

Vidya Prasarak Mandal (VPM) (Thane), Maharashtra, India,

REPORT ON - WHY INDIA !!! - SEMINAR HELD ON
FRIDAY, 22nd OCTOBER, 2010 IN LONDON, U.K.

VPM's London Academy of Education and Research (LAER), London, U. K. conducted a Seminar on the theme "Why India" on Friday, 22nd October, 2010 at Institute of Directors (IOD), New Broad Street House, London EC2M 1NH. The Seminar commenced at 4.00 pm (London time) and lasted for 3 hours. Dr. Guruprasad Murthy, Professor-Director-General of Dr. V. N. Bedekar Institute of Management Studies (DR VN BRIMS), (Thane) welcomed the delegates to the seminar and also welcomed those who were waiting to participate in the seminar through web cast in India. Dr. Murthy recalled that this was the third seminar in the series which started in May, 2009. The first seminar was conducted on 26th May, 2009 on the theme "Global Meltdown - Lessons to be Learnt" at Brunei Hall, School of Oriental and African Studies, (SOAS), University of London, London followed by the second seminar on two themes "Corporate Social Responsibilities" and "Fraud Management and Control (An Anti-Fraud Theme) at the same said venue. Further, Dr. Guruprasad Murthy and Dr. Vishnu Kanhere conducted a one day management development programme on "Finance Management for Managers" at Milton Keynes, Buckinghamshire, U.K. on 31st October, 2009.

Dr. Vijay V. Bedekar, Chairman of VPM (Thane) and Director LAER initiated the proceedings of the seminar "Why India". In his introductory speech, he said that India is growing and transforming inspite of the poverty line. Poverty, delays and corruption do exist. However, India at one time known as a third World country is now slated to be an emerging World power

Report on - Why India - Seminar held on Friday, 22nd October, 2010 in London, U.K. after US and China. It is expected to be the third largest economy in terms of GDP in USD million by 2040. In fact, the theme "Why India", was borrowed from the ideas which were published in newspapers when Mr. Cameron, the Prime Minister of U.K. visited India in July, 2010. Mr. Cameron initiated the thought Why India? He also provided an answer by saying that India is a responsible global power and while Britain is the World's oldest democracy, India is the largest. India is a pluralistic and tolerant society, he added. The transformation in India can be seen with many leading Indian business houses like Infosys, Mahindra and Mahindra and Tata's donating princely amounts to the Harvard Business School. The reverse flow of wealth has started. He also cited a recent statement by Nita Ambani, wife of India's richest man and industrialist, Mr. Mukesh Ambani, while delivering a lecture at London School of Economics on the topic 'Towards an Indian Renaissance: Building Institutions of Excellence'. Ms. Nita Ambani told the audience to 'join the movement that is India.' Dr. Bedekar commended this thought to the audience.

Dr. Murthy addressed the theme "Why India" by presenting an overview of India's social and economic progress within the framework of democracy. He started by saying that the cornerstone of India's social and economic life is political democracy with the individual being at the heart of all that happens in the country. He reiterated this point by quoting parts of the preamble of the Constitution of India "Fraternity assuring the dignity of the individual". Dr. Murthy identified India's journey since 1947 and spoke about the license raj which was the outcome of the pre-1991, paradigms of socialism, controls, regulation, state capitalism and sheltered markets. In 1991, India's journey towards liberalisation began. He presented a graphic picture of the key parameters of the Indian economy since liberalisation which included the gross domestic savings as % of GDP, the industrial and services sector growth

Report on - Why India - Seminar held on Friday, 22nd October, 2010 in London, U.K. vis-à-vis the GDP growth and the sector wise occupation (%) and the contributions of the respective sectors (%) to GDP. He also highlighted the improved position of India with respect to foreign exchange reserves, foreign direct investment and foreign institutional investment as of date vis-à-vis May, 1991. India is excelling in all spheres of life viz. social and economic and as a young nation it is providing to the World-at-large skilled cost effective competitive work force. India today is a favoured nation as a destination because it is a happening place and a global hub for wealth creation. He also projected a very bright future for India in terms of its role as an intellectual engine power of the World and an important contributor to knowledge society. He spoke about the views of important persons and sources like the Prime Minister of U.K., Mr. David Cameron and the BBC News Channel and their perception of India's role in the globe. Dr. Murthy, said that in future ideas and thoughts will be conceived in US, designed and made viable by India, manufactured in China and finally marketed and serviced by India and the USA to the rest of the globe. Dr. Murthy concluded by saying that India is personification of change and hence will ride at the crest of the wave of the social and economic change occurring in the World given its strong political will of functioning within a democratic form of polity.

Dr. Prabhakar M. Kelkar, Professor-Director, DR VN BRIMS then presented 'Advances on Technology and Innovation in India'. Dr. Kelkar started by citing several events which demonstrated India's march towards technical excellence and technological and innovation driven progress across various sectors of the industrial and other sectors of the Indian economy. He said that India has engineering capabilities and means to innovate. In addition, India enjoys the English advantage which it should leverage rather than go chasing low value manufacturing. Dr. Kelkar presented examples of various companies which have contributed to improving management of key

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resources like energy and also innovations which have contributed to improved decision making. He highlighted various dimensions of India's progress in the field of technology and innovation. India he said is a centre for R & D design and an intellectual engine power of the World. Indian companies and top management personalities of Indian companies have become role models. In fact, Harvard business school is preparing case studies on business models of Indian Cos. like MindTree and Zensar Technologies which emerged unaffected during the global meltdown. Dr. Kelkar also presented a comparative view of China and India with a FICCI 2010 report on Indian manufacturing. The role of Maharashtra in the industrial economy of India was highlighted and the contribution of Maharashtra towards improved productivity was cited. Further, there is lot of business at the bottom of the pyramid and many companies like Phillips, Nestle, Coco-Cola and GSK are addressing the same. India's record of innovation has also shown improvement and India is emerging as a low cost centre of innovation. India's achievement included Chandrayan and Nano. Again, the 'power of ideas' campaign conducted by the Economic Times, India in January, 2009 is something which is innovative. Professor Anil Gupta's Honey Bee network is another unique way of connecting people with problems and innovators with solutions. The focus is on frugal innovations providing service to customers at the bottom of the pyramid. Dr. Kelkar also addressed innovations in rural areas and said that rural India is in the vortex of change. The rural hinterland of the country is absorbing innovation as part of its appetite for change and is integrating with the developments arising out of liberalisation and globalisation. Another opportunity for small towns is USD 2 billion food industry, expected to grow to USD 6 billion by 2015. In conclusion, he said India is a big opportunity for growth of both hi-tech or low-tech businesses with a large consumer base, young, talented human assets base, untapped and hidden potential of tier-two and tier-three cities, towns and villages. He

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concluded by saying 'India is the future'.

The third presentation was made by Dr. Siddhan Subramanian Governing Body Member of Dr. V. N. Bedekar Institute of Management Studies (Thane) and Business Advisor to the Board, Arch Pharmalabs Ltd. on "Why India - Pharmaceuticals". Dr. Siddhan started by saying that Indian pharmaceutical industry is a success story inasmuch as it is a source of employment and also ensures that essential drugs are available at affordable prices to the millions of the sub-continent. He said that Indian pharmaceutical industry is a sun-rise industry with a strong science technology base and ranks third in terms of volume of production in the World. It's a fast growing industry with a compounded annual growth rate of 11 per cent between 2004-08 and also a most successful example of knowledge based industry. Indian pharma production constitutes about 14% by value which is 1.5% of global value. Dwelling on certain technical dimensions viz. generics, active pharmaceutical ingredients (API's) and branded products, he said that generic products can be produced and distributed without patent production and could be sold without advertising. On the other hand he said that API is the chemical constituent that has the biological activity giving the desired benefit. Dr. Siddhan presented many graphs and maps to show the 'locus standi' of generics in the market place, the US generic market, the business forecast for generics, countries which will have technical gains, the global generics forecast and a wide variety of other related matters like global pharma forecast in terms of annual sales value, Indian pharma growth, Indian pharma imports and exports, World contract research, pharma services business, FDA approved plants outside (USA), health related patents and generic patent. Other graphs included R & D investments vis-à-vis GDP of different countries, Indian spend on R & D biotech industry in India and country attractiveness of the pharma industry. He also said that India is an important M & A player in the

Report on - Why India - Seminar held on Friday, 22nd October, 2010 in London, U.K. pharma industry and presented trends till 2008 and since 2009. In conclusion he said that, India is a country that has made great strides in Pharma sector as a sustainable provider of affordable health care to India.

The fourth presentation by Dr. Vishnu Kanhere, Governing Body Member of Dr. V. N. Bedekar Institute of Management Studies (Thane) and Eminent Practicing Chartered Accountant was on the investment and operating environment in India. The perspective of his presentation included the financial, organisational and taxation framework. In addition, he also addressed the issues of special concessions available to overseas investors and risk management alongwith de-risking solutions. He initiated his presentation by saying that India is complex and has many challenges. However, India is a land of tremendous potential and opportunity, Hence, India is a destination of choice. He identified the inbound investments which included foreign direct investment, portfolio investments, venture capital funds and individuals. The financial framework of India he said included the central banker viz. the Reserve Bank of India and other regulators and regulations namely Securities and Exchange Board of India (SEBI), Stock Exchange Authorities, Insurance Regulatory and Development Authority and Foreign Exchange Management Act. The financial framework also includes commodity trading, forex markets and online exchanges with their own prescribed rules. India offers a good, well regulated banking system with World class banking services. In the financial markets, SEBI has emerged as a mature regulator and there are legitimate arbitrage opportunities. At the same time, the modus operandi, of the National and Bombay Stock Exchanges, is transparent and efficient. The turn around time of various business activities and transactions has improved because of talented manpower as well as electronic media. Foreign Exchange management has been a success. The expression 'regulation' is replaced by the word 'management', repatriation facilities are eased and there is a minimum

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withholding tax. In addition, there are bi-lateral treaties which provide for various additional facilities, unique and special, to the parties to the bi-lateral agreement. The online and commodity exchanges are also well regulated, globally accessible, safe, transparent and efficient, providing online trading facilities. The commodities in which online trading takes place include: oil seeds and produce, steel and metals, products and gold. Dr. Kanhere also addressed the insurance sector which he said was well regulated and provides for a wide variety of de-risking solutions viz. life, general (fire, marine and others) health insurance and other emerging products. Emerging investments include insurance with single premium policies, investment in deposits in trusts, bank deposits - back to back, mutual funds / time share in emerging sectors. Presenting the organisational framework he identified options open in terms of forms of organisations which include, inter-alia, proprietary businesses, Hindu Undivided Family, partnerships, companies and consortium. The taxation framework, he said, was fairly stable and has evolved policies based on trust and transparency. Modern technology has enabled filling of tax returns and also payment of tax on an online basis. This ensures minimum human intervention and the concomitant hassles. He said that by global standards, India has a moderate tax regime and the intensity of tax rate is much lower than U.K., US, Australia, Germany and a few other countries. Only Singapore and Brazil have tax rates which are relatively lower than India. The special incentives and provision include: safe harbour provision - direct tax code, advance rulings, double tax avoidance treaties - DTAA and favourable withholding tax rates (5 to 15%). The enabling framework is electronic backbone and safe, secure, easily accessible, low cost management of various transactions, ofcourse, alongwith arbitrage opportunities. The supportive framework for FDI's i.e. OCB's and NRI's include encouragement of capital inflows, ease of organisation, smooth governance, beneficial taxation and liberalised exchange management of

Report on - Why India - Seminar held on Friday, 22nd October, 2010 in London, U.K. outflows and remittance factor. He also presented a comparison of problematic factors for doing business in India vis-à-vis China and presented some strategies for SME's.

The presentations were followed by a question answer session.

Mr. Krishan Ralleigh, Chief Editor, India Link International, a U.K. based magazine, proposed a vote of thanks.