, like ADHAR, recognize and issue an unified code to each MSME which will be the permanent identity to replace all other licences, permits, registrations, enrollment and what not. The Returns can be Annual, at least for Micro Enterprises. Payments may be Quarterly with a single challan. A self certification scheme will drastically reduce the visits of Inspectors and other Babus. This will also give the Govt. the exact statistics on MSMEs, based on which schemes can be formulated for their betterment. This will be indeed a meaningful and helpful reforms for MSMEs. Let's hope policymakers are seriously listening; since in the laws of Jungle, MSMEs are struggling for their growth and prosperity; but alas, in vain!



## EXPORT PLAN NECESSARY FOR SMES TO MAKE OVERSEAS GAINS

Developing an export plan is a crucial step for exporters, both small and large enterprises, to maintain a high growth rate. Going by the significant presence of SMEs in the Indian export sector, it has become imperative for small units to chalk out a well-devised export plan before they commence trading. Preparing a detailed export strategy on the basis of good market research helps small businesses to overcome challenges and mitigate risks involved in entering new markets.

Although a large number of small enterprises in India today have the required resources to expand their export activities, many of them lack a concrete export plan that can help them to reach out to newer markets.

"Owing to lack of proper knowledge about foreign markets and absence of an export strategy, exporters in the SME sector are seen to suffer greatly. Therefore, there is a need for small businesses to draft an export plan, which will serve as a guideline to spur their growth," said Subodh Kumar Jain, vice president (international marketing) of Manas Global Exports, a small-sized handicraft export house in New Delhi.

The main objective of drafting an export plan is to gather useful market information, identify the key areas of problems, set major goals and plan an agenda. Chalking out an export plan entails preparing a list of all potential markets, undertaking market research and collecting information about the global trading conditions and consumer buying behavior in key export markets.

"While formulating an export plan, small firms need to set their budget targets, assess their financial power, skill sets, risk-taking ability and evaluate their product popularity and human resources and then commence operations," said Manish Bang, director of Expanza Access Ltd, a Mumbai-based company offering holistic solutions to SMEs.

With a well-outlined export plan in place, SME exporters can become more clear and specific about their goals and get prepared to meet the challenges that come in their way to achieve global success.

*Source : SME Times*



## NATIONAL MANUFACTURING POLICY

Government has cleared the long-awaited National Manufacturing Policy (NMP) on 25<sup>th</sup> October 2011. The major objectives of the National Manufacturing Policy are to increase the sectoral share of manufacturing in GDP to at least 25% by 2022; to increase the rate of job creation so as to create 100 million additional jobs by 2022 and to enhance global competitiveness, domestic value addition, technological depth and environmental sustainability of growth.

The policy has been formulated after detailed consultations with the industry, subject matter experts, State Governments and the concerned Ministries/Departments of the Government of India. The policy envisages specific interventions broadly in the areas of industrial infrastructure development, improvement of the business environment through rationalization and simplification of business regulations; development of appropriate technologies especially green technologies for sustainable development and skill development of the younger population.

Industrial infrastructure development is envisaged not only generally but also through the creation of large integrated industrial townships called National Manufacturing Zones (NIMZs) with state-of-the-art infrastructure; land use on the basis of zoning; clean and energy efficient technologies; necessary social and institutional infrastructure in order to provide a productive environment to persons transitioning from the primary to the secondary and tertiary sectors. The land for these zones will preferably be waste infertile land not suitable for cultivation; not in the vicinity of any ecologically fragile area and with reasonable access to basic resources.

It is envisaged to ensure compliance of labour and environmental laws while introducing procedural simplifications and rationalization so that the regulatory burden on industry is reduced. The interventions proposed are generally sector neutral, location neutral and technology neutral except the attempt to incentivize green technology for sustainable development. No subsidies are proposed for individual units or areas. The basic thrust is to provide an enabling environment for tapping the potential of the private sector and the entrepreneurial skills of the younger population.

The contribution of the manufacturing sector at just over

16% of India's GDP which is much below its potential and a cause of concern especially in the context of other Asian countries in similar stages of development. This also has its socio-economic manifestations and prevents India from fully leveraging the opportunities of globalization. India is a young country with over 60% of its population in the working age group. With over 220 million people estimated to join the work force in the next decade, the manufacturing sector will have to create gainful employment for at least half this number. With a view to accelerating the growth of the manufacturing sector, the manufacturing policy proposes to create an enabling environment suitable for the sector to flourish in India.



*For detailed information on the National Manufacturing Policy please visit the Department of Industrial Policy and Promotion website :  
<http://dipp.nic.in/English/default.aspx>*



## ACCOUNTABILITY IS THE KEY TO SUCCESS

Corporate governance is about 'the whole set' of legal, cultural, and institutional arrangements that determine what public corporations can do, who controls them, how that control is exercised, and how the risks and return from the activities they undertake are allocated," said Margaret Blair, Professor of Law, Vanderbilt University Law School.

Corporate governance is the way by which companies demonstrate accountability to all of their stakeholders. It is no longer aloof from society's interest. It now engulfs interests of the present and future generations as well. Corporate interests are so intertwined with environmental, ecological, societal and climatic interests that companies can no longer abdicate the responsibility for the effects of their actions on these vitals for the society and generations to come.

In fact, the driver of good corporate governance is the society, the institutional investors, the small shareholders, the media besides the regulators. Corporate governance has evolved from being a mere compliance issue to an important element which delivers value to businesses which adopt the best governance practices. Just as the governance of the country is for the people, by the people and of the people, so is the governance of corporates.

Besides this, another dimension which is very relevant is the environmental dimension. It is now well entrenched that, the sustainable growth of our economy is deeply rooted with the sustainability of the corporates which in turn is dependent on the governance practices adopted. Realising this, the Institute of Company Secretaries of India, has taken a number of initiatives to promote a culture of good corporate governance.

From a purely regulatory standpoint, India compares favorably with most other developing and Asian economies as far as its corporate governance rules are concerned. The recent events in India have put the spotlight on corporate governance practices of Indian companies. A key aspect that is being debated in the corridors of India Inc. is whether we need major regulatory changes to improve corporate governance, or whether improved standards of corporate governance could be achieved through adoption of principle based standards of conduct.

But before we proceed further, we need to know certain aspect of corporate governance. The first thing is to know what is good corporate governance. Well, good corporate governance is characterized by a firm commitment and adoption of ethical practices by an organization across its

entire value chain and in all of its dealings with a wide group of stakeholders encompassing employees, customers, vendors, regulators and shareholders (including the minority shareholders), in both good and bad times.

Companies need to understand that good corporate governance helps an organization achieve several objectives including developing appropriate strategies that result in the achievement of stakeholder objectives, attracting, motivating and retaining talent, creating a secure and prosperous operating environment and improving operational performance, managing and mitigating risk and protecting and enhancing the company's reputation, etc. But to achieve the best results of corporate governance, certain checks and practices need to be whole-heartedly embraced, and this goes true for all the corporates, and there is a need to have a uniform check for good corporate governance, stress the experts.

### Checks for good corporate governance

Codes of conduct and whistle blower policies are important, but more important is how they are communicated and practiced. It is vital for board members and senior management to lead by example. The concept of having independent directors is a good one in theory but more important is the process underlying selection of independent directors - is this process rigorous, transparent and objective and is it aligned to the company's needs. It is important to focus on not just earnings but on the sustainability of business models. Focus on not just "How much", but on "How", "At what cost" and "At whose expense". Rating agencies need to develop criteria that focus on substance rather than the form of governance.

Compensation of executive directors should flow from an objective performance evaluation process conducted by the board. Greater transparency and disclosure of executive performance criteria are required which should include financial and non-financial measures. Regulators should send clear signals that they shall be proactive in imposing substantial penalties for non-compliance, so that compliance is strictly adhered to.

*Source Economic Times*







SATURDAY, OCTOBER 15, 2011

Irregular allotment of plots

GIDC scam could run into hundreds of crores

NT NETWORK

PANAJI: Around 250 plots were found to be irregular by the task force formed to inquire into the illegal allotment of plots by the Goa Industrial Development Corporation...

Officials say that the plots are between 5,000 sq mt to 35,000 sq mt with sources saying that most of the plots are in the Verna Industrial Estate...

The GSIA president, Mr. Shekhar Sardesai told media at a press conference on Friday that though they were happy that the major recommendation of the



The GSIA president, Mr. Shekhar Sardesai addressing the media in Panaji along with Mr. Parag Joshi and Mr. Nandesh Kankolli.

STARTLING REVELATIONS

- Industrial plots worth crores were allegedly handed over by GIDC officials to real estate operators illegally. 250 plots were found to be irregular by the task force formed to inquire into the illegal allotment of plots. A specific instance was on an area of some 20,000 sq mts that was done as late as August that in itself amounts to 111 crores.

why they were not going after the GIDC chairman, Mr. Sardesai said that the GSIA has filed a complaint against all the top GIDC officials including the chairman. He however said that the police had returned the complaint to them after refusing to register an FIR saying that there was no cognisable offence to register a FIR.

When questioned why there was no action taken by GSIA especially since there is a member of the GSIA on the GIDC Board, GSIA office bearers said that the board was

was a forgery so we had asked for change in MD and chairman. It may be recalled that after the government's reluctance to probe the plot scam and to initiate action against one of its own members, GSIA got ready a war chest to approach the courts.

Suspicion and allegations were confirmed of the involvement of top GIDC officials after a government-appointed task force including representation from the industry had pointed to a possible multi-crore scam in the allotment of industrial plots.

Industrial plots worth crores were allegedly handed over by GIDC officials to real estate operators and connected people ignoring guidelines and the same were resold for handsome profits.

GSIA had then also filed a criminal complaint at the Panaji town police. GSIA had alleged that the entire GIDC machinery was in shambles and if immediate steps were not taken to clean it up, GIDC coffers will be empty soon. Criminal case was also sought

GIDC:

requisite procedure. For example, M/s Shaan Filaments had applied on September 6, 2007 for a plot of 1200 sq mts in the Verna Industrial Estate to store raw material. Even though its application was kept pending, the GIDC allotted plots to parties which applied after Shaan Filaments.

M/s Shinde Packaging Pvt Ltd is another company that had to face out-of-turn plot allotment. Shinde Packaging applied to the GIDC on July 24, 2008 for a plot measuring 5000 sq mts. In its representation to the GIDC, it pointed out that between the period of November 25, 2008 and December 12, 2010, the GIDC allotted eight plots with the areas ranging between 3000 to 6000 sq mts. It highlighted the fact that M/s Composite Alliances was allotted a plot of an area 4082 sq mts on October 25, 2010: the name of the Composite Alliances did not even reflect in the list of pending applications, while the name of M/s Shinde Packaging Pvt. Ltd. was in the list.

In another case, the advance amount was returned after a gap of four years stating that plots/sheds are not available for handover.

The GSIA complaint has alleged that all these allotments have been done by the GIDC chairman Mr. Kavalekar in active connivance and in collusion with Mr. Ajit Naik, GIDC managing director, Mr. A V Palekar, former managing director of the GIDC along with other officials of the GIDC for their personal gains and for extraneous considerations and the same have resulted in huge losses to the GIDC.

The GSIA has demanded all these illegal allotments be thoroughly

TRAIL:

Procedure followed was that the GIDC in its meeting held on August 3, 2006 resolved to approve the allotment of utility plot admeasuring 35,000 sq mts at Verna Industrial Estate to Mr. Desai. The GIDC at the said meeting also changed the rate of land from Rs 600 per sq mt to Rs 750 per sq mt. The proposal of Mr. Desai was put up before the board of directors of the GIDC, which approved the file subject to conditions giving PAN and project report.

Sources said that in another case, which is somewhat related to the first case, two applications were made by Mehul Developers Pvt Ltd: first sought transfer of three plots to an unnamed party, while the second application asked for transfer of four plots to another unnamed party. There was also another set of applications with the same inward number, but this time party's name was included. The allegation is that this had been put in later.

Both these did not appear in the pending list despite the inward number. But what appeared was an application - rather a poorly filled and unstamped application form of the GIDC - for plot transfer by Mehul. It was, however, duly filed by BOSCH in November 2008 and in this application, according to BOSCH, the rate per sq metre was Rs 4000.

The noting says that this proposal was cleared at the core committee meeting in October, 2008. However, noting-sheet mentioned the date as November 26, 2008 while meeting was held on October 30, 2008.

of Rs 750 as prescribed by the GIDC.

This suggests that Mehul Developers Pvt. Ltd was earning a premium of Rs 3400 per sq mts from their transfer to BOSCH, as Mehul had paid only Rs 600 per sq mt to the GIDC.

On November 19, 2010 Mehul Developers Pvt. Ltd made an application to the GIDC seeking transfer of plot to Watson Pharma Pvt. Ltd and very same day i.e. on November 19, the file went from being 'inwarded' to DGM (administration) to the MD and back. The file was approved for transfer.

This transfer application was for a bare plot, despite the fact that Mehul was still a chronic defaulter and the said transfer was allowed by bypassing the core committee, which was a gross procedural irregularity.

On November 22, 2010 Watson paid Rs 17600695 and Rs 5392500 but was issued a receipt for the amounts of Rs 18057520 and Rs 5592500. There is no explanation whatsoever given for the difference in the amount actually paid and the amount as reflected in the receipt issued.

The sources alleged that a meeting was held on July 30, 2010. At this meeting Putzmeister agreed to surrender land to the GIDC to allow BOSCH to start business on 40000 sq mts land. The chairman and the MD were present at the meeting. At no stage was it mentioned that 35000 sq mt was lying unutilised and the party was trying to transfer and was not regular in payments and that this could be given to BOSCH after taking it back as per the rules.

At this meeting the GIDC got 15 days to do the necessary procedures but they finally issued letter of allotment on August 2010.

Plots at Verna Industrial Estate allotted out of turn

GIDC BENDS RULES TO ALLOT OPEN SPACES

NT NETWORK

PANAJI: The Industrial Development Corporation is in the middle of major shakeup of its bureaucracy as it has been guilty of illegally allotting land earmarked as open spaces and allotment of plots out of turn, official sources said on Wednesday.

Allotment of open spaces is against directions (Circular No. 12/JDD/MUN/2002 dated June 10, 2002) of the Chief Secretary that open spaces cannot be utilised or interfered without the consent of the stakeholder and is

judgment and order of the High Court in the case of Doran Mangar Valley. Residents Vs Mirnimgar municipal council.

Alleging that this decision-making and illegality go right to the top, the Goa Small Industries Association in a complaint on the issue to the police cited an example of the wrongdoing. It alleged that in the Nossal Industrial Estate a unit - Sai Sunarath Ice Plant - has been built on land earmarked and reserved as an open space.

Official sources said the proprietor of the unit is a relative of the GIDC chairman,

Kavlekar. The sources said that there are irregularities even to the extent of plots as large as 20,000 sq mts even as the GIDC has claimed that it does not have the land to give, but plots are made available for consideration or if right pressure is applied.

In another case, a relative of a GIDC official - field manager, Mr. B. Shekhi - has been allotted open space (Plot No U04A, admeasuring 4000 sq mts) in the Verna Industrial Estate.

The sources claimed that the plot actually admeasures to 5300 sq mts. Moreover,

out to stock Maruti cars. They also claimed that this information was not given to the taskforce formed to look into GIDC irregularities.

Another open space in the Verna Industrial Estate was even allotted to opposition leader, 3 Member Parliament, in when he found out was illegal he returned it and it is now with Mr. Datta Naik, source said.

According to many people who have tried to get plots illegal many parties have been allotted plots by GIDC out of turn at without following the

Trail of illegality leads to GIDC

THURSDAY, OCTOBER 13, 2011

THE NAVHIND TIMES THURSDAY, OCTOBER 13, 2011

Exports grow 36.3% in September, trend line shrugs off global woes

Manufacturing Sector Growth Remains Sluggish, Mining Also Hit

Industrial output slows down to 4.1%

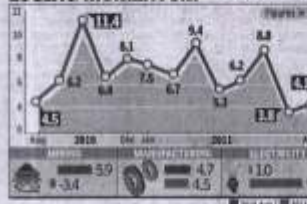
INDIA NEWS SERVICE

New Delhi: The country's industrial output rose faster year-on-year in August as growth in the key manufacturing sector remained sluggish and the mining sector declined due to policy-driven while increase in interest rates hurt expansion.

Data released by the Central Statistics Office (CSO) on Wednesday showed industrial output in August rose 4.1% compared to 4.0% in the same year-ago period. The CSO revised upwards the July data to 3.8% from the previous reading of 3.3% and the May number rose 2% from 1.9%. Industrial output in the April-August period rose 1.6% compared to 4.2% growth in the same year-ago period.

Finance minister Pranab Mukherjee said the data was "not encouraging" and it may affect economic growth in the

LOSING MOMENTUM



July-September quarter: GDP growth in the April-June quarter slowed by 1%, Bloomberg said the data showed clear signs of a slowdown. "The August IIP pointed to signs of moderation in the recovery with growth at 4.1% against consensus expectations of 4.7%. Intermediate goods and consumer durables

remained to see weak growth. Seen in conjunction with other indicators like the manufacturing PMI and the trend in crude daily oil prices, industrial production is clearly slowing," said Indradip Pan, chief economist at Kotak Mahindra Bank.

The manufacturing sector grew 4.5% in August compared to 4.7% in the same month a year ago while electricity rose 6.5% compared to 1% growth in August 2010. The mining sector posted a disappointing performance and declined by 3.4%.

The capital goods sector, a key gauge of industrial activity rose 3.9% in August compared to 4.7% in August 2010, while consumer goods grew 1.7% compared to 4.9% in the same year-ago period. Consumer durables, also restrained soft and grew at 4.4% in August, slower than 8.1% in August 2010.

comparing to 4.7% in the same month a year ago while electricity rose 6.5% compared to 1% growth in August 2010.

The mining sector posted a disappointing performance and declined by 3.4%. The capital goods sector, a key gauge of industrial activity rose 3.9% in August compared to 4.7% in August 2010, while consumer goods grew 1.7% compared to 4.9% in the same year-ago period.

Either this month, a survey had showed that the country's manufacturing sector was under stress and that segment of the economy had indeed tapered contraction in September. The HSBC Purchasing Managers' Index (PMI) - a leading index designed to measure the overall health of the manufacturing

US and Europe are the two biggest markets for Indian merchandise, accounting for about 30 per cent of total shipments.

Imports in September grew by 17.2 per cent to US \$ 34.6 billion vis-a-vis the same period last year, leaving a trade deficit of US \$ 9.8 billion.

During the April-September period, India's exports grew by 52.1 per cent to US \$ 160 billion.

"Good news is that exports continue to grow over last year, but the heady numbers have gone, it is clear there is deceleration," he told reporters here.

During the first half of this fiscal, the sectors which registered healthy growth include engineering

(103 per cent), petroleum and oil lubricants (PoL) (53 per cent), gems and jewellery (23 per cent), ready-made garments (32 per cent), marine products (48 per cent) and drugs (33 per cent).

Mr. Khullar said that India's exports are growing in new markets like Africa, Latin America and Asia, which has helped India maintain the export growth momentum.

During the period, imports expanded by 32.4 per cent to US \$ 233.5 billion. The trade gap stood at US \$ 73.5 billion.

Apex exporters body Peco said the trade deficit number is huge and may touch US \$ 150 billion by the end of 2011-12, "which is a matter of concern".