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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.

FROM THE DESK OF THE EDITOR

Goods & Service Tax (GST) - Simplifying the Complex Tax System

What is GST

The Goods & Service tax (GST) is basically an indirect tax that brings most of the taxes imposed on most goods and services, on manufacture, sale and consumption of goods and services, under a single domain at the national level. As against levy of taxes separately on goods and services in the present system, GST would be consolidated tax, based on a uniform rate of tax, fixed for both goods and services. It would be payable at the final point of consumption, as it would only be collected on value-added goods and services at each stage of sale or purchase in the supply chain, through a tax credit mechanism.

Purpose of GST Bill in India

The objective is to have One-Country-One-Tax by subsuming all indirect taxes at the Centre and the State level in one GST. The proposed GST is set to replace all indirect taxes levied on goods and services by both the Central & State Governments and will be one of the biggest taxation reforms to take place in India which would consolidate all State economies, paving way for an all-inclusive indirect tax reform in the country. This would reduce the cascading effect of taxes on taxes on the one hand, and by reducing/eliminating tax evasion and corruption, it would increase productivity/transparency and ultimately increase tax-GDP ratio. The basic idea is to create a single, cooperative and undivided Indian market to make the economy stronger and powerful.

Advantages of GST

Introduction of a GST is very much essential in the emerging environment of the Indian economy where both in production and distribution of goods, services are increasingly used or consumed and vice versa. Separate taxes for goods and services, which is the present taxation system, requires division of transaction values into value of goods and value of services for taxation, leading to greater complications, administration and compliance issues/costs. The GST system will have following benefits : -

V.S. RATHORE
Secretary General, COSIDICI

- Under the GST system, when all the taxes are integrated, it would be possible to split the taxation burden equitably between manufacturing and services. According to experts, by implementing the GST, India will gain $15 billion a year. This is because, it will promote more exports, create more employment opportunities and boost growth.
- Presently, a tax is levied when a finished product moves out from a factory, which is paid by the manufacturer, and it is again levied at the retail outlet when sold. GST will be levied only at the final destination of consumption based on VAT principle and not at various points across the chain from manufacturing to final consumption. This will help in removing economic distortions and bring about development of a common national market. It will also help to build a transparent and corruption-free tax administration.

- In the GST system, taxes for both Centre and the States will be collected at the point of sale and will be charged on the final cost. Individuals will be benefited by this as prices are likely to come down and lower prices would mean more consumption, and more consumption would mean more production, thereby helping in the growth of the companies and the economy.

Bottlenecks in the implementation of GST

Though the Government wants the GST Bill to be implemented by April 2017, there are certain bottlenecks which need to be taken care of before that :

- Preparations are needed at the level of Central and State Governments for implementing the GST. Whether the Government machinery is efficient and geared up enough for such an enormous change?
- How will the manufacturers, traders and ultimate consumers be affected and whether they are ready for such a change. Will GST help the small entrepreneurs and small traders?
- What will be the impact of GST on Governments' (both Central as well as the States) revenue?

GST envisages following amendments in the Tax Regime:

i The GST regime seeks to subsume the following taxes into a single one :Taxes levied by Central Govt. : Central Exercise. Service Tax. Service Tax. Central Surcharges. Central Cesses. Taxes levied by State Govt. : VAT/Sales Tax. Entertainment Tax. Luxury Tax. State Taxes and Cesses.

ii There will be minimum three rates, namely Standard Rate (would cover most items), Merit Rate (Lower than Standard Rate for essential goods like food, power, education and health) and Special Rate (higher than Standard Rate for some luxury items like jewellery and precious metals).

iii Taxes on consumption but not on production. The final consumer will bear all the taxes under GST, and this tax will have share of both Central as well as the State Governments in it. While some taxes will be paid by intermediaries also, the same would be refunded to them.

Pros and Cons for Common man and businesses

i The goods would become slightly cheaper because the combined GST rate of say 18-19% will be lower than the combined rates of Central Excise and VAT of around 22-24%. However, services will become more expensive as these are presently taxed at 14.5% only and there is no VAT on them.

ii The manufacturers will be able to take advantage of tax credit for inter-state sales as India will become one market. Hence their profits may go up. If they pass on the benefit to customers, the prices of good may be further reduced. In many cases, companies may initially not pass on the entire tax saving arising to them on their sourcing (input goods), while any increase in the output GST rate would be passed on to the consumer promptly. Till such time the market forces compel companies to pass on the GST benefit, one can expect some price inflation.

iii GST is a dual tax structure and this is where the problems begin. Under GST, service providers will have to register in each State from which they operate, as such their compliance cost will go up. Also the retailers will have to register with Central Government, so their compliance cost may also go up initially.

Pros and Cons for Governments

i There will be administrative challenges as to who will manage GST. The dispute resolution mechanism between Centre and the States may become complex.

ii States are feeling that they may lose flexibility to levy lower taxes in order to, inter-alia, attract investments.

iii As the Central government has promised to compensate the States for any loss of revenue due to GST (while the excess revenue shall be kept by States), the revenues of Central Government may come down.

iv There is a fear that total taxes may actually come down, if the general rate of GST is kept low.

Conclusion :

The introduction of GST would be a significant step in the reform of indirect taxation in India. Amalgamating several Central and State taxes into a single tax will mitigate cascading or double taxation, facilitating a common national market. This would be beneficial for consumers as the tax burden on inter-state logistics will be cheaper. A common tax would also mean easy compliance and uniformity of tax rates and structures for industry and would thus contribute to ease of doing business. A robust IT systems based compliance mechanism would bring down compliance costs as multiple records would not be required to be maintained for different taxes. Further, greater use of IT would reduce human interface between taxpayer and administration. GST would benefit the economy by creating a common national market which would result in increased economic activity, generate more employment and would also attract increased foreign investment. By an efficient neutralization of taxes, it would make our exports more competitive and thus give a fillip to exports and provide an impetus to the 'Make in India' initiative.

Vikram Singh

(V.S. RATHORE)

Our thoughts and words should be in harmony when we give our opinion to others. If we create a negative thought and speak sweet words, it is conflicting energy. Convert at the level of thoughts, not words, this is integrity.

APPOINTMENTS

- Shri Ritesh Kumar Singh, IAS has been appointed as Managing Director, Karnataka State Financial Corporation {KSFC}, Bangalore vice Shri D.V. Prasad, IAS

- Shri Rajamanickam, IAS has been appointed as Managing Director, Kerala Financial Corporation {KFC}, Thiruvananthapuram vice Shri P. Joy Oommen, IAS.

- Shri K.R. Meena, IAS has been appointed as Managing Director, Delhi State Industrial & Infrastructure Development Corporation {DSIIDC}, New Delhi vice Shri Sanjeev Ahuja, IAS.

- Shri Vaibhav Galriya, IAS has been appointed as Managing Director, Rajasthan Industrial Development & Investment Corporation Limited {RIICO}, Jaipur vice Smt. Veenu Gupta, IAS.

HARVESTING SOLAR POWER

Prime Minister, Shri Narendra Modi is making major strides in energising India through solar power. During the UN conference on climate change held in Paris in 2015, Shri Modi and the French president, Francois Hollande, launched International Solar Alliance, to be headquartered in India. The Modi government has also set a target of installing 100 GW of solar power by 2022, which seems ambitious given that the existing solar capacity is only 6.9 GW.

But nothing is impossible, and the best way to do that is to look at other countries' experiences in this regard, their policies and how they are scaling up. It may also help India find suitable partners to achieve its targets.

By 2014, Germany had installed 38 GW, China 28 GW, and Japan 23 GW of solar power capacity. But normalising these numbers with per million population of those countries clearly shows that Germany, with 469 MW/million population, is way ahead of Japan (with 181 MW/million), and China (at 20 MW/million) population. India figures way below at just 2.32MW/million population. Incidentally, Germany also leads in absolute capacity installed, accounting for 21% of the 178 GW of total global solar installations in 2014.

But how did Germany become the leader? The primary role in this was played by Feed-in-Tariffs (FITs) and guaranteed priority grid connections to renewable energy producers, as embedded in \ (EEG) 2000 (Renewable Energy Sources Act). The renewable energy producers receive FITs, fixed per kWh for 20 years, which covers cost plus return on investment. The difference between FIT and average electricity prices is applied as EEG surcharge to consumers (except industrial consumers) as higher electricity bills, and not paid from public funds. This surcharge acted as a catalyst to unleash a sort of revolution such that by

the end of 2013, 23% of global residential rooftop, and 37% of global commercial rooftop installations were in Germany.

Can such a policy nurture solar power in India? Interestingly, India has an FIT policy of sorts, but it is not mandated through priority grid access. It is left to the discretion of discoms/regulators. India has followed a policy of outright capital subsidy on solar panels/ plants, which has varied over time and from state to state as well as at the central level. Central Financial Assistance was initially 30%, but reduced to 15% in August 2015, and before being brought back to 30% in November 2015.

With fast reductions in costs of solar power, average bids from private sector have come down from Rs.6.8/kWh in 2014 to Rs.5.6/kWh in 2015 (ICRA). The lowest bid in 2016 is R4.34/kWh for solar park in Rajasthan. Even after accounting for 30% subsidy, it amounts to Rs.5.64/kWh. This is lower than cost of thermal power which was about Rs.5.93/kWh in 2013-14 (Planning Commission).

If India wants to unleash a revolution in solar power, the price at which governments should buy solar power for its grids should be the marginal costs of thermal plus at least 10-15%, which is the negative externality that thermal plants have in terms of pollution emitted and health costs. Once this is in place, one can quickly scale up to reach the target of 100 GW.

Radha Soami Satsang in Beas has already installed the largest rooftop system on a single roof in the world—11.5 MW. While campus requirements are met, the Satsang also has a 25-year prepurchase agreement with Punjab State Power Corporation Limited to feed surplus into the grid. According to the ministry of new and renewable energy (MNRE), 22 ministries alone have rooftop solar capacity of about 7 GW. Isn't it time to lead by example? Haryana has already introduced mandatory rooftop solar installations for residential buildings, government and private educational, offices, private hospitals, nursing homes, malls, industrial and commercial establishments, hotels, banquet halls and tourist complexes meeting certain specifications.

Dhundi Saur Urja Utapadak Shahakari Mandali (DSUUM) in Gujarat which has a PPA with the state discom at Rs.4.63/kWh to sell surplus power from solar pumps after meeting irrigation needs is another example. In March 2015, India had about 19,500 of grid solar pumps. During 2015-16, India installed 31,472 additional solar pumps, which is more than what it had done cumulatively till March 2015.

Gujarat is also looking at agro-policy whereby farmers can lease land to discoms for solar installations along with their crop cultivation and earn some income. Experiments in Japan, China, Germany, UK, etc. have revealed that solar panels can be put along farmers' fields without adversely impacting photo-synthesis of crops. Such initiatives can help contribute to the government's goal of doubling farm income by

2022 with added income coming from 'harvesting from solar fields'. Both political will and public participation would play important roles. Farmer co-operatives, especially in areas that have low irrigation and cropping intensity, like Marathwada and Bundelkhand, are best suited to carry out pilots. But it would need upfront meeting of capital costs—this can come from organisations like NABARD or banks. It can be also done through corporate social responsibility or even from crowd funding. International development organisations like GIZ of Germany, too, could enter the picture if one ties up with the Germans for expertise. Only a coordinated approach between the Centre, the states, corporate entities and civil society can help achieve the grid-connected target of 100 GW solar capacity.

Here lies a golden opportunity for the government to kill two birds with one stone: Realise the dream of doubling farmers' incomes by 2022 by enabling farmers to earn by harvesting solar energy from their own fields and feeding it into the grid as well as achieving the target of 100 GW of solar power. This would truly make India a leader of solar power generation. This would be more commendable when it is done by including the millions of small land-holders!

■■■

The authors : Shri Ashok Gulati is Infosys chair professor for agriculture and Ms. Stuti Manchanda is research assistant, ICRIER

Courtesy : The Financial Express

A BIG BREAKTHROUGH FOR INDIA

**Rajeev Dimri*

The Goods & Services Tax (GST) - the most revolutionary tax reform of the country - has picked up tremendous pace, first with the passage of the Constitution (122nd Amendment) Bill, 2014, by the Lok Sabha last year, then the release of the Model GST Law in public domain in June 2016, and now its smooth passage in the Rajya Sabha. The passage of the Constitutional Amendment Bill by a unanimous nod from the Upper House of Parliament is indisputably the most crucial event in this long ride, paving way for the much-awaited GST law to becoming a reality soon.

The states appeared in tandem with the Centre on August 3, 2016, when the GST Bill surprisingly sailed through its biggest roadblock with agreement from all political parties. Much credit for this feat is attributable to the Centre and states working together. The recent amendments in the GST Bill—as approved by the Cabinet on August 1, 2016—clearly throw light on the government's intention to cross any stumbling block for smooth implementation of GST in India.

Provisions like apportionment of the Integrated GST (IGST), wherein states' share of IGST is set to not form part of the Consolidated Fund of India, compensation to states for loss of revenue for a maximum period of five years, specific provisions for dispute resolution amongst various governments, have been evidently introduced with an intent of protecting everybody's interests once GST is implemented.

The amendment regarding the elimination of additional tax of 1% on all interstate trade is another welcome change. The dropping of distortionary additional tax would prove to be a game-changer for businesses across. Industries involving huge volumes of interstate business—

such as e-commerce, logistics, manufacturing, trading sectors, etc—were likely to incur large costs relating to additional tax on each interstate supply, with no credits of such additional tax in the chain. The cascading effect of additional tax would have defeated the spirit and core of the GST reform. More so since, unlike normal GST which is a destination-based tax, the additional tax was an origin-based tax, meant to replace the current central sales tax (CST) for a temporary period of two years.

While the nation is rejoicing for the long awaited news of the passage of the GST Bill in the Rajya Sabha, one must not forget that it still needs to cross a few more hurdles for taking shape in the given time-frame.

The GST Bill is now required to be placed before the Lok Sabha for the approval of the amendments, pursuant to which ratification of the Bill by more than 50% of states would be required. Post this, the Bill would move for Presidential assent, followed with the timely setting up of the GST Council for making recommendations on rates, threshold limits, administrative control, municipal taxes and such other critical matters. This would require unanimity between the Centre and states for each recommendation to attain finality.

Further, certain other aspects such as roll-out of the various GST legislations by Parliament and State Legislatures, introduction of rules and regulations for execution and implementation of legislations, and timely setting up of a comprehensive GST Network (GSTN) would need to be closely monitored. Therefore, the government would have to continue its momentum which has been set by it during the recent developments for GST to see the light of day within the targeted time-line.

Having said that, given the paucity of time, industries would also need to gear up and strategise integration of GST into their operations. In light of the Model GST Law, companies should commence evaluation of key impact areas—for instance, tax structure, tax incidence, compliance and reporting requirements, etc—which will lead to a complete overhaul of almost all aspects of business operations. The pricing pattern of products or services, supply chain optimisation, warehousing strategies, information technology, accounting and tax compliance systems should also be re-looked at, in view of several cost-saving opportunities under GST.

In furtherance to restructuring of business processes, clarity about certain concepts under GST would be required to safeguard the interest of businesses during the initial years of transition to GST. While a lot of ambiguities in the current tax structure have been addressed in the Model GST Law, the precision with respect to taxation on stock transfers, software on media, import of goods, etc, are awaited. Businesses must actively engage with the government to ensure that appropriate mechanisms are introduced in the final laws to address all such ambiguous areas.

From the government's front, in order to ensure smooth transition, it should allow suitable time to companies for responding to various GST legislations and engage with the lawmakers to address multiple industry-specific issues. Coupled with this, the government may choose to relax provisions relating to prosecution and offences during the initial phases of GST. These steps would enable industries to move to GST smoothly and implement the same within a given limited time-frame.

With all said and done, a long journey is anticipated to unify the entire nation under a single comprehensive tax net. Governments, both at the Centre and state levels, would need to be mindful of the impact of tax reforms on small and big businesses if they wish to implement GST with minimal adverse impacts on business operations and ensure 'ease' of doing business in the country.

The author is leader, Indirect Tax, BMR & Associates LLP.
Source : The Financial Express

Each of us carries an energy field of electromagnetic waves of about three feet around us, called Aura which depends on our state of mind. Everyone who comes in contact with this energy field will get influenced by it.

PROFILE OF MEMBER CORPORATIONS

West Bengal Financial Corporation

About Us

WBFC was constituted under the State Financial Corporations Act, 1951 and has representatives from GOWB, SIDBI, SBI, LIC on its Board of Directors. The entrepreneurs from any corner of the State can contact / call on any of our 14 branches located at the district headquarters or Head Office at Kolkata with their loan proposals which are disposed of as quickly as possible. Primarily the Corporation extends long term loan to the entrepreneurs for acquiring fixed and other assets required for a manufacturing or service industry viz., land, building, plant & machinery, miscellaneous other fixed assets like electrical equipment, furniture & fixtures etc. However, the Corporation may also consider other assistance associated with project financing.

WBFC has been extending financial assistance on easy terms to micro, small and medium scale enterprises in the form of long term loan for acquiring fixed assets to set up manufacturing units or service industries like nursing homes, hotels, restaurants, warehouses, commercial complexes, transport and the like. Such assistance is available to new projects/expansion projects/ modernization venture/backward or forward integration schemes. Many industrial houses took birth in WBFC and were nurtured by it to attain commendable heights to curve out a niche in the national if not the global canvas.

Since the days of its establishment WBFC has been working in close coordination with the Government of West Bengal [GOWB], the union government, the banks, and other financial institutions in the state and the central level. SIDBI and the GOWB have been extending major support and guidance to WBFC in its endeavour to turn the dreams of the entrepreneurs into reality.

Fair Practice Code Of The Corporation In Credit Delivery System

ISO 9001:2008 Certified Organisation

At Branch level :

- On receipt of the loan proposal, the concerned Branch Office issues a proper receipt to the proponent.
- The proposal is scrutinised normally within seven (7) days from the date of receipt of such application and the proponent is asked to furnish required addl. Documents, if any, along with processing fee at one go. Ground for rejection is intimated in non-viable cases promptly.
- The proposal is processed and placed before the Branch-in-Charge or sent to the Regional Manager or Head Office for consideration after necessary enquiry, inspection, reference within 20 working days from the date of receipt of the complete information/papers as also processing fee from the proponent.
- The Branch-in-Charge after perusal/scrutiny and sanctions the loan within the next 3 working days if the same is within his delegated power.
- The proposals received by Regional Manager from the branches are sent to Head Office with his views and comments within 07 days from the date of receipt.
- The Head Office after necessary scrutiny disposes of the proposal within 10 working days from the date of receipt except in cases where those are placed before the EC/Board.

- The decision of sanction or rejection of the proposal is communicated to the proponent immediately.
- The Branch and Regional office maintains necessary register to record receipt & disposal of loan proposal

At Head Office Level :

- On receipt of the loan application along with the processing fees the, Operation Department (Head Office) shall give a receipt to the proponent.
- The loan proposal is scrutinised in detail and additional papers, if required, are to be asked for normally within ten (10) days from the date of receipt of the proposal.
- The Operation Department processes and places a loan proposal before the Managing Director for prima facie opinion of the Screening Committee, within 30 days of receipt of complete information.
- The decision (sanction/rejection) of sanctioning authority on the proposal is intimated to the proponent immediately after the decision.
- On recommendation of the S.C. the processed proposals are placed before MD/EC/Board as the case may be for sanction at the next available opportunity.

As a part of the fair practice policy, WBFC provides :

- A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement is furnished to the borrower (by WBFC).
- As far as possible, the loan agreement/sanction advice clearly stipulates that credit facilities are solely at the discretion of lenders. WBFC ensures timely disbursement of loan on proper compliance of the terms & conditions governing the sanction.

- WBFC gives notice to the borrower of any change in the terms and conditions including interest rates, service charges etc. and invariably obtain a written confirmation from the borrower at the material point of time that he/she/it is in full knowledge of such changes and is accepting the revised rates.
- WBFC releases /returns all securities on receiving payment of loan or realization of loan subject to any legitimate right or lien for any other claim it may have against borrowers.
- WBFC restrains from interference in the affairs of the borrowers except for what is provided in the terms and conditions of the loan sanction documents and the issues relevant but not disclosed earlier.
- WBFC does not discriminate on ground of sex, caste and religion in the matter of lending.
- In the matter of recovery of loans, WBFC does not resort to undue harassment viz., persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
- In case of receipt of request for transfer of borrowal account, either from the borrower or from a bank / financial institution, which proposes to take-over the account, the consent or otherwise i.e. objection of WBFC, if any, is conveyed within 21 days from the date of receipt of request.

DO YOU KNOW !

Use Of Honey In Day-Today Life

Prevents cancer and heart disease: Honey contains flavonoids, antioxidants which help reduce the risk of some cancers and heart disease.

Reduces ulcers and other gastrointestinal disorders: Recent research shows that honey treatment may help disorders such as ulcers and bacterial gastroenteritis. This may be related to the 3rd benefit…

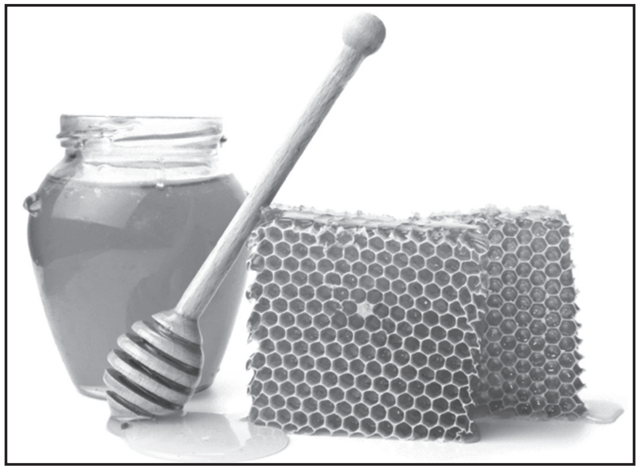
Anti-bacterial, anti-fungal, anti-fungal : "All honey is antibacterial, because the bees add an enzyme that makes hydrogen peroxide," said Peter Molan, director of the Honey Research Unit at the University of Waikato in New Zealand.

Increases athletic performance: Ancient Olympic athletes would eat honey and dried figs to enhance their performance. This has now been verified with modern studies, showing that it is superior in maintaining glycogen levels and improving recovery time than other sweeteners.

Reduces cough and throat irritation : Honey helps with coughs, particularly buckwheat honey. In a study of 110 children, a single dose of buckwheat honey was just as effective as a single dose of dextromethorphan in relieving nocturnal cough and allowing proper sleep.

Balances the 5 elements: Honey has been used in ayurvedic medicine in India for at least 4000 years and is considered to affect all three of the body's primitive material imbalances positively. It is also said to be useful useful in improving eyesight, weight loss, curing impotence and premature ejaculation, urinary tract disorders, bronchial asthma, diarrhea, and nausea.

Honey is referred as "Yogavahi" since it has a quality of penetrating the deepest tissues of the body. When honey is used with other herbal preparations, it enhances the medicinal qualities



of those preparations and also helps them to reach the deeper tissues.

Blood sugar regulation : Even though honey contains simple sugars, it is NOT the same as white sugar or artificial sweeteners. Its exact combination of fructose and glucose actually helps the body regulate blood sugar levels. Some honeys have a low hypoglycemic index, so they don't jolt your blood sugar.

Heals wounds and burns: External application of honey has been shown to be as effective as conventional treatment with silver sulfadiazine. It is speculated that the drying effect of the simple sugars and honey's antibacterial nature combine to create this effect.

Probiotic : Some varieties of honey possess large amounts of friendly bacteria. This includes up to 6 species of lactobacilli and 4 species of bifidobacteria. This may explain many of the "mysterious therapeutic properties of honey."

Beautiful skin : Its anti-bacterial qualities are particularly useful for the skin, and, when used with the other ingredients, can also be moisturizing and nourishing! For a powerful home beauty treatment for which you probably have all the ingredients in your kitchen already, read Carrot Face Mask.

LETTER TO THE EDITOR

Dated August/18/2016

Dear Editor,

Dr. Sanjay K. Saini

It gives me great pleasure to learn that the C.O.S.I.D.I.C.I. is felicitating successful Industrial Units financed by State Level Financial Institutions {SLFIs}. This Journal carries useful information on different sectors like industries, banking, finance as well as new initiatives of the Government from time to time. Moreover, I find that most of the 'Health Care Articles' published in this bi-monthly Journal are quite eye catching. Hoping to read more such insightful Articles in future as well. I am sure this Journal will prove to be a guide for economic upliftment of the country and entrepreneurs.

I extend my best wishes for successful publication of the Journal. My sincere compliments to you and your team in bringing out such a informative and useful Journal for the readers.

With Best Regards,

Yours sincerely,
Sd/-
(Dr. Sanjay K. Saini)
M.D. (Homoeo)
Himani Homoeopathic Clinic
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Main Vikas Marg, Laxmi Nagar,
Delhi - 110092

If our energy field is pure and powerful everyone will get touched with our pure vibrations. This will help them to emerge their own purity and power. This is the true meaning of blessing people.

HSIIDC

HSIIDC to build stormwater drains in sectors 34 & 35 to check waterlogging

Haryana State Industry and Infrastructure Corporation (HSIIDC) is set to build stormwater drains to check waterlogging in sectors 34 & 35 which will be a big relief to the industries and offices in these sectors. The two sectors, which are located on the way to Manesar, face a serious problem of waterlogging in the rainy season, as they are at a lower level than the highway. As a result, storm water ends up flowing into the sectors, submerging most of their roads. The condition of the roads also gets severely affected due to waterlogging, because of which many of the industrial units actually become unapproachable. The total cost of the project would come to around Rs.6 crore. Waterlogging gets aggravated because many industries release their waste water on the roads.

KFC

Kerala Financial Corporation to diversify

Kerala Financial Corporation (KFC) is planning to diversify its financial support schemes by backing smaller projects, especially those aimed at promoting sustainable livelihood and social entrepreneurship. One of the immediate beneficiaries would be Kudumbasree, which was till now outside the ambit of the KFC owing to the demand for smaller loan components. Kudumbasree members had to depend on bank loans on collateral securities. “We have already held a round of discussions with Kudumbasree executive director. Further discussions are needed and the modalities would be finalised in consultation with the Finance Minister,” said Shri M.G. Rajamanickam, Managing Director, Kerala Financial Corporation.

The KFC is also planning to have tie-ups with District Industries Centres (DICs) whereby loans would be extended to projects recommended by them. As of now, DICs recommend viable projects coming before them to banks to help entrepreneurs avail of loans.

The KFC also aims at repositioning as a principal promoter of start-ups with its existing schemes failing to have the desired effect. It will start with converting two floors at the KFC complex at Kaloor into plug-and-play start-up spaces at reasonable rent.

“Space would be available to 25 companies of up to ten members in the newly developed floors, the work on which is 70 per cent complete. Most probably the space would be divided between start-ups in their incubation stage and startups which need handholding immediately after incubation before they turn sustainable. A final decision would be taken in consultation with the government,” Mr. Rajamanickam said.

Regional projects

The KFC plans three regional workshops in Kochi, Thiruvananthapuram and Kozhikode for enterprising youngsters, including from engineering colleges, to provide them a platform for showcasing their ideas. Those projects vetted by an appraisal team of KFC would be extended loans. KFC in collaboration with Kitco is to set up a venture capital fund to help start-ups.

APIIC

APIIC to set up two CETPs by 2018

With the state government according permission for tendering out various tranche-1 projects under the Vizag-Chennai Industrial Corridor

(VCIC), theAndhra Pradesh Industrial Infrastructure Corporation (APIIC) is expecting to complete construction of a common effluent treatment plant (CETP) with a capacity of 3 MLD (million litres per day) by mid-2018. According to APIIC sources, a CETP with a capacity of 1.5 MLD is already under construction and is likely to be commissioned by July 2017 and the additional 3 MLD project is likely to be completed by June 2018. The 3 MLD CETP project is expected to cost around Rs 130 crore.

“We have a sanctioned capacity of around 31 MLD by the ministry of environment and forests as per the initial projections made for the various industries which were expected to come up in and around Atchutapuram mandal, which is one of the key nodes under the VCIC,” an APIIC official said. However, as per the existing number of units and proposed investments likely during the next couple of years, the required CETP capacity is expected to be only around 4.5-5 MLD.

Around 40 pharma units are functioning currently in the district and the first phase of CETP project will cover them. In addition to these, several investments are taking shape especially for production of solar panels and photovoltaic cells. The proposed 3 MLD CETP facility will be sufficient to cater to these industries.

At the same time, a water treatment plant is also being planned at a cost of Rs 60 crore with a capacity of 2 MLD. The detailed project report for the water treatment plant has already been submitted to Asian Development Bank and it is under scrutiny. This will help supply treated water to the industries in the Atchutapuram mode. A water pipeline from Yeleru canal through Anakapalli and Atchutapuram road to supply water to a storage tank spread over an area of 400 acres at Krishnampalem is also proposed. This will cost around Rs 300 crore and the DPR has already been prepared.

APIIC seeks over 1,700 acres to set up industrial parks in Vij

The Andhra Pradesh Industrial Infrastructure Corporation (APIIC) has sought about 1,700 acres of land from the state government to set up three industrial parks around Vijayawada. APIIC’s request comes in the wake of many owners of small and medium units in Balanagar and Jeedimetla industrial estates in Hyderabad expressing readiness to set up their second units in the AP capital region. Most of the industries are related to electrical, electronics and chemical. It is expected that nearly 300 units are likely to open their shop in the capital region.

The proposed industrial parks will come up at Malavalli near Vijayawada airport (1,400 acres), Veerapanenigudem (180 acres) and Peddaram near Jaggaiahpet (100 acres). These land parcels are largely owned by the state government. However, a few acres are under private occupation. The APIIC will expedite the work once it gets the land parcels. It is expected to generate Rs 3,000 crore investment. Ashok Leyland, which signed a memorandum of understanding (MoU) with AP government during the partnership meet in Vizag, is also planning to establish a manufacturing unit in the area. Vijayawada is a known automobile hub with nearly Rs 1,000 crore turnover. However, it does not have a manufacturing unit. The proposed units will create more opportunities for people in and around Vijayawada. Small and medium units located in Vijayawada city will be moved to these industrial units to decongest the city.

APIIC acquiring land for Vizag Chennai Industrial Corridor

Land acquisition for the Vizag Chennai Industrial Corridor (VCIC) is being undertaken by APIIC in various parts of the State, said APIIC, Managing Director, Shri B. Sreedhar . 2,000 acres each are being acquired in Kakinada in East Godavari district and Atchuthapuram in Visakhapatnam district. At the same time, around 10,000 acres are being acquired in Yerpedu and Srikalahasti area in Chittoor district, while 4,000 acres is being acquired at Nakkapalli in Visakhapatnam district for the mega corridor. He said the district administration has been advised to interact with local farmers and fix the rates for compensation for the lands which would be acquired. Referring to the partnership summit held earlier this year, he said the APIIC is in the process of issuing land to 30 companies out of the 380 Memorandum of Understanding (MoUs) signed with the state government.

Indirect tax collections up 30% to Rs. 2.71 lakh cr till July

Indirect tax collections rose by 29.9% during April-July period of the current fiscal to Rs.2,71,719 crore, mainly due to growth in central excise duty collections. "The figures for indirect tax revenue (provisional) collections up to July, 2016 show that the net revenue collections are at Rs.2,71,719 crore as compared to Rs.2,09,217 crore for the corresponding period last year and thereby registering a growth of 29.9% in the net collections," the Finance Ministry said in a statement in August. Till July 2016, 34.9% of the Budget Estimates of indirect taxes for 2016-17 has been achieved. Indirect tax revenue includes collections from excise, customs and service tax.

Central excise revenue collection in the first four months of the fiscal grew 50.8% to Rs.1,23,273 crore as against Rs.81,748 crore collected in the same period last fiscal. Service tax revenue during April-July grew 25.8% to Rs.76,679 crore as against Rs.60,974 crore collected last year. Customs revenue collection in the period stood at Rs.71,767 crore as against Rs.66,495 crore collected last year, showing a growth of 7.9 %. Total indirect tax collection in July stood at Rs.68,341 crore against Rs.55,388 crore earlier. Central excise duty collection in July recorded a growth of 53.8% to Rs.31,782 crore, while service tax mop-up in the same month recorded growth of 25% to Rs.19,600 crore. Customs duty collection in July stood at Rs 16,959 crore.

Direct tax collections increase by Rs.1.59L cr in Apr-Jul

Direct tax collection rose by 24.01% to Rs.1.59 lakh crore in April-July. The collection up to July indicates that 18.82% of the Annual Budget target of direct taxes has been achieved in the first four months of the fiscal, the Finance Ministry said in a statement.

In terms of growth rate for corporation tax and personal income tax, the trend in gross revenue of corporation tax is indicating an increase of 13.5% while that of personal income tax (including STT) registered a growth of 29.8%. However, after

adjusting for refunds, the net growth in corporation tax is at 4.43% while that of personal income tax (including STT) at 48.75% as compared to previous year. This increase is mainly due to large refunds made in the previous year as compared to the current year.

Industrial production expands 1.2% in May

Industrial production grew by 1.2% in May after seeing a contraction in the previous month, mainly due to uptick in consumer durables output. Factory output, measured in terms of the Index of Industrial Production (IIP), had expanded by 2.5% in May last year, the data released by the Central Statistics Office (CSO) showed in July. On cumulative basis, the factory output in April-May contracted by 0.1% compared to 2.8% growth in the year-ago period. Meanwhile, the provisional estimates of 0.8% contraction in April this year was revised downwards to 1.34% decline in factory output.

According to data, output of consumer durables, which include white goods like television, refrigerators and washing machines, grew by 6% in May compared to a contraction of 3.9% in the same month a year ago. The manufacturing sector that constitutes over 75% of the index saw a growth of 0.7% in May compared to 2.1% a year ago. Power generation grew 4.7% in May compared to 6% in the same month a year ago. The mining sector recorded a growth of 1.3% in May this year as against 2.1% a year ago.

In terms of industries, 14 out of 22 industry groups in the manufacturing sector have shown growth during the month of May 2016 compared to the corresponding month of the previous year. As per user-based classification, the growth rates in May

2016 are 3.9% in basic goods, (-) 12.4% in capital goods and 3.6% in intermediate goods.

Growth quality improving, but jobs hold the key: CRISIL

Quality of the country's growth is improving with focus shifting from boosting cyclical growth through fiscal and monetary stimuli to "repairing the system and initiating structural reforms", rating agency CRISIL said. "The biggest positive is that the policy focus hasn't been based on populism, or on boosting cyclical growth through fiscal and monetary stimuli, but on improving the 'trend' growth by repairing the system and initiating structural reforms wherever possible.

Exporters get Rs.1,433-crore interest subsidy from govt.

Government has disbursed Rs.1,433 crore up to March under the interest subsidy scheme to exporters, the Commerce Ministry has said. The Centre's interest equalisation scheme, announced last December, reduces cost of capital by allowing 3% interest subsidy on pre and post-shipment rupee export credit to eligible exporters. "Indian exporters pay high rate of interest on the capital borrowed... all products manufactured and exported by SMEs (are) eligible. Up to March 2016, benefit to the tune of Rs.1,432.90 crore has been passed on to eligible borrowers," the ministry said in a statement.

Govt. adopts inflation targeting

India is set to formally adopt a consumer price inflation (CPI) target of 4+/-2% as it has got into "flexible inflation targeting" mode. Under an agreement between the government and the Reserve Bank of India signed in February 2015, the same target has already been pursued since FY16, while the RBI comfortably achieved its internal retail inflation target of 5.8% for January 2016.

■■■

QUESTIONS OF CYBERQUIZ ~ 61

Q.1 This version of UNIX received user interest in it and helped them to connect to the Net. This was because this version had some extra capabilities such as networking, extra peripheral support and use of extended file names. Name this version.

[a] Xenix; [b] BSD UNIX; [c] Linux;. [d] A/UX.

Q.2 The operating systems CP/M and MP/M are from :

[a] IBM; [b] Apple Computers; [c] Digital Equipment Corporation; [d] Digital Research Inc.

Q.3 Which company developed the first graphical user interface ?

[a] Apple Computer; [b] IBM; [c] Microsoft; [d] Xerox.

Q.4 It is an annoying but common feature of output devices, including printers and monitors that make it very difficult to accurately match a color generated by one device with a color generated by one device with a color generated on another. This can be overcome by describing color in a standard way rather than modifying output devices; in other words having device independent color systems. Which of the following is one such system ?

[a] Pantone Matching System (PMS); [b] CMYK color model; [c] CMY color model; [d] RGB color model.

Q.5 What term was taken from a 1970s science fiction novel by John Brunner entitled The Shockwave Rider ?

[a] Virus; [b] Worm; [c] Spam; [d] Search Engine.

For Answer See Page No. 25

SUCCESS STORY

M/s Aarvee CNC Precision Engineering, Bangalore

M/s Aarvee CNC Precisiou Engineering is a partnership firm established in 1997 by Mr. A. Ravi and Mr. A. Venkatesh. The firm manufactues and supplies machines components as per customer requirements.

The firm availed financial assistance of Rs.62.60 lakhs from KSFC for upgradation and modernisation. Aarvee CNC Precision Engineering achieved a turnover of Rs.33.23 lakhs, Rs.51.12 lakhs and Rs.41.12 lakhs during the years 2006, 2007 and 2008 respectively.

M/s Panchavati Interlock Pavers, Mangalore

Panchavati Interlock Pavers is a proprietary concern of Mr.P. Shantharam Shetty, established in the year 2006. The unit is engaged in the manufacture of interlock concrete paving blocks. The promoter had taken a term loan of Rs.14.43 lakhs and a soft seed capital of Rs.5.55 lakhs from KSFC, for the establishment of the unit. An additional loan of Rs.25.03 lakhs was availed for its associate concern. With sincere efforts and hard work, the promoter had made Panchavati Interlock Pavers a profitable venture.

■■■

If we are unable to accept the behaviour of one person, and we react, it depletes our energy. Conflict in one relationship depletes our power and this depletion has an adverse effect on other relationships which were beautiful.

Our thoughts and feelings create our energy field. This energy field has an effect on our body, on people, on nature and on matter. Our consciousness vibrates into the universe.

SIDBI to fund 10 startups

SIDBI is set to review ten proposals from alternative investment funds seeking a commitment of Rs 675 crore from the Fund of Funds for Startups (FFS) announced by Hon'ble Prime Minister, Shri Narendra Modi in the Startup India Action Plan.

Out of the Rs.10,000 crore Fund announced by the Prime Minister in the Startup India Action Plan on January 16, 2016, Rs.500 crore has been released during FY 2016 and Rs.600 crore is scheduled for release in FY 2017. SIDBI has already committed a sum of Rs 168 crore so far to six alternative investment funds from the Rs 500 crore provided for the FFS in 2015-16.

SIDBI has supported 95 funds as on May 31, 2016, out of which 47 funds exclusively target the startup sector while the rest look at startups and growth stage companies including MSMEs. The corpus of these 47 funds targeting startups is Rs.7,522 crore, of which SIDBI has cumulatively committed Rs.895 crore.

For receiving funding under the fund of operations, the Alternative Investment Fund (AIF) is required to be registered with SEBI under AIF Regulations, 2012, and should have a fund term of up to 10 years as and a commitment of up to five years. The other criteria state that AIFs with a corpus of up to Rs 500 crore should invest 50 per cent of the corpus or twice the contribution of SIDBI, whichever is more, in MSMEs, while those with a corpus of more than Rs 500 crore should invest Rs 250 crore or twice the contribution of SIDBI, whichever is more.

Shape up or lose out: RBI's Shri Gandhi to banks

RBI, Deputy Governor, Shri R. Gandhi has told banks not to neglect the small and medium enterprises (SME) segment and warned that if the lenders did not fulfil their social responsibilities, the very existence of banks would be in jeopardy. It is not that the SME segment has not been profitable, but banks have shown a lacklustre attitude towards the "big area". As a result, new generation financial technology (fintech) companies and non-banking financial companies (NBFC) have entered the space and have become "instant success".

Indian banks are not alone in their apathy towards the SME segment. Neglected throughout the world, the funding gap to the SME segment is about $2 trillion in emerging markets alone, Shri Gandhi said quoting a study. In India, fintech companies have "entered the area and have become an instant success." If banks have to be socially relevant, they need to claim the space back. "If only you become socially relevant

and not just economically relevant, you have a chance of existence," Shri Gandhi warned banks.

"Banking is necessary, banks are not," Shri Gandhi said. Elaborating, the RBI deputy governor said with the emergence of new players in the lending game, including social media companies engaging in banking, the relevance of banks was fast fading. The millennial generation seeks instant gratification, and has no loyalty towards brands, while the older generation wants improved return on their investments and more transparency.

NBFCs have already cornered the banks by offering services that could be better in comparison with those offered by the existing banks. The right to enjoy a special status as well as earning a high net interest margin (NIM) is something that banks will have to justify in future. NIM is the difference between yields on advances and cost of deposits and is the most important factor in measuring a bank's profitability. Indian banks enjoy NIM of three per cent or more, one of the highest in the world. This high NIM regime cannot continue for long. "Banks of the future will not be the same as yesterday's and today's. A new paradigm of banking is needed," Shri Gandhi said.

Govt infuses Rs. 23,000 cr to recapitalize 13 PSBs

The government in July allocated Rs.22,915 crore to recapitalise 13 public sector banks (PSBs). The sum, which is 92 per cent of the budgeted provision of Rs.25,000 crore, is aimed at supporting lending operations of these banks and helping them mop up money from markets. The highest sum of Rs.7,575 crore will be released for SBI, followed by Rs 3,101 crore for Indian Overseas Bank and Rs 2,816 crore for Punjab National Bank, a government statement. "The allocation of Rs.22,915 crore will be made against the shares issued by these banks to the government".

NEWS FROM STATES

West Bengal

Food park started in West Bengal

A Mega Food Park at Jangipur in Murshidabad, aimed at providing food processing infrastructure to the farmers of this backward belt in West Bengal was started in August. The food park will minimise the wastage of food products, Shri Mukherjee said. The project, was accorded in-principle approval in December 2008 and final approval in March 2010. As India is second in fruit production after Brazil and next only to China in vegetable production it was hoped India would minimise the wastage of food products through projects like this. Also the food park will help farmers of the area get better price for their produce. "The Mega Food Park will leverage an additional investment of about Rs.250 crore in food processing units in the Park, generate a turnover of about Rs.500 crore annually and is expected to provide direct and indirect employment to 6,000 people and benefit about 25,000-30,000 farmers in the catchment areas.

Andhra Pradesh

A.P. to be given Rs.1,976-crore special package

The Centre will provide an additional Rs.1,976.50 crore as 'special allowance' to Andhra Pradesh during the current fiscal to mitigate the losses arising out of its bifurcation. The amount includes Rs.1,176.50 for resource gap, Rs.350 crore for development of seven backward districts covering Rayalaseema & North Coastal region and Rs.450 crore as assistance for the capital city. The Central Government has already provided central assistance of Rs.8,379.50 crore to Andhra Pradesh which includes Rs.4,403 crore released during 2014-15 and Rs.2,000 crore released during 2015-16 in terms of the provisions under the Andhra Pradesh Re-organisation Act,

2014. Cumulatively from the enactment of the Re-organisation Act from June 2, 2014 till 2016-17, Rs.3,979.50 crore has been released to the successor state of Andhra Pradesh for bridging the resource gap for the financial year 2014-2015.

Rs.1,050 crore (Rs.50 crore per district) has been provided for the development of seven backward districts covering Rayalaseema & North Coastal region, Rs.2,500 crore has been provided as assistance for the capital city which includes Rs1,000 crore released by the Union Ministry of Urban Development for sewerage & drainage schemes at Guntur and Vijayawada cities respectively.

The Re-organisation Act entrusts the central government to make appropriate grants in the form of special assistance to the backward areas of successor states, provide assistance for creation of new capital of Andhra Pradesh and provides assistance to bridge the resource gap arising post-bifurcation.

Maharashtra

Maha government to offer farmers cash-cum-land

The Maharashtra Government will pay farmers, who surrender land for the 710 km long Nagpur-Mumbai Expressway, an amount of Rs.20,000-40,000 per acre for a period of 10 years.

Farmers will get back around one-fourth of the area that they give up as a developed parcel along the four to six lane road. Maharashtra State Road Development Corporation (MSRDC), the implementing agency for the Rs.31,000 crore project, has started the land pooling process which will involve 50,000 farmers. This is the first time that the Maharashtra government will be pooling land for any project; hitherto land has always been acquired. The State Finance Minister, Shri Sudhir Mungantiwar said nearly 21,000 hectares of land would be required to build the super-fast expressway. "Of this, 399 hectares is forest land, 17,499 hectares is agricultural land and 2,922 hectares is unused land".

Shri Radheshyam Mopalwar, vice-chairman and managing director, MSRDC, said the state government is offering farmers a price which is "significantly' better than the prevailing market rate. "In addition they will set 11,000 square feet of land for every acre that they hold". The government will also help farmers reskill themselves and their families.

Tamil Nadu

T.N. budget pegs revenue deficit at Rs. 15,854 crore

The Tamil Nadu government in July presented a tax-free budget for year 2016-17, though it was hit by a drop in collection of commercial taxes. The Tamil Nadu government has revised its projected revenue deficit to Rs.15,854 crore for the current financial year as against the estimated revenue deficit of Rs.9,154.78 crore made during the interim budget presented in February this year.

Some of the important measures include providing the Greater Chennai Corporation a sum of Rs.800 crore to upgrade infrastructure. School education got an allocation of Rs.24,130 crore which includes Rs.2,705 crore for distribution of 5.5 lakh laptops to students, along with books, uniforms and cycles. The energy sector received an allocation of Rs.13,800 crore. The government also plans to purchase 2,000 new buses at a cost of Rs.150 crore. The minister allocated Rs.150 crore exclusively to upgrade accident-prone roads. The state government has allocated Rs. 400 crore as its share for the smart cities being proposed in Tamil Nadu. Similarly, Rs.500 crore has been allocated for the Atal Urban Renewal Mission. The revised budget estimates the total revenue for the state to be Rs.1.48 lakh crore, down by Rs.3,829.14 crore compared to the interim budget presented in February this year. The government estimates Rs.1.67 lakh crore to be the expenditure in the current year.

Even if we do not approve of someone's behavior, let us not criticize them in our mind. Even if our sansakars do not match, we can still be in harmony with them, only by taking care that we are not thinking negatively about them.

Small units to get incentive in Gujarat's wind power policy

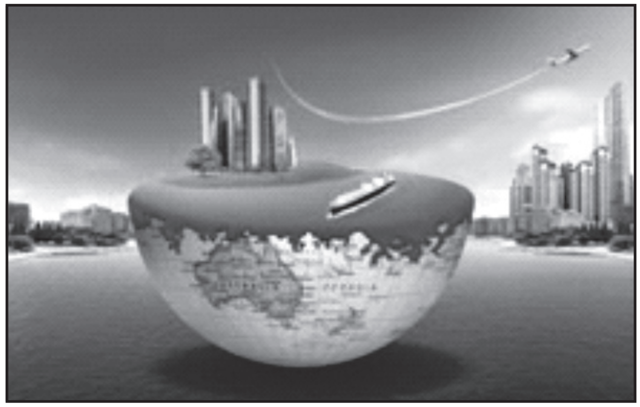
With a view to encourage small industrial units to enter the wind power sector, the Gujarat government has released the Wind Power Policy 2016. The wind power producers and users in the state will get total exemption from electricity duty, according to the policy, which will be in force till 2021. State Power Minister, Shri Saurabh Patel said, Captive power users will be exempted from cross electricity subsidy duty, as well as additional surcharge. Wind power producers, who are selling power to a third party, will be given 50% relief from cross-subsidy surcharge and additional surcharge. Captive users will also be given 50% relief on wheeling charges and distribution losses made on transmission of more than 11 kilowatt (KW). The relief will only be given to those using new machinery at their wind power plants. The Gujarat Energy Development Agency will be the nodal agency in charge of implementing this policy.

Govt. extends subsidy scheme to Solar-powered Cold Storages

With a view to boost the use of solar powered cold storages, the Ministry of New and Renewable Energy has extended its subsidy scheme to solar refrigeration units as well. Most solar powered items, including solar lamps and solar heating systems, enjoy a 30% subsidy under different MNRE programmes.

There are barely 10 solar cold storages being used in the country so far, the first having been installed about three years ago. Costing around Rs 30-40 lakh, they are manufactured by very few private companies such as Ecozen Solutions and Promethean Power Systems. They mostly use phase change material as insulation to trap solar energy for refrigeration purposes, along with battery backup.

"Government support should enable many more to be set up, while existing ones can scale up," said Shri Tarun Kapoor a Joint Secretary in MNRE. The shelf life of solar cold storages is around 15 years. Conventional cold storages cost half that of solar-powered ones, but require grid power which comprises around 20-30% of their running cost. Solar cold storages not only remove this cost, but



can also make a key difference in distant rural areas which are not yet electrified, or where power supply is poor.

India is the world's second largest producer of fruits and vegetables after China, with an output of 82.63 million tonne of fruits and 121.02 million tonne of vegetables in 2013 (the latest year for which figures are available). However, around 30% of this produce perishes for lack of adequate cold storage facilities. "Even the rest has to be quickly brought to market and sold, or the quality deteriorates," said Shri Kapoor. The pressure to sell early regularly leads to glut and shortages of these commodities in the market, resulting in wild price fluctuations.

Tamil Nadu to get 4th major port

The Cabinet in July approved the setting up of a major port at Enayam near Colachel in Tamil Nadu. This would be the country's 13th major port. Colachel is about 50 km north-west of Kanyakumari. The first phase of port development would involve an investment of Rs.6,575 crore, Union Minister of Shipping Shri Nitin Gadkari said. India has 12 major ports — Kandla, Mumbai, JNPT, Marmugao, New Mangalore, Cochin, Chennai, Ennore, V. O. Chidambaranar, Visakhapatnam, Paradip and Kolkata (including Haldia). These handle approximately 61 per cent of the country's cargo.

A Special Purpose Vehicle (SPV) would be formed for the development of Colachel port, with an initial equity investment from the three existing major ports in Tamil Nadu — V O Chidambaranar Port Trust, Chennai Port Trust, and Kamarajar Port. The SPV would develop the port infrastructure, including dredging and reclamation, construction of breakwater and ensuring connectivity links.

HEALTH CARE !

The benefits of Strength Circuit Training

Any workout that doesn't involve a certain minimum of danger or responsibility doesn't improve the body. Doing a quick sharp strength and conditioning circuit workout will shock your muscles into shape. Because of its unique construction, the circuit workout especially one that focuses on reverse switchback super circuit for the upper body and because of its shock value to the muscles it pushes your body right to the edge. Circuits of this nature, force you to handle reps and weights in a unique fashion; it expedites muscle growth and improvements in strength.

As you become accustomed, you will have shorter rest periods, increase the intensity, hyping up your metabolism to help your body incinerate extra fat then, as science has shown with such plans, keep burning it for hours after wards. As well, because the workout hews to a circuit format, your cardio respiratory capacity improves significantly. Done regularly, three times a week non-consecutive days for up to six weeks at a time, this simple but demanding approach to strength circuit training will not wear out your body so much as improve it in ways you won't believe.

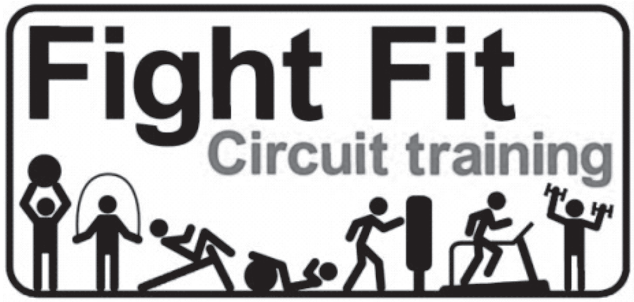
For this to be effective, you only have to concentrate on five basic exercises for four complete circuits. With each circuit change, you increase the number of reps while decreasing the weight. As well, you shorten the rest period between exercises each time you start a fresh circuit. This approach will thoroughly exhaust your target muscles fully, the increasing reps pattern, along with decreasing rest periods, is designed to engage deeper layers of muscle fibres, allowing for muscle hypertrophy and endurance improvements within the context of a single workout.

The circuit should be as specified below;

Circuit 1; Start heavy, 4 to 6 reps per exercise; rest one minute between each set;

Circuit 2; Decrease weight if necessary, 8 to 10 reps per exercise, rest 45 seconds between each exercise.

Circuit 3; Decrease weight, 10 to 12 reps per exercises, rest 45 seconds between each exercises.



Circuit 4; Decrease weight if necessary, 12 to 15 reps per exercise, rest 15 seconds between each set.

Here are three tips to maximise your muscle during the circuit training, you don't want to be strong only through a portion of a rep, and you want to be strong throughout the entire range of motion, fully through the concentric and eccentric phases. That's how you engage the greatest number of muscle fibres. Before moving into the eccentric phase of a rep, get a full contraction at the top of the rep by squeezing the muscle tightly. This helps you spend more time with the dumbbell in your hand, which means you'll recruit more muscle fibres. Make sure to keep tension on the working muscle on the negative phase of each rep. This prolongs the time under tension and generates better results.

Circuit workouts of this nature can either be performed at home or in the gym, and it should take you more than 20 minutes to perform all four circuits. As for the exercises, choose those that you know how to perform well, such as dumbbell bench press, bent over rowing etc.

There is no hard and fast rule on which exercises to perform, but make sure you use proper technique to get the most out of the routine.

The concept of Smartphysicalworkout was developed by Daniel Green who has been involved with the Health and Fitness industry since 1999, providing health and fitness products, services to both the local and online community.

Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 notified

To make debt recovery faster and more effective, the government has notified the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016. The Act amends four laws—the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002; the Recovery of Debts Due to Banks and Financial Institutions (RDDBFI) Act, 1993; the Indian Stamp Act, 1899; and the Depositories Act, 1996. It also simplifies the procedure to ensure quick disposal of pending cases of banks and financial institutions by DRTs.

Amendments to SARFAESI Act

The changes empower banks to confiscate security in case of a loan default. However, it is not applicable to loans for agricultural land as well as student loans. Secured creditors can take possession of a loan collateral on default with the assistance of the district magistrate (DM). The law fixes a 30-day timeline for the DM to complete the process and he will also assist the lender in taking over the management, in case the company is unable to repay loans. This will be done only in case banks convert their outstanding debt into equity shares, and consequently hold a stake of 51% or more in the company. This process does not require the intervention of courts or tribunals.

The Act creates a central registry to maintain records of transactions related to secured assets. This includes integration of registrations made under Companies Act, 2013; Registration Act, 1908; and Motor Vehicles Act, 1988.

Secured creditors will not be able to take possession over the collateral unless it is registered with the central registry. Further, these creditors, after registration of security interest, will have priority over others in repayment of dues. It also establishes the supremacy of secured creditors' claim to assets of a defaulter over any other claims including other debts, revenues, taxes, cesses and rates payable to central government, state governments or local authorities.

The new law confers more powers to RBI to regulate asset reconstruction companies (ARCs). The banking regulator can carry out audit and inspection of these companies and can penalise a company if it fails to comply with any of its directions. It increases the penalty amount that can be levied by RBI to Rs.1 crore from Rs.5 lakh. The amendment to the Stamp Act waives off duty on transfer of assets to reconstruction companies.

Amendments to RDDBFI Act

As part of overhaul of DRTs, the Act proposes to speed up the process of recovery, besides moving towards online DRTs, which will be the backbone of the Bankruptcy Code and will deal with all insolvency proceedings involving individuals. The Act provides that banks and financial institutions will be required to file cases in DRTs having jurisdiction over the area of the bank branch where the debt is pending. The amendment reduces the time for resolution process by providing for summons, notices, communications or intimation to be served in electronic forms. It also provides for filing of recovery applications, documents and written statements in electronic forms and display of interim and final orders of DRTs and debt recovery appellate tribunals on their websites.

The amendments increase the retirement age of presiding officers of DRTs to 65 years from 62. It has also increased the retirement age of chairpersons of appellate tribunals to 67 years from 65. It makes presiding officers and chairpersons eligible for reappointments. Although the RDDBFI Act gave 180 days for disposal of recovery applications, cases have been pending for many years due to prolonged hearings. Almost 70,000 cases involving more than Rs.5 lakh crore are pending in DRTs. “One of the big challenges that we face is with regard to the enforcement of securities and the recovery of debt by financial institutions … the Bill aims to improve ease of doing business and facilitate investment leading to higher economic growth and development,” Finance Minister, Shri Arun Jaitley had said in the Lok Sabha.

Replying to another debate in the Rajya Sabha, Shri Jaitley had emphasised on the need for “firmness coupled with fairness” in recovering bad loans. The overall objective of these amendments is to empower the banking system legally and expeditiously to be in a position to get the monies back.

This legislation comes at a time when there are mounting concerns over loan recovery in view of stressed assets to the tune of over Rs.8 lakh crore in the banking system. As of March 31, 2016, gross NPAs of PSBs stood at Rs.4.76 lakh crore. As many as 27 PSBs—which constitute 70% of India’s banking sector—have written off Rs.59,547 crore in fiscal year ended March 2016. In the last three financial years, banks have together written off Rs.1.14 lakh crore.

The Bill gives the Reserve Bank oversight over the asset reconstruction companies. The amendment to the Stamp Act waives off duty on transfer of assets to reconstruction companies. The amendment also seeks to cut the time for resolution process by providing for summons, notices, communications or intimation to be served in electronic forms. It also provides for filing of recovery applications, documents and written statements in electronic forms and display of interim and final orders of the Debt Recovery Tribunals and Debt Recovery Appellate Tribunals on their websites.

ANSWERS OF CYBERQUIZ ~ 61

1[b] BSD UNIX : BSD stands for Berkeley Software Distribution. BSD UNIX was developed at the University of California at Berkeley as a freeware.

2[d] Digital Research, Inc. : CP/M stands for Control Program for Micro computers. MP/M stands for Multitasking Program for Micro computers. It was the multi-user verison of CP/M.

3[d] Xerox : GUI was developed by the Xerox Corporation at their Palo Alto Research Center (PARC) in the 1970s, but it was not until the 1980s when GUIs became wide-spread and popular. By that time the CPU power and monitors necessary for an effective GUI became cheap enough to use in home computers.

4[a] Pantone Matching System (PMS) : PMS identifies colors by name or number, allowing for a specific color of ink to be used in printing. Belongs to Pantone Inc.

5[b] Worm : The book describes programs known as “tapeworms” which spread through a network for the purpose of deleting data. Researchers writing an early paper on experiments in distributed computing noted the similarities between their software and the program described by Brunner, and adopted the term.

Activities of COSIDICI

Strengthening of SLFIs :

In view of the pivotal role played by the MSME sector in the economic and social development of the country, the Government of India is planning to frame a new comprehensive MSME policy. In this connection, COSIDICI vide its letter dated August 29, 2016 to Shri Kalraj Mishra, Hon'ble Minister of MSME, GoI had apprised him that SLFIs had been rendering service to the MSME sector in fostering entrepreneurship and industrial growth and therefore needed to be strengthened.

The State Level Financial Institutions (SLFIs) were created for fulfilling certain critical socio-economic obligations of the State like entrepreneurial development, employment generation, and balanced regional development by promoting and financing industry in semi-urban, rural and backward regions of the States for inclusive growth and removal of poverty. The SFCs have financed units in the MSME sector in their respective States and the SIDCs have been creating and developing infrastructure facilities like industrial estates, industrial parks, housing complexes for industrial workers as also setting up of SEZs.

Entrepreneurship is one of the great social and economic forces of all times. Entrepreneurs identify an opportunity, mobilize funds and management skills and take calculated risks to develop and build markets for new products, processes and services. Entrepreneurship requires a fusion of talent, ideas, capital and know-how, which is a dynamic process. SFCs have played commendable role in nurturing these entrepreneurs, thus generating jobs leading to inclusive development.

In order to enable the SFCs to play their role together with SIDCs for over-all economic development with focus on the MSME sector, the

minister was requested to strengthen these SLFIs. The following measures were proposed : -

Strengthening of the Equity base by Infusion of fresh capital : One time recapitalisation of SFCs to make them positive networth with adequate share capital is required. The GoI and the respective State Governments need to draw-up a package for recapitalization of the SFCs.Other Financial Resources : The SFCs do not have access to public deposits like banks/NBFCs. If SFCs have to function as viable units, they must get sufficient resources at affordable cost so that they can compete with the commercial banks and build up a good quality portfolio. The resources can be from :

- Bonds – SLR Bonds / State Government guaranteed bonds.
- Refinance - Refinance from All India Financial Institutions like SIDBI, NABARD and NHB.
- Banks - The banks may be advised to extend lines of credit to each SFC at 2% below PLR depending on the shortfall of their priority sector lending in the respective State.

Robust Business Model : SFCs need to function more or less on commercial lines and need to be given a level playing field by being allowed to finance other sectors like trading, housing, education, infrastructure etc. including large scale industry (to a limited extent) which would help them to improve their viability. SFCs should completely re-design their business processes and enhance the corporate culture with pro-active client relationship approach.

Long Term Strategy : After recapitalization, when SFCs have attained better health, it is important that they should be self-sufficient and sustainable in the long run. As a long-term strategy, it is suggested that the SFCs follow the route given below :

- Corporatise;
- Disinvest Government share holding and bring down the Government control;
- Register as NBFC with RBI with eligibility to raise public deposits; and
- At suitable juncture, convert themselves into SME focused banks.

The State Governments have given importance to SIDCs by making them the nodal agencies for the respective States for development of industrial infrastructure. Therefore, the Minister was requested to take up the following issues :

- The GoI/respective State Governments may facilitate these Corporations by expediting the process of environmental clearances so as to avoid delays in execution of infrastructure projects.
- The SIDCs need to be exempted from the provisions of Section 45-1A of the RBI Act applicable to NBFCs.

The SFCs (after restructuring / strengthening) alongwith SIDCs would partner each other to meet all financial and non-financial needs viz. term lending, factoring services, venture funding, non-financial advisory services, industrial infrastructure including one window clearance of projects in the MSME sector in their respective States.

COSIDICI' Executive Telephone Director, 2016 :

COSIDICI has made sustained efforts over the years to co-ordinate and integrate the activities of its Member Corporations. Your Council's efforts to disseminate information among its Member Corporations have been much appreciated as it has served to help the SLFIs to learn from the experience of other Members. Towards this end, COSIDICI had published "Executive Telephone Directory" of its Member Corporations last year with their Contact Address, Telephone Nos., Fax Nos., email/website etc.

Members are well aware that COSIDICI has published its yearly "Executive Telephone Directory 2016". The Directory contains relevant information about the senior Executives of our Member Corporations across the country. COSIDICI hopes the "Executive Telephone Directory 2016" will facilitate interaction among the Member Corporations and serve to further co-ordinate and integrate their activities.

Miscellany

Why are Deposit Rates not Falling ?

The Reserve Bank of India has lowered its benchmark repo rate by 150 basis points (one bps is 0.01%) over the last one and half years, ever since inflation rates touched the central bank's comfort level of 6% in January 2015. But this has not resulted in similar dip in deposit rates. The dynamics of deposit rates are as under :-

What is the link between repo rate and deposit rate?

A central bank lowers its benchmark rates whenever it is comfortable that inflation is low and there is a need to push demand and give a boost to economic activity. In a deregulated environment that we operate, banks are expected to take cue and take a corresponding decision after consulting their respective boards.

How have these rates moved?

Historically, it has been observed that when the central bank lowers rates, banks are not as swift in lowering rates. But when the central banks raise rates, banks are quick enough to raise rates as it helps them in attracting more deposits and also earn more interest on their loans. But the pace of rate revision by banks also depends on the state of the economy, financial markets and regulations among others.

Why are banks not lowering deposit rates?

While the Reserve Bank has lowered rates by 150 bps over the last one and a half years, banks have lowered rates by less than 100 bps in the same period. One of the popular reasons is that there is a fear that depositors may rush to alternate instruments that fetch higher returns. Besides, banks cannot offer lower returns than small savings instruments as return on these are fixed by the government. Any attempt to lower rates below small savings rates can result in flight of savings from the banks. But the government lowering rates on small savings from April this year may work as a trigger of further cuts on deposit rates by banks.

What are the other factors that influence deposit rates?

Banks also fear flight of deposits when stock markets and other alternative instruments such as real estate and gold are more attractive. With gold prices surging by the day, there could be resistance by banks to lower rates as depositors might shift to other assets.

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Daily study of spiritual knowledge helps us to create right thoughts. Daily meditation empowers us to implement the right thoughts into right actions.