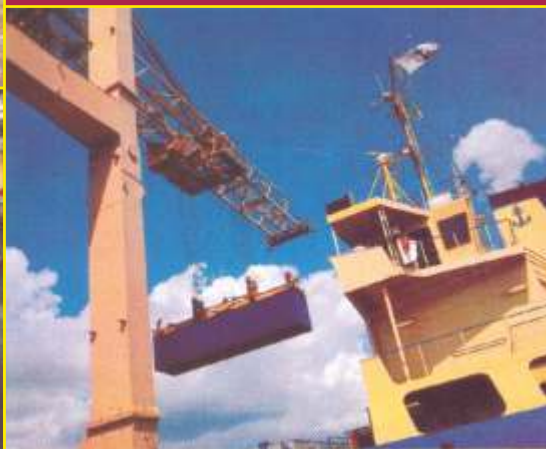
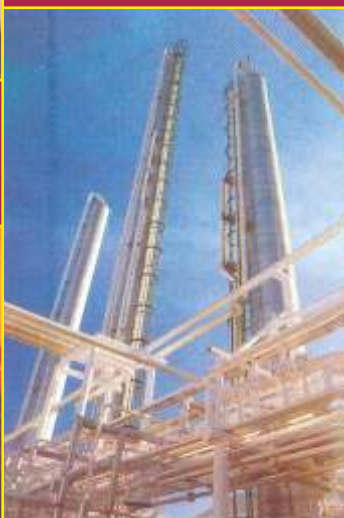
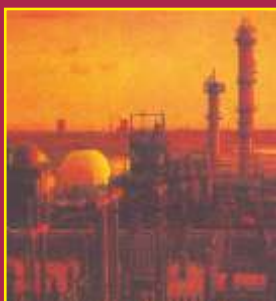




COSIDICI COURIER

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TN targets \$6 bn investment, 150k jobs in EV space in 5 yrs

<http://www.cosidici.com>

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.

FOREWORD

As President of COSIDICI and CMD of the Tamilnadu Industrial Investment Corporation (TIIC) it gives me immense pride that the COSIDICI, 9th National Award Function (NAF) was organized by TIIC at Coimbatore on the 15th of December 2023. This is the first time Tamil Nadu is hosting this event. This event was a trend setter in having a technical session with the central theme of “Embedding Sustainability in MSMEs through Capacity Building and Facilitation”. The focus areas were on sustainability, Industry 4.0 (IR 4.0), and Sustainable Development Goals (SDGs). In the rapidly changing world the concepts of sustainability, climate change, decarbonisation circular economy, IR 4.0, Energy efficiency, ESG have to introduced among the MSMEs. This was showcased by TIIC in the event. Being a National event the knowledge was shared with the MSMEs Pan India. I am confident that the reluctance of the MSMEs to move out of their comfort zones will be minimized and they will onboard the ESG platform for reducing their carbon footprint and adopting circular economy. TIIC has sensitized them over various sessions that “Going Green” and “Adopting Sustainability” in all its dimensions is no longer an option for the MSMEs but a compelling business imperative.

The various emerging trends like Cross Border Adjustment Mechanism (CBAM) of European Unit (EU), Scope Emissions standards, Business Responsibility and Sustainability Reporting (BRSR) code of SEBI were explained to them. It was made very clear that it cannot anymore be “Business as Usual” scenario and if they want to continue to be a part of the Global Supply Chain then they must reduce their carbon footprints by adopting the 3 pronged strategy of deploying Energy efficiency, Renewable Energy and IR 4.0. These measures do not involve huge capital. Low cost home grown appropriate technology solutions are available.

TIIC is one of the first PSUs to have its own ESG and IR 4.0 Cell, operational at its Head Office. This cell is mandated with the job of hand holding the MSMEs in their Sustainability journey. The journey pathways of ESG were shared with the other SFCs. SFCs have to play a catalyst role in onboarding the MSMEs through proper technical and financial guidance. SFCs have to update themselves on a regular basis about the economic, trade and technology changes happening due to climate risk in the VUCA (Volatile, Uncertain, Complex and Ambiguous) world. This will enable the MSMEs to successfully negotiate the trends of CBAM, BRSR of SEBI and SCOPE 1, 2 and 3 standards of

the World Sustainability Council. With this proactive approach, it will be a Win-Win to the MSMEs, the SFCs, the stakeholders and the Nation. For the MSMEs this ESG compliance will help them design their products which is the key to their competitive strategy.



Shri Hans Raj Verma, IAS

The SFCs have a vital role as catalysts to guide the MSMEs in turning the challenges of climate change mitigation into business opportunities and to enable the MSMEs to position their products as Green products on the world stage for competitive advantage. This way the MSMEs which are backbone of India's industrial landscape will continue to remain relevant, contemporary and competitive. This will also enable the SFCs to differentiate themselves from their competitors and enable them to increase their market share with a Lending plus Value Proposition approach.

In this endeavour TIIC, which is India's oldest SFC and which is in its Platinum Jubilee Year (1949-2024) will proactively collaborate to undertake knowledge sharing with the constituents of COSIDICI based on the “Thought Leadership” and “Technological Leadership” models of Tamil Nadu. Collectively all the constituents of COSIDICI and in particular the SFCs can emerge as a strong force for transformative growth. The SLFIs as the Development Financial Institutions (DFIs) are the harbinger of change which has resulted in employment generation and economic activity. The revival of these Growth Engines would bring about the second round of development resulting in faster economic growth which is the need of the hour. COSIDICI, through its Member Corporations is dedicated towards servicing the building blocks of the economy viz. the MSME sector.

In this new era Technology is the language of the Business and Sustainability is the Grammar. I wish all the SFCs and their MSME clients all the very best in their “Sustainability Journey”. As the fundamental strength of India's manufacturing, may they continue to thrive and prosper and contribute at an enhanced scale for their States and for Nation's economic progress and prosperity. They will be main drivers for increasing the share of manufacturing in the GDP to 25%. They will also be the key providers of aspirational and sustainable jobs for the youth and thereby contribute to harnessing of our Demographic Dividend.

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*Shri Hans Raj Verma, IAS, President, COSIDICI and Chairman & Managing Director,
Tamilnadu Industrial Investment Corporation (TIIC), Chennai*



COSIDICI COURIER

JOURNAL OF COUNCIL OF STATE INDUSTRIAL DEVELOPMENT AND
INVESTMENT CORPORATIONS OF INDIA

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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.

LEGAL ISSUES IN GREEN FINANCE NEED TO BE CLEARED UP

* Rajesh Narain Gupta

The green bonds issued by the World Bank in 2008, denominated in Swedish krona (SEK) for a total amount of SEK2.325 billion, in partnership with Scandinavian institutional investors, and having a maturity of six years, is acknowledged as having set the template for sustainable investing globally. The market for such bonds is seen at \$914.4 billion by 2030. This is despite the recent hiccup — issuers sold \$443.72 billion worth of green bonds in 2022, down from \$596.30 billion in 2021, according to data from the Climate Bonds Initiative, a UK-based green-debt tracker. Awareness of green finance (GF) has gained momentum with the proactive steps taken by both the RBI, and Sebi. In April, the RBI issued its circular on green deposits. Renewable energy, waste management, clean transportation, energy efficiency, and afforestation were identified as projects to be funded from such deposits.

Since the beginning of FY23, Sebi has mandated Business Responsibility and Sustainability Reporting (BRSR) for the top 1,000 listed companies by market capitalisation. The disclosures under this would incentivise GF and help lenders to estimate climate-related exposures. The push projecting ESG (environmental, social, and governance) as intangible, but a serious reputational and optics issue has become a big consideration for India Inc in looking for sustainable GF projects.

Yet, there is no taxonomy in place for GF in India. RBI Deputy Governor Shri Rajeshwar Rao said, a GF taxonomy is the need of the hour, as it would enable more precise tracking of financial flows to the sector. This would help design effective policy, regulations and institutional mechanisms directed towards increasing both public and private investments. A system of third-party verification and impact assessment of green credentials is also needed.

As on date, it is a challenge to recognise projects that qualify as green other than in cases when they are financed through bonds listed on the stock exchanges. There is a need to broad-base projects and clearly define the parameters to qualify for GF, even for

small businesses which form an essential part of the supply chain integral to the success of a sustainable project and provides a level-playing field for categories of players.



Another aspect is: will lenders offer cost benefits in the form of lower interest rates for borrowers? This needs to be cleared up, as it would be difficult for such entities to access finance in an organised and structured way. Tax incentives for sustainable projects of a particular size utilizing GF may be considered by the government to boost the idea.

The danger of green-washing is all too real. Stringent regulations are needed to check this abuse — checks and balances must be in place before a project is certified for GF with adequate monitoring and audit processes with appropriate regulations, to act as a deterrent to any potential mischief. Lack of clarity on regulations may deter mature players from participating, and this may become counterproductive.

A robust beginning has been made. Regulators are sensitive and proactive on GF, even as international lenders are pushing its availability. Governments, private agencies with the backing of global players, and consultants are providing services for monitoring, rating, and gap-analysis on ESG compliances by business houses. An organised ecosystem is fast rolling out. This may reduce the gap on concerns like assurance, plurality and green-washing. Green buildings, energy-efficient manufacturing plants, water management, waste management and data centres are ready areas for GF to hook into.

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Courtesy : Business Standard. The author is Managing Partner, SNG & Partners, Advocates and solicitors (India).



STRATEGIES TO BE ADOPTED BY THE SFCS TO ENABLE MSMEs TO TAKE ADVANTAGE OF THE NEW TRENDS AND OPPORTUNITIES OFFERED BY INDUSTRY 4.0

Industry 4.0 is the fourth industrial revolution (IR4) that is changing the way businesses operate. Any person living in this 21st century, should be aware about Industry 4.0. During the COVID 19 pandemic, we saw how digital technologies became an integral part of our life. We have seen digital transactions take the banking space by storm & enhancing massive sector growth for online shopping, online teaching, video conference, virtual exhibition & events. This is just one example of the changing times & the abundant opportunities in store for people willing to embrace technology. The term Industry 4.0 originated in 2011 from a project of German government. IR4 was first introduced officially by Executive Chairman of World Economic Forum, Mr. Klaus Schwab in 2015. There is a famous quote by Mr. Klaus Schwab about this new digital world "The fact that a unit of wealth is created today with much fewer workers compared to 10 or 15 years ago is possible because digital businesses have marginal costs that tend towards zero."

Before deep-diving into fourth Industrial Revolution, let us understand about industrial revolution. Industrial revolution is defined as major changes & transition in manufacturing, industrial process with innovative technologies.

- First, Industrial Revolution started around 1784 with introduction of machines powered by water and steam.
- Second Industrial Revolution happened around 1870 with introduction of electricity, steel, and later, mass production. Internal combustion engines, automobiles, railroads, airplanes were invented during this.
- Third industrial revolution started around 1969 with introduction of electronics, automation, and computers. Factories became more automated and machines are controlled using PLCs. This industrial revolution focused on digital technologies in industrial process.
- Today, we are in fourth industrial revolution driven by the concept of cyber physical system. It connects real world with virtual digital world. IR4 is for connecting machines & systems inside the factory. For example, if one machine

is down and not working, that machine can inform other machine to start automatically without human intervention. It means that machines can think and communicate with each other. Also in IR4, factories



Ms. Divya Udayakumar

are connected with other factories. For example, if one factory is overloaded with its production, it can inform other factory to start production. It can automatically transfer its workload to other factories. In IR4, systems and machines inside the factory can be accessed from remote location with help of different applications and mobile devices. For example, equipment manufacturers can access their equipment from remote location for maintenance and updating software. Tracking of every system is possible with unique identification and internet connectivity. Remote location that are difficult to access can be easily accessed using drones and other remote operated robots. In short, we can define IR4.0 is a new phase of industrial revolution that has introduced intelligent networking of machines and processes for industry with the help of information and communication technology.

Here, I would like to discuss few technologies that are part of Industry 4.0. These are: Internet of Things, Advanced Robotics, Artificial Intelligence, Cloud Computing, Cybersecurity, Additive Manufacturing, Augmented Reality, and Virtual Reality.

MSMEs can maximise their production with minimum human intervention by adopting Industry 4.0. MSME is the backbone of a Country's economy. Small enterprises are the architecture for India's stronger, equitable, economic growth. MSMEs have emerged



as the second largest employment generating sector after agriculture in India. It provides means for achieving sustainable development goals, encourages innovation and provides livelihoods to millions. MSMEs play a key role in developing Indian economy. There are about 6.3 Crore enterprises in India. As of Mar'22, MSME industry's portfolio outstanding was a humongous Rs.22.7 lakh Crore. An increase of 36% over Mar'20 and up 18% from Mar'21. Loans worth Rs.37 lakh Crore was sanctioned to MSMEs in FY'22. This indicates how lending community is actively supporting the resilience & regrowth of the sector. Top 10 States accounts for 90% of origination value in FY'22. Top three States Maharashtra, Tamil Nadu & New Delhi make up 64% of loan originations value in FY'22. (Data from CRIF High Mark, a Credit Bureau).

The MSMEs faces the following challenges that hinders their growth :

- Poor infrastructure
- Low productivity
- Financial / economic issues
- Poor managerial and technical skill

After the COVID 19 pandemic, the world again is fighting with tectonic shifts in economic conditions. The focus should be on the ways where MSMEs can become more resilient to future shocks. Future proofing the MSMEs is future proofing the Nation's economy.

As the primary suppliers of credit, Banks/Financial Institutions play a vital role in the development of the MSMEs and the overall economy. Most important among them are the State Financial Corporations (SFCs). The State Financial Corporations Act was passed in 1951 which empowered all states and union territories to set up State Financial Corporations to meet the need for financial assistance of micro, small and medium scale industries. The primary function of SFCs is to provide financial assistance to industries by way of term loans, discounting of bills etc. SFCs are also functioning for meeting the long term requirements of small and medium scale industries which they need for their fixed assets like land, building, machinery etc. Loans are also provided for setting up of new industrial units/expansion. The schemes operated by SFCs includes various kinds of loans such as composite loans scheme, scheme for women, entrepreneurs, modernization scheme etc. Apart from this another vital function of SFCs is that

they help the entrepreneurs with viable projects for which they lack adequate funds. With its mandated role SFCs can adopt to help MSMEs take advantage of the new trends and opportunities offered by Industry 4.0 in the following ways:

Creating Awareness and Educating the MSMEs:

SFCs can organize workshops and training programs to raise awareness among MSMEs about the benefits of Industry 4.0 and how it can help them improve their operations, increase efficiency, and reduce costs. SFCs can partner with educational institutions for providing specialized training to the MSMEs in Industry 4.0. This can include training on specific technologies such as automation, IoT, or AI, as well as broader concepts like digital transformation and data analytics.

Access to Finance :

SFCs can provide access to affordable finance to help MSMEs along with increased moratorium and loan tenure at minimum interest for upgrading their machinery. Financial support can include loans, grants, or other financing options with favourable terms and conditions to encourage MSMEs to invest in these technologies.

Industrial Visits and TurnKey projects :

Champions units can be selected and sponsored by SFCs in collaboration with corporates for upgrading the knowledge and expertise through industrial visits and in-house training for the MSMEs. SFCs can also support for turnkey projects to automate the machinery which will help them to access new technology. They can help the MSMEs to create networks and platform to connect with each other and the top notch players in the industry. Regional Conclaves can be conducted by SFCs to introduce the MSMEs for the latest technological developments through partnerships.

Regulatory Support :

MSMEs are needed to be guided in getting regulatory approvals. SFCs can step in and proactively hand hold the MSMEs to create a supportive regulatory environment for MSMEs adopting Industry 4.0. As the Units get upgraded data protection and cyber security becomes a challenge for the adopting MSMEs. SFCs can guide them in creating policies and regulations that promote innovation and digital transformation.



Mentoring :

Industry 4.0 is a new concept for the emerging MSMEs and there is lack of talent pool in properly guiding them. Apart from training and educating, SFCs can provide mentoring and coaching services to MSMEs to help them navigate the challenges of digital transformation and adopt new technologies. This can include one-on-one coaching, peer learning networks, or mentorship programs that connect MSMEs with experienced industry professionals. SFCs can create amicable environment where MSMEs can share their views and knowledge base during the mentoring session with the other MSMEs. Such sessions can be conducted on a monthly basis and MSMEs can be reviewed on their progress.

Technology Adoption (Transition Phase) :

SFCs can create Centres of Excellence (CoE) in partnership with academia. These CoEs can be utilized by the MSMEs at affordable price. SFCs should comfort the MSMEs in this transition phase. This can be done by providing technical support in adopting and implementing Industry 4.0 technologies. SFCs can also create a website in which the progress of the MSMEs can be updated and their utilization of the CoE can be viewed. Any latest technology and proposed partnership should be updated in the website to avoid informational friction between the MSMEs.

Business Intelligence Units :

SFCs can create Business Intelligence Units (BIU) and should be abreast of sectoral knowledge of the emerging technologies. Their mandate will be to gather expertise in their allotted sectors. Their expertise should be up to the best benchmark standards in the industry. The same should be utilized in guiding the MSMEs in the right direction.

In the crowded and ultra-competitive market place of the financial institutions, it is incumbent upon SFCs to differentiate itself, in order to be relevant and competitive. This compelling imperative has to be acted upon as soon as possible. Deep domain knowledge in these technologies will be the value proportion of SFCs which will enable us to forge partnership with existing/ potential customers. This partnership will go beyond financing their projects but will also encompass SFC's commitment to guide them "End to End" in Finance, Management, Technology and Resilience. SFC will be expending its energy and effort and will be "Investing in their Success"

and keep the MSMEs – Relevant, Competitive and Contemporary.

This is India's century, the current geo political development like the China plus strategy point to India emerging as the 'Manufacturing Hub' for the world. To make it happen our MSMEs have to be IR4 ready so that they become vital player in the global supply chain for Industrial components systems and subsystems.

SFCs are guided by the clarion call of the Hon'ble Prime Minister for 'Self Reliant India (Atmanirbhar Bharat)'. IR4 will help to achieve it as it also has a huge potential in Defence Manufacturing. India, with its two hostile neighbours, continue to pose both conventional and nonconventional threats. It is very important to have a strong Defence architecture to stop all of these kinds of threats. The Defence sector is very important because it gives the country the tools it needs to protect itself from both inside and outside threats. One important thing to know about the industry is that the Government of India is its only customer. The other customers are from other countries that are friendly. India's Defence sector has gone through a lot of changes because the government wants to improve the country's Defence by making it less reliant on imports. The Indian government has banned the import of hundreds of military subsystems and parts. This has made India's goal of becoming more self-reliant, clearer, set goals for local Defence manufacturers and put the spotlight on the road ahead. This shows how the policy framework is slanted in favor of Defence companies. The government has put in place a number of plans and measures to help the sector grow, which have led to a steady flow of capital and investment opportunities.

With focus on Make in India, India has taken a clear step towards self-reliance and localization in the Defence sector. An important initiative from the government's end is the Positive Indigenisation List. It is a list of Defence needs that will only be met by products made in the country. Shri Sunil Misra, Director General of Society of Indian Defence Manufacturers (SIDM), says that putting out the positive list is a major policy move that shows what the government really wants to do. He also says the combination of India's brainpower, a friendly policy environment, entrepreneurs who are willing to take risks, and a strong manufacturing sector will signal that the private sector will play a major role in the Defence space. If the Indian industry has to rely only



on domestic demand, it won't have much reason to invest in R&D and production facilities.

This is because there won't be any economies of scale and contracts won't be given out very often. This makes it less likely that the industry will get future supply orders and makes it possible that manufacturing capacity won't be used to its fullest. So opening up exports of Defence products was necessary to give private industry in the home country a bigger role in designing, developing, and making Defence products.

Abstract :

This documents the strategies to be adopted by SFCs to enable MSMEs to ride the Industry 4.0 wave (IR4). IR4 in a nutshell is effective adoption of emerging technologies & industrial trends, thereby making machines & the systems smarter by themselves which will contribute to increased productivity, optimised costs & improved profitability. Once the smart manufacturing & industrial unit is setup, the machines will be self-reliant thereupon. However, there is a wide awareness, competency & monetary gap from the industries side to successfully implement IR4. Hence, SFCs with their expertise & financial

support can bridge this void & play a critical role in the seamless implementation of IR4 in the MSME industry. Some of the ways through which SFCs can do this are by spreading awareness, offering monetary support, mentoring and regulatory assistance, setting up business intelligence units & monitoring the progress of the MSMEs. As proclaimed by our Government, finance experts & as acknowledged by global experts, this century is for India to progress & stamp their authority in the global space. Industries being the backbone of the Indian economy will have a crucial contribution to this growth journey. Hence, it is pivotal for the SFCs to aid the MSMEs in riding the IR4 wave.

About the Author :

Ms. Divya Udayakumar is Executive Secretary to the Chairman and Managing Director of Tamil Nadu Industrial Investment Corporation, Chennai. She is closely working with the MSMEs for the past 3 years. She has 10 years of experience in Indian and International Banking Industry and sound knowledge in finance.

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APPOINTMENTS

- Ms. Laya Madduri, IAS has been appointed as Managing Director, Assam Financial Corporation {AFC}, Guwahati vice Shri Palash Barooah, ACS.
- Ms. Manisha Verma, IAS has been appointed as Managing Director, Maharashtra State Financial Corporation {MSFC}, Mumbai vice Ms. Aastha Luthra, IAS.
- Shri Sudhir Kumar Sharma, IAS has been appointed as Managing Director, Rajasthan State Industrial Development & Investment Corporation Ltd. {RIICO}, Jaipur vice Shri Shivprasad M. Nakate, IAS.
- Shri Rajesh K. Meena, IAS has been appointed as Managing Director, Rajasthan Financial Corporation {RFC}, Jaipur vice Shri Shakti Singh Rathore, IAS.
- Shri Ujjwal Kumar Ghosh, IAS has been appointed as Managing Director, Karnataka State Financial Corporation {KSFC}, Bengaluru vice Dr. (Smt.) Ekroop Caur, IAS.

- Shri Rajesh Kumar, IAS has been appointed as Managing Director, Uttar Pradesh Financial Corporation {UPFC}, Kanpur vice Dr. Raj Shekhar, IAS.



- Shri Kekshrievor Kevichusa, IPoS has been appointed as Managing Director, Nagaland Industrial Development Corporation Ltd. {NIDC}, Dimapur vice Shri P. Zuvito Waths Sema.
- Shri Delanee Dexter Nongmalieh has been appointed as Managing Director, Meghalaya Industrial Development Corporation {MIDC}, Meghalaya vice Shri F. Sutnga.

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PROFILE OF MEMBER CORPORATIONS

Andhra Pradesh State Financial Corporation [APSFC]

Andhra Pradesh State Financial Corporation [APSFC] is a state level Development Financial Institution established in 1956 for promoting Small and Medium Scale(SMEs) industries in Andhra Pradesh under the provisions of the State Financial Corporation' (SFC) Act, 1951. The Corporation is scaling new heights of achievements under the able stewardship of Shri N. Gulzar, IAS who is currently the Managing Director.

Scope

Since inception in 1956 APSFC is contributing towards development of micro, small and medium scale industries in the states by providing need based credit in the form of medium / long term loans and is playing a promotional and developmental role and acting as a catalyst for the growth of MSME sector, generation of direct and indirect employment in the state.

The Corporation has a network of 26 branch offices covering both the states i.e. Telangana and Andhra Pradesh. The Government of Andhra Pradesh and SIDBI together hold 99.87% of the shareholding in APSFC.

MSME-MTL Scheme for Working capital & other Business needs

Financial assistance for :

- Meeting the requirement of gap in working capital, to execute special orders and other business needs.
- Acquisition of fixed assets where the capacity of the entity does not exceed 25% over the existing installed capacity.

Practicing Doctors Scheme

To provide financial assistance to Practicing Doctors for:

- acquiring equipment, air conditioners, furniture, fixtures, computers, office equipment, systems, ambulance, car / van, site for clinic etc.,
- undertaking interior decoration, renovation including face lifting of clinic / hospital / nursing

home / diagnostic centre.

Marketing Assistance Scheme

To provide financial assistance for acquiring fixed assets / equipment / construction of buildings for :

- For undertaking various marketing

related activities by Small Scale Enterprises.

- For setting up new show rooms and /or renovation of existing show rooms for marketing predominantly small scale / village / cottage industry products show rooms set up within country or abroad.
- Development of infrastructure like setting up of permanent exhibition centres, industrial parks etc.
- Setting up of facilities for providing marketing support to SSI units.
- Assistance for setting up Super Bazaars for Marketing of SSI & Other Products.

Medium Term Loans To Good Entrepreneurs At Concessional Terms

- To provide financial assistance for meeting the gap in working capital and other business needs including acquisition of fixed assets in nature, commensurate with the size of the enterprise, nature of business, business environment etc., except Real Estate Projects and Trading Concerns.
- The acquisition of fixed assets shall not result in change of capacity of the entity exceeding 25% over the existing installed capacity.

Single Window Scheme

To consider financial assistance to those projects requiring term loan and working capital term loan



Shri N. Gulzar, IAS, M.D.



till such time commercial banks sanction regular working capital limits.

- All Corporations, Companies, Co-operative Societies, LLPs, Firms, Individuals and other Legal Entities.
- Existing units who have availed term loan from the Corporation, having proven track record and could not tie up with any Commercial Banks for working capital requirement are also eligible, subject to the following :
- The existing loan account shall not be in arrears and should not have been rescheduled.
- The borrower should have implemented the scheme and the unit should have commenced regular production.
- The existing units which are already covered under SWS are eligible for additional financial assistance for acquiring fixed assets and / or working capital, provided the total venture outlay (existing and proposed) is within the enhanced ceiling of Rs.500 lakhs.

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QUESTIONS OF CYBERQUIZ - 85

Qn.1 What kind of software is termed “fritterware” ?

- [a] Any software that has excessive capability giving marginal gains in function but seduces people into using it anyway; [b] Software with very thick users manual; [c] Software that is full of bugs; [d] Software that tries to be everything for every type of application.

Qn.2. What is a “brochureware” ?

- [a] The sales brochure of a software product; [b] A planned product existing in brochure only; [c] A product coming with a comprehensive brochure; [d] A product that fails to delivery as has been promised in its sales brochure.



Qn.3. In a software professional's jargon, what is “dogwash” ?

- [a] Writing software for hishe or her own use in a larger software development project; [b] The act of completely removing one O/S in favor of a better one; [c] Adding features to a software to make it look more elegant, often at the expense of more important features; [d] Undertaking a less important project to escape from a more important one.

Qn.4. What are apps-on-tap ?

- [a] A user customizable software application; [b] Mass-customized software; [c] Application programs or other service providers (ASPs); [d] Software which needs frequent upgradation.

Qn.5. VisiCalc, a software product originally produced by Software Arts of the USA, is the first :

- [a] Calculator utility coming with an operating system; [b] Accounting package; [c] Spreadsheet package; [d] Graphic software.

For Answer See Page No.39

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SUCCESS STORIES OF KSIDC ASSISTED UNITS



Kerala Institute of Medical Sciences (KIMS), one of Asia's leading tertiary care hospitals, is a KSIDC funded project which became one of the key health care destinations in Kerala. The 450 bed multi-disciplinary super specialty hospital was started with the objective of providing world class healthcare services and specialised medical facilities at affordable costs



The hospital is one of the leading multi-specialty hospitals in Kerala offering the most comprehensive healthcare services. It is recognised as a leader in medical education, groundbreaking research and innovative, patient-centric clinical care. A KSIDC funded project, today the hospital caters to patients worldwide, providing emergency, primary and specialty care in virtually every field of medicine. A public limited company incorporated in 1996 with the equity participation of KSIDC, Lakeshore was recently taken over by the Middle East based VPS Group.

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LETTER TO THE EDITOR

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 co-ordinating the State Level Financial Institutions {SLFIs} 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. The COSIDICI has been publishing a Journal "COSIDICI COURIER" since 1978 for accomplishing its objective. The news items published are very informative and the success stories of assisted units of State Level Financial Institutions {SLFIs} are very inspiring. The Journal contains comprehensive information regarding various developmental schemes of State Government as well as Government of India. The, Annual COSIDICI National Awards instituted by this Council for encouraging the "Outstanding Entrepreneurs" is a laudable activity.



Shri Vikram Jeet

My sincere complements and good wishes to the 'Team COSIDICI'.

With best regards

Sincerely

(VIKRAM JEET)

Manager (Project),
Himachal Pradesh State Industrial
Development Corporation Ltd. {HPSIDC}
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DO YOU KNOW ! USES OF GREEN TEA

Green Tea Packs a Nutritional Punch

Green Tea contains caffeine, a type of alkaloid, which can have stimulating effects on the nervous system. Amino acids, such as L-theanine, which may help increase mental focus. Fluoride, a mineral that helps strengthen tooth enamel. Unlike other types of tea, green tea contains high levels of compounds called catechins. The most notable catechin is epigallocatechin-3-gallate (EGCG).

The caffeine in green tea may help suppress appetite and speed calorie burning through a process called thermogenesis, suggests one such study.

Drinking too much caffeine can give you the jitters and affect your sleep, but the stimulant can also help keep you regular. If you're sensitive to the volume of caffeine in coffee, try green tea instead. It, too, has caffeine but less than coffee. According to the Mayo Clinic, 8 oz of caffeinated brewed coffee contains between 95 and 165 mg of caffeine, whereas 8 oz of brewed green tea contains between 25 and 29 mg of caffeine. Green tea helps in decreasing inflammation.

People with type 2 diabetes have high blood sugar (hyperglycemia) due to a condition called insulin resistance, where the cells, muscles, and liver cannot effectively absorb glucose to energize the body. Poorly managed diabetes can increase the risk of complications such as heart disease, neuropathy (nerve damage), amputations, and eye problems, according to the American Diabetes Association.

But when part of a healthy type 2 diabetes diet, green tea may help reduce insulin resistance, according to a study published in September 2014 in the Iranian Journal of Medical Sciences. In the study, participants who consumed 150 milliliters of green or sour tea three times per day for four weeks saw positive results.

One of the most popular features of green tea, according to the NCCIH, is mental alertness. This short-term effect is linked to green tea's caffeine



content. Caffeine itself is a stimulant to the central nervous system, which can cause issues when consumed in large amounts. But the low caffeine content in green tea is just enough to wake you up without causing the anxiety and jitters associated with higher-caffeine products, such as coffee.

Along with green tea's cholesterol-lowering properties, the NCCIH notes that the tea may also lower high blood pressure. In turn, this can lead to better heart health, according to the National Heart, Lung, and Blood Institute. Similar effects may be seen with black tea, too. If you're currently taking blood pressure medications, such as beta-blockers, drink green tea in moderation. Large amounts of green tea, especially in supplemental form, may interact with these types of medications, according to the NCCIH.

Having a cup of green tea may help reduce the symptoms of anxiety-related disorders such as generalized anxiety, obsessive-compulsive disorder, and social anxiety disorder. A review published in October 2017 in Phytomedicine cites research that suggests caffeine and the amino acid L-theanine work together to lower anxiety and influence other brain functions, including memory and attention

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ACTIVITIES OF COSIDICI

Technical Session :

COSIDICI in collaboration with TIIC had organised the National Award function at Coimbatore on 15th December, 2023. This was preceded by a Technical session on ***“Embedding Sustainability in MSMEs through Capacity Building and Facilitation”*** which was organised by TIIC at Coimbatore on 15th December, 2023 in the morning to enable MSMEs to become a part of the global supply chain. The focus was on achieving Sustainable Development Goals (SDGs) by the sector as the need of the hour is not only economic growth but growth with environmental justice discussion emphasises upon both aspects of doing business – Accountability towards the planet and its people as well as their responsibility towards the future as they are both stakeholders in the future. The speakers were unanimous in their opinion that meeting sustainable development goals will enable the country to be successful in its quest for economic growth and inclusive prosperity.

A presentation on behalf of Centre for Sustainability (SusPoT) was given by its Founder, Mr. Mitavachan Hiremath. He said the real change always starts from inside-out, and only the organizations built on core sustainability principles can bring about a genuine transformation in the society.

Panel discussion was conducted by Mr. Murali Sivaperumal, Head of supply Chain ZF Group and Mr. Thirumurthy, Technical Advisor, Indian Wind Turbine Manufacturers Association (IWTMA). Established in 1998, IWTMA is the apex association for manufacturers of equipment for Wind Energy industry. It has helped in making policy frame work with Central and State government policy makers, investors and stakeholders. By 2032 over half of India's power generation is expected to be from renewable resources. The wind power industry is expected to contribute about 120-140 GW of renewable energy thereby contributing to the Nation's transition to an eco-friendly and sustainable energy mix.

The Southern India Engineering Manufacturer's Association (SIEMA) was founded in the year 1952 to represent and protect the interests of Micro, Small, Medium and Large Scale Engineering Industries. The discourse by Mr. Ma. Sendhikumar, Vice President, SIEMA, Coimbatore was a learning experience.



Mr. S. Gnanasekaran, M.D., & Mr. M. Murugesan, Director DMeX Solutions Pvt. Ltd. gave a presentation on the technical solutions provided by his company for the MSME Entrepreneurs. The product helps the organization at employee level to increase their capacity and productivity with excellence in what they do. The solution is beyond ERP towards Industry 4.0

According to the special address by the representatives of UNDP viz. Mr. Alagappan Ramanathan and Mr. Balasubramanian Munuswamy UNDP's mandate from United Nations and Niti Ayog is to support the states for implementing their SDG VISION 2030 by establishing and running SDG Coordination Centres.

The technical session was followed by the National Award Function in the evening at Coimbatore wherein the following 51 awardees were felicitated.

Executive Committee Meeting

The Executive Committee Meeting of COSIDICI was held at Coimbatore on 16th December, 2023. The details of the discussions are as under :





Financial Restructuring & Revitalisation of SFCs :

The Members held meaningful discussions on the subject and unanimously agreed the SFCs had to remodel and reinvent themselves by identifying their strengths and weaknesses to adapt to the changing economic environment. In this connection, Shri B. S. Pai Angle, MD, EDC Ltd., Goa informed the Executive Committee that interaction at COSIDICI meetings had led him to analyze the performance of EDC. He had interacted with TIIC, APSFC, AFC and realized the Corporation has to work out a business model to reinvent itself. The lessons learnt therein were adapted which has today resulted in net worth of EDC Ltd. increasing from Rs.20 crore to Rs.750 crore. As the net worth and financials improved the employees were rewarded accordingly resulting in better performance. He said ten years ago the Executive Committee at one of its meetings had decided to have award function to showcase the strength and achievements of the Corporations. Till date 9 award functions have been held. These have helped the Corporations to showcase their strength in their respective states.

The members felt that the SFCs have been providing multi layered assistance like hand holding the entrepreneurs and helping them with technology and marketing. With a view to provide a bouquet of services and enhance its market share of funding to the MSMEs TIIC launched its Total Cost of Ownership (TCO) campaign wherein it provides technical knowhow, marketing strategies, environmental norms compliance procedures enabling the units to achieve sustainability goals, financial assistance in sourcing skilled and non-skilled labour and to get electricity connection etc. TIIC's assets under management (AUM) increased by Rs.1000 crore last year. Besides the assisted units TIIC is focusing on new units. Many units are approaching TIIC because they are interested in being a part of the sustainability platform as attaining ESG goals provides the units with cheaper funds. To achieve this the entrepreneurs need a trusted partner. TIIC is handholding and helping the units in their journey towards following the ESG norms. TIIC links the units with a suitable vendor and contractor. Such a journey requires the officers to have technical knowledge. TIIC is, therefore, developing an in-house team by giving the requisite training to its manpower. The Executive Committee Resolved that :

“SFCs should equip themselves to help the industry

to follow the ESG norms. This would enable the companies to source low cost funds and thus make them independent and more efficient.”

With a view to avoid NPAs, KFC is following certain procedures viz. taking FDs as collateral security; opening of ESCROW accounts in the bank so that funds are routed through this account and, therefore, help in recovery; and CIBIL score of entrepreneurs is atleast 650 etc. Analysis of GST returns and Income Tax returns helps KFC to give loans to good units. It has Virtual accounts for direct payment to vendors. KFC employs only 200 people as it has used technology for all its operations. Such measures have enabled KFC to have a good portfolio of 'Standard Assets'. KFC sources money from many banks @ 8.75%. The lending rate of interest is 9% to 13% depending upon customer rating. As per SEBI guidelines when a portfolio of a company crosses Rs.500 crore then 25% holding should be from bond market. KFC has, therefore, sourced money by floating bonds too. At least 35% of its lending is to the MSME sector. It is the Nodal Agency for the Chief Minister Entrepreneurship Development Scheme under which the entrepreneurs contribute 5% of equity and the state government gives a subsidy of 3%. Shri N. Rajendra Reddy, AGM, APSFC agreed and informed the Executive Committee that APSFC is also adhering to stringent norms while carrying out project analysis. This has helped APSFC to have a very good standard loan portfolio and the Corporation is on the road to becoming a debt free company.

Ms. Laya Madduri, IAS, Managing Director, AFC appreciated the good work being done by the TIIC, EDC Ltd., KFC etc. She informed the Executive Committee that the authorized share capital of AFC is 150 crore. The Government of Assam has recently announced Self-Employment Scheme to promote entrepreneurship. AFC would like to be the implementing agency of the scheme as it would lead to value addition in the services being provided by the Corporation. AFC is also doing One Time Settlement to bring down its NPAs. Ms. Madduri felt structural reforms in the working of the Corporation would enable it to provide value added services to attract better units. AFC was advised to explore funding of state PSUs. Many of the Corporations viz. TIIC, EDC Goa have done it successfully. It enables the Corporations to have a good balance of risky, safe and challenging finance portfolio. The members agreed diversification helps in risk mitigation. All the banks follow the same principles. The employees need to follow the risk management guidelines set by



the RBI as the capability of an organisation depends upon it. Also the corporations need to develop their own mechanisms for checks and balances. The Executive committee was informed that SLFIs find it easier to get loan from smaller banks. When these banks get a good return then bigger banks are also ready to give funds to the SLFIs thus opening up avenues for cheaper funds.

The Executive Committee was informed KSFC has assets under management (AUM) of Rs.2,000 crore. KSFC had received budgetary support from the state government of Karnataka in addition to the interest subsidy of upto 10 per cent for the loans to the MSME sector. KSFC had a tie up with Social Welfare Department for providing interest subvention for its scheme for SC/ST entrepreneurs for reimbursement upto Rs.10 crore. The Corporation had a tie up with the Ministry of Industry and Commerce to reimburse interest subvention for MSMEs upto Rs. 5 crore. KSFC had collaborated with Women & Child Development Ministry to give subsidy for its women entrepreneurs on a year to year basis. The Corporation's lending rate of 7.5% p.a. is, therefore, quite low. KSFC is the only agency to have direct connection with MSMEs and all the MSME associations in Karnataka. The members felt the Corporation can showcase this strength and differentiate from banks for attracting good MSMEs. The members felt the Regional Rural Banks (RRBs) have gained by consolidation. Similarly NEDFI is working on consolidated strength in the North East. The SFCs may study the working of these institutions for consolidation and thus strengthening themselves.

The members felt the SLFIs could venture into lending to the microfinance sector in rural areas for exploring the opportunities. KSFC lent Rs.30 crore last year and AFC Rs.10 crore for micro finance. The Executive Committee was informed SBI, SIDBI, PNB have very low cost funds from World Bank for green projects. The SFCs can explore becoming partners for this fund as the only condition is to channelise funds for green projects e.g. rooftop solar panels, energy efficiency, bio mass energy generation etc. The State governments have different schemes to promote entrepreneurship in their respective states for which the SFCs have become the implementing agencies e.g. the state of Goa gives employment subsidy. Since April, 2023, 2% more subsidy is given if the unit employs more than 20 locals.

As per section 25 of the NABARD Act the Bank is allowed to finance a commercial entity. The power

to decide the entity is with the Board of NABARD. The MSMEs based in rural and backward areas especially in agriculture, dairy, animal husbandry and social forestry can benefit if low cost funds from NABARD are made available to them. The Executive Committee, therefore Resolved that :

"The SFCs may meet Chairman, NABARD to request for making the SFCs channel partners in their respective states for giving loans to agro industry, fisheries etc. in rural and backward areas for MSME sector".

The SLFIs need to take up the business of both infrastructure building as well as financing of MSMEs. In addition, access to low cost funds would make the SLFIs financially strong. The U.K. Sinha Committee appointed by the RBI in the year 2020 to study the problems faced by the MSMEs had stated the States need to reconsider programming of financial resources to the SFCs and had recommended a review of the State Financial Corporations Act, 1951 for enhancing the role of the States so that more operational freedom be given to SFCs. The Executive Committee Resolved that :

"The SFCs may write through their respective State Governments to the Government of India to take up the matter of Amendments to the SFCs Act 1951 to strengthen them and enable them to fulfill their role of providing adequate and timely credit to the MSME Sector."

Activities of State Industrial and Infrastructure Development Corporations {SIIDCs}

The Executive Committee was informed many of the SLFIs have collaborated with Rural Self Employment Training Institutes (RSETI) run by Ministry of Rural Development to train the youth to start new enterprises in rural tourism, homestay etc. leading to self-employment as well as job creation at rural level. Some SLFIs have ventured into financing of SHG clusters and it has shown very good results. The NPAs of SHGs are minimal and lead to quick circulation of resources.

HPSIDC develops land banks which is a profitable business. HPSIDC has developed an industrial area at Baddi which covers an area of approx. 160 acres. Another Industrial Estate at Davni (near Baddi) – with an area of approx. 601.14 bighas with a capital outlay of Rs.61.50 crores has also been developed by the Corporation. Both the infrastructure projects have



been financed with own funds by the Corporation. The Corporation is also an implementing agency of the state government for Central Governments projects and pays dividend to the government. Another function of HPSIDC is to market steel and bitumen.

COSIDICI National Award Function for the Successful Units Financed by SLFIs:

The Executive Committee was happy to note the good response to the 9th COSIDICI National Awards Function 2023 held at Coimbatore (Tamilnadu) wherein 51 Outstanding Entrepreneurs who had been funded by various member corporations were felicitated. The Executive Committee appreciated the function as well as the warm hospitality extended to all the members of COSIDICI as well as the awardees by Shri Hans Raj Verma, IAS, CMD, TIIC and his team. The members felt the COSIDICI National Award Function, 2023 had been successful in its twin objectives of felicitating and motivating successful entrepreneurs and of giving visibility to the contribution made by the SLFIs towards the industrialisation and economic progress of the country. The awardees expressed their appreciation for the help given by the SLFIs in not only providing adequate and timely finance but also with the hand holding provided by their officers in marketing, providing technological knowhow and in seeing a project through.

The Executive Committee decided to hold COSIDICI's 10th National Awards Function in Assam in the year 2024. Ms. Laya Madduri, IAS, Secretary to Government of Assam & M.D., AFC, offered to hold the same in Assam. COSIDICI was requested to formulate the criteria for nominations and send them in June/July, 2024 to Member Corporations, so as to give them sufficient time to select the Awardees.

Essay Writing Competition, 2023:

The Executive Committee appreciated the initiative of COSIDICI for holding an 'Essay Writing competition 2023' on the topic "Strategies to be adopted by the SFCs to enable MSMEs to take Advantage of the new trends and opportunities offered by Industry 4.0" and felt it had been successful in its objective of imparting a sense of participation among the Member Corporations. Ms. Divya Udayakumar, Executive Secretary, TIIC was awarded the prize of Rs.5,000/- for Essay Writing Competition 2023 and a Certificate alongwith Trophy were handed over to her during COSIDICI National Award Function, 2023 by the distinguished dignitaries.

Interaction between Officers of Member Corporations :

The Executive Committee appreciated the efforts of COSIDICI to organize a "Study Tour" of TIIC Chennai for Shri Ajay Kumar Sharma, JKAS, Managing Director, JKLFC from 11th September to 15th September, 2023 to study the operations of TIIC as well as the best practices followed by the Corporation.

Shri Sharma had an extensive session with the CMD, TIIC who had provided a visionary approach for developing competitive advantage for the future. Shri Sharma visited branch offices of TIIC wherein he was apprised about the working model of the Corporation. He also had an interaction with local industrial association and chamber to learn about the ground reality and practical aspects of running the industry. A video conference meeting was also organized with the Administrative Secretary Industries & Commerce of Jammu & Kashmir and Jammu Industrial & Chamber association.

The Executive Committee felt since the officers of the SLFIs work at ground level they need to interact to provide continuity to the organisation. Such an interaction will be a learning experience for the officers and prepare them to face the challenges thrown by the changing economic scenario thus enabling these institutions to survive and contribute towards inclusive development. The members felt the interaction could be organised alongwith an industrial exhibition. It would be a knowledge building exercise as good management; good manpower and good infrastructure are important for a strong and stable organisation. Interaction and experience provide a learning tool which lead to the success of an organisation. As COSIDICI is an excellent forum to share experiences and learn from each other the Executive Committee Resolved that :

"an annual interaction of 2 days of atleast 2-3 officers may be organised at the headquarters of one of the Corporations. One officer of a Corporation would make a presentation of one hour which may be followed by Group Discussion"

Shri Premnath Ravindranath, Executive Director, KFC offered to hold the interactive session in Kerala during April- May, 2024.

Other matter with the Permission of the Chair :

An organisation is said to be ESG compliant if it meets all the criteria of environmental, social, and



governance standards. The ESG funds invest in shares of companies which are genuinely ESG compliant. Companies that are strictly following all the steps to protect the ecosystem around its factories and outlets are more sustainable and secure as role models. Factors such as regulatory requirements have played a significant role in pushing the companies to be ESG compliant. Foreign investors are also more interested in the companies that are sustainable and ESG compliant. Being ESG compliant enhances credibility enabling a unit to attract investors.

In this connection, a presentation was given by Mr. S. Gnanasekaran, M.D., DMeX Solutions Pvt. Ltd. Coimbatore. DMeX works on being strategic partner in achieving digital manufacturing excellence for any unit. The focus is on understanding machine shop business needs and delivering technology-driven simple solutions that propel the machine shop towards success. The system is designed to enhance workflow and contribute to the success of the unit. The streamlined digital approach offers solutions which control operations, boost team efficiency, refines workflows, enhances human capital capacity and Information transparency for better decisions, thus leading to success of machine shop paving the way for a sustainable future.

Another presentation was given by Shri V.P. Sivakumar, Sr. Project Officer, ITCOT Limited, a deemed Government Company founded in 1979 as a joint venture of All India Financial Institutions, State Financial & Industrial Development Corporations & Commercial Banks to offer project and business consultancy services to Entrepreneurs, Banks & Financial Institutions, PSUs, Government departments, Corporates, MSMEs, Start-ups, etc. ITCOT prepares Techno Economic Viability Reports, Asset/Business Valuation, provides know how for

Cluster Development as well as Statutory Approvals & Compliance Consulting etc. ITCOT has so far provided consultancy support for 20 Infrastructure projects developed by SIPCOT; TANSIDCO; TIDCO, ELCOT and such other agencies.

ITCOT provides end-to-end services in renewable energy projects like wind, solar, hydro, biomass, waste to energy etc. The agency has been appointed by Ministry of MSME, GoI as Technical Agency for the development of clusters under Scheme of Fund for Regeneration of Traditional Industries (SFURTI).

ITCOT has partnered with Proctor Gallagher Institute (PGI), USA for providing training in Corporate Leadership & Peak performance for entrepreneurs, MSMEs, Corporates and Government agencies in achieving quantum leap in productivity improvement.

The members agreed the SLFIs should make their units aware of the need for following Sustainable Development Goals and agencies like DMeX, ITCOT would help in this journey of becoming industry 4.0 compliant. They thanked CMD, TIIC for arranging the above interaction.

The members appreciated the work of COSIDICI and felt it was a very useful forum to promote, protect and develop common interests of the Member Corporations. The Executive Committee further Resolved :

“To record its deep appreciation and gratitude to Shri Hans Raj Verma, IAS, Tamilnadu Industrial Investment Corporation (TIIC) for the warm hospitality and excellent arrangements made for the Technical Session, National Award Function 2023 and the Executive Committee Meeting held at Coimbatore on 15th & 16th December, 2023 respectively.”

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*“The pessimist sees difficulty in every opportunity.
The optimist sees opportunity in every difficulty.” –
Winston Churchill*



**TIIC in collaboration with COSIDICI presents National Award Function – 2023 for
“Outstanding Entrepreneurs” Funded By State Level Financial Institutions
{On December 15, 2023 at 5:30 pm “SITRA Auditorium”, Coimbatore (Tamilnadu) }**



Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Excel Power Engineering



Smt. Golla Divya

Smt. Golla Divya, established a partnership firm M/s Excel Power Engineering with financial assistance of Rs.122.00 lakhs from APSFC in the year 2021. The unit manufactures 132 KV Electrical isolators and spares up to 400 KV which find its application in electrical substations, fabrication of steel structures tailored to the unique requirements of the client and is renowned for timely and satisfactory delivery of orders. The unit is focusing on Research and Development to leverage the latest technology advancements for higher KV isolators and better quality and production to achieve the future target of exporting across the globe. Smt. Golla Divya is getting the “Best Women Entrepreneur” award.



Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Coastal Drugs



*Shri Chennareddy
Srinivasa Rao*

Shri Chennareddy Srinivasa Rao started a partnership firm M/s Coastal Drugs in the FY 2020 with financial assistance of Rs.800.00 Lakhs from APSFC. The unit manufactures Active Pharmaceutical Ingredients and Drug Intermediates at APIIC Industrial Park, Andhra Pradesh. It commenced commercial operations during January 2022 and has obtained ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 certification and employs more than 100 people. Sri Chennareddy Srinivasa Rao is being given the “Best First Generation Entrepreneur” award.



Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Pranathi Packaging



Shri H. Reddeppa

Shri H. Reddeppa established M/s Pranathi Packaging with financial assistance of Rs.60 lakh from APSFC. The unit started its operations in 2023 and manufactures Corrugated Paper boxes for use in the Super markets/Malls. The unit provides employment to 20 workers and is currently focused on local market in and around Chittoor. Shri H. Reddeppa is being awarded as the “Best First Generation Entrepreneur”.



Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Mercury Pack and Paper Products LLP



Shri Kothandaraman Kannan

M/s Mercury Pack and Paper Products LLP is a partnership firm established by Shri Kothandaraman Kannan with financial assistance of Rs.745 lakh from APSFC in the year 2021 at Tirupati. The unit manufactures Corrugated boxes used in packing materials like food products, electrical items, accessories etc. The unit provides employment to 100 workers. Shri Kothandaraman Kannan is being awarded the “Best First Generation Entrepreneur”.





Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s SKML Plastic Manufacturing Industries



Shri Telu Mohan Kumar

Shri Telu Mohan Kumar, established M/s SKML Plastic Manufacturing Industries with financial assistance of Rs.33 lacs from APSFC in the year 2020. The unit manufactures co-extruded polythene film which finds extensive use in the manufacture of pouches for packaging of edible consumer products like bakery food items, chips etc. The unit started its operations in the year 2022 catering to the growing demand of PP covers in Indian market i.e. from the super markets/malls, pharma industries and other packaging industries and is known for the quality of its products and making delivery of material in record time. Shri Telu Mohan Kumar, is getting the “Best First Generation Entrepreneur” award.



Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Varasi Packing Industry



Shri Kondreddy Vamsi
Krishna Reddy

M/s Varasi Packing Industry is a Partnership firm established by Shri Kondreddy Vamsi Krishna Reddy with financial assistance of Rs.125.00 lakhs from APSFC in the year 2023. The unit manufactures corrugated boxes in YSR District and employs 30 people. M/s.Varasi Packing Industry has achieved a unique name in the market for delivery of goods in record time maintaining quality standards. Shri Kondreddy Vamsi Krishna Reddy, is being awarded as the “Best First Generation Entrepreneur”.



Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Sri Ganga Stone Exports



Shri Gogineni Nagaiah

Shri Gogineni Nagaiah established M/s Sri Ganga Stone Exports with financial assistance of Rs.800 lakhs from APSFC in the year 2021 for Granite Slab Processing. Granite slabs are used in construction activity for flooring, elevation and paneling due to its inherent qualities of strength, long life, elegance, easy maintenance etc. The unit is running on profitable lines and has provided employment to 45 workers. Shri Gogineni Nagaiah is getting the “Best Entrepreneur” award.



Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Swathisri Plastic Industries (India) Pvt. Ltd.



Shri Ram Mohan Kavarthapu

M/s. Swathisri Plastic Industries (India) Pvt. Ltd., was established by Shri Ram Mohan Kavarthapu with financial assistance of Rs.400 lakhs from APSFC in the year 2017. The unit started production of HDPF Pipes with ISI mark in 2018 and is catering to the growing demand of PVC Pipes ranging from 20 mm to 200 mm and running on profitable lines. It employs 40 persons. The unit markets its products under the name “Swathi Pipes” and is known for its timely delivery and quality standards. Shri Ram Mohan Kavarthapu is being awarded the “Best Entrepreneur” award.



Assam Financial Corporation {AFC}, Guwahati

M/s R.B. Enclave



Shri Rajnish Saikia Smt. Lakhima Das

M/s R.B Enclave, is a CRE cum Hotel project established in the year 2019 at Mangaldai, Assam by Shri Rajnish Saikia and Smt. Lakhima Das. They are first generation entrepreneurs who availed financial assistance of Rs.91.00 Lacs from AFC. The project is committed to sustainable development goals by using eco-friendly consumables to maintain cleanliness, hygiene as well as to control waste management. The hotel is running successfully since inception. Shri Rajnish Saikia and Smt. Lakhima Das are being awarded under the “Best First Generation Entrepreneur” category.

Assam Financial Corporation {AFC}, Guwahati

M/s Sunrise Beverage



Shri Mukesh Kumar Todi

M/s Sunrise Beverage promoted by Shri Mukesh Kumar Todi and Shri Niraj Bhartia is successfully manufacturing packaged drinking water bottles & jars of various capacities. They took financial assistance from AFC in 2014 and provide employment to a large number of people in Upper Assam. The unit is equipped towards ensuring safe drinking water by focusing on sustainable management of water resources, wastewater and ecosystems, and acknowledging the importance of an enabling environment. Shri Mukesh Kumar Todi and Shri Niraj Bhartia are being conferred with the “Best Entrepreneur” award.

Assam Financial Corporation {AFC}, Guwahati

M/s Kuhi Bakery



Smt. Renu Mahanta

Smt. Renu Mahanta, a first generation young woman entrepreneur of Assam set up M/s Kuhi Bakery for production of Assamese traditional cuisine in the year 2012 by taking financial assistance from AFC. The Bakery is manufacturing environment friendly products produced mainly from different varieties of local rice such joha, black rice, organic foods etc. which are beneficial for health. The unit is engaged in utilizing eco-friendly paper based materials both for packing, serving and delivery of their products. Smt. Renu Mahanta is being given the “Best Woman Entrepreneur” award.

Assam Financial Corporation {AFC}, Guwahati

M/s River King City Palace



Shri Diganta Baruah

M/s River King City Palace is a star category guest house project ideally located on a hillock with beautiful views of the mighty river Brahmaputra. It is promoted by Shri Diganta Baruah with financial assistance from AFC. He is also running a well furnished tourist resort at Bagori, near Kaziranga National Park since 2013 which attracts a large no of tourists due to its good service. The hotel is committed to green best practices for waste reduction, energy conservation, water conservation, promoting ecotourism etc. Shri Baruah is proposing to set up green infrastructure like solar panel installations, energy star-rated heating & cooling systems, geothermal cooling towers, water recovery & recycling systems, rain water harvesting etc. He is being awarded for “Best Unit in Service industries”.



Shri Abhijit Tambe

EDC Ltd. Panaji, Goa
M/s EME Automation

M/s EME Automation was established by Shri Abhijit Tambe, with financial assistance from EDC. Ltd, Goa. EME Automation has an electronic design and manufacturing facility for industrial controllers. The manufacturing facility has capability for surface mount technology and through hole assembly. The firm has also invested in various inspection systems to reduce process defects. The design team has engineering expertise for circuit design, programming and product design. Shri Abhijit Tambe is being conferred with the “Best Entrepreneur” award.



Shri Shailendra P. Veluskar

EDC Ltd. Panaji, Goa
M/s Kris Manufacturing Co.

M/s Kris Manufacturing Co. was established by Shri Shailendra P. Veluskar with financial assistance from EDC Ltd., Goa. It manufactures UPVC rain water gutter in Goa. Its innovative design has given the firm an edge in the market. It has distribution network at pan India level and plans to provide entire rain water harvesting system at domestic as well as commercial level. The unit employs 45 persons. Shri Shailendra Veluskar is getting the “Best Entrepreneur” award.



Smt. Asha Nagesh Shirwant

EDC Ltd. Panaji, Goa
M/s Sonish Equi Chem Industries

M/s Sonish Equi Chem Industries was promoted by Smt. Asha Nagesh Shirwant and is located in Madkai Industrial Estate Goa. Smt. Asha has more than 30 years of experience which has helped the firm to have a sterling reputation as a reliable provider of manufacturing expertise in high-value process equipment, coupled with an unwavering commitment to quality service. The unit specialises in the production of pressure vessels, heat exchangers and chemical reactors. With a focus on precision and excellence, the company caters to the domestic market as well as global markets. Smt. Asha Nagesh Shirwant is getting the “Best Woman Entrepreneur Award”.



EDC Ltd. Panaji, Goa
M/s R.B.S. Candiaparc

M/s R.B.S. Candiaparc was promoted by Shri Guruprasad A. Khandeparkar with financial assistance from EDC Ltd., Goa. The Unit is located in Pissurlem industrial estate a backward area in North Goa. It manufactures precast concrete products like pavers, blocks, covers, kerbs using dry mix technology, wet mix technology & table mould products of various designs. The final surface is shot blasted to achieve required weathering effect to enhance performance in heavy rainfall across Goa. These products are also used for landscape of bungalows, housing society, industries and institutional & general landscape areas. Shri Guruprasad Khadeparkar is being conferred with the “Best Entrepreneur Award”.





EDC Ltd. Panaji, Goa
M/s Goodwill Enterprises



Shri Vishnu Waman Kelekar

Shri Vishnu Waman Kelekar established M/s Goodwill Enterprises with financial assistance from EDC Ltd., Goa. The unit is engaged in filling and packing of epoxy based adhesive products exclusively for Pidilite Industries under brand name "Araldite". The total production capacity is 16 Lakh Tube packs and 2.2 Lakh containers packs per month. The unit is ISO 9001:2015 certified. Shri Vishnu Waman Kelekar is getting the "Best Entrepreneur" award.



Himachal Pradesh State Industrial Development Corp. {HPSIDC}, Shimla
M/s Heritor Hills Hotel



Shri Navyug Awasthi

M/s Heritor Hills Hotel was established by Shri Navyug Awasthi, in Palampur (HP) with financial assistance from HPSIDC. The hotel is situated in very picturesque surroundings and has 22 super deluxe rooms plus 8 deluxe rooms with modern facilities and amenities. Shri Navyug Awasthi is being awarded for "Best unit in Service Industry" category.



PIPDIC, Puducherry
M/s Royal Roja Footwear

M/s Royal Roja Footwear was established by Smt. I. Badraounissa in Industrial Growth Centre, Puducherry. Smt. I. Badraounissa is receiving the "Best First woman Entrepreneur" award.



PIPDIC, Puducherry
M/s Chendur Steel Industry



Smt. Prasanna Devi D

M/s Chendur Steel Industry was established by Smt. Prasanna Devi D proprietorship firm in Industrial Growth Centre, Polagam, Karaikal. The unit is involved in Nail manufacturing. All sizes of quality nails as per the customer and client requirement are produced. The unit envisages establishing a plant for the production of nails with a capacity of 36 tons per annum. Smt. Prasanna Devi D is receiving the "Best First Generation Entrepreneur" award.





PIPDIC, Puducherry
M/s TSV Hotel



M/s TSV Hotel was established by Shri Thangarasu, in Puducherry. Shri Thangarasu is being awarded for “Best unit in Service Industry” category.



PIPDIC, Puducherry
M/s Nector Exports Private Limited



Shri Kumarswamy K



Shri Ganapati Shetty

M/s Nector Exports Private Limited is a Private Limited Company incorporated in the year 2017 by Shri Kumarswamy K and Shri Ganapati Shetty at PIPDIC industrial estate Puducherry. The unit is involved in seafood processing industry and specializes in production of Premium quality Pasteurized crab meat in hermetically sealed cans is exporting mainly to the US and EU. Puducherry Union territory is close to raw material centers in Tamil Nadu and Andhra Pradesh and it is also located at strategic location near Chennai to receive material by train making the unit highly profitable. The firm has BRC approval and has Costco code of conduct audited plant and FDA registration. It is HACCP certified and has FSSAI License. Shri Kumarswamy K and Shri Ganapati Shetty are receiving the “Best Exporting Unit” award.



Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Centroid Polymer Technologies



Shri Akhil Mathew

M/s Centroid Polymer Technologies is an Engineering Polymer startup founded by Shri Akhil Mathew in the year 2016 with financial assistance from KFC. The unit manufactures innovative engineering polymer products by closing the gap that existed in the market for performance engineering polymer products. The firm caters to aerospace, medical, defense, marine, electrical, automotive, industry where there is a need for a performance product. A number of imported products have been replaced and some new products have been developed too in this short period of time. The unit has obtained ISO 9001:2015, ISO 14001:2015 and ISO 45001:2015 certification. Its products have assured quality and have been made adhering to environmental and employee safety norms thus providing a sustainable product and workplace. Shri Akhil Mathew is being awarded as “Best First Generation Entrepreneur”.



Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s V Pack



Ms. Abee Felix

M/s V Pack was established by Ms. Abee Felix in the year 2020 with financial assistance from KFC. The unit is one of the sister concerns of V Group and it is one of the leading manufacturers of plastic caps. It produces caps and closures of various types, sizes and colours. Units turnover has increased since its incorporation and it has already crossed 5 crore. Shri Abee Felix is being conferred with the “Best First Generation Entrepreneur” award.



★ ★ ★

Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Floreat Building Systems Pvt. Ltd.



Shri V.A. Subramanian

Shri V.A. Subramanian established M/s Floreat Building Systems Pvt. Ltd. with financial assistance from KFC. The unit is a distinguished player in the pre-engineered steel building construction industry, with 15 years of expertise and is an ISO 9001:2015 certified company. Its production capacity is of 20 lakh sqft buildings annually and employs 200+ skilled laborers and a team of highly qualified technical personnel. The firm's cutting-edge facility at Kinfra Industrial Park, Kerala is committed to delivering top-tier solutions in the field. Since inception the unit has completed 500+ projects all over south which comprises Factory Buildings, Convention Centres, Multiplex Theatres, Churches, Car showrooms, Hypermarket, Warehouse, , Shopping Complex, Educational Institution buildings, Atriums , commercial steel buildings etc. Shri V.A. Subramanian is being awarded under the "Best First Generation Entrepreneur" category.

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Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Artech Realtors Pvt. Ltd.



Shri T. S. Asok

Shri T. S. Asok established M/s Artech Realtors Pvt. Ltd. with financial assistance from KFC. The unit is a trusted real estate developer with more than two decades of expertise in building dream homes for homebuyers across Kerala. The company has established a reputation for delivering high-quality homes in strategic locations across Trivandrum, Kollam, Thrissur, Kottayam, and Thiruvalla. With a focus on world-class amenities and the best of comforts in strategic locations, Artech Realtors ensures that homeowners own happy homes that meet their every need. Shri T.S. Asok is being conferred with the "Best Entrepreneur" award.

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Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Valookkaran Modern Rice Mill



Shri V.P. Joy

M/s. Valookkaran Modern Rice Mill is a registered Partnership firm established in the year 1991 by Shri V.P. Joy with financial assistance from KFC. The unit is engaged in manufacturing and marketing of par boiled rice under the brand name "THRIBLE HORSE" & "KUTHIRA NUTRI". The unit is a 'Gold Card Customer' of the KFC. The installed capacity of the unit is 120 MT paddy per day. The production includes unpolished rice and polished rice and by products such as Bran, Paddy Chaff, Broken rice. The unit has good marketing network throughout Kerala through wholesalers and retailers and there is an established demand for its products. The unit is also undertaking job work for processing paddy of Kerala State Civil supplies Corporation Ltd. The unit gives employment to 45 persons. Shri V.P. Joy is being conferred with the "Best Entrepreneur" award.



Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Gopal Refineries and Oil Mills



Smt. Ambika Remesan

M/s Gopal Refineries and Oil Mills founded by the visionary entrepreneur Shri Muduvil Gopalan in 1940. Sesame oil is the flagship product of the company and serves three vital sectors- food, medicine and culture. It is a part of the culinary traditions of various regions of the world with its proven health benefits and preservation quality. Sesame oil is used in Ayurveda in its medicines, health tonics and massage oils. Smt. Ambika Remesan, the managing director of rg group, is a multifaceted personality who has made a mark in various fields ranging from horticulture to public relations and social service. She has a unique ability in handling day today affairs of the company and the 3 production units namely Ambika Stores, Leela Oil Industries and Gopal Refineries and Oil Mills. The company has been accredited with ISO 22000 and AGMARK certification as well as the by dac-dubai accreditation center for food safety management. Smt. Ambika Ramesh is being conferred with the "Best Entrepreneur" award.



Kerala Financial Corporation (KFC), Thiruvananthapuram
Marina Mother and Child Hospital



Dr. (Smt.) Tintu Varghese

Marina Mother and Child Hospital was established in the year 2019 with financial assistance from KFC at Wayanad District and is managed by Dr. (Smt.) Tintu Varghese along with her husband Dr.Praveen Thomas. Providing care for mother and child in a holistic manner. Dr. Tintu Varghese after completing her post-graduation in OBG, started her career along with her mother Dr. Aleyamma Varghese who is running marina hospital since 1993. The hospital is a 30 bedded with facilities of OP,IP,LAB, Pharmacy, Labour Room, Operation Theatre , USG,ICU, NICU, X-RAY etc. and employs 30 persons. Dr. (Smt.) Tintu Varghese is being conferred with the "Best Woman Entrepreneur" award.



Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Floatels India Pvt. Ltd



*Shri Mavelikam
Ramakrishnan
Narayanan*

M/s Floatels India Pvt. Ltd. owns and operates Poovar Island Resort which was the first resort in India with floating cottages. The resort was started by Shri Mavelikam Ramakrishnan Narayanan with financial assistance from KFC and has an inventory of 24 keys and currently has 86 keys including three restaurants, two swimming pools, large conference facilities and an Ayurveda Spa called the Ayurveda Village. The resort has earned a name both nationally and internationally as a Boutique Resort with an 'Out of the World' experience. The resort has hosted many VIPs including the President of Germany who has taken Ayurveda treatment in the Ayurveda facility. Shri Narayanan, being an Engineer has introduced several Energy saving measures and Responsible Tourism initiatives in the resort. Some of those include Roof top solar plants, heat pumps, thermic fluid heating systems, solar water heaters etc.. The resort has won several National and International Awards including the Award from the Pollution Control Board, Energy Efficiency award from the President of India and from the Kerala State Government for its energy savings implementation. Shri Mavelikam Ramakrishnan Narayanan is being awarded for "Best unit in Service Industry" category.



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Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Al Madeena Institute of Medical Science Pvt. Ltd.



Dr. P. Ahamed Kabeer

M/s Al Madeena Institute of Medical Science Pvt. Ltd. was promoted by Dr. P. Ahamed Kabeer in the year 2002 with financial assistance from KFC. The hospital has extended its' health care services to all the major locations in Malappuram District. Dr. Kabeer is widely recognized across the Malappuram District for the high quality, expert treatment delivered at an affordable cost to the below poverty line (BPL) sector. ALMAS has a strong workforce that comprises of staff of an approximate 1500 members, including more than a 20 high ranking senior professionals. Emphasis is laid on effective team work thus solely focussing on the benefit of every patient. Dr. P. Ahamed Kabeer is being conferred with the "Best unit in Service Industry" award.

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Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Ayurgreen Ayurveda Hospitals Pvt. Ltd.



Shri Sakariya K. N.

The Ayurgreen Hospital was established in the year 2004 with financial assistance from KFC by Shri Sakariya K. N. Ayurgreen started their prestigious project Ayurgreen Ayurveda Hospitals Pvt. Ltd focusing on Ortho- Neuro Rehabilitation in 2012 at Edappal, Malappuram district. Today, Ayurgreen has one of the best hospitals in India to offer Ortho- Neuro rehabilitation including robotic rehabilitation. Ayurgreen is an NABH Accredited hospital (since 2017). At Edappal, the hospital is located in a scenic environment that brings joy, warmth and peace to the minds of patients and visitors. Shri Sakariya K. N. is being conferred with the "Best unit in Service Industry" award.

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Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Indcarb Activated Carbon Pvt. Ltd.



Shri Gokul Thotikamath

M/s. Indcarb Activated Carbon Private Limited, is a manufacturer/exporter of Coconut shell based Steam Activated carbon established by Shri Gokul Thotikamath with financial assistance from KFC and started its commercial operation from March 2021 onwards. It has an annual capacity of 5000mts. This is the modern carbon plant in India. Indcarb is producing normal, acid washed, water washed and impregnated carbon which is used in precious metal recovery, waste industry etc. The firm is a major exporter to USA, Europe and Africa. Shri Gokul Thotikamath is receiving the "Best Exporting Unit" award.

★ ★ ★

Karnataka State Financial Corporation {KSFC}, Bengaluru
M/s Earthens



Smt. Dipti Goyal

M/s Earthens is promoted by Smt. Dipti Goyal with financial assistance of Rs.75 lakh from KSFC. The unit manufactures Areca Sheath Dinnerware Disposables and exports to USA, Australia, Canada Singapore & Switzerland. It employs 31 persons out of which 27 are women. The unit achieved a turnover of Rs. 294.98 lakhs and a profit of Rs. 34.51 lakhs in the year 2022-23. M/s Earthens is an Eco friendly company and has helped reduce plastic waste. Smt. Dipti Goyal is being conferred with "Best Woman Entrepreneur" award. She attributes her success to her supportive team.



Kerala Financial Corporation (KFC), Thiruvananthapuram

M/s Embright Infotech Pvt. Ltd.



Shri Sathyanarayanan



Shri Bobin Chandra

M/s Embright Infotech Private Limited is a technology driven company formed in the year 2017 with products and services related to Virtual reality, Augmented Reality, Mixed Reality, Metaverse, Artificial Intelligence and IoT and has been promoted by Shri Bobin Chandra & Shri Sathyanarayanan with financial assistance from KFC. Each has had extensive experience working with Virtual Reality, Innovation and business management prior to opening Embright Infotech Pvt Ltd. The company products and services enable users the real understanding of information and data, with 3D interactivity giving every product a new dimension. Mr. Sathyanarayanan A R is the CEO and the innovation head who looks into the core product development. Mr. Bobin Chandra is the CFO who looks into the investment and Business growth of the company. With a team of 18, Embright has been creating Virtual Reality content for patients having High Functional Autism. Shri Bobin Chandra & Shri Sathyanarayanan are being conferred with the “Most Innovative Product” award.



Karnataka State Financial Corporation {KSFC}, Bengaluru

M/s Snack Me



Smt. Anushka Jaisinghani

M/s Snack Me is promoted by Smt. Anushka Jaisinghani with financial assistance of Rs. 40 lakhs from KSFC. The unit manufactures & distributes frozen snacks across south India and is a corporate snack catering partner in Bangalore. It employs 80 persons. The unit makes 20,000 samosas a day and has 20 + variety of frozen samosas. The firm had turnover of Rs.7.43 crore & a profit of Rs.60 lakhs in 2022-23. Smt. Anushka Jaisinghani has received recognition as a women achiever from Sindhi Chamber of Commerce and also from FICCI and Emerge. Smt. Anushka Jaisinghani is getting the “Best Women Entrepreneur” award.



Karnataka State Financial Corporation {KSFC}, Bengaluru

M/s Vinskopter Pvt Ltd.



Shri Vinodh S. Murthy

M/s Vinskopter was established with financial assistance from KSFC. It is a trusted leader in precision manufacturing and product development with leading technology and techniques. Its board of director viz. Shri B. Sunder Murthy CMD; Shri Vinodh S. Murthy, CEO and Shri Vinay S. Murthy, CFO make sure to meet the needs of customers from several industrial segments. Advanced CAD/CAM technology and a highly skilled work force enable the unit to manufacture complex parts like solenoid valve, push button switch, BMP limit switch etc. for industry in aerospace, defence, mining & construction and automotive industry. Shri Vinodh S. Murthy is being conferred with “First Generation Entrepreneur” award.



Karnataka State Financial Corporation {KSFC}, Bengaluru

M/s Bloom Bio-tech



Shri Suhas Mohan

M/s Bloom Bio-Tech was established by Shri Suhas Mohan with financial assistance from KSFC. The unit manufactures bio fertilizer & bio control agents for farmers & Horticulture departments. Shri Suhas Mohan is being conferred with the “Best Entrepreneur” award.



Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Alphaa Springs Chennai Pvt. Ltd.



Shri S. Chandrasekaran

M/s Alphaa Springs Chennai Private Limited was promoted by Shri S. Chandrasekaran with financial assistance from TIIC to manufacture automobile coil springs with wires ranging from 0.20 mm to 4.0 mm. and 100 PPM. The unit is certified “Green” Category on the MSIL T-2 Vendor System Audit (VSA). The unit has achieved manufacturing excellence through state-of-the-art technology and with assured quality. It is an IATF certified company and is certified company by Hyundai Motors Ltd (2006 onwards). Shri S. Chandrasekaran is being conferred with the “Best Entrepreneur” award.

Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Sri Vari Plastics



Smt. A. Leena

M/s SRI VARI PLASTICS was promoted as a partnership concern by Smt. A. Leena and Smt. R. Sujatha with financial assistance from TIIC to manufacture Plastic Injection Moulding Components and engine start handles. Smt. A. Leena is dynamic entrepreneur and has focused on expansion of the business since its inception in 2012. She is being conferred with “Best Woman Entrepreneur” award.

Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s R A Groups



Smt. Priya Gunasekar

M/s R A Groups was promoted by Smt. Priya Gunasekar with financial assistance from TIIC. The unit is involved in production and marketing of Millets, Millet Rava, Vermicelli, Noodles, Sooji, Turmeric Powder, Chilli Powder, Coriander Powder. She has provided able leadership to the unit by assisting the board and staff with the development of long range and annual plans. This has helped shape growth strategies. The unit has more than 75 distributors in Tamil Nadu and exports to Canada, Srilanka, Singapore and Dubai. Smt. Priya Gunasekar is getting the “Best Woman Entrepreneur” award.

Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Santhosh Instant Food



Shri G. Manivannan

M/s Santhosh Instant Food was established by Shri G. Manivannan with financial assistance from TIIC in Thanjavur. The unit specialises in bakery products such as sweet buns and milk rusk. The firm has a well-equipped infrastructure with modern tools and machines that help manufacture high-quality products according to customer specifications. The company’s products are exported to various states in India and it has a good financial position and large production capacity. Shri G. Manivannan is being conferred with the “Best Entrepreneur” award.



Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Sega Plascan Exports Pvt. Ltd.



Shri Siva Swamy
Nathan

M/s Sega Plascan Exports Pvt. Ltd. was promoted by Shri Siva Swamy Nathan with financial assistance from TIIC to manufacture Plastic Blow Moulded Components of symmetrical and unsymmetrical shapes. The unit has state-of-the-art facilities and has invested in research and development for innovation and adopting latest technology to deliver timely and effective solutions. The firm has also adopted sustainable manufacturing practices to focus on reducing waste and energy consumption, as well as utilizing recyclable materials whenever possible. The company offers diverse product range from packaging solutions to automotive components and caters to a wide array of industries. Shri Siva Swamy Nathan as the director of the company has steered the company towards new horizons. He has received the prestigious award KAMAL PATRA for his business excellence from JCI India- Zone 18. He is being given the award for the “Most Innovative Product”.



Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Puppy's Restaurants



Ms. Vichitra Rajasingh

M/s Puppy's Restaurants was promoted by Ms. Vichitra Rajasingh with financial assistance from Tamilnadu Industrial Investment Corp. Ltd. {TIIC} in the year 2008. Puppy's Bakery specializes in making a variety of delicious cakes, desserts, breads, shakes, pizzas and pastas with 5 outlets across Madurai & Sivakasi. The firm currently has 4 stores located across Madurai and Sivakasi. Puppy's Ice cream with pure milk cream was launched in August' 2015 at Madurai. Cine Suvai, Madurai's largest themed family restaurant was relaunched in April 2022. This is Madurai's first cinema themed restaurant, with 300 people seating capacity. Ms. Vichitra Rajasingh is getting the “Best Women Entrepreneur” award.



Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Bharathi Industries



Smt. J. Bharathi

M/s Bharathi Industries was promoted by Smt. J. Bharathi with financial assistance from TIIC in Coimbatore. The company specializes in shell-moulded steel and non-ferrous casting. Bharathi Industries has an installed capacity of 6000 tons of shell-moulded steel casting and 1200 tons for non-ferrous casting per annum. The company specialises in stainless steel, gun metal, phosphor bronze, and lead tin bronze castings. Well-equipped infrastructure with modern tools and machines help the unit to manufacture high-quality products according to customer specifications. The company's products are exported to various states in India. Smt. J. Bharathi is being conferred with the “Best Woman Entrepreneur” award.



Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Podaran Foods India Pvt. Ltd.



Shri P. Suresh Kumar

M/s Podaran Foods India Private Limited was promoted by Shri P. Suresh Kumar with financial assistance from TIIC. The unit manufactures, trades in and supplies fruit juices and carbonated drinks. The company also produces milk products such as badam, chocolate, pista, and strawberry. The company takes pride in being a dream product of Tamizhan Swadeshi. Shri P. Suresh Kumar is being conferred with the “Best Entrepreneur” award.



Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Hi-Fit Elastomers Pvt. Ltd.



M/s Hi-Fit Elastomers Pvt. Ltd. was promoted by Shri N. Kamatchi Sundaram with financial assistance from TIIC in the year 2005. The unit manufactures and supplies rubber products such as grommets, gaskets, O-rings, oil seals, and bellows and has a team of 26 to 50 employees. HI-FIT Elastomers has a well-equipped infrastructure with modern tools and machines that help manufacture high-quality products according to customer specifications across the country. Shri N. Kamatchi Sundaram is getting the “Best Entrepreneur” award.

Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Devi Chambers



Smt. G. Selvarani

M/s Devi Chambers was established by Smt. G. Selvarani with financial assistance of Rs. 275 lakhs in 2021 and a Working Capital Term Loan of Rs.100.00 Lakhs in 2022 from TIIC. She is running the unit successfully since then. The unit manufactures Wire Cut Bricks. Smt. G. Selvarani is being given the “Best First Generation Entrepreneur” award.

Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s B L Stampings



Shri V. Balaji Balakrishnan

M/s B L Stampings was established by Shri V. Balaji Balakrishnan with financial assistance from TIIC in the year 2020 in Hosur, Tamilnadu. The unit specialises in iron and steel mills and ferroalloy manufacturing. BL stampings has a well-equipped infrastructure with modern tools and machines that help manufacture high-quality products according to customer specifications. Shri V. Balaji Balakrishnan is being awarded under the “Best First Generation Entrepreneur” category.

Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Thangam Extracts



Shri R. Rajarathinam

M/s. Thangam Extracts was established by Shri R. Rajarathinam with financial assistance from TIIC. The company specialises in the manufacturing and supply of Ayurvedic Herbal Extracts viz. rosemary extract, curcuma longa extract, hibiscus rosasinesis extract etc. The company's products are highly recognised for their high efficiency, prevention of ailments, accurate formulations and purity. Shri R. Rajarathinam is being conferred with the “Best Entrepreneur” award.



ECONOMIC SCENE

IMF raises India's F24 growth forecast to 6.3%

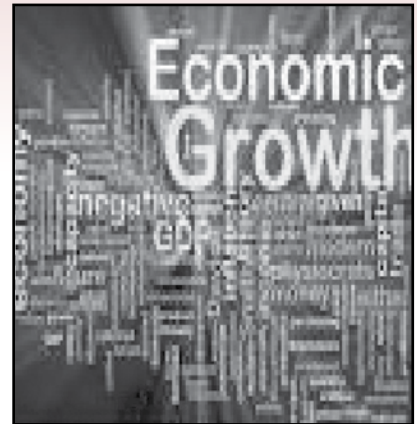
The International Monetary Fund (IMF) in October raised its FY24 growth projection for India by 20 basis points to 6.3 per cent, citing stronger than expected consumption between April and June. "India is one of the large emerging economies that (have) been doing better than expected for quite a while now. (It) is one of the one of the growth engines in the world economy," according to IMF. The IMF's latest World Economic Outlook (WEO) kept its global growth forecast unchanged at 3 per cent for 2023 and pared down the 2024 projection by 10 basis points to 2.9 per cent. "Growth in India is projected to remain strong, at 6.3 per cent in both 2023 (FY24) and 2024 (FY25), with an upward revision of 0.2 percentage (points) for 2023 (FY24), reflecting stronger-than-expected consumption during April-June," said the IMF. The IMF's inflation projection for India has been revised upward to 5.5 per cent for FY24. It expects the inflation rate to remain in the range 2-6 per cent this financial year, and 4.6 per cent next year. "This is conditional on the monetary policy continuing to be very focused on delivering price stability, and a continuing data-dependent approach. More fiscal consolidation, especially in terms of a medium-term plan will also support monetary policy in reducing inflation".

FDI equity inflow in FY23 contracts 22% to \$46bn

Foreign direct equity investments declined by over a fifth (22 per cent) to \$46.03 billion in 2022–23 (FY23) amid challenges in the global economy, including factors like high inflation, expansionary monetary policy, and recessionary trends in developed economies. Total foreign direct investment (FDI), which includes equity capital of unincorporated bodies, reinvested earnings, and other capital, contracted 16 per cent year-on-year (YoY) to \$70.97 billion during FY23, reveals the Department for Promotion of Industry and Internal Trade data. In 2021-22, total FDI inflows were 84.83 billion.

Among the top 10 investing countries' FDI equity inflows, Singapore emerged as a big investor with \$17.2 billion in FDI in FY23 (April–March). It was followed by

investment from Mauritius (\$6.13 billion), the US (\$6 billion), the United Arab Emirates (\$3.35 billion), the Netherlands (\$2.5 billion), Japan (\$1.8 billion), the UK (\$1.73 billion), Cyprus (\$1.27 billion), the Cayman Islands



(\$772 million), and Germany (\$547 million). As regards sectors, computer software and hardware manufacturing was the highest recipient of FDI at \$9.39 billion, down 35 per cent YoY. The services sector — including financial, banking, insurance, research and development, and courier services — mopped up \$8.71 billion worth of FDI but contracted 41 per cent on-year. The trading sector amassed \$4.79 billion in FDI but contracted YoY. FDI in the automotive industry contracted 72 per cent to \$1.9 billion in FY23. However, drugs and pharmaceutical, chemical, telecommunications, and construction sectors witnessed a jump in FDI inflows, compared to last year, to \$2.06 billion, \$1.85 billion, \$713 million, and \$146 million, respectively.

Maharashtra continued to be the most favoured destination for investors, receiving \$14.8 billion worth of investments, although inflows declined 4 per cent. Karnataka received \$10.43 billion in FY23, up from \$22.01 billion a year ago. Delhi's FDI inflows declined to \$7.53 billion, from \$8.18 billion a year ago.

Cabinet approves Rs.17,000—crore IT hardware PLI 2.0

The Union Cabinet in May approved the modified production-linked incentive (PLI) scheme for information technology (IT) hardware to boost local manufacturing of products like tablets and laptops, and more than doubled its budgetary outlay to Rs.17,000 crore from the previous provision of Rs.7,325 crore. The revised scheme may offer incentives of up to 9 per cent on the incremental sales of tablets, laptops, all-in-one personal computers, servers to provide an



edge computing devices manufactured in the country to attract investment in the sector. The tenure of the scheme has been extended to six years from four years announced in 2021.

The government now aims to bring flexibility to the scheme by allowing the original equipment manufacturers (OEMs) to apply for incentives under the scheme anytime in the next three years. The base year for comparing incremental sales will be 2022-23.

The government has also introduced a new category of hybrid manufacturers, considering the diversified global supply chains. The scheme's budget, therefore, will be divided among the three categories — domestic, global, and hybrid. It will also have additional incentives for the localisation of certain optional items. The maximum incentive for global companies will be capped at Rs.4,500 crore, while players who fall under the hybrid category may get a maximum incentive of Rs.2,250 crore. For domestic companies, there will be a cap of Rs.500 crore. According to the government's presentation to the industry stakeholders, the number of eligible beneficiaries will be two from the global category, five from hybrid, and nine from domestic.

Production push

- The modified scheme is likely to generate around 300,000 jobs over six years
- Govt expects investments of Rs 2,430 cr in the sector in this period
- Scheme may add incremental production value of Rs 3.35 trillion
- Average incentives for OEMs may go up to 9% of incremental sales

The average incentive over six years will be about 5 per cent, up from the 2 per cent offered earlier.

India's GDP grows 6.1% in Q4, 7.2% in 2022-23

India's economic growth shot up by 6.1 per cent in the March quarter of FY23, beating analysts' expectations, as the expansion in manufacturing and construction surprised on the upside, reflecting sustained strength in domestic demand.

Higher than expected growth in fourth-quarter gross domestic product (GDP) led to an upward revision in overall economic growth in FY23 to 7.2 per cent from 7 per cent estimated earlier, the provisional estimates of GDP released by the National Statistical

Office showed. "The 2022-23 GDP growth figures underscore the resilience of the Indian economy amidst global challenges.

Gross value added (GVA) at basic prices grew 6.5 per cent in the March quarter and 7 per cent in FY23. However, the size of the Indian economy, at Rs 272.4 trillion in FY23, is Rs 67,039 crore lower than the first advance estimate, released ahead of the FY24 Budget this year. After contracting for two consecutive quarters, the manufacturing sector rebounded to grow at 4.5 per cent in the March quarter due to an improvement in margins during the three-month period, partly on account of a sustained moderation in input costs.

Cabinet approves plan for world's largest grain storage

The Union Cabinet in May, 2023 approved a Rs.1 trillion programme to create the world's largest grain storage capacity in the cooperative sector to reduce crop damages and prevent distress sales by farmers, besides strengthening the country's food security. The Government is planning to create 70 million tonnes of grain storage capacity in the cooperative sector over the next five years. This is expected to create job opportunities in rural India.

World Bank: India will continue to grow at fastest pace

The World Bank in June, 2023 said India would remain the fastest-growing economy in terms of both aggregate and per capita gross domestic product (GDP) among the largest emerging market and developing economies. It retained India's FY24 growth forecast at 6.3 per cent. "Greater than expected resilience in private consumption and investment, and a robust services sector in India, is supporting growth in 2023. Growth is projected to pick up slightly through FY26 as inflation moves back toward the midpoint of the tolerance range and reforms payoff," the multilateral development bank said in its "Global Economic Prospects" report. In its India Development Update released in April, the World Bank had revised its growth forecast for India by 30 basis points to 6.3 per cent for FY24. The World Bank said India's growth in early 2023 remained below what it achieved in the decade before the pandemic as higher prices and rising borrowing costs weighed on private consumption. "However,



manufacturing rebounded into 2023 after contracting in the second half of 2022, and investment growth remained buoyant as the government ramped up capital expenditure. Private investment was also likely boosted by increasing corporate profits. Unemployment fell to 6.8 per cent in the first quarter of 2023, the lowest since the onset of the Covid-19 pandemic, and labour force participation increased."

Services PMI in May increases at second-fastest pace in 13 years

Growth in India's services sector declined in May as inflationary pressures intensified in both input costs and output charges, said a private survey in June. The headline figure in the Purchasing Managers' Index (PMI) survey by credit rating agency S&P Global declined marginally to 61.2 in May from its 13-year high of 62 in April. The May services PMI is the second-highest print in under 13 years. A print above 50 in the survey denotes expansion of services activity, and below that suggests contraction. The headline figure has been in the expansion zone for 22 months since August 2021.

The PMI is based on the responses of around 400 service companies covering non-retail consumer services, transport, information, communication, finance, insurance, real estate, and business services. "Output rose at the second-quickest pace since July 2010, supported by sustained growth of new business in the face of positive demand trends. Favourable demand conditions, new client wins and positive market dynamics reportedly supported output," the survey noted.

The companies the survey monitors reported that external demand for Indian services continued to improve in May, highlighted by a fourth successive rise in new export business and to accommodate for sustained increases in new business. Services companies sought to expand operating capacities by hiring extra workers. Employment rose at a slight rate that was the fastest in 2023 so far. The survey by the global rating agency had also found that India's manufacturing PMI in May increased to a 31-month high of 58.7 from 57.2 in April, driven by record expansion in input stocks and a strong increase in new orders and output.

CAD in Q4 narrows to 0.2% of GDP

India's current account deficit (CAD) declined

sequentially to 0.2 per cent of gross domestic product (GDP) in the March 2023 quarter (Q4 of FY23) from 2 per cent of GDP in the December quarter of FY23. This was mainly due to a moderation in the trade deficit and robust services exports.

CAD was also lower in Q4 of FY23 compared to 1.6 per cent of GDP in the March 2022 quarter (Q4 of FY22), according to RBI data. The CAD widened to 2 per cent of GDP in FY23 compared to 1.2 per cent in FY22. This came as an increase in merchandise imports due to higher global commodity prices which led to the widening of merchandise trade deficit, RBI said. Private transfer receipts, mainly representing remittances by Indians employed overseas, increased to \$28.6 billion, up by 20.8 per cent from their level a year ago. Merchandise trade deficit in FY23 expanded to \$265.3 billion against \$189.5 billion in FY22 as economic downturn in India's key markets adversely impacted exports while higher commodity prices kept imports high.

Manufacturing PMI at 3-mth high in August

Indian manufacturing continued its strong growth momentum in the second quarter amid buoyant demand in domestic and international markets, as the Purchasing Managers' Index (PMI) for the sector rose to a three-month high of 58.6 in August from 57.7 in July, according to a private survey. The August figure marked 26 months of the index remaining above the 50 mark, separating expansion from contraction. A survey print above 50 indicates manufacturing expansion and below marks contraction.

"[The survey] showed improvement in manufacturing sector conditions across India, as new orders and output increased at the quickest rates in nearly three years during August. Firms geared up to handle rising demand by scaling up buying levels and rebuilding their input stocks at the second-strongest pace in 18-and-a-half years of data collection," said the survey by the global credit rating agency S&P global.

Net direct tax collection increases 23% at Rs.8.65 trn till Sept 16

Advance tax collections, from both corporations and individuals, have increased by 20.73 per cent to reach Rs.3.55 trillion as of mid-September, compared to Rs.2.94 trillion a year ago, according to official data. This considerable increase in direct tax receipts can be attributed to the improved profitability of



corporations in the second quarter, system-driven compliance, and various enforcement actions.

The robust growth in tax increase will provide the government with additional financial cushioning to support its spending plans and narrow the fiscal deficit gap. Of the total advance tax collection, India Inc contributed Rs.2.8 trillion, while individuals contributed Rs.74,858 crore between April 1 and September 16. The overall direct tax collection (net of refunds) experienced a growth of over 23.5 per cent, reaching Rs.8.65 trillion during this period. This includes corporate income-tax of Rs.4.16 trillion and personal income-tax, including securities transaction tax, of Rs.4.47 trillion. This growth exceeds the projected growth rate of around 10 per cent for the entire financial year, indicating that the direct tax collection target is likely to be comfortably met.

Exports contract 6.9% in Aug; trade deficit 10—month high

India's merchandise exports contracted for a seventh consecutive month in August, declining 6.9 per cent year-on-year to \$34.48 billion, owing to weak external demand, data released by the commerce department showed in September. The government, however, said that exports had started "stabilising" and "greenshoots" were clearly visible. The merchandise trade deficit, or the gap between exports and imports, on the other hand, widened to a 10-month high of \$24.16 billion in August as higher crude oil prices and robust domestic demand led to a nearly 11 per cent increase in imports on a sequential basis. Imports were \$58.64 billion last month, down 5.2 per cent year-on-year. While exports and imports have been declining since the beginning of 2023, the pace of contraction has slowed July onwards.

Forex kitty increases to \$609 billion, nears 16-mth high

India's foreign exchange reserves increased by \$12.74 billion to \$609 billion for the week ended July 14, 2023. This is the highest level of reserves since March 25, 2022. The \$12.74 billion increase is the highest weekly rise in four months. Foreign exchange reserves rose \$12.79 billion for the week ended 17 March 2023. The total reserves touched \$600 billion for the first time since May 12, 2023. The rise in the reserves for the third straight week was mainly on account of a rise in foreign currency assets, which

went up \$11.2 billion to \$540 billion in the previous week. The reserves rose by \$36 billion in the last one year. In the first six months of 2023, forex reserves increased by around \$33 billion. Reserves were \$562.8 billion as on December 30, 2022.

Liquidity surplus crosses Rs.1.75 trn on higher govt spend

Liquidity surplus in the banking system was about Rs.1.75 trillion on the last day of May on the back of higher government spending, latest data released by Reserve Bank of India showed.

"The improvement in liquidity conditions by May 31 is likely due to the pick-up in government expenditure, which is the usual pattern given that salary payments, etc. usually take place at month-end. Other factors that have helped ease liquidity pressures in May are reduction in currency leakage with currency in circulation falling by Rs.13,300 crore (May 26 over April 28)".

India, Japan launch \$600 mn fund for climate projects

The National Investment and Infrastructure Fund Limited (NIIF), a state-owned entity, approved a \$600 million (Rs.4,900 crore) India-Japan Fund in October. This venture is in collaboration with the Japan Bank for International Cooperation (JBIC), a financial institution backed by the Japanese government. This marks NIIF's inaugural bilateral fund. The target corpus of \$600 million will see a 51 per cent contribution from JBIC and a 49 per cent input from the Indian government, as stated in NIIF's press release.

The fund aims to channel investments into India's environmental conservation sectors, encompassing renewable energy, e-mobility, and circular economy areas like waste management and water management. Moreover, it seeks to bolster collaboration between Indian and Japanese enterprises across various sectors.

In March 2022, both India and Japan set a collaborative goal: a 5 trillion yen inflow in the form of public and private investment and financing from Japan to India over an upcoming five-year span. Mr. Hayashi Nobumitsu, Governor of JBIC, highlighted the growing interest of Japanese companies in the Indian market. This interest stems from the current global instability,



supply chain disruptions, and India's pivotal role as a leader in the Global South.

Centre changed PLI white goods scheme norms for smooth ops

The central government has introduced changes to the rules governing the production-linked incentive (PLI) scheme for white goods, specifically air conditioners and light-emitting diode lights, with the goal of 'simplifying the scheme's operations' and promoting the ease of doing business. These changes include investment criteria for determining eligibility, extending the deadline for filing claims to receive incentives, permitting administrative ministry visits to manufacturing facilities, and extending the time frame for the establishment of additional manufacturing facilities, among other adjustments. These modifications have been implemented based on a variety of recommendations from both beneficiaries and industry associations. According to the revised guidelines released by the Department for Promotion of Industry and Internal Trade (DPIIT), the verification of eligibility claims and the recommendation of incentive disbursements will now be handled by project management agencies, which are responsible for implementing the scheme. The cost-plus method will replace the comparable uncontrolled price (CUP) method for calculating sales prices in cases of captive consumption or supplies to group companies.

The bank guarantee must be rolled over before the expiry of the existing bank guarantee during the scheme's tenure, a practice that was previously disallowed. Companies are now required to file claims for incentive disbursement by January 15 of the following financial year, instead of the previous deadline of October 31.

Union excise duty decreased 12% in first five months of FY24

Union excise duty collection dropped 18 per cent in August year-on-year at a time when the overall central tax kitty rose about 94 per cent before devolution to the states. The collection from Union excise duty declined to Rs.23,576 crore in August this year compared to Rs.28,816 crore in the same month a year ago. On the other hand, total tax collection rose to Rs.2.9 trillion in the month as against Rs.1.5 trillion in August 2022-23, shows the data released by the

Controller General of Accounts (CGA). Excise duty receipts not only declined year-on-year but month-on-month too. Those decreased 3.3 per cent in August as against Rs.24,387 crore in July. Collection under this head this financial year was the second-lowest in August, with the lowest so far being in April at Rs.960 crore.

The moderate rise of 1.9 per cent in excise duty collection in July year-on-year was short-lived. The revenues under this head declined in May and June. This has resulted in over a 12 per cent fall in excise duty receipts at a shade below Rs.1 trillion in the first five months this financial year as against Rs.1.1 trillion in the corresponding period of the previous financial year. If the trend continues, this would make it difficult to achieve the budget projections for excise duty collection. The Budget projected a 5.93 per cent increase in this at Rs.3.4 trillion for 2023-24.

The actual numbers, at Rs.3.19 trillion, were a little less than projected under the RE. From the actual numbers, the rise projected was 6.6 per cent for 2023-24. In the first five months, excise duty receipts constituted 29.4 per cent of the Budget projection for 2023-24. After the introduction of goods and services tax (GST), Union excise duty is levied mostly on petroleum and tobacco.

Without excise duty, the tax kitty more than doubled to Rs.2.7 trillion in August as against Rs.1.22 trillion a year ago. This was largely possible owing to a surge in corporation and personal income tax. The kitty under corporate tax climbed by about 463 per cent to Rs.62,817 crore in August from Rs.11,159 crore in the same month of the previous year. Corporation tax yielded less in the first three months this financial year year-on-year. However, its revenues rose in the fourth and fifth months.

ADB unlocks \$100 bn funding capacity

The Asian Development Bank (ADB) in September approved capital management reforms, which would unlock \$100 billion in new funding capacity over the next decade to address the region's overlapping and simultaneous crises. The reforms, done through an update of ADB's Capital Adequacy Framework (CAF), would expand the bank's annual new commitments capacity to more than \$36 billion — an increase of approximately \$10 billion — or about 40 per cent. "The expansion is achieved by optimising ADB's



prudential level of capitalisation while maintaining its overall risk appetite,” ADB said. The expansion of available funds will be further leveraged through mobilising private and domestic capital. It will move from the billions to trillions required to tackle the climate crisis. The measures will enable ADB to provide up to \$360 billion of its own financing to its developing member countries (DMC) and private sector clients over the next decade. They are designed to ensure ADB maintains its AAA credit rating and its ability to provide DMCs with funding at low cost and with long maturities.

The G20 independent expert group on strengthening multilateral development banks (MDBs) had said that by 2030 additional spending of \$3 trillion will be required to meet the sustainable development goals, and global public goods. The report has also said that there is a need for a significant increase in new equity of \$100 billion across all MDB institutions.

Net FDI decrease to \$3 bn from \$18bn

Net foreign direct investment (FDI) in India, inflows minus outflows, declined sharply in April-August this year to \$2.99 billion from \$18.03 billion in the same period last year on moderation in global activities and a rise in repatriation. The RBI's data (October 2023 bulletin) said FDI in India was \$7.28 billion and FDI by India, that is money invested abroad from the country, was \$4.28 billion in April-August 2023. As for 2022, FDI in India was \$22.79 billion and FDI by India was \$4.76 billion in April-August. Repatriation/disinvestment by those who made direct investment in India rose to \$19.63 billion in the five months of FY24 from \$11.41 billion in April-August 2022, the RBI data showed.

The RBI in its Monetary Policy Report, issued along with monetary policy review (October 2023), had said looking ahead the “higher for longer” interest rate scenario in the US and other advanced economies could keep risk aversion towards assets in emerging market economies elevated and impinge upon capital flows.

Gross tax receipts show upward trend

India's gross tax receipts, comprising both direct

and indirect taxes, increased by 16.3 per cent to Rs.16.19 trillion on an annual basis in the first half (H1) of 2023–24 (FY24). This upward trend persists after August, mainly due to increase in corporation tax collections following a challenging start to the financial year. During this period, net tax revenue reached Rs 11.6 trillion, representing 49.8 per cent of the budgetary target, according to data released by the Controller General of Accounts in November. Net tax collection amounted to 52.3 per cent of the previous year's annual Budget Estimates (BE) in 2022-23 (FY23). In September, net tax revenue stood at Rs.3.56 trillion. This was due to a 26.6 per cent increase in corporation tax to Rs.2.12 trillion and a 15.6 per cent rise in personal income-tax (I-T) to Rs.91,247 crore.

The Centre's fiscal deficit reached 39.3 per cent of the full-year target in the first half up to September, marginally higher than the 37.3 per cent recorded during the same period in the previous year. In absolute terms, the fiscal deficit (the gap between expenditure and revenue) widened to Rs.7.02 trillion during this period. The government aims to reduce the fiscal deficit to 5.9 per cent of gross domestic product (GDP) in FY24. The fiscal deficit for FY23 was 6.4 per cent of GDP, lower than the earlier estimate of 6.71 per cent.

On the expenditure front, the expansion in capital expenditure (capex) continued, with investments increasing by 43.1 per cent during April and September, reaching Rs.4.91 trillion, which accounts for 49 per cent of the capex target. Total expenditure reached Rs.21.19 trillion, or 47.1 per cent of the BE for FY24, slightly higher than the 46.2 per cent recorded for FY23. Of the total revenue expenditure, Rs.4.84 trillion was allocated to interest payments and Rs.2.06 trillion for major subsidies. While tax devolution in September 2023 was in line with the previous month, it was 25 per cent higher than the level from a year ago. The government has transferred Rs.4.55 trillion to state governments as their share of taxes until September, which is Rs.79,338 crore higher than the previous year.

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NEWS FROM STATES

5 states project economies to grow slower than national GDP

Economies of five states may have grown at a slower pace than the national economy during 2022-2023. So far, 15 states have revealed their projections for the gross state domestic product (GSDP) for FY'23 as on March 15, according to data made public by the ministry of statistics and programme implementation. Of the five states, Punjab's projection for GSDP growth is much behind the national GDP growth rate of 7.24 per cent in 2022-2023. Punjab's GSDP is estimated to have grown just 6.08 per cent. This was the case in 2021-2022 as well, when the state's economy grew by 6.29 per cent against the GDP growth of 9.05 per cent. The remaining four states — Andhra Pradesh, Madhya Pradesh, Uttarakhand and Haryana — have projected over 7 per cent growth rate. The second advance estimates had pegged the national economic growth rate at 7 per cent during 2022-2023. Only Punjab had then projected its economy to grow at a slower pace than that. Andhra Pradesh, Madhya Pradesh and Haryana had quite a higher base last year compared to the national level GDP growth. However, Uttarakhand's economy, like that of Punjab, expanded at a slower pace than the GDP growth in 2021-2022.

Haryana's economy had grown in double digits — 10.6 per cent — in 2018-19, after which the national economy started to slow down for a couple of years. The state's economic growth plunged to just 2.1 per cent the next year, less than the national GDP growth of 3.9 per cent. Like most other states, Haryana's economy too contracted in 2020-2021 due to the Covid-induced national lockdowns. However, the rate of contraction was higher at 6.2 per cent against 5.8 per cent for the national GDP that year. The state's economy again grew in double digits — 11.3 per cent — in 2021-2022 due to the low base effect of the previous year.

Madhya Pradesh's economy also expanded at a robust rate — 9.3 per cent — during 2018-2019, but the growth rate more than halved to 4.5 per cent the next year. The state's economy also contracted by 4.2 per cent during the Covid-affected 2020-2021, but



it grew in double digits the next year — 10.4 per cent.

Among the states where the fastest economic growth is expected in 2022-2023, only Assam may have expanded in double digits — 10.2 per cent. Meghalaya's economy is projected to grow by 9.1 per cent. Economies of West Bengal and Rajasthan grew in double digits in 2021-2022, but recorded a growth of just a little over 8 per cent the next year. Of the big states in terms of GDP, Maharashtra, Gujarat and Uttar Pradesh are yet to reveal their projections for 2022-2023.

TN targets \$6 bn investment, 150K jobs in EV space in 5 yrs

The Tamil Nadu government in June said that it was targeting an investment of around \$6 billion in the electric vehicles (EV) space and creating 150,000 job opportunities over the next five years. This comes after the state attracted nearly Rs.24,000 crore in EV investments, resulting in almost 48,000 jobs, during the pandemic period. Several new-age EV companies like Ather, Ola Electric, Ampere and Simple Energy have invested in the state. Also traditional global automotive companies such as Hyundai, Nissan, TVS Motors, Mahindra, and Daimler have lined up their EV plans for Tamil Nadu. As part of this commitment, the state government had launched the revised 'Tamil Nadu Electric Vehicles Policy 2023', which incentivises and attracts investors to strengthen the state's EV ecosystem. Six cities — Chennai, Coimbatore, Tiruchirappalli, Madurai, Salem, and



Tirunelveli — have been earmarked for development as EV hubs. “The state government has unveiled a new EV policy with various incentives and offers. This will drive quicker adoption of EVs in the state.

TN approves proposals worth Rs.6,000 crore

The government of Tamil Nadu has approved 10 investment proposals worth Rs.6,000 crore, including one by the world’s largest producers of mobile phone chargers Salcomp Plc, which is also a leading supplier to Apple. Earlier this year, the firm had announced a Rs.1,800-crore investment plan for India over the next three years. This was as part of its strategy to expand presence in electric vehicle (EV) chargers and solar microinverters, among others. The proposals cleared by the state Cabinet include one in electronics, two in the EV segment, three in general manufacturing, two in textiles and two global capability centres.

The other major players to get clearance were Pfizer, Godrej Consumer Products, French major Schneider Electric and an electric vehicle investment in the Hosur-Krishnagiri-Dharmapuri (HKD) industrial belt.

Export preparedness: TN takes top spot

After topping it for two consecutive years, Gujarat slipped three places on the NITI Aayog’s Export Preparedness Index (EPI) for 2022, as Tamil Nadu emerged as the most export-ready state, the central think tank said in its report released in July. In a continuing trend, coastal states were found to have the most robust export infrastructure, which officials attributed to the integration of maritime trade into the core of their economies. Maharashtra and Karnataka retained their positions — second and third, respectively; Haryana was ranked first among landlocked states and fifth overall. “The state of Gujarat needs measures to improve its business ecosystem as it recorded the sharpest decrease in both value addition by the manufacturing sector and foreign direct investment inflow. However, in absolute terms, the state still has the highest value addition from the manufacturing sector in the country, along with the sixth highest FDI inflow in the country,” the NITI Aayog said in its report. The setback could be overcome with timely policy measures, which can assist the manufacturing sector, and attract investments.

Even as Tamil Nadu had the most robust infrastructure with a high number of special economic zones (SEZs), no power deficit, and a single-window clearance system, the state saw a decrease in value addition by the manufacturing sector, the report noted. The index undertakes a comprehensive analysis of states and Union Territories across export-related parameters to identify strengths and weaknesses, with an evolving methodology. For the latest report, the think tank used 56 indicators. Twelve indicators were removed, five were modified, and 10 more were added after stakeholder interactions concluded, the NITI Aayog said in its report. The ranking is based on four main pillars: Policy, business ecosystem, export ecosystem, and export performance. “Correct compensation for states’ contributions to national exports requires determining the source of origin of a product, and steps must be taken to address this issue,” the report said in its recommendations on the way forward. “States have developed solid policy frameworks, and efforts should now be directed towards improving business infrastructure, transport connectivity, diversifying export baskets, and penetrating more global markets”.

Tamilnadu to explore large-scale green energy storage

The Government of Tamil Nadu is considering options for storing green energy during peak generation seasons to use it during lean periods. Tamilnadu contributes 26 per cent of the wind power generation, 10 per cent of solar generation, and a total of 14 per cent to India’s overall RE generation capacity.

This comes weeks after the Ministry of Power released a detailed framework to reshape the country’s energy sector, with a special emphasis on energy storage systems. Based on the plan, the central government may offer viability gap funding support for battery energy storage system projects, covering up to 40 per cent of the initial capital expenses of these projects. Tamil Nadu is exploring a hybrid storage model in which pumped storage plants (PSPs) will be used to store excess energy from solar, wind, and other sources during periods of high demand. As Wind and solar power are seasonal this will be advantageous for the state. PSPs operate similarly to giant water batteries, storing power and releasing it when needed. This approach is cost-effective compared



to various battery technologies that use different electrochemical reactions to store electricity, such as lead-acid batteries, lithium-ion (Li-ion) batteries, sodium-sulphur batteries (NaS), flow batteries, zinc-air batteries, and supercapacitors. "The seasonality of these sources is disproportionate to consumption patterns, which essentially calls for sustainable storage infrastructure. In the case of Tamil Nadu, over 30 per cent of the demand is met by RE sources. While there is potential for expansion, grid balancing during peak demand, along with seasonality, makes a strong case for storage.

While conventional energy sources like coal, gas and nuclear power can be stockpiled and generation can be controlled, this is not possible with seasonal RE sources. The storage of this power will help improve grid stability.

UP adds maximum new investors

Uttar Pradesh (UP) added 126,000 new investors in April, reveals National Stock Exchange (NSE) disclosures. This is higher than Maharashtra's 118,000. Maharashtra's 126-million population is around half of UP's 240 million, shows projections for 2023. Maharashtra's pre-pandemic economy was estimated at Rs 25.7 trillion in 2018-19, compared to Rs 15.8 trillion for UP.

UP cabinet approves Township Policy 2023

The state government of Uttar Pradesh approved the Uttar Pradesh Township Policy-2023 in June 2023 to boost private investment and provide state-of-the-art township facilities to people. Private investment will get a boost with the implementation of the policy. Township facilities with better quality civic amenities will be available to the public at reasonable prices. It will be a provision of 10 per cent reservation each for economically weaker section.

HP, Uttarakhand to receive additional Rs. 1.1K cr

The cabinet in September approved additional allocation of Rs.1,164.53 core for an industrial development scheme for Himachal Pradesh and Uttarakhand. The additional fund was required to meet the committed liabilities under the Industrial Development Scheme, 2017 for 774 registered units up to 2028-29. 774 units were registered under

the scheme and the additional fund will go to them. These units have helped in creation of about 49,000 jobs. The government provides incentives under the scheme to companies for investment in these two states. The incentives include access to credit and insurance.

All eligible new and existing industrial units on their substantial expansion in the manufacturing and service sector located anywhere in Himachal Pradesh and Uttarakhand will be provided Central Capital Investment Incentive for access to credit (CCIIAC) at the rate of 30 per cent of the investment in plant and machinery with an upper limit of Rs.5 crore. The units are also eligible for reimbursement of 100 per cent insurance premium on insurance of building and plant and machinery for a maximum period of 5 years from the date of commencement of commercial production/operation.

Rajasthan Tourism map set to add more places

The Rajasthan government is going all out to boost tourism in the state. In this direction, new tourist places are being developed and work on identifying new sites. "The state government is dedicatedly working to promote tourism in the state and has taken many important decisions in this regard," a tourism department official said. Besides, the state government is improving infrastructure facilities around tourism sites. Special efforts will be made to improve road connectivity and provide last-mile connectivity. The state government has decided to spend around Rs 100 crore this financial year on the development of infrastructure on religious sites. The tourism sector can be gauged from the fact that the sector was given industry status a few years back. This has led to increased investment in the sector. Due to the state government's tourism-friendly policies and initiatives, 206 new projects with a proposed investment of Rs.4,500 crore and 14,856 rooms have been registered in 2022. This compares to 187 projects in the year 2019.

Fiscal position of states turns over a new leaf

Tiding over the adversities brought in by the pandemic, the fiscal position of the states has shown improvement in FY23. The consolidated gross fiscal deficit (GFD) of the states and Union Territories (UTs) declined from the peak of 4.1 per cent of gross



domestic product (GDP) in FY21 to 2.8 per cent in FY22 and FY23. This level was much lower than the budgeted estimate of 3.4 per cent for the year (FY23), according to the Reserve Bank of India's Financial Stability Report. The swift consolidation was primarily driven by a decline in revenue expenditure, coupled with an increase in the states' tax revenue, led by state GST.

For FY24, the states have budgeted a GFD-GDP ratio of 3.2 per cent, which is significantly lower than the indicative target of 3.5 per cent set by the Central government.

In FY21, the GFD had risen because the finances of the states were strained owing to disruptions caused by the first wave of the pandemic. The report pointed out the capital expenditure (capex) of the states had reached 2.5 per cent of GDP in FY22 and remained at the same level in FY23. Their capex is budgeted

to increase to 3.2 per cent of GDP in FY24. Revenue expenditure, on the other hand, declined from 14.2 per cent of GDP in FY22 to 13.5 per cent in FY23 (provisional). This has resulted in improvement in the quality of expenditure. The revenue expenditure to capital outlay (RECO) ratio for the states has improved from 7.1 during 2020-21 to the Budget estimate of 5.1 in 2023-24. Reflecting strong fiscal consolidation efforts of the states, their outstanding liabilities have moderated significantly in the last three years. After reaching a 15-year high of 31 per cent of GDP at the end March 2021, they came down to 27.9 per cent of GDP by the end of March 2023. The debt service burden of the states, measured in terms of the interest payments to revenue receipts ratio, has also moderated during this period. The report sounded caution on the high debt of the states.

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ANSWERS OF CYBERQUIZ - 85

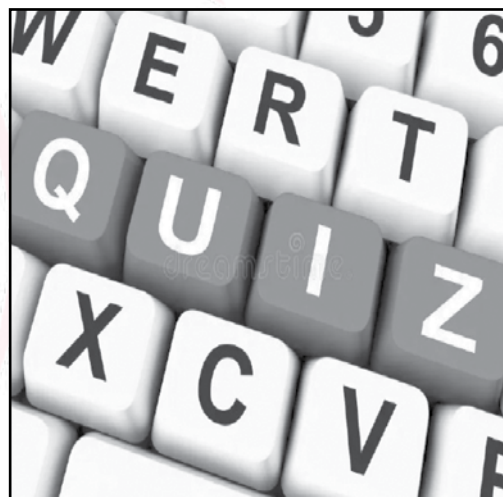
Ans. 1[a]. Any software that has excessive capability giving marginal gains in functions but seduces people into using it anyway : The term "bloatware" has also similar meaning.

Ans. 2[b]. A planned product existing in brochure only : The product here can be both software as well as hardware. It is often used as a bet to discourage potential customers from committing to an existing product from the competitors.

Ans. 3[d]. Undertaking a less important project to escape from a more important one : It is a method of procrastination that reduces guilt-feeling by creating the illusion of productivity. Often, dogwashing results in the writing of games, freeware etc.

Ans.4[c]. Application programs or other services available online from application service provider (ASPs) : The term stands for application-ontap.

Ans.5[c]. Spreadsheet package : VisiCalc was the first spreadsheet program available for personal computers. It is considered to be the first killer app for the microcomputer



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MICRO, SMALL AND MEDIUM ENTERPRISES

Database of 9 million MSMEs on the cards

In order to boost the industrial and 'doing business' ecosystem in Uttar Pradesh, the state government aims to create a comprehensive database of nearly 9 million micro, small, and medium enterprises (MSMEs). According to the state's MSME and export promotion department, there are more than 9 million active MSMEs in UP, of which only 1.4 million are registered with the 'Udyam' portal, the rest are operating in the unorganised sector. Registration of MSME platform facilitates many benefits to entrepreneurs, including insurance and financing.

"The MSMEs should be registered with the portal to avail of a bouquet of benefits under different government schemes, since they contribute to the Gross State Domestic Product (GSDP) of UP". The MSME sector contributes nearly 60 per cent to UP's annual industrial output, and is the second-largest creator of employment after agriculture and allied farm activities. The MSME accounts for the bulk of the state's merchandise exports, and the government is aiming to increase its exports to Rs.3 trillion in four to five years.

The department has launched an MSME registration campaign. The UP directorate of industries will organise camps in each district. The MSMEs can also self-register by visiting the Udyam portal. The intended benefits will be provided to the micro-enterprises with investment of up to Rs.1 crore and turnover of up to Rs.5 crore; small enterprises with investment of up to Rs.10 crore and turnover of up to Rs.50 crore; and medium enterprises with investment of up to Rs.50 crore and turnover of up to Rs.250 crore. The objective is to provide a platform to the MSMEs so they can avail the schemes implemented by the central and state governments. Apart from providing insurance, finance and marketing support, the registration will facilitate faster resolution of payment-related disputes, which will be available to registered entities.

MSME credit window increases 80% to Rs.1.5 tm

Micro, small and medium enterprises (MSMEs) line of

credit increased 80 per cent to Rs.1.5 trillion in 2022-23. This is against the credit disbursement of nearly Rs.83,000 crore in 2021-22. UP has about nine million MSMEs

— across its 75 districts. The sector is the largest employer in the state after agriculture and allied activities. It has emerged as the largest seeker of institutional funds. At the UP Global Investors Summit (GIS) 2023, the state got investment proposals of about Rs.35 trillion, of which the MSME sector accounted for Rs.1.6 trillion, spanning 9,000 projects.

The growing loan appetite of MSMEs has reinforced the stated commitment of the state government to catalyse the sector for faster growth and attain the \$1 trillion economy target for UP. The government is pushing its flagship "One District One Product" (ODOP) scheme to re-energise indigenous handicrafts and industries. MSMEs contribute roughly 60 per cent to UP's annual industrial output. The broad-based MSME push through the ODOP scheme and other policies has turned UP's youth from jobseekers to job creators. "Prior to 2017, the unemployment rate in UP was about 18 per cent, which has declined to merely 2.9 per cent since the state government has revived the MSME sector". For promoting institutional credit to the sector, the state has been organising special loan melas, especially in industrial clusters and hubs. The government is also giving financial incentives, including stamp duty waiver.

UP's MSME Policy

Uttar Pradesh has the largest MSME sector in India that contributes significantly to the state's GDP, accounting for over 30% of the total output. The MSME policy 2022 has created an environment for establishment of MSMEs by providing many incentives:





- 10% to 25% of the project cost to be provided as capital subsidy with a maximum limit of Rs.4 crore.
- Stamp Duty exemption for purchase/lease of land for establishment of industries.
- 100% stamp duty exemption for women entrepreneurs.
- Subsidy of upto Rs.5 lacs for setting national/international quality certification and required equipment.
- For ensuring sustainable industrial growth, environment protection measures are facilitated. A grant of upto Rs.10 crore is provided for setting up of CETPs
- Time bound and online method of incentive disbursement.
- A big focus on developing industrial infrastructure. 10 to 50 acre industrial parks are incentivised through PLEDGE (Promoting Leadership in Developing Growth Engines) where the development cost @Rs.50 per acre is provided at a 1% annual simple interest rate. 3 parks at Aligarh, Saharanpur and Kanpur Dehat have already been financed.
- Through MSME Act 2020, acknowledgement is issued to industries within 72 hours, which exempts them from inspection of any development for 1000 days
- Facilitation Council System has been decentralised to division level for effectively tackling delayed payments.
- Improved productivity: This will help improve productivity of MSMEs by providing them with access to better technology, training and infrastructure.
- Increased exports: This will help to increase exports of MSMEs by providing them with access to new markets and trade opportunities
- Improved competitiveness: This will help improve competitiveness of MSMEs by reducing their costs & making them more efficient.

Unlocking MSME potential

The development of micro, small and medium enterprises (MSMEs) has been the centrepiece of India's economic strategy to achieve inclusive growth and productive job creation. Over the years, different policy initiatives have attempted to encourage and support MSMEs by providing subsidised credit, technical assistance, excise tax exemptions, and preference in government procurement. Despite the multitude of incentives, MSMEs continue to face barriers to growth and experience challenges in accessing finance, markets, skilled labour, and technology. Given these bottlenecks, most MSMEs have struggled to expand, and the enterprise landscape in India continues to be dominated by micro-enterprises that typically create low-paying and low-value added employment opportunities.

To harness the potential of MSMEs as engines of inclusive growth, a re-thinking of MSME development strategies is required. Digital technologies that have the potential to boost productivity and growth of MSMEs should be a key element of such a strategy. Global evidence suggests that technology can enhance operational efficiencies, innovation, access to international markets and credit and promote enterprise productivity and growth. Given the rapid expansion of India's digital economy, in particular the growth of e-commerce, one key issue that merits attention is how MSME participation in e-commerce can enable them to compete and grow by making it easier to overcome geographical barriers and reach new customers by lowering the market entry and doing business cost. Empirical evidence on the engagement of India's MSME sector with e-commerce platforms is limited thus far.

In a recent study titled "Leveraging E-commerce for Growth of MSMEs" (https://icrier.org/pdf/E-commerce_MSME_Annual-Survey.pdf), we conducted a comprehensive primary survey involving over 2,000 MSMEs to understand how e-commerce

SUPPORT MEASURES:

- Financial assistance: The government will provide financial assistance to MSMEs in the form of loans, grants and subsidies.
- Tax incentives: The government will provide tax breaks to MSMEs, including exemptions from excise duty and sales tax.
- Infrastructure support: The government will provide infrastructure support to MSMEs, such as land, power and water.
- Training and skill development: The government will provide training and skill development programs to MSMEs to help them improve their productivity and competitiveness.

KEY BENEFITS OF THE POLICY:

- Increased investment: The policy to attract increased investment in MSME sector, which will help to create new jobs and boost economic growth



can be leveraged to enable their growth in India. The survey combines data from enterprises that are integrated with e-commerce platform and those that are not, across six product categories, namely sports goods, toys processed under preserved food products, apparel, furniture and handicrafts. The survey covered the cities of Ahmedabad, Bhubaneswar, Delhi, Jaipur, Lucknow, Ludhiana, Jalandhar, Agra, Meerut, Saharanpur and Chennai. Importantly, all the enterprises included in the sample are registered on the Udyam portal, a government facility that provides firms with a permanent registration and basic identification number.

The findings of the survey suggest that the main reason MSMEs join e-commerce platform is to gain access to a border customer base and expand market reach. Improved market access is the most widely reported benefit of integration. Most enterprises reported an improvement in their total sales and profit margins after integrating with e-commerce platform. Many firms mentioned that they had invested in training employees and purchasing new equipment, machinery and software ever since they joined e-commerce platforms. Integrated MSMEs also reported launching new products, making improvements in existing product design and adopting new business practices and organizational methods. It appears, therefore, that integration with platforms may have fostered investment and innovation at the firm level. However, only a relatively small share of integrated firms reported hiring new employees after joining e-commerce platforms. This may be due to the fact that the use of inline marketing practices may have saved firms labour inputs in some areas even though they may have created jobs elsewhere through an expansion in sales.

In addition to capturing information on the key performance indicators of firms, the survey also captured important characteristics of the businesses and demographics of business owners to undertake a comparative analysis of MSMEs that transacted on e-commerce platforms. Second, women-owned MSMEs are not far behind male-owned firms in terms of integrating with e-commerce platforms, despite the under-representation of women in the MSME landscape in general. This could be attributed to the fact that barriers faced by women in accessing traditional markets on account of social and cultural norms ease when retailing through platforms. Third, integrated MSMEs report a higher share of permanent employees in their workforce compared to non-integrated firms. Fourth, a greater proportion

of export-oriented firms integrate with e-commerce platforms compared to firms that do not engage in exports, suggesting a positive relationship between firms' export orientation and digitalization. Given that the more productive firms in the economy are likely to be engaged in export activity, such firms are perhaps better placed to harness the benefits of online sales and are, therefore, more likely to join e-commerce platforms.

The selective adoption of e-commerce by MSMEs is noteworthy and has important implications for the industrial structure. If it is the more productive firms in the economy that first adopt modern digital tools like e-commerce, which subsequently enable them to grow by making deeper inroads into markets, then inequities can emerge between integrated and non-integrated MSMEs. It is also important to note that digital technologies are rapidly transforming consumer expectations and MSMEs need to adapt to remain competitive in the digital economy.

Policymakers and other stakeholders must be mindful of these potential inequities and work to bridge the divide between the integrated and non-integrated firms. Analysis from the survey suggests that potential reasons for not integrating with e-commerce platforms include informational barriers to the adoption of new technologies and limited capability of firms to profit from e-commerce. Addressing these gaps will require investments in technology, digital skills and information that enable firms to adopt e-commerce successfully. Additionally, enhancing the competitiveness of non-integrated MSMEs by providing them with infrastructure services, financial services, managerial and business skills and enterprise support and training will better position them to harness the benefits of e-commerce adoption.

Sustainable Development & the Rise of MSMEs in Green Energy Sector

India's MSME sector is the backbone of the national economy with over 64 million businesses providing employment to over 11 million people and contributing to 1/3rd of the country's GDP. With industrialisation, it is important to implement production and operational activities in order to develop and grow sustainably. Among 64 million MSMEs, about 44 million MSME units contribute 45% of India's manufacturing output and accounts for 35% of India's total exports.

The MSME sector consumes energy equivalent to about 50 million tons of oil annually. As a major consumer of energy, they need to take measures to



produce efficiently and use clean energy. This can be done by adapting to eco-friendly technologies which helps in contribution to achieve a sustainable environment.

How MSMEs can Leverage Schemes & Financing to Adopt Green Energy

The Government of India is promoting MSMEs to adopt renewable energy across all sectors. There are various schemes and programmes to create awareness to the MSME entrepreneurs of India. Some of the methods which can be implemented are listed below :

Solar Rooftops

By using solar energy MSMEs can increase their score on ZED as it reduces the carbon emissions and can be used to avail government grants and subsidies. By installing solar rooftops, it reduces the electricity bill and also cuts down overall costs. One of the major advantages is that it offers continuous access to electricity unlike the traditional source of using coal-generated power. By showcasing that the company is promoting a green environment it will help attract investors and customers, increasing the branding of the company.

Green Technology

The Government of India has taken initiative to advocate various schemes and policies for the MSMEs to adopt new and green technologies. Schemes such as Technology Upgradation and Quality Certification ZED Certification scheme, A Scheme for Promoting Innovation, Rural Industries and Entrepreneurship (ASPIRE), Credit Linked Capital Subsidy for Technology Upgradation (CLCSS) and Design Clinic for Design Expertise to MSMEs among various other schemes. The benefits for these schemes mainly involve adapting to new technology and upgrading the current manufacturing process to have an end result with improved efficiency, better quality of products, reduce rejection and reduce production in cycle-time and promote the use of green energy.

Renewable Energy from Battery Storage

These devices enable energy from renewable energy which can be stored in them when necessary. This method helps in accessing sufficient energy as per

necessity. This will also help in being self-sufficient without being dependent on external sources for electricity. These systems also reduce greenhouse emissions and minimise pollution.

Bureau of Energy Efficiency (BEE)

The BEE is an agency of the Government of India under the Ministry of Power. The objective of this agency is to develop programs which increase the conservation and efficient use of energy. Some of the schemes under this agency which are provided by the government include the BEE-SME scheme that is part of the National Programs on energy efficiency and technology upgradation of SMEs. GEF-UNIDO BEE scheme is promoting energy and renewable energy in selected MSME clusters in India and the scheme is financing energy efficiency product implementations in several MSMEs around the country. All these schemes mainly create awareness and encourage MSMEs to adapt and achieve sustainable development by adopting green energy.

IREDA

Is also known as Indian Renewable Energy Development Agency which aims to address the effects of climate change and pollution reduction by financing and supporting renewable energy projects. They recently announced to fund more loans for MSME to increase participation in the green energy sector. With the target to achieve 50% share of energy from fossil fuels and also 500 GW renewable energy capacity by 2030, it is important for MSMEs to show considerable participation.

Public awareness of renewable energy has been growing rapidly hence, it is important for MSME entrepreneurs to integrate sustainability principles into their business strategy. This not only has an impact in creating a green environment but also is an added advantage over the competitors that the enterprise is promoting a sustainable environment. Thus, helping MSMEs grow their business exponentially and increase their sales.

For any MSME a major barrier is the process of availing a loan with a reasonable interest rate and collateral. Kinara Capital is an RBI registered Systemically Important NBFC in India, offering a wide range of MSME loans with flexible interest rates without any property collateral.

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ALL INDIA INSTITUTIONS

Banks' gross NPAs at a decade low of 3.9%: RBI

The asset quality of banks continued its improving trend with their gross non-performing asset (GNPA) ratio falling to its lowest in a decade and the net NPA touching 1 per cent, a decline not seen since March 2011, the data released by the RBI in its bi-annual Financial Stability Report showed. The capital adequacy ratio of banks is at a historical high. The report said with the growth momentum continuing with moderating inflation, a narrowing current account deficit, rising foreign exchange reserves, fiscal consolidation, and a robust financial system were setting the economy on the path of sustained growth.

The report highlighted the global economy had been navigating successive high-amplitude shocks in the last three years, including the pandemic waves, protracted geopolitical hostilities, rapid monetary policy tightening, and the recent banking turmoil.

Bank Report Card

- CRAR, CET1 ratio of scheduled commercial banks rose to historical highs of 17.1% and 13.9%, respectively, in March 2023
- Provision coverage ratio improved to 74%
- PAT registered 38.4% growth in 2022-23
- Banks would be able to comply with minimum capital requirements even under severe stress scenarios
- Persistence of core inflation poses risks to growth

FinMin asks Sidbi to raise direct lending portfolio

The finance ministry has urged Sidbi to increase direct lending portfolio. "In terms of percentage in the overall book, the direct lending portfolio would appear to have come down, but in absolute numbers, it has grown. To increase it, Sidbi has introduced various



initiatives such as digitising the entire lending process to MSMEs, cash flow based invoice financing of small and micro enterprises and quick dispensation products requiring lighter due diligence". On the Capital Adequacy Ratio (CAR) declining sequentially by 366 basis points to 15.63 per cent at the end of the first quarter of this financial year (FY24), Sidbi has been able to leverage capital in a more efficient manner as the size of the balance sheet has more than doubled in the last two years.

"To sustain the exponential growth in balance sheet witnessed in the last two years, Sidbi will need more capital. It has initiated talks with its shareholders in terms of raising capital and since the government is the largest shareholder, we are talking to them on this matter".

On the expected profit for the financial institution in FY24, that in absolute numbers, the profit is expected to go up from Rs.3,344 crore earned in FY23 because the average earning assets will be higher. As the total assets and the total business book of the banks grows the profit in absolute numbers will also grow.

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"Respect is the key determinant of high-performance leadership. How much people respect you determines how well they perform."

INFRASTRUCTURE

Core sector grows 12.1% in Aug

The output of eight key infrastructure industries— as the core sector— increased 12.1 per cent year-on-year in August on the back of a low base and double-digit production growth in five sectors. In August last year, the core sector output had grown 4.2 per cent.

According to the data released by the Ministry of Commerce and Industry in September, 2023, while growth in the output of fertiliser (1.8 per cent), steel (10.9 per cent) slowed in August vis-à-vis the previous month, that of coal (17.9 per cent), natural gas (10 per cent), refinery products (9.5 per cent), cement (18.9 per cent) and electricity (14.9 per cent) accelerated. Crude oil production grew at the same rate at 2.1 per cent.

“Strong growth in the cement and electricity sectors got support from the dry monsoon spell in August 2023 (monsoon was 36.2 per cent below normal at the all-India level). The output in these sectors is usually impacted by monsoon rainfall, which puts a break in construction activity and reduces the demand for power. Buoyant growth in the cement and steel sectors is getting sustained support from government capex. The data indicates that the recovery in the infrastructure industries is getting broad-based, which is a good sign for the economy”. The eight core industries account for 40.27 per cent of weighting of items included in the Index of Industrial Production (IIP) and, thus, they have a significant impact on the index.

Core sector output slows in Sept

The output of eight key infrastructure industries — known as the core sector — slowed to a four-month low of 8.1 per cent in September, on the back of a high base and a slowdown in seven constituent sectors. In September last year, the core sector output had grown 8.3 per cent. The print for August 2023 was also revised slightly upwards to 12.5 per cent, from 12.1 per cent estimated earlier. According to data released by the Ministry of Commerce and Industry in November, while growth in the output of fertiliser (4.2 per cent) accelerated in September vis-a-vis previous

month, that of coal (16.1 per cent), natural gas (6.5 per cent), refinery products (5.5 per cent), cement (4.7 per cent), steel (9.6 per cent), and electricity (9.3 per cent) decelerated.



India ranked 67th on energy Transition Index: WEF

The World Economic Forum in June, 2023 ranked India at the 67th place globally on its Energy Transition Index and said it is the only major economy with energy transition momentum accelerating across all dimensions. Sweden topped the list and was followed by Denmark, Norway, Finland and Switzerland in the top five on the list of 120 countries.

The WEF said the global energy transition has plateaued amid the global energy crisis and geopolitical volatilities, but India is among the countries that have made significant improvements. “India is the only major economy with energy transition momentum accelerating across the Energy Transition Index’s equitable, secure and sustainable dimensions” the WEF said. For example, despite continued economic growth, India has successfully reduced the energy intensity of its economy and the carbon intensity of its energy mix, while achieving universal energy access and effectively managing affordability of electricity” it added.

Achieving universal access to electricity, replacing solid fuels with clean cooking options and increasing renewable energy deployment have been primary contributors to the improvement of India’s performance. India also emerged relatively less affected from the recent energy crisis, largely due to the low share of natural gas in power generation and increased use



of existing generation capacities.

'ESG means doing business the right way'

The Financial Stability Report (June 2023) highlighted two challenges arising from climate-related events: Recalibrating business strategies for green transition, and strengthening resilience. The Reserve Bank of India's survey on climate risk and sustainable finance in July 2022 said that most banks didn't have an ESG (environmental, social, and corporate governance) policy in place. According to

Shri Sankar Chakraborty Chairman of ESG Risk Assessments and Insights the ESG concept is relatively new compared to conventional risk-management frameworks. We also don't have enough data to establish the impact of ESG factors on credit. We need to have at least two economic cycles' data whereby you can establish the correlation. But at least two or three banks I am working with very closely are making very quick progress. One part is being able to predict major credit failures using ESG principles; the other is to understand existing exposures. For that, banks need to build a very detailed taxonomy, which is currently missing in India.

In green finance, which agency is to validate or certify it?

About one and half years ago, the Securities and Exchange Board of India said that for a public issue, a company had to appoint a monitoring agency for carrying out this activity; and rating agencies were eligible. There's a framework in place, but we are yet to see how well it's working because this is a new initiative. At this point of time, I will not be able to tell you if rating agencies have caught the misuse, or misdirection of funds. But you can expect this to happen over the next couple of years.

Do you think there will be enough takers for green deposits?

In the short term, ESG may not naturally give you the indication that it's economically viable. This is where I think the understanding of the concept is a little convoluted in people's minds. Let us broadly say that ESG means doing business the right way. In the short term, it may not give benefits. Paying taxes on time

has a long-term positive yield for a company - you will avoid penalties, reputation risks, and so on. But if you are able to avoid tax and get away with it, in the short run, it benefits the company. ESG is actually a concept which cannot be applied effectively in the very short run. When a bank raises green deposits, the objective is that it will be directed towards projects which are ESG-compliant. Now, it may not naturally mean that these deposits will have better returns. If being ESG-compliant means a higher interest rate (being offered on deposits) then ESG as a concept doesn't make sense.

If such funds are not cheaper, then how will the transition happen from non-ESG fuels and businesses to what is ESG-compliant? If banks are going to charge a higher interest to companies for ESG-compliant projects, and thereby, provide a higher interest rate on green deposits, it's not going to work. So, there has to be an incentive mechanism which banks, or the government has to figure out for this to happen. I look at ESG as a more holistic phenomenon. Look, for example, at the ESG funds out there. A lot of these are nothing but IT (information technology funds). In some cases they actually have a lower ESG score than a non-ESG fund. The question, therefore, is: If we have to make a huge transition towards ESG compliance, is it possible to create separate instruments and direct resources towards them?

At the societal level, what will it take to get a buy-in?

We have to prove that ESG is ultimately a sensible thing to do. Indian society is inherently efficient. However, with more and more western influence, you know things are changing. On the one hand, our children are extremely aware about climate change, but on the other, the ability to recycle is going down. I think, at a societal level, change can only come when people actually see the benefits from practising ESG. If it's going to make your life more uncomfortable, more miserable, and more expensive, I don't think people will absorb it. We have to create disincentives. Take water: it's very easy for the government to make water more expensive if not used in an efficient manner.

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MISCELLANY

Steps that led to success and the way forward

* Tarun Bajaj

There have been several steps taken in the six years since the rollout of goods and services tax (GST) on July 1, 2017, that have helped make the new indirect tax regime a success. Some of these are :

Rate reduction and rate rationalisation: GST rates were either reduced or rationalised on several items. The micro, small and medium enterprises (MSME) sector was especially kept in mind. The 28 per cent slab was pruned substantially. Threshold exemption and composition limits were increased significantly. All this helped taxpayers realise the benefits of GST, and enabled the government to get their buy-in. But this also led to a reduction from a revenue-neutral rate of 15.3 per cent to an actual average rate of 11.6 per cent, which resulted in reduced revenue collections and increased compensation requirement. The formalisation of the economy and improved compliance in the past two years have, however, increased GST revenue and removed the need to increase rates to bring them on a par with the revenue-neutral rate.

Introduction of e-way bills: The system of e-way bills for inter-state movement of goods was followed by the same for intra-state movement, in a staggered manner. This led to a seamless movement of goods across the country on the one hand, and to detection of tax theft on the other.

Introduction of e-invoice: A game-changer, the introduction of e-invoices enabled real-time authentication and validation of business-to-business (B2B) transactions and auto-population of details of B2B in GSTR-1 returns, making life easier for the taxpayer.

Dynamic solutions in the technology network: The GST network has been very agile. While it has brought efficiency in the system, helping taxpayers with automatic filing of returns and easier compliance through steps like SMS filing of nil returns, it has also provided tax administrators with actionable information. It has built applications to detect fake dealers and entities evading taxes.

Sequential filing of returns: This has brought discipline among taxpayers and improved revenue realisation. The return filing percentage under GST, which has



crossed 90 per cent (GSTR 1 and 3B), compares with the best-administered tax jurisdictions of the world.

Audit of returns: No longer a discretion of the tax administrator, the audit of returns filed by taxpayers is now based on a selection by algorithms. This ensures that the compliant are not harassed and the delinquents are caught at the same time. The feeling now emerging is that it is best to comply and pay taxes. And this is clearly visible in increased registrations, return filings and revenues. Since last year, Deloitte has been producing a report on the functioning of GST on its anniversary. It is pleasing to note that the report of a neutral agency has given such a good account of GST: 94 per cent of the respondents it cites have given positive affirmation to GST, by all standards a huge achievement. Respondents have also acknowledged that the government's proactive measures to simplify compliance, specifically in the past year, have played a crucial role in fostering a positive GST experience. The results of the Deloitte survey reflect a positive outlook for ease of doing business in India, with enhanced supply-chain efficiencies, working capital rationalisation, input cost reduction, etc. Ninety-three per cent of the respondents have said that the GST regime could supplement the government's 'Make in India' (Aatmanirbhar Bharat) movement. Indeed, there are also some issues flagged by the respondents where further reforms might be needed. These need to be kept in mind, too. Overall, results point to very good and satisfying six years for GST, which the country can be proud of, even if some more reforms as detailed below are needed to bring further efficiency



and effectiveness to the GST regime.

Evolution of the GST rate structure

The rate structure, including cess and multiple slabs: The GST rate structure has undergone a significant change in the past six years. The initial challenge of merging far too many pre-GST rates was achieved by putting commodities in mostly four rate slabs of 5 per cent, 12 per cent, 18 per cent and 28 per cent. Special rates were prescribed for items like gold and diamonds. Further, compensation cess also has many rates. There is a need to rationalise rate slabs. Future efforts should be to reduce the three slabs of 5 per cent, 12 per cent and 18 per cent to just two. This could be done by moving the 5 per cent slab upwards and gradually eliminating the 12 per cent one, with items in the latter slab being moved to the two remaining ones (most items could come to the lower slab). This needs to be done to ensure revenue neutrality. A group of ministers is already working on this issue.

The 28 per cent slab needs further reform: The rate slab of 28 per cent has been overhauled and now applies to only 37 items (compared with 229 earlier). The items remaining in the highest slab are mostly luxury or sin goods like tobacco, aerated water, automobile, air-conditioners, and so on. Major work has been done on this slab, but certain items like cement, televisions, motorcycles, and auto parts could also be considered for rationalisation.

Inverted-duty structure: Another distortion in GST is commonly known as inverted-duty structure (IDS). This essentially means higher GST incidence on inputs when compared to output. In IDS, manufacturers are stuck with input tax credit (ITC). This requires seeking a refund from the government, which is often only partial, causing hardships. The GST Council has made efforts to correct inversion on many items like mobile phones, footwear, renewable energy equipment, railway items, light-emitting diodes (LEDs), ink/dyes, pens, bags, and certain machinery. Further IDS correction is required on items like textiles, fertilisers, tractors, utensils, medical equipment, agri machinery, aggarbattis, etc.

Exemptions: GST has many exemptions. While

some have been pruned, many of them still exist, particularly on services. Exemptions do not benefit consumers in view of cascade tax, but they do seriously harm domestic producers. It is imports that gain. Revenue suffers, too. These exemptions need to be pruned.

Phasing out of compensation cess: Phasing out of the compensation cess is also an exercise that needs to be carried out. This is a sensitive exercise and might require considerable prior work to merge the cess into GST rates.

Operationalising the GST tribunals: This will provide necessary relief to the taxpayer. A lot of work has already been done in this regard; only the implementation needs to be expedited.

Expansion of tax base: The GST base has expanded at an extremely fast pace, more than doubling to about 14 million from 6.5 million in 2017. The concerted efforts made in this regard have led to robust buoyancy in GST revenue, with monthly revenues exceeding Rs 1.5 trillion, despite the global effects of the Covid-19 pandemic. However, there is still a lot of scope to expand the tax base. An effective strategy in this regard could include:

- Nudging potential taxpayers through sustained campaigning
- Involving local trade associations and advertising the benefits of joining the GST chain
- Systematic, non-intrusive, technology-driven surveys among potential taxpayers
- Incentivising new taxpayers to join the GST chain through speedier loan disbursements, financing, bill discounting, export facilitation, GST Day recognition, etc.

All these reforms need a lot of groundwork by committees, and then the GST Council. The council should endeavour to bring these changes after the general elections next year. After that, there should be stability in rates and the structure. Further meetings of the council will then need to become boring and lacklustre to stop attracting media attention. That would, in my view, measure the final success of GST.

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Courtesy : Business Standard. The author is former revenue and economic affairs secretary, Govt. of India. He was earlier Managing Director, HSIIDC (2012-2014).



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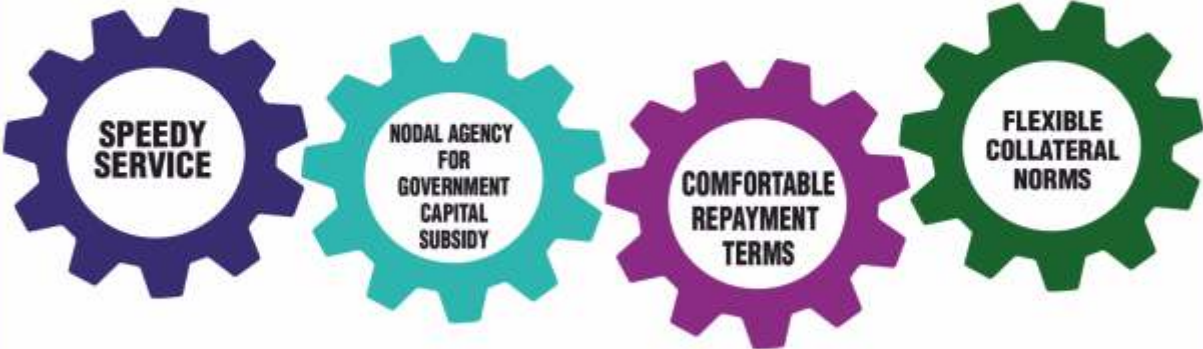




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