Progressive Maharashtra 2014

Rethinking, Reshaping: Agenda for Good Growth & Governance in Maharashtra

February 13, Trident Hotel, Nariman Point, Mumbai
Maharashtra is one of the most important states of India given its size and contribution to the nation’s income and wealth. It is often referred to as being the commercial, financial, industrial and entertainment capital of the country. The state continues to be the single largest contributor to the national economy with a share of nearly 15% in the country’s gross domestic product (GDP). Maharashtra is also the leader in the industrial and services sectors. The state accounts for 17% of the industrial output of the country and 16% of the country’s service sector output.

The state is also home to rich mineral resources and has advantage of favorable geographic, climatic and environmental features. The infrastructure facilities in terms of social, physical and industrial are well developed. The state also has very strong domestic and global transportation facilities and is supported by a favorable business environment with a large pool of skilled workforce.

However, despite being regarded as a land of limitless opportunities, there are some issues that need to be addressed to ensure that the state retains its undisputed leading position. The state has been facing volatile growth in agriculture sector during the past few years. Further, there are several areas which can be addressed which will help to provide momentum to the growth process especially in the manufacturing and services segments. Conducive policies coupled with timely implementation would be the key to the development process by improving the levels of productivity.

We have also observed that several other states have also started to work on their own growth and development models and have tried to attract higher levels of investment by providing an enabling environment. Therefore, for investors there is a choice. While Maharashtra clearly has several advantages, there is need to continuously monitor and act on issues that come in the way of business to ensure that it continues to be the preferred destination for such investment. Infrastructure and ‘doing business environment’ are two areas which become important that have to be continuously worked upon to ensure that the state remains a favoured destination for investment. It need not be mentioned that the government and industry should work together to explore opportunities in the state so that resources flow in a time bound and sustainable manner.

There are various challenges which do confront industry and enterprise when conducting business. Some of the issues that are often reiterated by industry relate to land acquisition, procedural delays and complicated legal frameworks, high rental charges, less than optimal infrastructure, complicated procedures for enforcing contracts or closing of business and so on. These issues become major challenges at the micro level especially for the smaller players who do not possess the financial and economic where with all to absorb these additional costs. The SME segment in particular, which is the future of the country’s growth programme, would be particularly affected by these issues.

In this regard, Progressive Maharashtra is an excellent endeavor put forward by FICCI that brings together some of the most experienced players of industry, finance, academics and administration to deliberate on the various issues and challenges confronting Maharashtra and to discuss ways of arriving at win-win solutions.
It serves as a platform for voicing the needs and measures to be adopted to stimulate and ensure sustainable growth and improved governance in the state.

The subject to be deliberated in the 2014 version of Progressive Maharashtra is ‘Rethinking, Reshaping: Agenda for Good Growth and Governance in Maharashtra’. This we believe will be another partnership between the government and industry to closely work with each other to ensure that a more enabling environment is created for the system to work more efficiently.

This publication provides a comprehensive overview on the state’s economic performance, capital expenditure, investment climate and foreign direct investment. Comparison has been drawn with similar level states such as Andhra Pradesh, Gujarat, Karnataka and Tamil Nadu which are providing competition to Maharashtra. The publication also provides the outcome of a Survey undertaken by FICCI with its Knowledge Partner, CARE Ratings, to ascertain the views of industry on various issues which will be template for further discussion at the Progressive Maharashtra Summit. The Survey essentially highlights the issues and challenges faced by the industry players, investment climate and the expectations from the state government.

We believe that this publication would help in developing of new ideas for the state’s economic growth and pave the path of stronger governance.
Maharashtra is the wealthiest and the largest state economy of the country. It also holds the leadership position in India’s industrial and services sector and is amongst the most socially and economically developed states of the country with better infrastructure relative to a number of states in the country. The state also possesses geographic and climatic advantages along with a supportive business environment.

Despite all its strengths, trade and industry in the state are faced with several issues that come in the way of investments. Maharashtra in recent years has witnessed increased competition from other forward looking states. In fact, anecdotal experience shows that some companies have started migrating their new investments to other states.

Maharashtra does have tremendous potential for furthering economic growth and would need to leverage its leadership position to further expand its development and growth. The state’s policy for sustainable growth and development going forward would necessarily have to be based on higher investments and improvement in its administrative set-up. The state government would necessarily play an important role by way of providing the necessary institutional framework and infrastructural facilities for investments. This would in turn require the state to focus on capital asset creation.

This paper examines various economic parameters for Maharashtra over time and compares them with the other leading industrial states of the country viz. Andhra Pradesh, Gujarat, Karnataka and Tamil Nadu. These states are providing increased competition to Maharashtra in recent years with many business seen to be moving to these states which have been attracting industries with proactive policies in the form fiscal incentives, operational ease, infrastructure and better investment climate. These 4 states are being increasingly considered to be peer states.

This paper has 4 broad sections. Maharashtra’s economic performance and structure has been analyzed in Section 1, the state’s economy is compared with that of the 4 peer states to bring to attention the slackening in the state’s economic growth in recent years and the need for the state to address the challenges in its internal set-up, re-examine its policy and agenda for growth in a time bound fashion to retain its competitive edge.

In Section 2, Maharashtra’s appeal as an investment destination is discussed. Here the changing investments patterns in the state in term of size, ownership and sectors are analyzed. It also compares the state’s investments vis-à-vis other states and highlights the factors that have been hindering/lowering investments in the state.

The capital expenditure pattern of Maharashtra government over the years is looked into in Section 3. The trends in the state government’s aggregate capital expenditure and the key sectors that the state has been focusing upon have been highlighted. In addition to this the pattern of capital spending of Maharashtra vis-à-vis its peer states has been compared.

Section 4 provides the findings of the survey ‘Ease of Doing Business’ in Maharashtra conducted by FICCI and CARE Ratings. This section includes the issues confronted by industries in the state, the reasons for industries shifting to other states and the expectation of industry from the Government of Maharashtra.
Maharashtra: India’s Economic Powerhouse

Performance of State Economy

Maharashtra is one of the larger states in the country in terms of land area (third largest in the country accounting for 9% of India’s land area) and is also dominant in terms of contribution to the Indian economy. It is the country’s wealthiest state with a gross state domestic product (GSDP) of Rs. 843,565 crore as of FY13, which translates into 15% of India GDP at constant prices.

Various economic parameters for Maharashtra over time have been examined and compared with the other leading industrial states of the country viz. Andhra Pradesh, Gujarat, Karnataka and Tamil Nadu. These 4 states along with Maharashtra account for 50% of Indian industry. In terms of ranking, Gujarat with a 12% share is India’s second largest industrial state, Tamil Nadu having share of 10% is the third largest and Andhra Pradesh and Karnataka with a respective share of 7% and 6% are the fifth and sixth largest industrial states of the country. Although Uttar Pradesh ranks fourth in terms of share in India’s industry, given the overall low economic growth and development of the state it has been excluded from comparison here. Andhra Pradesh, Gujarat, Karnataka and Tamil Nadu are providing increased competition to Maharashtra in recent years with many business seen to be moving to these states which have been attracting industries with proactive policies in the form fiscal incentives, operational ease, infrastructure and better investment climate. These 4 states are being increasingly considered to be peer states.

Table 1: Comparison of GSDP 2012-13 (at constant prices)

<table>
<thead>
<tr>
<th>State Rank – Economic Size</th>
<th>GSDP (Rs Cr)</th>
<th>% share in India’s GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maharashtra 1</td>
<td>843,564</td>
<td>15.3</td>
</tr>
<tr>
<td>Tamil Nadu 2</td>
<td>451,313</td>
<td>8.2</td>
</tr>
<tr>
<td>Andhra Pradesh 4</td>
<td>425,469</td>
<td>7.7</td>
</tr>
<tr>
<td>Gujarat* 5</td>
<td>398,884</td>
<td>7.6</td>
</tr>
<tr>
<td>Karnataka 7</td>
<td>303,670</td>
<td>5.5</td>
</tr>
<tr>
<td>India</td>
<td>5,505,437</td>
<td></td>
</tr>
</tbody>
</table>

Source: CMIE, *2011-12

Exhibit 1: Compound Annualised Growth Rate of State Economies: 2004-2013

Table 1 above provides a comparative picture of the GDP of the leading industrial states in terms of ranking and growth. These five states i.e. Maharashtra, Tamil Nadu, Andhra Pradesh, Gujarat and Karnataka, account for 44% of the country’s GDP. As can be seen from Exhibit 1, Maharashtra registered a healthy compound annual growth rate (CAGR) of 9.25% during 2004-13 which was higher than the national average of 8%.

Source: CMIE, Gujarat* till 2011-12

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Although the state has recorded impressive growth in the last decade, it is lower than the growth seen in states such as Gujarat and Tamil Nadu, which are relatively smaller in size. Maharashtra’s economic growth in the last 2 years has been rather subdued and lower than most of its peers, which in part can be attributed to the overall economic slowdown of the country and the consequent moderation in industrial output coupled with the adverse weather conditions that afflicted the state and thereby its agricultural output.

In 2011-12, while Maharashtra recorded a 3.1% decline in growth rate to 7.1%, peer states such as Gujarat, Tamil Nadu and Andhra Pradesh witnessed GSDP growth of 8.5%, 7.4% and 7.8% respectively. In 2012-13, Maharashtra has been estimated to have recorded stable growth while most of the peer level states are estimated to have grown by less than 6%.

**Maharashtra – Economic Structure**

The services sector is the largest contributor to the state’s economy. Services account for 63% of the state’s economy and industry 29%. The share of agriculture and allied activities has consistently been declining over the years and is currently around 8%.

Exhibit 2: Sectoral Shift in Composition of GSDP (%)

<table>
<thead>
<tr>
<th>Sector</th>
<th>GSDP (%)</th>
<th>FY05</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; allied</td>
<td>59.6</td>
<td>10.8</td>
<td>7.8</td>
</tr>
<tr>
<td>Industry</td>
<td>29.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>10.8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Central Statistical Organization*

There has been a perceptible shift in the sectoral composition of the state’s economy, away from agriculture and allied activities, towards the services sector. Exhibit 2 clearly shows that the 3% decline in the share of agriculture in Maharashtra's GSDP during 2005-13 has led to a commensurate increase in the share of the service sector from 60% to 63%. The state’s industrial sector contribution in overall GSDP has also declined marginally from 29.6% to 29.1% during this period.

State’s agriculture growth witnessed considerable fluctuations in the past five years. After contracting by 15.5% in FY09, agriculture production increased between FY10 and FY12, however it witnessed decline in production in FY13. Fluctuations in the state’s agricultural production can be largely attributed to the adverse weather conditions i.e. droughts faced by the state coupled with the inadequate irrigation facilities here. Furthering hampering the state’s agriculture is the limited productivity growth, less land under cultivation, migration, deficient agri-extension machinery of the government that would help educate farmers on new and improved methods of farming and inadequacies in post-harvest management, agri-marketing and business.
The state’s service sector, has maintained growth of above 8% since FY09. Services sector grew by 11.7% in FY10, which moderated to 10.0% in FY11. FY12 and FY13 witnessed comparatively lower growth than the preceding 2 years of 8.4% and 8.5% respectively.

**Exhibit 3 : Sectoral Growth Rates - Maharashtra**

![Sectoral Growth Rates - Maharashtra](image)

Source: CMIE

Maharashtra’s industrial sector has recorded an average 7% growth in the last 5 years. This sector too has seen its growth moderate over the years. After witnessing an encouraging pickup in growth in FY10 and FY11 by 7% and 9% respectively, growth dropped by nearly 4% to 5.2%. The sector is estimated to have grown by 7% in FY13.

Maharashtra leads the country in industrial development and has a well-established and diverse industrial base. The state leads in industries such as engineering, chemicals, textiles, pharmaceuticals, auto, petroleum, plastics among others.

According to the Annual Survey of Industries (ASI) 2010-11, Maharashtra is more efficient in the utilization of labor and capital compared with the other peer level industrial states of the country viz. Gujarat, Tamil Nadu, Andhra Pradesh and Karnataka. In terms of net value added, Maharashtra (20%) holds the first position followed by Gujarat (13%), Tamil Nadu (10%), Andhra Pradesh (8%) and Karnataka (6%). Labor productivity in Maharashtra too is much higher than that in the other states.

In terms of profits of industries, Maharashtra accounts for 16.9% of the profits of industries in the country, second only to Karnataka which accounts for 17.2% of the total profits of Indian industries. Gujarat accounts for 10%, Andhra Pradesh 8.6% and Tamil Nadu 6.4% of the total profits of Indian industries.

Despite all its strengths, trade and industry in the state are faced with several issues that come in the way of investments. In fact, anecdotal experience shows that some companies have started migrating their new investments to other states.

Some of the issues include lack of adequate infrastructure facilities that include lack of connectivity between ports and industrial centres and between rural and urban centres, power shortages, availability of land for expansion, rigid labor laws, government policies, governance and accountability issues, tax policies and faster decision making among others. The state needs to address these issues in a time bound fashion if it is to continue to attract investment.

Maharashtra’s policy for sustainable growth and development going forward would necessarily have to be based on higher investments and improvement in its administrative set-up.

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Maharashtra: Pressure points for investment

Maharashtra has always attracted large quantum of investment in the country and is known for its business and investor friendly environment. In FY13, the state accounted for 11% of the new investment projects announced in the country, making it the 2nd largest state after Andhra Pradesh (24%) to attract the highest amount of new investments. The state also has the 2nd highest share of outstanding projects which are in progress in the country at 9.9%, after Odisha which has the largest share of 10.08%.

The state has however in recent years been witnessing a steady decline in the growth of new investments largely due to slowing overall economic growth in the country. During the period FY09-13, growth in fresh investments contracted by an average 23%.

This section examines the changing investment patterns for Maharashtra in term of size, ownership and sectors. It also compares the state’s investments vis-à-vis other states and highlights the factors that have been hindering/lowering investments in the state.

Trend: Investment and Ownership

Maharashtra has been registering a steady decline in fresh investment in the past 5 years as is evident from Exhibit 4. FY13 saw announcement of fresh investments drop by a steep 43% to Rs. 51,933 crs which is a mere 25% of the fresh investments announced in FY08. At the same time the state has been seeing an increase in dropped investments i.e. projects that have been stalled, abandoned and shelved. It has grown manifold from Rs. 21,057 cr in FY10 to Rs. 94,206 crs in FY13.

Exhibit 4: Trends in New Investments

Exhibit 5: Investments Dropped

In terms of ownership, investments in Maharashtra were led by the private sector till FY12. They accounted for 63% of the investments during FY08-FY12 and the government for the balance 37%. However, a distinct reversal in ownership patterns was seen in FY13 with the government accounting for 62% of investments and the private sector for merely 38%. Also, the foreign participation in private sector has declined considerably from 24% in FY10 to 4% in FY13. This shift in ownership indicates possibly that the present investment environment has not been
conducive enough for private players to invest which could be due to either national level developments including the economic slowdown and state specific issues.

Exhibit 6 : Investment Ownership Pattern (FY09-FY13)

Investments across industries
The Investment pattern across various industries has also undergone noteworthy changes over the past few years. A comparison of sectoral investment between FY09 and FY13 shows that share of investment in services (other than financial) has declined significantly from 33% to 21% and that of mining has increased from 3% to 19%. The share of sectors such as construction & real estate, manufacturing and electricity has been fairly stable during this period.

Exhibit 7: Investments Industrywise FY09
Exhibit 8: Investments Industrywise FY13

Comparison with other states
In terms of new investments, while Maharashtra has witnessed a steady decline over the past few years, peer states such as Gujarat, Karnataka, Tamil Nadu and Andhra Pradesh have witnessed fluctuations, with some years recording growth and others a decline. It needs to be kept in mind that given the weakness in the national economy in the last 3 years there has been a decline in the overall investments at the national level. New project investments for the country as a whole declined by 70% in the last 3 years to Rs. 4,76,283 crs in 2012-13.
In FY13, the investments have been the lowest across all the peer states barring Karnataka, where investment levels improved marginally. In terms of investments that have been dropped, Gujarat and Andhra Pradesh have the highest number of dropped investments.

As per the RBI, in FY13, Odisha emerged as the most favoured destination for new projects followed by Maharashtra, Punjab, Andhra Pradesh and Gujarat. While Gujarat attracted investment proposals in industries like infrastructure, petroleum products, metal and metal products and textiles, project investments, it has been relatively better spread in Maharashtra with a relatively larger share coming from infrastructure (mainly power & telecom), transport services, textile and construction.

While Maharashtra continues to attract investments, it has also been noticed that some investments may be moving out to neighboring states. This is being increasingly attributed to the favorable business environment and state government policies in these states, making Maharashtra a relatively less attractive investment destination.

Issues faced by businesses/industry

1. Lack of adequate infrastructural facilities
   One of the major challenges for investors is the availability of infrastructure. It is therefore essential that infrastructure projects that enable smooth transportation of products across various territories be expedited so that projects do not run into problems like cost and time overruns. Further, connectivity of the ports in the state with the major industrial centers need to be improved. Besides, upgradation of infrastructure viz. power supply to bring about uninterrupted supply of power to industries need be undertaken in order to retain and augment the manufacturing facilities set up by large industrial houses in the State.

2. Procedural delays
   There is need to streamline and simplify the process for granting licenses/permissions to reduce the transaction costs and hasten the process.

3. Lack of incentives
   There is need for flexible package of incentives to existing investments and expansions.
4. Rigid employment policies
   Employment policies of the government need to be made more industry friendly and flexible to reflect current realities. Labor laws should be amended where necessary and the government should provide protection to factories against any illegal demands or threats from extraneous forces such as local people, casual labor, etc.

5. Inadequate development of industrial zones
   The industrial zones of the state need to be better developed with modern up-to-date infrastructure and connectivity. Also the continuous supply of electricity and water is a requirement that has to be addressed.

6. High stamp duty rates
   The stamp duty rates for Maharashtra are higher when compared with other states. Businesses thus prefer to execute transactions outside the state, resulting in loss of revenue to the state Exchequer.

7. High Property Tax
   The new capital value property tax system makes renting office premises in prime business areas costly for businesses

8. Lack of training institutes for creating skilled human resources in certain parts of the states

**Expectations for creating a conducive investment environment in the state**

Interaction with industry members about ease of doing business in Maharashtra has regularly brought up following expectations from the state government for creating a conducive investment environment in the state:

1. Better governance with enhanced accountability
2. Clear and Transparent Government policies
3. Single window clearance to cut on average time required for establishment of units
4. No reversal on policy / agreements
5. Simplified and creditable policy & process framework
6. Simplification of Labor Laws
7. Faster decision making
8. Easy availability of Land to industry for expansion
9. Good Infrastructure including better connectivity between rural and urban centers via road / rail
10. Industry favoring tax regime with an aim to foster inclusive growth

For the state to retain its leading position and competitive edge in an increasingly competitive environment, speedy redressal of issues that have been hampering investments become pertinent.

**Foreign Direct Investments**

Maharashtra ranks first as the destination for foreign direct investments (FDI) in the country. The state accounts for 32% of the total FDI equity inflows into India since April 2000.

India being largely viewed as a preferred nation for foreign investors has seen a compound annualized growth rate of 20% in FDI inflows during FY01-13. The cumulative FDI inflows the country has received from April 2000 to October’13 totals $309 bn. The cumulative FDI equity inflows into the country during this period stands at $206 bn. Maharashtra along with Dadra & Nagar Haveli and Daman and Diu accounted for $65 bn of the total FDI equity inflows.
Exhibit 11: FDI inflows in India

Exhibit 11 captures the movements in FDI in India during FY01 to FY13. Overall, FDI inflows can be viewed in two windows—the pre financial crisis period and the post crisis period. In the pre-crisis period, growth in FDI inflows (total and equity) was subdued till FY06 and increased sharply in FY07 and 08 in line with India’s high GDP growth rate of 9.6% and 9.3% during that period. However, FDI inflows have been subject to fluctuations post the financial crisis in 2008. While inflows increased at a diminishing rate in FY09 and FY10, they fell significantly in FY11. Slowdown in global economy could be attributed for this decline in FDI inflows into India. FDI inflows recovered substantially in FY12 but dropped again in FY13.

States and FDI

Maharashtra has consistently been the favored destination for foreign investors. Although the state still accounts for the largest share in the country’s equity FDI inflows (39% in FY13), its share has been on a decline in the recent years. In FY09, Maharashtra accounted for nearly half the FDI inflows of the country equivalent to $6,097 mn and this share fell by 7% in FY13 to stand at $8,716 mn. Exhibit 12 and 13 highlight this decline and shift to other states.

Exhibit 12: Statewise % share in total equity FDI inflows in FY09

Exhibit 13: Statewise % share in total equity FDI inflows in FY13

The National Capital Region (NCR) and Tamil Nadu have been the largest beneficiaries of the decline in share of FDI in Maharashtra. NCR has seen its share in total FDI increase from 6% in FY09 to 14% in FY13 and Tamil Nadu’s share...
rose from 6% in FY09 to 13% in FY13. The increased FDI to NCR can be credited to the substantial improvement in infrastructure there.

Interestingly, the state of Gujarat has seen its share drop from 10% in FY09 to 2% in FY13. Gujarat’s share in the total FDI equity inflows was in the range of 3% in FY10 and FY11 and was 2.8% in FY12 which eventually deteriorated to 2.2% in FY13. Karnataka and Andhra Pradesh also lost their 7% and 4% share of FY09. The former now accounts for 5% and the latter only 2% of the total FDI equity inflows in India.

Maharashtra, Tamil Nadu and NCR combined corner 66% of the FDI equity inflows in India in FY13 due to a comparatively advanced and modern infrastructure set up in these regions. Although Maharashtra still receives maximum FDI inflows in the country in absolute terms, in terms of share of total foreign investments of the country it faces stiff competition from the National Capital Region and Tamil Nadu as evidenced by Maharashtra’s declining share in total foreign investments as against the increasing share of NCR and Tamil Nadu.

**Maharashtra – FDI Trend**

Maharashtra has historically been one of the most industrialized states in the country. The city of Mumbai is known as the financial hub of India while Pune is perceived as a major educational centre in recent times. Further, the state has always been a leader among all states with regards to infrastructure. These factors contribute in attracting FDIs into the state.

**Exhibit 14: FDI equity inflows to Maharashtra**

![Graph showing FDI equity inflows to Maharashtra](source: DIPP)

Maharashtra has witnessed a fluctuating trend in the growth rate of FDI inflows between FY10 and FY13, recording a positive growth rate figure only in FY12. While the state still receives maximum FDI inflows in the country, its own FDI receipts have been fluctuating and remain significantly lower in FY13 compared to FY09. The state has seen a 30% decline in the quantum of FDI from $12.4 bn in FY09 to $8.7 bn in FY13.

Excluding external factors such as the financial crisis which hampered FDI inflows in Maharashtra, it would be worthwhile to examine factors that are intrinsic to the state.

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The biggest hindrance facing Maharashtra is the inadequacy of infrastructural facilities and appropriate institutional framework in the state. The costs associated with investments and doing business in the state too are comparatively high. All this has been highlighted by the rather low ranking the state has been awarded by the World Bank in its ranking of ‘Ease of Doing Business’ 2009 at the sub-national level. Mumbai, the business center of the state, features at a low 10th place among the 17 cities ranked.

### Table 2: Ease of Doing Business in select cities of the country

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Ease of Doing Business Rank</th>
<th>Starting Business</th>
<th>Dealing with Construction Permits</th>
<th>Registering Property</th>
<th>Paying Taxes</th>
<th>Trading across Borders</th>
<th>Enforcing Contracts</th>
<th>Resolving Insolvency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>10</td>
<td>12</td>
<td>17</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Hyderabad</td>
<td>Andhra Pradesh</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>9</td>
<td>13</td>
<td>13</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Ahmedabad</td>
<td>Gujarat</td>
<td>5</td>
<td>14</td>
<td>4</td>
<td>2</td>
<td>11</td>
<td>3</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>Bangalore</td>
<td>Karnataka</td>
<td>13</td>
<td>17</td>
<td>1</td>
<td>4</td>
<td>12</td>
<td>9</td>
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<td>Chennai</td>
<td>Tamil Nadu</td>
<td>15</td>
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<td>3</td>
<td>16</td>
<td>17</td>
<td>2</td>
<td>7</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: World Bank

On comparing the ranking of the peer cities (i.e. business centers of the peer states) as shown in the Table 2 above, it can be seen that Mumbai has a low rank amongst the 5 in areas such as enforcing contracts and contract permits. In terms of starting a business, Mumbai (rank 12) is less preferred than Hyderabad (rank 4) and Tamil Nadu (rank 10). Overall, amongst the peer cities, Hyderabad and Ahmedabad are better cities when compared with Mumbai in terms of ease of doing business.

The World Bank ranking showed that it is the cost of doing business in Mumbai (Maharashtra) that compromised its rank in the country. The World Bank report shows that main expenses on factors of production for businesses viz. labor and land are higher in Maharashtra than in other states. In addition to this, factors such as procedural delays both at state and district level too have impacted businesses / investments (foreign investment) from coming to the state.

There are certain grounds that the state can improve upon to ensure the flow of FDI remains healthy.

- Most of the investments coming in to Maharashtra are directed towards Mumbai, Thane and Pune, all three being established commercial centres. However, being developed for a decade, these cities are now saturated.
- Linked with the above point, there are several tier two cities which can be developed and transformed into industry specific centres. Cities like Nashik, Nagpur and Aurangabad are witnessing development. However, there still remain a large number of cities that have not been tapped adequately. Regions like Sholapur, Kolhapur, Sangli etc. can also be looked at for development.
- Rural regions that are spread across the expanse of the state lend immense scope for development for industry. If coupled with good infrastructure, they would be capable of attracting FDI as well.

To round it up, it is vital for Maharashtra to geographically expand beyond the already industrialized regions while also continuing to make infrastructural progress across the state in order to ensure smooth inflow of FDI and cement its position as the most attractive FDI destination in India.

The state government thus would necessarily play an important role by way of providing the necessary institutional framework and infrastructural facilities for investments. This would in turn require the state to focus on capital asset creation.

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Capital Expenditure: Sustaining growth and development

Capital assets play a significant role in the long run development and growth of any economy. The amount of capital expenditure incurred or planned by the government may be considered as a proxy for the direct involvement of the state in creation of capital.

We have analyzed here the capital expenditure pattern of Maharashtra government over the years and looked into the trends of its aggregate capital expenditure and the key sectors that the state has been focusing upon. In addition to this the pattern of capital spending of Maharashtra vis-à-vis its peer states has been compared.

Maharashtra-Capital Expenditure of state government

The Maharashtra state government incurs one of the highest capital expenditure in the country compared to other state governments. With a share of 9.25% in the country’s total capital expenditure/outlay in 2012-13, the state ranks second after Uttar Pradesh (11.12%) having the highest capital outlay in the country.

Maharashtra’s capital expenditure has nearly doubled during the 6 year period since FY08. However, growth during this period has been prone to steep fluctuations. While the state’s capital spending grew by 64% in FY09, it contracted by 8% in FY10 and remained fairly stable in the following 2 years. Thereafter in FY13, it rose by 23%. The period of decline in capital spending is seen to coincide with increased revenue expenditure (expenditure incurred for running the state machinery) incurred by the state.

Exhibit 15: Capital Outlay (FY08-FY13)

[Graph showing capital outlay from FY08 to FY13 with Rs. Cr. values and growth in % for each year]

Source: CMIE
The economic expenditure of the government has seen considerable change over the years. It is essential to note that the share of Irrigation which accounts for the largest portion of economic expenditure has declined significantly from 64% in FY08 to 45% in FY13. In absolute terms too expenditure towards irrigation sector has contracted significantly i.e. by 28% from Rs.11,267 crs in FY09 to Rs.8,158 crs in FY13. This decline in irrigation has led to increase in expenditure towards sectors such as rural development (4% in FY08 to 16% in FY13), energy (7% in FY08 to 12% in FY13) and transport (13% in FY09 to 21% in FY10 and 17% in FY13).

A look at the composition of economic expenditure in FY13 for Maharashtra highlights the development area focus of the government. For FY13, the major portion of the expenditure is incurred towards Irrigation & flood control activities (45%) covering/involving minor, medium and major irrigation projects. Given that there is need to push up farm growth and inadequate irrigation facilities in the state, the state government is rightly spending a larger portion in this segment. Also, given the dependence of a large portion of the state’s population on this sector, expenditure incurred towards irrigation would help the agri-sector and consequently output from this sector going into the future.
The other focus areas of the state include the energy and transport sectors. These sectors together account for 29% of the capital expenditure of the government in FY13. As both these sectors serve as essential infrastructure and industrial inputs, the expenditure incurred on these sectors reflect the state’s focus on boosting industry. Apart from this, the state has devoted 16% of its capital spending towards rural development to overcome the development disparities across the various districts and regions.

The composition of the capital expenditure towards social services (social expenditure) of the state shows that a major portion of the spending i.e. nearly 60% in FY13 has been towards welfare programmes. 16% of the social expenditure has been directed towards medical and healthcare services. Water supply, sanitation, housing and urban development together account for around 9% of total social expenditure.

Over the past few years, the pattern of social expenditure too has undergone a considerable change. Share in expenditure towards welfare programmes has increased from 21.02% in FY10 to 58.95% in FY13. Consequently, the share of expenditure towards water supply has declined from 16% in FY09 to 4.9% in FY13 and that of education from 20.18% in FY08 to 5.19% in FY13.

**Exhibit 18: Maharashtra’s Social Expenditure FY14**

![Social Expenditure Chart](source: CMIE)

**Capital Spending: Comparison with peer level states**

Although when considering the country as a whole, Maharashtra’s capital spending (9.25% of India’s capital outlay) ranks 2nd, it has the highest capital outlay when compared with its peer states i.e., Tamil Nadu (8.59%), Gujarat (8.46%), Andhra Pradesh (8.23%) and Karnataka (5.96%).

For the 5 year period examined here (2009-13), Maharashtra government has consistently maintained higher capital spending when compared with its peers. The state is however faced with stiff competition from Tamil Nadu, Gujarat and Andhra Pradesh which are fast catching up with Maharashtra in their capital outlays. In the last two years (FY12 and FY13), while Maharashtra’s capital outlay grew by an average 12%, Tamil Nadu recorded a growth of 30%, Andhra Pradesh by 34% and Gujarat saw the government capital spending increase by 46%.

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A look at the composition of expenditure of these state governments shows some interesting observations. In terms of economic expenditure, it may be noted that Maharashtra (45%), Andhra Pradesh (32.49%), Gujarat (51.86%) and Karnataka (56.04%) focus a large portion of their expenditure on irrigation projects. Tamil Nadu on the other hand spends a large portion of its capex on transport (41.03%) and only 20% on irrigation.

In terms of social expenditure, Maharashtra is the only state which has larger or greater focus on the welfare programmes. Tamil Nadu spends considerably for housing, water supply, education, urban development and medical facilities. Similarly Gujarat spends largely towards rural development, education, urban development and water supply. Andhra Pradesh spends a large portion on education followed by housing, medical, family welfare, etc and Karnataka focuses on water largely followed by welfare of backward classes, education and medical and public health.
FICCI in association with CARE Ratings conducted a survey across various industries to understand the Ease of Doing Business within the state of Maharashtra and the various issues confronted by businessmen here.

**Survey Summary:**

The Survey attempts to help identify the specific issues that are proving to be hindrances in the conduct of business in Maharashtra, thereby highlighting the need for these issues to be addressed in a time bound manner to help industry and businesses in the state to grow and operate smoothly.

The survey findings show that businesses in the state face major constraints in establishing and operating their business. The snapshot of the key findings of the survey has been presented in Table 3 below. Here along with the parameters in which Maharashtra is found to be lacking, the aspects in which the businesses in the state have a relative advantage over the others too have been highlighted.

**Table 3: Snapshot of key survey findings**

<table>
<thead>
<tr>
<th>Key Parameters</th>
<th>% of respondents</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constraints faced by businesses in Maharashtra</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>97%</td>
<td>Challenging and Difficult</td>
</tr>
<tr>
<td>Construction permits</td>
<td>94%</td>
<td>Challenging and Difficult</td>
</tr>
<tr>
<td>Rent Charges</td>
<td>55.3%</td>
<td>High</td>
</tr>
<tr>
<td><strong>Availability of Infrastructure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water supply</td>
<td>28.2%</td>
<td>Below average</td>
</tr>
<tr>
<td>Electricity</td>
<td>28.2%</td>
<td>Below Average</td>
</tr>
<tr>
<td>Connectivity (Roads)</td>
<td>30%</td>
<td>Below Average</td>
</tr>
<tr>
<td>Connectivity (Trains)</td>
<td>30.8%</td>
<td>Below Average</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stamp Duty</td>
<td>72.5%</td>
<td>High</td>
</tr>
<tr>
<td>Overall tax rates</td>
<td>62.5%</td>
<td>High</td>
</tr>
<tr>
<td>Number of taxes paid</td>
<td>58.9%</td>
<td>High</td>
</tr>
<tr>
<td>Time taken for clearance</td>
<td>80%</td>
<td>High</td>
</tr>
<tr>
<td><strong>Advantages business in Maharashtra posses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to credit</td>
<td>51.4%</td>
<td>Above Average</td>
</tr>
<tr>
<td>Telecom &amp; IT</td>
<td>57.5%</td>
<td>Above Average</td>
</tr>
<tr>
<td>Connectivity (Ports)</td>
<td>81.5%</td>
<td>Average &amp; Above Average</td>
</tr>
<tr>
<td>Ease of payment of taxes</td>
<td>72.5%</td>
<td>Average &amp; Above Average</td>
</tr>
</tbody>
</table>

The main takeaways from the survey based on the majority responses are

- The availability and cost of property is the foremost challenge for businesses and industry in the state.
- The operational cost are higher for the state owing to high tax rates/duties and number of taxes to be paid.
- Infrastructure availability and connectivity, necessary for the conduct of business operation is fairly satisfactory.
• The superiority of the state in the financial space i.e. in terms of access to finance and ease of conduct of financial transactions is conducive for businesses.

• Industries have been shifting to other states viz. Tamil Nadu, Karnataka, Gujarat, Andhra Pradesh and Delhi among others. Major reasons attributed to this is ease of conducting business in these states, favorable government policies, single window clearance systems, low cost of infrastructure, availability of labor and simplified tax structure, tax incentives etc.

• The main issues confronted by industries and businesses within the state are procedural delays and complicated legal framework, hurdles in land acquisition, heavy taxation, high rental charges, high labor cost and inadequate infrastructure.

• Businesses and industries expect transparency, good governance, investor friendly climate and efficient infrastructure facilities from the state government. They also seek single window clearance system, cost effective power supply, well developed industrial zones, liberalization of trade policies, review of labor laws and reduction in import duties on certain products.

Survey Approach:
The survey on Ease of Doing Business was sent across to various industries located in Maharashtra in order to get a diversified sample. The respondents ranged from Chairman, Managing Directors, CEOs to Managers/ Heads of Divisions. In this Survey, over 40 respondents from various sectors such as textiles, pharmaceuticals, banks, automobiles, construction, energy, engineering, infrastructure, jewellery, cement, chemicals, real estate, services, steel, etc. shared their detailed views on ease of doing business within and outside the state of Maharashtra and their expectations from the state government.

The survey is divided into two sections and consists of 32 questions. Section A looks at the various parameters for doing business in the state. It evaluates the time, cost and procedures involved for conduct of preliminary business activities (such as land acquisition procedures, construction permits, rent charges and availability & cost of infrastructure) and business operations (availability of labor, taxes, duties, governance, trade facilitation) and rates them on the scale of difficulty and availability.

Section B evaluates the investments made by various industries within the state and across other states. This section aims to identify the issues faced by industries operating in the state and their expectations from the state government.

Survey Findings:

Difficulty and high cost involved in conduct of preliminary business activities in the state
The parameters examined under the preliminary business activities were property, rent and availability of infrastructure.

With regard to property, 97% of the respondent rated land acquisition and 94% of respondent find obtaining construction permits as being challenging and difficult. In terms of costs, more than 50% of the respondents find the property rental charges to be on the higher side in Maharashtra.
With property being a key requirement for all businesses and with it being a constraining factor in case of Maharashtra, special focus is needed to make available land for industries along with simplification of procedures in land acquisition and obtaining construction permits.

In terms of **infrastructure** such as water, electricity supply and connectivity via road, rail and ports, most respondents find the availability of these in Maharashtra to be **fairly satisfactory**. 50% of the respondents rated supply of water to be average while 21% rated it to be above average. 28% of the respondents have rated power supply to be below average in the state. In terms of **connectivity** within the state, more than 40% of the respondents find the connectivity through roads and ports to be average. However, 30% of the respondents have rated connectivity through roads and trains as below average.
Majority of the respondents find Maharashtra to have superior access to finance and telecom and IT infrastructure. Although Maharashtra has fairly satisfactory infrastructure, there is need for improvement in the same, especially in areas of power & water supply. Road & rail connectivity too needs further improving.

Hindrance in conduct of Business Operations

In terms of factors governing business operations, the prevailing high number and rate of taxes and other duties/charges along with the time taken for various approvals and clearances has been stated to have a bearing on the business of a majority of the respondents.

Among the various taxes paid by the industries *stamp duty/ registration charges* appear to be very high with 72.5% of the respondents indicating the same. Besides, the overall tax burden is also rated to be very high not only in terms of rates of taxes but also number of taxes.

The data also indicates that there is a scope to improve governance in terms of time taken for various projects approvals or clearances and the difficulty in tax payments procedures. Around 80% of the people have rated the time taken for clearances to be very high and 57.5% of the responses also indicate number of taxes to be above average.

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Availability of labor does not appear to be a serious issue as compared to the cost of labor and exit policies which appear to be very challenging.

In addition other parameters such as enforcing contracts (from the time of filing cases to getting it resolved) and closing of business also appear to be more challenging for businesses in the state.

Investments in other states

Many industries have moved out of Maharashtra and made investments in other states. Of the 40 respondents, 15 respondents were seen to have made sizeable investments, ranging between Rs.100-Rs.500 cr, in other states viz. Tamil Nadu, Karnataka, Gujarat, Andhra Pradesh, Delhi, Himachal Pradesh, etc. Industries have preferred investments in other states over Maharashtra due to several reasons. Some of the important reasons are listed below:

- **Ease of doing business**
- **Government policies** - Simplified, clear and transparent government policies.
- **Single window clearance system** - The single window clearance of the government works exceptionally well and there is less of paper work involved in other states.
- **Low cost of Infrastructure** - Infrastructural costs such as lease/rental charges, power tariffs are minimal.
- **Well developed infrastructure** - The states such as Gujarat and Tamil Nadu have very well developed port terminals and good water connectivity to facilitate imports.
- **Easy availability of labor** - Adequate supply of manpower.
- **Greater demand** - Increased consumer demand particularly for Financial Services.
- **Efficient administration and simplified procedures** - Hassle-free administrative procedures and less intervention from municipal and other state departments.
- **Easy availability of raw materials**
- **Simplified tax structure, tax incentives** - Simple tax structure with more tax incentives and less tax burden.
- **Absence of excise duty**
- **Easy entry and exit policies**

Issues confronted by industries within the state

As per the respondents, industries across sectors in the state face a wide range of issues in carrying out business operations. Some of the critical issues which need to be addressed by the state government are highlighted below:

- **Land acquisition** - Industries face hurdles with respect to land acquisition at several points due to major loop holes in the land policies.
- **Procedural delays and complicated legal framework** - A number of permissions are required to be obtained such as for construction permits by industries. Consequently, huge investments are held up for a longer period leading to delays and increasing costs.
- **High rental charges** - Existence of very high rental charges have increased the cost of operating any business within the state.
• **Inadequate infrastructure**- The infrastructure bottlenecks in the state has a bearing on the industry performance. Lack of inter-connectivity of roads and public transport has an indirect bearing on the industry in terms of lesser output and movement of goods. In addition, industries are heavily dependent on power which faces issues on account of heavy load shedding.

• On the tax front, along with the **heavy taxation** the state faces disparity in the interstate tax structure. Calculation of tax and import duty is very difficult. Besides, the tax structure process is tedious. Also, the increase in number of taxes to be paid has driven the industries out of the state.

• **High cost of labor and exit policy of labor** is very challenging.

• **Complicated procedures**- Procedures to be followed for other business activities like enforcing contracts or closing of business remain very complicated and lengthy.

**Expectations from Government of Maharashtra**

In an effort to find solutions to the problems being faced by the society some of the expectations have been listed below:

**Transparency, good governance, Investor friendly climate and efficient infrastructure facilities**

• Need for faster clearance procedure for investments with not many state government departments involved i.e. **single window clearance system**. Time bound and transparent system must be implemented for getting approvals from Government authorities.

• The taxation and financial policies need to be streamlined with **greater transparency**.

• **Cost effective powersupply** and its availability

• **Well developed industrial zones**- The Industrial zones in Maharashtra should be better developed with modern infrastructure and connectivity. Electricity and water availability is a big concern in Maharashtra. Procedural delays both at state and district level have delayed foreign investment coming in to the state. Hence, there is a need for simplification of process and bringing local laws in to alignment with current market realities.

• **Liberalization of trade polices**- There should be liberalization in trade policies to facilitate foreign investment in certain sectors.

• **Improvement in labor laws**- As the state progresses it needs to move ahead with the archaic laws. Rules regarding labor employment need to be revised.

• **Promote businesses** in towns and cities where skilled labor is available.

• **Protect investor’s interest**- Company starts business and they confront with so many issues with regards to local politics, villagers and there is no one to hear, whom to approach. Hence, government should provide the protection to the factories for illegal demands and threats from local people, local casual labor and politicians.

• Huge investment is blocked in VAT Refund for number of years, as the VAT Assessment is not done. We have submitted representation time & again, but the State Government is not responding positively. Government should ensure that investment blocked in such taxes which are refundable should be settled within a particular time frame.

• The Government of Maharashtra should have **regular interaction with industry** and chambers of commerce to understand problems at the grass root level.

• **Import duties to be reduced** on certain products.

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About FICCI

Established in 1927, FICCI is the largest and oldest apex business organization in India. Its history is closely interwoven with India’s struggle for independence and its subsequent emergence as one of the most rapidly growing economies globally.

FICCI has direct membership from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 83,000 companies from regional chambers of commerce. With a Membership of over 500 Chambers of Commerce, Trade Associations Industry bodies, the Chamber speaks directly and indirectly for over 2,50,000 small, medium and large business units employing around 20 million people.

FICCI is committed to change the economic landscape of India through reforms that expand the space for private sector and public private partnerships. FICCI is the rally point for free enterprises in India. It has empowered Indian businesses, in the changing times, to shore up their competitiveness and enhance their global reach.

FICCI plays a leading role in policy debates that are at the forefront of social, economic and political change. Through its 600 professionals, FICCI is active in 44 sectors, 8 Forums and 13 Task Forces/Working Groups of the economy. FICCI’s stand on policy issues is sought out by think tanks, governments and academia. Its publications are widely read for their in-depth research and policy prescriptions. FICCI has joint business councils with 79 countries around the world. The Joint Business Council, run by FICCI is the rallying point for Indian businessmen, investors, and technology suppliers.

FICCI works closely with the government on policy issues, enhancing efficiency, competitiveness and expanding business opportunities for industry through a range of specialized services and global linkages. It also provides a platform for sector specific consensus building and networking.

Partnerships with countries across the world carry forward our initiatives in inclusive development, which encompass health, education, livelihood, governance, skill development, etc. FICCI serves as the first port of call for Indian industry and the international business community.

The Head Office is located in Delhi. It has 12 State offices and 7 International Offices.

FICCI-Maharashtra State Council is the western regional arm of the Federation of Indian Chambers of Commerce & Industry. In addition to supporting FICCI, New Delhi, FICCI-MSC organizes its own conferences, seminars, workshops and networks with visiting delegations from several developed and developing countries.

FICCI-MSC actively provides sectoral services in Business Matching, Gems and Jewellery, Nutraceuticals, Textiles, Technical Textiles and Wellness.

Contact: Deepak Mukhi
Head
FICCI - Maharashtra State Council
Industry’s Voice for Policy Change
33-B, Krishnamai, Sir Pochkhanwala Road, Worli, Mumbai - 400 030
E : deepak.mukhi@ficci.com
T : +91-22-24968000; F: +91-22-24966631 / 32
w: www.ficci.com
w: www.progressivemaharashtra.com
About CARE Ratings

Credit Analysis and Research Limited (CARE Ratings) is the second largest credit rating Company in India in terms of rating income. CARE Ratings offers a wide range of rating and grading services across a diverse range of instruments and has over 20 years of experience in the rating of debt instruments and related obligations covering wide range of sectors.

CARE provides ratings in the financial sector, infrastructure sector, corporates, public finance and MSME spaces. CARE’s clientele in the financial sector includes banks, NBFCs, housing finance companies, insurance companies, mortgage guarantee companies and mutual funds. CARE also rates various types of securitization programmes and is a leading player in this space. Corporate sector ratings include debt issuances such as bonds/debentures/commercial paper etc., bank loans, issuer rating and corporate governance rating. CARE rates various entities in Infrastructure space – in the segments of power, roads and ports. Recently the rating of Infrastructure debt funds was launched. Further, MSME ratings include SME ratings and NSIC-CARE MSE ratings for micro and small enterprises. Public finance business includes implicit ratings of State Governments for the rating of state enterprises and urban local bodies. The Company also has rated innovative debt instruments, such as perpetual bonds.

Under the umbrella of grading services, CARE carries out grading of IPOs, assesses financial strength of shipyards, grades various courses of Educational institutions and provides grading services to Energy service companies (ESCO), Renewable energy service companies (RESCO), Real estate projects, Maritime training institutes. CARE also provides equity grading for listed entities. Recently, CARE has started rating of entities under the IREDA Credit Rating Model for Renewable Energy Financing.

CARE has recently begun its Valuation Services and offers valuation of equity, debt instruments and market linked debentures (also with embedded complex options).

CARE has always had an external ratings committee since its inception comprising a majority of independent members. The expert committee has Mr Y.H. Malegam, former Managing Partner S.B. Billimoria and Co, as its Chairman. Other independent members include Mr V. Leeladhar former Deputy Governor of RBI, Mr V.K. Chopra, former whole time member of SEBI and Mr P.P. Pattanayak, former Managing Director, State Bank of Mysore. The rating process is rigorous, passing through a multi-tiered mechanism and ratings are assigned using a committee based approach. The performance of CARE’s ratings, as borne out by its Rating Transition and Default Studies (which are widely disseminated to the public through the website) reveal that the quality of CARE’s ratings are among the best in the industry.

Care Ratings has received ISO 9001:2008 quality management certifications for the head office in Mumbai and 6 branches for the credit rating of debt instruments and facilities, for research services at the head office in Mumbai and for data processing at CARE Knowledge Centre in Ahmedabad.

CARE has maintained a strong financial profile since inception in 1993. The cumulative debt rated in FY14 has crossed 50% of India’s GDP, standing at Rs 54.7 lakh crore as of December 2013. The number of clients increased from 259 in FY08 to 7469 as on December 2013. The number of rating assignments carried out rose from 778 in FY08 to 7,439 as of FY13. Some important financial highlights are:

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• Revenue of the company has increased from Rs 103.2 Crore in FY09 to Rs 227.4 Crore in FY13.

• CARE has maintained the highest profit margins in the industry with a PBDT margin of 71.73% and PAT margin of 49.92% for FY13.

• PAT has consistently been increasing from Rs 55.4 Crore in FY09 to Rs 113.3 Crore in FY13.

• Dividend rate has been stepped up consistently and has increased from 40% in FY09 to 200% in FY13.

CARE Ratings is recognized for being a knowledge based company and has continued to work towards deepening the base. The Company provides industry and economic research: within industry research around 50 industries are covered and 150 sectors included under CARE Industry Risk Metrics (CIRM). CARE has recently launched its microsite for research www.careresearch.in. Furthering the knowledge initiatives, the Company has developed the content for a credit risk related certification programme launched by AIWMI titled “Certified Credit Research Analyst”. This course can be taken through an online examination. Furthermore, the Company also provides Risk Solutions and Advisory Services through its subsidiary CARE Kalypto.

To enhance its scope of business CARE Ratings has been nurturing global opportunities and made forays in different forms: has a branch in Maldives and signed MoUs with CRAs in other countries. The Company has also launched a new international credit rating agency ‘ARC Ratings’ with 4 partners from Brazil, Portugal, Malaysia and South Africa.

CARE was listed on BSE and NSE in December 2012.
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