COSIDICI COURIER

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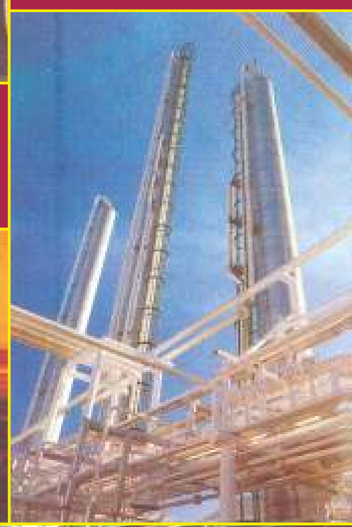
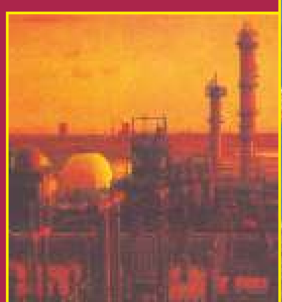

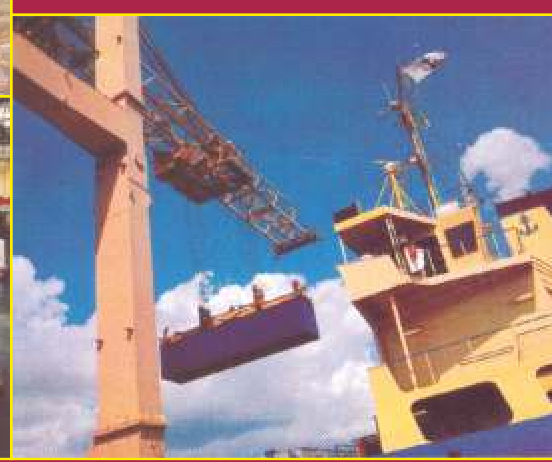

Inside

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.

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COSIDICI COURIER

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

CONTENTS

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.

Fintech challenge is a fantasy

*** T T Ram Mohan**

The Government is poised to launch 75 digital banks soon, so the headlines proclaimed. If you thought a sleek set of new banks was going to challenge incumbents, you would have been mistaken. What will be launched are Digital Banking Units (DBUs). These are a new way of making available digital products of existing banks and non-banking financial companies (NBFCs). What exactly are DBUs? The Reserve Bank of India (RBI) has a definition that runs into four lines. In essence, these are outlets where people can avail of banking products mostly on their own. There will be personnel to assist them but these will be kept to the minimum. In other words, a DBU can be seen as a branch that operates mostly in a digital (or paperless) mode. If the idea is to increase penetration or inclusion in underserved areas, scepticism is in order. Even highly literate customers prefer the convenience of walking into a normal branch to meet many of their banking needs. To suppose that in under-served areas, people will be able to help themselves to any but the most basic banking products (say, deposits) is a stretch.

DBUs may be able to grow deposits quickly but they are unlikely to be able to do much on the asset or fee income side. To be able to push a range of digital products in under-served areas, banks will need adequate and highly trained staff. At best, by eliminating paper, DBUs can reduce processing time and help enhance employee productivity. DBUs are one way in which digital products can be offered. In this model, the digital products stay within the bank. Digital products can also be offered through digital banking subsidiaries or by standalone digital banks. In the late 1990s and early 2000s when online banking came into vogue abroad, banks did experiment with digital banking subsidiaries. These did not work and were subsumed into the parent. Standalone banks based on internet banking did not survive either.

Standalone digital banks (also called neo-banks) have made a comeback, thanks to the mobile phone. They are part of the broader category of players labelled fintech. Fintech, which is the provision of financial products through electronic platforms, can happen in three ways. One, through entities that compete with banks (such as digital banks). Two, through entities that collaborate with banks by providing a range of services, such as customer acquisition, KYC checks, loan processing and screening, loan collection, risk management, customer management and so on. Three, through entities that eliminate the need for financial intermediation, for example, peer-to-peer lending platforms.

The most direct threat to banks comes from standalone digital banks. These have not happened in India. But we do have evidence of their record elsewhere. The Global Financial Stability Report (April 2022) provides a useful summary. The threat posed by digital banks, it turns out, is vastly exaggerated.

Digital banks have grown fast in places such as Brazil, the UK and South Korea. The best among them have market capitalisation comparable to that of the top banks, thanks to rapid loan growth. The high valuations ignore the higher risks that digital banks take and their poor margins and profitability.

Digital banks don't quite take banks head-on. They typically target high risk customers that banks tend to avoid. These include: Individuals with lower incomes or lower credit scores, commercial real estate and unsecured lending. Despite the higher risks they take, digital banks have a lower provision coverage than traditional banks. Their yields on loans are about the same. They have a less loyal depositor base but their liquidity ratios are lower.

Digital banks' potential for fee income is lower because they deal with lower income clients. You might think they would have lower operating expenses because of the absence of brick-andmortar. Not at all. What they save on branches is more than offset by huge marketing expenses. Not surprisingly, most are loss-making. So much for digital banks threatening traditional banks and taking away market share from them.

Digital banks are connected with banks through the inter-bank market and also through the various services they provide. They are lightly regulated at the moment. But as they grow bigger, regulation will have to be tightened, as the GSFR report observes. Digital banks are a threat, not so much to banks, as to banking stability on account of the systemic risk they pose.

That goes for the broader world of fintechs too. Fintechs have made an impact in the payment space. But that does not mean that they can mount a serious challenge to the core banking functions, taking deposits and making loans.

For one thing, the experience of the past two decades suggests that the centrality of the branch to banking remains. Digital banking cannot wholly substitute the branch when it comes to customer acquisition. It is a tool for customer retention, an added service that banks provide by way of holding on to customers.

Branches remain relevant, first, because of the sense of solidity they give customers, the ability they confer for cross-selling more than the most basic products and as a 24x7 means of advertising a bank's presence. As mentioned earlier, digital banks have to spend enormous amounts on acquiring customers. Lacking any overall cost advantage, digital banks necessarily have had to seek out riskier, higher-yielding products and customers.

Secondly, banks have not been idle in response to the perceived threat from fintech. They have adopted many of the tools of fintech and sought to reinvent many of their businesses. They have acquired fintechs. They are collaborating with fintechs by outsourcing activities they think fintechs can do better.

We have seen this happen with other challengers or innovators. NBFCs were at one time seen as a big threat because they were nimbler than their bigger banking rivals. Banks responded by themselves offering the high-yield products that were considered the preserve of NBFCs. They have done so either within their existing business or through NBFC subsidiaries. We have reached a point where an NBFC's nirvana lies in turning itself into a bank! The same has happened with micro-finance. Banks have found one way or another to venture into micro-finance. Ditto with payment products.

What players such as NBFCs, micro-finance institutions and payment entities have done is to get banks to think through their business models and get better. Fintech is likely to serve the same purpose. The notion that fintech will displace banks is a fantasy. Banks will imitate fintechs or swallow them, they aren't going to disappear.

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Author : **Shri T.T. Ram Mohan**

Courtesy : The Business Standard. Author is professor of finance and economics at IIM Ahmedabad.

Success is not final, failure is not fatal: it is the courage to continue that counts."

– Winston Churchill

Revisiting the Role of SFCs in Modern India

For providing short term and long term loan to the industry, **Industrial Corporation of India (IFCI)** was established under IFCI Act 1948, but this central financial institute was not fulfilling the all need of different state's local industry. Hence The Government of India (GOI) passed **State Financial Corporation bill (SFC's)** in 1951. Now after passing the bill, every state government has power to establish State Financial Corporation (SFC) by getting the money from public by issuing shares and bonds. It can utilize this money for providing loans to local industry of the states on the policy of the state government. At present 18 states governments have established SFCs under the rules and regulations of the SFCs Act 1951. In each state a State Financial Corporation (SFC) has been functioning for more than six decades. Operating at the grass root level, these institutions have played a significant role in developing industries in the states with particular emphasis on development of backward regions. These corporations have played a crucial role in the promotion of first generation entrepreneurs. They have recorded an impressive performance in providing financial assistance for promotion and development of small scale, medium scale and large scale industries in their respective states.

In this context, SFCs can become the nodal agencies of their respective State Governments for the States' activities and increase their fee based income. The cost of funds for the SFCs is high and therefore they are charging higher rate of interest which makes the units non-competitive. This adversely affects industrial development and employment generation in the States. In some cases, almost 40% of the total credit of an SFC is to the 1st generation entrepreneurs. Recognizing their role in the industrial development of the State, many State Governments have been infusing equity in these Corporations. The State governments could be requested to provide interest subvention as is being done in Tamilnadu. This would bring down the cost of funds for the SFCs.

Role of SFC's in India

SFC's aim at wider dispersion of small scale industries of states to meet the term credit requirements. Their main objectives are to finance and promote these industries in the state for achieving balanced growth. The activities of SFCs were under the supervision of IDBI and RBI till about 1990 after which the SIDBI and RBI have been overseeing the supervision. SFCs were created as DFIs, and had largely social mandate as per the prerogative of the state governments. To some extent, such social mandate resulted in profligacy. However, SFCs adopted financial regulation and prudential norms, during liberalization of economy.

Shri Suresh Kumar Agarwal

In early 50s, SFC's have done a commendable job in decentralization of industrial activities, removal of regional economic imbalances, generation of employment opportunities and removal of poverty in the rural & semi-urban areas. These Development Financial Institutions (DFI's) have developed spirit of entrepreneurship and contributed immensely towards the industrial development of the country during the last five decades. These DFI's received support and encouragement from Government of India, State Governments, RBI, IDBI, SIDBI etc. Ever since these DFI's came into existence they have been managed and controlled by the respective state governments. Despite their strategic importance in the national, economy and their laudable objectives they have not been able to acquire essential business and professional characteristics in their functioning. Because of their monopoly in the field for nearly four decades, they tended to function like any department of the State Government with attendant pitfalls and insensitivity.

The MSME sector is crucial for economy of any country. Though the SFCs were providing credit as well as technical and marketing support these corporations were not getting their due recognition. No other financial institution has the outreach and wherewithal to finance industrial enterprises and first generation entrepreneurs in the decentralized sector. They were, therefore, exposed to greater risk of their loans turning NPAs. It is in the context of these realities that the role of SFCs gains greater importance. Consequent upon withdrawal of refinance support from SIDBI, the SFCs were constrained of funds and needed other avenues of funding to carry out their functions.

Prestigious Companies as Loanees of SFC's

Delhi Financial Corporation in its annual reports states the loanees companies as Pearl Pet, United Pressure Cooker, Onida TV, Frontier Biscuits, Relaxo, Punjab Kesari, Saral Imaging Diagnostic, R L Khera Charitable Hospital, Minda Industries and Piccadly Hotel. Similarly Gujrat Financial Corporation has given loans to Reliance Industries, Nirma Ltd, United Phosporous Ltd, Lyka Lab Ltd, Gujarat NRE Coke Ltd, Aarvee Denim Ltd, Voltamp Transformer Ltd, Torrent Lab Ltd, Vadilal Ice Cream Ltd, and Gujarat Metal Cast Ltd. Punjab Finance Corporation's loanees have been Ambica Forgings of Ludhiana, Cheema Boilers, Chevron International (Hotel), Oswal Group of Ludhiana. Madhya Pradesh Financial Corporation has given loans to Shakti Pumps etc. Other SFCs have not published the information hence it is not documented well. The SFCs are providing effective financial assistance to the MSME units owing to their expertise, local knowledge and quick response.

Strategy of Gupta Committee

The Ministry of Finance (Banking Division) had constituted a Committee under the Chairmanship of Shri G.P. Gupta, the then Chairman and Managing Director, IDBI, to look into the functioning of State Financial Corporations and make recommendations for their re-structuring and re-vitalisation. The terms of reference of the Committee were quite comprehensive which, inter alia, included financial and organisational re-structuring, re-capitalization and re-vitalization of SFCs, measures for containment of non-performing assets, etc. The Govt. of India had nominated Chief Executives of two SFCs on the Committee, viz., Dr. Vishwapati Trivedi, IAS, Managing Director, MPFC, and Shri A.K.D. Jadhav, IAS, Managing Director, SICOM. The President COSIDICI, Smt. Yasmin Ahmed, IAS, was subsequently co-opted on the above Committee by the Govt. of India. The Committee had submitted its report to the Govt. of India, Ministry of Finance (Banking Division), on 30th January, 2001.

This Committee observed that banks can raise cheaper capital, and to compete against banks, SFCs need to get credit at differential rate of interest. SFCs have to become corporatised, and ultimately to become a bank themselves so that they have the operational flexibility and ability to raise resources in a cost-effective manner. SFCs have to become more than a "Single Product" provider. To overcome operational inefficiencies, the committee recommended IT interventions and redesign of business processes for faster decision making and monitoring. Other approaches suggested were Debt Recovery Tribunals (DRTs); one-time settlements (OTS); setting up of Asset Reconstruction Companies (ARCs), and different norms for income recognition, provisioning, and asset classification. Above all, it recommended that the Asset Liability Management Committee (ALCO) should monitor and mitigate risks of mismatch during the loan tenure. The Committee further suggested that SFC's are saddled with large number of staff in the non-officer category. Also, the level of professionalization amongst officers is low. With a view to rationalizing their staffing pattern, the Committee recommends that SFCs offer VRS to their staff equivalent to one month's pay for every completed year. Each SFC would need to devise its specific scheme for rationalization of staff.

Committee makes recommendation for management as below :

- The overriding powers vested with the State Governments to dismiss the entire Board are perceived as an 'impediment' especially when the current thinking is towards inviting wider participation from public as shareholders. The Committee suggests that this provision be repealed.
- To effectively guide the SFCs, the nominees of SIDBI, FIs and banks be drawn from a pool of appropriately senior executives, preferably not below the rank of General Manager.
- The second line of management should invariably be developed and such positions be filled by appointing professionals with relevant experience as Executive Directors.

Public Sector Bank's (PSB) MANTHAN

During the PSB Manthan in November 2017 with Finance Minister (FM) and other senior officials from the Ministry of Finance, Government of India with the CMD/MD's of the Public Sector Banks, FM asked small lenders to look at a differentiated approach in banking to leverage capital, focusing on a niche instead of copying big banks. Differentiated banking is the need of the hour, mostly for smaller lenders so that to find their niche and ensure that they push credit growth in their sector and also to create value for their shareholders and eventfully move towards consolidation.

During the manthan organized in November 2017, six areas on which bankers brainstormed viz. Responsible & Responsive Banking; MSME Lending; Enhanced credit off take; NPA resolution; Deepening financial inclusion; and Consolidation.

These talks were part of the PSB manthan, the conclave of state run banks where PSB's were told that the Rs.2.11 lakhs crore recapitalization the government has announced would depend on the reforms they undertake to clean up their books and increase lending to medium and small enterprises.

COVID-19 Pandemic

RBI has announced certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable business. In this regard all banks including SFC have granted six months' moratorium on the payment of all installments. The repayment schedule for such loans was shifted across by six months. Interest continues to accrue on the outstanding portion of the term loan during the moratorium period. The assets classification of term loan which were granted relief as above were determined on the basis of revised due dates and the revised repayment schedule. RBI has relaxed the norms to control the economic fallout on account of COVID-19 pandemic which has led significant financial stress for borrowers across the board. Considering the above SFCs like DFC, KFC, KSFC etc. have also extended the COVID-19 relief to its borrowers. However the relief granted by the SFCs was not reimbursed by the GOI to the SFCs. DFC alongwith COSIDICI (*a national federation of State Level Financial and Investment Corporations*) requested the Ministry of MSME, GoI for inclusion of SFCs as the implementing agencies for the relief package of Government of India as SFCs are extending credit to a large number of MSME units in the States at grass root level and rural areas thus contributing to the economy of the States.

Conclusion :

It is not adequately researched as to actually at what stage of operation or formation, the MSMEs come forward to avail the loan from SFCs. It is known that SFCs give term loans and in most cases the entrepreneur has simultaneous working capital loan arrangement from commercial banks. Thus, it indicates that SFCs are not intervening in the entrepreneurship process before the banks do; they only take up higher risk loans than the banks. The need for financial performance got consolidated after amendment of the SFC Act in the year 2000. SFCs are oldest surviving financial institutions. There have been many questions regarding their efficacy and functioning and many of the SFCs are now in poor financial health. SFCs give term loans to MSMEs, and thus face inherent risk to their operations. Many reports in the past regarding SFCs have written off the future of SFCs. Contrary to expectations, many SFCs have started becoming profitable and are diversifying to niche segments to ensure survival.

The need of the hour is to amend The SFC Act (last done in year 2000) to provide liberty, so that SFCs can finance all sectors including trading, education, agriculture etc along with acceptance of deposits so that the ultimate goal of the good governance can be performed by them in line with government policy and scheme i.e. Mudra, Startup, Stand-up-India, Make in India & Digital India etc.

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The author is Shri Suresh Kumar Agarwal, Assistant General Manager,
Delhi Financial Corporation

APPOINTMENTS

Shri Shivprasad M. Nakate, IAS has been appointed as Managing Director, Rajasthan State Industrial Development & Investment Corporation Limited {RIICO}, Jaipur vice Smt. Archana Singh, IAS.

Shri Manavendra Pratap Singh, IAS has been appointed as Managing Director Assam Industrial Development Corporation Limited {AIDC}, Guwahati vice Shri Adil Khan.

Ms. Nandini Paliwal, IAS has been appointed as Managing Director, Andaman & Nicobar Islands Integrated Development Corporation Limited {ANIIDCO}, Port Blair vice Shri Abhishek Dev, IAS.

Shri S. Hari Kishore, IAS has been appointed as Managing Director, Kerala State Industrial Development Corporation Limited {KSIDC}, Thiruvananthapuram vice Shri M.G. Rajamanickam, IAS.

Shri B.S. Pai Angle has been appointed as Managing Director, EDC Limited, Panaji, Goa vice Shri K.V. Ballikar.

Shri Dilip Kumar, IRTS has been appointed as Managing Director, Bihar State Financial Corporation, Patna vice Smt. Sarita Choudhary.

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There are two ways of spreading light: to be the candle or the mirror that reflects it.

Anyone who stops learning is old, whether at twenty or eighty. Anyone who keeps learning stays young. The greatest thing in life is to keep your mind young.

LETTER TO THE EDITOR

September 02, 2022

Dear Editor,

The 21st Century has witnessed the highest rate of technological advancements in terms of R&D, innovations and upgradations. The trend and traditions of the business, trade and Industry have changed in this scenario. The role of COSIDICI in coordinating the Development Financial Institutions {DFIs} viz. State Industrial & Infrastructure Development Corporations (SIIDCs) and State Financial Corporations (SFCs) is very significant in terms of development, promotion and financing of small and medium industrial sector. COSIDICI is acting as catalyst between SIIDCs and SFCs by providing them with a platform for bringing good industrial practices across the country as well as globally for facilitating investment, improvement of infrastructure and financing to industries.

Shri Shivprasad Nakate, IAS

I applaud the efforts of COSIDICI in the domain of industrial progress and convey my greetings & best wishes for the successful publication of their Magazine – "COSIDICI Courier".

Sincerely

Shri Shivprasad Nakate, IAS
Managing Director,
Rajasthan State Industrial Development &
Investment Corporation Limited {RIICO},
Udyog Bhawan, Tilak Marg,
Jaipur – 302 005

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Much of the stress that people feel doesn't come from having too much to do. It comes from not finishing what they've started.

– David Allen

PROFILE OF MEMBER CORPORATIONS

Himachal Pradesh State Industrial Development Corporation {HPSIDC}

Historical Perspective :

The Himachal Pradesh State Industrial Development Corporation Limited, i.e., HPSIDC, incorporated in 1966, is a wholly-owned undertaking of the Government of Himachal Pradesh. The Corporation also acts as a State-level financial institution. The activities of the Corporation encompass a number of functions incidental and allied to the process of industrial development. The affairs of the Corporation are managed by a Board of Directors (BOD) headed by the Hon'ble Industries Minister. Shri Rakesh Kumar Prajapati, IAS is presently the Managing Director of HPSIDC, Shimla. HPSIDC is scaling new heights of achievements under the able stewardship of Shri Rakesh Kumar Prajapati.

Aims & Objectives :

Stimulate industrialization throughout HP. Promotion, Development & Financing of Industries Development of Industrial Infrastructure

Marketing of Steel & Bitumen as dealer of Central PSUs like SAIL/RINL & IOCL.

*In Lakhs

Year	Profit	CM Relief Fund Corporation
14-15	1009.00	11.00
15-16	724.67	31.00
16-17	723.15	102.00
17-18	869.17	51.00
18-19	1401.80	102.00
19-20	1283.09	51.00
20-21	528.42	0
21-22	10.04 (approx)	2150.00

Term Lending Portfolio :

Shri Rakesh Kumar Prajapati, IAS

The Corporation has provided financial assistance to about 232 companies to set up industrial units in the State since its inception. The units financed are in various fields viz. hotel/tourism industry, cement, steel, pharmaceuticals, chemicals, general engineering, food/agro-processing, electronics/electrical, textiles, etc.

A total term loan component of about Rs.163.00 Crores as of March 2022 has been advanced by the Corporation to such Companies. The Corporation has assisted 49 companies by way of equity contribution, and an amount of Rs.8.75 crores had been sanctioned to these companies as equity against which a major amount stands recovered with good returns.

Infrastructure Development :

The Development of Industrial Infrastructure and execution of allied works thereto have been assigned by the State Government to the Corporation since the early 70s. Accordingly, a self-sufficient Engineering Wing was created way back in 1974.

The Corporation has in the past developed a number of Industrial Areas for and on behalf of the Directorate of Industries in different parts of the State. Apart from undertaking works on behalf of Industries Deptt., the Corporation also executes deposit works for other departments of the State on lines of HP PWD & HIMUDA.

The HPSIDC has executed works of more than Rs. 550.00 crores in the last 10 years. The Corporation has recently executed two prestigious MIIUS Projects at Pandoga &

Kandrori having an outlay of approx. Rs. 150.00 crores each (combined outlay being Rs. 300.00 crores). Presently the HPSIDC is executing works in excess of Rs. 600.00 crores, including that of Medical Devices Park at Nalagarh.

Industrial Area; Baddi & Baddi (Ext.) :

The Corporation had developed an industrial area under the Self-Financing Scheme at Baddi in 1987, covering an area of approx. 160 acres involving 340 industrial plots and 37 shop-sites with an allottable area of 5.18 lac sq. mtrs. The Corporation has been allotting plots to entrepreneurs since 1987 on the prevailing rates, which were revised from time to time. However, since 1998, available plots have been generally allotted through public auctions. The Corporation has earned an income of approx. Rs.48.00 crores from this activity in the past around 25 years. Presently no industrial plot is available in this area.

Industrial Estate at Davni (near Baddi) Distt. Solan :

The Corporation has developed another Industrial Estate at Davni (near Baddi) – with an area of approx. 601.14 bighas with a capital outlay of Rs.61.50 crores.

The area under industrial plots is approximately 2,50,000 sq. mtrs. The area under commercial is about 21,000 sq. mtrs. An area of 36,000 sq.meters. has been kept for low-cost housing projects. The rest of the area is under open spaces and roads.

A total number of 129 industrial plots are planned in the area, out of which 85 plots having an area of 11,1181 sq.mtrs. have presently developed. Out of 85 marketable plots, 83 plots of different denominations stand sold as on date - the total consideration being approx. Rs.32.00 crores.

Marketing Wing :

(Formerly: H.P.State Small Industries & Export Corporation Limited)

With the amalgamation of the erstwhile HPSSI&EC with HPSIDC in March 2011 as approved by the Govt. of India, the HPSSI&EC unit has been designated as the “Marketing Wing” of the HPSIDC and has formally started functioning under Administrative control of HPSIDC w.e.f. January 2012.

Operations of Marketing wing :

The Marketing Wing is procuring iron & steel materials from prime producers like Steel Authority of India Limited (SAIL)/Rashtriya Ispat Nigam Limited (RINL) & TATA Steel for further distribution to the SSI units/Govt. Departments/ Undertakings. This Wing has also been designated as the forwarding agent by Indian Oil Corporation (IOC) for the supply of Bitumen to Departments like the PWD in the State of Himachal Pradesh. HPSIDC has also entered into an MOU with M/s BITCHEM Technologies Guwahati (under agreement with CRRI) during 2015-16 for the introduction of cold mix (green technology) for tarring of roads in the State. The cold mix bitumen emulsions are also marketed from sale depots at Parwanoo & Mehatpur. The Corporation has entered in to an agreement with Steel Authority of India (SAIL) for supply of steel product across the State.

The Wing has also rented out 16 nos. Industrial sheds at Gondpur, Pointa Sahib & 19 nos. Industrial shed at Parwanoo to the SSI entrepreneurs.

Merger of Nahan Foundry:

The Ministry of Corporate Affairs (MOCA) Govt. of India vide its orders dated 23.02.2012 had approved the scheme of amalgamation of M/s Nahan Foundry Limited with HPSIDC with all assets & liabilities. No asset at Nahan was transferred to HPSIDC. Properties of the Foundry at places outside the State were transferred to the HPSIDC and made part of the amalgamation plan. The workshop at Nahan was transferred to the HPPWD in the late 1980s.

The erstwhile Nahan Foundry Ltd. (NFL) has properties at various places outside the State.

Personnel Policies:

The Corporation is following the rules and regulations which are applicable to the employees of the State Government. The pay and allowances admissible to the Corporation's employees are on the pattern applicable to the State Government employees. The regular staff strength of the Corporation is 127 (incl. Contract, Daily wage & Secondment basis).

Achievements:

- The HPSIDC is on the verge of completing Modified Industrial Infrastructure Upgradation Scheme (MIIUS) projects at Pandoga, Una, and Kandrori, Kangra.
- The Medical Devices Park, Nalagarh, Solan, is being executed by the HPSIDC as SIA.
- MoU signed between SAIL and HPSIDC for the seamless steel supply to project customers across the state.
- Development & Implementation of project and other activities monitoring portal 'UNNATI' for prompt and transparent completion of the tasks.
- Matter in respect of purchasing Govt. land crisscrossing with the land of HPSIDC at Industrial Estate Davni is being resolved after seeking approval from the Board of Directors.
- The Corporation has been able to fetch the ever highest rates for its plots at I.E. Baddi. During the recent sale of plots at Davni, the Corporation yielded Rs. 10 crores.
- The process of identifying land parcels to develop a feasible industrial area/Industrial Estates at locations viz. Thaliwala, Kala Amb, etc, is underway.
- The Corporation will record a profit of Rs.10.04 in F.Y. 2021-22 and that of about Rs. 17.00 crores in the current F.Y., which would be the ever highest.

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Developing a good work ethic is key. Apply yourself at whatever you do, whether you're a janitor or taking your first summer job because that work ethic will be reflected in everything you do in life.

- Tyler Perry

DO YOU KNOW!
USES OF APPLE CIDER VINEGAR

To lower blood sugar : Apple cider vinegar is claimed to help people with diabetes manage their blood sugar levels.

To help you feel full : Apple cider vinegar is sometimes recommended as a weight loss aid. This is because it may help you feel full.

To preserve food : Just like other types of vinegar, apple cider vinegar is an effective preservative. In fact, people have used vinegar as a pickling agent to preserve foods for thousands of years. It works by making the food more acidic, which deactivates its enzymes and kills any bacteria that may cause spoilage.

As a deodorizer : Apple cider vinegar is known to have antibacterial properties. Because of this, it's often claimed that apple cider vinegar can eliminate bad smells.

To make a salad vinaigrette : One easy way to use apple cider vinegar is to make a simple salad dressing, like this one. Homemade salad dressings can be much less processed than store-bought ones, and they're often tastier, too.

To make an all-purpose cleaner : Apple cider vinegar is often a popular choice for a natural alternative to commercial cleaning agents. This is because of its antibacterial properties.

To soothe a sore throat : Gargling with apple cider vinegar is a popular home remedy for sore throats. It's anecdotally thought that its antibacterial properties could help kill off the bacteria that could be causing the sore throat. However, there is no evidence to support its use in this way.

To trap fruit flies : Fruit flies can be pests, and it's really easy to use apple cider vinegar to make a cheap fruit fly trap.

As a marinade : Another way to use apple cider vinegar when cooking is to make a marinade. In fact, apple cider vinegar is a popular ingredient in many steak marinades. This is because it gives meat a nice sweet-and-sour flavor.

To clean dentures : You can also use apple cider vinegar to clean dentures. Although there's no consensus on the best method to clean them, it's thought that the residues left by apple cider vinegar could be less harmful to the skin in your mouth than other cleaning agents

As a dandruff treatment : Massaging diluted apple cider vinegar into your scalp may help get rid of dandruff. It's unclear how effective this is, but the theory is that the acid in the vinegar could help stop the growth of the fungus *Malassezia*, which may contribute to dandruff.

In a sauce : Apple cider vinegar can be a great ingredient for a tangy sauce for your food. Try adding it to tomato-based sauces to give them a fuller flavor.

In soup : Adding vinegar to soup can help bring its flavors to life. If your favorite homemade soup tastes a little bland, try adding a little vinegar to it at the end. Add it gradually and taste as you go until you reach a flavor your enjoy.

As a weed killer : Another great use for apple cider vinegar is as a homemade weed killer. Spray undiluted vinegar on unwanted weeds in your garden to get rid of them. You can also try mixing it with soap and lemon juice to see if that makes it more effective.

To treat acne : Dabbing small amounts of diluted apple cider vinegar onto pimples is anecdotally claimed to be a good way to get rid of them. However, undiluted apple cider vinegar is strongly acidic and putting it directly onto your skin can affect it adversely.

To get rid of warts : As with acne, apple cider vinegar is claimed to be a natural agent for getting rid of warts. It's effective for removing warts from skin, due to its acidic nature.

As a natural deodorant : Wiping your underarms with diluted apple cider vinegar is said to be a homemade alternative to commercially produced deodorants.

To get rid of fleas : Apple cider vinegar may help prevent your pet from getting fleas. It's thought that spraying a mixture of 1 part water and 1 part apple cider vinegar onto your pet will create an environment that fleas won't want to hang around in.

Takeaway : Apple cider vinegar is an extremely versatile household item that has a ton of different uses. It can be a cheap and easy way to tackle many problems around your home.

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If you look to others for fulfillment, you will never be fulfilled. If your happiness depends on money, you will never be happy with yourself. Be content with what you have; rejoice in the way things are. When you realize there is nothing lacking, the world belongs to you.

- Lao Tzu

QUESTIONS OF CYBERQUIZ ~ 82

Q.1 Which company's logo resembled a checken head ?

[a] Remington Rand; [b] Burroughs; [c] Commodore International; [d] Digital Research.

Q.2 Which design firm is common to Apple II, Apple Macintosh, NeXT, visual concepts of Windows XP, Yahoo1Music website interface. Logitech interface and branding, Motorola's Next Generation Wearable Wireless Solutions, Dell e-commerce website, SAP user interface andbranding and Sun Microsystems SparcSystem ?

[a] Lander Associates; [b] Frog design; [c] I.D.E.A. Institute; [d] Italdesign.

Q.3 What did the "Gang of Nine" do in 1988 ?

[a] Developed Extended Industry Standard Archcitecture (EISA) bus standard for IBM PC clones as a counter to IBM's use of its proprietary Micro-Channel Architecture (MCA) in its PS/2 Series; [b] Developed PS/2 keyboard and mouse interfaces for PCs; [c] Developed IBM compatible desktop computers; [d] Joined hands to develop a version of DOS different from PC-DOS or MS-DOS.

Q.4 In April, 2005, Intel offered to pay $10,000 for an original copy of the April 19, 1965 issue of Electronics magazine. What is so special about that issue of the magazine ?

[a] In this issue, Intel's first microprocessor had been evaluated; [b] This issue had predicted the rise of Intel as the undisputed leader in the microprocessor market; [c] In this issue, co-founder of Intel Gordon Moor stated his famous Moore's Law for the first time; [d] In this issue the first advertisement for the Intel 4004, the world's first commercial singlechip microprocessor, had appeared.

Q.5 The URL http:wwwakebono.stanford.edu/ was once home to which now famous Internet company ?

[a] Google; [b] Yahoo! Inc.; [c] Amazon.com, Inc.; [d] eBay Inc.

For Answer of Cyberquiz See Page No. 26

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If you look at what you have in life. you'll always have more. If you look at what you don't have in life, you'll never have enough.

INFRASTRUCTURE

Sagarmala worth Rs.6.5 trn now with 735 new projects

The Centre's Sagarmala plan for port-led development in May saw an addition of 735 projects, taking the total pipeline to 1537 projects. The cost of the project will now be Rs.6.5 trillion, said Shri Sarbananda Sonowal minister of ports, shipping, and waterways. After the meeting of the National Sagarmala Apex Committee (NSAC), the minister said that the government will undertake projects worth Rs.58,700 crore. It will be for the development of coastal districts across the country. *"While Sagarmala is port-led and focuses on reduction in the cost of logistics and EXIM (export-import) competitiveness, holistic development of coastal districts aims to bridge gaps in infrastructure and create economic opportunities".*

The Government is also adding 168 other projects for development, with a cost estimate of about Rs.50,000 crore. The ministry's focus will be on pubic private partnership (PPP) projects. A total of 29 projects worth Rs.45,000 Crore have been successfully implemented under the PPP model, and an additional 32 PPP projects worth Rs.51,000 Crore are currently being implemented. The net additional cost of the maritime plan is Rs.1 trillion now.

The shipping ministry has so far completed projects worth Rs.99,000 crore, with projects worth Rs.2 trillion in the pipeline for completion by FY24. Many of the added projects will be developed by subsuming existing projects of state governments within the Sagarmala pipeline. This is being done to integrate port development efforts, as these projects will now be supported financially by the Centre. Their execution will be given an impetus through the PM Gati-Shakti National Master Plan.

The Inland Waterways Authority of India (IWAI) has identified five new areas for the development of passenger services using feasible waterways - Varanasi, Kolkata, Patna, Guwahati, Dibrugarh. With most avenues of domestic freight transportation congested, the ministry estimates that a potential

freight of 340 million tonne (mt) can be achieved through coastal shipping by FY25. Congested networks are a major factor for the high cost of logistics in India. Union minister Shri Nitin Gadkari, said the new initiatives were aimed at decongestion and a move towards methanol-based shipping fuel can lead to significant cost savings.

Core sector output rises 8.4% in April

The output of eight core infrastructure industries increased to a six-month high of 8.4 per cent year-on-year (YoY) in April 2022, led by a sharp jump in coal output, data released by the Department for Promotion of Industry and Internal Trade (DPIIT) showed. The growth in these eight sectors was 62.6 per cent in April last year due to a low base effect caused by pandemic-induced lockdowns. The eight sectors — coal, steel, cement, fertilisers, electricity, natural gas, refinery products, and crude oil — comprise two-fifths of India's total industrial production. Out of the eight sectors, barring crude oil and steel, all registered positive YoY growth in April. Production of coal, natural gas, refinery, fertiliser, electricity, and cement witnessed an increase of 28.8 per cent, 6.4 per cent, 9.2 per cent, 8.7 per cent, 8 per cent and 10.7 per cent, respectively as compared to last year. Steel output contracted 0.7 per cent.

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ECONOMIC SCENE

Net direct tax collection rises 50% in FY22

Direct taxes, comprising income tax and corporation tax, touched Rs.13.81 trillion in FY22. Collection was more than 49 per cent over that of the previous fiscal year, mainly due to a low base effect. In FY21, net collection stood at Rs.9.23 trillion. However, collection in FY22 is even higher by 34 per cent and 23 per cent over the pre-pandemic levels of FY19 and FY20. In FY20, net collection was Rs.10.28 trillion and in FY19 Rs.11.18 trillion.

Gross collection in FY22 touched Rs.15.83 trillion, according to the officials. This was mainly driven by corporation tax, which as on March 31stood at Rs.8.48 trillion and personal income tax added Rs.7.08 trillion. Refunds aggregating Rs.2.01 trillion were issued last fiscal year. Gross collection in FY21 was Rs.11.55 trillion, and that for FY20 and FY19 was Rs.12.11 trillion and Rs.12.79 trillion, respectively. The direct tax collection exceeded the Budget estimate of Rs.11.08 trillion as well as the revised estimate of Rs.12.50 trillion.

Farm exports exceed $ 50 billion

India is expected to achieve $50 billion in agriculture exports in FY22, driven by items like cereals (rice and wheat), marine products, spices and sugar, among others, commerce minister Shri Piyush Goyal said. Wheat exports in FY23, are likely to exceed 10 million tonnes.

Exports at $18.79 bn till mid-April; up 37%

India exported goods worth $18.79 billion during the first two weeks of April, up 37 per cent compared to the same period last year, as external demand continued to remain robust, according to commerce department's preliminary data. Excluding petroleum products, the growth in this period was 23.64 per cent over the same period of 2021-22. Imports grew at a faster pace, with the value of inbound shipments at $25.84 billion, up by 12.24 per cent over the same period of 2021-22. Trade deficit was at $5 billion. Imports, excluding petroleum products, which comprises the lion's share in India's import basket, also increased in this period by 18.24 per cent over the same period of 2021-22. During the previous year, India surpassed the $400-billion target for merchandise exports, ending the year with over $419 billion, growing by nearly a fifth.

IMF cuts India GDP forecast by 80 BPS to 8.2% for FY23

The International Monetary Fund (IMF) has slashed its forecast for India's gross domestic product growth in FY23 to 8.2 per cent from 9 per cent, saying higher commodity prices will weigh on private consumption and investment. The IMF also cut its global growth outlook for calendar year 2022 to 3.6 per cent from 4.4 per cent, and said both Russia and Ukraine could experience large GDP contractions.

Extreme poverty in India fell sharply in 2011-19: WB paper

Extreme poverty in India declined by 12.3 percentage points to 10.2 per cent in 2019 and from 22.5 per cent in 2011, according to a working paper of the World Bank. The paper authored by Sutirtha Sinha Roy and Roy van der Weide, showed reductions in abject poverty in rural areas was more pronounced during the period under review than in urban areas. The paper showed that rural extreme poverty dropped by 14.7 percentage points during this period, while urban deep poverty fell by 7.9 percentage points.

India achieves $400-bn export target

Economic recovery from the pandemic in the US has helped India achieve the $400-billion mark for exports for the first time in any fiscal year. According to the preliminary data compiled by the Department of Commerce, India exported goods worth $73 billion to the US from April 1 to March 21 — up 47 per cent, compared to last year. The US' share of exports, compared to total exports, stood at 18.2 per cent. The country is also India's largest trading partner and export destination. On March 21, 2022, the government said India had exported goods worth $400 billion ahead of schedule — 37 per cent higher than the earlier fiscal year. The government is confident of clocking exports worth $410 billion by March 31, given that India has been exporting goods worth roughly $1.3 billion per day. However, India's exports to China grew at a relatively slower pace due to disruptions caused by a 'stealth' variant of Omicron, triggering lockdowns in several regions of the neighbouring country. During the first 11 months of the fiscal year, outbound shipments to China grew at 7 per cent, with shipments valued at $19.8 billion. This translates into meeting 90 per cent of the annual target set for sending goods to China at $22 billion by the end of the month.

China was India's second trading partner and the third largest export destination this year. According to an official, one of the reasons for a slowdown in exports to China could be because of a drop in the import appetite of China. That would have been fuelled by disruptions due to the resurgence of Covid-19. "Import clearance is also taking enormous time in China," said the official.

Apart from recovery in the Western markets after disruption caused by Covid-19, higher exports are also a result of other factors, including rise in commodity prices through last year, as well as marginal weakening of the domestic currency. As far as commodities are concerned, export growth in 2021-22 is buoyed by higher demand for engineering goods, followed by petroleum products, organic and inorganic chemicals, and textiles. India exported engineering goods worth $107.8 billion from April 1, 2021, to March 21, 2022 — up 46.5 per cent year-on-year (YoY) — achieving the entire year's target. It also comprises more than a fourth of the total goods exported.

Industry officials said that while engineering goods have been always one of the top exported items from India, growth this year can be attributed to pent-up demand after almost a year of lull due to the outbreak of the pandemic in early 2020. The US, China, United Arab Emirates, Italy, and Germany are the top five export destinations for the product category.

Petroleum products, comprising 15 per cent of total exports, achieved 110 per cent of the target. Products worth $59.6 billion were exported as of March 21 — up 141 per cent YoY. Higher exports of petroleum products were also a result of higher crude oil prices, with the current trigger being the ongoing conflict between Russia and Ukraine. Engineering and Export Promotion Council of India Chairman Shri Mahesh Desai said there has been an overall increase in global demand and exports across the globe, which, in turn, has also accelerated growth in India's engineering exports. "Another reason for this sharp export growth is the 'low baseline effect' as the pandemic led to significant shrinkage in exports in the last year".

Exports grow 40% to $418 billion in FY22

The value of goods exported from India witnessed 40 per cent growth during the 2021-22 financial year, to $417.8 billion and surpassing the target set by the government by 5 per cent, according to the commerce and industry ministry. During March, exports touched $40.38 billion, as compared to $34 billion during the same period a year earlier. The growth was driven by higher demand for items in the petroleum, gems and jewellery, engineering products.

Imports grew 51 per cent year on year to $589 billion during 1 April 2021- 21 March 2022, resulting in widening of the trade deficit to $189 billion. Considering these numbers, India's total trade is set to exceed $1 trillion.

While electronics goods are one of the top items in India's import basket, after gold, Director General of Foreign Trade (DGFT) Shri Santosh Sarangi said that electronic goods witnessed a 40 per cent jump in FY22, as it got a massive push from the production-linked incentive scheme (PLI). Export of non-petroleum goods grew by close to a third at $352.76 billion. India has seen a significant jump in exports to developed markets as well such as the United States, Netherlands, Singapore, Hong Kong, United Kingdom, Belgium, Germany. On the contrary, till now substantial amounts of goods were exported to neighbouring countries, predominantly to the Association of Southeast Asian Nations (ASEAN). Engineering goods exports exceeded $111 billion in FY22 and is expected to sustain the growth momentum in the current fiscal too despite challenges emerging out of global geo-political tensions, EEPC India Chairman Mr.Mahesh Desai said.

India rises by 6 places on IMD's world competitiveness index

India has witnessed the sharpest rise among the Asian economies, with a jump from 43rd to 37th rank on the annual World Competitiveness Index compiled by the Institute for Management Development (IMD), mainly due to gains in economic performance.

Forex reserves drop $4.6 bn in a week

India's foreign exchange reserves declined $4.6 billion to $596 billion for the week ended June 10, the latest data released by the RBI showed. The fall in total reserves was mainly because of a decline in foreign currency assets worth $4.5 billion.

The Central Bank has been aggressively intervening in the foreign exchange market for the last few months. RBI has been selling dollars to curb any rapid depreciation of the rupee.

Most emerging market currencies have come under pressure since the start of the war in Ukraine in late February as investors rush for safe-haven assets.

Textile PLI scheme: 61 firms to invest Rs.19,077 crore in 5 years

The Government in April, 2022 approved financial aid to 61 companies, including seven foreign ones, for its textiles production linked incentive (PLI) scheme. These companies will invest Rs.19,077 crore. Part one of the scheme plans a minimum investment of Rs.300 crore and has 13 companies including Shahi Exports, Paragon Apparel, Trident, Shree Durga Syntex, Madura Industrial Textiles, HP Cotton Textile Mills and Goa Glass Fiber. Part two has a minimum investment of Rs.100 crore and it has 48 companies, including Arvind Ltd, Suchi Industries, and SVP Global Textiles, AYM Syntex Techno Sportswear and Infliiloom India. Seven foreign companies—US-based Autoliv and Kimberly Clark, Israel's Avgol, South Korea's Evertop Textile & Apparel Complex, Germany's Rane TRW Steering Systems, Sri Lanka's Teejay and Japan's Toray International—have committed investments to the tune of Rs.1,904 crore during the gestation period and total investment of Rs.3,559 crore. The projected turnover is Rs.1.84 trillion over a period of five years, with proposed direct employment of 240,134.

Textile Secretary Shri UP Singh said that it was necessary to make a mark in manmade fibres (MMF) as well, if India wants to achieve the textile export target of $100 billion by 2030. It was on September 8 last year that the Union Cabinet had approved the scheme with a budgetary outlay of Rs.10,683 crore. The scheme was designed to boost India's production and trade of man-made fibre (MMF), garments, and technical textiles. For part One of the scheme, the minimum turnover required incentive is Rs.600 crore; and Part-Two, Rs.200 crore.

Pharma export touch Rs.1.83 trillion in 2021-22

Pharma exports have touched Rs.1.83 trillion in 2021-22 against Rs.90,415 crore in 2013-14, the commerce ministry said on May 01, 2022. The exports in 2021-22 sustained a positive growth despite the global trade disruptions and drop in demand for COVID related medicines, it added. "Indian pharma companies enabled by their price competitiveness and good quality, have made a global mark, with 60 per cent of the world's vaccines and 20 per cent of generic medicines coming from India," the ministry said. India ranks third worldwide for production in terms of volume and 14th by value. The current market size of the domestic pharmaceutical industry is around $ 50 billion. The share of pharmaceuticals and drugs in the global exports is 5.92 per cent.

Direct tax collection increases 45% to Rs.3.39 trn

Net direct tax collections for the current fiscal year increased by 45 per cent to Rs.3.39 trillion between April 1 and June 16, compared to Rs.2.33 trillion in the same period a year ago, the Central Board of Direct Taxes (CBDT) said on June 17, 2022. Advance tax collections for the first quarter of this fiscal stood at over Rs.1.01 trillion against Rs.75,783 crore in the corresponding period last fiscal. This is a rise of 33 per cent. Of this, corporates paid Rs.78,842 crore and collections from individuals stood at Rs.22,175 crore. This amount is expected to increase as further information is received from banks, the direct tax body said. Gross collection of direct taxes (before adjusting for refunds) for the fiscal stood at Rs.3.69 trillion compared to Rs.2.64 trillion in the corresponding period of the preceding year. This includes corporation tax at Rs.1.9 trillion and personal income tax, including security transaction tax at Rs.1.78 trillion.

FDI inflow was $83.57 billion in FY 21-22

India attracted total foreign direct investments (FDI) inflow of $83.57 billion in the financial year 2021-22, up by 1.95 per cent on-year, according to data released by the Department for Promotion of Industry and Internal Trade (DPIIT) in May. Total FDI includes equity capital of unincorporated bodies, reinvest earnings and other capital. During the entire 2020-21 financial year, the total FDI inflow was $81.72 billion, despite the disruption caused by the outbreak of the pandemic last year.

India is rapidly emerging as a preferred country for foreign investments in the manufacturing sector. FDI equity inflow in manufacturing sectors has increased by 76 per cent in FY2021-22 ($21.34 billion) compared to previous FY2020-21 ($12.09 billion). According to the data shared by the government, Singapore is the top investing country with 27 per cent of the equity inflows. This is followed by the US with inflows at 21 per cent and Mauritius that continued to remain one of the top sources of FDI for India at 16 per cent inflows in FY22. Karnataka is the top recipient state for another year with 38 per cent share of the total FDI equity inflows, followed by Maharashtra at 26 per cent and Delhi at 14 per cent. Majority of equity inflow of Karnataka has been reported in the sectors — computer software and hardware, with a share of 35 per cent of the total FDI equity inflow. For the automobile industry it was 20 per cent and 12 per cent in case of education during FY22.

Divestment not to shut down PSEs but prime them up : FM

Finance Minister Ms. Nirmala Sitharaman said the principle of the government's disinvestment programme was not to shut down any unit or company but to make them more efficient and professionally driven. Highlighting that public sector enterprises (PSEs) that were privatised between 1994 and 2004 are being driven by professionally run boards, the minister said these companies had only improved. Addressing the iconic week celebrations of Department of Investment and Public Asset Management (DIPAM) as part of '*Azadi ka Amrit Mahotsav*', Ms. Sitharaman said privatisation of CPSEs is intended at ensuring that these companies are run efficiently and cost effectively. She said the principle of disinvestment is to make sure that companies which are being privatised are in the hands of people who can run it, bring in more capital with increased output.

The Government has also lined up over half a dozen companies for strategic sale. These include Shipping Corp, CONCOR, Vizag Steel, IDBI Bank, Nagarnar Steel Plant of NMDC, and HLL Lifecare. So far in the current fiscal year, the government has mopped up over Rs.24,000 crore from CPSE disinvestment. The target for full fiscal year has been set at Rs.65,000 crore.

Factory output accelerated at 7.1%

India's factory output growth accelerated at 7.1 per cent in April on the back of a lower base, according to data released by the National Statistical Office. However, the index of industrial production (IIP) contracted 9.2 per cent during the month. Electricity output increased in double digits (11.8 per cent) in April, while mining and manufacturing rose at 7.8 per cent and 6.3 per cent, respectively. According to use-based classification, all sectors, except consumer non-durables, grew at a robust pace. Capital goods representing investment demand in the economy grew 14.7 per cent while consumer non-durables registered only 0.3 per cent growth during the month, signaling weak rural demand. Consumer durables (8.5 per cent) registered positive growth after six-months of consecutive contraction.

Exports rise 21% to $24 bn in May

The country's exports rose by 21.1 per cent to $23.7 billion during May 1-21, on account of healthy growth in various sectors, such as petroleum products, engineering, and electronic goods, an official said. During the second week of this month (May 15-21), the exports grew by about 24 per cent to $8.03 billion, the official added.

Trade deficit widens to $23.3 bn

India's trade deficit widened to $23.33 billion in May as imports grew at a faster pace compared to exports amid high commodity prices owing to the Russia-Ukraine conflict, the preliminary data released by the commerce and industry ministry showed on June 02, 2022. The previous highest monthly trade deficit was $22.91 billion in November 2021. The deficit stood at $6.28 billion in May last year. Imports surged 56.14 per cent to $60.62 billion in May on the back of a sharp jump in petroleum products amid rising global crude oil prices. The share of petroleum products in India's total imports was 30 per cent in May, growing 91.6 per cent year-on-year to $18.1 billion. Gold imports witnessed a 759 per cent jump to $5.8 billion; electronic goods rose 28.5 per cent to $5.44 billion; and coal imports grew by 2.6 times to $5.3 billion in May.

India's merchandise exports grew 15.46 per cent YoY to $37.29 billion in May. Export growth fell by 7.2 per cent compared to last month, after witnessing record outbound shipments of over $40 billion in March and April. Of the top 10 major commodity groups covering 81 per cent of the total exports in May, all sectors except plastics, cotton yarns, and fabrics continued to rise. Engineering goods, petroleum products, gems and jewellery, organic and inorganic chemicals were top exported products.

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Member Corporations ~ Their Activities

RIICO

RIICO's amnesty scheme gives relief of Rs.11 Cr

RIICO has launched an amnesty scheme for the entrepreneurs who have not deposited money against land, services, retention charges and other payments. As per a RIICO statement, under the Amnesty Scheme-2022, entrepreneurs who have not deposited the money against the land, service charges and retention fees will get 25-100% interest exemption on the delayed payment. So far, 3000 units have used the window to clear their dues and RIICO has given relief of Rs 11 crore

RIICO Scheme Provides Reduction of Rs. 30 cr to Industrial Models

The Amnesty Scheme launched by RIICO from March 2022 to gather delayed funds from industrial models in its zones has collected about Rs.60 crore while giving aid of about Rs.30 crore. The models had not deposited charges like service cost, annual lease hire, and water fees and CETP charges etc. The company had supplied full exemption of curiosity on the delayed fee if the models deposit the complete due quantity by September 2022.

RIICO had arranged 136 camps for the amnesty scheme to facilitate the economic models to deposit the due payments. By the end of July, 9410 units had come forward and deposited the due amount. As per RIICO, the total relief given to the companies amounted to Rs.29.45 crore, while the cumulative deposit was Rs.59.93 crore. Additionally, for land transfer, the corporation is also giving relief of 50% and 75% on the retainment.

Infra advisor of RIICO, Shri Arun Garg said that special camps are being panned at industrial zones of RIICO where the units can avail several benefits by RIICO. Moreover, the issues of industrial units are resolved in a speedy manner. The amnesty scheme was announced by the Chief Minister, Shri Ashok Gehlot in the state Budget for 2020-23 which is being implemented from March 30, 2022.

EDC Ltd.

State Govt. earns Rs.12.8cr from EDC

The Economic Development Corporation (EDC) in April, 2022 paid the state government Rs.12.8 crore towards interest on the deposits for land acquisition.

The Chairman Shri Sadanand Shet Tanavade and Managing Director, Shri K V Ballikar handed over the cheque to the Chief Minister. *"I congratulate Tanavade and EDC for the excellent performance in being a self-sustainable corporation. The EDC has been implementing various government schemes for the community and we now expect even more contribution from them to the government. I extend my best wishes for an excellent operation in the coming year and future,"* Shri Sawant said.

This payment was towards the interest on land acquisition amount deposited by the various government departments and other agencies with EDC. For FY 2020-21, the EDC achieved revenue of Rs 82.2 crore and earned a profit before tax amounting to Rs 73.9 crore. During the year, the EDC, in spite of the pandemic, sanctioned Rs 42.3 crore and disbursed Rs 50.5 crore to various sectors spread all over Goa. The recovery was Rs 237 crore and the outstanding loans stood at Rs 685 crore. The EDC has drastically reduced the Gross NPA to 3.18%, Net NPAs to nil and its net worth stood at Rs 623 crore.

KSIDC

Kochi: Waste-to-energy plant

The waste-to-energy plant project at Brahmapuram is set to be completed soon. Kerala State Industrial Development Corporation (KSIDC) is working on the project in partnerships with the State Government, Kochi Corporation and neighbouring local bodies as well as the private partner of the project on public private partnership (PPP) mode.

Kozhikode to get AIIMS : Kerala govt to hand over KSIDC land at Kinalur

The Kerala Government has decided to hand over the 153 acres of land owned by the Kerala State Industrial Development Corporation (KSIDC) at Kinalur in Kozhikode for the proposed project to build the AIIMS, one of several proposed in States which currently doesn't have the premier medical facility.

HPSIDC

Himachal CM launches UNNATI Portal, mobile app of HPSIDC

Himachal Pradesh State Industrial Development Corporation Ltd (HPSIDC) in January, 2022 signed an MoU with Steel Authority of India Ltd (SAIL) for the supply of steel requirements. The MoU was signed in the presence of the Chief Minister, Shri Jai Ram Thakur, who also launched the UNNATI portal and mobile app of the HPSIDC. Shri Thakur also launched the website of the HPSIDC, which will ensure timely project updates to the people at all levels, besides helping in avoiding missing deadlines and keeping workflows tools in one place.

The Chief Minister was also presented a cheque for Rs 1.54 crore as dividend by the HPSIDC to the Government by Industries Minister, Shri Bikram Singh and the Managing Director HPSIDC, Shri Rakesh Prajapati, IAS. They also presented a cheque for Rs.51 lakh towards the Chief Minister Relief Fund.

TIDCO

TIDCO to set up centre for testing strategic electronics, drones in Chennai

Tamil Nadu Industrial Development Corporation (TIDCO), nodal agency for defence corridor, is planning to set up an integrated testing complex for electronics and drones on 10 acres of land at Vallam Vadagal in Kancheepuram district. Ranked as the world's second best and most cost-effective location for operating electronics research and development centre by FDI Benchmark, an investment location comparison tool from the Financial Times, the complex will consist of greenfield testing infrastructure, including electromagnetic compatibility or electromagnetic interference (EMI/ EMC) testing, according to an official source.

A senior industries department official said testing is a critical step in design and manufacturing process of electronic devices. Tamil Nadu, which has several electronics manufacturing and design focused industries, has a huge potential for EMI/EMC and communication testing labs.

While the focus will be on electronic warfare and electro-optics and unmanned aerial vehicles (UAVs), the testing infrastructure will also help in attracting investments to Tamil Nadu from global and domestic aerospace and defence original equipment manufacturers (OEMs). It is estimated that Indian defence forces could procure unmanned aerial vehicles worth $3 billion over the next 10 years from domestic companies.

This will be in addition to expected high growth in domestic, civilian UAV market. While the total market size for electronic warfare systems in India is expected to reach nearly Rs 600 crore to Rs 700 crore by 2030, the current market size of the testing industry, estimated at Rs 130 crore to Rs 170 crore, may reach Rs 200 crore to Rs.220 crore by 2030, riding on increasing indigenisation in defence manufacturing. While there are a few facilities for conducting defence electronics (Electro-Optics) tests in the country, there are no dedicated testing facilities available in public or private domain for MSMEs and other industry players.

Though EMI and EMC tests are performed across various industries such as electronics, telecommunication, commercial aerospace and space, the testing requirements for EMI and EMC for defence applications are complex and specific. Various regulatory bodies have also set specific limits on emissions that could be released from electronic devices. These EMC (electromagnetic compatibility) regulations provide improved reliability and safety for anyone using electrical and electronic equipment. Tests assure that the device does not interfere with the operation of other equipment.

SIPCOT

Rs.54 crore road to link industrial estates

The State Industries Promotion Corporation of Tamil Nadu Ltd (SIPCOT) has sanctioned ₹ 54 crore for laying a four-lane road in Chennai's suburbs to connect industrial estates. With SIPCOT's Gummidipoondi campus in Tiruvallur district facing land shortage, the corporation established an estate at Thervoy Kandigai. Of the sanctioned 1,120 acres, nearly one-third was earmarked for a private tyre manufacturing company. SIPCOT has now proposed an industrial estate at Manellore, roughly 20km away, and sanctioned ₹ 54 crore to improve road connectivity between the two estates. The state highways will use the funds to lay a four-lane road via Thanipoondi and Gummidipoondi-Madharpakkam Road. "The average width will be 15 metres so that trucks can use it," said a highway official.

SIPCOT to create a land bank of 45K acre in 5 yrs

With a target to create a land bank of 45,000 acres in the next five years to establish sector-based industrial parks and clusters in Tamil Nadu, the state industries promotion corporation of Tamil Nadu (SIPCOT) has expedited its process of acquiring land. So far, the agency has identified little over 31,000 acres of land. Of this, around 6,000 acres of land have been acquired and close to 8,000 acres of land are in various stages of acquisition.

The initiative would also have a targeted approach toward industrially backward districts such as Dharmapuri, Krishnagiri, Virudhunagar, and Ramanathapuram. The agency has been creating infrastructures in acquired land to make readily available industrial plots to attract new investments. "The idea is to promote industrial activities in backward districts, particularly north and western regions, to create a footprint of industrial parks across the state. It will help the agency to transform the vibrant industrial activities in areas like Hosur across Krishnagiri district. The focus would be the e-vehicle and hi-tech manufacturing sector in this region. The spill over effect will benefit Dharmapuri and it will also bridge the gap between the northern and western clusters (Coimbatore, Tirupur, Erode and Salem),".

The concept of sector-based industrial parks suits the prevailing eco-system of the state and it will supplement its industrial and economic growth. The state-owned agency is working on developing textile based industrial parks in western region, food and agro-based industries in central region and marine based industrial park in Nagapattinam. If plans work out, the state would have more than 50 industrial parks in the next 10 years. At present, there are 24 industrial parks, including six special economic zones, on a total extent of 35,034 acres spread over 15 districts in the state.

MPFC

Relief Measures for Covid-19 hit MSME Sector

As a result of Covid-19 pandemic, MSME sector and Commercial Real Estate sector suffered major operational and financial difficulties. Several units assisted by MPFC are still facing problems with regard to liquidity and profitability. MPFC has, therefore, introduced a One Time Settlement (OTS) Scheme. Under this scheme, interest is recalculated @ 12.25% p.a. (simple) instead of contracted rate on compound basis and the settlement amount is arrived at as a sum of outstanding plus revised interest. The settlement amount is payable within 6 months.

MPFC has recently started sale of its takenover units through online tender cum auction process on the MP Tender portal so as to ensure transparency in the entire process. The units/assets are offered through an online bidding with awarding the sale to the highest bidder. MPFC has published tender cum auction of plant and machinery as well as entire units of takenover units on www.mptenders.gov.in and successfully sold units through this process. Entire process is online, simple, smooth and transparent.

KFC

Kerala Financial Corporation to lend upto Rs.2 crore to MSMEs at 5 pc rate

KFC has enhanced the upper loan limit under the CM's Entrepreneurship Development Programme (CMEDP) to Rs.2 crore based on an order issued by the State Government as per the declaration made by Finance Minister, while presenting the Budget 2022-23. Now the Micro, Small and Medium Sector enterprises of the State will get loans at 5% interest rate, a statement said. The Government of Kerala will provide a subsidy of 3% with the Corporation chipping in with 2% to make the effective interest five. The Corporation has so far assisted a total of 2122 units under the Scheme and the target is to lend 2,500 enterprises in five years at the rate of 500 enterprises every year, for which the Corporation will set aside Rs.500 crore every year. Aspirant Industrial units must have MSME registration and the age of the chief entrepreneur should be below 50 years. The age limit for SC/ST entrepreneurs, women entrepreneurs and non-resident Keralites is 55 years. Loans are availab FC le for starting new ventures and modernizing existing ones. The loan will be made available upto 90% of the project cost. Large projects will get even higher disbursements, in which cases, loans upto Rs.2 crore will be sanctioned at the rate of 5% and the balance at normal interest rates. The repayment period is upto 10 years. However, the interest subsidy will be limited to the first five years only. KFC also declared business campaign with 50% waiver in processing fee for new MSME loans and 0.25% interest discount for top rated clients as part of International MSME day celebrations.

The Kerala Financial Corporation (KFC) has doubled its net profit for the year ended March 31, 2022. As per audited financials, KFC posted a net profit of Rs. 13.09 crore in 2021-22 compared to ₹ 6.56 crore the previous fiscal. The operating profit has increased to Rs. 92 crore from Rs. 29 crore. KFC was also able to control non-performing assets (NPA). Gross NPA has been brought down to 3.27% from 3.58% last year. Net NPA is 1.28% against last year's figure of 1.48%. With a loan portfolio of Rs. 4,750 crore, the net worth has increased by 2.46% to Rs. 695 crore and the Capital to Risk-Weighted Assets Ratio (CRAR) stands at 22.41%. KFC had concentrated its lending to the core MSME (micro, small and medium enterprises) sector and start-ups, lending Rs.1,877 crore to those sectors in the last fiscal, the highest in KFC's history.

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Concentrate all your thoughts upon the work in hand.

The sun's rays do not burn until brought to a focus.

- Alexander Graham Bell

SUCCESS STORIES OF K.S.I.D.C. ASSISTED UNITS

Geojit Financial Services

GEOJIT

Geojit was formed in 1987 and quickly transformed itself into one of India s leading retail financial services companies. In 2000 Geojit pioneered internet trading, integrating the first bank payment gateway for internet trading. Geojit was also the first Indian brokerage firm to establish a strong presence in the Middle East catering to the large Indian diaspora. Geojit is a KSIDC funded protect In 1995, KSIDC became a co-promoter of the company by acquiring a 24% stake. Today Geojit is a leading financial services company offering a gamut of sophisticated and customer friendly services.

Crowne Plaza

CROWNE PLAZA®
HOTELS & RESORTS

Crowne Plaza Kochi is a 5 star luxury property offering elegant and modern rooms with fantastic views of the backwaters and the city. All rooms are equiped with state-of- the art facilities. Recreation facilities include an outdoor pool and a luxury spa. There is also a 24-hour fitness centre. The menu ranges from traditional Kerala to pan Asian and international cuisines. This KSIDC project has seen tremendous footfalls ever since inception and is a favourite destination for both corporates as well as holiday makers.

VPS Lake shore

KIMS
HOSPITALS™

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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Always think extra hard before crossing over to a bad side, if you were weak enough to cross over, you may not be strong enough to cross back!

- Victoria Addino

NEWS FROM STATES

Jammu & Kashmir

JSW steel to set up Rs 150-crore steel plant in South Kashmir; Apollo hospital to come up in Jammu

JSW Steel Limited and Apollo Hospitals became the first major corporations to buy land in Jammu and Kashmir after the scrapping of Article 370 in 2019 to set up their units in the region. While JSW steel limited is all set to come up with its Rs.150 crore project in south Kashmir's Pulwama district, Apollo Hospitals will set up its medicare facility in Jammu district.

"The possession of 70 kanals of land (8.75 acres) has already been handed over to JSW Steel Limited in Pulwama's Lassipora industrial area to set up a Rs.150-crore steel plant," a senior official said. Apollo Hospitals is setting up a 250-bed super speciality hospital in the Jammu region. In Kashmir, Medi-city is coming up on 368 kanals (46 acres) in Sempora in Pulwama district as many groups have also shown equal interest to invest in the medi-city, the officials said.

The Administrative Council had approved the transfer of land measuring 750 Kanals in favour of the Industries and Commerce Department for setting up Medicity. The operationalisation of the Medicity will bring the world-class healthcare infrastructure and facilities to the region, besides providing employment opportunities to the medical and pharma professionals, local pharmacists and vendors, SAC (State Administrative Council) had said.

Jammu and Kashmir is set to become the top investment destination in the country as it races up to various infrastructure projects and is reaching out to foreign and domestic investors through several forums and industrial summits.

Gujarat tops NITI export index for 2nd year in a row

Gujarat has topped Niti Aayog's Export Preparedness Index 2021 that aims to help evaluate states' and Union Territories' preparedness to export and take measures for improvement wherever possible. This is the second consecutive year that Gujarat has emerged as the top performer.

According to a report by the government's policy think tank NITI Aayog on March 25, 2022, Maharashtra, Karnataka, Tamil Nadu, Haryana bagged the second, third, fourth and fifth positions, respectively. Lakshadweep, Arunachal Pradesh, Mizoram, Ladakh and Meghalaya were placed at the bottom of the index.

"While the central government plays an active role in enhancing India's exports, it is also essential for the state governments to actively strategise their industrial policies to achieve more significant exports. The top-six states in India —Maharashtra, Gujarat, Karnataka, Tamil Nadu, and Telangana —contribute 75 per cent of India's overall exports," NITI Aayog Vice-Chairman Shri Rajiv Kumar said. The ranking is based on four main pillars — policy, business ecosystem, export ecosystem and export performance —and 11 sub-pillars, such as export promotion policy and business environment. The index aims to instil competition among all states to bring about favourable policies, ease the regulatory framework, create necessary infrastructure and assist in identifying strategic recommendations for improving export competitiveness. Since states have a predominant role in the allocation of all factors of production, India's export policy needs to be more decentralised and state-specific, Shri Kumar said.

Gujarat's has the highest share in factory assets

Gujarat has more machinery, equipment, buildings and other factory assets than any other Indian state, and the gap keeps growing as governments compete to get industrial investment. Gujarat's share in the total value of such assets — called fixed capital — nationwide has increased from 14.96 per cent in 2012-13 to 20.59 per cent in 2019-20, shows data from the Annual Survey of Industries, which tracks organised manufacturing across India. The government releases the data with a lag. It put out the provisional data for 2019-20 in May.

Gujarat takes a dominating share of productive capital as well. Productive capital includes assets like raw materials, semi-finished goods and cash, in addition to fixed assets. Gujarat's share of productive capital has gone up from 15.1 per cent in 2012-13 to 19 per cent in 2019-20. Gujarat gets the largest share of capital investment, but Tamil Nadu maintains the record of having the highest number of factories. It accounts for 15.8 per cent of India's factories by number. Gujarat is second with an 11.6 per cent share, followed by Maharashtra at 10.4 per cent.

There is a similar trend in the share of persons engaged in manufacturing. This includes all workers, working proprietors and family members, as well as unpaid persons engaged in factory work. Tamil Nadu tops in terms of providing the highest number of such factory jobs, taking a 16 per cent share in the national total. Gujarat replaced Maharashtra in the second spot in the latest survey. It had a 12.4 per cent share compared to Maharashtra's 12.3 per cent for 2019-20.

The share in the value of output from factories showed that Gujarat has maintained the top spot with an 18.1 per cent share of total output. This is, however, lower than the 2012-13 figure of 18.5 per cent. Maharashtra has seen its share in total output declining from 17 per cent in 2012-13 to 13.8 per cent in 2019-20. Tamil Nadu has maintained its share at 10.3 per cent over the same period.

UP finance minister presents over Rs.6.15-trn budget for FY23

Uttar Pradesh Finance Minister Shri Suresh Kumar Khanna in May tabled the UP government's budget of over Rs.6.15 trillion in the state assembly. The Budget for the current financial year is 10 per cent higher than the last Full Budget (2021-22) presented in February 2021, which stood at Rs.5.5 trillion.

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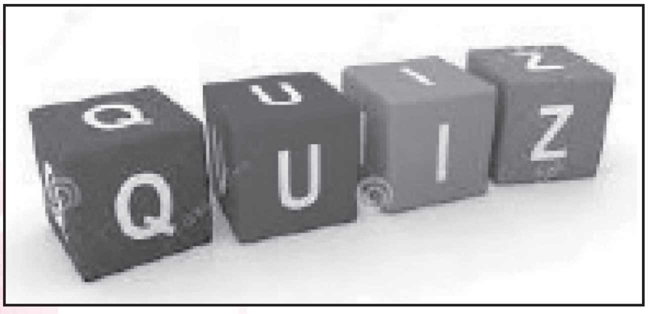
ANSWERS OF CYBERQUIZ ~ 82

Ans.1[c] Commodore International : Commodore was a well-known company in the 1980s. Its logo looked somewat like "C=".

Ans.2[b] Frog design : Founded by Hartmut Esslinger and partners in 1969, frog design has many design excellence awards to its credits. With its philosophy of "Form Follows Emotions", it claims of bringing beauty to the bottom line.

Ans.3[a] Developed Extended Industry Standard Architecture {EISA} bus standard for IBM PC clones as a counter to IBM's use of its proprietary MicroChannel Architecture {MCA} in its PS/2 series : The Gang of Nine comprised of nine competitors of IBM : AST Research, Companq Computer, Epson, Hewlett-Packard, NEC, Olivetti, Tandy, WYSE, and Zenith Data Systems.

Ans.4[c] In this issue, co-founder of Intel Gordon Moore stated his famous Moore's Law for the first



time: The winner of the prize money was David Clark, an engineer living in Surrey, England.

Ans.5[b] Yaho !Inc : Yahoo ! first resided on Jerry Yang's student work-station named "Akebono" and the software was lodged on David Filo's computer, "Kinishiki" - both named after legendary sumo wrestlers Akebono Taro and Konishiki Yasokichi respectively.

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SBI : Regional rural banks may be allowed to graduate as SFBs

Regional Rural Banks (RRBs) should be given the option to graduate into small finance banks (SFBs) in line with cooperative banks or be granted on-tap licenses to become SFBs, State Bank of India (SBI) Research said in its report. *"in keeping with the fast-paced changes in the banking space and to facilitate growth. A scheme for voluntary transition of Urban CO-operative Banks (UCBs) into SFBs was introduced in September 2018. RRBs may also be permitted to graduate into SFB in line with Cooperative banks or granted on-tap licence to become SFBs,"* the report said. Some of the large regional rural banks are bigger than the SFBs operating in the market.

Fair valuation of recap bond: PSBs take Rs.13k cr-hit

Public sector banks (PSBs) that received capital through recapitalisation (recap) bonds may have to take a hit of around Rs.13,000 crore following the RBI's directive to recognise these bonds at market value, according to ICRA. However, despite the discounting of bonds by 44-45 per cent, the PSBs will continue to have tier-I capital adequacy above the regulatory requirement. There is, though, a possibility of some PSBs reporting losses for the fourth quarter of financial year 2021-22 (Q4FY22) as a consequence.

According to ICRA, the fair value of recap bonds is 44-45 per cent of face value. The government used these bonds worth Rs.24,600 crore in FY21 and FY22 to infuse capital in five PSBs, including Punjab & Sind Bank, Bank of India and UCO Bank. The fair value would be about Rs.11,000 crore and discount of Rs.13,000 crore. This MTM impact will have to be provided for in Q4 results through a profit and loss account. This may also lead to some of them reporting a loss in the quarter.

RBI raises repo rate by 40bps

The Monetary Policy Committee (MPC) of the RBI on May 04, 2022 unanimously decided to increase the repo rate by 40 basis points (bps) in an off-cycle meeting, citing inflation concern. This was followed by a 50 bps hike in the cash reserve ratio to 4.5 per

cent, which will drain out Rs.87,000 crore liquidity from the banking system. This was the first repo rate hike in 45 months — since August 2018. The increase in the repo rate will lead to lending rates getting pushed up because 40 per cent of the loans of commercial banks are linked to it.

NABARD plans to raise Rs.3.5 trillion in FY23

Nabard is planning to raise Rs.3.5-3.6 trillion, including Rs.45,000 crore through long-term bonds, in FY23. The balance will be from the shortfall in priority sector lending (PSL) and short-term instruments. Shri G R Chintala, chairman, Nabard, said the scale of fund raising in FY23 was similar to what the institution did in FY22. "The average costs of funds came down to 4.86 per cent in FY22 from 5.24 per cent in FY21. The yield on long-term paper has hardened in markets in tandem with the change in the rate cycle and inflation. Outstanding long-term borrowing rose to Rs.2.8 trillion in March 2022 from Rs.2.18 trillion in March 2021. Short-term borrowing declined from Rs.2.41 trillion in March 2021 to Rs.1.14 trillion in March 2022. But PSL shortfall deposits swelled from Rs.99,000 crore in March 2021 to Rs.2.52 trillion in March 2022. Banks have to keep amounts equivalent to their shortfall in PSL targets in the Rural Infrastructure Development (RIDF) with institutions like Nabard.

Its balance sheet rose from Rs.6.57 trillion as on March 31, 2021, to Rs.7.57 trillion as on March 31, 2022, registering a growth rate of 15.22 per cent in FY2022. It has set a target to grow the balance sheet to Rs.8.75 trillion for FY23. The loans portfolio expanded by 12.76 per cent from Rs.6.03 trillion in March 2021 to Rs.6.80 trillion at the end of March 2022. The share of long-term finance (investment credit) was Rs.2.39 trillion as against Rs.1.99 trillion as on March 31, 2021.

India to overcome Covid losses by FY35: RBI report

It is only by 2034-35 that India is expected to make good the losses arising from the pandemic, the "Currency and Finance Report" of the RBI has said. "Taking the actual growth rate of (-) 6.6 per cent for 2020-21, 8.9 per cent for 2021-22 and assuming growth rate of 7.2 per cent for 2022-23, and 7.5 per cent beyond that, India is expected to overcome Covid-19 losses in 2034-35," said the report, released once every year. "The output losses for individual years have been worked out to Rs.19.1 lakh crore, Rs.17.1 lakh crore and Rs.16.4 lakh crore for 2020-21, 2021-22 and 2022-23, respectively," it said. GDP growth for 2020-21 contracted by 6.6 per cent. The report for 2021-22 year has the theme "Revive and Reconstruct" in the context of nurturing a durable recovery post-Covid and raising trend growth in the medium term as under :

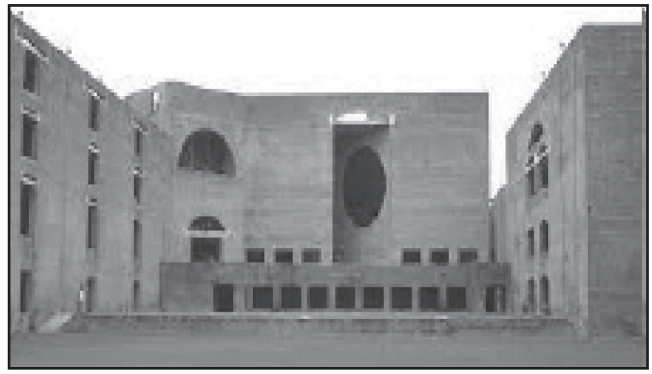
Recovery path

- 6.5-8.5% is the feasible range for medium-term steady state GDP growth in India
- Timely rebalancing of monetary and fiscal policies first step towards achieving feasible growth
- Need to withdraw huge surplus liquidity present in the banking system
- Reducing general Govt. debt to below 66% of GDP over next 5 years is important to secure India's medium-term growth prospects
- Growing focus on digitalisation offers immense opportunities

No PSB faced loss in last 3 qtrs: Govt

No public sector bank (PSB) has faced any loss in the April-December period of the current fiscal year. They have collectively clocked a net profit of Rs.48,874 crore during this period, the government said in Parliament on March 15, 2022.

"No PSB has suffered losses in the current financial year up to December 31, 2021. During the said period viz. the first three quarters of the current financial year, all the PSBs have registered net profit of



Rs.48,874 crore," Minister of State for Finance Shri Bhagwat Karad said in a reply in the Rajya Sabha.

Responding to a query on profit earned by PSBs since 2010, the minister citing the data from the Reserve Bank, said the public sector banks earned a combined net profit of Rs.31,820 crore in 2020-21. However, there were collective losses for five straight years during 2015-16 to 2019-20.

PSBs disburse Rs.41K cr instant loans in 3 years

Public sector banks have disbursed business and retail loans of about Rs.41,269 crore through the psbloansin59minutes.com portal, minister of state, finance, Shri Bhagwat Krishanrao Karad told Rajya Sabha on March 15, 2022.

"About 2.01 lakh loan proposals of Rs.39,580 crore have been disbursed in the business loan category and 17,791 proposals amounting to Rs.1,689 crore have been in the retail loan category through the psloansin59 minutes portal between September 25, 2018 and February 28, 2022," the Minister said.

The initiative was announced in 2018 to provide in-principle approval for loans to micro, small and medium enterprises (MSMEs) of up to Rs.1 crore within 59 minutes. The portal, run by SIDBI, by onboarding five public sector banks, now provides loans up to Rs.5 crore according to its website. Subsequent to the approval, loans are disbursed in 7-8 days.

Most loans were disbursed to about 25,834 borrowers in Maharashtra amounting to Rs.5,220 crore. It was followed by Uttar Pradesh, where 30,732 applicants received Rs.4,434 crore. Gujarat and Punjab made the top-four with Rs.3,864 crore worth of loans to 20,485 applicants and Rs.3,043 crore to 14,471 borrowers, respectively.

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