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'Make in India' is an initiative by Government of India, under the aegis of Prime Minister Shri Narendra Modi, launched in September 2014, to encourage companies to manufacture their products in India. The major objective behind the initiative is to focus on 25 sectors of the economy to facilitate investment, foster innovation, enhance skills, protect intellectual property and build world class manufacturing infrastructure. The sectors are automobiles, automobile components, aviation, bio-technology, chemicals, construction, defense manufacturing, electric machinery, electronic systems, food processing, IT-BPM, leather, media and entertainment, mining, oil and gas, pharmaceuticals, ports, railways, renewable energy, roads and highways, space, textiles and garments, thermal power, tourism and hospitality and wellness. The initiative hopes to attract capital and technological investment in India thereby

increasing GDP growth and tax revenue. It also aims at high quality standards and environmental protection. The further initiatives of Digital India and Skill India launched in July 2015 are aimed at supplementing the larger Make in India initiative. Digital India initiative aims at empowering every citizen with access to digital services, knowledge and information. Skill India initiative is a call to make India the skill capital of the world. The article aims at a constructive and critical evaluation of 'Make in India' through the eyes of a cost accountant.

Visibility of Make in India

That the initiative of Make in India has kick started the Indian industrial climate is becoming gradually visible.

Start-up companies in India have now easy access to funds through angel networks. The participation of experienced entrepreneurs and experts in these networks is a healthy trend now and they also contribute to the mentoring for the start-ups. An ASSOCHAM study on start-ups has pointed out that India is expected to produce at least a dozen billionaires among the start-ups in the next



Need for an integrated approach

five years in e-commerce, financial services and technology driven fields and that India will be among the top Asian start-ups along with China and South-east countries.

The Nikkei Manufacturing Purchasing Managers' Index (PMI) in India showed that India was one of only four major economies (others being Brazil, Japan and South Korea), to record a growth in manufacturing in July 2015 in an increasingly gloomy global economy.

In the last week of July 2015, the Union Cabinet had approved the proposal of creating National Investment and Infrastructure Fund (NIIF) which will make equity investments of ₹ 20,000 crore every year in commercially viable long gestation projects which will help to kick-start the economy.

Airbus Helicopters and a private manufacturer have proposed a joint venture aiming to become the first private Indian helicopter manufacturer under the Make in India initiative.

Make in India vis-a-vis other factors:

Make in India is a special focus on select sectors. It covers a vast area of the economy within the general industrial climate prevailing in the country. Needless to emphasise that the subset

of Make in India initiative and the superset of general industrial climate will have a contagious influence on each other. For example, at the recent Aerospace & Defence Manufacturing Summit organised by Bengaluru-based Society of Indian Aerospace Technologies and Industries (SIATI), Defence and aero PSUs had revealed the hurdles to 'Make in India'. They had stated that it may be a tall order in the near term to reverse the 70 per cent import of military hardware, though they have started changing production strategies to meet the challenge. Their refrain was that public defence manufacturing majors are ready to source more from small and medium industries to meet the government's Make in India mandate, but suppliers are falling short on facilities, quality and time lines.

This emphasises the need for broadening the focus and for having an integrated approach.

Consistency and compatibility

Calling for adoption of June, 21, as the International Day of Yoga, in his address to the United Nations General Assembly, Hon'ble Prime Minister Shri Narendra Modi stated:

«Yoga is an invaluable gift of India's ancient tradition. It

embodies unity of mind and body; thought and action; restraint and fulfillment; harmony between man and nature and a holistic approach to health and well-being. Yoga is not about exercise but to discover the sense of oneness with ourselves, the world and the Nature. By changing our lifestyle and creating consciousness, it can help us deal with climate change. Let us work towards adopting an International Yoga Day.”

The India-led resolution with a record 175 co-sponsors was adopted by the United Nations General Assembly in December 2014 and June 21 was declared as International Day of Yoga.

The presence of food processing industry in the sectors of Make in India is surprising in more than one way. If the budgetary allocation concept of Zero Base Budgeting (ZBB) had been followed, food processing would not have found a place in the focused sectors, when the Prime Minister is professing the importance of Yoga. In ZBB, projects are not given financial allocations based on previous period's figures. Each project has to justify its existence first of all. That is, projects are evaluated from the scratch. Then based on their evaluation and their relevance to current period, allocations are made.

Let us see the influence of food processing and preservatives in our daily life. Doctors coming in various TV channels advise against fast food to avoid obesity. Various TV channels prepare special clippings on the evil effects of fast food on human health. One such recent clipping asked a pertinent question as to how the processed foods stand for months where as the food we make in our home could not stand for more than few hours. The adverse effects of chemicals that are added as preservatives were highlighted. The clipping also objected to them a king of Ajino moto in Tamilnadu which is used in food processing in spite of its harmful effects.

Notwithstanding the fact that there is no recommended food for yoga, it is said that those who do regular practice of yoga resort to eating moderate and sattvic (serene, harmonious and balanced) food in due course. Thus they may prefer eating regional and seasonal food and may shy away from eating processed food!

Nobody is fantasizing that food processing industry should be banished altogether. But to give special focus to that sector is contradictory to the wellness concept. Just as carbon emission and climate change are matters of international concern now, processed food and health issues of mankind will come to the forefront sooner than later. At that time even to print a warning on the package is not going to be easy. When an industry is allowed to thrive then it will be very difficult to exercise restraint over that later. Two examples can be given for this. In April 2015, Government expressed its commitment to increase the size of pictorial warnings on tobacco products to 85% as recommended by World Health Organisation. But immediately it had to defer the mandatory display of large pictorial health warning due to

the influence of tobacco industry. The Parliamentary Committee on Subordinate Legislation recommended that the issue should be decided after consulting industry stakeholders. In Tamilnadu, the size of revenue (of more than ₹ 21,000 crores) from liquor sales is stated to be one of the reasons which makes total prohibition not feasible in the State.

Is the focus really on?

Now, having found out a place in the focus list, how is the food processing industry contributing to Make in India initiative is another question. The food processing industry had not apparently come to the rescue of milk, sugar or food grains when they are facing the problems of plenty.

In May 2015, large number of farmers in many districts of Tamilnadu were pouring milk into the open and alleged that the cooperative societies through which Aavin (The Tamilnadu co-op milk producers' federation Limited) procures milk from them were stopping the milk collection from time to time without any prior notice.

Aavin procures about 30.2 lakh litres milk per day across the State, and there has been a spurt in the milk production of late. Further, previous showers facilitated green fodder growth, which resulted in increased milk production. The farmers were demanding setting up of more milk powder manufacturing units to increase demand for milk.

In another situation of problem due to abundance, surplus sugar stocks in the previous three sugar seasons led to an accumulated stock of 91.09 lakh tones as on 01.10.2014. It was reported that with the glut in production, farmers were on tenterhooks as to whether they would recover their input costs. There were huge arrears from sugar mills to farmers. The Union government on 10.11.2015 approved a ₹ 6,000-crore interest-free loan to the sugar industry to enable it to clear cane arrears to farmers that were standing at ₹ 21,000 crore. The move, however, did not go down well with the industry body, Indian Sugar Mills Association (ISMA), which said this did not address the basic problem of surplus sugar and depressed prices. An office bearer of ISMA contended, “To expect the industry to repay the loan after a year is expecting it to make profits to the tune of ₹ 6,000 crore within a year, which does not seem possible with a surplus stock of over 10 million tonnes and depressed sugar price”. With sugar prices falling in global markets, the government again came to the rescue of local farmers, in the last week of April 2015, by hiking the import duty on sugar to 40 per cent from the existing 25 per cent to discourage sugar imports. But the woes of farmers continued and some distressed sugarcane growers destroyed their standing crop.

Wheat is another produce facing the irony of import amidst plenty in the local market.

On the problem of plenty in buffer stocks, there was a news



'Make in india' is an initiative by government of india to encourage companies to manufacture their products in india. The article aims at a constructive and critical evaluation of the initiative through the eyes of a cost accountant. The initiative is becoming increasingly visible. It is a special focus on select sectors. A broad focus and an integrated approach are needed. Focusing on wellness and food processing industries together is not consistent. ZBB would not have allowed this! On the other hand, the food processing industry had not apparently come to the rescue of milk, sugar or food grains when they are facing the problems of plenty. During problems of plenty in agriculture, they are consigned to mother earth. Problem of plenty in industrial stocks is not affordable. It should be avoided by following the Japanese just-in-time (JIT) manufacturing approach or equivalent approaches. Strengthening educational standards will bring great results. ISO standards should be followed not only in figures but in spirits too for real quality. Let us make use of the opportunities being created by government and strive hard for realising our dreams.



item in January 2015, that India was holding excess foodgrains stocks worth nearly ₹50,000 crore, over and above the stipulated buffer limits. At close to 49 million tonnes, the stocks were more than twice the norm, a former chairman of the Commission for Agricultural Costs and Prices (CACAP) had told. He pointed out that reducing the buffer stocks was crucial to reduce storage costs.

Excerpts from the editorial in Financial Express on 19.05.2015 : "Imagine the irony. India has 34 million tonnes of wheat stocks with the Food Corporation of India (FCI) already and another 3-4 million will get added to this by July 1, but the country is still importing wheat, albeit in very small quantities. By July 1, FCI's wheat and rice stocks will cross 60 million tonnes as compared to the buffer stock norm of 42 million—and even this is way too high—which translates into an extra cost of around ₹ 45,000 crore. Imagine what such funds could do for India's irrigation sector! Given the plunge in global prices—by over \$100 per tonne over the last one year—it is actually cheaper to import grain into India, at least in coastal regions, than it is to buy it from either FCI or from the open market. There are various problems that arise. Since the current procurement of around 25 million tonnes of wheat by FCI has been damaged due to the unseasonal rain, it is not clear how much of this can be distributed through ration shops—if it has to be exported as cattle feed, this will also add considerably to FCI's costs."

Just-in-Time manufacturing approach will be helpful in Make in India

All countries (even if they are industrially developed) invite other countries (even if they are still in developing status!) to make in the territories of the former to give a fillip to their

economy and to generate employment there. Every country thinks, "Let it be purchased anywhere. But it should be made here!" "Who has the purchase power?" is another big question in the current uncertain economic scenario in many countries.

During problems of plenty in agriculture, they are consigned to mother earth making her feel sorry for the wastage of resources! But if industrial goods result in problem of plenty or in excess stocks, will not that dumping result in environmental degradation and make mother earth wild? Piling of stocks should be avoided by following the Japanese Just-in-time (JIT) manufacturing approach or equivalent approaches.

Return to the basics

For making, money, men, material and methods are the four most important Ms.

Of the four Ms mentioned above men viz. manpower is an important factor. Education has not somehow found out a place in the focused sectors of Make in India. Perhaps the policy makers thought that plenty of educational institutions, graduates, post graduates, teachers, engineers, doctors etc. had already been made! And now many educational institutions portray their ISO status too. Consultants are abundant to prepare educational institutions to get ISO status. Many of the institutions do not hesitate to show other institutions' library books and professors as their own. Considerable number of students come out from these institutions with very high marks unheard of even two decades back. But studies reveal that a high percentage of fresh engineering graduates are not employable. And institutions boast about their campus placement records irrespective of the time lag or the reduced scale of pay with which students get to join their employer. Yes, now Quality is measured in terms of Quantity.

'State in measurable terms, viz numbers' is the motto of ISO (if followed in letters)! Not to find fault with ISO standards, but they should be followed in spirits too for real Quality.

Regarding the results of CTET conducted by CBSE in 2014, there is a newspaper report saying, "The test, introduced to bring in national standards in recruitment of teachers for classes I-VIII after the enactment of the Right of Children to Free and Compulsory Education Act, 2009, has consistently thrown up low scores with the highest pass percentage hovering around 10-11 per cent, nationally. In the September test conducted by CBSE, nationally, 11.95 per cent of the candidates cleared Paper I, meant for teachers intending to teach classes I-V. In Paper II, meant for those intending to teach classes VI-VIII, just 2.8 per cent of the candidates passed the muster nationally. Candidates have to score 60 per cent and above to get the eligibility certificate."

In the CTET examinations conducted in February 2015, out of a total of 6,77,554 candidates who had appeared only 80,187 candidates had qualified. The teacher eligibility tests conducted by respective States are also consistently showing poor pass percentage. Given the very poor pass percentage, it is obvious that many new teachers are teaching without passing these tests. It makes one wonder why not a preliminary aptitude test is conducted and later their course outcome is relied upon, instead of testing their suitability and aptitude for teaching after spending so much resources and time in the teacher training institutions.

Strengthening the standards of school and college education in the real sense will produce development in leaps and bounds in less than two decades.

Collective and individual responsibility

Just as periodic physical stock verification is necessary for industries, Government will also do well in taking stock of nation's resources, including its manpower, periodically. The existing infrastructure can be strengthened. Coming back to Quality standards, numerical values may be necessary to articulate them. But quality should be visualized and felt in the heart by the person responsible for the same. Our literature and subject books have successfully expressed standards in words.

For literary criticism, Greek philosopher Plato insisted on truth, goodness and beauty as standards. Satyam, shivam and sundaram is the Indian equivalent of that hallmark.

Expression of poetic standards of quality is obtained in ancient Tamil literature PuraNanooru. Poetess Avvaiyar makes us visualise how strong the leg of a chariot will turn out if it is concentrated upon for a full month by a carpenter who is capable of making eight chariots in a single day, the quote being "வைகல் எண் தேர் செய்யும் தச்சன் திங்கள் வலித்த கால்"

which may be read in English as

"vaikalen therseyum thachanthingalvalitthakaal"

and she cites that strength to illustrate the valour of a soldier.

In Kamba Ramayanam (Tamil), Kambar cites the passion with which a poor farmer would take care of and protect his small piece of land to illustrate king Dasaratha's care for his kingdom.

The quote is "வய்யகம் முழுவதும் வறிஞன் ஓம்பும் ஓர்செய்எனக் காத்து இனிது அரசு செய்கிறான்"

In Banking, 'acting in good faith and without negligence' is the qualitative term which describes the discharge available to a paying bank.

The figures oriented subject Economics is defined by Lionel Robbins as "the science which studies human behaviour as a relationship between ends (unlimited wants) and scarce means (limited resources) which have alternative uses."

These are a few examples where qualities are comprehensively felt through words.

Let us make use of the opportunities being created by Government, visualise quality in heart and strive hard for realizing all our personal and national dreams. **MA**

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