



- **State Level Seminar on “Impact of Fiscal policy on Business Strategy” at Suryadatta Institute of Business Management and Technology, SIBMT in association with Savitribai Phule Pune University**

Suryadatta Group of Institutes organizes National Level & State Level Seminars to enhance the level and quality of knowledge. The students gain while studying the theory & concept of various subjects in the Institute. The speakers, participating in such seminars, are of International repute; having a huge treasure of experience & subject expertise. Brain storming with such renowned personalities is a life time opportunity for the students and they are eager to exploit it.

Keeping this tradition of Suryadatta Group of Institutes in mind, Dr. S. B. Chordiya : Chairman of SGI organized with the help of the faculty the following seminar in association with Savitribai Phule Pune University in Nov. – Dec. 2014 at Suryadatta Institute of Business Management and Technology, SIBMT on 14th & 15th November 2014

The Seminar topic was “**Impact of Fiscal policy on Business Strategy**”

The following speakers deliberated on the Day 1, 14th November 2014,

1. Dr Sanhita Athawale, Professor, Savitribai Phule Pune University
2. Dr Suresh Abhyankar, Management Consultant
3. Dr Hemendra Singh, Professor
4. Mrs Sumanlata Singh, Ex-RBI

The seminar was inaugurated by lighting of the lamp by the hands of Dr Sanjay B. Chordiya, Dr Sanhita Athawale; the key note speaker. It was followed by felicitation of the Key note Speaker by Dr Sanjay B. Chordiya.

In his welcome address, Dr Sanjay B. Chordiya highlighted the importance of conducting such seminar by the Institute which add value to the participants in general and the students in particular. He further stressed how such seminar helps students in their career building, improving quality of awareness on developments of global economy. While dwelling upon the present economic scenario of the country, due to change in political equations, he told that industrial production in the last quarters has increased to 2.5% against estimated 0.5% and fall in retail inflation to 5.2% which is all time low in last 4 years. Also global funds have reached a new high in September 2014. These are definitely signs of economy recovery and becoming stronger. Now all eyes are set up on RBI's policy and if it is reducing interest rate for giving further dose of booster to the manufacturing sector.

Catching upon this beginning, the key note speaker; Ms. Sanhitha Athawale; an economist of National repute from University of Pune explained to the audience about Fiscal Policy; Changes in it and impact of it on different sectors of the economy and especially that of Industry. She spoke further, at length, on the following fundamentals on Fiscal Policy:

- Fiscal policy is the means by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy
- Fiscal policy can be viewed as a government legislative measure to control the economy of a country.
- The main fiscal policy tools are the government spending/expenditures and taxation.
- All the government must collect taxes from the economy in order to finance their expenditures. Government expenditures are spelt out in the budget
 - ✓ Scenario 1: Revenues collected exceed the total expenditure = Surplus
 - ✓ Scenario 2: Revenues collected equals to total expenditure = Balanced Budget
 - ✓ Scenario 3: Revenue collected less than expenditure = Deficit Budget

Dr Suresh Abhyankar also spoke on similar lines but with more live examples from corporate world about strategy formulation and the instances of bottleneck encountered by them while implementing.

Dr Hemendra Singh and Mrs Sumanlata Singh also spoke on similar lines of the above two speakers. Mrs Sumanlata Singh talked about Monetary Policy implemented by RBI in tune with Fiscal Policy formulated

The following speakers deliberated on the Day 2: 15th November 2014

5. Dr Mukund Mahajan, Noted Economist and author of many Books
6. Dr Dilip Sarwate, Emeritus Professor
7. Mr Sampath Iyer, Ex-VP, Axis Bank
8. Dr N M Vechalekar, Dean and Professor Indsearch

Dr Mukund Mahajan spoke at length about objectives of fiscal policy and on growth of economy and money. As per him, the major concerns are: Poverty eradication and Employment generation. In this context he cited the example of Dr Arjun Sengupta Committee Report findings that in India 70% of people are living below poverty line (BPL). To address the issue of poverty, the Government of India is implementing various programmes over the years. While commenting on performance of such schemes/programmes, Dr Mahajan said that in most the cases the money does not reach to the intended target group. The examples given include Public Distribution System where lot of leakages of money being noticed. He suggested that we should get away with "Dole Culture" and empower people to deal with adversities thereby changing the work culture.

Dr Dilip Sarwate, the 2nd Speaker of the day emphasised on applied knowledge. He touched upon the meaning and concept of Fiscal policy and Monetary policy (deals with money supply,) lending rates and interest rates administered by RBI on a quarterly basis. He explained how the Government manages its budget and pointed out that we spend 70% on Salary and only 30% on development related activities.

Main revenue generation continues to be from Taxation, Seigniorage (printing money), Borrowings, Sale of Lands, Divestments (Dilution of equity in PSU & Pvt Sector – proposed Rs. 43,579 Crore), Dividends, FDI. He was on all praise of Mr Narendra Modi and his initiatives. As per him, policies which will impact strategy from last budget will include: Make in India – Enhancing FDI, Investment in Defence sector, Land acquisition (including SEZ), Curbing of black money, Reduction in Government Expenditure, Faster clearance by FIPB, Skill Development and GST

Finally, he described Mr Narendra Modi as Number 1 Salesman given his ability to garner funds from various countries (example, Japan US\$ 25 Billion, China US\$ 20 Billion and USA US\$ 100 Billion over next 5 years)

The next speaker of the day, Mr Sampath Iyer made a very interesting presentation quoting Indian IMF Forecast - India moved to 7th position from 10th – surpassing Russia, Brazil and Italy, which is well researched and well documented. Basically he deliberated upon the new policy initiatives of the Government at the Centre and their likely impact:

- Change in APMC Act (delisting vegetable and fruit) – reduce role of middleman
- Abandoning Planning Commission
- Changes in bureaucracy/ministries
- Mega financial inclusion plans – Jan Dhan Yojana
- Purchase of defence equipment
- Focus on Energy Sector and Health Sector
- Make in India
- Disinvestment Plan
- Reforms in Labour Laws
- Skill Development and Education
- Offering new environment to Industries
- Stock Market movement since the new Government came to power
- Swatch Bharat
- Infrastructure Development

The last speaker, Dr NM Vechalekar reinforced the fundamentals and concepts related to Fiscal Policy of India. He stressed the need to reduce fiscal deficit to a minimum and align all components for effective implementation.

Dr. P K Ghosh, Dr. Rohit Kichloo, Prof. Shantilal Hajeri, Prof. Pranjali Unkule, Prof. Varsha Murhe & Prof. Deepak Singh were the organizing committee members of all these seminars. All the seminars were attended by nearly 300 students, industrialists and working professionals.

While proposing the vote of thanks ,students expressed that such seminars are must for them because such exposures bridges the gap between the concepts and theories they learn in the four walls of the class rooms and the realities happening in the global economy and industries, particularly in India. This practical aspects empowers them with confidence of excelling in interviews, interaction with industrial stalwarts etc.

Encl: 1 Photograph



Dr. Sanhita Athawale, an economist of National repute from Savitribai Phule Pune University while delivering her Key Note Address on “Impact of Fiscal Policy on Business Strategy in India”