

COSIDICI COURIER

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COUNCIL OF STATE INDUSTRIAL DEVELOPMENT
& INVESTMENT CORPORATIONS OF INDIA (COSIDICI)

How should the Government revive Demand ?

Profile of SIIDCUL

Forex reserves are now at \$ 434.6 billion

Activities of COSIDICI

Success Story of TIIC Assisted Unit

Govt. expects @2 trn from MSMEs by '24

**U.P. Cabinet clears two expressways
worth Rs.14,500 cr**

**Kerala top achiever in meeting
sustainable development goals**

**Banks credit grows by
8.07%, deposits 9.92%**

VOLUME NO. 4

OCTOBER - DECEMBER 2019

AIMS AND OBJECTIVES OF THE COUNCIL OF STATE INDUSTRIAL DEVELOPMENT & INVESTMENT CORPORATIONS OF INDIA (COSIDICI)

COSIDICI is a national federation of State Level Financial Institutions comprising 18 State Financial Corporations (SFCs), 29 State Industrial Development Corporations (SIDCs) and 9 State Infrastructure & Investment Corporations (SIICs), engaged in promotion, development and financing of industry mainly in the small and medium sector. The objectives of the COSIDICI are to :-

- ❖ provide and arrange means and facilities for dissemination of knowledge and information relating to promotion and development of industries, for exchange of views and ideas on subjects of common interest to all Member Corporations.
- ❖ promote, protect and develop common interests of the various Member Corporations.
- ❖ establish and maintain at the Registered Office a Commercial and Technical Library and Information Centre for use of Member Corporations.
- ❖ co-operate with various institutions and organisations in India and abroad in the collection and exchange of information pertaining to industries.
- ❖ sponsor professional, technical, management, marketing and other programmes and services for the benefits of the Member Corporations.
- ❖ sponsor studies, surveys, research and development projects pertaining to industries.
- ❖ promote co-ordination, collaboration, joint participation and general understanding among the Member Corporations.
- ❖ organise common service facilities, courses, seminars, meetings and study tours for the benefit of the Member Corporations.
- ❖ institute awards for outstanding and meritorious performance in the activities connected with development of industries.
- ❖ seek representation for the Member Corporations on Government sponsored committees, councils, bodies, term lending institutions, teams etc. connected with the development of industries.
- ❖ render assistance to Member Corporations in their efforts to improve efficiency of operations of their assisted and sponsored units.
- ❖ establish contacts, relations with trade organisations, associations, Chambers of Industries or Commerce of India and abroad in furtherance of the objectives of the COSIDICI.
- ❖ liaise with and to represent to the Central and State Governments, the term lending and other financial institutions on the common problems and issues of the Member Corporations.
- ❖ co-operate and affiliate, if necessary, with other similar bodies, institutions associations in India and abroad with the intention of furthering the objectives of the COSIDICI.
- ❖ do all such other things as may be incidental or conducive to the attainment of the above objectives.

COSIDICI provides a common platform to the aforesaid State Level Financial Institutions (SLFIs) for ventilating their problems and grievances to the Government and All-India Financial Institutions and serves as a mouthpiece of the sector for influencing the policies of the Government/National Financial Institutions. Ever since its inception in 1976, COSIDICI has been playing its role commendably and has significantly produced the desired impact on the growth of the SLFI sector by providing training programmes for senior executives of its Member Corporations as well as offering and conducting consultancy/advisory services, studies in specific areas with a view to bringing about enhancement in managerial and organizational skill of the Member Corporations.

The Website launched by COSIDICI (URL No. <http://www.cosidici.com>) in the year 2000 contains comprehensive information regarding promotional and developmental schemes of the State Corporations for setting up of industries and is aimed to serve as a useful guide to the potential investors from inside and outside the country which also indicates state-wise investment opportunities and incentives available to the prospective entrepreneurs.

COSIDICI COURIER

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The views expressed in the journal are those of the contributors and not necessarily of the Council of State Industrial Development and Investment Corporations of India.

COSIDICI COURIER

COUNCIL OF STATE INDUSTRIAL DEVELOPMENT
& INVESTMENT CORPORATIONS OF INDIA
(COSIDICI)

OCTOBER - DECEMBER 2019

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HOW SHOULD THE GOVERNMENT REVIVE DEMAND?

In the current economic slowdown, many claim that demand is the key issue that needs to be addressed. The important question that arises in this context is: If the finance minister (FM) decides to revive demand, how should she do it? Chairing the session on Founder's Day lecture at the Institute of Economic Growth, Naushad Forbes posed precisely this question to the august assembly of economists.

Mr. Forbes elaborated on what the government could do if it decided that it could tolerate an extra fiscal deficit of Rs.1 trillion. What is the best use of this fiscal space? More investment in infrastructure? A cut in tax rates on personal income? This article is a simple-minded way of providing some possible answer.

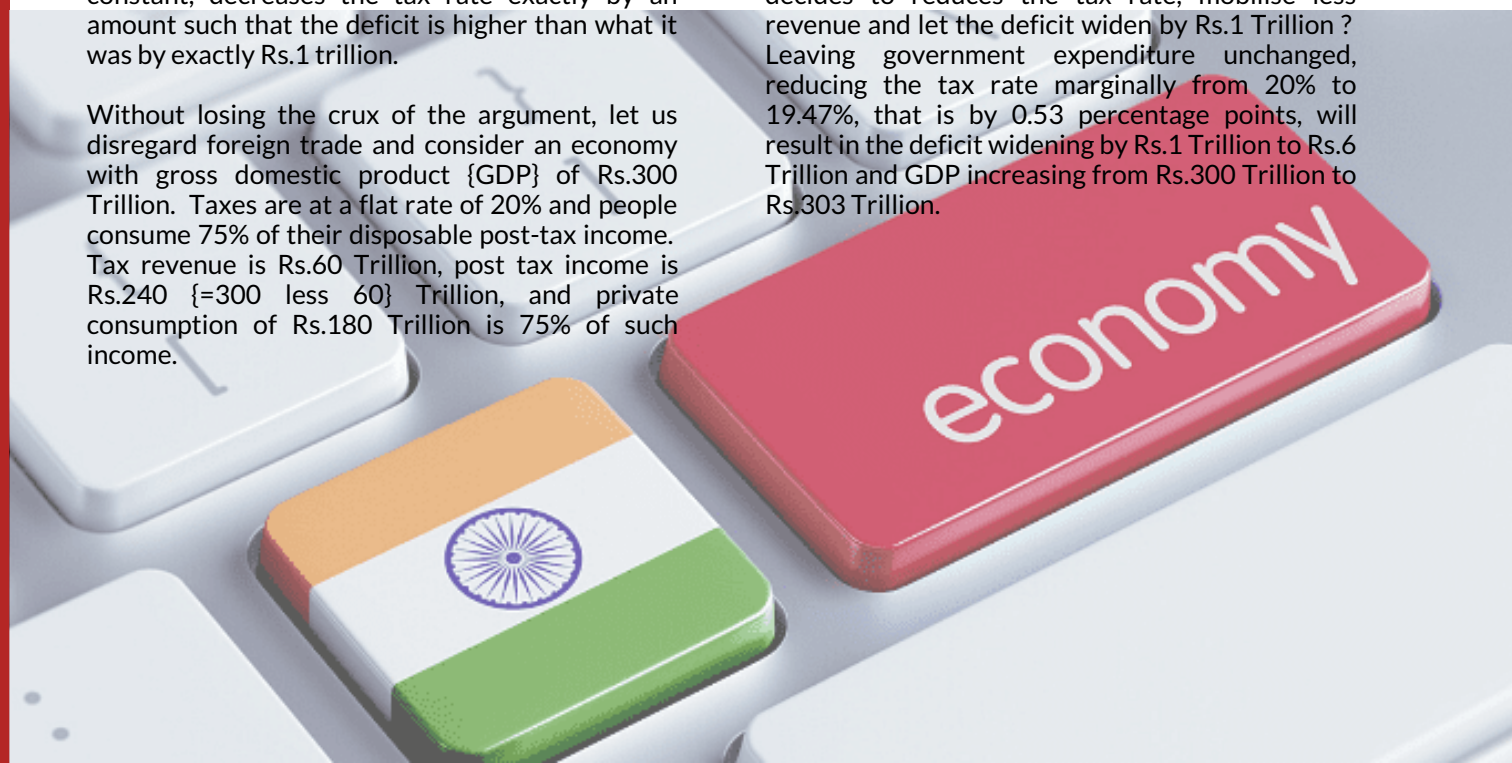
The critical question is effectiveness of higher government expenditure versus that of equivalent tax that results in the same additional fiscal deficit {deficit henceforth} of Rs.1 trillion. So, compare two situations: In the first, the government keeps the tax rate constant, increases government expenditure by an amount such that the deficit is higher than what it was by exactly Rs.1 trillion. In the second, the government keeps its expenditure constant, decreases the tax rate exactly by an amount such that the deficit is higher than what it was by exactly Rs.1 trillion.

Without losing the crux of the argument, let us disregard foreign trade and consider an economy with gross domestic product {GDP} of Rs.300 Trillion. Taxes are at a flat rate of 20% and people consume 75% of their disposable post-tax income. Tax revenue is Rs.60 Trillion, post tax income is Rs.240 {=300 less 60} Trillion, and private consumption of Rs.180 Trillion is 75% of such income.

Tax revenue is Rs.60 Trillion, post tax income is Rs.240 {=300 less 60} Trillion, and private consumption of Rs.180 Trillion is 75% of such income. The three components of aggregate demand, namely private consumption, private gross investment and government expenditure are Rs.180 Trillion, and Rs.65 Trillion, respectively, and they add up to aggregate supply, namely GDP, Government expenditure at Rs.65 Trillion exceeds tax collection by Rs.5 Trillion, which is the deficit.

Now, with the tax rate unchanged, increasing Government expenditure by only Rs.1 Trillion will not expand the deficit from Rs.5 Trillion to Rs.6 Trillion. Incremental tax revenue from the extra income that such additional expenditure generates will contain the increase in deficit below Rs.1 Trillion. Government expenditure will have to be ramped up by Rs.2 Trillion – from Rs.65 Trillion to Rs.67 Trillion. When the system settles down, the deficit will be up from Rs.5 Trillion, tax revenue Rs.61 Trillion {20% of 305}, private consumption Rs.183 Trillion {80% of 305 - 61} and fiscal deficit Rs.6 Trillion {=67-61}.

What happens when, with government expenditure unchanged at Rs.65 Trillion, the FM decides to reduce the tax rate, mobilise less revenue and let the deficit widen by Rs.1 Trillion? Leaving government expenditure unchanged, reducing the tax rate marginally from 20% to 19.47%, that is by 0.53 percentage points, will result in the deficit widening by Rs.1 Trillion to Rs.6 Trillion and GDP increasing from Rs.300 Trillion to Rs.303 Trillion.





Note that with GDP unchanged at Rs.300 Trillion, a 0.53% point reduction in the tax rate would reduce tax revenue {from Rs.60 Trillion to Rs.58.4 Trillion} and increase fiscal deficit by Rs.1.6 Trillion. But, GDP does not remain unchanged. With more disposable income from the same GDP, people consume more, and both GDP and tax revenue increase. The system settles down when GDP is Rs.303 Trillion. So, with an increase in deficit of Rs.1 Trillion driven by reduction in taxes increasing GDP by only Rs.3 Trillion, compared to the increase of Rs.5 Trillion under the expenditure-led strategy, the preferred route for stimulating demand and output is an increase in government expenditure rather than a reduction in taxes.

The above argumentation neglects the supply-side responses that a reduction in taxes may elicit by changing the labour-leisure choice of people. But, the impact of such changes is likely to be minimal in an economy with considerable unemployment. In the short run, over the next few quarters, clearly deficit-financed expenditure rather than reduction in taxes is the way forward.

Mr. Forbes also asked whether such expenditure should be on physical or social infrastructure, or on paying up the unpaid bills of the government. Admittedly, social infrastructure such as education and health is at least as important as physical infrastructure, such as roads and safe water supply. But, given the questions on appropriateness of delivery design and efficiency of implementation of social expenditure, and their appropriate evaluation, the balance of arguments seems to favour expenditure on physical rather than social infrastructure.

A cash-based accounting system tends to artificially understate the true fiscal deficit. So, what about clearing the unpaid bills such as to the Food Corporation of India, rather than spending on new items? This is a tricky question. Payments arrears on government account, which sets off a chain effect and undermine the payment culture and financial discipline, should be scrupulously avoided. However, in an extraordinary situation with the need for reviving demand, it may be better to spend on new items rather than clearing arrears. After all, many households and firms holding unpaid claims on the government may have made some arrangements to tide over their cash flow problem. In the first round at least, such creditors may not spend as much of the extra cash that they receive in the process of arrears clearance as a producer or consumer receiving fresh money.



LETTER TO THE EDITOR



(Dr.) N. Krishna Kumar}

The 21st Century has witnessed the highest rate of technological advancements in terms of innovations and upgradations. The trend and traditions of the business and trade have changed in this scenario. The role of COSIDICI in coordinating the Development Financial Institutions {DFIs} viz. State Industrial and Infrastructure Development Corporations and State Financial Corporations is very significant in terms of development, promotion and financing of small and medium industrial sector. It gives me immense pleasure to know that COSIDICI has been publishing a Tri-monthly Journal titled - "COSIDICI COURIER" since 1978 for accomplishing its objective. The news items published are very informative and also the success stories of assisted units of State Level Financial Institutions {SLFIs} are very inspiring.

My sincere complements and good wishes to the 'Team COSIDICI' and to keep the good work going. To further aid in the role of creating new age leadership competencies in each of SLFIs, the State Bank Institute of Leadership (SBIL, Kolkata) which is the Apex training Institution of SBI, is open to impart World Class Leadership training in its state-of-the-art training Centre, New Town, Kolkata at the most competitive rates. May I invite the CEOs of SLFIs to make use of this opportunity and nominate your top rung officials to Strategic Leadership Programmes at SBIL. I am sure your leaders will benefit handsomely.

With best regards,

Sincerely

Sd/-

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STATE INFRASTRUCTURE & INDUSTRIAL DEVELOPMENT CORPORATION OF UTTARAKHAND



SIIDCUL, which is a Government of Uttarakhand Enterprise, was incorporated as a Limited Company in the year 2002 with an authorised share capital of Rs. 50 Crores by Government of Uttarakhand. It was established primarily with an objective of providing overall industrial development of the state by developing necessary infrastructure and industrial in the state of Uttarakhand directly or through special purpose vehicles, investments assisted companies etc.

At SIIDCUL, our commitment is towards 'Ease of Doing Business' by providing an investor-friendly & transparent mechanism which completely eliminates any physical touch point. A fully automated land allotment process through single window clearance system and our Siidcul Smart City application has been to bring in speed and accountability to the land allotment process and other processes of SIIDCUL. GIS has also been incorporated within the smart city application providing plot status and availability as well as the provisions of infrastructure like road connectivity, water connection, electricity infrastructure and sewerage connection etc of all the industrial estates in an interactive representation equipping investors with reliable information to take informed decisions.

SIIDCUL has developed 7 world Integrated Industrial Estate (IIEs) facilitating and promoting industrial and economic development. IIEs have industrial, Institutional, commercial and residential facilities incorporated within ensuring access to hospital, schools, banks, malls and hotels.

Besides the State Government, SIIDCUL has equity participation from UBI, OBC and SIDBI. Concessions available for Industrial ventures in Uttarakhand along with the proactive govt. and facilitative environment has lead to more than 1500 companies investing in SIIDCUL areas.

The facilities in Integrated Industrial Estates include dedicated 220 KV Substation with a string of feeder substations, Common Effluent Treatment Plants, 60 mt. roads, All modes of connectivity, logistic centres, zonal distribution of Industries, residential and commercial areas. Specialized Theme Parks are also contemplated within these Estates so as to garner all benefits of a cluster based development. In the near future SIIDCUL is also planning to develop IIEs in the vicinity of the proposed Amritsar Kolkata Industrial Corridor, Facilitating seamless connectivity with the northern and eastern corners of the country.

The new Industrial policy aims to provide a comprehensive framework to enable a facilitating, investor friendly environment for ensuring rapid and sustainable industrial development in Uttarakhand and, through this, to generate additional employment opportunities and to bring about a significant increase in the State Domestic Product and eventual widening of the resource base of the State.

SIIDUL VISION

**Preachers
have told
us that we
should
reform in
order to be
prepared
for death.
The wise
teacher
tells men
that they
should
forsake sin
to prepare
for life.**

01

To create high quality world class infrastructure facilities in the State and enhance, in particular, connectivity to the National Capital Region (NCR) and other leading markets.

02

To provide single window facilitation in the State to expedite project clearances and provide an investor friendly climate.

03

To provide and facilitate expeditious land availability for setting Industrial ventures and Infrastructure projects.

04

To promote and encourage private sector participation in the development and management of infrastructure projects such as Industrial Estates/Areas, Growth Centers, IIDCs, Special Economic and Commodity Zones and Parks, Theme Parks, Tourism infrastructure, development of new tourist destinations, Halipads/ Roads, generation, and projects in the area of Horticulture, Floriculture, Bio-technology etc.

05

To provide assured, good quality, uninterrupted and affordable power for industries.

06

To promote, in particular, Small scale, Cottage and Khadi and Village Industries and Handicrafts, Silk and Handloom sectors, assist them in modernization and technological up-gradation and provide the necessary common facilities and backward and forward linkages, including product design and marketing support so as to make them globally competitive and remunerative.

07

To address problems of sickness and incipient sickness in industry, particularly SSIs and facilitate required restructuring and rehabilitation, etc. in coordination with the Banks and financial institutions.

08

To develop Uttarakhand as a premier education and research centre by leveraging the presence of world-class Research and Technical Institutes existing in Uttarakhand .

SIIDCUL POLICIES



01

Manual for Estate Management Activities & Procedures EMAP 2018

02

Implementation of Policy for Industrial Policy which are non-operational or closed after coming operational in the past

03

Implementation of Policy part surrender of Plot in SIIDCUL areas.

04

Implementation of Policy for reimbursement of royalty for lowland Plots in IIE SIIDCUL Phase II

05

Procedural Changes in allotment of Industrial Plot(s)

06

Concessional Transfer Levy/Charges on companies for transfer of Plot to its wholly owned subsidiaries/100% subsidiaries.

07

Document checklist of SIIDCUL services

DO YOU KNOW?

Great Search Engines You Can Use Instead of Google

BING

Despite trailing Google by a wide margin in U.S. market share (24.2 percent vs. 63.2 percent), an argument can be made that Bing performs better in certain aspects. For starters, Bing has a rewards program that allows one to accumulate points while searching. These points are redeemable at the Microsoft and Windows stores, which is a nice perk. The Bing image search performs flawlessly across all browsers, whereas Google image search seems to be optimized just for Chrome. Bing carries that same clean user experience to video, making it the “go to” source for video search without a YouTube bias.



DUCKDUCKGO

DuckDuckGo doesn't collect or store any of your personal information. That means you can run your searches in peace without having to worry about the boogeyman watching you through your computer screen. DuckDuckGo is the perfect choice for those who wish to keep their browsing habits and personal information private.



WIKI.COM

Looking for a search engine that pulls its results from thousands of wikis on the net? If so, Wiki.com is a good choice. Wiki.com is the perfect search engine for those who appreciate community-led information as found on sites like Wikipedia.



TWITTER

Twitter is hard to beat as a real-time search engine. It's the perfect place to go for minute by minute updates in the case of an emergency. Google's algorithm will catch up eventually, but nothing beats a Tweet in the heat of the moment.



CC SEARCH

CC Search should be your first stop on the hunt for many types of copyright-free content. This search engine is perfect if you need music for a video, an image for a blog post, or anything else without worrying about an angry artist coming after you for ripping off their work. The way CC Search works is simple – it draws in results from platforms such as Soundcloud, Wikimedia, and Flickr and displays results labeled as Creative Commons material.



GIBIRU

Are you wearing a MAGA hat while reading this? If so, Gibiru may be the search engine you've been looking for. According to their website, "Gibiru is the preferred Search Engine for Patriots." They claim their Search results are sourced from a modified Google algorithm, so users are able to query the information they seek without worrying about Google's tracking activities. Because Gibiru doesn't install tracking cookies on your computer they purport to be faster than "NSA Search Engines."



UNFILTERED PRIVATE SEARCH



INTERNET ARCHIVE

The Wayback Machine is great for researching old websites, but it's so much more. As the name implies, this search engine queries a massive collection of documented material, including millions of free videos, books, music and software. Essentially, Internet Archive is a vast online library where you can access just about anything you could imagine.



SEARCH ENCRYPT

Search Encrypt is a private search engine that uses local encryption to ensure your searches remain private. It uses a combination of encryption methods that include Secure Sockets Layer encryption and AES-256 encryption. When you input a query, Search Encrypt will pull the results from its network of search partners and deliver the requested information. One of the best parts of Search Encrypt is that your search terms will eventually expire, so your information will remain private even if someone has local access to your computer.



YANDEX

Yandex is the most popular search engine in Russia, which is used by more than 53 percent of Russian Internet users. It is also used in Belarus, Kazakhstan, Turkey, and Ukraine. Yandex is an overall easy-to-use search engine. As an added bonus, it offers a suite of some pretty cool tools. For example, if you use its cloud storage service, Yandex Disk, you can search for your personal files right from the search bar of the search engine!



STARTPAGE

StartPage was developed to include results from Google, making it perfect for those who prefer Google's search results without having to worry about their information being tracked and stored. It also includes a URL generator, a proxy service, and HTTPS support. The URL generator is especially useful because it eliminates the need to collect cookies. Instead, it remembers your settings in a way that promotes privacy.



SWISSCOWS

Swisscows is one of the more unique options on this list, billing itself as a family-friendly semantic search engine. It uses artificial intelligence to determine the context of a user's query. Over time, Swisscows promises to answer your questions with surprising accuracy.



BOARDREADER

If you're interested in finding a forum or message board about a specific subject, Boardreader should be the first place you turn to. This search engine queries its results from a wide variety of message boards and forums online. You should be able to find the forum you want with just a few keystrokes.



ECOSIA

Looking to save the planet, one tree at a time? Then check out this environmentally friendly search engine! This may come as a surprise, but your Google searches actually contribute to the creation of quite a bit of CO₂. To battle this issue, Ecosia uses the revenues generated from search engine queries to plant trees. Typically Ecosia needs around 45 searches to plant a new tree.

QUESTIONS OF CYBER QUIZ ~ 77

QUESTION 1

What is the electronic version of the End-user License Agreement called ?
[a] eAgreement; [b] Shrinkwrap agreement; [c] Clickwrap agreement; [d] Virtual agreement.

QUESTION 2

What is the print version of the End-user License Agreement called ?
[a] eAgreement; [b] Shrinkwrap agreement; [c] Clickwrap agreement; [d] Virtual agreement.

QUESTION 3

The benchmark of artificial intelligence, in which a human judge cannot distinguish machine responses from human responses, is called :
[a] Turing test; [b] Fuzzy test; [c] Metcalfe test; [d] Babbage test.

QUESTION 4

Language Independent Program Subtitling (LIPS) is a unique Indian languages embedded subtitling System. It is used by Doordarshan, the national broadcaster in India, for nationwide broadcast of programs with multilingual subtitles in teletext mode. Which organisation developed this system ?
[a] National Informatics Centre; [b] IIT, Kanpur; [c] C-DAC; [d] Doordarshan.

QUESTION 5

This 1980s standard was meant to be the VHS (a standard for video cassette recorders equivalent in computers. Developed by Kazuhiko Nishi, this standard was adopted by many Japanese, European and Korean electronic majors. What was that standard ?
[a] ANSI standard; [b] Betamax; [c] Advanced Computing Environment (ACE); [d] MSX..



A map of the world that does not include Utopia is not worth even glancing at, for it leaves out the one country at which humanity is always landing. And when humanity lands there, it looks out and seeing a better country, sets sail.

ACTIVITIES OF COSIDICI

The Executive Committee of COSIDICI was held on December 17, 2019 at Scope Convention Centre, New Delhi. The members discussed the recommendations made by PricewaterhouseCoopers regarding the strengthening of the SFCs. One of the recommendations made by it was that any loans extended by commercial banks and small finance banks to SFCs for on-lending to MSMEs could be considered as priority sector lending loans. This would allow more flexibility for banks in meeting their PSL targets, while eligible SFCs could have access to increased funds at a reduced interest rate. Their on-ground knowledge and local market connect will help in attracting a large MSME base, and access to a large pool of funds will help them service the market better.

The Executive Committee felt the banking sector has not been able to meet the priority-sector lending (PSL) targets overall according to the RBI data. Priority Sector Lending Certificates (PSLCs), which allow sale of PSL obligation, are therefore being sold. According to RBI, PSLCs trading volume increased by 270 per cent to Rs.1.8 trillion in 2017-18, up from Rs.49,800 crore in the previous year. Trading volume doubled in 2018-19 from the level a year ago. PSBs and private banks are major buyers and sellers of PSLCs wherein the PSBs, rural regional banks, and small finance banks have emerged as major sellers.

The SFCs have been borrowing from various Commercial Banks. These borrowings were utilized for MSME lending and the SFCs submitted the list of such units to the Banks. Banks considered such advances under Priority Sector Lending – Indirect finance to Micro and Small Enterprises. The RBI vide its circular dated July 05, 2011 had stopped such classification. But MFIs continue to enjoy this status. The Executive Committee resolved that : “the SFCs may write to

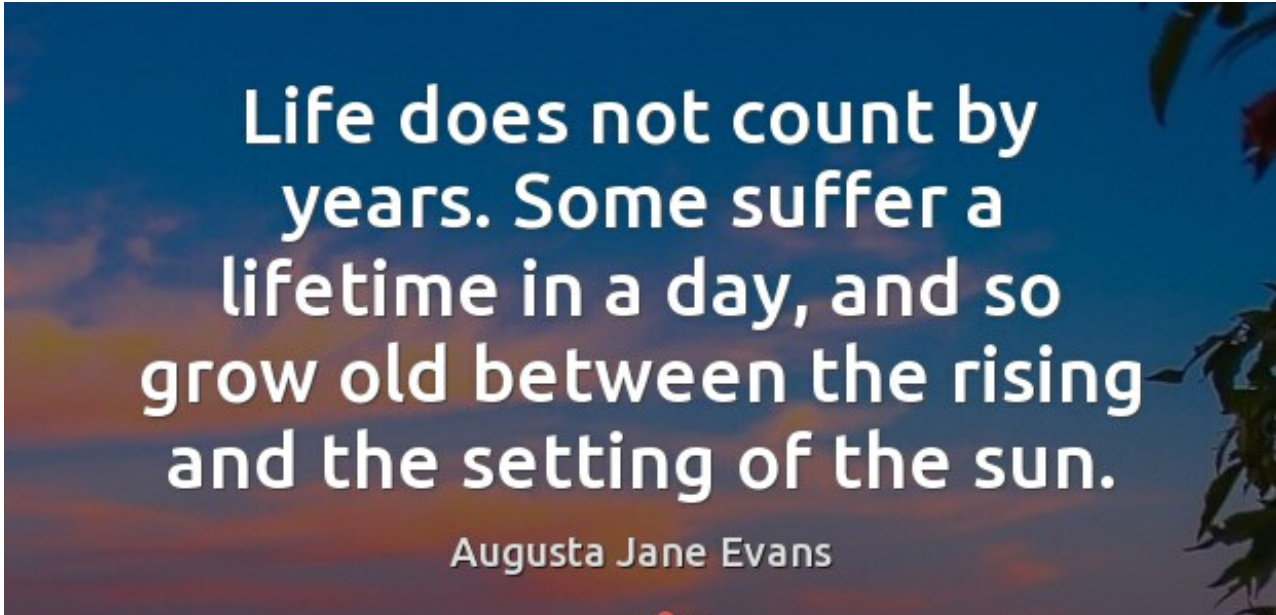
Secretary Banking to continue to treat lending by Banks to SFCs as priority sector lending. This may be done after considering the viability, financial position and end use of funds by SFCs.

The Executive Committee also felt the RBI needs to relax the NPA norms for the SFCs. The commercial banks have a wide asset base and access to multiple sources for their resources. The banks finance all the sectors and are, therefore, better able to hedge against risks in some of the sectors. The SFCs are Development Financial Institutions lending to the high risk areas of financing i.e. to first generation entrepreneurs and backward areas. They promote priority areas for their respective State governments and assist in industrial development. Changes in the policies of the different governments adversely affect the SFCs leading to NPAs even if it's in the short run and thus wiping out their operating profits affecting their ability to raise funds from the market.

The applicability of the NPA norms as applicable to the Banks may, therefore, be withdrawn. Since SFCs have only industrial loans they are not able to hedge against uncertainties in this sector in the short run. The Executive Committee resolved that “the SFCs may write to RBI that the stipulation the NPAs may continue to be identified as such for one more year even after their upgradation may not be enforced”.

The Executive Committee felt as SIDBI and the SLFIs have been partners over many decades the training programmes being organised by this institutes of SIDBI could be very useful for the officers of SLFIs.

The Executive Committee decided to request PIPDIC to hold the 7th COSIDICI National Award Function 2020 in Pondicherry in the year 2020.



Life does not count by
years. Some suffer a
lifetime in a day, and so
grow old between the rising
and the setting of the sun.

Augusta Jane Evans

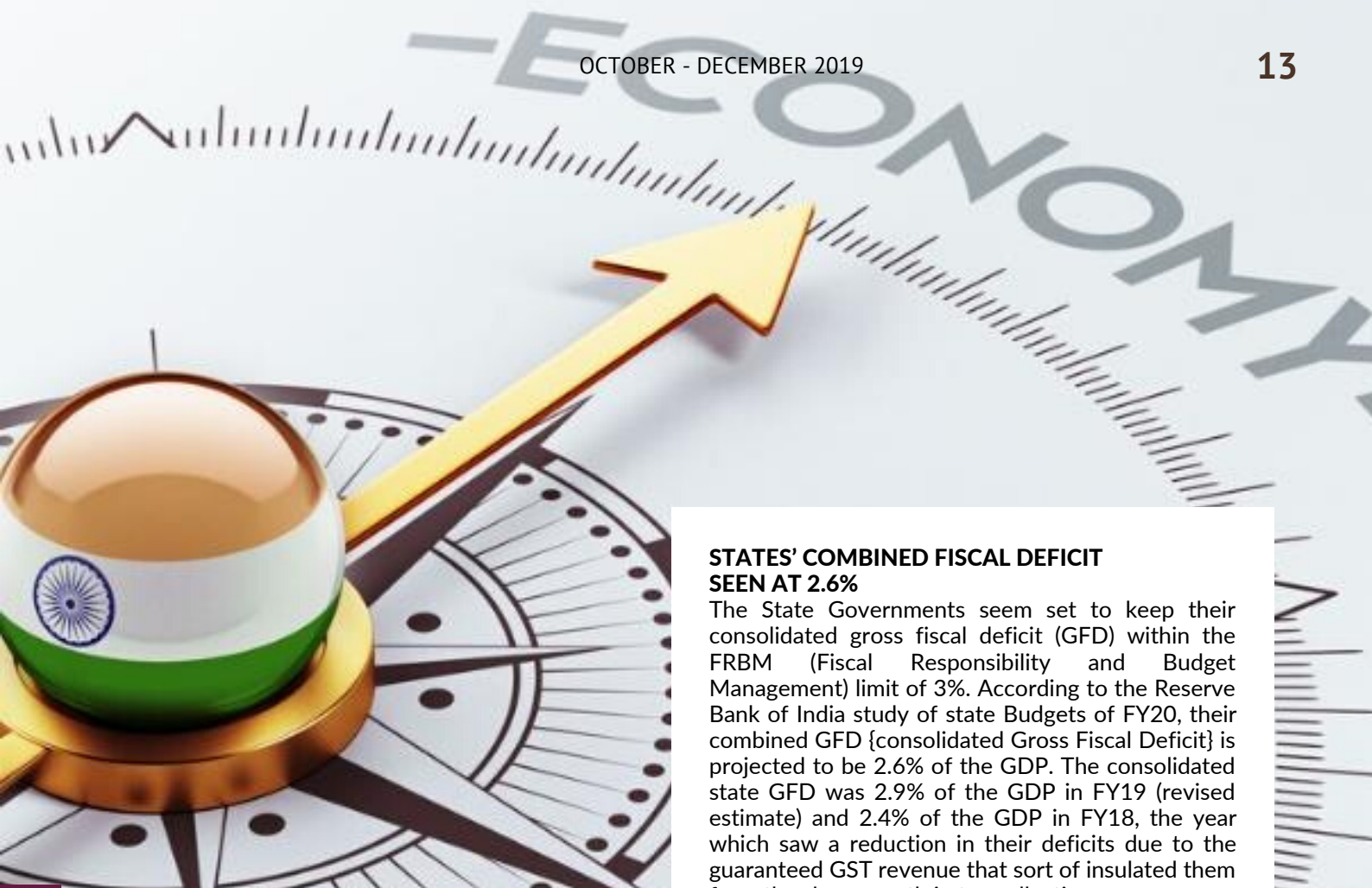
ANNUAL GENERAL BODY MEETING

Executive Committee Meeting

The Executive Committee of COSIDICI was held on December 17, 2019 at Scope Convention Centre, New Delhi. The following were elected as the Members of the Executive Committee of COSIDICI for the Year 2019-2020 :

President COSIDICI	Smt. Smita Bharadwaj , IAS, Managing Director, Madhya Pradesh Financial Corporation, Indore
Vice President	Shri Praveen Kumar Gupta , IAS, Chairman & Managing Director, Delhi Financial Corporation, New Delhi
Vice President	Shri Sanjay M. Kaul , IAS, Chairman & Managing Director, Kerala Financial Corporation, Thiruvananthapuram
Vice President	Shri Siddharth Jain , IAS, Managing Director, Andhra Pradesh State Financial Corporation, Hyderabad
Vice President	Dr. (Smt.) Ekroop Capur , IAS, Managing Director, Karnataka State Financial Corporation, Bangaluru
Vice President	Dr. Narhari Singh Banger , IAS, Managing Director, Haryana State Industrial and Infrastructure Dev. Corp. Ltd., Chandigarh
Vice President	Shri G. Sathiyamoorthy , IFS, Managing Director, Pondicherry Industrial Promotion Dev. & Investment Corporation Ltd., Pondicherry.
Executive Committee Member	Shri Bipin Mallick , IAS, Managing Director, Maharashtra State Financial Corporation, Mumbai
Executive Committee Member	Shri M. Thennarasan , IAS, Vice Chairperson & Managing Director, Gujarat Industrial Dev. Corp. Ltd., Gandhinagar
Executive Committee Member	Shri Vikas Anand , IAS, Managing Director, Delhi State Industrial & Infrastructure Development Corporation, New Delhi
Executive Committee Member	Shri Gaurav Goyal , IAS, Managing Director, Rajasthan State Industrial Development & Investment Corporation Ltd., Jaipur;
Executive Committee Member	Smt. Mousumi Chattaraj Chaudhuri , IAS, Managing Director, West Bengal Financial Corporation, Kolkata
Executive Committee Member	Dr. (Smt.) M. Aarthi , IAS, Managing Director, Tamilnadu Industrial Investment Corporation Limited, Chennai
Executive Committee Member	Smt. Urmila Rajoria , IAS, Managing Director, Rajasthan Financial Corporation, Jaipur
Executive Committee Member	Shri K.V. Ballikar , Managing Director, EDC Limited, Panaji, Goa.
Co opt Executive Committee	Shri Ravinder Kumar , IAS, Managing Director, Jammu & Kashmir State Industrial Development Corporation, Jammu
Co opt Executive Committee	Shri S.I. Sharma , Managing Director, Manipur Industrial Development Corporation Limited, Imphal

The contents of the Annual Report of the Executive Committee meeting of COSIDICI for the Year 2018-2019 were noted and approved by the General Body which also approved the audited statements of accounts for the Year 2019-2020.



ECONOMIC SCENE

INDIAN ECONOMY GREW AT 4.5% IN JULY-SEPTEMBER, 2019

India's economy grew 4.5% in the July-September quarter. Gross Domestic Product (GDP) grew 5% in the June quarter and 7% in the September quarter last year. In the first six months of the current fiscal, GDP growth was 4.8% compared with 7.5% in the year earlier. The slowest quarterly pace of expansion before this was in January-March 2013 at 4.3%.

FOREX RESERVES ARE NOW AT \$ 434.6 BILLION

The foreign exchange reserves touched USD 434.6 billion as on October 1. Between April and October 1, the country's forex reserves had increased by USD 21.7 billion. In the previous week, the reserves had declined by USD 388 million to USD 428.572 billion. The increase in reserves in the reporting week on account of Foreign Currency Assets (FCA), a major component of the overall reserves.

STATES' COMBINED FISCAL DEFICIT SEEN AT 2.6%

The State Governments seem set to keep their consolidated gross fiscal deficit (GFD) within the FRBM (Fiscal Responsibility and Budget Management) limit of 3%. According to the Reserve Bank of India study of state Budgets of FY20, their combined GFD {consolidated Gross Fiscal Deficit} is projected to be 2.6% of the GDP. The consolidated state GFD was 2.9% of the GDP in FY19 (revised estimate) and 2.4% of the GDP in FY18, the year which saw a reduction in their deficits due to the guaranteed GST revenue that sort of insulated them from the slow growth in tax collections.

EXPORTS DOWN 1.1% CONTRACT FOR THIRD MONTH IN A ROW

Lower receipts from processed petroleum exports and depressed global crude prices led to exports contracting. The decline in exports stood at 1.1 per cent in October, lower than the 6.57 per cent fall in September. Outbound trade contracted in four of the first-seven months of the 2019-20 fiscal year.

AUG CORE SECTOR OUTPUT CONTRACTS TO 0.5%

The eight core industries contracted to over three-and-half year low of 0.5 per cent due to decline in output of coal, crude oil, natural gas, cement, and electricity, according to a government data released in September.

The eight core sector industries – coal, crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity – had expanded by 4.7 per cent in August last year.

Coal, crude oil, natural gas, cement, and electricity recorded a negative growth of 8.6 per cent, 5.4 per cent, 3.9 per cent, 4.9 per cent and 2.9 per cent, respectively, in August, according to the data of the Commerce and Industry Ministry. However, fertiliser and steel production grew by 2.9 per cent, and 5 per cent, respectively, during the month under review. Growth rate in the production of refinery products dipped by 2.6 per cent in August this year as against 5.1 per cent in the same month last year.

GOVT. TO SET UP NCLAT BENCH IN CHENNAI

The Government will set up a Bench of the National Company Law Appellate Tribunal (NCLAT) in Chennai for clearing pending litigations. Apart from decision to set up the NCLAT Bench in Chennai, five new Benches of the NCLT were set up during 2018-2019 in Jaipur, Cuttack, Kochi, Indore and Amaravati.

NET FDI RISES 23% IN H1

Net foreign direct investment (FDI) in India rose 23% to \$20.9 billion in the first half of 2019-2020, compared with \$17 billion in the year-ago period.

INDIA RANKS 73RD IN UN INDEX ASSESSING E-COMMERCE READINESS

India has ranked 73rd out of 152 countries in a business-to-consumer E-commerce index that measures an economy's preparedness to support online shopping, moving seven places up in the list.

The United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019 has been topped by the Netherlands for the second consecutive year.

European nations hold eight of the top 10 spots on the index, which ranks 152 countries on their readiness to engage in online commerce. The only non-European countries on the top 10 list are Singapore (3) and Australia (10)th.

SERVICES SECTOR GREW IN NOVEMBER

The services sector activity increased in November which had fallen in previous months. Growth had peaked to a 43-month high of 54.7 in August. Manufacturing activity also rose to 51.2 in November after October's two-year low. However, while manufacturing firms cut jobs for the first time in 20 months to sharply reduce costs, services providers continued hiring. The pace of job expansion accelerated.

The services sector expanded at its fastest pace in four months because of an increase in new business orders, following a stabilisation in October. Firms that reported higher sales generally cited better demand conditions. November data also signalled a ninth successive rise in new business from international markets, with the rate of export growth accelerating slightly since October, the survey showed. Within the services industry, consumer services, information & communication, and real estate & business services saw growth in three of the five categories monitored by the PMI survey. But transport & storage and finance & insurance firms saw business activity slip.

EASED RULES TO PURCHASE ASSETS OF WEAKER NBFCs GET GO-AHEAD

The Union Cabinet approved a partial credit guarantee scheme for non-banking financial companies (NBFCs) and housing finance companies (HFCs). This will allow public sector banks (PSBs) to buy pooled assets from financially sound entities. "The window for one-time partial credit guarantee offered by the Govt (Government of India) will remain open till 30 June 2020 or till such a date by which ~1 trillion assets get purchased by the banks, whichever is earlier,"

said the government in a statement. Power has been delegated to the finance minister to extend the validity of the scheme by up to three months, taking into account its progress.

ADB LOWERED INDIA'S FY'20 GDP GROWTH FORECAST TO 5.1%

The Asian Development Bank (ADB) has slashed India's gross domestic product (GDP) growth forecast to 5.1% for the ongoing fiscal year, down from 6.5% earlier. It has also cut the country's growth prediction for the next fiscal to 6.5% down from 7.2%. India's economic growth slipped to 4.5% in July-September, from 5% in the first quarter. The International Monetary Fund cut its estimate for India's growth this year to 6.1% from the 7% rate it projected in July. The World Bank lowered its forecast for the current fiscal year to 6%, down from 7.5% in April.

DIRECT TAX GREW 1.6% IN APRIL-NOVEMBER

Direct tax collections, net of refunds for April-November grew 1.6% against the required 17.4% to achieve the Budget estimate of Rs.13.35 lakh crore for FY '20. In the first eight months, the government collected Rs.5.56 lakh crore in direct taxes compared with Rs.5.48 lakh crore a year ago.

FOREX RESERVES INCREASE BY \$ 2.3 BN TO TOUCH ALL TIME HIGH OF \$ 453 BN

The country's foreign exchange reserves surged by \$ 2.342 billion to \$ 453.422 billion in the week to December 6, according to the RBI data. The rise in reserves was mainly on account of an increase in foreign currency assets, a major component of the overall reserves, which surged by \$ 1.891 billion to \$ 421.258 billion, according to the data. In the same week, gold reserves increased by \$ 430 million to \$ 27.078 billion.

FUNDS TO BOOST NBFCs, HFCs AND REALTY

The Government's schemes to help revive the flagging economy by supporting nonbanking finance companies (NBFCs) and housing finance companies (HFCs) and restarting stalled real estate projects are likely to start disbursing funds soon.

Under the partial credit guarantee (PCG) schemes for NBFCs, 17 proposals worth a total Rs 7,657 crore have been approved within two days of the cabinet deciding to lower the ratings threshold from AA to BBB+ for asset pools and clearing support for borrowers that had slid into SMA-0 category. SMA refers to Special Mention Account, a bad loan early warning system.

CABINET APPROVES IBC AMENDMENTS

The cabinet approved amendments to the Insolvency and Bankruptcy Code (IBC) to protect successful resolution applicants from criminal proceedings against offences committed by previous managements or promoters.

It also lowered the rating threshold for public sector banks to purchase high-rated pooled assets to BBB+ from "financially sound" nonbanking finance companies (NBFCs) and housing finance companies (HFCs) under the partial credit guarantee (PCG) scheme. Lowering the limit from AA will make more NBFCs and HFCs eligible for funds from banks.



CAD CONTRACTED TO 2%

India's current account deficit (CAD) for the first quarter ended June contracted to 2 per cent of the gross domestic product (GDP) on a year-on-year basis on account of higher invisible receipts at \$31.9 billion, as compared with \$29.9 billion a year ago. "Net services receipts increased by 7.3 per cent on a year-on-year basis, mainly on the back of a rise in net earnings from travel, financial services and telecommunications, computer and information services," the RBI said in its statement. Private transfer receipts, mainly representing remittances, rose 6.2 per cent to \$19.9 billion. Net foreign direct investment was \$13.9 billion, as compared to \$9.6 billion a year ago.

Foreign portfolio investment recorded a net inflow of \$4.8 billion in the first quarter, as against an outflow of \$8.1 billion a year ago. This was on account of net purchases in the debt and equity markets.

Oil imports rose by 0.4 per cent to \$34.9 billion in the first quarter, from \$34.7 billion a year ago. Gold imports rose by 35.6 per cent to \$11.4 billion from \$8.4 billion a year ago. Net inflow on account of external commercial borrowings to India was \$6.3 billion in the first quarter, as against an outflow of \$1.5 billion a year ago.

TRADE DEFICIT NARROWS TO \$ 12 BN; EXPORTS DECLINE

India's exports declined in November on the back of continuing weak global demand and depressed global crude oil prices, which impacted the processed petroleum products basket. Imports contracted for the sixth straight month, driven by petroleum, engineering and industrial items, indicating sustained demand slowdown in the Economy. Contraction in non-oil and non-gold imports deepened during the month, at 11.96% year on year to \$ 24.2 billion, compared to a contraction of 10% in October and 8.88% in September. Non-oil and non-gold imports fell for the 13th successive month.

Besides, the lower valuation of crude oil imports helped narrow the trade deficit, compared to the year-ago period. Exports fell 0.32 percent in November, while imports declined by 12.71% year-on-year, leaving a trade deficit of \$ 12.12 billion against \$16.61 billion last year, showed data released by the Ministry of Commerce and Industry.



ANSWERS OF CYBER QUIZ ~ 77

ANSWER 1

[c] Clickwrap Agreement : Used in case of software or Websites, in a clickwrap agreement agreement, users have to agree to the terms of the agreement - usually by clicking on a button that states "I Agree" or "Agree" - before they can install the software or avail of the services. There is of course a button "Disagree" also for those who do not accept the terms of the agreement.

ANSWER 2

[b] Shrinkwrap Agreement : This type of agreement is used in or on a software pack. Also called box-top agreement, this contract or license states or implies that the user accepts the terms of the agreement when she or he opens the pack or box.

ANSWER 3

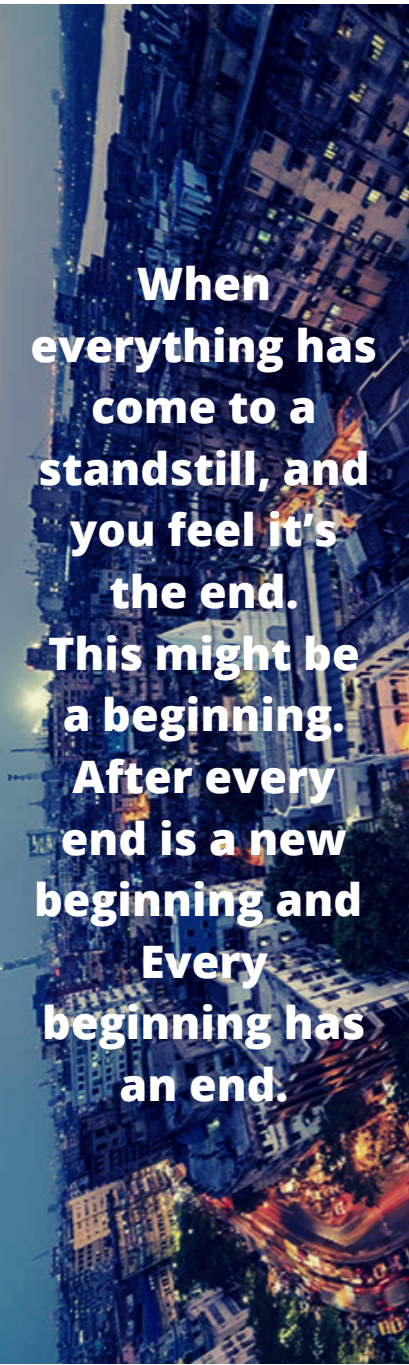
[a] Turing test : In this test, a human judge engages in a natural language conversation in text mode with two other parties, one a human and the other a machine, if the judge cannot reliably tell which is which, then the machine is said to pass the test.

ANSWER 4

[c] C-DAC : The GIST Group of Centre for Development of Advanced Computing {C-DAC} developed LIPS system which was adjudged the best design in the VLSI design contest in the VLSI International Conference 1993. C-DAC, formerly known as National Centre for Software Technology, is a scientific society of the Department of Information Technology, Government of India.

ANSWER 5

[d] MSX : Any piece of hardware or software with the MSX logo on it was compatible with MSX products from other manufacturers. MSX stood for "Machines with Software eXchangeability. VHS stands for Video Home System.



**When
everything has
come to a
standstill, and
you feel it's
the end.
This might be
a beginning.
After every
end is a new
beginning and
Every
beginning has
an end.**

SUCCESS STORY OF TIIC ASSISTED UNITS

**M/S. JHEEVA REKHAA TEXTILES,
THENI**

**A.P. RAJU, M.I.E.
MANAGING PARTNER**



With a dream of utilizing my rich engineering experience and savings built out of my earnings abroad, I approached several banks as a NRI to start a weaving unit at Theni. While the banks were eager to have my Fixed Deposits, they were reluctant to process my application for a term loan for setting up the unit. This despite my 18 years engineering experience with NLC, Neyveli and 15 years with M/s. Qatar Petro Chemicals - they felt that coming from a small village from Theni and being a first generation entrepreneur the project may not succeed.

At this juncture I approached TIIC, Madurai Branch during April 1997 for financial assistance for my weaving projects. At the very first meeting with TIIC officials, I won their confidence; it was clear to me that genuinely wished to promote the right type of industries in my area. To my surprise my loan was sanctioned within 45 days.

Along with my son A.R. BARATHKUMAR, a B. Tech, graduate, I started our unit M/s. JHEEVA REKHAA TEXTILES, at Shed No. 5, SIDCO Industrial Estate, Andipatti, Theni unit, with Term loan assistance of Rs. 46.40 lakhs from TIIC. We installed 10 Nos. New Ruti "C" 180 cm weaving looms with all its supporting machineries.

Over the years, TIIC has assisted our unit with further term loans for 12 Air Jet looms in 2004 and again 42 looms in 2009. We are producing 3,00,000 mts / month of quality fabric currently. We have ambitious plans of installing another 24 Air jet looms during 2011-12 with TIICs financial assistance.

We deeply appreciate TIIC for the timely assistance they have given to our unit and can say with pride - "we grow with TIIC. We will always grow with TIIC."



***"We grow with TIIC.
We will always grow
with TIIC"***



MICRO SMALL & MEDIUM ENTERPRISES

MSME MINISTRY LIKELY TO STREAMLINE EXISTING SCHEMES FOR BETTER RESULTS

The government is set to streamline existing schemes for micro, small, and medium enterprises (MSMEs), with an aim to combat liquidity crisis, low professional exposure, and low skills that the sector continues to face.

Focus will be Cluster Development Program that provides common physical infrastructure facilities in a fixed geographic area to a set of small businesses with the same requirements. Currently, the ministry runs 75 Common Facility Centers (CFSs) across the country with work ongoing to establish 66 more. Central grant for CFCs goes upto 70 percent of total cost of a maximum Rs.20 crore, a crucial amount in many backward areas.

A detailed research focusing on the business prospects and socio-economic effects on nearby demographics have been mandated before approval is given to any new cluster. The move is part of MSME Minister, Shri Nitin Gadkari's push to raise the sector's contribution in exports from the current 49 percent to 60 percent as well as its share in industrial growth to 49 percent from 29 percent now. Through the initiative, the government is trying to address a key concern for policymakers, the lack of businesses in the 'small' category, the official added. According to the existing definition, which relies on self-declared investment on plant and machinery, 'small' firms are those with investment between Rs.25 lakh and Rs.5 crore.

These efforts are expected to be supplanted by the upcoming National Resource Centre, which will assist in export strategy development, implementation, and mobilization of technical assistance to organisations in the MSME ecosystem.

The ministry aims to launch enterprise development centres (EDCs) in every district, senior officials said. Aimed at developing a cadre of indigenous MSME entrepreneurs, the EDCs will be similar to incubators for start-ups and have been in the planning stages for two years now.

For the first time, an integrated unit will help new and existing businesses develop by providing training and office space. Ultimately planned for every district, the Ministry is targeting the launch of 20 EDCs out of a planned 500 by the end of the current financial year. As of now, MSME Development Centres in various states have begun the EDC initiative on a small scale, some of which may be expanded.

The centre will be broad-based and shall be run by special purpose vehicles in partnership with the private sector, business management organisations, local industry associations and would also aim to plug the financial difficulties faced by MSMEs, which have continued to suffer from a liquidity crisis since the demonetisation exercise. In the distant future incentives and loans by the Government for the sector will also flow through the EDCs, after determining the capabilities of the firm through set parameters, the official added. The Centres would offer credit facilitation and syndication, export promotion and supplier inclusion. The EDCs will also have enterprise clinics for struggling firms with the Government hopes will reduce the number of small businesses falling into a debt trap financed by bank loans.

NEW GST RULE TO CURB ITC MISUSE HITS MSMEs

The smaller businesses with annual turnover of less than Rs 5 crore are hit by the recent change in Goods and Services Tax (GST) rule, which restricts the amount of input tax credit (ITC) a business can claim. The rule that was amended in October, 2019 mandates that ITC claims can only be fully availed if all the relevant invoices are uploaded by the suppliers in its GSTR-1 (the returns where all the outwards sales are detailed)

While the rule was tweaked to ensure that ITC frauds can be curbed, it's silent on the treatment of businesses, typically classified as MSME, which are required to file GSTR-1 only quarterly. This means that firms that procure from these units will only see the supply invoices once in three months and hence won't be able to claim credit in the next tax payment cycle for the supply.

Experts said that this has created fears among firms engaging many MSME vendors that their working capital requirement may be squeezed. Consequently, MSME suppliers are being shunned.

MSME law mandates payment within 45 days to MSME vendors, whereas GST law is enforcing deferral of tax credit on procurement made from such vendors who are filing quarterly GST returns. This double jeopardy is forcing the corporates to circumvent all smaller vendors in order to avoid working capital issues.

According to the new rule, ITC on invoices which are not uploaded by suppliers in their GSTR-1 (which does not reflect GSTR-2A of recipient), can be availed to the extent of 20% of ITC which is reflecting in GSTR-2A of the recipient in respect of other invoices. For example, if a taxpayer claims ITC of Rs 10 lakh but can only show uploaded invoices worth, say, Rs 5 lakh, the firm can claim a maximum credit of Rs 6 lakh (Rs 5 lakh for which invoices uploaded plus 20% of '5 lakh for missing invoices). When the indirect tax department was queried by a Twitter user on the oversight in the rule regarding quarterly GSTR-1 filer, the department said: "Quarterly filers contribute about 7% of GST whereas 100% credit can be availed if 83.33% of eligible credit is reported in GSTR-2A."

Abhishek Jain, tax partner at EY, said: "There remains an ambiguity on whether the restriction in relation to unmatched invoices would as well apply for those vendors who have opted for quarterly filing of returns. The Government should soon issue an explicit clarification that the 20% restriction would not apply to vendors with quarterly filing. Another wish of businesses have been on a unique code to identify persons who have opted for such quarterly filings".

GOVT WORKING ON POLICY TO PUSH MSME EXPORTS, SAYS GADKARI

The Government is working on two policies to increase MSME exports and bring down imports by encouraging local production, Union MSME and Road Transport Minister, Shri Nitin Gadkari said while addressing the gathering at Small Micro Enterprise (SME) Conference at Nagpur. He said that the MSME sector has 29 per cent contribution in country's growth and 48 per cent of export is done through MSMEs.

Similarly, about 10-11 crore jobs have been created in MSMEs. The government is working on two policies. Firstly on the industries which are into export business – how to support and increase their export. The leather industry has a total turnover of Rs.1,40,000 crore of which Rs.80,000 crore to Rs.90,000 crore is domestic and around Rs.45,000-50,000 crore is from export. They have been instructed to work on modernisation, upgradation, product designing and how to reduce the cost of production and improve quality, so that India's share increases in the international market. We are working on a policy on how to strengthen export business.

GOVT MAKING POLICY ON CREDIT RATINGS FOR MSMEs

The government is in the process of launching 'Digital data based credit ratings' of Micro, Small and Medium Enterprises (MSME), to help entrepreneurs to get bank loans on the basis of these credit ratings, Union Minister Shri Nitin Gadkari said. He emphasized on building credibility by MSME's by timely payment of loans and pitched for setting up more small scale businesses in rural areas. The Minister assured all support from MSME ministry. Timely payment of taxes and loans will ensure good credit ratings and the concerned MSME will get digital data based credit ratings. The MSME sector, which is facing liquidity shortage is contributed 49 percent of India's total exports.

GOVT. EXPECTS \$ 2 TRN FROM MSMEs BY '24

The Government in December said it envisions MSMEs to contribute \$ 2 trillion to the country's target of becoming \$ 5 trillion economy by 2024. Under the Prime Minister's Employment Generation Programme 65,312 new micro-enterprises have been set up the MSME ministry said in its year end review for 2019.

MSME SECTOR SET FOR MEGA TRANSFORMATION IN 2020

India's MSME sector is poised for a mega transformation in 2020, with the launch of an Alibaba-like e-marketplace, trendy yet affordable Khadi products to appeal to the masses and digital data-based credit ratings to help entrepreneurs avail loans.

NEWS FROM STATES

UP CABINET CLEARS TWO EXPRESSWAYS WORTH RS.14,500 CR

The State Government of Uttar Pradesh approved the selection of construction companies for both the Bundelkhand Expressway and the Gorakhpur Link Expressway. The projects will together cost more than Rs. 14,500 crore, and are estimated to generate 60,000 jobs in Bundelkhand and eastern UP regions.

The 296-km Bundelkhand Expressway and the 91-km Gorakhpur Link Expressway would cost approximately Rs. 10,000 crore and Rs. 4,587 crore, respectively. They are expected to be completed within 36 months after signing of MoUs with the selected construction companies. If the companies succeed in completing their work in 30 months, they will get an incentive of 5% of the contracted amount, and would be fined if they miss the 36-month deadline.

BIHAR HAS EXPORT POTENTIAL OF \$ 900 M: EXIM BANK STUDY

A study by the Export-Import Bank of India has said that there is an untapped export potential of nearly USD 900 million from Bihar and if it is realised, the shipment from the state could exceed USD 2 billion in the short term. The report also said that the merchandise exports from the eastern state in 2017-18 were valued at USD 1.35 billion which was a "remarkable improvement" over the USD 0.4 billion of exports recorded during 2012-13. The bank organised an interaction with exporters and released a working paper, 'Promoting Exports from Bihar: Insights and Policy Perspectives'.

The study examined Bihar's economic profile and outlined strategies for creating an enabling environment for exports at the state-level. The report recommended setting up of Inland Container Depots (ICDs) in Muzaffarpur and Bhagalpur, besides establishing a custom clearance office in the existing ICD in Patna, increasing warehousing and cold chain infrastructure in the state. It also suggested setting up of Special Economic Zones (SEZs) in the districts of Patna, Muzaffarpur or Bhagalpur and providing freight equalisation support to exporters for reducing the cost of exports arising out of infrastructural deficiencies.



AP TIGHTENS RENEWABLE ENERGY NORMS

Increasing its pressure further on renewable energy developers, the Andhra Pradesh government has amended its solar and wind power policies, taking more control over setting tariffs from such power generation units.

Deleting older provisions, the new order mandates that the transmission and distribution charges for wheeling power would be determined by the state power regulator. The state government claims that the move is in response to the "abnormal spurt in power purchase cost and deteriorated financial position of the AP discoms".

In its latest order, AP energy department also states that tariff from renewable energy-based electricity will not be more than the "difference between pooled variable cost and balancing cost". Balancing cost refers to the expenses that power distribution companies incur in order to accommodate renewable energy in the system. Variable cost mainly includes the expenses on fuel and its transportation for power generation by conventional sources.

The new government in Andhra Pradesh has formed a committee to revise "helping priced wind and solar" PPAs.

Crisil had noted that the state's move of revising PPAs could put additional stress on about 5.2 giga-watt (GW) of wind and solar energy projects with an estimated debt exposure of over Rs 21,000 crore. Tamilnadu tops in good governance index.

TAMILNADU TOPS IN GOOD GOVERNANCE INDEX

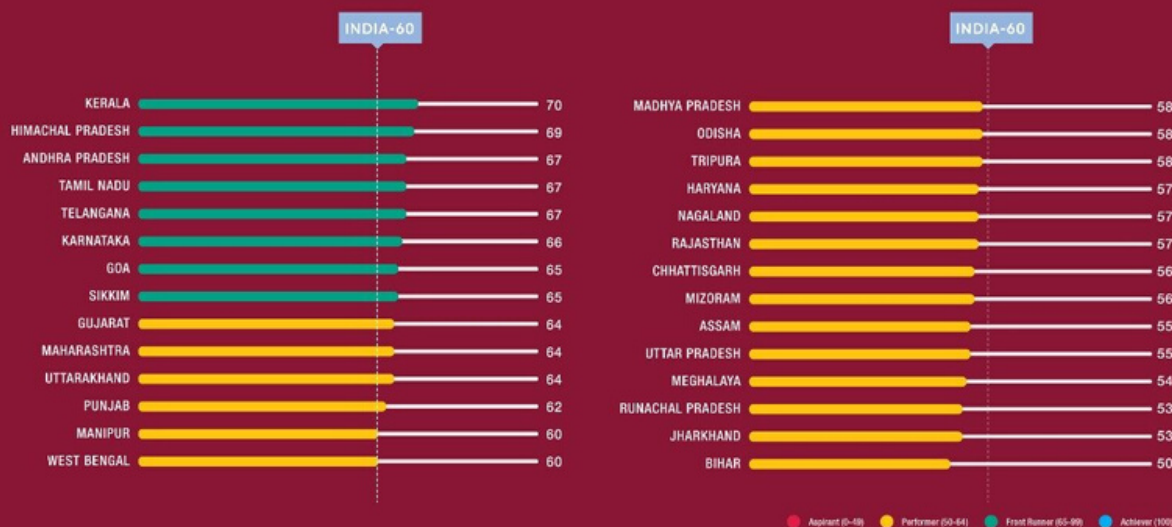
Tamil Nadu is at the top position in the composite ranking for good governance index (GGI), followed by Maharashtra and Karnataka, according to data provided by the Personnel Ministry. Chhattisgarh has got the fourth position, followed by Andhra Pradesh (fifth), Gujarat (sixth), Haryana (seventh) and Kerala at the eight rank, it said.

Madhya Pradesh is at the ninth rank, West Bengal at the tenth position, followed by Telangana (11th), Rajasthan (12th), Punjab (13th), Orissa (14th), Bihar (15th), Goa (16th), Uttar Pradesh (17th) and Jharkhand at eighteen position in the big states category.

India SDG Index Score of States 2019-20



States



The States and Union Territories have been divided into three groups — big States, North-East and hill states, and union territories — for the rankings based on certain indicators separately. In the North-East and hill category, Himachal Pradesh has topped the ranking followed by Uttarakhand, Tripura, Mizoram, Sikkim, Assam, Jammu and Kashmir (now divided into two union territories of Jammu and Kashmir, and Ladakh), Manipur, Meghalaya, Nagaland and Arunachal Pradesh.

Among the union territories, Puducherry has got the first position, followed by Chandigarh, Delhi, Daman and Diu, Andaman and Nicobar Islands, Dadra and Nagar Haveli and Lakshadweep. "At present there is no uniform index to objectively assess the state of good governance in the states. The good governance index attempts to create a tool which can be used to assess the states of governance and impact of various interventions taken by the state governments and the UTs," the Personnel Ministry has said.

KERALA TOP ACHIEVER IN MEETING SUSTAINABLE DEVELOPMENT GOALS: NITI

Kerala was the top state in meeting the sustainable development goals in this year's ranking, prepared by NITI Aayog. Kerala retained the top slot, while Himachal, which shared the top ranking in 2018 is second in this year's ranking.

Bihar, Jharkhand and Arunachal Pradesh were the worst performing states in this year's index for Sustainable Development Goals (SDGs). According to the report on the index, while Uttar Pradesh, Odisha and Sikkim showed maximum improvement, states such as Gujarat have not shown any improvement vis-a-vis 2018 scores. India's composite score also improved from 57 in 2018 to 60 in 2019.

STATES ASK FOR RELAXATION IN FISCAL DEFICIT TARGET TO 4% TO BOOST CONSUMPTION

Faced with a sharp slowdown in economic growth and tax revenues, many states have asked

the Centre to relax the prudential fiscal deficit limit from 3% to 4% of GDP. According to the 14th Finance Commission report, states could avail an additional fiscal deficit of 0.5% if states' debt-GSDP ratio is less than or equal to 25% in the preceding year and interest payment/revenue receipts (IP/RR) is less than or equal to 10% in the preceding year. If the above norms are to be applied, not many states would be eligible for the relaxation as many as 20 states have estimated to have debt-GSDP ratio of over 25% in FY20 while 13 states have estimated IP/RR ratio of more than 10%. Both Kerala and Bihar have debt-GSDP ratio of over 30%. While Bihar's IP/RR ratio was below 10%, it was 15.6% for Kerala.

Constrained by a big dip in tax revenue growth, state governments curbed their capital expenditure in the first half of the current financial year, a move that could foil the Centre's bid to aggressively deploy public capex to partly compensate for the delay in the revival of the private investment cycle. Tax revenue growth of the 17 States was 2.4% in H1FY20, compared with 13.8% a year ago.



ALL INDIA INSTITUTIONS

BANKS CREDIT GROWS BY 8.07%, DEPOSITS 9.92% : RBI DATA

Bank's credit grew by 8.07 per cent to Rs 98.47 lakh crore in the fortnight ended November 6, according to the recent RBI data. In the similar fortnight last year, the advances have stood at Rs 91.11 lakh crore. In the previous fortnight ended October 25, 2019, bank credit had grown by 8.90 per cent y-o-y to Rs 98.39 lakh crore. Bank deposits in the fortnight ended November 8 increased by 9.92 per cent to Rs 129.98 lakh crore from Rs 118.257 lakh crore year ago. Deposits had grown by 10.25 per cent to Rs.129.78 lakh crore in the fortnight ended October 25. On a year-on-year (y-o-y) basis, non-food bank credit growth decelerated to 8.1 per cent in September 2019 from 11.3 per cent in September 2018.



LIQUIDITY COVERAGE RATIO FOR LARGE NBFCs MANDATED

The RBI on November 04, 2019 issued final guidelines on the liquidity risk management framework for non-banking financial companies (NBFCs) and core investment companies (CICs), updating some existing features on asset liability management (ALM) and introducing liquidity coverage ratio (LCR) for NBFCs with assets of Rs 10,000 crore and above. The final guidelines postpone the start date of implementation of the LCR norm to December 1, 2020 from April 1, 2020 in the draft guidelines issued in May, and lower the level of high-quality liquid assets (HQLAs) to be initially maintained as a share of LCR to 50% from 60% for non-banks with asset books of Rs 10,000 crore and above. For non-deposit-taking NBFCs with asset book sizes ranging between '5,000 crore and '10,000 crore, the minimum LCR requirement will be 30% by December 1, 2020 and go up in a staggered manner to 100% by December 1, 2024.

In order to strengthen and raise the standard of ALM framework applicable to NBFCs, it has been decided to revise the extant guidelines on liquidity risk management for NBFCs," the central bank said in a notification. "All non-deposit-taking NBFCs with asset size of `100 crore and above, systemically important core investment companies and all deposit-taking NBFCs irrespective of their asset size, shall adhere to the set of liquidity risk management guidelines given below. All non-deposit-taking NBFCs with asset size of Rs 10,000 crore and above and all deposit-taking NBFCs irrespective of their asset size will have to maintain a liquidity buffer in terms of an LCR, which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient high-quality liquid assets (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by NBFCs shall be a minimum of 100% of total net cash outflows over the next 30 calendar days.

The 1-30 day time bucket in the statement of structural liquidity is segregated into granular buckets of 1-7 days, 8-14 days and 15-30 days. The net cumulative negative mismatches in the maturity buckets of 1-7 days, 8-14 days, and 15-30 days should not exceed 10%, 10% and 20% of the cumulative cash outflows in the respective time buckets, the RBI said.

"NBFCs, however, are expected to monitor their cumulative mismatches (running total) across all other time buckets up to one year by establishing internal prudential limits with the approval of the board. The above granularity in the time buckets would also be applicable to the interest rate-sensitivity statement required to be submitted by NBFCs," the notification stated.

NBFCs will have to adopt liquidity risk monitoring tools or metrics in order to capture strains in liquidity position. Such monitoring tools should cover concentration of funding by counterparty/instrument/currency, availability of unencumbered assets that can be used as collateral for raising funds, and certain early-warning market-based indicators, such as price-to-book ratio, coupon on debts raised, breaches and regulatory penalties for breaches in regulatory liquidity requirements. The boards of NBFCs should put in place necessary internal monitoring mechanism in this regard, the guidelines said.



AFTER PMC BANK SCAM, RBI TO TIGHTEN NORMS FOR URBAN CO-OP BANKS

The RBI announced new policies for urban cooperative banks (UCBs) in December that would focus on defining exposure limits, creation of a credit repository and enhancing cyber-security. The proposed tightening of norms comes after the PMC Bank scam, which revealed that the bank had an exposure of over Rs 6,500 crore or 73% of its total assets to real estate firm Housing Development and Infrastructure (HDIL).

As the first of several measures, RBI has proposed to amend regulatory guidelines for UCBs to change the exposure norms for single and group/interconnected borrowers, and for the promotion of financial inclusion and priority sector lending. UCBs with assets of Rs 500 crore and above would be brought under the Central Repository of Information on Large Credits (CRILC) reporting framework.

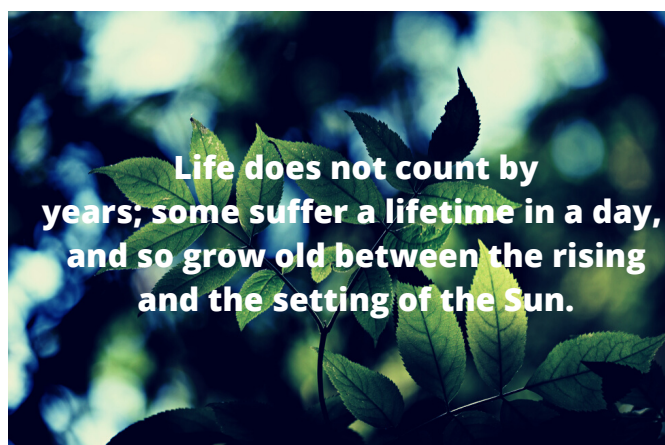
RBI said a new cyber-security framework is to be created to "mandate implementation of progressively stronger security measures based on the nature, variety and scale of digital product offerings of banks." Implementation of bank-specific email domain, periodic security assessment of public facing websites and applications, and strengthening the cyber-security incident reporting mechanism and governance framework, and setting up of a security operations, are among the steps proposed to enhance cyber-security.

PAYMENTS BANKS WITH 5 YEAR EXPERIENCE CAN NOW CONVERT TO SMALL FINANCE BANKS

The RBI has allowed payments banks (PBs), which have been in operation for at least five years, to convert to small finance banks (SFBs). In guidelines for on-tap licensing of SFBs released in December, the central bank raised the net worth requirement for aspiring SFBs to Rs 200 crore from Rs 100 crore.

Further, primary urban cooperative banks (UCBs) who wish to convert to SFBs will be allowed to do so as long as they have a net worth of Rs 100 crore, which will have to be increased to Rs 200 crore within five years from the date of commencement of business.

Henceforth, SFBs will be given scheduled bank status immediately upon commencement of operations and they will have general permission to open banking outlets from the date of commencement of operations.



Life does not count by years; some suffer a lifetime in a day, and so grow old between the rising and the setting of the Sun.



HEALTHCARE

What to know about coronaviruses?

WHAT IS CORONAVIRUS?

Coronaviruses are types of viruses that typically affect the respiratory tracts of birds and mammals, including humans. Doctors associate them with the common cold, bronchitis, pneumonia, and severe acute respiratory syndrome (SARS), and they can also affect the gut. These viruses are typically responsible for common colds more than serious diseases. However, coronaviruses are also behind some more severe outbreaks.

Over the last 70 years, scientists have found that coronaviruses can infect mice, rats, dogs, cats, turkeys, horses, pigs, and cattle. Sometimes, these animals can transmit coronaviruses to humans.

Most recently, authorities identified a new coronavirus outbreak in China that has now reached other countries. It has the name coronavirus disease 2019, or COVID-19.

Researchers first isolated a coronavirus in 1937. They found a coronavirus responsible for an infectious bronchitis virus in birds that had the ability to devastate poultry stocks. Scientists first found evidence of human coronaviruses (HCoV) in the 1960s in the noses of people with the common cold. Two human coronaviruses are responsible for a large proportion of common colds: OC43 and 229E.

The name "Coronavirus" comes from the crown-like projections on their surfaces. "Corona" in Latin means "halo" or "crown." Among humans, coronavirus infections most often occur during the winter months and early spring. People regularly become ill with a cold due to a coronavirus and may catch the same one about 4 months later. This is because coronavirus antibodies do not last for a long time. Also, the antibodies for one strain of coronavirus may be ineffective against another one.

SYMPTOMS

Sneezing; runny nose; fatigue; cough; fever in rare cases; sore throat; exacerbated asthma.

Scientists cannot easily cultivate human coronaviruses in the laboratory unlike the rhinovirus, which is another cause of the common cold. This makes it difficult to gauge the impact of the coronavirus on national economies and public health. There is no cure, so treatments include self-care and over-the-counter (OTC) medication.

WHAT YOU CAN DO?

- Resting and avoiding overexertion
- Drinking enough water
- Avoiding smoking and smoky areas
- Taking acetaminophen, ibuprofen, or naproxen for pain and fever
- Using a clean humidifier or cool mist vaporizer

A doctor can diagnose the virus responsible by taking a sample of respiratory fluids, such as mucus from the nose, or blood.

TRANSMISSION

Limited research is available on how HCoV spreads from one person to the next. However, researchers believe that the viruses transmit via fluids in the respiratory system, such as mucus. Coronaviruses can spread in the following ways :

CORONAVIRUSES CAN SPREAD IN THE FOLLOWING WAYS

- Coughing and sneezing without covering the mouth can disperse droplets into the air.
- Touching or shaking hands with a person who has the virus can pass the virus between individuals.
- Making contact with a surface or object that has the virus and then touching the nose, eyes, or mouth.
- Some animal coronaviruses, such as feline coronavirus (FCoV), may spread through contact with feces. However, it is unclear whether this also applies to human coronaviruses.



The National Institutes of Health (NIH) suggest that several groups of people have the highest risk of developing complications due to COVID-19. These groups include :

- Young children
- People aged 65 years
- Older women who are pregnant

Coronaviruses will infect most people at some time during their lifetime. Coronaviruses can mutate effectively, which makes them so contagious. To prevent transmission, people should stay at home and rest while symptoms are active. They should also avoid close contact with other people. Covering the mouth and nose with a tissue or handkerchief while coughing or sneezing can also help prevent transmission. It is important to dispose of any tissues after use and maintain hygiene around the home.

MISCELLANEOUS

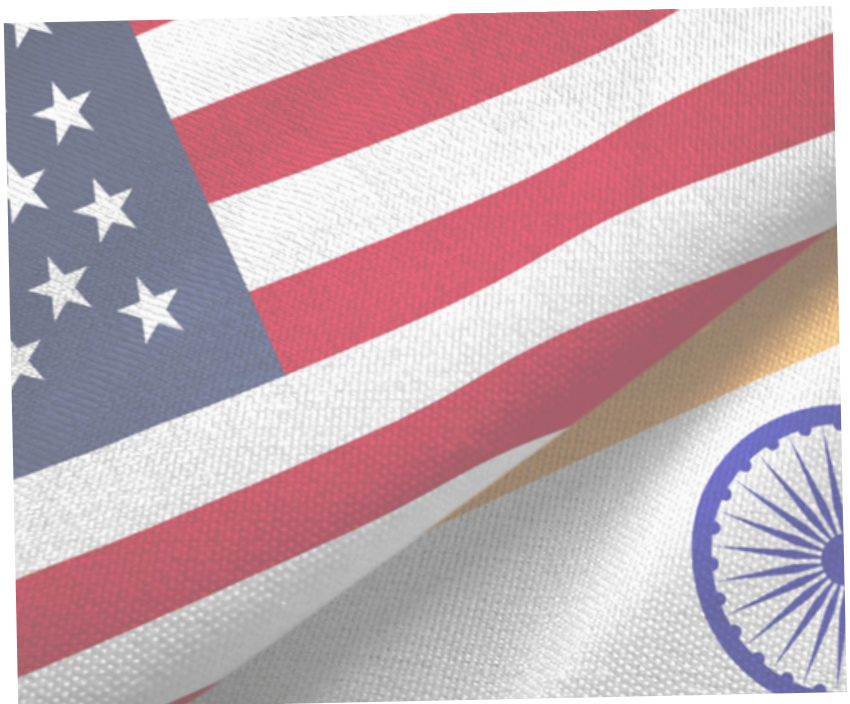
**Tell everyone who
is important to
you how you feel
about them !
You do not ever
want to spend
your days
regretting about
things you never
told them**

WANT TO HELP COUNTRIES EMULATE INDIA MODEL OF TRANSITIONING FROM RECIPIENT TO DONOR : US

Challenged by the coercive Chinese overseas aid, the US has said that it wants to help other countries follow the India model of transitioning from being an aid recipient to a partner and then to a donor. *"Our goal is to help countries move from being recipients to partners, to fellow donors. That's what we want. We want to build that coalition of the willing for the West, for the United States,"* USAID Administrator Mark Green said in his address to the Professional Services Council's 7th Annual Development Conference.

"We want to enhance the ability of countries like India to move from when they received sacks of food from us, to a place where they are now the fifth-largest donor to Afghanistan in financing key development there. Not every country is India. Not every country has advanced that far on their journey," Green said.

Core sector output contracts 5.8% The output of the eight core sectors of the economy fell in October, contracting by a record 5.8 per cent as a broad-based decline gripped almost all industries. Output had contracted by 5.2 per cent in the previous month - September. Cumulative growth of the core sectors till October in the current fiscal year (FY19) stood at only 0.2 per cent, down from 5.4 per cent in the previous year.





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