

A BLUEPRINT FOR INDIA'S ECONOMIC FUTURE

A Method to Address Economic Recession, Remove Poverty, Terrorism, Improve Law and Order, Reduce Drug Abuse, Inflation and Taxes in an Interest Free Based Economy

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ABSTRACT

I have developed a new financial instrument which will be much more valuable than the bonds or the treasury bills government sold in the open market to raise much needed funds to run the country. These are all interest based instruments and can only be used by institutions. The instrument I am proposing is without interest and will be used by everybody to purchase goods and services in the government and the private sector resulting in up to 66% discounts. This is why these will be massively bought up front in large amounts in the shortest period of time of one month to run the country for at least a year and much more by the end of the year.

INTRODUCTION:

The world is facing many challenges with no solution in sight.

The main result of all these ills is the POVERTY. Float bonds, which can be used by everybody and are not a debt to the state, so there is no question of interest.

How: Take the example of INDIA which is going through a great recession.

INDIA borrows money by selling treasury bills and interest based bonds. The suggestion is to sell these bonds on a non interest basis.

1. Buying all goods and services under Government control with these bonds and these bonds will replace Rupees with bonds.
2. At least 200 billion euro remitted in less than 30 days when the duty free option on 10 million Rs. is waved of if 1000 Euro is remitted (non refundable) within the first 30 days of implementing the system.
3. Rs.10 billion prize draw from the bonds bought by the public every day.

EXAMPLE: ONE Rupee will buy six bonds on the condition that the amount should be Rs.100000 or a multiple of it paid to the government and the government will issue 600000 bonds. Fewer amounts will get the rate of five, four and three. This MASSIVE discount period is only for the first month at the start of the implementation of this system. In the second month the rate will be five and in the third month the rate will be four but the rate of three will apply to subsequent months for the same amount.

WHERE THESE BONDS WILL BE USED?

1. All state controlled services and commodities.

EXAMPLE: A bill of (any service or Commodity) RS.100 can be paid with 200 bonds and there will be no exception to this rule. A NET DISCOUNT OF 66%.

A simple formula will apply: Total bill in Rupees x2 is the number of bonds surrendered. Price in bonds will not be less than the cost price but without the direct indirect taxes and the duties which are added to the present cost to make it very expensive.

It will attract at least 240 million people to take this opportunity as early as possible. If one is sure of making a 100% profit within 30 days there will be many more that will help themselves.

RESULT: Government gets at least Rs. 50 trillion within a very short period of time of few days and much more in the rest of the year. THIS IS NOT A DEBT AS THE STATE HAS SOLD BONDS (A Commodity) WHICH IS AN ALTERNATE CURRENCY AND DO NOT CARRY ANY INTEREST. One immediately thinks who will bear the loss and this loss to the state will not be more than total year budget which it collects in one year with all the taxes and the duties but the bond price is simply a cost price without any kind of tax or duty. So there is a net gain of approximately 50 trillion Rupees within a short period of time. First floodgate of money has been opened.

WHO WILL SELL THESE BONDS?

State will float tenders to select a private agency (INMF) INDIA MONITORY FUND JUST A NAME GIVEN TO THIS ORGANIZATION with the lowest bid WHERE AS the second, third and fourth bidders will be auditors of the INMF. This agency will employ at least 50 million unemployed on 10% commission basis and without any salary. These agents will have to pay Rs. 5000 as an annual fee to the INMF in order to build the infrastructure for the sale of bonds. An agents' quota will be Rs. 300,000 per month and they will be allowed to sell their whole yearly quota in one day or in a month. This will only materialize if the agent shares his commission with the buyer. The greater the share of commission the quicker the sale. The investor or a buyer will sell these bonds at the same rate of six per Rupees and his bonds will sell like hot cakes every day as there is no condition of the amount of money to purchase the bonds. In this way, even the poorest person will get the same or near the same rate as the investor earns a profit from the commission, which he takes from the agent and makes almost 100% profit by only investing Rs. 100,000. He will sell these bonds repeatedly and will keep almost 6% profit every day till the demand lasts. **NOW THINK HOW MUCH FUNDS STATE HAS ACCUMULATED Much more than few years budget in matter of only one month.**

FLOODGATES OF MONEY AND TURNING POINT

This is the second flood gate of money and there are still four more floodgates of money yet to open. So at the end of 30 days or even much earlier the government declares a tax free country forever.

With the removal of all kinds of direct and indirect taxes and duties the price of oil electricity telephone and of all other services under government control is now almost 66% less than before as these are being purchased by bonds (which is the cost price) and not with Rupees. The production cost of everything has come down tremendously.

SECOND OPTION

STATE ALSO OFFERS 10 MILLION DUTY FREE IF ONE DEPOSITS 1000 EURO NON REFUNDABLE. THIS BRINGS OUT ALL THE BLACK AND SPARE MONEY WHICH STATE WAS NOT ABLE TO GET BEFORE AND AS THERE IS NO TAX AND HENCE NO TAX EVASION SO ALL THE MONEY IS WHITE AS IT IS BEING GIVEN TO THE GOVERNMENT .This is the third flood gate of money and the amount will much bigger than the first

two flood gates

This is the third floodgate of money, which is even bigger than the first one and the exact amount is impossible to assess unless the system is implemented.

In order to provide cheap bonds throughout the year government offers three types of registration fees.

1. Pay Rs. 10,000 in the start of the year and get the rate of six for the rest of the year and this will suit the professional's and salaried person.
2. Pay RS.10,000 yearly and get 20,000 new bonds at the rate six every month, but one has to collect 10,000 bonds (equal to fee) to get this cheap rate throughout the year. Higher the registration fee more the entitlement of cheap bonds. This registration will suit any small time business who will sell his product cheaper provided 15% bonds are also paid with rest of cash money by the customer SEE THE NEXT REGISTRATION FOR FURTHER EXPLANATION OF 15%BONDS. This will apply to all goods in the private sector and does not apply to the government sector. This is a big incentive to accept bonds in the private sector, as the business of accepting more bonds will have more business than the trader not accepting the bonds. The bonds market will multiply and there will be a constant need for bonds in the open market.
3. Third type of registration will be of Rs. 100,000 which will entitle the business to sell its products through the INMF. The value of merchandise sold through this source will help the business to get the six bonds per Rupees rate or opt for the duty free option equal the amount sold. But with one condition of surrendering 15% bonds at each transaction

EXAMPLE:

MERCHANDISE SOLD THROUGH INMF RS.1000. BONDS SURRENDERED 150 (15 %) ARE DEPOSITED IN STATE ACCOUNT TO BE SOLD AGAIN SO THE CYCLE OF BONDS IS ESTABLISHED .A receipt for the bonds surrendered is obtained from INMF for evidence of sale of merchandise and this receipt will entitle the traders to get cheap bonds or the duty free option throughout the year BUT THE SAME RECEIPT CAN BE USED ONCE ONLY.

WHAT IS THE BENEFIT TO BUSINESS?

1. CHEAP BONDS THROUGH OUT THE YEAR
2. DUTY FREE OPTION WILL HELP INDUSTRY.
3. The quota which can be sold is ten times the amount of Registration but not more unless the registration fee is increased. Now all the business will opt for this registration in order to reduce the cost of production. These 15% bonds the business will get back through a chain of dealers sub dealers and ultimately the customer will pay this bond portion as he will get the end product very cheap because of tremendous cut in the cost of production by the factors already mentioned. This will replace the GST or the VAT or the two price system seen all over INDIA. Almost everybody will sell their product through this channel as it will be much costlier to sell the product outside this system as cheap bonds are not available otherwise.

According to a rough estimate at least Rs.100 trillion transactions are carried out every day in India and if at each transaction 15% bonds are being surrendered, the price of 15 bonds is Rs. 2.5. So 2.5% of 100 trillion will be Rs. 2.5 trillion which goes into government account without any compulsion every day (UNBELIEVABLE). ***This is the Fourth floodgate of money AND IS CALLED THE GOLD MINE.*** Now the state is sitting in the driver's seat and all the money in banks of the private sector have been transferred into government accounts. The banks are no more the lenders, but are the borrowers from the state which is the only monetary source left and will invest in business with a sound feasibility study checked by the state bank. The state will offer to invest 80% and the bank will bring investors who are willing to pool the remaining 20%. This 20% will be deposited in the bank and the bank will oversee the running of

the business. Operational expenses will be given to the investor from its share of 20%. There will be no collateral and the share of the profit and loss will be shared in the ratio of 60 and 40. The bank will share the 60% with the investor and 40% will go to state funds and the state will provide everything under its control below cost, which will further reduce the cost of production and at the same time will MARKEDLY improve the profit margins OF ALL THE BUSINESSES. No major business can refuse this offer. Any bank showing repeated loss will go out of business as there will be no more funds available from the government source and all other interest based sources are not available any more. Interest based banking is gone forever or it may be on a very small scale. The state will not offer loans on interest as these are not any more profitable and risk free as there is no collateral. **The amount of profit government will share will be unimaginable and this is the 5th flood gate opened.**

THEN WHY NOT INVEST IN A PROFIT AND LOSS SHARING BASIS

Last but not the least, the government will acquire all the land on lease without any force and will provide all the needs to the farmers **THROUGH CORPORATE FARMING SECTOR HIRED BY THE STATE below cost and will become the shareholder according to the mutual contract with the land owner this is the 6th flood gate of** money opened.

DRUG ABUSE ELIMINATED

When all the possible land is being cultivated by the best agriculture engineers , there will be a much better yield and much more profit to land owner then who will not join hands with the government.

THE OBVIOUS BENEFIT WILL BE NO MORE POPPY CULTIVATION IN COUNTRIES WHICH ARE POOR AND LARGELY DEPEND ON THE POPPY CROP. NOW THERE IS NO MORE POPPY AND NO MORE DRUGS.