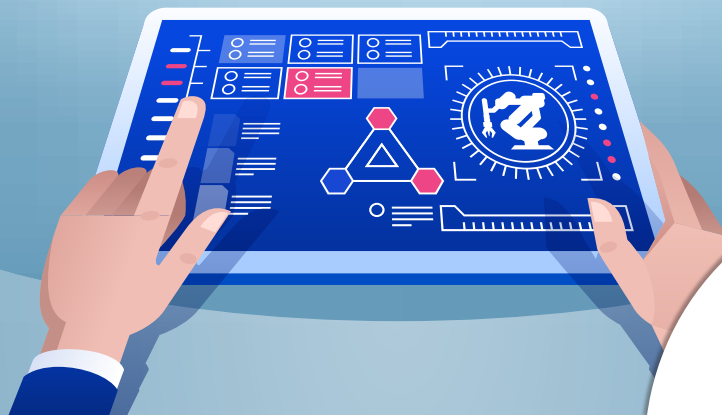
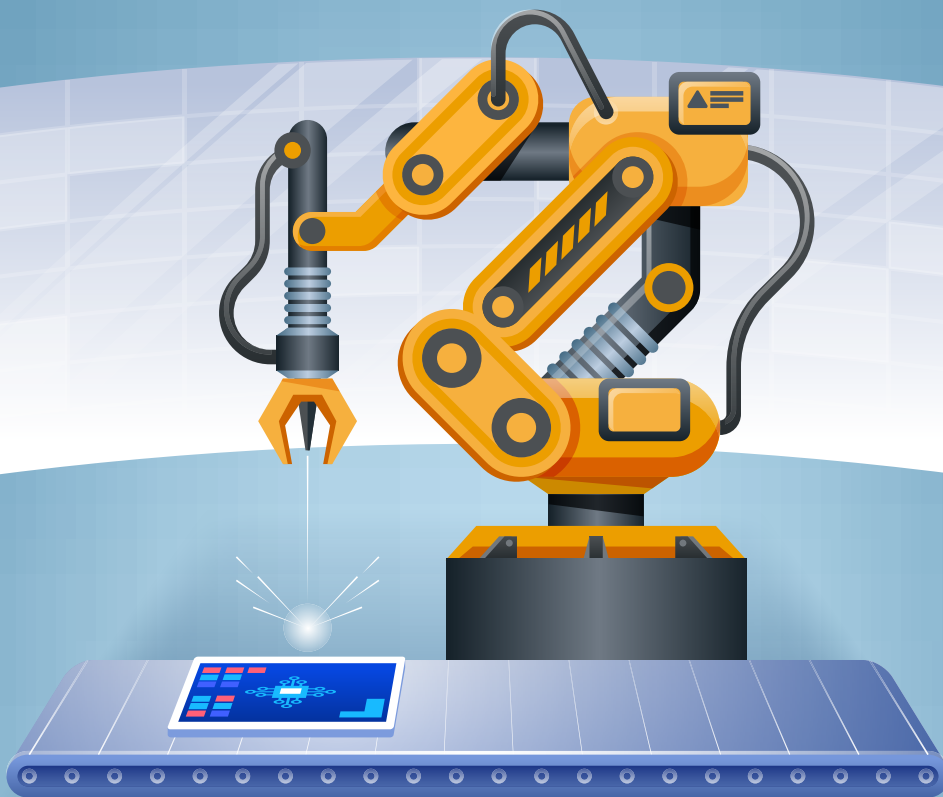


JANUARY 2024

# ENTERPRISE

A MONTHLY BULLETIN PUBLISHED BY VIDARBHA INDUSTRIES ASSOCIATION

## TAILORING AUTOMATION FOR MSMEs A COMPREHENSIVE GUIDE



## VISION

To promote Vidarbha as a preferred investment destination and create conducive environment for socio-economic growth through industry and services

## MISSION

To act as a catalyst between various stakeholders and authorities.

To create harmonious environment for accelerated industrial growth.

To provide a unified platform for policy advocacy at all levels.

To create, nurture and develop entrepreneurship and business leadership.

To enhance managerial and technical competency for excellence

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## PRESIDENT'S MESSAGE

Dear Readers,

Happy New Year! May 2024 bring unprecedented success and prosperity to every member of Vidarbha's growing industrial community.

India's economy is on track to reach 6.5% growth in FY24-25 and will hit 7% in 2026, according to latest estimates from S&P Global. Our economy expanded an impressive 7.6% y-o-y in Q2, posing India as a captivating foreign investment hub, set to emerge as the world's 3rd largest economy by 2027, surpassing Japan and Germany.

Industries flag-bearing India's economic growth in 2024 include healthcare and insurance, fintech, renewable energy and climate tech, electric vehicles, IT services, real estate and infrastructure, FMCG, R&D, tech innovation, and AI. According to TeamLease Digital's report, India's green industry will provide 18.5 million jobs by FY24-25. The top sought skills are also in renewable energy, environmental health safety, solar energy, CSR, and sustainability.

According to the Talent Trends 2022 Randstad Report, Nagpur occupies 2.98% of jobs at the senior level, 3.24% of jobs at the middle level, and 4.32% of jobs at the junior level in the manufacturing industry. More prominently, Nagpur holds 5.05% of jobs in the IT services industry at the middle level. Lower talent and infrastructure costs in Tier-2 cities are to be credited for this positive trend, besides the state's incentives to MNCs/LSIs to locate their operations in Nagpur through policies and schemes, tax and operational subsidies, and advanced infrastructure.

A Rs. 400 crore Mother Dairy dairy unit has been announced for Nagpur. As per the ministry, the first phase of the Rs. 1710 crore Wainganga-Nalganga river linking project will be completed by June 2025, bringing 45,000 hectares under irrigation in the Buldhana district. The Gosikhurd project will also be completed by the end of 2024. Investment of Rs. 21,000+ crore will come through the Gadchiroli Lloyds steel project.

The authorities have promised to create over 1 lakh jobs for Vidarbha's youth by 2024. With concerted efforts by the government and active participation from businesses, Vidarbha is geared for accelerated growth and development in its industries.

- Vishal Agrawal  
President



## EDITOR'S MESSAGE

Dear Readers,

Wishing you a Happy New Year filled with exciting opportunities, creative breakthroughs, and continued success. Our first edition of the 'Enterprise' in 2024 shares a comprehensive guide for MSMEs on customised factory automation processes. Dr. Prashant Agrawal - Director of Ira Agrotech and Research Pvt. Ltd., highlights the significant benefits of automation - including streamlined processes, cost reduction, and increased efficiency - that allow MSMEs to compete on larger landscapes and thrive in "Industry 4.0".

In their guest articles, Dr. T. S. Rawal explains the fine print behind India's substantial 7.6% surge in GDP for Q2 of FY 23-24, CA Naresh Jakhotia highlights the capital gain exemptions

when the amount isn't deposited in the Capital Gains Account Scheme, Dr. Smita Singh (Dabholkar) deciphers the ancient Greek concept of a "eudaemonic" state of mind that cultivates happiness in the workplace for both employees and employers, Mr. Pradeep Maheshwari talks about technology and process upgrades that foster cost efficiency and business growth, and Dr. Suresh Pandilwar weighs the pros and cons of the "work from anywhere" philosophy. Our latest guest writer Mr. Pavan Nikhare explains why productivity improvement initiatives in the manufacturing industry are paramount to remain ahead in today's competition.

We endeavour to bring you the latest and most important news related to the industries of Vidarbha. We encourage all our readers to share write-ups to be published in subsequent editions of the 'Enterprise'. Please write to us at [viangpindia@gmail.com](mailto:viangpindia@gmail.com) with your input and feedback.

**- Aditya Saraf**  
Editor



## SECRETARY'S MESSAGE

Dear Readers,

Wishing you all a Happy New Year and a successful year ahead!

The last month of 2023 was filled with activities, visits, and interactions at VIA. VIA LEW organized an enlightening industrial visit for its members to the Sungod Agro Farm in Mauda and Hindalco Industries Limited. A VIA delegation met Deependra Singh Kushwah (IAS) - Development Commissioner (Industries) at Udyam Sabhagruh, Nagpur to submit suggestions related to the Industrial Policy 2024 and the Logistic Policy, the latter of which is under preparation.

Another VIA delegation met the Hon'ble Deputy Chief Minister of Maharashtra Ajit Pawar at the Vijay Bhawan, Near GPO, Nagpur. VIA also organised an interaction with Shamli Menon - Senior Commercial Specialist,

US Consulate, Mumbai (International Trade Administration, U.S. Department of Commerce).

We also reached out to key government officials and departments with representations on matters such as the inclusion of fertilizers in the GEM, suggestions related to industrial and logistics policies, gratitude for continuous support to agriculture input Industries, request to restore Vidarbha -Marathwada subsidy incentive scheme vide GR No. Sankirn-2018/P.K. 184/Urja-5 dated 8.3.2019, few members of VIA not receiving fixed incentive scheme as per VM incentive policy 23rd Jun- 2022, suggestion to ensure new investment for PM Mitra Textile Park at Amravati, request to restore the original VM energy incentive scheme and extension of the same along with electricity duty exemption, and reducing the impact of TDS burden due to non-linking of PAN with Aadhar of the deductee.

Wishing you all the success and happiness for the new year ahead. Looking forward to your continued support.

**- Ashish Doshi**  
Secretary

# TAILORING AUTOMATION FOR MSMEs: A COMPREHENSIVE GUIDE



**DR. PRASHANT AGRAWAL**  
Director  
Ira Agrotech And Research  
Pvt. Ltd.

Automation holds promise for MSMEs across various industries, be it manufacturing, finance, or customer service. Automation adoption offers streamlined processes, cost reduction, improved efficiency, and increased profitability. It minimises errors and reduces waste, resulting in lower operational costs. It helps MSMEs compete on larger scales by helping them allocate resources more prudently across critical areas like innovation, marketing, and business expansion. By automating repetitive tasks, MSMEs can eliminate manual, time-consuming processes. Heightened productivity through automation means MSMEs can handle larger volumes of work, meet customer demands more effectively, and scale their operations.

Automation technologies such as robotics, AI, and IoT provide access to advanced capabilities previously exclusive to larger enterprises. They can streamline production lines, improve quality control, and gather real-time data for informed decision-making. They level the playing field for MSMEs by helping them deliver high-quality products and services at competitive prices.

## CHALLENGES WITH AUTOMATION

Larger firms have more financial resources to invest in digital transformation initiatives than smaller firms. Additionally, smaller firms often lack digital literacy. The level of digital transformation also varies among MSMEs, creating difficulties in extending training and benefits downstream.

The nearly 63 million Indian MSMEs contribute 30% to the GDP and 45% to the manufacturing output of the country. However, the rate of digital transformation in this sector has been relatively low. COVID-19 made it imperative for MSMEs to implement automation and “Industry

4.0” technologies to stay competitive. However, many are still a long way from achieving it, owing to a lack of knowledge, shortage of trained labour, and rising expenses.

One key area where automation can greatly benefit MSMEs is in the sourcing of raw materials. Historically, the manufacturing sector has struggled with finding alternatives, better prices, quantities, and lead times for raw materials. By integrating automation with their operations, MSMEs can leverage real-time visibility of capacity (enabled by IoT) and implement JIT techniques to source raw materials.

The transition to automation technologies, however, comes with a set of challenges. Many MSMEs may find it difficult to allocate the necessary funds for automation, making it a practical option for only a few. They may also lack the technical know-how required to implement and maintain automation solutions. The lack of knowledge about the advantages of automation can also hinder its adoption.

To promote wider adoption of Industry 4.0 technologies, the Indian business environment and regulatory ecosystem need to evolve. Regulations on data privacy, retail, and e-commerce are still under discussion, and MSMEs have concerns about the adoption of cloud-based services due to the lack of norms on data portability and interoperability. Financing hardware and upgrading legacy systems are also bottlenecks, and soft funding would be beneficial in overcoming these challenges.

Larger firms usually have access to more extensive and diverse datasets, allowing them to leverage advanced analytics techniques. This abundance of data enables them to make informed decisions and drive actionable insights. In contrast, MSMEs face challenges in accessing and utilising data effectively.

## BENEFITS OF AUTOMATION

- **Increased productivity:** Automation streamlines processes, reduces manual workload, and boosts output, leading to



significant productivity gains.

- **Cost reduction:** Automation minimizes resource wastage, lowers operational costs, and improves efficiency, translating into higher profitability.
- **Improved quality:** Automated systems ensure consistent quality control, minimizing errors and enhancing product/service accuracy.
- **Competitive advantage:** By embracing automation, MSMEs gain a competitive edge in efficiency, cost, and quality, enabling them to compete effectively in the market.

## KEY STRATEGIES

Automation is a strategic choice for MSMEs to thrive in the digital age. By adopting the right strategies, collaborating with stakeholders, and overcoming challenges, MSMEs can harness the power of automation to find success in Industry 4.0. The following outlines strategies for successful adaptation, ensuring MSMEs thrive in the new landscape:

- **Tailored Strategies:** One-size-fits-all doesn't work. Collaborate with technology providers and industry experts to craft automation plans specific to your needs and budget.
- **Government and Industry Support:** Leverage financial assistance, training programs, and technology adoption initiatives offered by the government and industry associations.
- **Upskilling the Workforce:** Invest in training programs to equip your employees with the skills to operate and maintain automated systems. This fosters loyalty and unlocks new career paths.
- **Overcoming Financial Barriers:** Explore subsidies, grants, low-interest loans, and innovative financing models like leasing or pay-per-use to make automation accessible.

**Innovation and Collaboration:** Actively participate in innovation ecosystems,

incubators, and research partnerships to access cutting-edge technologies and expertise. Embrace open innovation for collective knowledge sharing.

Remember, automation is not about replacing jobs, but about augmenting human capabilities. Embrace it as a tool to empower your workforce, enhance your business, and unlock a future of sustainable growth.

The following are some areas where automation can have a direct impact on MSMEs:

- **Finance:** Small businesses and enterprises can use cloud-based solutions to send invoices, manage staff, and make online purchases. Manual processing does not require people's assistance, which makes the procedure easier and improves financial management.
- **HR:** Employee commitment and performance are crucial in SMEs because they are responsible for developing and delivering the service or product. In addition, SMEs are characterised by a small number of employees (250 or less). As a result, SMEs must hire the right set of employees and monitor their performance.
- **Marketing:** Relevant advertising and email marketing, as well as SEO and customer relationship management, are all made possible by the software. It ensures that the data is relevant and that the emails are better targeted. It also keeps track of contacts, ensuring that communication is clear and timely.

## CONCLUSION

Automation promises a revolution for MSMEs, transforming how they communicate, collaborate, and even source raw materials. From boosted productivity and cost savings to access to cutting-edge tech, the benefits are undeniable. While obstacles exist, success stories abound. Many MSMEs have embraced automation thanks to strategic partnerships with technology companies. These partners provide invaluable guidance, from choosing the right tools to assisting with implementation and maintenance. Investing in staff training also plays a crucial role in ensuring smooth integration and maximising benefits. Yet, challenges remain. Lack of awareness about suitable technologies, limited



financial and manpower resources, deployment concerns, and worries about interoperability and cybersecurity all hinder broader adoption. Additionally, rigid rules within government promotional schemes can inadvertently impede progress. To unlock the full potential of MSMEs and drive economic growth, these challenges

must be addressed. Raising awareness, providing financial resources, and offering support in areas like cybersecurity and interoperability are key. By tackling these structural issues and fostering a supportive ecosystem, we can pave the way for a wave of digital transformation in India's vibrant MSME sector.

## VIA REPRESENTATIONS – DECEMBER 2023

### 12<sup>TH</sup> DECEMBER

**Nitin Gadkari**

**Hon'ble Union Minister, Road Transport & Highways, Government of India, New Delhi.**  
Inclusion of fertilizers in the GEM

### 12<sup>TH</sup> DECEMBER

**Deependra Singh Kushwah (I.A.S.)**  
**Development Commissioner (Industries),**  
**Government of Maharashtra, Directorate of Industries, Mantralaya, Mumbai.**  
Suggestions related to industrial and logistics policies

### 12<sup>TH</sup> DECEMBER

**Nitin Gadkari**  
**Hon'ble Union Minister, Road Transport & Highways, Government of India, New Delhi.**  
Gratitude for continuous support to agriculture input Industries

### 14<sup>TH</sup> DECEMBER

**Abha Shukla**  
**Principal Secretary, Industries, Energy & Labour Department, Government of Maharashtra, Mantralaya, Mumbai.**  
Request to restore Vidarbha –Marathwada subsidy incentive scheme vide GR No. Sankirn-2018/P.K. 184/Urja-5 dated 8.3.2019

### 14<sup>TH</sup> DECEMBER

**Abha Shukla**  
**Principal Secretary, Industries, Energy & Labour Department, Government of Maharashtra, Mantralaya, Mumbai.**  
Few members of VIA not receiving fixed incentive scheme as per VM incentive policy  
23rd Jun- 2022

### 14<sup>TH</sup> DECEMBER

**Devendra Fadnavis**  
**Hon'ble Dy. Chief Minister, Government Of Maharashtra, Mumbai.**  
Suggestion to ensure new investment for PM Mitra Textile Park at Amravati

### 14<sup>TH</sup> DECEMBER

**Devendra Fadnavis**  
**Hon'ble Dy. Chief Minister, Government Of Maharashtra, Mumbai**  
Request to restore the original VM energy incentive scheme and extension of the same along with electricity duty exemption

### 28<sup>TH</sup> DECEMBER

**Nitin Gadkari**  
**Hon'ble Union Minister, Road Transport & Highways, Government of India, New Delhi.**  
Reducing the impact of TDS burden due to non-linking of PAN with Aadhar of the deductee



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# THE TAX TALK: CAPITAL GAIN EXEMPTION IF AMOUNT NOT DEPOSITED IN CGAS



CA NARESH JAKHOTIA

Investing the amount for the purchase or construction of another house property is one of the most common modes adopted for saving tax on Long Term Capital Gain (LTCG). The exemption is admissible under section 54 and section 54F of the Income Tax Act-1961. Section 54 provides an exemption if gain arises from the transfer of any residential house property whereas Section 54F does the same if it arises from the transfer of any capital assets (other than residential house property). Under both sections, the capital gain is exempt if such gains are invested towards the purchase or construction of a new residential house, within the specified time frame. The prescribed time frame for capital gain exemption is as follows:

- 1. For purchase:** 1 year before or 2 years after the date of sale or transfer
- 2. For constructions:** 3 years from the date of sale or transfer

ITR is to be filed within the due date even though there is a period of 2 or 3 years for investment. To allow the exemption, the income tax law provides for investment in the "Capital Gains Account Scheme (CGAS)" if the taxpayer is unable to invest the amount before the due date of filing the ITR. This amount deposited in CGAS is required to be utilized for the purchase/construction of a new residential house within the time frame.

The question arises, whether the exemption would still be admissible if the taxpayers don't deposit the amount in CGAS but utilize the amount directly for purchase or construction within a stipulated period of 2 or 3 years. Recently, the Delhi bench of ITAT in the case of Sarita Gupta vs. Pr. CIT [ITA No.1174/Del/2022]

has held that mere non-deposit of the amount into the CGAS for the interim period cannot be the basis to decline the exemption claimed u/s 54. With this judgment widely circulated in various media, taxpayers are forming the perception that the deposit in CGAS is not mandatory and the exemption can be claimed by purchasing/constructing within a period of 2 or 3 years without investing it in the CGAS account during the interim period.

Earlier, similar views were affirmed by Karnataka High Court in the case of CIT vs. Ramachandra Rao 56 taxmann.com 163 and Madras High Court in Venkata Dilip Kumar vs. CIT 111 Taxmann.com 180 (Mad) wherein the courts held that the legislative intent behind section 54 and section 54F of the IT Act, 1961 is to promote housing. Both sections allow the exemption to an individual/HUF, who reinvests the amount for the purchase or construction of a residential house and deposit in CGAS is merely a procedural requirement. If substantive compliance by purchase/construction is done, it would be enough to warrant the exemption.

However, the Bombay High Court in Humayun Suleman Merchant vs. CCIT, Mumbai (2016) 96 CCH 0149 deviated from the above views with the following observation:

1. The exemption provision requires strict compliance with the conditions specified therein. If the words of the statute are plain and clear, strict compliance with the conditions specified in the legislation is necessary for availing the exemption benefit.
2. It's a settled position in law that the issue of giving beneficial construction to a statute cannot arise if there is no ambiguity in the provision of law. In the face of the clear words of the statute, the intent of parties and/or beneficial construction is irrelevant.
3. The apex court in Sales Tax Commissioner vs. Modi Sugar Mills [1961] 12 STC 182 reiterated the well-settled principle of interpretation in the following words: "In

interpreting a taxing statute, equitable considerations are entirely out of place. Nor can taxing statute be interpreted on any presumption or assumptions....It must interpret a taxing statute in the light of what is clearly expressed ...”.

4. We are with respect unable to accept the reasoning adopted by Karnataka High Court in K. Ramchandra Rao. The mandate of the section is clear. The amount that has not been utilized in the construction and/or purchase of property before filing the ITR must necessarily be deposited in an account duly notified by the central government, to be exempted.
5. In this case, the provision is very clear. There is no ambiguity and so there is no occasion to apply liberal/beneficial construction while interpreting the section as contended by the appellant.

## CONCLUSION

Taxpayers may note that the allowability of the exemption under sections 54 and 54F

for investment in a residential house without depositing in the CGAS has been the subject matter of litigation for a considerable length of time. There are conflicting judgments of the judiciary on this issue and the recent judgement by ITAT Delhi may not be considered as a settled provision of law. The view taken in Humayun Suleman Merchant by the Bombay High Court is grounded largely upon the adoption of a pragmatic or strict interpretation of the fiscal statute and not on purposive or equitable interpretation. It's advisable for the taxpayers to keep the amount in CGAS if they intend to claim an exemption by purchasing or constructing the house property within a period of 2 or 3 years.

*Views expressed are the personal views of the author. Readers are advised to seek professional advice before making any decisions. Readers may forward their feedback and queries to [nareshjakhota@gmail.com](mailto:nareshjakhota@gmail.com). Other articles and responses to queries are available at [www.theTAXtalk.com](http://www.theTAXtalk.com)*





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# TECHNOLOGY'S IMPORTANCE IN MANUFACTURING & SERVICE

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**PRADEEP MAHESHWARI**  
Strategist  
Natural Resources

As competition intensifies, industries face significant pressure on costs and margins. Survival in each sector will always favour the fittest, requiring innovation and minimal disruption. Technology and process upgrades play a crucial role in ensuring cost efficiency and quality, fostering business growth. Information Technology (IT) plays a supportive role by enhancing accuracy and minimizing risks in processes.

Different types of products necessitate SOPs, and plant owners continually strive to stabilize processes with the support of technology. From raw materials procurement to quality checks during manufacturing, standard technology is a must in every manufacturing sector. Process and technology automation are equally vital for the industry's progress.

Over the years, with increased computer usage and upgraded software, automation has become more manageable. Technology-

driven process control and automation guarantee consistently high quality, bringing benefits to users. The world has come closer through the internet and it provides access to extensive data on processes. Similarly, technology and automation contribute significantly to numerous units. With high costs and a shortage of trained manpower, automation is crucial for smaller plants too.

Most plant and machinery manufacturers now offer complete turnkey projects that include process automation. Through improved training and adherence to SOPs, workers on the shop floor easily understand their tasks, yielding desired results for management. In large projects, automation allows for remote monitoring and control of the entire process from a centralized Control Room. Industries such as steel, FMCG, pharma, and automobile, among others, leverage fully automated manufacturing processes to achieve bulk production with consistency.

Similarly, the service sector has embraced full automation using technology. High quality and timely delivery of work has become a critical factor for success in industries and businesses.

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## SR. COMMERCIAL SPECIALIST, U.S. CONSULATE VISITS VIA

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VIA organised an interaction with Shamli Menon - Senior Commercial Specialist, Consulate of the United States of America,

Mumbai (International Trade Administration, U.S. Department of Commerce).

Shamli Menon said her visit to Nagpur was to understand the business opportunities for U.S. companies in Vidarbha. She said her work entails promoting U.S. goods and services in India as well as working closely with Indian companies and assisting with their investments in the States.

"U.S. Department of Commerce facilitates commercial relationships between the U.S. and India. We have the export promotion resources needed to develop business in the

Indian market as part of the U.S. Department of Commerce's network of 7 offices across India, as well as a presence in over 75 countries and 108 offices throughout the U.S. We assist North American businesses in exporting goods and services to India. We find potential business partners, conduct valuable market research on India, and help them enter the fast-growing and dynamic Indian market", she explained.

She added that they also assist Indian companies in locating the best U.S. suppliers. "Our global network of trade professionals connects U.S. businesses with international buyers, offering market intelligence, trade counselling, business matchmaking, advocacy, and commercial diplomacy assistance. We provide the expertise you need to connect with lucrative opportunities, whether you are a U.S. company looking to make your first export sale or expand into new markets, or an international company looking to purchase products/services from the U.S. or find additional U.S. suppliers", she said.

She also discussed exploring the possibility

of tie-ups in aircraft maintenance; repair and overhaul in the MRO sector; cyber security and artificial intelligence; visa issues; collaborations with management colleges and Nagpur University; potential investment opportunities; and ideas on innovation and technology.

Earlier, Vishal Agrawal - President of VIA, welcomed Menon and spoke about the potential and opportunities available in Vidarbha. Kaushal Mohta - Chairman of VIA EXIM Forum, made the opening remarks and introduced the guests.

Prashant Mohota - Vice President of VIA, spoke about the possibilities of joint ventures with U.S.-based companies at the MP MITRA Textile Park at Amravati, government subsidies available for industries etc.

Aditya Saraf - Treasurer of VIA, Pratik Tapadia and Dr Anita Rao - Jt. Secretaries of VIA, Rashmi Kulkarni - LEW Chairperson, Kush Bajaj, CA Nitin Agrawal, and representatives from Solar Group, Kapilansh Dhatu, TRT Technologies and several exporting units attended the interaction.

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# MANAGEMENT MATTERS: LET US DISCUSS EUDAIMONIA



**DR. SMITA SINGH  
(DABHOLKAR)**

Associate Professor  
HR and OB  
IMT Nagpur

**“If the mind is happy, the entire world (seems) happy. If the mind is despondent, the entire world (seems) despondent.”**

A few days back, I was listening to Professor Atul Parvatiyara, a celebrated researcher, author and management consultant, who was visiting IMT Nagpur to share his experiences. He was referring to the concept of ‘Eudaimonia’ which in simple language means happiness or welfare. Hedonic and eudaimonic are the two widely held theories of happiness in psychology. Experiences of pleasure and delight lead to hedonic happiness, but experiences of meaning and purpose lead to eudaimonic happiness. In classical Greek tradition, eudaimonia denoted the ultimate human good, as described in Aristotle’s writings. Viktor Frankl’s ‘Man’s Search for Meaning’ is all about the “why”; the purpose, a prerequisite for eudaimonia. He says if one has the “why”, they will do it anyhow. Truly speaking, making employees understand the purpose of their work is the most important function of management. It cannot be done merely through a lecture. It largely needs a demonstration of high order by the top. Schools and B-schools need to talk about this more and we need more conferences and seminars on how to decode purpose, both organizational and personal. The journey of discovering purpose will not be easy but it’s essential for sure. According to the 2023 World Happiness Report, Finland has once again topped the list of the happiest countries in the world. India ranks 126 out of 136.

‘Happy workers are productive workers’ is not just an assumption anymore. The latest research published by Forbes states that happy workers are as much as 20% more productive in the workplace than unhappy employees. An author in this field, Sonia Lyubomirsky, suggests in ‘The How of Happiness’ that we still control 40% of

our happiness. Besides what organizations may do to increase employee happiness, employees on their own can do a lot about creating an eudaimonic state of mind within themselves.

At an employee’s end, they may first and foremost develop an ‘I wish to be happy’ mindset. Monitoring one’s self-talk is a good beginning. Finding happy people and spending more time with them, is another way to stay happy for a longer duration. Developing and nurturing meaningful relationships is also an effective way of cultivating happiness. To discover the purpose in the organizational space, one can begin with questions like, “Why do I need this work? Is this the best place for me? How can I get where I want to be? Will that make me happier?”. Answering these questions will bring some clarity and help clear the clutter that interferes with one’s happiness.

At the organizational end, some important things need to be done. Author Patrick Lencioni, in his book ‘The Truth about Employee Engagement’, gives us a few simple and useful tips. He states that employees like to be known (to begin with, they want people to know their names). Employees wish others to know what they are doing and how their work is impacting the organization. If they are informed from time to time about how they are progressing both as individuals and as an organization, it does give them a lot of happiness.

If we look at the above pointers that can help cultivate happiness in the workplace, one will realize that most of it doesn’t require any additional financial budget. However, it does require one to budget some time, some enthusiasm and a dedicated, well-supported-from-the-top effort for sure. As a society, we need to focus more on nurturing these traits in children and recognizing and rewarding them from time to time. When these children become adults it will automatically translate into their own and their organizational vision and mission and thus will impact the processes in the organization.



# VIA DELEGATION MEETS DEVELOPMENT COMMISSIONER (INDUSTRIES)



A VIA delegation, led by Pravin Tapadia - Past President, Gaurav Sarma - Vice President, Girdhari Mantri, CA Nitin Agrawal and Vinit Mohota met Deependra Singh Kushwah (IAS) - Development Commissioner (Industries) at the Directorate of Industries, Mumbai to submit suggestions related to the Industrial Policy 2024 and the Logistic Policy in development.

The commissioner highlighted the new MAITRI Act 2023, a single window system for permissions to establish/operate industries. "We are coming up with special sectoral policies for Vidarbha's development. I will incorporate the feedback shared by the industrialists in the ensuing policy", he assured.

**During the discussions, the VIA delegation highlighted the following:**

1. Need for sectoral policies so that every unit can benefit from the PSI scheme.
2. Removing anomalies in the definitions of

"MSME", "special LSI" and "LSI" as MSMEs are discouraged from ever graduating to LSIs since they only get nominal benefits compared to MSMEs and mega units.

3. The surplus claim is carried forward only for one year and the deficit is not carried forward.
4. Units should be allowed to avail the overall amount sanctioned within the tenure.
5. Treat expansion and diversification of units at par with new units for dispensation of incentives under PSI to encourage sustainability of the unit planning expansion and reward continuity of growth of employment and economy in the region.
6. There should be incentives for installing solar power for captive use to encourage the use of clean energy.
7. Considering the rapid changes in technology and business dynamics, the present operative period is too long. Since incentives are now production-linked, the operative period should be terminated at the end of the eligibility period.
8. Extend the period for investment and claim by 2 years due to COVID.

Earlier, G O Bharti - JDI, Nagpur, informed about the purpose of their maiden visit to Nagpur. S S Muddamwar - GM DIC, Nagpur and representatives from other industry associations were also present on the occasion.

## VIA DELEGATION VISITS DEPUTY CM



A VIA delegation met the Hon'ble Deputy Chief Minister of Maharashtra Ajit Pawar at the Vijay Bhawan, Near GPO, Nagpur.

The VIA delegation was led by Vishal Agrawal - President of VIA. They met Pawar and requested to restore the Vidarbha-Marathwada (VM) energy incentive scheme and to extend the electricity duty exemption for a further 5 years. He was accompanied by Girdhari Mantri, Ashish Doshi and Rakesh Surana. Agrawal also requested the minister to visit VIA and address the industrial fraternity during the winter assembly. Pawar requested them to meet the Hon'ble Deputy Chief Minister and Energy Minister Devendra Fadnavis since the energy subsidy is related to him.

# WORK FROM ANYWHERE HR POLICY



**Dr. SURESH PANDILWAR**

Co-chairman

VIA HRD Forum

At the outset, I would like to wish all 'Enterprise' readers a Happy New Year. Before implementing the new labour codes in India HR found its way into the employment handbook 'Work From Anywhere' which is also termed 'work from home', 'telecommuting' or 'homeshoring'. The concept has quickly gained popularity in India during and after COVID-19. The reasons are simple: freedom and flexibility help attract and retain good talent. Given the increasing fuel prices, irritating traffic, commuting-related chaos and most importantly, family duties and responsibilities, 'work from home' is becoming a choice among employees and employers, especially in the IT arena.

To the extent an employee is not bound by fixed work hours, they can schedule their work at the time when they feel most efficient. Some employees find that their productivity is higher and stress levels lower if they work from home or a remote location. Employees who like isolation and a peaceful work environment also tend to support this way of working. Advanced communication networks and hi-tech computing equipment are enabling organizations to implement this policy. However, employees cannot claim it as a right; such permission should be purely at the employer's discretion - it's important to ensure that the policy is drafted in a way that it doesn't become a right and rather requires the employee to seek prior permission. This is why HR is now thinking of making it a permanent clause in the HR handbook.

At times, the actual number of hours being put into work would be hard to track in the 'work from home' scenario. This makes it tougher to classify whether an employee has worked on

an overtime basis. The concept may lead to the dilution of the thin line differentiating working hours from non-working hours, making the work hour tracking process more complex.

Presently, none of the Indian labour laws, including the state-specific Shops and Establishment Act, contain provisions about employees working from home. Ideally, by way of a 'work from home' policy or a telecommuting agreement (which may be entered into with the employees working from home), an employer may specify the exact number of days and hours they are permitted to 'work from home'. The employee should be required to obtain prior approval from his manager for working beyond the prescribed hours.

There are likely to be data security-related issues that HR may face while allowing employees to work from home. In a scenario where data theft is becoming a wild problem across the corporate world, organizations need to ensure the foolproof nature of the technologies that they utilise to make 'work from home or anywhere' operational. HR should implement a mechanism to keep track of the information employees are accessing. There are certain software and other technologies available which may assist HR in implementing such protective measures. HR may also consider entering into separate non-disclosure agreements with telecommuting or homeshoring.

Given these concerns, HR must ensure that detailed and clear policies/agreements are in place before they implement the 'work from home or anywhere' philosophy. This concept seems one of the best options for HR to suitably cut down on costs, and in certain cases, to increase employee productivity and efficiency. However, HR should necessarily bear in mind the issues and concerns before introducing its employees to this concept.

# PRODUCTIVITY IMPROVEMENT IN THE MANUFACTURING INDUSTRY - DOS AND DON'TS



**PAVAN NIKHARE**

Head - Industrial Engineering,  
Production Modeling India Pvt. Ltd,  
Nagpur, Maharashtra, India

Cost, quality and delivery are paramount to remain ahead in the market and competition in today's world. Therefore, productivity improvement initiatives, especially in the manufacturing industry, are of utmost importance.

Productivity improvement is a generic word encompassing improvement in almost all aspects of manufacturing like space, manpower, consumables, material etc. Almost all manufacturing units strive for productivity improvement in their concepts, methods, techniques and approaches. However, not everybody gets success to the extent required and desired. The key parameters which ensure the success of any initiative in the manufacturing industry can be bifurcated into two parts; approach and the tools used.

The approach of management is a crucial factor when it comes to manpower productivity. Following are the three main pillars based on which the productivity improvement approach is driven:

- 1. Teamwork:** All the stakeholders who are affected or whose activities are going to be affected by such initiatives must be part of the team, right from the operator to the middle-level manager.
- 2. Transparency:** The department which is going to drive such initiatives must transparently share as to when, how, where, and why the study and implementation will be done.
- 3. Trust:** If we ensure the above two steps, trust will develop automatically. The team should focus on "What is right?" instead of "Who is wrong?"

While we ensure an appropriate approach for productivity improvement, it's equally important to focus on the tools to be used. One must study different techniques/tools available for productivity improvement and select them based on parameters like:

1. Scientific and data-driven approach
2. Transparency
3. Universal applicability
4. Ease of understanding/learning
5. Scalability
6. Encouraging further improvements
7. Predictability and analysis

Only a handful of organizations ensure proper approach as well as the selection of appropriate tools/techniques for productivity improvement. Therefore, despite having huge potential for productivity improvement in every manufacturing setup, very few can successfully get its benefits. On the other hand, failure initiatives bring turbulence, which adds to the challenges for the set-up in a competitive environment.

Advanced techniques like PMTS (Pre-Determined Motion Time System) and DES (Discrete Event Simulation) or a combination of both help immensely for any manufacturing setup to improve productivity. However, organizations must possess the competency to apply such techniques appropriately. Many times, organizations select an external agency to study and explore possibilities for productivity improvement. Such agencies must be adequately competent, with shop floor experience in implementing such initiatives, and must possess sufficient technical know-how of the subject.

Therefore, for successful productivity improvement initiatives, due importance to all the factors mentioned above must be given to make the improvement journey exciting and enjoyable.





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# ECONOMIC DYNAMICS AND STRATEGIC CONSIDERATIONS IN INDIA'S GROWTH LANDSCAPE



**Dr. TEJINDER SINGH RAWAL**  
Chartered Accountant

In a remarkable economic feat, India's GDP soared by an impressive 7.6% in the second quarter of the ongoing financial year, surpassing expectations and instigating optimistic projections for the nation's medium-term growth, as per the latest data released by the National Statistical Office. Despite these encouraging signs, a closer examination reveals a nuanced landscape that necessitates meticulous consideration.

A recent report from S&P Global designates India as the fastest-growing major economy over the next three years, projecting a shift from its current fifth global position to potentially securing the third spot by 2030. Aligned with this trajectory, the International Monetary Fund (IMF) anticipates an annual average growth rate of 6.3% between 2023 and 2028. This forecast foresees a substantial economic leap from \$3.7 trillion in 2023 to an impressive \$5.9 trillion in 2028, accompanied by a rise in per capita GDP from \$2,612 to \$3,985 during the same period.

In contrast, apprehensions loom over the trajectory of the Chinese economy, with the IMF foreseeing a slowdown to an average growth rate of about 4% per year from 2023 to 2028. Moody's Investors Service recently downgraded its outlook for Chinese sovereign bonds to negative, citing potential risks associated with financial support to regional and local governments and state-owned enterprises.

However, India's notable economic growth, marked by the substantial 7.6% surge in GDP, is attributed to what economists term the 'low

base effect.' This phenomenon comes into play when a country's economic performance is measured against a relatively modest starting point. In India's case, its growth trajectory benefits from a lower initial economic base compared to that of China, magnifying the percentage growth and contributing to the optimistic outlook. However, recognizing the transient nature of this effect, sustained and robust growth beyond this initial advantage is essential for long-term economic stability and prosperity.

S&P Global's comprehensive report positions India prominently at the forefront of emerging markets' growth, alongside Vietnam, forecasting a promising trajectory from 2024 to 2026. The ongoing global supply chain diversification presents a distinctive opportunity for India to establish itself as a pivotal global manufacturing hub. This strategic positioning aligns with India's potential to attract substantial investments and foster economic resilience in the evolving landscape of international trade.

However, amidst the optimism, a note of caution resonates within the report, emphasizing the imperative for India to fortify key elements of its economic infrastructure. Strengthening the logistics framework emerges as a pivotal necessity to streamline the movement of goods efficiently and enhance supply chain reliability. Moreover, investments in upskilling the workforce are highlighted as essential to meet the demands of a rapidly evolving industrial landscape, ensuring that the labour force possesses the requisite skills and expertise to contribute effectively to a technology-driven global market.

The report underscores the need to bolster female labour force participation to leverage India's demographic dividend fully. Encouraging and enabling women to actively

participate in the workforce not only fosters inclusivity but also harnesses the untapped potential of a significant portion of the population. This emphasis on gender inclusivity aligns with global trends recognizing the pivotal role women play in driving economic growth and innovation.

While the prospect of India ascending to the position of the third-largest economy by 2030 is undoubtedly significant, a closer examination unveils certain nuances that temper the magnitude of this achievement. India's colossal population, surpassing 1.43 billion, significantly impacts per capita income, rendering it disproportionately low. In comparison to other economies, this disparity becomes glaring, with India's per capita income trailing far behind that of developed nations. The sheer scale of the population dilutes the economic impact at an individual level, underscoring the importance of not solely relying on GDP rankings as a measure of prosperity.

The celebration of India's economic success should be accompanied by a critical evaluation of wealth distribution. The Gini coefficient, a widely accepted measure of income inequality, exposes the stark reality of distorted wealth distribution within the country. As wealth accumulates disproportionately among the affluent, a substantial portion of the population remains on the fringes of economic prosperity. Addressing this inequality is paramount to ensuring that economic growth translates into tangible improvements in the quality of life for all citizens, rather than concentrating wealth in the hands of a privileged few. As India charts its course to economic prominence, a holistic approach that tackles both population-induced per capita challenges and systemic wealth disparities is imperative for sustained and inclusive progress.

The discernible chasm between the affluent and the impoverished has become increasingly conspicuous as the affluent continue to amass greater fortunes, while those less privileged grapple with deepening economic challenges.

This stark economic polarization has sparked growing concerns regarding the inclusivity of the overall growth trajectory. The widening wealth gap not only reflects a societal imbalance but also poses potential risks to the fabric of economic development. As a burgeoning segment of the population faces heightened financial adversity, questions arise about the sustainability and equitable distribution of the benefits derived from the economic upswing.

This palpable disparity is not merely a consequence of individual financial trajectories but is further exacerbated by systemic factors. A key contributor to this imbalance lies in the preeminence of the corporate sector in driving the economic boom. While corporate entities thrive, micro, small, and medium enterprises (MSMEs) - often considered the lifeblood of the Indian economy - find themselves relegated to the shadows. The MSME sector's crucial role in generating employment and fortifying economic resilience is undeniably pivotal. Neglecting this sector not only jeopardizes its potential contributions but also risks intensifying income inequality, thereby compromising the overall health and sustainability of the economic ecosystem. Addressing this dual challenge necessitates a nuanced strategy that simultaneously caters to the needs of the corporate giants and the foundational MSMEs, recognizing that a thriving economy must uplift all its constituents, especially those significantly contributing to employment in the informal sector.

As India basks in the glow of economic success, it is crucial to temper optimism with prudence. The road ahead, while promising, demands careful navigation through potential challenges. The global economic landscape is dynamic, and uncertainties persist, urging stakeholders to remain vigilant in the face of both opportunities and risks on the horizon.

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# LEW MEMBERS VISIT ALUMINIUM AND AGRO INDUSTRIES



VIA LEW recently organized an enlightening industrial visit for its members to the Sungod Agro Farm in Mauda and Hindalco Industries Limited.

Getting a refreshing insight into sustainable agriculture, the industrial expedition reached Sungod Agro Farm. The innovative farm cultivates khas and lemongrass, with a special emphasis on extracting essential oils from these plants. Members were fascinated by the process, witnessing how the Farm maximizes the plants' utility.

The Farm's standout initiative is their in-house production of biodegradable plates crafted from the waste of the khas plant, demonstrating a commitment to eco-friendly practices. This ingenious approach not only minimizes waste but also contributes to the reduction of single-use plastics.

Apart from aromatic plants, the Farm grows a variety of organic vegetables and fruits and boasts a centrally controlled irrigation system.




LEW members gained valuable insights into the feasibility aspects of cultivating these plants and the sustainable practices employed in every step of the agricultural process.


Kapil Sahoo and Mr. Dhakate from Sungod Agro Farm explained the cultivation of organic vegetables on the farm. Rashmi Kulkarni - Chairperson of VIA LEW, shared her reflections on the visit. The industrial visit to Hindalco and Sungod Agro Farm was a transformative experience for the LEW members. Witnessing innovation in aluminium production and sustainable agriculture practices broadened their horizons and inspired them to integrate such practices into their businesses.


LEW is a forum of VIA, dedicated to the growth and development of women entrepreneurs in Vidarbha. Comprising a diverse group of professionals and business leaders, VIA LEW focuses on providing a platform for networking, knowledge sharing, and skill development to empower women in business.

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