Bangalore Chamber of Industry and Commerce

e-Synergy

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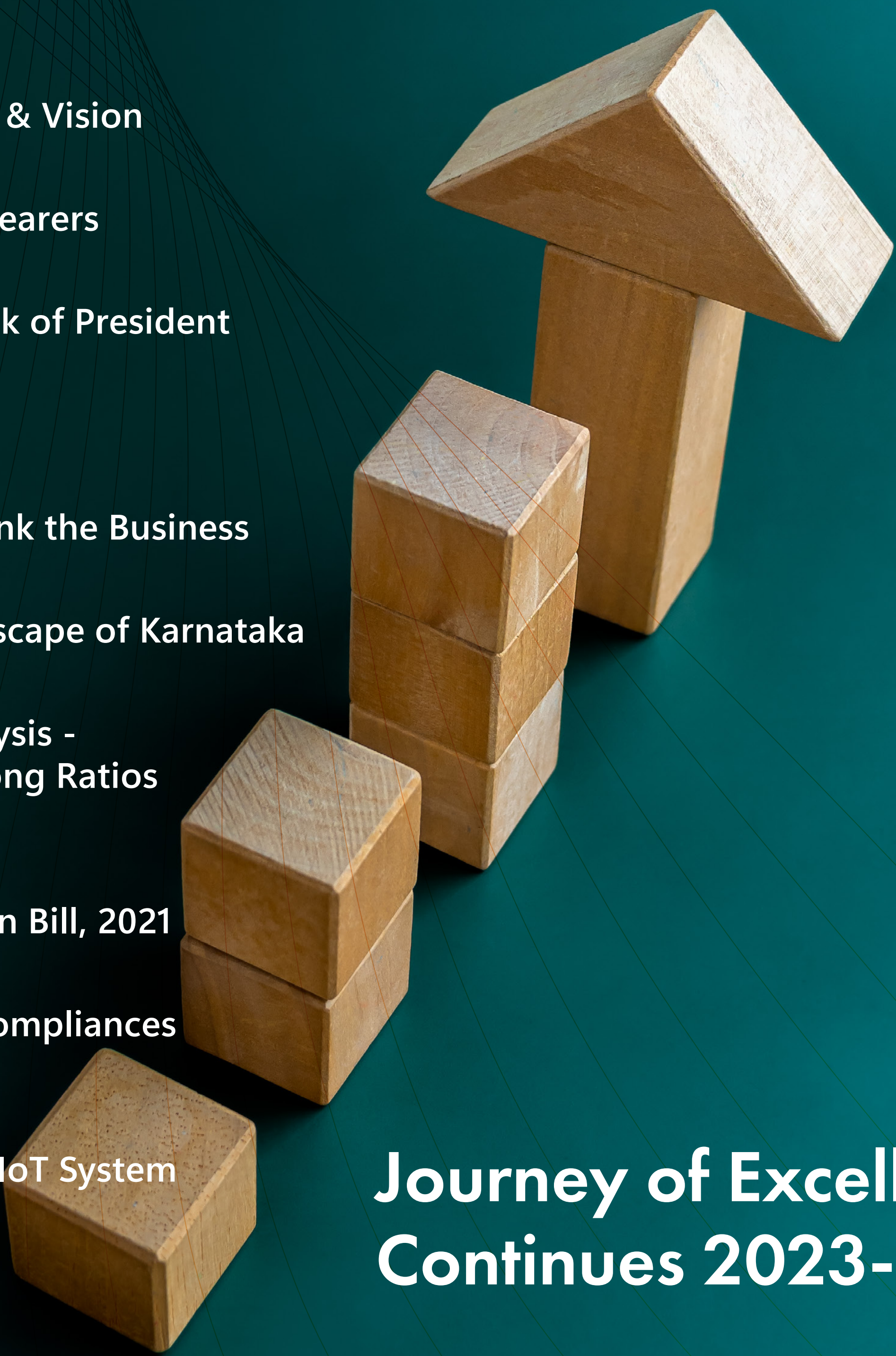
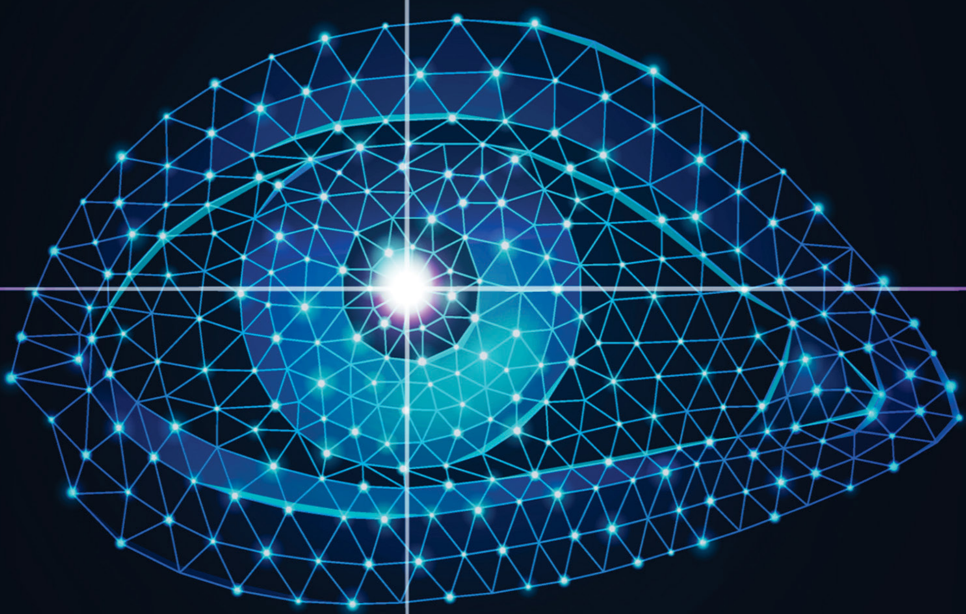


Journey of Excellence Continues 2023-2024



MISSION

Namma Karnataka-
Gateway to Future India

VISION

Look Beyond

Together We Should

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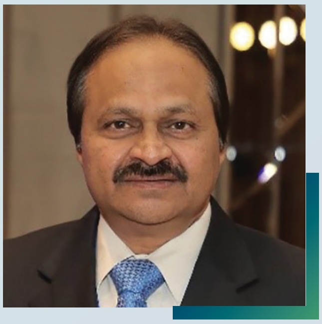
Mr. Rabindra Sah
Chief Engineer
Tata Technologies

Co-Chairman



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Journey of Excellence Continues 2023-24

At the outset, on behalf of BCIC, would like to thank Ravindran, for steering BCIC to new heights during his tenure as president during 2022-23. Now, I would like to continue and sustain the good work done.

The strength of BCIC is on the all 28 expert committees. And all the leaders of the Expert committees are all Presidents of the BCIC in their own area.

Would like to 1) Sustain the best practices – Do what has been done the BEST. Maintain and improve. 2) Enhance the Government interactions – Do what is done better – both central and state 3) Expand network – both internal and external. Having Interface and Integration among all the expert committees 4) Value added work plan focusing on NEW TECHNOLOGY and SUSTAINABILITY in all areas

Over the years, BCIC has spread in all areas and the contribution of all expert committees is well appreciated. This year focus is integration among all expert committees to deliver value to all members. Request all members to support BCIC – Brigade Skill academy by expert lectures, BCIC – Japan – by participating in SMRJ, Start up, business discussions/travel delegation, Sharing our experiences in Industry- institute interfaces, participate in International trade /consulate delegation meeting and World Trade center meet in March, to name a few.

India driving forward in all areas and the precision of both the success of Chandrayan-3 and Aditya 1 is indeed feather in cap of our space scientists for their dedication – Sky is the not the limit.

Welcoming new Vice president – Prashant Gokhale. With Vineet Verma (Sr VP) and Immediate past President Ravindran, we seek all the good inputs from all expert committees, past presidents to take BCIC to the next allround newer heights. Key Deliverables – membership increase from 850 to 1000. Value adding seminars, Leadership lectures, Govt interaction and be active member in Govt committees, Flagship events, sports, karaoke, and make BCIC self sustaining and enjoyable year for all.

With best wishes for you and your families for all forthcoming festivals.

Mr. Rabindra Sah
Chief Engineer
Tata Technologies

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Cultivating strategies for skill development and adoption within both industry and academia

I would like to share the strategic approaches, I have adopted my professional career. It is about 3-Circle Venn Diagram relationships:

Engineering Domain

It involves learning the basics of engineering subjects across various disciplines and domains at the academic level. Subsequently, one can develop expertise in their chosen subject matter through rich experience.

Digital Technologies

Adopting and utilizing more digital engineering software can accelerate the time to market across various stages of the product lifecycle, including product design, validation, manufacturing, and beyond.

Industry4.0

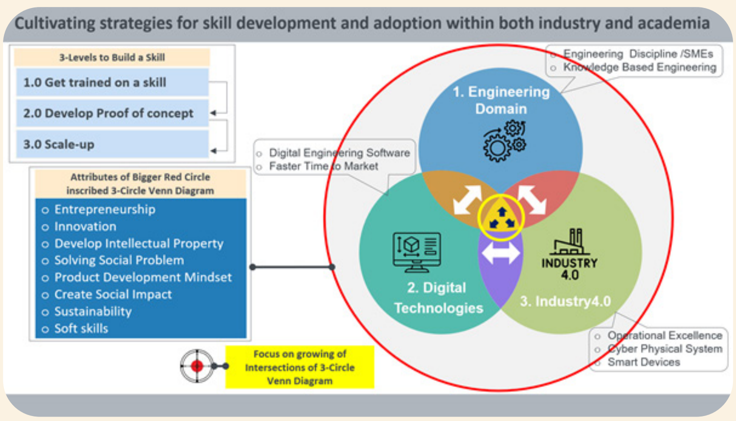
The utilization of pertinent levers of Industry 4.0, such as Big Data and Analytics, Autonomous Robots, Internet of Things (IoT), Simulation, Augmented Reality, Additive Manufacturing, Cloud Computing, Cybersecurity, System Integration, and more, leads to operational excellence.

The objective is to acquire the skills mentioned above and enhance the convergence of the three circles by embracing additional digital technologies and Industry 4.0 initiatives. The primary focus is on augmenting the growth of intersections within the Venn Diagram's three circles, with the aim of maximizing the benefits derived from the technologies highlighted in yellow, innermost circle. Ultimately, the goal is to achieve perfect alignment among all three circles.

The larger red circle, encompassing the three circles mentioned above, aims to foster greater innovation, generate intellectual property rights (IPR), and encourage entrepreneurial activities, among other objectives.

3-Levels to Build a Skill-Competency:

- Get trained on a skill
- Develop Proof of concept
- Scale-up



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Honey, I Shrunk the Business !!

Business owners have dreams to grow business big, but do small ill-advised things which, leads to shrinking of their business instead of growing.

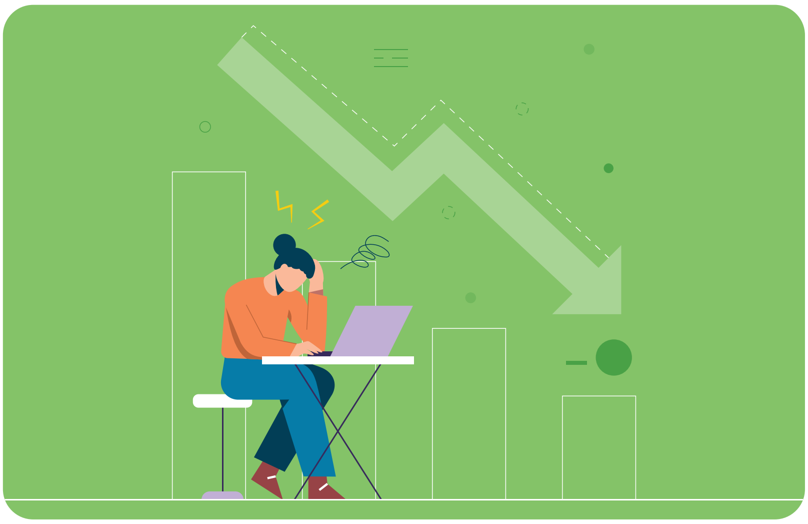
Honey, I Shrunk the Kids is a 1989 American comic science fiction film. In the film, a struggling inventor accidentally shrinks his kids, along with the neighbours' kids, down to the size of a quarter-inch. Honey, I Shrunk the Kids was theatrically released in the United States on June 23, 1989. A film made on a budget of around USD 18 million went on to gross a worldwide collection of over USD 220 million. A stupendously successful movie. I borrowed the title from this movie for this article. Some business owners with big dreams to grow their business bigger, do few small ill-advised things which, unfortunately leads to shrinking of their business instead of growing. eir business instead of growing.

Vishesh, runs a successful interior contracting business. His business has grown from scratch to Rs. 50 crores in 10 years since the start of the business. Vishesh, had studied Architecture from a good reputed college in Bangalore. He was innovative and creative in his designs during his college days. After graduation he joined a reputed architecture firm. There, he learned about the business nuances and project execution. After working for five years' he moved out to start his own design and delivery business. His start was very good since the clients came to him from his previous projects experience. He built a good rapport and delivered as promised. Most of the times, actually exceeding the client's expectations. The going was good for him. He was making good profits too. He was selective about the projects to take. He had built a good reputation and did not want to tarnish it with any bad work or get tarnished due to the acts of a bad client. As the business grew, his contacts, friends circle and network also started to grow. He developed liking for enjoying a good life since his earnings were supporting the spends. He had a healthy order book position which gave him great confidence that everything was going well. Contacts and business contracts are not actually a barometer to read the health of organisation. He was not having a second in command. No righthand person to manage business in his absence. He was advised to be cautious and invest in having a right team and a second in command. He did not care much about this. Business was good, clients know him and he knows the job, then why bother on such systems and processes. Unnecessary extra expenditure thought Vishesh. He was not aware that one of key elements of the organisation's health is its systems, processes, and controls. This is not an isolated case. Almost 70% of the MSME industries suffer from lack of these things.

He was of opinion that he was running a Rs. 50 crores enterprise which, will grow to Rs. 500 crores in few more years. It has taken him ten years reach where he is now and in the next ten years' he will grow the business 10X. This 10X mantra seems to be a new business growth formula fad being promoted by novices who have donned the business coach cloaks.

You will find them all over the YouTube with smart talking skills. Growing business 10X is a great vision. But how, and really achieving it is the big challenge. Coming back to Vishesh, his vision is good, and ambitious. Will he, do it?

During a network meeting one of his friends advised him to invest his surplus in real estate which is a booming business and Vishesh will reap mutli-fold gains in a short-time. He is elated, excited, and follows his friend's advice. He tastes success quickly by quirk of fate. He more than doubles the investment, feels that he can make a killing. He started spending more time on this new venture. He pulled the money from the current interior business and invested in the real estate. Hoping that he will hit the jack pot soon. But luck did not favour him this time.



Working capital for running the interior business gets effected. He falters in delivering the projects. Clients get annoyed. Few of them stopped placing new orders, few others asked Vishesh to stop the work midway and vacate the site, his free cash flow got hit badly. Since he was doing good with healthy cash flows, based on the balance sheet numbers, many banks were willing to lend him money. He took advantage of this and availed big loans. Instead of investing in interiors business for growth, he diverted the funds to real estate. It was a double whammy effect on him. On one side his interior business started downward slide, and on other side his investments on real estate were stuck up. Misfortune hits you at bad times as the saying goes. Pandemic hit the world. Many businesses globally got badly effected. Money was difficult to get. Real estate crashed. Interior business came to almost being closed. It was kept alive with just few projects those for which cash flows were not forthcoming because the monies which, came in earlier were misused.

A Rs. 50 crores business now shrunk to Rs. 5 crores. Leave aside 10X it became one tenth the current size. The title aptly fits him now – Honey, I shrunk the business. Unfortunate though.

This is not just a story many business persons have faced this hard truth. Somewhere, we falter, we fail, and the fall happens. Blame it on the gods, blame it on the fate, blame it on the stars, blame it on all, but why do not we blame it on our wrong decisions. Why did Vishesh move away from the core business? He is not alone. Many business persons have moved away from the central business when the going is good. Business should grow the central business stronger, add businesses closer to the central business, do not diversify, and divert funds to unrelated activities. Hoping that the newer business will bring new growth is a myth. Hope is good it keeps you motivated. But in business, risk analysis is vital along with the hope. Without proper risk analysis, going ahead with hope may result in a hopeless situation as we saw in the case of Vishesh. There is no magic machine invented which can throw a laser beam on your business and woosh abracadabra your business grows back 10X. It happens only in the movie where the kids get back their original forms. Not in the business.

Get your act right. Hire and have right people at the helm. Listen to the right advice. Yes, you can grow 10X it is not a myth. You need the right people, processes, systems, and controls.

Business shrinking and businesses getting out of business is not uncommon. It is pretty common among the current day startups. One edtech company which was valued at 25 billion dollars two years back has shrunk to less than 5 billion dollars recently, similar thing happened to an USA head quartered office space sharing business. Anil Ambani, one of the richest persons a decade ago had to declare recently bankruptcy. Many reasons can be attributed but the onus is on the founders and the owners to work smart, work better, hiring the right talent, hiring right business coaches, not digress from the business plan, not throw money on imaginary profitable ideas. The issue should be to grow the business, not to decrease the business.

Have the will, the vision, and be wise. Otherwise, you may have to say: Honey, I shrunk the business!!

Mr. Bala Phani Kumar
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Skilling Landscape of Karnataka

We discuss about Education and skilling demand and supply of Karnataka and how to address this gap for the benefit of youth across the state.

In the last decade, Karnataka has emerged as a key State in India with setting up of knowledge based industries such as IT, biotechnology and engineering. The State leads in electronics, computer software, and biotechnology exports. It has also come to be known as the 'Science Capital of India', with over 100 Research & Development (R&D) Centres, and a preferred destination for multinational companies (MNCs) with more than 650 such companies already located in Karnataka. Karnataka's capital Bengaluru is known as the 'Silicon Valley of India' and is ranked among the top four technology clusters of the world.

The State was created on 1st of November, 1956. It covers an area of 191,791 sq.km., which is 5.8 per cent of the total geographical area of India, making it the eighth largest State in India in area terms. It has a total population of 61 million persons, which is 5.1 per cent of India's total population. The State is divided into 30 districts, which are further divided into 175 sub-districts and 29,406 villages. Kannada is the most widely spoken and official language of the State. As of 2011, the State has achieved the literacy rate of 75.6 per cent, which is slightly higher than the All-India average of 74 per cent.

Out of 30 districts in the State, nine districts account for over 51 per cent of the population. These are Bangalore Rural, Bangalore Urban, Tumkur, Mysore, Dakshina Kannada, Bellary, Belgaum, Bijapur and Gulbarga. The population concentration is in maximum where there are greater opportunities for employment and where there is industrial development. In addition to these the districts of Bangalore Urban, Belgaum and Mysore also have good connectivity and social infrastructure.

The literacy rate of Karnataka is 75.6 per cent which is slightly higher than the all India rate of 74 per cent. Male literacy stands at 82.85 percent while female literacy is at 68.13 percent.

Karnataka is also known as the 'Knowledge Hub of India'. For higher education, the State has 44 universities / deemed universities. There are a total of 1,362 colleges enrolling 515,838 students. Most of the colleges at 52 per cent are private unaided, followed by 26 per cent Government owned and remaining 22 per cent private aided colleges. College education is taken care of by the Department of Collegiate Education. Karnataka has some of the reputed higher education institutions. These include IISc, IIM, NIT, NLS and other renowned colleges.

Karnataka has vast infrastructure for technical education. As of 2010-11, the State had 289 polytechnics offering different technical courses such as in automobile engineering, civil engineering, computer science, electronics, mechanical engineering etc. Their enrolment was 57,038 students. In addition, there were 187 engineering colleges enrolling 56,235 students. In case of technical education, expansion has mainly taken place in the private sector. Government sector is less than 15 per cent in engineering education.

For vocational education and training, the State also has 1,448 ITIs / ITCs with a seating capacity for 156,465 students. District wise list of ITIs along with the courses offered is given in the annexures.

In addition to the above, the State has several training institutes for vocational training run by both Government and private sectors. Based on some surveys, it is estimated that the top private training institutes in Karnataka have a seating capacity for over 22,000 students. About 50 per cent of it is for IT/ITES sector (software, hardware, animation, multimedia, BPO training etc.) only. Based on the top training institutes mapped in the 30 districts, we found that 70 per cent of training institutes are concentrated in Bangalore, while the remaining 30 per cent are in other districts.

The district-wise contribution to the GSDP reveals that five districts, namely, Bangalore Urban, Belgaum, Mysore, Bellary and Dakshina Kannada, contribute to over 50 per cent. Even in terms of industrial development, 70 per cent of the large and medium scale industrial units are concentrated in five districts, namely Bangalore Urban, Bangalore Rural, Mysore, Tumkur and Dakshin Kannada. Thus, there are wide disparities in development and most people flock around these districts only. Certain districts in Karnataka such as Gadag, Bidar, Koppal, Yadgir, Chamarajanagar are mostly dependant on agriculture and allied activities and large scale industrialization is yet to penetrate into these districts. Thus, the State is faced with the challenge of creating equitable and sustainable development for all.

Based on our forecasts, we estimate that between 2012 and 2022, an incremental demand (cumulative for ten years) for 8.47 million people will be generated in Karnataka. Maximum demand will be generated from sectors such as tourism, travel and hospitality; agriculture and allied (mainly allied such as horticulture, fishery, animal husbandry, poultry and sericulture); building, construction and real estate; IT & ITES, transportation, logistics, warehousing and packaging; healthcare and education services.

In the next ten years, maximum demand is expected to be for the semi-skilled workers at 43 per cent of the total incremental demand. This is expected to follow by minimally skilled workers at 27 per cent, skilled workers at 25 per cent and highly skilled workers at the remaining five per cent.

Each year, people from different educational institutions join the workforce at different skill levels. We have estimates that between 2012 and 2022, about 8.16 million persons will join the workforce in Karnataka. Of these, about 43 per cent will be minimally skilled, 40 per cent will be semi-skilled, 17 per cent will be skilled and the remaining about one per cent will be highly skilled.

Hence it is very evident that there is manpower available within the state for employment. It would be a great idea if we evolve a private employment exchange model for all the Member Organizations of BCIC and thus help our member organizations to have a supply of resources with necessary skills. Request support from the members on thinking about this model so as to mutually garner benefit of this initiative.

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Du Pont Analysis – a Marvel Among Ratios

Du Pont analysis -three ratios-strategic significance.

Financial statement analysis is a complex procedure involving surfing pages and pages of data to "read between the lines". Several concepts have been introduced to bring out key features. These include techniques like identification of red flags and time series analysis of key ratios. However, one of the most powerful and intuitive tools is the Du Pont analysis, which comes to the point quickly and at the same is highly strategic in nature.

When one gleans through a set of financial statements for a given accounting year, there are several aspects that need to be examined – the extent of profits, the extent of gross earnings, usage of assets, extent of use of debt in the structure, short term and long-term liabilities, interest and taxes. While eacho f these elements are important, what will turn out to be more crucial is the overall impact these have on the situation.

Du Pont analysis got its name from studies conducted by Du Pont corporation on a large number of companies, analysing the financial performance of these. After their pioneering work, the system has come to be called Du Pont analysis.

There are three principal aspects covered in the analysis:

1. **Profitability ratio.** This is the extent of profits in relation to sales. The jury is still on as to what augurs better for a company – steady growth of income or steady growth of sales. While the ideal answer would be "both", relatively, growth in profits is preferred. When a company strategically expands its market and brings in more sales, the final profits should go up as well in the same proportion. If profits do not go up proportionately, it would mean that the growth in sales is not resulting in the generation of proportionately higher inflows or that the extent of increase in corresponding expenses is higher. The other intuition behind this relationship between Profits and Sales is that one can guess the approximate extent to which profits ought to go up for an increase in turnover by a given percentage. This intuition is crucial in strategic decision-making regarding growth.

2. **Asset Turnover ratio.** This is the Sales turnover as a function of Total Assets. The basic principle in a business system is that the more you invest, the greater the possibility of higher sales. The argument is that with more production and manufacturing facilities, sales will go up. However, what this ratio really captures is the incremental way in which this happens or does not happen. Suppose this ratio stood at 2 in a year, it means that the sales turnover is 2 times the value of total assets. That by itself may not tell us anything except with a comparison with competitors. However, when the company expands its operations and invests more in its facilities. The sales turnover incrementally should be at least 2 times the new investment, else, there is an overall erosion.

3. **Leverage ratio.** The extent of borrowing that the company has made. This is measured by the formula of Total Assets/Equity. Here, equity represents the own capital consisting of initial and subsequent contributions plus accumulated profits not distributed as dividends. When there is no debt in the structure, the third formula will become 1, and if, say the debt is 25% of the total structure, the formula will result in a figure of (1/.75) =1.33. In other words, the greater the result of this formula, the greater the debt in the structure. As a company stabilizes and grows it will seek to bring down its dependence on debt and hence this component will tend to 1.

Let us now see the three formulae together.

$$\frac{Profit}{Sales} * \frac{Sales}{Assets} * \frac{Assets}{Equity}$$

By cross multiplication the formula reduces to $\frac{Profit}{Equity}$, which is the Return on Equity. Eventually, the critical ratio for any investor in a company is the Return on Equity, and in the process of arriving at this, the Dup Oont analysis seeks to have three components leading to this. Each of the three components will have strategic significance and overall these have a collective meaning for the company.

Carrying on, if we take just the first two parts of the equation, by crosss multiplication we come to $\frac{Profit}{Assets}$, which is the Return on Assets. From the overall stakeholder perspective this has significance.

DuPont analysis is useful if we compare the current results with those of previous years. The trend of changes in the overall Return on Equity, and the component within the analysis which leads to this gives us the strategic position. The other way in which this analysi is useful is when you compare the results of a year with those of the competitors in the same industry. The differences in the Return of Equity between the two entities are split into the three components discussed above to understand which factor contributed to the increase or decrease of Return of Equity.

as an example, let us take the figures of ITC ltd for the year ended 30th June, 2023. Amounts in Rs. Crores)

1	Total Assets	82261.40
2	Sales turnover	72688.89
3	New Profits	18753.31
4	Equity	67593.80
	ROE	

Here, Du Pont analysis will suggest three components

Component 1 – Profitability ratio $\frac{\textit{Item 3}}{\textit{Item 2}} = \frac{18753.31}{72688.89} = 0.2580$

Component 2 – Asset Turnover ratio $\frac{\textit{Item 2}}{\textit{Item 1}} = \frac{72688.89}{82261.40} = 0.8836$

Component 3 – Leverage ratio $\frac{\textit{Item 1}}{\textit{Item 4}} = \frac{82261.4}{67593.8} = 1.2170$

ROE = $\frac{\textit{Item 2}}{\textit{Item 3}}$ = 0.2774, which can be also arrived at by multiplying the three components together

An analyst can understand the trend that ITC has been having over the last three years on these parameters and realize what factors contributed to the increase or decrease of ROE, of if necessary, ROA. In industries consisting of players with similar products, a comparison of the Du Pont parameters between the companies will suggest the areas where one company is outperforming the others.

Bill Summary: The Mediation Bill, 2021

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The Mediation Bill was passed recently by the Parliament. This provides a quick and effective mechanism for Alternate Dispute Resolution. Mediation is a common practice to resolve commercial disputes in several other countries. With the passage of this Bill it is expected to get a fillip in India as well. This article highlights some of the more important features of the recently passed Mediation Bill

Progression of The Mediation Bill, 2021:

- Introduced in Lok Sabha on 20th December, 2021;
- Referred to The Standing Committee on Personnel, Public Grievances, Law and Justice on 20th December, 2021;
- The Standing Committee submitted its report on 13th July, 2022;
- It was passed by Rajya Sabha on 1st August, 2023;
- It was passed by Lok Sabha on 7th August, 2023; and
- Currently awaits Presidential assent.

Mediation is a form of alternative dispute resolution (ADR), where parties attempt to settle their dispute (outside courts) with the assistance of an independent third person (mediator). The Bill seeks to promote mediation (including online mediation), and provide for enforcement of settlement agreements resulting from mediation. Key features of the Bill include:

Applicability: The Bill will apply to mediation proceedings conducted in India where:

1. All parties reside in, are incorporated in, or have their place of business in India,
2. The mediation agreement states that mediation will be as per this Bill, or
3. There is an international mediation (i.e., mediation related to a commercial dispute where at least one party is a foreign Government, a foreign national/ resident, or an entity with its place of business outside India). In these cases, if the Central or State Government is a party, the Bill will only apply to:
   - Commercial disputes, and
   - Other disputes as notified by such Government.

Pre-litigation mediation: In case of civil or commercial disputes, a person must try to settle the dispute by mediation before approaching any court or certain tribunals as notified. Even if the parties fail to reach a settlement through pre-litigation mediation, the court or tribunal may at any stage of the proceedings refer the parties to mediation if they request for the same.

Disputes not fit for mediation: Disputes not fit for mediation include those:

1. Relating to claims against minors or persons of unsound mind,
2. Involving prosecution for criminal offences,
3. Affecting the rights of third parties, and
4. Relating to levy or collection of taxes.

The Central Government may amend this list of disputes.

Mediation process: Mediation proceedings will be confidential. A party may withdraw from mediation after the first two mediation sessions. The mediation process must be completed within 180 days (even if the parties fail to arrive at an agreement), which may be extended by another 180 days by the parties. In case of court annexed mediation (i.e., mediation conducted at a mediation centre established by any court or tribunal), the process must be conducted in accordance with directions or rules framed by the Supreme Court or High Courts.

Mediators: Mediators only assist the parties to settle their dispute, and cannot impose a settlement on the them. Mediators may be appointed by:

1. The parties by agreement, or
2. A mediation service provider (an institution administering mediation).

Mediators must disclose any conflict of interest that may raise doubts on their independence. Parties may then choose to replace the mediator.

Mediation Council of India: The Central Government will establish the Mediation Council of India. The Council will consist of a chairperson, two full-time members (with experience in mediation or ADR), three ex-officio members (including Secretaries in the Ministries of Law and Justice and Finance), and one part-time member (from an industry body). Functions of the Council include:

1. Registration of mediators, and
2. Recognising mediation service providers and mediation institutes (providing training, education and certification of mediators).

Mediated settlement agreement: Agreements resulting from mediation must be in writing, signed by the parties and authenticated by the mediator. Such agreements will be final, binding, and enforceable in the same manner as court judgments (except agreements arrived at after community mediation). Mediated settlement agreements (besides those arrived at in court referred mediation or by Lok Adalat or Permanent Lok Adalat) may be challenged only on grounds of:

1. Fraud,
2. Corruption,
3. Impersonation, or
4. Relating to disputes not fit for mediation.

Community mediation: Community mediation may be attempted to resolve disputes likely to affect the peace and harmony amongst residents of a locality. It will be conducted by a panel of three mediators (may include persons of standing in the community, and representatives of RWAs).

Interface with other laws: The Bill will override other laws on mediation (except certain laws such as the Legal Services Authorities Act, 1987, and the Industrial Relations Code, 2020). The Bill also makes consequential amendments in certain laws (such as the Indian Contract Act, 1872, and the Arbitration and Conciliation Act, 1996).

Regulatory Compliances for Startups

Compliance of regulatory requirements is the cornerstone of every business. It enhances the reputation of organizations

Mr. P G Subramanian
Secretary
Indian Cutting Tool Manufacturers Association

Every organization conducting business is required to comply with the laws and regulations that apply to them on a regular basis including payment of taxes/ filing of returns etc. Noncompliance / nonpayment of taxes attracts penalties as applicable under different statutes. Companies that are regular in compliance have a good reputation and are respected as such.

Different forms of Organizations have different compliances to follow. For example, if the entity is a limited company incorporated under the Companies Act, 2013, the compliances to be followed are different while LLPs and Partnership Firms need to comply with different regulations. However, there are common regulations like the Factories Act, Employees Provident Fund Act, Employees State Insurance Act, Income Tax Act, Goods and Services Tax Act to name a few which apply equally to all entities irrespective of their form.

There are again different regulations to be followed by entities in the Manufacturing Sector and Service Sector.

Keeping a tab on these regulations and complying with them on time is very important to avoid fines and penalties and reputation as well.

There are also non regulatory compliances to be followed by every organization which help run the business efficiently. These are governed by Standard Operating Procedures for each department. Following these to the tee will help in smooth running of business and establish good internal control systems.

We will analyze in the following paragraphs the Tips for ensuring timely compliance. The attached annexure gives a eye view of the various compliances each type of entity needs to follow.

Tips for ensuring timely compliance.

Ensuring timely compliance with legal and regulatory requirements is crucial for smooth operation and sustainability of the business. Here are some tips to help you stay on top of compliance matters:

1. **Understand applicable law and regulations-** Begin by thoroughly understanding the specific laws and regulations that apply to your business. This includes not only the applicable act depending upon the type of entity like a Limited Company to whom provisions of the Companies Act apply but also industry specific regulations, tax laws, labour laws, and any other relevant legislation.

2. **Create a Compliance Calendar-** Develop a Compliance calendar that out lines all key deadlines, filing dates, and important events related to regulatory compliance. Ensure that this calendar is regularly updated to reflect any changes in laws or regulations.

3. **Appoint a Compliance Officer-** Designate a dedicated Compliance Officer or team responsible for monitoring and ensuring compliance. This person should have a deep understanding of the relevant laws and be proactive in addressing compliance issues. Depending on the size of the organization, this activity can be internally handled or outsourced. But it must be ensured that noncompliance is a strict 'No No'.

4. **Regular Training and Education-** Keep your team informed and educated about compliance requirements. Conduct regular training sessions to ensure that employees understand their roles in maintaining compliance.

5. **Document Compliance Procedures-** Document all compliance procedures and processes in a clear and organized manner. This includes creating compliance manuals, standard operating procedures, and checklists.

6. **Use Compliance Software-** Consider using Compliance Management Software or tools that can help automate and streamline compliance tracking, reporting, and reminders. These tools can be especially useful for larger organizations with complex compliance requirements.

7. **Internal Audits-** Conduct regular Internal Audits to assess compliance with various laws and regulations. These audits can help identify areas of non-compliance and allow you to take corrective action before regulatory authorities become involved.

8. **External Audits-** Depending on the nature and size of your business, you may also want to engage external auditors or consultants to conduct independent compliance audits. This can provide an objective assessment of your compliance efforts.

9. **Establish Reporting Channels-** Create clear channels for employees and stakeholders to report compliance concerns or violations confidentially. Encourage a culture of reporting and protect whistleblowers from retaliation.

10. **Stay Informed-** Keep yourself informed about changes in laws and regulations that could impact your business. Subscribe to relevant newsletters, attend seminars, and engage with Industry Associations to stay updated.

11. **Engage Legal Counsel-** Maintain a relationship with legal counsel or compliance experts who specialize in the relevant areas of law. They can provide guidance, answer questions, and assist with complex compliance matters.

12. **Budget for Compliance-** Allocate resources, including budgetary allocations, to ensure that compliance requirements are met. This includes funds for legal counsel, compliance software, audits, and training.

13. **Review Contracts and Agreements-** Regularly review contracts and agreements to ensure they are in compliance with current laws and regulations. Update contracts as needed to reflect changes in compliance requirements.

14. **Conduct Risk Assessments-** Identify potential compliance risks and prioritize them based on their potential impact on the business. Develop mitigation strategies for high priority risks.

15. **Penalty and Consequence Awareness-** Ensure that employees are aware of the potential penalties and consequences of noncompliance. This can serve as a strong deterrent.

16. **Regularly Review and Update Policies-** Periodically review and update your company's policies and procedures to ensure they align with current laws and regulations.

By implementing these tips, you can create a proactive compliance framework that helps your business meet its legal obligations in a timely and efficient manner, reducing the risk of legal issues and penalties.

Consequences of Non- Compliance and/or belated Compliance

Noncompliance with legal and regulatory requirements, as well as belated compliance, can have significant consequences for individuals, businesses, and organizations. The severity of these consequences can vary depending on the specific laws or regulations violated and the circumstances surrounding the noncompliance. Here are some common consequences of noncompliance and belated compliance.

Consequences of noncompliance-

17. **Legal Penalties and Fines-** noncompliance can result in monetary fines and penalties imposed by regulatory authorities or the judicial system. The amount of these penalties can vary widely, depending on the nature and severity of the violation.

18. **Civil Lawsuits-** Noncompliance may lead to civil lawsuits filed by affected parties, such as customers, employees, or other stakeholders. These lawsuits can result in financial damages, legal fees, and damage to a Company's reputation.

19. **Criminal Charges-** In cases of serious noncompliance, individuals or organizations may face criminal charges. This can lead to fines, imprisonment, or both.

20. **Regulatory Sanctions-** Regulatory authorities may impose sanctions such as suspension of licenses, permits, or certifications, which can disrupt business operations.

21. **Reputation Damage-** Noncompliance can harm an Individual's or Organization's reputation. This can lead to a loss of trust among customers, clients, investors, and partners, potentially impacting business relationships and profitability.

22. **Loss of Business Opportunities-** Noncompliance may disqualify an individual or an organization from participating in Government contracts, tenders, or other business opportunities.

23. **Operational Disruption-** Remedying noncompliance often requires significant resources, time, and effort. This can disrupt daily operations and divert resources from core activities.

24. **Increased Compliance Costs-** To rectify noncompliance, individuals and organizations may need to invest in compliance measures, legal representations, and internal controls, leading to increased operating costs.

25. **Personal Liability-** In some cases, individuals, particularly directors, officers, or executives, can be personally liable for noncompliance if they are found to have engaged in or condoned unlawful behaviour.

Consequences of belated compliance

1. **Accumulated Penalties-** Delaying Compliance can result in the accumulation of fines, penalties, and interest, increasing the financial burden on the individual or the organization.

2. **Reputational Damage-** While belated compliance may eventually address the underlying issues, it may not fully repair the damage to an Individual's or Organization's reputation, which can persist.

3. **Loss of Trust-** Delaying compliance can erode trust among stakeholders who may question the sincerity and commitment to legal and ethical standards.

4. **Missed Opportunities-** Belated compliance can result in missed opportunities, as some opportunities or benefits are time sensitive.

5. **Extended Legal Proceedings-** Delaying compliance can prolong legal proceedings, increasing legal expenses and causing additional stress.

6. **Continued Operational Risks-** As long as non- compliance persists, the risk associated with it (e.g., legal, financial, operational) continues to pose a threat to the individual or organization.

To mitigate these consequences, it is crucial for individuals and organizations to prioritize compliance, promptly address non-compliance issues when they arise, and implement effective compliance programs and controls. Seeking legal advice, conducting regular internal audits, and staying informed about changing regulations can help prevent non-compliance or minimize its impact when it occurs.

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Evolution of IIoT System

Advancement in Sensors, controllers and actuators with respect to IIoT

Industrial Internet Of Things

The Industrial Internet of Things (IIoT) is closely intertwined with sensors, controllers, actuators, and communication devices to revolutionize industrial processes. Sensors play a pivotal role by collecting data from physical assets and environments, such as temperature, pressure, or vibration levels. Controllers act as the decision-making brain, processing the data and determining the appropriate actions. Actuators execute these actions by physically manipulating machinery or systems. Meanwhile, communication devices facilitate seamless data transfer between these components and central control systems or the cloud, enabling real-time monitoring, analysis, and remote control. This synergy among sensors, controllers, actuators, and communication devices forms the backbone of IIoT, enhancing operational efficiency, predictive maintenance, and overall industrial automation.

IoT Enabled Sensor Technology:

In the context of IIoT, sensor development is vital for innovation and efficiency in industrial processes. Key trends include miniaturization and integration, enabling compact, multifunctional sensors for cost-effective deployment. Wireless connectivity, like Bluetooth and Wi-Fi, reduces complexity and supports real-time monitoring. Edge computing enhances data processing at the source, reducing latency and conserving bandwidth. Energy-efficient designs and advanced sensing technologies, such as MEMS and optical sensors, improve accuracy and lifespan. Predictive maintenance, security measures, standardization, and scalability ensure robust IIoT systems. Sensors are also designed for resilience in harsh environments, such as extreme temperatures and chemical exposure, ensuring reliable operation.

IoT Enabled Controller Technology:

In IIoT applications, controllers play a vital role in automating industrial processes. Key features include edge computing capabilities for local data processing, reducing latency, and conserving bandwidth. Interoperability with industry-standard communication protocols like MQTT and OPC UA ensures seamless integration with sensors and actuators. Scalability allows controllers to adapt to changing device numbers and industrial needs. Robust security features, such as encryption and access control, are essential for data integrity. Redundancy and fault tolerance mechanisms minimize downtime. Remote monitoring and management support geographically dispersed facilities. Integration with cloud services enables secure data transmission and commands. Some advanced controllers incorporate local machine learning and AI capabilities for predictive maintenance. Customization and programmability provide flexibility, while compatibility with legacy systems ensures seamless integration. Energy efficiency is crucial for cost savings and environmental impact reduction. Lifecycle management considerations, including updates and compliance with industry standards, maintain IIoT system viability.

IoT Enabled Actuator Technology:

In IIoT applications, actuators are crucial for translating digital commands into physical actions within industrial systems. Key considerations include various actuation types (electric, pneumatic, hydraulic, mechanical), digital control for precision, remote operation, and feedback mechanisms for accuracy. Energy-efficient designs and compatibility with communication protocols ensure seamless integration. Actuators must provide precise positioning, safety features, durability, and environmental resilience. Maintenance and diagnostic capabilities support predictive maintenance. Some actuators offer customization, and compliance with industry standards is essential. Scalability allows for system expansion as processes evolve.

Industry 4.0 kit with Gateway

An Industry 4.0 kit typically refers to a collection of hardware and software tools designed to enable businesses and industries to implement Industry 4.0 concepts and technologies.

Sensors: These are devices that collect data from physical assets and environments. They can include temperature sensors, pressure sensors, motion sensors, and more.

IoT Devices: These are typically small, connected devices that can communicate with each other and with central systems over the internet. They often include microcontrollers and communication modules.

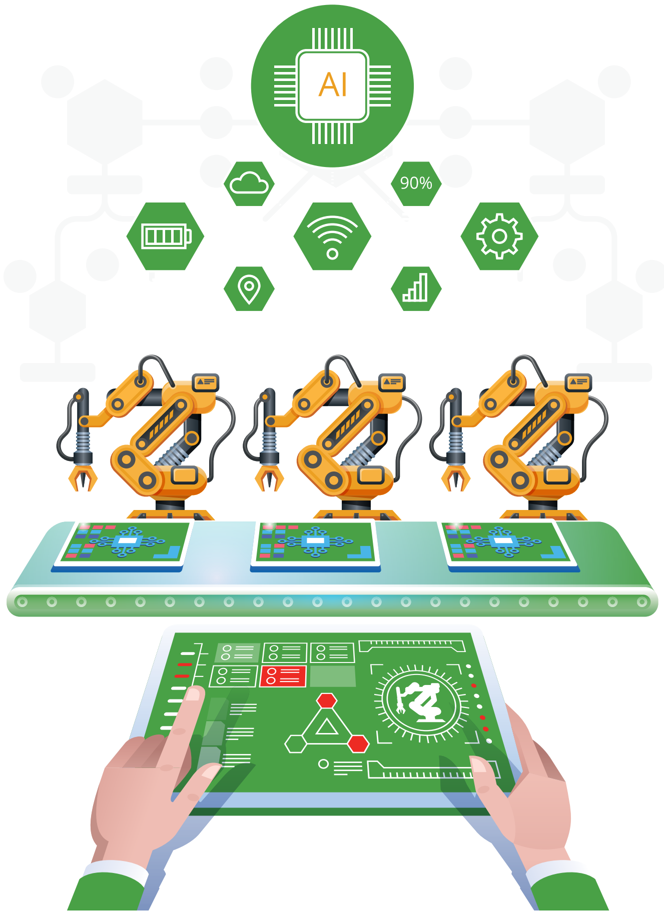
Data Analytics Software: Industry 4.0 kits may include software for collecting, analyzing, and visualizing data from sensors and IoT devices. This software can provide insights into the manufacturing process and help with predictive maintenance.

Cloud Services: Many Industry 4.0 solutions leverage cloud computing to store and process data. A kit may include access to cloud services for data storage and analysis.

Communication Protocols: Industry-standard communication protocols such as MQTT or OPC UA may be part of the kit to facilitate data exchange between devices and systems.

Controllers: These devices manage and control industrial processes. They can include programmable logic controllers (PLCs) or other automation controllers. Edge Computing Hardware: Some kits may include edge computing devices that can process data locally before sending it to the cloud or central systems. This reduces latency and bandwidth usage.

Security Features: Given the importance of data security in Industry 4.0, kits may include security measures like encryption, authentication, and access control.



Overview of BCIC

BANGALORE CHAMBER OF INDUSTRY AND COMMERCE

Namma Karnataka

The Gateway to Future India

- Promoting Trade and Industry in Karnataka since 1976
- Apex organisation of large and medium industries
- An amalgam of Domestic, International and wholly owned subsidiaries of foreign companies
- Facilitating and promoting business contacts and networking

INDUSTRY AND GOVERNMENT FORCES MEET TO PARTNER PROGRESS

We have presently a membership of 880+ companies representing various sectors of Industry such as - Manufacturing, ITI/ITES Biotechnology, Engineering, Consultancy and Legalfirms etc.

BCIC plays an active and important role in promoting trade and investment in the State and has an excellent domestic and International network with MoUs with the leading Chambers of Commerce across the globe. Being the apex Chamber of Commerce in Karnataka, BCIC organises Seminars / Workshops and Interactions with Senior Government Officials both from the Centre / State on critical issues concerning trade and industry from time to time.

BCIC - Partner in Progress

- Outreach
- Government Interaction
- Eminence
- Special Projects
- Governance and Member Services

MoUs with Foreign Trade Offices/Associations/ Universities and Colleges

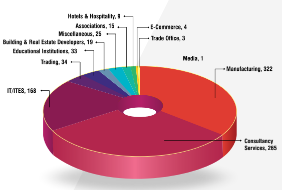
- BCIC and The Association of People with Disability (APD)
- BCIC - Brigade Skill Development Academy
- BCIC - MS Ramaiah Institute of Management
- BCIC - Institute of Indian Interior Designers,
- Bangalore Regional Centre, Bangalore (IIID)
- BCIC - Best Cluster of Indian Institute of Science
- BCIC Tokyo Office MoU: BCIC, Japan External Trade Organisation, Toyota Tsusho India Private Limited, Inter Trade K K, India Research Institute Pvt. Ltd
- BCIC and Bangalore International Mediation, Arbitration and Conciliation Centre (BIMACC)
- JSS Science and Technology University, Mysore

Industry Focus

- Aerospace and Aviation
- Agro and Food Processing
- Automotive
- Banking, Financial Services and Fintech
- e-Commerce, Retail, Logistics & Warehouse
- Infrastructure: Energy, Environment and Water
- IT & Cybersecurity
- Pharmaceuticals
- Real Estate
- Semiconductor, Electronics and Telecom
- Start-Up
- Tourism, Hospitality and Facility

Our Offices
(Domestic and International Office)

Cross Section of Our Members



Start-up Hub Programs and Activities

- Fireside chat with eminent entrepreneur
- Mini Conference - Thematic Start-up conference Technology Commercialisation
- BCIC Annual Start-up Award 2022-23
- Start-up Conclave
- Series of Start-Up Showcases

Major Summits and Conclaves

- BCIC Economic Analysis Research Report
- Report on Direct Tax Administration and Capital Gains Tax Regime
- Direct Tax Recommendations-Policy Paper
- Approach Note to Transfer Pricing
- Human Capital Index in Karnataka
- Co-existence stakeholder model for effective healthcare delivery in the backdrop of pandemic
- Chief Financial Officers – handbook
- Synergy
- Annual Report

Policy Advocacy and Government Interaction

- Request for easing the pain points of industries operating at Chikkaballapura District
- Request for exemption on levy of road tax, registration fees on purchases of all forms and types of EVs up to March 31, 2030 andto extend the benefits of Karnataka Electric Vehicle and Energy Storage Policy, 2017.
- Matters requiring attention for enhancing Customer experience of using Indian Railways for Bangaloreans
- BCIC Policy Paper in Relation to Income Tax Matters
- BCIC Pre-Budget Memorandum 2023-2024 on Customs
- Recommendations on Direct Taxes- both at Policy level and Tax Administration level.
- Note on Difficulties faced by LLPs with MCA V3 system
- Request to expedite the construction work at Bengaluru-Mysuru Expressway
- Request to empanel BCIC to support Govt. in infrastructure planning and management in times of distress, caused due to flooding

Research Report and Publications

- BCIC Economic Analysis Research Report
- Report on Direct Tax Administration and Capital Gains Tax Regime
- Direct Tax Recommendations-Policy Paper
- Approach Note to Transfer Pricing
- Human Capital Index in Karnataka
- Co-existence stakeholder model for effective healthcare delivery in the backdrop of pandemic
- Chief Financial Officers – handbook
- Synergy
- Annual Report

Membership Privileges

Thought Leadership
- Dissemination of Industry best practices
- 27 Expert committee – Workshops, seminars, Industrial site visits, training and skilling
- Access to resources and opportunities

Industry Voice - Business Support and Advocacy
- Strong advocacy with Union and State Governments
- Representation to Government in consultation with Industry to support Ease of Doing business

Foreign Collaboration
- Collaboration with Foreign Embassies and Trade offices
- Regular interaction with foreign offices for opportunities and hassle-free business interactions
- Regular hosting of trade delegations from abroad and facilitate business delegation visits to foreign countries to business expansion

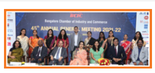
Networking, Outreach and Visibility
- Networking opportunity with ThoughtLeaders and Professionals from Large, Medium, Small Industries, Educational Institutions and Government organisations
- Networking events to exchange and validate innovative ideas with Industry professionals
- Foster collaboration with members for expansionof business interests

Women Empowerment and Leadership and Start-up Awards


1st Edition of BCIC Emerging Star Awards on February 5, 2021.


BCIC Maiden Women Leadership Award 2020-2021 on August 19, 2021.


2nd Edition of BCIC Emerging Stars Start-up Summit and Awards Ceremony on July 16, 2022.



2nd Edition of BCIC Women Leadership Conclave and Award Ceremony held on August 5, 2022.

MISSION

Namma Karnataka- Gateway to Future India

VISION

Look Beyond

Together We Should

Overview of BCIC

Our Industry Focus

- Agri Business and Food Processing
- Automobiles and Components
- Apparel and Readymade Garments
- Aerospace and Aviation
- Electronics Energy Enviroment
- IT/BT
- Tourism
- Machine Tools
- Human Resource
- Startups/Innovations
- Real Estate
- Pharmaceuticals
- Precision Engineering
- Telecommunications
- Consultancy
- Women Enterpreneurs
- BFSI

BCIC has developed excellent and extensive contacts with Foreign Embassies and Trade Offices in India and counterpart Associations in other countries.

Partners and network

- Key Departments of Union and State Governments
- State owned Corporations
- Industry Associations and Chambers of Commerce in India and abroad
- Foregin Embassies, Consulates and Trade Missions
- Trade and Inverstment Promotion Organisations in India and abroad Financial Institutions

Expert Committee:

- Aviation and Aerospace
- Agro and Food Processing
- Banking, Financial Services and Fintech
- Corporate, Economic Affairs and Legal
- CSR & Societal Branding
- Direct Taxes
- Ease of Doing Business Council
- Environmental, Social, and Corporate Governance
- e-Commerce, Retail, Logistics & Warehouse
- Human Resources & Women Leadership
- Healthcare, Wellness and Regional Culture
- Hospitality, Tourism & Travel
- Indirect Taxes
- Industry 4.0
- Industry-Institute Interface and Edutech
- IT & Cybersecurity
- Infrastructure: Energy, Environment and Water
- International Business
- Leadership Forum
- Manufacturing
- MSME
- Publications and Corporate Banding
- Real Estate
- Semiconductor, Electronics and Telecom
- State Coordination
- Start-Up
- Start-Up Hub

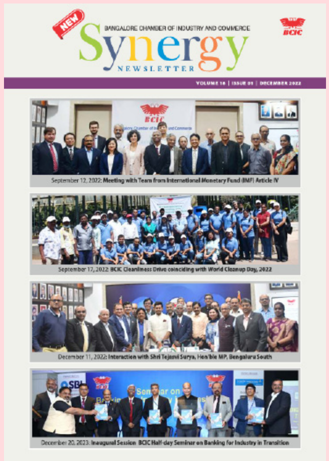
The Functions of BCIC are driven by exceptionally-enabled Apex Advisory and Expert Committees comprising of senior Industry representatives from Core Sectors.

Expert Committees

Our Expert Committees are Chaired by senior Representatives who are experts in their respective industry segments

Apply for membership at https://members.bcic.in/

BCIC Publications: Connecting with Members



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BCIC INTERNATIONAL OFFICE: Tokyo, Japan
MEDIATION CENTER: Tie-up with BIMACC, Bangalore
START-UP AND INCUBATION CENTER, MG Road, Bangalore