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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.

PRE-PACKAGED INSOLVENCY FOR SMALL & MEDIUM FIRMS

*** M P Ram Mohan & Vishakha Raj**

Pre-packaged insolvency (or "pre-pack") refers to the process by which a distressed corporation formulates a resolution plan with its creditors and a purchaser before the initiation of insolvency proceedings. On April 4, 2021, Government of India promulgated an ordinance introducing pre-packaged insolvency for Micro, Small, and Medium Enterprises (MSMEs).

The framework of the ordinance governs the pre-formal and the formal stages of pre-packs. The formal stage commences once an application for pre-packaged insolvency has been filed. At the pre-formal stage, an MSME can negotiate a "base resolution plan" with its creditors and a purchaser. Prior to filling the plan and commencing the formal stage of the process, a resolution professional needs to be appointed and the committee of creditors (CoC) needs to approve the base paln with a majority vote of 66 per cent. In addition to this, a majority of the directors of the MSMEs need to have declared their intention to file a pre-packaged insolvency application and three-fourths of the members of the MSME must also appove of commencing the pre-packaged insolvency resolution process.

Pertinently, the ordinance allows the incumbent management of the MSME to remain in control of the MSME to remain in control of its operations (Section 54H). This leaves the debtor in possession for pre-packs but provides for oversight by the resolution professional and allows the CoC to replace the incumbent management with the resolution professional (Section 54J).

Once the base plan is filed with the National Company Law Tribunal (NCLT) the formal stage of the pre-packaged insolvency resolution process commences. During the formal process, the resolution professional calls for the submission of claims against the debtor and votes for the plan are once again solicited, requiring the plan to be approved by a 66 per cent majority of the CoC. In case the resolution plan impairs the claims of operational creditors, the resolution professional will call for plans to be submitted by other resolution applicants. These plans will also need to be approved by the CoC before they are submitted to the NCLT for approval.

Important issues

A notable feature of the ordinance is the pre-packaged process' two-step voting structure. Creditors have to vote on the base insolvency plan before it is filed (Section 54A) and will also have to vote on it after it is filed with the NCLT (Section 54K), approving it on both occasions. It is unclear why the entire process cannot be completed with one round of voting before filing the plan with the NCLT.

Such a process is followed in the US under Chapter 11 of the Bankruptcy Code where votes for a plan (along with adequate disclosures) are solicited from creditors prior to a formal filing. Thereafter, the bankruptcy court only verifies that the required procedures and safeguards have been followed. The bankruptcy court also retains the power to order for votes to be resolicited if chapter 11 procedures are not followed.

Another step in the MSME pre-pack scheme that can be moved to the pre-formal stage is the confirmation of claims. The ordinance provides for the confirmation of claims against the corporate debtor by the resolution professional after formal proceedings commence; this is the case with the regular insolvency resolution process as well. Even in a resolution process of a pre-pack, proceeds need to be distributed based on the liquidation hierarchy of Section 53 of the Insolvency and Bankruptcy Code, 2016. Accordingly, there will be an incentive to properly invite and distribute claims even if implemented at the pre-formal stage. In case there is some discrepancy in this process, the NCLT continues to act as a check and can refuse to approve the plan if distributional requirements are not met.

The effect of some provisions under the pre-pack framework is yet to be fully understood. As discussed above, under the current framework, new resolution plans are invited in case the base plan impairs the claims of operational creditors or the CoC rejects the base plan at the formal stage. In this situation, the CoC can decide to approve and submit one of the new resolutions plans it receives to the NCLT if it believes that it is significantly better than the base resolution plan, the framework provides that the base resolution and the new resolution plan will need to be compared based on "conditions as may be specified" (Section 54K). How this will affect a CoC's decision making can be ascertained only once these conditions have been published.

■■■

Happiness is always a by-product. It is probably a matter of temperament, and for anything I know it may be glandular. But it is not something that can be demanded from life, and if you are not happy you had better stop worrying about it and see what treasures you can pluck from your own brand of unhappiness.

* *Courtesy: The Business Standard. The authors are with the Indian Institute of Management, Ahmedabad.*

When small is not beautiful

* *Abhijit Lele & Raghu Mohan*

"Eat a live frog first thing in the morning and nothing worse will happen to you the rest of the day," Mr. Mark Twain once said. The witticism means getting the biggest, most important task, done first. Will the Reserve Bank of India's (RBI's) new restructuring package for small borrowers turn out to be a case of bankers developing a taste for the amphibious creatures?

Shri Rajkiran Rai G, chairman of the Indian Banks' Association and managing director and chief executive officer (CEO) of the Union Bank of India, believes that "the main purpose of this restructuring package is to provide relief to both small businesses and individuals. It also helps lenders to conserve asset quality, as restructuring will be given to those affected only owing to Covid-19.". But the devil is in the details.

On implementing the restructuring plan, lenders will have to set aside a provision of 10 per cent of the residual debt of the borrower. And the histories of borrowers will also get tagged as "restructured" in credit bureaus. This in turn, will affect their ability to raise fresh debt. Simply put, lenders are hard-pressed to set aside capital on restructuring small borrowers' accounts, even as those who avail of it run reputational risks.

It is, therefore, understandable that a new word is being bandied about now as a solution to break the logjam ahead — "standstill" . It's genesis: At a recent interaction between CEOs if banks and RBI Governor Shri Shaktikanta Das, "moratorium" as an idea was shot down as "off the table." And, therefore, the euphemism "standstill". Is it practical to take it off the table?

Devil in the details

Unlike last year's relief package, which had a moratorium this time around it's up to lenders to decide which borrowers are eligible for it — and, that too, only if they were classified as standard accounts at the end of FY21

Now, look at the numbers. While at the account

level these may be small, they add up to a huge amount at the systemic level. The central bank's data on sectorial deployment of credit show bank's exposure to MSMEs at Rs.5.19 trillion. The exposure to non-banking financial companies (NBFCs) is Rs.9.45 trillion, and many of these, in turn, on-lend to MSMEs. And, microfinance institutions (MFIs) have given out Rs.2.30 trillion (they also depend on bank funding).

"The Restructuring is to be offered based on banks' assessment that, but for the pandemic, the account was fine. Shri Alok Misra, CEO and director of Microfinance Institutions Network, notes that "you have to look at the issue in the spirit of the policy intent, rather than over technicalities at the granular level. Otherwise, it is very difficult to operationalize these guidelines." He adds: "The relief will also put pressure on the capital positions of the regulated entities. This has to go side by side with forbearance on provisioning, especially for entities under Ind-As (Indian Accounting Standard)." Ind-AS is of particular import for NBFCs and MFIs, as it brings into play provisioning based on "expected loss" which eats up more capital for these entities.

In short, the entire ecosystem around lending to small borrowers—MSME, MFIs, or retail—can trip up.

Build-up of a tsunami?

Tucked away in the RBI's Financial Stability Report of January 2021 is the observation: "the continuing adverse impact on MSMEs due to lack of cash flows, low demand, lack of manpower and capital could lead to prolonged stress in the sector and large-scale permanent closure of units with associated implications for employment.

Shri Rai points out that "the main problem small units face is delayed payments from large firms in the supply chain. Under the Covid-19 regulatory package, MSME are getting extra time up to 180 days to repay banks."

Yet, litigation can't be ruled out, as in several cases of MSME or MFI stress, it's the larger firms—both state-run and large private ones—that are at fault. In the current economic climate, they can act as saviours and provide liquidity to MSMEs paying their dues on time; and TReDS (Trade Receivables Discounting System) is a key platform for this.

According to Shri Ketan Gaikwad, managing director and CEO of the Receivables Exchange of India, when it comes to procurement, state-run enterprises rely on existing channels with legacy solutions. "TReDS enforces payment discipline, and puts an end to free credit enjoyed by both state-run entities and corporates at the expense of MSMEs. Numerous MSMEs have reached out to us complaining about the highhandedness and use of old ways to settle MSME dues." What this implies is that there is no all-around liquidity at the firm level.

Until April this year, collections were good—for some lenders, near pre-Covid levels. It has changed since, and this time around, rural India will be hurt. Nor will collections bounce back anytime soon. There is the possibility of a third wave, too. "Capital is quoting at a high premium. Restructuring accounts only kicks the can down the round," says a senior banker who did not want to go on record.

He adds, ominously: "I get the sense that the better-capitalised banks will take a hit upfront and classify an account as a non-performing asset, rather than offer a restructuring." What he leaves unsaid is that this will also restrict the ability of lenders to hand out more loans.

■■■

* *Courtesy: The Business Standard*

To enjoy good health, to bring true happiness to one's family, to bring peace to all, one must first discipline and control one's own mind. If a man can control his mind he can find the way to Enlightenment, and all wisdom and virtue will naturally come to him.

APPOINTMENTS

- Shri Hans Raj Verma, IAS has been appointed as Chairman & Managing Director, The Tamilnadu Industrial Investment Corporation Ltd. {TIIC}, Chennai vice Smt. Sigy Thomas Vaidhyan, IAS.
- Shri Adil Khan, IAS has been appointed as Managing Director, Assam Industrial Development Corporation Ltd. {AIDC}, Guwahati vice Shri Oinam Saran Kumar Singh, IAS.
- Shri N. Gulzar, IAS has been appointed as Managing Director, Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada vice Shri Kartikeya Misra, IAS.
- Dr. Raj Shekhar, IAS has been appointed as Managing Director, Uttar Pradesh Financial Corporation {UPFC}, Kanpur vice Shri Mayur Maheshwari, IAS

■■■

Everyone has inside them a piece of good news. The good news is you don't know how great you can be! How much you can love! What you can accomplish! And what your potential is."

– Anne Frank

LETTER TO THE EDITOR

June 25, 2021

Dear Editor,

Ms. Rukmani Riar Sihag, IAS

I am very thankful for COSIDICI for organizing National Award Function on annual basis to encourage and motivate State Industrial Development & Investment Corporation Limited (SIDCs), State Level Financial Institutions (SLFIs), State Infrastructure Development Corporations and individual entrepreneurs. It was indeed a great experience receiving the outperforming SIIDC award by COSIDICI this year. I am glad that COSIDICI, an apex body of all the SIDCs, SLFIs and State Infrastructure Development Corporation functioning in different states of the country is engaged in the promotion, development and financing of industries in the small, medium and large sectors and also working for developing infrastructure facilities in various States.

The Journal titled - "COSIDICI COURIER" published by COSIDICI is very informative and educative. This Journal also contains comprehensive information regarding various developmental schemes of Government of India as well as the initiative of SIDCs and SLFIs. Moreover, COSIDICI National Award instituted by COSIDICI for encouraging the "Outstanding Entrepreneurs" and "Outperforming SIIDC" is a laudable initiative.

My good wishes are always with COSIDICI Team.

With kind regards

Sincerely,

Sd/-

(Ms. Rukmani Riar Sihag, IAS)
Executive Director
Rajasthan State Industrial Development
& Investment Corporation Limited (RIICO)
(A Government of Rajasthan Undertaking)
Udyog Bhawan, Tilak Marg,
Jaipur - 302 005

PROFILE OF MEMBER CORPORATIONS

Assam Industrial Development Corporation Ltd. {AIDC}

Assam Industrial Development Corporation Limited was incorporated in the year 1965 and registered under the Companies Act. 1956. The main objective of the Corporation is to promote and operate schemes for industrial development of Assam.

Shri Adil Khan, IAS
Managing Director

Strategy

Strategy: AIDC is developing projects in PPP mode for generating immediate revenues. The Corporation also develops export oriented units in the state for better trade facilitation and Use the immovable properties of closed PSUs for better utilization of industrialization.

Business plan:

♦ AIDC plans to develop sustainable revenue sources. It is set to pro-actively engage in project identification and development of commercially viable projects.

♦ AIDC with central assistance is developing two sector specific projects namely 'Mega Food Park' at Tihu and 'Bamboo Technology Park' at Chaygaon. A 'Ginger Pack House' for cold storage of ginger has been set up at Guwahati.

♦ Setting up sector specific industrial parks in PPP mode viz.– Plastic Park at Gelapukhuri, Jute Park at Dhing, Banana Park and Agro Hub at Matia, Tea Park near Guwahati, Chemical and Pharmaceutical Hub at Chandrapur.

♦ Developing a Corporate Complex and a Commercial & Business Hub at its land at Guwahati.

♦ Constructed Border Trade Centres at different places to facilitate border trade with the neighboring countries eg. BTC at Mankachar.

♦ Set up an Air Cargo Complex in Guwahati to improve the cargo handling infrastructure facility including cold chain facility.

♦ Set up a cement plant, three MSME Cluster Development Projects, Regional Food Testing Laboratory at Tihu, for the food processing sector.

♦ Implemented various infrastructure projects like Export Promotional Industrial Park, Industrial Growth Centres and Industrial Infrastructure Development Centres to promote large, medium and small industries in the /state. The Corporation has been successful in attracting entrepreneurs in these centres and thereby contributed to the economic growth as well as employment generation.

♦ Instrumental in attracting mega investment in the State. At Industrial Growth Centre – Matia, 200 acres of land has been allotted to M/S Kohinoor Pulp & Paper Pvt. Ltd for setting up of a Pulp & Paper Plant with and investment of Rs. 1500.00 Crore and another 100 acres of land is allotted to Ind Swift Laboratories Ltd for setting up of a pharmaceutical unit with an investment of Rs. 1285.00 Crores.

AIDC has successfully trained 100 unemployed Engineering Graduates from the State in the Entrepreneurs Development Institute (EDI), Ahmedabad for setting up Gas Cracker Downstream Project. The Corporation has given financial assistance to 78 industrial units as term loan under the Refinance Scheme of IDBI.

AIDC has implemented various industrial policies of Govt. of Assam since inception for providing incentives to small and medium units to encourage them for setting up the unit for fulfillment of economic development, employment generation, increase of income etc.

■■■

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 !

Benefits of Natural Aloe Vera

Soothes Burns and Heals Wounds

Whether it's sunburn, burns, cuts and scraps aloe is the best. Applied to wounds, aloe gel is a mild anesthetic, relieving itching, swelling, and pain; it is also antibacterial and antifungal. It increases blood flow to wounded areas and stimulates fibroblasts, the skin cells responsible for healing wounds.

Eases Intestinal Problems

Aloe vera juice can be very effective for treating most digestive conditions. The juice helps to detoxify the bowel, neutralize stomach acidity and relieve constipation and gastric ulcers.

Reduces Arthritic Swelling

Applications of aloe can reduce pain and swelling of arthritis, and drinking aloe juice also helps to inhibit the autoimmune reaction associated with certain forms of arthritis, in which the body attacks its own tissues.

Heals Psoriasis Lesions

Aloe is the best natural treatment for psoriasis and eczema. In most cases, the lesions are even cured using aloe.

Gum Infections

Washing one's mouth with aloe juice several times a day can heal stubborn infections. Blend the fresh gel of a leaf without the skin or any water, and gargle.

Eye irritations and injuries

Apply a freshly cut slice of aloe over the closed eye, then open the eyelid to coat it with aloe. It's a great treatment when you have a small particle stuck in an eye.

Strains and sprains

Aloe is an excellent treatment that can be applied immediately to cool, sooth and reduce the swelling of the joint. Blend the gel of a fresh leaf without water to make a poultice for the injury.

Lung congestion

Aloe acts as a powerful expectorant when the lungs are congested. Blend the gel of aloe with lemon juice and water and drink freely during the day.

Rashes and allergic reactions on the skin

In the tropics, these types of skin issues are common. Try aloe gel as a natural first aid treatment.

Lowering blood sugar levels in the blood

Aloe can be part of a successful program in treating diabetes. Aloe juice can be taken several times a day between meals to help heal the pancreas and liver.

■■■

QUESTIONS OF CYBERQUIZ ~ 80

Qn.1. This technology started as a cable replacement technology. Beside other uses, it is also used to power door bells. It has been named after a Viking King. What is it ?

[a] Bluetooth; [b] Wi-Fi;
[c] Ethernet; [d] WAP.

Qn.2. What does the acronym POTS stand for?

[a] Plain Old Telephone Service;
[b] Portable Old Telephone Service;
[c] Programmable Telephone System;
[d] Programmable Online Telephone Service.

Qn.3. If you have got a “courriel” from somebody in France, then what have you received actually ?

[a] A computer in gift; [b] A spam;
[c] An email; [d] A spim.

Qn.4. What is “ransom note effect” in typography or web designing ?

[a] Use of too many different typefaces in a publication or web page or poor typesetting or page layout;
[b] Use of font sizes too bigger than the normal sizes in a publication of web page;
[c] Awkward positioning of text and illustrations/graphics in a page;
[d] Use of too small fonts with the intention of stuffing more text in a page.

Qn.5. Which computer term has been taken from Jonathan Swift’s Gulliver’s Travels ?

[a] Active star; [b] Big endian;
[c] Capstan; [d] Daisy wheel.

■■■

"For Answers of Cyberquiz See Page No. 35"

UNION BUDGET AT A GLANCE : 2021-2022

The Hon'ble Union Finance Minister, Ms. Nirmala Sitharaman, presented the Union Budget for 2021-22 in the Parliament on February 1, 2021. The table below gives estimates and revised figures of revenue and expenditure for the last year i.e. 2020-2021 and the figures proposed for the next 2021-2022 and deficits of revenue, fiscal and primary as percentage of GDP :

S.No.	ITEM	2020-2021	2020-2021	2021-2022
		(BE)	(RE)	(BE)
1.	**Receipts:**			
	(a) Revenue Receipts	2020926	1555153	1788424
	(i) Tax Revenue (Net to Centre)	1635909	1344501	1545396
	(ii) Non-Tax Revenue	385017	210652	243028
	(b) Capital Receipts	1021304	1895152	1694812
	(i) Recoveries of Loans	14967	14497	13000
	(ii) Other Receipts	210000	32000	175000
	(iii) Borrowings and Other Liabilities	796337	1848655	1506812
	Total Receipts (a) + (b)	**3042230**	**3450305**	**3483236**
2.	**Total Expenditure**	**3042230**	**3450305**	**3483236**
3.	**Revenue Expenditure**	2630145	3011142	2929000
4.	**Capital Expenditure**	412085	439163	554236
5.	**Revenue Deficit**	609219	1455989	1140576
		(2.7)	(7.5)	(5.1)
6.	**Fiscal Deficit**	796337	1848655	1506812
		(3.5)	(9.5)	(6.8)
7.	**Primary Deficit**	88134	1155755	697111
		(0.4)	(5.9)	(3.1)

The break-up of estimated receipts and expenditure both under the revenue and capital heads in terms of percentage is given as under : -

S.No.	RECEIPTS		EXPENDITURE	
A.	**Tax Receipts**	**53**	**Revenue Expenditure**	**53**
	Excise Duties	8	Defence	8
	Customs Duties	3	Subsidies	9
	Corporate Tax	13	State Share of Taxes and Duties	16
	Income Tax	14	Finance Commission & Other Transfers	10
	Goods and Service Tax	15	Other Non-Plan Expenditure	10
B.	**Non-Tax Receipts**	**47**	**Capital Expenditure**	**47**
	Borrowing and Other Liabilities	36	Central Plan	13
			Pension	5
	Non-Debt Capital Receipts	5	Centrally Sponsored Scheme	9
	Non Tax Revenue	6	Interest	20
	TOTAL	**100**		**100**

The focus of the budget is to make Atma Nirbhar Bharat. Under this abhiyan stimulus of 9% provided out of total stimulus. The total stimulus provided by the Govt. and RBI was 15%.

GOVERNMENT REFORMS

- Increase in borrowing limits of state governments
- Privatisation of Public Sector Enterprise

MSMEs AND INDUSTRY

- Collateral free loans for businesses
- Fund of funds to be set up for MSMEs
- PM Garib Kalyan Yojana
- Subordinate debt for MSMEs
- Disallowing global tenders of up to Rs.200 crore
- Change in definition of MSMEs

ENERGY

- Liquidity support for discoms
- Elimination of Regulatory Assets
- Commercial coal mining
- Reduction in cross- subsidy

SOCIAL SECTOR

- National Digital Health Blueprint
- Additional Allocation for MGNREGS
- Technology driven education: PM eVidya, National
- Foundational Literacy and Numeracy Mission

MIGRANT WORKERS

- One Nation One Card
- Free food grain Supply to migrants

AGRICULTURE AND ALLIED SECTORS

- Concessional Credit Boost to farmers
- Agri Infrastructure Fund
- Emergency working capital for farmers
- Animal Husbandry infrastructure development
- Amendments to the Essential Commodities Act
- Agriculture marketing reforms

A holistic approach to health was adopted under which priority was laid on preventive measures Supplementary Nutrition Programme and Poshan Abhiyan to be merged and launched as Mission Poshan 2.0.

PM AtmaNirbhar Swasth Bharat Yojana was announced under which :

- Outlay of Rs.64180 crore over 6 years
- Support for Health and Wellness centres
- Setting up of Integrated Public Health Labs
- Establishing critical care hospital blocks
- Strengthening NCDC
- Expanding integrated health information portal
- Pnuemococcal vaccine to be rolled across the country
- Rs.35000 crore for Covid-19 Vaccine in 2021-22

Total health outlay budget for 2021-22 was Rs. 2,23,846 crore. It was Rs.94,452 crore in 2020-21.

Industry

- PLI launched to create manufacturing global champions across 13 sectors with amount committed nearly Rs.1.97 lakh crore in next 5 years starting FY2021-22
- NIP Project pipeline expanded to 7400 projects
- MITRA Scheme to create world class infrastructure for global champions in textile sector leading to creation of 7 textile parks over 3 years.

Infrastructure

National Rail Plan

- Aims at developing adequate rail infrastructure by 2030 to cater to the projected traffic requirements up to 2050.
- The objective is to increase the modal share of rail in freight from the current level of 27 per cent to 45 per cent.
- Hydrogen energy mission to be launched
- Bill to set up a DFI to be introduced

Financial Reforms

- Rationalised single Securities Markets Code by 2022
- World class fintech hub at GIFT IFSC
- Permanent institutional framework for Corporate bond market
- SEBI as regulator and greater role for WDRA for development of commodity market ecosystem
- Investor charter as a right across all financial products
- Amending the Insurance Act,1938 to increase the FDI limit with safeguards
- Asset Reconstruction Company Limited and

Asset Management Company to resolve stressed assets problem of PSBs.

AGRICULTURE

- Extending coverage of SWAMITVA Scheme to all states/UTs
- Expansion of Operation Green scheme to include 22 perishable products
- 1000 more mandis to be integrated with e-NAM
- Development of modern fishing harbours and fish landing centres
- Multipurpose Seaweed Park to be set up in Tamil Nadu

TAX PROPOSALS

Direct Tax

- Exemption from filing income tax returns for senior citizens (75 years and above) who only have pension and interest income. The paying bank will deduct the necessary tax on their income.
- Reducing time limit for reopening of income tax assessment
- Constitution of a Dispute Resolution Committee for small tax payers
- Income Tax Appellate Tribunal to be made faceless
- Dividend payment to REIT/InvIT to be exempted from TDS
- Eligibility for claiming tax holiday for start ups proposed to be extended by one more year

Indirect Tax

- Rationalisation of customs duty structure by eliminating outdated exemptions
- Support to MSMEs hit by recent sharp rise in iron and steel prices and relief to metal recyclers
- Rationalisation of duties on raw material inputs to man made textile
- Rationalisation of custom duty on gold and silver
- Increase in duty on solar invertors and lanterns to promote domestic production
- Agriculture Infrastructure and Development Cess on small number of items

If you look to others for fulfilment, 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

COSIDICI National Award Function 2021 was held on September 06, 2021 at "Hotel Ashok Beach Resort", Puducherry to recognize outstanding and meritorious performance of entrepreneurs involved in development of industry.

COSIDICI National Award were given to 40 "Outstanding Entrepreneurs" and one Outstanding SIIDC

PIPDIC in collaboration with COSIDICI

Presents

National Award Function – 2021

for

"Outstanding Entrepreneurs"

Funded By State Level Financial Institutions

(On September 06, 2021 Hotel Ashok Beach Resort, Puducherry)

Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Elite Instruments

Shri Danda Suryanarayana Reddy

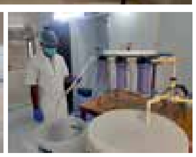


Shri Danda Suryanarayana Reddy established M/s Elite Instruments as a partnership firm with financial assistance from APSFC in Kakinada (AP) in the year 2017 to manufacture Pressure Guages. It is one of the largest facilities in India. The unit exports products to USA / Mexico / UAE / Europe. The promoter established good repayment track record and is being honoured with the "Best Exporting Unit Award".

Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Labnova Healthcare & Diagnostic Products

Shri Suribabu Tirumalasetti

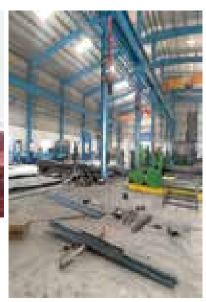




Shri Suribabu Tirumalasetti set up M/s Labnova Healthcare & Diagnostic Products as a proprietary concern with financial assistance from APSFC to manufacture Invitro Diagnostic Analyzers and Reagent kits at Kakinada. The promoter had initially approached different banks but could not get any funding. It is a matter of pride APSFC encouraged him with both Term Loan and Working Capital. The Corporation extended further financial assistance as the unit has become successful bidder to supply the required medical equipment to Covid-19 Hospitals which were setup by Govt. of AP. The unit commenced commercial operations in Dec 2019 at Kakinada Town. The promoter established excellent repayment track record. Recently the unit was allotted land in APIIC Industrial park, Peddapuram near Kakinada and the promoter is proposing to set up a State of the Art building as per USFDA regulations there. He has been nominated for introducing the most innovative product.

Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Sri Sahasra Industries


Shri Kalyan Damera



Shri Kalyan Damera established M/s. Sri Sahasra Industries as a partnership firm in the year 2019 to manufacture MXE & KXE type industrial blower fans with financial assistance from APSFC and with a capacity of making 4200 blowers per annum. The blower fans are extensively used in Cement Industries, Chemical Industries etc. He studied B.Tech (Mechanical) and Masters in Mechanical Engineering from Stafforshire University, England, UK and has work experience in Kusalava International Limited as a production in-charge. The firm has entered into a contract agreement with M/s.Reitz India Limited, Hyderabad for supply of Blower Fans for the next 10 years with an average supply value of Rs.200.00 lakhs per month.

Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Vinayaka Industries



Shri Burri Vijaya Kumar


Sri Burri Vijaya Kumar established M/s. Vinayaka Industries as a Partnership Firm in Guntur District, AP and commenced operations in March 2020 and is operating successfully. The unit was sanctioned term loan from APSFC to set up a Mineral Pulverizing Unit.

Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Palem Micro Mineral Industries

Sri Pallapu Venkateswara Rao

M/s. Palem Micro Mineral Industries was established by Shri Pallapu Venkateswara Rao as a partnership firm in Guntur District (AP).The unit was sanctioned term loan from APSFC to set up a Mineral Pulverizing Unit. The firm commenced the operations of the unit during August, 2020 and is operating successfully. Shri Pallapu Venkateswara Rao is being conferred with the "Best Entrepreneur" Award.

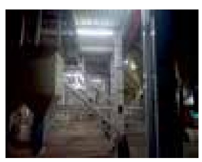
Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Elite Natural Oils and Fuels Private Ltd.

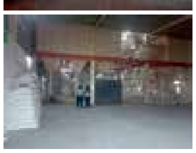
Shri Thota. Subrahmanyam

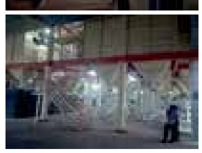
Shri Thota. Subrahmanyam established M/s Elite Natural Oils and Fuels Private Limited in East Godavari Dist. In AP with financial assistance from APSFC in the year 2016. The promoter has experience in the manufacture of bio diesel as he worked with M/s Reliance Industries Ltd., Bio fuels Division, Kakinada. During 2013 he visited Belgium, Netherland and Paris to learn bio diesel purification process. APSFC had sanctioned him a term loan when no banker came forward for establishment of Bio-Diesel/Glycerin plant as the promoters did not have a strong background.The company supplies Biodiesel/Glycerin to various customers all over India.

During FY 2019-20 the unit registered a turnover of Rs.75 crores and is growing year on year. The promoter has established excellent repayment track record. Now the company is in the process of diversifying into Edible oil processing. Shri Thota. Subrahmanyam has been conferred with "Best Entrepreneur award".

Andhra Pradesh State Financial Corporation {APSFC}, Vijayawada
M/s Sai Hanuman Dall Industries

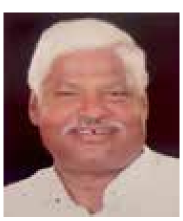






M/s. Sai Hanuman Dall Industries was established as a partnership firm by Shri M. Ramalakshmaiah and Sri Y. Gopala Rao along with four other partners.The unit is located in Guntur District, AP. The unit was sanctioned term from APSFC to set up a Dall Milling Unit and commenced its operations in October 2020 and is operating successfully.

Delhi Financial Corporation {DFC}, New Delhi
M/s India Hardchrome

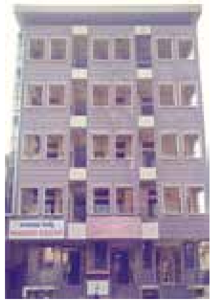


Shri Mahabal Mishra

M/s India Hardchrome was established in the year 1990 with financial assistance from Delhi Financial Corporation and achieved consistent growth under the strict supervision of Mr. Mahabal Mishra. It undertakes several services such as Electroplating, Hard Chrome Plating, Machining, Grinding, Gas Nitriding. Hard Chrome Plating is used to reduce friction, improve durability through abrasion tolerance and wear resistance. Many advanced processes, effective use of latest technology and machine upgradation in production system help the unit to provide high quality of services. The unit has the capability to Hard Chrome plate Cast Iron, Stainless Steel, Hardened Steel and Copper. The high quality service provided by the unit is due to its qualified and dedicated team of engineers, designers, technicians, etc. Regular training sessions are given to the workers for upgradation of their skills.The quality control analysts have been appointed to check quality of the products.Third party inspection for quality checks is also done.

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

Shri Shivappa J. Mulagund



Shri Shivappa J. Mulagund established Hotel Manjunath Residency in the year 2009 with financial assistance from KSFC. This Hotel has 52 rooms, Conference Hall, Dinning Hall, Bar and Restaurant. The Hotel is located in the heart of Gadag City and has very good facilities with location advantage of being close to the railway station and bus stand. Shri Shivappa J. Mulagund attributes his success to the timely loan sanctioned at a very reasonable interest rate by KSFC and is being conferred the ""Successful Entrepreneur Award.

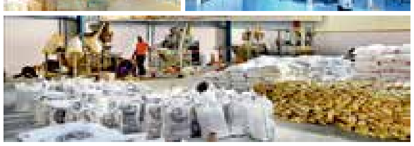
Karnataka State Financial Corporation {KSFC}, Bengaluru
M/s Eureka Extrusions & Finishers

Smt. Madhavilatha Jagadeesha

Ms. Madhavilatha Jagadeesha and Shri Jagadeesha GB established Eureka Extrusions and Finishers with financial assistance from KSFC in the year 2017 to manufacture Aluminium Extrusions. The product is used in industry viz. Automation, Automobiles, Lightings, Solar and General commercial products. Their turnover from July 2020 to March 2021 was Rs.360 lakhs. The unit employs 25 personnel. The plant is equipped with State of the Art modern machinery, all procured in India, with automatic handling system. They feel KSFC has helped them to fulfill their dreams by encouraging Women Entrepreneurs and giving adequate and timely loan at a subsidy. The whole process of sanction was seamless and the concerned officials were very cooperative and friendly. The promoters also intend to train and educate children of the underprivileged in this field to help them stand on their own and contribute to the society.

Karnataka State Financial Corporation {KSFC}, Bengaluru
M/s Sapthagiri Industries Pvt. Limited

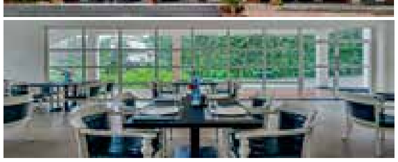
Shri O.A. Srinivasa Murthy



Shri O.A. Srinivasa Murthy established Sapthagiri Industries Pvt. Ltd. with financial assistance from KSFC to manufacture Vermicelli, Spice Powders, Masalas, Gram Flour, Ragi Flour and Shikakai Powder. The unit has dealers in Karnataka, Kerala and Tamilnadu and employs 35 personnel. It had a turnover of Rs.1,316 lakh in the year 2020-21.

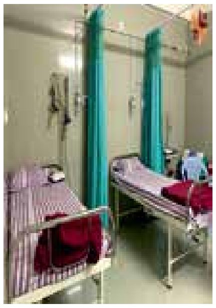
Karnataka State Financial Corporation {KSFC}, Bengaluru
M/s Vismita County

Smt. Latha Srinivas



Ms. Latha Srinivas established Vismita County as a partnership firm with Mr. K. R. Srinivas in the year 2018 in Chikmagalur with financial assistance from KSFC partly under women entrepreneur scheme. The Resort has grown by leaps and bounds and achieved a turnover of Rs. 4 crore in 2020-21. It's a top rated hotel and credits its success to the support and guidance provided by KSFC officials. It has also received Booking.com traveller choice Award for the previous 2 years.

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



Dr. Seema N.

Dr. Seema N established Akshaya Hospital a 30 Bed, Multi Speciality Hospital in Harihar with financial assistance from KSFC under its subsidy scheme for SC loans in the year 2017. The hospital provides good service to patients of Harihar & surrounding villages mainly poor patients, villagers and workers of the nearly small scale and large scale industries. From the time of covid-19 pandemic, the hospital is actively involved in screening patients and giving regular ante natal check up etc.. The hospital has already seen about 5000 out-patients and around 2000 in-patients, 400 deliveries and conducted 300 operative procedures. It employees 17 people and had a turnover of Rs.110 lakhs in the year 2020-21.

Karnataka State Financial Corporation {KSFC}, Bengaluru
M/s VGK Heart Institute

Dr. Ajit Kulkarni

Dr. Ajit Kulkarni established VGK Heart Institute in the year 2018 in Raichur with financial Assistance from KSFC. The institute has a Cardiac Catheterisation Laboratory to perform angiography and angioplasty. This is the only full fledged facility in the whole of Raichur district providing 24/7 emergency Cardiac care facilities in the form of primary angioplasty (implantation of stent in case of a Heart attack and thereby saving lives). KSFC helped him in establishing a Cardiac Catheterisation Laboratory in a backward place like Raichur where his father had already been practicing for the past 40 yrs. He is grateful to KSFC for helping him fulfill his dreams of saving lives and providing quality care to the locals and employees of Hutti Gold Mines Ltd, KPTCL, RTPC etc. His turnover last year was Rs.110 lakhs.

Madhya Pradesh Financial Corporation {MPFC}, Indore
M/s Surya Industries

Shri Manoj Patidar

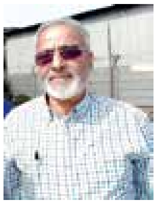
Shri Manoj Patidar, his father Shri Shantilal Patidar and cousin Shri Dilip Patidar established M/s Surya Industries in Khargone (Madhya Pradesh) in the year 2018 with financial assistance from MPFC. The unit manufactures drip irrigation pipes. Drip irrigation is a type of micro irrigation which provides safe water and nutrients by allowing water to drip slowly to the roots of plants either from above the soil surface or buried below the surface. The goal is to place water directly into the root zone and minimize evaporation thus conserving water. Shri Patidar is being conferred with "Best First Generation Entrepreneur".

Madhya Pradesh Financial Corporation {MPFC}, Indore
M/s BGL Cylinders Industries

Shri Gopal Krishan Sharma

M/s. BGL Cylinders Industries, Ujjain is a partnership firm constituted by two brothers namely Shri Gopal Krishan Sharma and Shri Krishan Gopal Sharma in October 2016 with financial assistance from MPFC. The firm has set up a unit for the manufacture of High Pressure Empty Cylinder shells for fire extinguisher & Medical uses with an installed capacity of 60,000 cylinders per annum. The family is engaged in manufacturing and trading of different types of fire extinguishers since the last 50 years at Delhi.

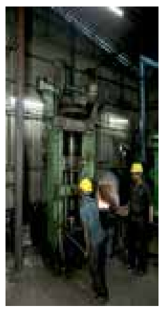
Madhya Pradesh Financial Corporation {MPFC}, Indore
M/s Raj Safety Glass


Shri Abbas Mohd. Hussain Itarsiwala


M/s Raj Safety Glass is a proprietorship concern promoted by Shri Abbas Mohd. Hussain Itarsiwala in Dhar (MP) in the Year 2018 with financial assistance from MPFC. The concern is engaged in manufacturing of Toughened Glass used in buildings and automobile industries. The promoter is regular in his loan repayments to the Corporation and is receiving the "Best Entrepreneur Award".

Madhya Pradesh Financial Corporation {MPFC}, Indore
M/s H.F. India Pvt. Ltd.

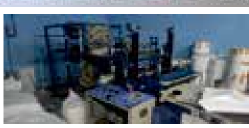
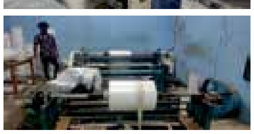

Shri Dinesh V. Pal

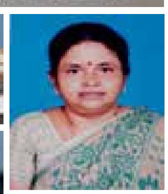




M/s H.F. India (P) Ltd. was established by Shri Ramdhani Pal, Shri Vijay Bahadur Pal, Shri Suraj Pal and Shri Dinesh pal in the year 2018 to manufacture Non Ferrous Machined Electrical Components with financial assistance from MPFC. The promoters were running a unit at Nasik since 1992 and set up this 2nd unit at Pithampur. The company has a good client base and is regular in its loan repayments to MPFC. It is being given the award for "Most Innovative Product".

PIPDIC, Puducherry
M/s Mass Packagings Pvt. Ltd.


Ms. Nithya


Ms. Vasanthi

Ms. M.Vasanthi and Ms. G. Nithya promoted M/s Mass Packaging Pvt. Ltd. company to manufacture LD/HM liner and sheets in color/Plain/printed, LD Shrink film Rolls in the year 2016. the production started in July 2017 and the unit achieved a turnover of Rs.595 lakhs in FY 2019-20.The unit has availed Term Loan of Rs.40.00 lakhs from PIPDIC and is located in PIPDIC Industrial Estate, Sedarapet in Puducherry and has already repaid Rs.25.00 lakhs. The promoters plan to expand the Project by adding Multi-layer Extruder machine, Roto Gravure printing machine with Lamination facilities.

PIPDIC, Puducherry
M/s Indofrench Polymers


Shri Babuji Kuruvilla


Ms. Raymol Kuruvilla



M/s Indofrench Polymers was established by Shri Kuruvilla Babuji & Shri Antony Sebastian in the year 1993 in PIPDIC industrial estate in Puducherry to manufacture latex foam. Ms. Raymol Kuruvilla joined the business in the year 2000. They have achieved a good market share by maintaining product quality. In India, first pincore design was introduced to minimize latent heat. They introduced the THREE TIME PURIFICATION process with Dunlop technology, which ensures mattress durability & sufficient support to avoid unevenness of surface and back pain. The company plans to expand on pan India basis.

PIPDIC, Puducherry
M/s Safetab Life Science




Ms. R. Meenakshi


Smt. R. Meenakshi & Smt. P Kasthuri promoted Safetab Life Science in the year 2007 in a plot allotted by PIPDIC which also gave a term loan of Rs.137.58 lakhs. Safetab Life Science started manufacturing tablets, capsules, sachets etc. which include AntiAsthma, Anti-Allergics, Anti-Oxidants, Anti-Ulcerants, Analgesics, Cardiology, Gynaecology, Vitamin Supplements,Anti – Diabetic medicines to serve B2B market with 24 employees. By late 2010 the unit started supplying products to leading national players in the Pharma industry. Their turnover crossed Rs.50 crores in the FY2017-18. Safetab now employs 380 personnel. From a small unit in a single plot the unit now operates from 6 plots. It also acquired a plant in Chennai in the year 2014 viz.“ Archimedis Healthcare Pvt Ltd”. Safetab is also exporting to the International market and has been conferred with WHO-GMP Certification ensuring quality control. Safetab is carrying out various CSR activities in improving the lifestyle of people who reside around the industrial area. The unit paid a direct tax of Rs. 63.7 million in the previous financial year 2019-20.

PIPDIC, Puducherry
M/s Sumuka Hitech Products



Shri Narayanan Krishna


Shri Narayanan Krishna, Managing Partner is a First Generation Entrepreneur. He started M/s Sumukha Hitech Products Industry during financial year 2001-02 in Sedrapet Industrial Estate, Pondicherry to produce Water based Adhesives & Over Print Coating products used in Printing, Packaging & Publishing. He introduced innovative ideas and tailor made products to suit expectations of customers. He is an approved Vendor of Colgate Palmolive, ITC Classmate note books & has replaced 3 products which were 100% import dependent with domestic range. The unit is ISO certified with focus on Social Responsibility and awareness and is exporting to the Gulf countries. The unit has generated employment for 30+ skilled as well as unskilled people. Shri Krishan plans to establish his own network of dealers and sales team and have branches across India. He is working on reducing consumption of plastic in tooth brush and wood in pencils.

Rajasthan Financial Corportaion {RFC}, Jaipur
M/s Multi Color Minerals



Smt. Poonam Sukhwal


Smt. Poonam Sukhwal established M/s Multi Color Minerals in Udaipur for mineral grinding in the year 2016 having availed loan of Rs. 90 lakh under YUPY scheme. Since then she is running the unit successfully and is regular in payment of installments and had become ‘Good Borrower’. A further loan of Rs.56 lakh under Gold Card scheme was availed by her in March 2021. She is being awarded as “Best First Generation Entrepreneur”.

Rajasthan Financial Corportaion {RFC}, Jaipur
M/s I S Constructions Pvt. Ltd.


Shri Ishwinder Singh

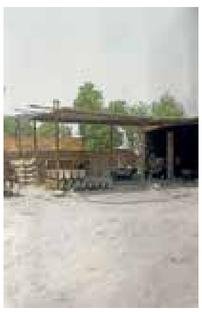

M/s I.S. Constructions Pvt. Ltd. was established by Shri Ishwinder Singh as pvt. ltd. co. in the year 1992. The company is State of the Art fully automatic marble tiles plant and manufactures ready to fix marble tiles. The product is fully exported. The promoter made its first expansion in the year 1996 and thereafter, in the year 2006. Further in the year 2020 the company again made major expansion and set a very modem fully automatic granite slabs plant with two multi cutter with fully automatic resin and polishing plant. The company also put up a jumbo size marble Gangsaw for export. Shri Ishwinder Singh is a Technocrat with BE, MBA Degree and experienced in this line. The promoter has availed seventeen loans under different schemes of the Corporation and maintained a good track record. He is being conferred with “Best Entrepreneur Award”.

Rajasthan Financial Corportaion {RFC}, Jaipur
M/s Qualitech Metal Industries


Shri Kamal Mehta

Shri Kamal Mehta established M/s Qualitech Metal Industries in Jodhpur with financial assistance from RFC. Shri Mehta is a self made entrepreneur and has been regular in repayments. The account is, therefore, standard category. He is being conferred with "Best Entrepreneur Award".

Rajasthan Financial Corportaion {RFC}, Jaipur
M/s Kamlesh Devi




Smt. Kamlesh Devi

Smt. Kamlesh Devi established M/s Kamlesh Devi as a proprietorship concern in Alwar to manufacture cement pipes for heaters in the year 2011 with financial assistance from RFC under its Saral Scheme. She is a good borrower and has achieved sales of Rs.24.56 lakhs in the year 2019-20. She is being given the "Best Women Entrepreneur" award.

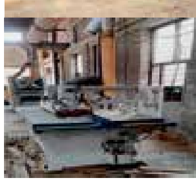
Rajasthan Financial Corportaion {RFC}, Jaipur
M/s Hotel Atithi Palace


Shri Madan Singh Chouhan

Shri Madan Singh Chouhan established Hotel Atithi Palace as a proprietorship concern in Dungarpur in the year 2003 by availing financial assistance from RFC. Since than he is running the hotel successfully. Later on he has availed loans under various good borrower schemes of the Corporation for expansion/ modernisation of hotel and remained most regular in repayment. The account is categorized as Standard Assets. Hence he is being awarded for "Best Unit in Service Industries".

Rajasthan Financial Corportaion {RFC}, Jaipur
M/s Arun Art Exports


Shri Narayan Lal Suthar



M/s Arun Art Exports was established by Shri Narendra Lal Suthar in Jodhpur in the year 2015 for manufacture of Wooden Handicrafts. The unit is partnership firm and makes decorative items which also used all over the world in residential as well as commercial buildings. It was sanctioned financial assistance by RFC under YUPY scheme. The concern is making its payments regularly and account is categorized as Standard. The unit is exporting its products and has, therefore, been conferred the "Best Exporting Unit/Most Innovative Products" award.

Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Sustainably Crafted Clothing Pvt. Ltd.

Shri Sreeranga Samy Rajan

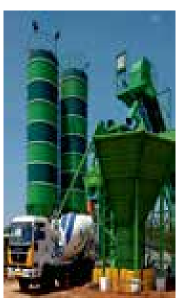
M/s. Sustainably Crafted Clothing Private Limited, was incorporated in the year 2019 by Shri Sreeranga Samy Rajan to manufacture high quality apparels/readymade garments with sustainably produced fibers in Krishnagiri. The unit has an installed capacity of 13,82,400 pieces of readymade garments and has achieved sales of Rs. 44.92 crores. The company employs 411 workers and is making shirts for M/s.Aditya Birla Groups, M/s.Aravind Limited, M/s. Knowledge Cotton apparel, Denmark, M/s. Nudle Jeans, Sweden and M/s.Galleries Lafayate, France. The unit is also engaged in the manufacture of Bio-Suit under COVID-19 and supplies PPE kits for Doctors/Nurses all over India. The production facility of the unit is a State of the Art facility and its garments are exported to Denmark, Sweden & France.

Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s A.K. Associates

Smt. S. Vishalakshi

M/s. A. K.Associates was promoted by Smt. S.Vishaalakshi in the year 1995 to manufacture Industrial gloves, masks etc. in Hosur with financial assistance from TIIC. The unit achieved a turnover of Rs.560 lakhs as on March 21, 2020 and has obtained ISO 9001:2008 certification. It has earned profit continuously for the previous 4 years. M/s A K Associates is meetings its repayment obligation to the Corporation "Promptly" and remains in the "Standard Category" since inception.

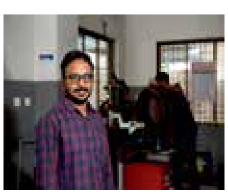
Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Yagappa Readymix Concrete



Shri Johnpaul Yagappa

M/s Yagappa Readymix Concrete was established by Shri P. Johnpaul Yaggappa with financial assistance from TIIC under its NEED scheme to set up a unit for manufacturing ready mix concrete at Thanjavur. He is being awarded for his hard work as the "Best Entrepreneur". Track record of the loan is good. All the loan accounts are under standard category. He achieved sales of Rs. 1,735 lakh in 2019-20 and profit of Rs.20.61 lakhs. The unit has obtained ISO-9000 series 22000 certificate for Ready Mix manufacturing & delivery. Shri Yagappa plans to supply optimum level in all construction fields i.e. he has proposed to manufacture paver blocks, hallow blocks, solid blocks, quality fly ash bricks etc.

Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Friends Tyres



Shri A. Ragupathy

Shri A. Ragupathy established " FRIENDS TYRES" in the year 2015 with financial assistance from TIIC under its NEED scheme. FRIENDS TYRES is one of the leading service providers in Trichy with a satisfactory customer service history of more than 15,000 cars till date. Advanced technical machinery & hard core dedication towards the business are the key factors towards its success. The services provided include Tyre changing, wheel alignment, wheel balancing ,nitrogen inflation, A.C. gas filling & multiple brand sale of tyres. It has dealership tie-up with Goodyear Tyres taking the business to the next level. Shri A. Ragupathy is being awarded the "Best First Generation Entrepreneur". Future plans include opening of branches in the neighbouring towns to provide International Standard services to customers and generate employment opportunities.

Tamilnadu Industrial Investment Corp. Ltd. {TIIC}, Chennai
M/s Abhinav Fabrics

Shri P. Nallamuthu

The company was started in the year 2005 by Shri P. Nallamuthu, an Industrial Engineer turned first generation entrepreneur with financial assistance from TIIC and a special focus on supplying quality textile products to medical sector. It has client base of over 5000 Hospital Customers. Workforce consists of 120 employees put together in shop floor and middle level management. ABHINAV FABRICS has joined hands with a Swiss Company "HeiQ" to implement the AntiViral Technology in fabrics through an MoU. The Brand VIRO VETO focuses on diversified medical textile products like Face Masks, scrub suits, Coveralls , Surgeon Aprons etc.

The Nano Chemicals used in VIRO VETO has the capability of disrupting the virus and eventually the virus becomes inactive (considered as destroyed) HeiQ Viroblock has been tested effective 99.99% in 30 minutes against SARS-CoV-2, the COVID-19 causing virus

The chemical substances will remain on the fabric upto 50 washes, with intense effectiveness on virus for 25 washes. The finish is applied on 100% cotton fabric. Hence the fabric is breathable and comfortable besides antiviral property and has been found to be safe on skin.

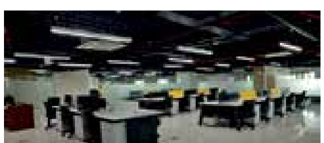
The company has already been awarded various certifications viz. Antibacterial activity value (ISO 20743:2013) (SGS) and Antiviral activity of fabric (AATCC 100-2012) (Biotech,Mumbai). It has shown 94.32% reduction of virus in 2 hours.

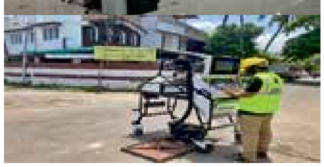
Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Yemvees

Shri V. K. Varghese

Shri V.K. Varghese started Yemvees Prosthetic and Orthotic Centre in the year 1982 with financial assistance from KFC. Shri Varghese is a Prosthetist and Orthotist and is recognized by the Rehabilitation Council of India (a statutory body under the ministry of Social justice & Empowerment, Govt. of India) & also by State Govt. of Kerala. The Centre manufactures Artificial Limbs & Orthopedic Appliances. Shri Varghese is now building a multi-storied building with modern technology in the field of Prosthetics & Orthotics with further assistance from KFC.

Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Genrobotics Innovation Pvt. Ltd.





Shri Vimal G. and his partners established Genrobotics Innovation Pvt. Ltd. which is a National award-winning start-up with primary focus on designing and developing robotic solutions to address the various sanitation and healthcare issues such as manual scavenging, rehabilitation of paraplegic patients, etc. with financial assistance from KFC. Genrobotics is an inventor of world's first manhole cleaning robot Bandicoot. The bandicoot is designed in such a way that it can be accessible to any type of sewer manhole cleaning. It is rooted to mechanize the conventional sanitation system of the country and rehabilitate the existing sanitation workers to Robot operators through the initiative Mission Robohole. This initiative will change the concept from Manholes to Roboholes and foster a safer working environment for the sanitation workers.

Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Star Pipes

Ms. Faina Anto

STAR Group headed by Ms. Faina Anto was set up to manufacture PVC pipe fittings in 1984 in Thrissur with financial assistance from KFC. The aim was to manufacture high quality pipe fittings and market them. Till then, this field was dominated by North Indian companies. Within a short span of time, the company made inroads in to the South Indian and North Indian markets. Now, the annual turnover of the Group is more than Rs.430.00 crores.

Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Vythiri Retreat Resorts


Shri Mohammed Firoz PM

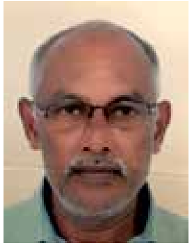
Shri Mohammed Firoz PM, established Vythiri Retreat Resorts a premium boutique resort in Wayanad, located 3300 ft above sea level in the Chembra peak Hills in Wayanad, with financial assistance from KFC. Vythiri Retreat Resort, is a place where history and iconic elegance mingles with new-world sophistication. The resort is spread over 20 acres, atop a hill and offers breathtaking views of beautiful sunrise and sunset. Vythiri Retreat continues to be one of Kerala's finest destinations.

Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Akshay Plastics


Smt. Omana

Smt. Omana established Akshay Plastics in 1999 at Thiruvananthapuram with the assistance from Kerala Financial Corporation. Their primary activity is the manufacture and supply of plastic household and office products all over the state of Kerala. During 2018-19, they have modernised their unit again with assistance from KFC.

Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Vijay Traditional


Shri Vijayan P.

Shri Vijayan P. established Vijay traditional Ayurveda and foot therapy Center which is a "Ayurdiamond" certified Ayurvedic Centre situated on the banks of Karamana river in Choozhattukotta, Trivandram in the year 2004 as a small enterprise, and now has a client base of about 500 guests in a year, It is equipped with 18 guest rooms and 4 treatment rooms with a well maintained kitchen, restaurant and a spacious ayurvedic herbal garden. Kerala Financial Corporation is the chief financier of the Centre since inception.

Kerala Financial Corporation (KFC), Thiruvananthapuram
M/s Camelot Cordiality Hotels Pvt. Ltd.


Sri. Hari Sugunendran

Shri Hari Sugunendran, a UK based doctor established Camelot Cordiality Hotels Pvt. Ltd. a business class luxury hotel, at Pathirappalli with financial assistance from KFC. The hotel is strategically located on the highway and offers modern facilities to both the leisure and business traveller. It has an indoor swimming pool, restaurant and WiFi facility.

Award for Outstanding SIIDCs Rajasthan State Industrial Development & Investment Corp. Ltd. {RIICO}, Jaipur

Convention Centre At Bhiwadi

Shri Ashutosh Pednekar, IAS MD, RIICO

Plug And Play Facility At SEZ, Jaipur

Fintech Park Jaipur

Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), a Government of Rajasthan undertaking, was set up on 28th March 1969 and completed its Golden Jubilee last year. In order to have synergy with other state SIDCs and SFCs, RIICO took the lead in incorporating the idea of COSIDICI and is one of its founder members and has been at the forefront of supporting the organisation.

Since inception RIICO has sanctioned Financial Assistance of Rs. 4156.97 Cr. to the industry which catalysed an investment of Rs.9539.77 Cr. and generated employment for 1,12,386 persons.

RIICO has developed industrial areas in 147 sub-divisions out of 294 sub-divisions in Rajasthan and plans to launch 68 industrial areas in the remaining sub- divisions in FY 2021-22.

Launched special zones dedicated to the MSME sector. Created 15 new Industrial Areas in FY 2020-21.

MSE areas in Raghunathpura (Ajmer), Badgaon (Sirohi) and Uniyara (Tonk) established.

RIICO publishes monthly calendar for E-auction of plots to help entrepreneurs plan their investment.

RIICO's has been making efforts towards environment management by keeping land reserve in every Industrial area for viz. e-waste recycling industries; hazardous waste recycling industries; general waste recycling industries; dumping yard in every Industrial area and land for CETP.

Conducted webinar with Europe Business Group Federation (EBG), Indo-French Chamber of Commerce (IFCCI), American Chamber of Commerce (AMCHAM), Japan etc. to discuss the investment opportunities in Rajasthan.

To invite investment in Rajasthan, RIICO has sent personalized letters alongwith various State Govt Policies and RIICO Brochures to the Non Resident Rajasthani entrepreneurs (big corporates) in India and abroad and other well performing companies in India.

RIICO granted a relief package to industries during COVID-19 pandemic to the extent of Rs.273 crore. This package contained exemptions of payment, waiving of penalties, time extensions, reduction in interest, increase in installments for payment of land etc.

RIICO is developing a world-class FinTech Park in the heart of Jaipur city spread over 100 acres land which would accommodate companies from IT, Finance and other related service sectors. The Park will catalyse an investment of approx. Rs.3000 crore and will generate employment for approx. 50,000 persons.

RIICO has been appointed as Regional Development Authority (RDA) for Delhi Mumbai Industrial Corridor (DMIC) in Rajasthan.

During previous three years, RIICO's CSR activities were in health care, medical, education, environment sustainability. The CSR budget in 2019-20 was Rs.327.5 crore and Rs.480.64 crore in 2020-21.

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

Forex reserves decline by $2.98 bn to $579.28bn

The country's foreign exchange reserves declined by $2.986 billion to reach $579.285 billion in the week ended March 26, RBI data showed in April. In the previous week ended March 19, the forex reserves had increased by $233 million to $582.271 billion and were highest at $590.185 billion in the week ended January 29, 2021. In the reporting week ended March 26, 2021, the fall in reserves was on account of a decrease in foreign currency assets (FCA), a major component of the overall reserves. FCA declined by $3.226 billion to $537.953 billion

IBC slows down

The Insolvency and Bankruptcy Code (IBC) suspension that brought new corporate insolvency cases to a halt is being reflected in the continuing drop in the number of ongoing corporate resolution cases in the October-December period. The data released by the Insolvency and Bankruptcy Board of India (IBBI) shows that as of December 2020, there were 1,717 ongoing CIRPs, a drop of almost 12 per cent compared to September 2020.

MCA expands small firm definition

The ministry of corporate affairs has expanded the definition of small and medium companies (SMC), raising their turnover and borrowing limits. This would enable a wider set of companies to avail of greater flexibility in the accounting standards, according to a notification issued on June as under :-

- New thresholds for small and medium companies (SMCs)
- Turnover not exceeding Rs.250 crore, up from Rs.50 crore
- Borrowings not more than Rs.50 crore, up from Rs.10 crore
- An SMC cannot be a bank, financial institution or an insurance company

Total FDI inflows increase 38% YoY to $6.24 billion in April' 21

India had attracted a total foreign direct investments (FDI) inflow of $6.24 billion in April, up by 38 per cent year-on-year, according to data released by the Department for Promotion of Industry and Internal Trade (DPIIT) on 23rd June, 21. Total FDI includes equity capital of unincorporated bodies, reinvest earnings and other capital. FDI equity inflow grew 60 per cent to $4.44 billion in April. "Measures taken by the government on the fronts of Foreign Direct Investment (FDI) policy reforms, investment facilitation and ease of doing business have resulted in increased FDI inflows into the country". According to the data shared by the government, Mauritius is the top investing country with 24 per cent of the equity inflows in April followed by Singapore, with inflows at 21 per cent and Japan at 11 per cent, respectively.

Karnataka was the top recipient state during April, 2021 with 31 per cent share of the total FDI Equity inflows, followed by Maharashtra at 19 per cent and Delhi at 15 per cent. 'Computer Software & Hardware' emerged as the top sector during April, with around 24 per cent share of the total FDI equity inflow followed by the services sector at 23 per cent and education sector 8 per cent, respectively. India had attracted FDI inflow of $81.72 billion in the entire financial year 2020-21. According to a report released by the United Nations Conference on Trade and Development (UNCTAD) in June, India is the fifth largest recipient of FDI inflows in the world in the financial year 2020-21. This came at a time when global FDI inflows have been severely hit by Covid-19, declining to $1 trillion in 2020-21 from $1.5 trillion a year ago.

World Bank slashes India's growth to 8.3% in 2021

The World Bank on June 08, 2021 slashed its 2021-22 GDP growth forecast for the Indian economy to 8.3 per cent from 10.1 per cent estimated in April, saying economic recovery is being hampered by the devastating second wave of coronavirus infections. It projected a 7.5 per cent economic growth in the 2022-23 fiscal (April 2022 to March 2023).

The projected growth compares to the worst ever contraction of 7.3 per cent witnessed in the fiscal year ended March 31, 2021 (FY21) and 4 per cent expansion in 2019-20. In April this year, the World Bank had forecast a 10.1 per cent growth in Indian GDP for FY22. This was higher than 5.4 per cent it had projected in January. But now the projections have been slashed. The multilateral lending agency said India's GDP is likely to grow by 6.5 per cent in 2023-24.

Other highlights are as under :-

¨ The World Bank predicts global growth of 5.6% this year, up from 4.1% forecast in January. That will be fueled largely by a 6.8% expansion in the U.S. and 8.5.% in China

¨ Growth in low-income countries is expected to be the second-slowest of the past 20 years at 2.9% — down from the 3.4% forecast in January, held back by lack of access to vaccines

¨ Global recovery could falter once policy support is withdrawn

¨ Developing nation per-capita income will beslower to recover

Low-base effect pushes April exports up by 197%

India's merchandise exports nearly trebled in April to $30.21 billion over the same period in the previous year, mainly due to low-base effect, as Covid-19 induced nationwide lockdown a year ago had temporarily stopped economic activity. However, exports grew 16.03 per cent from $26.04 billion in April 2019, indicating that a low base was also supported by strong demand in the first month of the current fiscal.

An uptick in outbound shipments in April was driven by demand for petroleum products, engineering and gems and jewellery products. Latest data also indicates that an unprecedented surge in covid-19 cases as well as localised lockdowns in the country did not affect the demand for goods. On a sequential basis, exports dipped by 12.3 per cent from $34.45 billion in March. Preliminary data from the Ministry of Commerce and Industry on 2nd May, 2021 put India's merchandise imports in April at $45.45 billion, up 165.99 per cent YoY. Inbound shipments rose 7.22 per cent from $42.39 billion in April 2019. This resulted in a trade deficit of $15.24 billion, up 120.34 per cent YoY. The deficit was $16.30 billion in April 2019.

Exports grew 67% YoY, trade deficit at 8-month low

Demand for outbound shipments from India continued to be on the rise, with India's merchandise exports estimated at $32.21 billion in May, up 67.39 per cent year-on-year, and 7.93 per cent as compared with May 2019. Exports grew 5.15 per cent on a sequential basis. The year-on-year growth can be attributed to a weak base due to the disruption caused by a nationwide lockdown last year.

The growth was driven by a rise in demand for engineering goods, petroleum products, gems and jewellery, pharmaceuticals and iron ore. Data released by the commerce and industry ministry showed that Merchandise exports in the first two months of the fiscal year was $62.84 billion, up 12.44 per cent as compared to April-May 2019. Exports were not immediately affected by the imposition of the lockdown across various states to contain the devastating resurgence of Covid-19 spread from April. Exporters said that the impact of lockdown in several states was limited.

Fiscal deficit at 9.2% of GDP

The Union government's fiscal deficit for financial year 2020-21 was 9.2 per cent of the gross domestic product (GDP), below the revised target of 9.5 per cent. This was due to better revenue receipts with expenditure mainly at the level targeted in the revised estimates of the Budget.

In absolute terms, India's fiscal deficit was Rs.18.21 trillion, about Rs.27,194 crore lower than the projected Rs.18.48 trillion, according to the provisional estimatesreleased by Controller General of Accounts. The fiscal deficit has been arrived at based on provisional estimates for FY21 GDP of Rs.197.46 trillion. The Centre had revised its fiscal deficit target in the Budget from 3.5 per cent to 9.5 per cent because of increased expenditure on various schemes it announced to tide over the Covid-19 pandemic, and a sharp shortfall in revenue receipts (both tax and non-tax).

The government's revenue receipts were Rs.16.32 trillion, about 5 per cent higher than Rs.15.55 trillion projected in the Revised Estimates (RE). Tax revenue was 6 per cent higher at Rs.14.24 trillion aided by an increase in excise and customs duty. Revenue from excise duty jumped 63 per cent year on year to Rs.3.89 trillion while revenue from customs duty increased over 23 per cent to Rs.1.35 trillion. Total receipts, including non-debt capital receipts, stood at Rs.16.89 trillion.

Insurance FDI hike tied to solvency margin:

Key Proposals for Insurance FDI Hike

Indian Insurance Companies (Foreign Investment) (Amendment) Rules, 2021

- Foreign-owned insurance companies will have to maintain a solvency ratio of 1.8 to repatriate profits
- Set aside 50% net profit in reserve if solvency requirement not met
- 50% of directors shall be independent directors if FDI in insurance company exceeds 49%
- If boards chairman is an independent director, at least one-third of board shall comprise independent directors

$250-mn fund to invest in start-ups by Amazon

Amazon India has launched a $250 million Amazon Smbhav Venture Fund (the venture fund) to invest in startups and entrepreneurs focusing on technology innovations in SMB (small and medium business) digitization, agriculture and healthcare. The venture fund will invest in technology-led startups that are passionate about unlocking the possibilities of a digital India.

The fund will specifically focus on encouraging the best ideas to digitize SMBs (small and medium businesses). It would drive technology-led innovation in agriculture to improve farmer productivity and enable them to bring the best of India's farms to consumers. It would also enable universal and quality healthcare access for all using technology. "The small and medium sized businesses are the engine and the lifeblood of economies and it's true in India as well. Smbhav Venture Fund of $250 mn will inspire more SMBs to be able to build brand new businesses.

Indirect tax collection rises 12% in FY21

The Centre's indirect tax collection rose by 12 per cent to Rs.10.71 trillion in 2020-21 (FY21) compared to Rs 9.54 trillion in the previous year, even as goods and services tax (GST) mop-up declined by 8 per cent. Experts attributed it to the hike in customs duties as well as petrol and diesel taxes, coupled with some recovery in consumption during the second half.

The collection was also 8.2 per cent higher than the revised estimate of Rs.9.89 trillion, showed the preliminary figures released by the finance ministry. The numbers are subject to change, pending reconciliation. This helped the overall tax collection reach Rs.20.16 trillion in FY21, slightly higher than the Rs.20.05-trillion mop-up in the previous financial year. This was achieved despite a 10 per cent decline in direct tax collection. Indirect tax comprises goods and services tax, excise duty, and customs. Customs duty collection stood at Rs.1.32 trillion during FY21, representing around 21 per cent growth year-on-year. The collection from central excise duty and service tax (arrears) was up more than 58 per cent at Rs.3.91 trillion during 2020-21, as against Rs.2.45 trillion in FY20.

FDI up 37% to $43.9 bn during April-Nov 2020

Foreign direct investment (FDI) into India increased by 37 per cent to $43.85 billion during April-November 2020, according to data by the commerce and industry ministry. Total FDI inflows (including reinvested earnings) during the eight-month period of the current fiscal grew by 22 per cent to $58.37 billion. "FDI equity inflow received during 2020-21 (April to November, 2020) is $43.85 billion. It is the highest ever for the first 8 months of a financial year and 37 per cent more compared to the first 8 months of 2019-20 ($32.11 billion)". It added that FDI is a major driver of economic growth and an important source of non-debt finance for the economic development of India. "Measures taken by the government on the fronts of FDI policy reforms, investment facilitation and ease of doing business have resulted in increased FDI inflows into the country," it said.

Economic Survey

The Economic Survey for 2020-21 was tabled in Parliament on 29th January. Chief Economic Advisor Shri Krishnamurthy Subramanian strongly defended the government's actions in response to the Covid-19 pandemic, and also laid out a case for ignoring the build-up of debt and turning on the fiscal taps in the forthcoming Union Budget. The Survey saw a "V-shaped recovery" from the lockdown-induced crash in the first quarter of 2020-21, with only a "modest decline in GDP growth in the second half of the year", and a "faster-than-anticipated economic recovery". The Survey pointed out that a "supply-side push from reforms" and infrastructure investment, the roll-out of the vaccine, and targeted moves like the production-linked incentive scheme for manufacturers would lead to real growth of 11 per cent in 2021-22.

The scars from the pandemic, however, will remain. The Survey admitted that, even if India returned to its five-year historical average of GDP growth, 6.7 per cent, as fast as 2022-23, real GDP would still onlybe 90-91 per cent of what it would have been without the pandemic.

In order to deal with the pandemic, the government raised its target for gross market borrowings for 2020-21 from the Budget Estimate of Rs.7.8 trillion to Rs.12 trillion. State governments also saw a borrowing increase of over 40 per cent. The Survey views this increase as "demonstrating the government's commitment to provide sustained fiscal stimulus". Although admitting that, globally, "debt levels have reached historic highs, making the global economy particularly vulnerable to financial market stress", Shri Subramanian nevertheless makes a case for India to take on yet more debt, claiming that "given India's growth potential, debt sustainability is unlikely to be a problem".

India receives $64 bn FDI in '20, 5th largest recipient of inflows

India received $64 billion in Foreign Direct Investment in 2020, the fifth largest recipient of inflows in the world, according to a UN report which said the COVID-19 second wave in the country weighs heavily on the country's overall economic activities but its strong fundamentals provide optimism for the medium term. The World Investment Report 2021 by the UN Conference on Trade and Development (UNCTAD), released in June 2021, said global FDI flows have been severely hit by the pandemic and they plunged by 35 per cent in 2020 to $1 trillion from $1.5 trillionthe previous year. Lockdowns caused by COVID-19 around the world slowed down existing investment projects, and prospects of a recession led multinational enterprises (MNEs) to reassess new projects. The report said in India, FDI increased 27 per cent to $64 billion in 2020 from $51 billion in 2019, pushed up by acquisitions in the information and communication technology (ICT) industry, making the country the fifth largest FDI recipient in the world. The pandemic boosted demand for digital infrastructure and services globally. This led to higher values of greenfield FDI project announcements targeting the ICT industry, rising by more than 22 per cent to $81 billion.

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KFC

COVID Special Loan Settlement Adalath 2021

In view of the disruptions caused due to the COVID-19 pandemic, the Board of Kerala Financial Corporation decided to conduct a Loan Settlement Adalath wherein all units, where the asset classification is NPA as on 30.06.2021, including KSEDM cases, are eligible for Compromise Settlement (CS). The settlement allowed under Loan Settlement Adalath 2021 will be one time measure wherein a specified date.

Startup Kerala - Comprehensive Scheme by KFC for Financing Startups

The objective of the Scheme is to assist Startups in all stages of their growth starting from proof of concept, prototype development, product trials, market entry, commercialization, scaling up, etc. Further, they would need financing purchase orders, Venture Debt, etc. These facilities would enable the Startups to graduate stage wise.

The Startup shall meet all the following eligibility criteria for getting assistance under the scheme :

- Startups registered with Kerala Startup Mission/ The Department of Industrial Policy & Promotion (DIPP) GOI and having the registered office in Kerala.
- Shareholding by Indian promoters in the Startup should be at least 51% at the time of sanction of loan.
- Startup should be using technology in its core product or service, or business model, or distribution model, or methodology to solve the problem being targeted
- The proposal should be viable and the product/ service should be market fitting.
- The business model should be scalable with a high potential of employment generation or wealth creation.

Additional Eligibility Conditions.

(a) Productization:

- There should be a potential market for the product.
- The entity should have a clear sales plan
- KFC's assistance will be up to Rs.25 lakh. The assistance already received as loan/ grant/ prize money/ equity funding/ angel funding/ venture capital/ other monetary support will be considered to arrive at the eligible amount.
- Credit Report from other funding agencies, if any.

(b) Commercialization:

- The Startup should have reached a stage to commercialize the product.
- Should be able to market the product in next one year.
- The entity should have a clear sales plan and should generate cash inflow from sales within one year.
- Credit report from other funding agencies, if any.

(c) Scaling up:

- Should have started earning income.

  The Startup should have reached a stage to scale up the production.

- There should be a potential market for the product.
- The entity should have a clear sales plan and should generate cash inflow from sales within one year.
- Credit report from other funding agencies, if any.

Eligible Activities. All Manufacturing/ Service sector/ IT/ ITES activities.

KFC will provide term loan/ working capital/ composite loan and assist in setting up workshop, purchase of necessary machinery, computers, servers, software, setting up infrastructure, purchase of raw materials, working funds (like rent/ electricity/ salary), working capital, cloud expenses, licenses, permits, consultancy charges, marketing expenses, preliminary & preoperative expenses, interest during the implementation period, etc.

The maximum assistance for each stage will be Rs. 25 lakh for productisation; Rs.50 lakh for Commercialization and Rs. 100 lakh for scaling up subject to 90% of the project cost in each stage.

Maximum repayment period for term loan shall be 60 months including moratorium period of maximum 12 months.

Working Capital shall be sanctioned as a WCTL repayable in a maximum of 60 installments including 12 months moratorium.

KFC has also formulated the following 3 loan schemes for startups:

- Scheme for Financing Working Capital Requirements of Startups for Executing Purchase Orders
- Venture Debt Funding for IT Hardware & Software Enterprises
- Seed Loan Assistance to Startups for developing socially relevant products prescribed by UNO and required by Government departments

The rate of interest of all the above schemes shall continue to be 9% pa. KSUM shall provide 2% pa interest subvention so as to make the effective interest rate at 7% per annum. The interest subvention will be credited in the loan account as and when received from KSUM. 0.60% additional interest (Corpus fee) will be charged for all loans under all schemes for coverage under 'Startup Guarantee Funds'.

LoC Scheme' to assist MSMEs in executing purchase orders from govt. Departments and to discount their pending bills. KFC to target Rs.500 cr. Business under the scheme.

MSMEs are expected to face 15-20% fall in revenue for the FY 2020-21 due to the disruptions attributed to COVID-19. They could face problems in servicing debt and working capital shortage. The economy is going through a critical phase which will affect the stability and flexibility of the financial system. The primary focus of the Corporation during FY 2020-21 is to come out with new loan schemes to help MSMEs and existing units to tide over the stress faced by them on account of the economic fallout caused by the pandemic. Considering the extent of credit revival and recoveries in the first quarter of FY 2020-21 the Corporation is expects to achieve the target set for FY 2020-21 and to cross Rs.400000 Lakh mark in the Loan and Advances portfolio. Focus will be on IT infrastructure, technology upgradation and to make the entire appraisal process, right from loan enquiry to sanction online through the software for transparency and quick delivery of services. IT Department will develop an online Loan Management System (OLMS). Kerala Financial Corporation (KFC) will be formulating necessary strategies to overcome the present economic scenario by diversifying its portfolio and will be concentrating more on MSMEs, other performing sectors and Startups. The focus would be to consolidate its existing loan portfolio, giving thrust on building up quality assets and also becoming more competitive through necessary business development efforts.

KFC has planned Webinars for skill development and capacity building of its employees to equip them to deal with challenges ahead in the evolving business scenario. The policies and systems are being constantly reviewed to focus on these areas. The major action plan is as follows:

COVID Relief Loans: Three COVID Relief loans have been introduced.

- The first scheme is for units engaged in manufacturing products or those are providing services in fighting COVID-19 against the work order received by them.

- Second scheme is to provide top up loans to existing customers of KFC to tide over the crisis, without providing any additional security. Units in commercial operation and in Standard category as on 31st March 2020, can benefit from this scheme.
- In the third scheme KFC will support new MSME units with a loan of up to Rs.50 Lakh, including those units marketing MSME products.

KFC has also granted moratorium for loan repayments to existing customers as part of the relief package through its Loan Monitoring Cell. In order to have an effective follow up of loans, Loan Monitoring Cell (LMC) has been set up at Head Office under the Credit Department to deal with loan files soon after the Sanction Communications are issued.

In order to monitor Special Mention Accounts in an effective way, a SMA Monitoring Vertical (SMV) has been established under LMC. Working Capital Solutions. The major restriction of the Corporation to fund MSME units is its inability to provide Working Capital (WC) facilities. During FY 2020-21 KFC plans to tie up with Banks to provide CC/ OD facilities to its customers, integrating KFC Core Financial Solution with Bank's Core Banking System. Loans to Startups and new MSME units. The Corporation will launch special schemes to assist MSME units and Startups this year. The first one will be a loan up to Rs.50 Lakh for supporting new MSME units. The target is to support 1,000 MSME units per year.

KFC proposes to have three comprehensive loan schemes for Startups as follows :

- Loan Scheme up to Rs.1,000 Lakh for Financing Working Capital Requirements of Start-ups for Executing Purchase Orders
- Seed Loan Assistance up to Rs.1,000 Lakh to Start-ups for developing socially relevant products prescribed by UNO and required by Government department
- Venture Debt Funding scheme up to Rs.1,000 Lakh for IT Hardware & Software Enterprises

The Corporation will have a tie up with Kerala Startup Mission (KSUM). The Startups need to register with KSUM for availing loans under the startup scheme. KFC Connect. In order to encourage and handhold the young entrepreneurs, the Corporation shall start mentoring services, where they can get various services free of cost under the brand name, 'KFC Connect'. Letter of Guarantees to MSME Units. State Government has already accorded sanction to accept the Performance Guarantee of the Corporation issued to Contractors. This facility is being extended to MSME units for availing Letter of Credit (LC) from the Bank, for import of machinery, raw materials, bidding process, obtaining advance payment, release of retention money, procurement of raw materials, etc. g. IT initiatives. The Core Financial Solution (CFS), the centralized ERP solution is successfully handling all the day-to-day activities of the corporation for the last 6 years. Keeping in mind that the technology will be leading the Corporation in future, IT department will work towards upgrading the present application software (CFS). The Corporation will be migrating to Oracle 18c database from existing 12c server and redesigning the system to the latest Microservice architecture. The existing application will be made modular, as a suite of small services, each running in its own process and independently deployable. By doing the same the CFS operations will become independent, faster, reliable and secure.

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

– Winston Churchill

M/s Excellent Hi-Care Pvt. Ltd

Seshasayee Paper and Boards (SPB) Ltd was established in 1960 under the leadership of Sri.S.Viswanathan, a freedom fighter turned Industrialist, on the banks of river Cauvery in Pallipalayam, Erode. The company had a technical collaboration with Parsons & Whittmore of the U.S.A. The State Government encouraged the company by participating in its equity through TIIC. The Government's share of Rs. 1.00 crore amounted to nearly 28.5% of the total share capital. SPB commenced operation with the licensed capacity of 20,000 tonnes in the year.

Today SPB has grown in strength to its current installed capacity of 1,15,000 tonnes. It operates an integrated pulp, paper and paper board Mill and produces a wide range of products such as printing and writing papers, packing and wrapping papers and specialty papers. SPB's exports nearly 15% of its production and it is a significant exporter in the Indian Paper Industry. Due to its excellent export performance, SPB has been awarded 'Golden Export House' status.

SPB is the flagship company of the 'SPB-ESVIN GROUP', consisting of Ponni Sugars Limited, a leading sugar mill, High Energy Batteries (India) Limited, Esvin Advanced Technologies Ltd (bio-technology), and SPB-PC Limited (consultancy).

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M/s World Innovation Technologies

M/s World Innovation Technologies was setup by Smt. Princy Anitha in Coimbatore with financial assistance from TIIC for manufacture of Waste Water Treatment and Recycling Plants. They also manufacture Flow Dying Machine, Compactor, Squeezer etc.. World innovation technologies is equipped with all modern infrastructure facilities to take up any kind of Fabrication, automation & commissioning, conforming to customer quality standards and delivery requirement on regular basis. The Company supplies its products to Indian Railways, Amaraja Batteries, Hectar Beverages etc. It also exports its products to Africa. World innovation technologies is an ISO 9001-2015 certified Company.

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ANSWERS OF CYBERQUIZ - 80

Ans.1[a] Bluetooth : Bluetooth is about the ability to communicate, to access the Internet, email and information services anywhere at anytime. It has been adopted by both the mobile handset and portable computer industries as a means by exchanging data wirelessly.

Ans.2[a] Plain Old Telephone Service : Basic dial up telephone service is essentially a phone line connected to a simple single-line telephone instrument without any value added features.

Ans.3[c] An email : The term has been derived from courrier electronique (electronic mail). The French Culture Ministry has banned the word "e-mail" in all government ministries, documents, publications and Websites, because "e-mail" is an English word.

Ans.4[a] Use of too many different typefaces in a publication or web page or poor typesetting or page layout : Ransom note effect generally is the result of work by new or untrained type setters or web designers. The expression derives from the ransom note writers practice of cutting letters or words from newspapers or magazines and pasting them on a paper to make a message. This helps them to avoid writing the note by hand thereby denying others to identify them from their handwriting. As the letters and words are taken randomly from different parts of the magazine or newspaper, the final message is made of different fonts and font sizes.

Ans.5[b] Big endian : Big endian is the practice of storing numbers in such a way that the most significant byte is placed first as opposed to the little endian practice. In Swift's book, Big-Endians were a group of people who opposed the emperor's decree telling people to break eggs at the small end to eat. In 1980, a famous paper written by Danny Cohen entitled "On Holy Wars and a Plea for Peace" used the terms big-endian and little-endian to refer to the two techniques for storing data.

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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

Core sector output contracts 4.6%

The combined output of the eight core sector industries fell at the quickest pace in six months, contracting 4.6 per cent in February, from a year ago, showing a recovery in industrial growth would be slower than expected.

This is expected to affect the Index of Industrial Production (IIP) as well. Core industries—coal, crude oil, natural gas, refinery products, steel, cement, fertileser and electricity—comprise over 40 per cent of the weight of items included in the IIP. IIP contraction may also accelerate in February. It had contracted 1.6 per cent in January. While some contraction was anticipated due to a high base effect of 64 per cent, all segments seeing a fall in output is worrisome observed experts.

The output of core sector industries saw a fall of 8.3 per cent in the first 11 months of 2020-21 (FY21), against 1.3 per cent growth in the corresponding period of the previous fiscal year. The output of these industries had not shrunk in the past eight years.

Output of core sector jumps 6.8% in March on low base

The growth of India's eight key infrastructure segments reached a 32-month high of 6.8 per cent in March compared to a year earlier, mainly due to a low base, the data released by the commerce and industry ministry showed. The cumulative growthduring April-March (2020-21) was 7 per cent. Out of the eight sectors, steel, cement, electricity, and natural gas witnessed double-digit growth in March.

Core sector output in April up 56% on low base

Growth in the eight core sectors rose sharply by 56.1 per cent year-on-year (YoY) in April, mainly due to the low base effect, data released by the commerce and industry ministry showed on May 31, 2021. Growth in April, 2021 was also driven by a jump in steel and cement output.

Textile parks may bring in Rs.5,000-crore investment

Textile parks, to be set up over 1,000 acres of land in three years, will be in addition to the Rs.10,683-crore production linked incentive (PLI) scheme for technical textiles and manmade fibre announced earlier. These will have world class infrastructure, investment, water and power supply. Industry experts and executives feel that up to Rs.5,000 crore could be pumped in by large garment manufacturers and exporters, keen to take advantage of the tax sops and benefits that the parks will provide.

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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

4 PSBs to get Rs.14,500 cr via zero-coupon bonds

The government has announced an infusion of Rs.14,500 crore into Central Bank of India, Indian Overseas Bank, Bank of India and UCO Bank by issuing non-interest bearing bonds to them despite reservations raised by the RBI over the use of this instrument. The recapitalisation bonds would be issued with six different maturities and would be at par for the amount, in line with the application made by the eligible banks. The special securities would be repayable at par on the date of maturity.

To save the interest burden on recapitalisation bonds, the government last year decided to issue zero-coupon bonds for capital infusion of Rs.5,500 crore into Punjab and Sind Bank. Zero-coupon bonds don't give out interest but are issued at a deep discount to the face value, making it difficult to ascertain the net present value. The interest cost for recapitalisation bonds issued by the government was Rs.16,286 crore in the financial year 2019-20 (FY20). This has been estimated at Rs.19,293 crore for FY21. The decision to use non-interest bearing securities was taken after consultation with the RBI. "The government has given nearly Rs.2.5 trillion for recapitalization of banks, and the notional loss for the government is Rs.1.13 - 1.15 trillion on share value." " The government has been paying a large sum in interest every year, according to officials.

RBI takes the QE road

The RBI on April 07, 2021 took a step toward formalising its own version of quantitative easing (QE), committing to support the bond market through secondary market purchases, starting with Rs.1 trillion in the first quarter. Though the Central Bank said this will be in addition to open market operations (OMOs), in essence, this is a calendar for OMOs, a long-standing demand from the bond market.

The six-member monetary policy committee also voted unanimously for a status quo on the benchmark rate "for as long as necessary to sustain growth on a durable basis and continue to mitigate the impact of Covid-19 on the economy, while ensuring that inflation remains within the target going forward."

The MPC came up with a new policy tool kit called 'secondary market G-sec acquisition programme', or G-SAP 1.0. It is akin to the existing open market operations (OMO) through which the RBI bought a net Rs.3.13 trillion of bonds from the secondary market in the last financial year. The G-SAP would be part of the overall liquidity management framework for the year, the RBI said. The G-SAP programme, which will start on April 15 with Rs.25,000 crore bond buying, will enable stable and orderly evolution of yield curve, help the market to plan their liquidity requirement better, and will ensure congenial financial conditions for the recovery to gain traction, the RBI governor said.

SFB loans to MFIs get priority sector status

To soften the blow of the second pandemic on low-income groups, the RBI will provide Rs.10,000 crore for three years at the repo rate to small finance banks (SFBs) to lend individuals, small and medium enterprises (SMEs), etc. The RBI incentivised SFBs to lend microfinance institutions (MFIs) by granting priority sector lending status to such exposures. Credit will be up to 10 per cent of a bank's priority-sector portfolio as of March

31, 2021. While the facility is there until March 31, 2022, loans disbursed will continue to be classified as priority-sector lending till the date of repayment/maturity, whichever is earlier. RBI Governor Shri Shaktikanta Das said the Central bank would conduct special three-year long-term repo operations (SLTROs) of Rs.10,000 crore at the repo rate to provide cheap liquidity to SFBs. They can deploy such funds for fresh lending of up to Rs.10 lakh. This facility will be available for SFBs until October 31.

Small borrowers get Covid package from RBI

The RBI on 5th May 2021 announced a Covid package of Rs.50,000 crore for vaccine makers, medical equipment suppliers, hospitals, and even patients in need of funds to treat the disease, while opening up another round of restructuring of loans for individual and small borrowers for up to two years. The RBI also said it would be buying Rs.35,000 crore of bonds from the secondary market on May 20. This will be part of the Rs.1 trillion GovernmentSecurities Acquisition Programme (G-SAP) scheduled for the quarter, of which Rs.25,000 crore has already been done. Yields reacted positively to the RBI measures and the 10-year bonds dropped below 6 per cent.

The Rs.50,000 crore emergency health services loans, which can be given by banks till March 31, 2022, will be classified as priority sector loans for three years or repayment, whichever is earlier.

Other key measures are as follows :

- Under the scheme, banks can provide fresh lending support to vaccine makers, importers/ suppliers of vaccines, hospitals etc.
- Covid loans to be classified under priority sector
- Banks' Covid loan book equivalent can be parked with RBI at repo minus 25 bps
- Special three-year long-term repo operations of 10,000 crore at repo rate for SFBs

RBI panel to ease compliance burden

The RBI set up a new Regulations Review Authority (RRA 2.0) to streamline and increase the effectiveness of several procedures in April 2021. The authority, to be headed by Deputy Governor Shri M. Rajeshwar Rao, was set up on May 1 for a period of one year, unless the timeline is extended by the RBI.

The RBI had established an RRA back in April 1, 1999, for a period of one year to review the regulations, circulars, reporting systems, based on the feedback from public, banks and financial institutions. According to the RBI, the recommendations from the RRA helped it simplify regulatory prescriptions, paved the way for issuance of master circular and reduce the reporting burden on regulated entities.

The RBI said RRA 2.0 be tasked with making regulatory and supervisory instructions more effective by removing redundancies and duplications, if any. Also, the compliance burden on regulated entities needs to be reduced and the RRA has to revoke obsolete instructions wherever necessary. Its job will also entail obtaining feedback from regulated entities on simplification of procedures and enhancement of ease of compliance. “The RRA will also examine and suggest changes required in disseminating RBI circulars. It will engage internally and externally with all regulated entities and other stakeholders to facilitate the process.

MPC for fillip to growth

The six-member monetary policy committee (MPC) felt it was imperative to continue with a loose monetary policy to support growth, as the second wave of the pandemic turned out to be more severe than expected. “Overall, it is expected that the loss in momentum of activity could be temporary and restricted to the first quarter of 2021-22,” said RBI governor Shri Shaktikanta Das. A focus on revival and sustaining growth was the most “desirable policyoption while of course remaining watchful of the inflation trajectory”, the RBI governor said.

The second wave of Covid-19 has "altered the near-term outlook, and policy support from all sides—fiscal, monetary and sectorial—is required to nurture recovery and expedite return to normalcy," Shri Das said, adding the continuation of monetary measures to support the process was needed to make economic recovery durable. The MPC unanimously decided to keep the policy repo rate unchanged and carry on with the accommodative stance as long as necessary.

Securitisation up 61% at Rs.24K cr for NBFCs

After a few quiet quarters due to the pandemic, securitisation volumes have risen in Q3 of the current financial year with the shadow banking sector securitising Rs.24,400 crore worth of retail loan assets in the quarter, up 61 per cent sequentially, according to rating agency ICRA. "Investors and originators are seeing securitisation as a viable funding tool given the healthy collections seen across most asset classes post the end of the moratorium period in August 2020 provided under Reserve Bank of India's Covid-19 Regulatory Package". "Most investors nonetheless are maintaining stringent filters during pool selection, but there is a considerable increase in appetite for purchase of such retail pools, mainly in the secured asset class, which will augur well for the market".

SC lifts NPA standstill

The Supreme Court on 23rd March, 2021 ruled that banks cannot charge interest on interest for accounts that sought moratorium relief during the pandemic period last year and the amount so collected must be refunded in the next installment of the loan account. The cut-off for such moratorium, would be August 31, 2020, beyond which all loans that had not been repaid as per schedule can be declared as non-performing assets (NPA). Rejecting the pleas to extend the six-month loan moratorium period, the court said a complete waiver of interest during the moratorium cannot be granted either.

Banks can also finally start declaring their bad loans (loans which have not been repaid for 90 days or more), with the court vacating the interim relief granted earlier not to declare the accounts of borrowers as NPA. The original moratorium came into effect in March 2020, which ran for three months. However, in May RBI had extended the moratorium for three more months till August 31. As of August 31, 2020, on a system level, a little over 45 per cent of customers availed of the moratorium facility of the RBI and 40 per cent in terms of value.

Govt. told to cut fuel taxes to ease inflation concerns

The RBI in its Monetary Policy in February suggested that the Union and state governments reduce taxes on petroleum products to provide some relief to customers. The Centre had imposed an agricultural infrastructure and development cess on petrol and diesel at the rate of Rs.2.5 and Rs.4 per litre, respectively, in the Budget. However, the government proportionately reduced basic excise duty and special additional excise duty to make it a revenue-neutral exercise and also to ensure that consumers are not affected. The Central Bank also wants the Centre and the states to create conditions that result in a durable disinflation. "This is contingent on proactive supply-side measures," it said.

Key decisions of MPC are as under :

- The repo rates kept unchanged at 4% and an accommodative stance
- Reverse repo rate under LAF unchanged at 3.35%, while the MSF and bank rate remained at 4.25%
- CPI inflation has been projected at 5.2% for 2020-21; 5.2% for H1FY22, and 4.3% for Q3FY22; the real GDP has been projected to grow at 10.5 per cent in FY22

DFI to get direct access to RBI's funding facilities

The new development finance institution (DFI) will get direct access to funding facilities by the RBI, helping the infrastructure lender to raise funds at a cheaper rate. The central government may guarantee the bonds, debentures, and loans issued by the new DFI if the infrastructure lender wants. The DFI will be able to "borrow money from the Reserve Bank repayable on demand or on the expiry of fixed periods not exceedingninety days from the date on which the money is so borrowed against the security of stocks, funds or securities ...," according to the National Bank for Financing Infrastructure and Development Bill, 2021.

- DFI to get support from Centre through grants or contribution in cash or government securities
- Will get govt guarantee at a concessional rate of up to 0.1% for borrowings from multilateral institutions, sovereign wealth funds
- Hedging costs for borrowing in foreign currency to be reimbursed by govt
- Board of DFI to consist of chairman, MD, 3 deputy MDS, 2 directors-to be appointed by central govt institutions, sovereign wealth funds.

- Hedging costs for borrowing in foreign currency to be reimbursed by govt

- Board of DFI to consist of chairman, MD, 3 deputy MDS, 2 directors—to be appointed by central govt

Bank credit grows by 5.7%; deposits by 9.7%, says RBI

Bank credit grew by 5.74 per cent to Rs.108.43 lakh crore and deposits rose by 9.73 per cent to Rs.153.13 lakh crore in the fortnight ended June 4, 2021, RBI data showed. Bank advances stood at Rs.102.55 lakh crore and deposits at Rs.139.55 lakh crore in the fortnight ended June 5, 2020, according to RBI's Scheduled Banks'Statement of Position in India as on June 4, 2021, released on June 21, 2021. In the previous fortnight ended May 21, 2021, bank credit had grown at 5.98 per cent and deposits at 9.66 per cent. In FY2020-21, bank credit had grown by 5.56 per cent and deposits by 11.4 per cent.

■■■

Nothing in the world can take the place of perseverance. Talent will not; nothing is more common than unsuccessful people with talent. Genius will not; unrewarded genius is almost legendary. Education will not; the world is full of educated derelicts. Perseverance and determination alone are omnipotent.

-Calvin Coolidge

Covid defaulters can use MSME pre-pack

Micro, small, and medium enterprises (MSMEs) will be able to use the pre-packaged insolvency scheme for Covid-related default, which was exempt from the corporate insolvency resolution process, a senior government officials said. The pre-packaged scheme that has been introduced through an ordinance by the ministry of corporate affairs will also provide lessons to the government on increasing the scope of the provision to companies other than MSMEs. "The focus is now on MSMEs, which have a very unique character. Depending on this experience and how it is rolled out and availed by companies, we could think at a later stage whether to extend it to other companies," the senior official said.

The Ministry is also expecting the Securities Exchange Board of India to extend exemptions related to takeover code, delisting regulations to the companies acquired through the prepackaged scheme. Similar exemption from these rules is currently available to companies acquired through corporate insolvency resolutions of the scheme which would specify the minimum threshold of default companies eligible to go for pre-packaged scheme is likely to be introduced by the end of this month, according to government officials. While the ministry does not plan to have dedicated benches of NCLT yet for IBC, it plans to take steps to strengthen the capacity by filling empty posts, digitization and e-courts.

MCA facilitates tracking down of payments to MSMEs

The Ministry of Corporate Affairs (MCA) has made it easier for authorities to find out whether the company concerned is holding payments of vendors, especially micro, small, and medium enterprises (MSMEs) and for how many years. From the next month, companies are required to disclose trade payables according to their ageing — less than one year, 1-2 years, 2-3 years, and more than three years — in their financial statements.

This would be divided between MSMEs and others. Within each category, there would be further sub-categories — disputed and undisputed. On the same lines, the ageing for trade receivables will also be disclosed. Currently, companies are only required to disclose trade payables into two parts — payables to MSMEs and payables to non-MSMEs. There is no requirement to provide any ageing details. On the matter of receivables, the only requirement is to divide it between up to six months and more than six months.

In terms of MSME Development Act, 2006, any person who has purchased goods or procured services from the MSME supplier is bound to make payments within a maximum period of 45 days. Any delay beyond this makes the buyer liable to pay interest at three times the bank rate notified by the RBI.

Govt. expands credit lifeline for MSMEs

The government expanded the Rs.3-trillion Emergency Credit Line Guarantee Scheme (ECLGS) to help businesses hit by the second wave of the Covid-19 pandemic. Dubbed ECLGS 4.0, the scheme has added the civil aviation sector and loan to health institutions for on-site oxygen generation plants. The Centre has also removed the loan outstanding ceiling of Rs.500 crore of loan outstanding. However, the maximum additional loans they can take under the scheme is limited to 40 per cent of the outstanding loan, or Rs.200 crore, whichever is lower. Loans given under ECLGS 1.0 will be eligible for additional assistance up to 10 per cent, raising the total guaranteed loan up to 30 per cent of outstanding as on February 29, 2020. The 100 per cent guarantee cover offered to hospitals, nursing homes, clinics, and medical colleges for setting up oxygen plants will be available for loans up to Rs.2 crore, with the interest rate capped at 7.5 per cent.

Lenders said they have room to lend another Rs.45,000 crore under the scheme. Of the guarantee cover of Rs.3 trillion, about Rs.2.54 trillion. In a statement, the finance ministry said: “The modifications would enhance the utility and impact of ECLGS by providing additional support to MSMEs (micro, small and medium enterprises), safeguarding livelihoods, and helping in seamless resumption of business activity. These changes will further facilitate flow of institutional credit at reasonable terms.” The validity of the scheme has been extended to September 30 or till guarantees of Rs.3 trillion are issued. Disbursements can be made until December 31. The repayment period for restructured loans has been enhanced by one year to five years for loans under ECLGS 1.0.

Credit to MSMEs, agriculture rises

The credit to medium-sized industrial units posted a growth of 43.8 per cent in April, compared with a contraction of 6.4 per cent a year ago, according to RBI data. Meanwhile, credit growth to small and micro industries accelerated by 3.8 per cent in April, compared with a contraction of 2.2 per cent a year ago. However, credit to large industries contracted by 1.9 per cent, as against a growth of 2.7 per cent a year ago. On a year-on-year (YoY) basis, non-food bank credit growth stood at 5.7 per cent in April, as against 6.7 per cent last year.

Credit growth to agriculture and allied activities accelerated 11.3 per cent, compared with 4.7 per cent the previous year. Within industry, loans to segments like food processing, textiles, gems & jewellery showed higher growth rate in April than the corresponding month last year. However, pace of credit growth to mining & quarrying, beverages & tobacco, petroleum coal products, vehicles, and vehicle parts & transport equipment either slowed or contracted. Credit growth to services sector decelerated by 1.2 per cent in April 2021 from 10.6 per cent a year ago, mainly due to deceleration in credit growth to NBFCs and marginal contraction in credit to transport operators.

Personal loans registered a growth of 12.6 per cent in April 2021 as compared to 12.3 per cent a year ago. It was primarily due to accelerated growth in vehicle loans, loans against gold jewellery, and credit card outstanding, RBI added.

MSME seeking factoring credit should get ratings: Parliament panel to Govt.

The government should encourage rating agencies to provide ratings to MSMEs that seek loans based on receivables, or factoring credit, the Parliamentary Standing Committee on Finance said in its report. With the amendments to the Factoring Regulation Act, 2011, the volume of business through factoring credit is expected to expand. “This may be accomplished by encouraging the existing credit rating agencies to provide ratings for the MSMEs that are actively seeking to factor in their receivables”.

The Factoring Regulation (Amendment) Bill, 2020, was introduced in the Parliament in September 2020, and was referred to the Parliamentary Standing Committee on Finance for examination. There is often delay in MSMEs getting payment against their bills for supplying to various buyers. This leads to locking of working capital and hampering productive activities of MSMEs. The amendments seek to resolve these issues and permit more categories of NBFCs to undertake factoring business. Factoring credit constitutes only 2.6 per cent of total formal MSME credit in India. It’s estimated that only 10 per cent of the receivable market is presently covered under formal bill discounting mechanism, while the rest is covered under conventional cash credit overdraft arrangements with banks. As one of the principal instruments of working capital and trade finance, bill discounting and factoring remains underutilised. The panel suggested that best global practices be adopted to bring domestic factoring companies on a par with global peers and make credit finance more accessible to MSMEs.

IBC amended to ease resolution of MSME cases.

The government has amended the Insolvency and Bankruptcy Code (IBC) through an Ordinance, enabling prepackaged resolution schemes for micro, small, and medium enterprises (MSMEs) and allowing corporate debtors to propose a resolution plan for the stressed company. "The minimum threshold of default will be announced as part of the regulation. The prepackaged scheme has given a semi-formal structure to the pre-insolvency stage. Checks have been put to make sure the process is not abused".

The Ordinance is meant for "ensuring quicker, cost-effective and value maximising outcomes for all the stakeholders, in a manner which is least disruptive to the continuity of their businesses and which preserves jobs". A prepackaged scheme is an arrangement by which the promoter of the stressed company proposes a resolution plan to the creditors before the company goes to bankruptcy proceedings. The purpose of this scheme is not just to have a timely and faster resolution mechanism but also to give legal sanction to a plan agreed upon between banks, promoters, and the buyer. In keeping with the debtor-in-possession model proposed by the insolvency and Bankruptcy Board of India (IBBI), the board of directors or the partners of the corporate debtors will manage the company, "subject to such conditions as may be specified". While to begin with the minimum threshold of default could be Rs.1 lakh as prescribed initially for the corporate resolution insolvency process (CIRP), the Ordinance allows the government to specify a threshold of payment default of not more than Rs.1 crore for this special arrangement. Accordingly, defaults above the threshold by small business can avail of the scheme.

MSME need help

Valuations of payment gateways for the micro, small and medium enterprises (MSME) are shooting up. These gateways offer bundled services to the MSMEs which include not just receiving payments but also inventory management to help with keeping tax records. As customers even from mid income groups switch to digital payments for dealing with small shops to roadside vegetable traders, the business for the gateways has boomed. This could be surprising as the package of measures to help the MSMEs last year have made little headway. The "Fund of Funds" has not got even one financial institution interested to give it a shot.

In the middle of the second wave, Instamojo absorbed a tech company primarily to build up skills to better cover the 64 million odd MSMEs of India. Other payment gateways like Paytm, Razorpay, CCAvenue are all stretching into the same business turf.

Yet, less than a year after suffering the first Covid pandemic, thousands of MSME units are again facing devastation from the next one. The duration of the crisis may be bunched up this time but it shall certainly leave far more wrecks than the first wave. The sector contributes nearly a third of the Indian GDP (31.66 per cent of the gross value add) and totes up more than 10 million in employment. Any shake up here exacerbates inequality like no other sector of the economy, except possible agriculture.

MSME need a confidence booster

Business confidence of the MSMEs was already low. It has trailed that of the large firms through FY21, reported Ms. Bornali Bhandari, Senior Fellow at NCAER on the Business Confidence Survey, the think tank conducts. "It is a gap which widened further in the third quarter of the…..financial year".

Just weeks ago in early April, the central government had cleared an ordinance to allow "pre-packed" insolvency for MSMEs. It was expected that the ordinance will encourage these small units to approach banks with far more confidence to reorder their business. They could begin life anew after seeing off the impact of Covid. Since the threshold level for coming under bankruptcy proceedings is Rs.1 crore of default, the pre-packaged offer cuts under it. An MSME owner can offer her creditors a resolution plan before the latter moves the bankruptcy courts for recovery of money.

It is now conceivable that the ordinance may have to be put in abeyance for some time, while the ministry of corporate affairs takes stock of the damage to the sector. Else the pressure on the owners of these units could be intense as the banks try to protect their levels of NPAs.

No off-take for GOI schemes

Last year, as part of the revival package, post Covid, the finance ministry had announced several measures. These included

- Rs.20,000 crore Subordinate Debt
- Rs3 trillion collateral-free automatic loans or Emergency Credit Line Guarantee Scheme
- Rs.50,000 crore equity infusion through MSME Fund of Funds
- A new revised criteria for classification of MSMEs
- A new registration of MSME through "Udyam Registration" for ease of Doing Business
- No global tenders for procurement up to Rs. 200 crore

There is a sort of an invisible line between the third and fourth items. All the three below have been executed without fuss. They did not need money and brought up to date archaic systems in the sector.

Above the line, the three schemes have all seen very dismal performance. To make any headway all of them will certainly need a rejig.

Since they have not delivered, the mood in the MSME sector has not particularly improved. Ms. Bhandari notes that about 75 per cent of the universe NCAER surveyed were not aware of the Emergency Credit Line Guarantee Scheme as in December 2020. "During the survey and after it, some firms reached out to us inquiring about the details of the scheme and how to utilize it" she noted in an article in Indian Express.

Data from the Ministry itself shows the scale of the problem. The Emergency Credit Line is the largest reach out by the government for the MSMEs. The ministry had reasons to be pleased that of the total Rs.3 lakh crore it had offered, 82 per cent had been used up by March this year.

But calculated by another measures, only 87 lakh MSMEs have dipped into this pot. It means less than 14 per cent of the total number of the eligible units in the country had been helped by the measure. By any reckoning it is difficult to believe that only such a small percentage of them needed the support especially after a country wide freeze on business, in the first quarter of FY21.

Under the Emergency Credit scheme the government offered a loan to these units to cover their payment obligation to banks if they had become substandard due to the Covid crisis. As the ministry's own data shows less than one in five such units applied and got the loan. It could be that they realised they shall have to pay back the loans at some stage to the government. It is not surprising. An older credit linked capital subsidy scheme to upgrade technology drew in just 76,759 units from the whole country. When the scheme was wound up last year it had written out cheques for only Rs.4,867.58 crore. The other two schemes have performed far worse than even this standard. One of these was a Rs. 20,000 crore subordinate debt offered to the promoters as an equity support, so that they qualify for restructuring their loans taken from banks.

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Each soul today is the way they are because of all the sanskars and karmic accounts they have created on the journey of taking different births in different environments and facing different situations.

Health Care !
Ketogenic Diet

What is a Ketogenic Diet?

The ketogenic diet is a low-carb, high-fat diet that resembles the Atkins and low-carb diets in many ways. It entails substantially lowering carbohydrate intake and substituting fat. This decrease in carbs causes your body to enter a metabolic state known as ketosis. Your body becomes very effective at burning fat for energy when this happens It also causes fat to be converted to ketones in the liver, which can be used to provide energy to the brain. Ketogenic diets can lower blood sugar and insulin levels significantly. This, combined with the increased ketones, offers a number of health advantages. The ketogenic diet comes in a variety of forms, including :

- Standard ketogenic diet (SKD): This is a very low carb, moderate protein and high fat diet. It typically contains 70% fat, 20% protein, and only 10% carbs.
- Cyclical ketogenic diet (CKD): This diet involves periods of higher carb refeeds, such as 5 ketogenic days followed by 2 high carb days.
- Targeted ketogenic diet (TKD): This diet allows you to add carbs around workouts.
- High protein ketogenic diet: This is similar to a standard ketogenic diet. The ratio is often 60% fat, 35% protein, and 5% carbs.
- However, only the traditional and high-protein ketogenic diets have been thoroughly researched. More advanced ketogenic diets, such as cyclical or targeted ketogenic diets, are largely employed by bodybuilders and athletes.
- Although many of the same concepts apply to all variations of the ketogenic diet, the information in this article largely refers to the standard ketogenic diet (SKD).

What is Ketosis?

It's a metabolic state in which your body burns fat instead of carbohydrates for energy. It occurs

when you drastically restrict your carbohydrate intake, decreasing your body's availability of glucose (sugar), which is the cells' primary source of energy. The most effective strategy to enter ketosis is to eat a ketogenic diet. In general, this entails restricting carb intake to 20 to 50 grams per day and focusing on fats such meat, fish, eggs, nuts, and good fats. It's also crucial to keep your protein intake in check. This is because if you eat too much protein, it will be turned to glucose, which will slow down your ketosis.

Health benefits of Keto

The ketogenic diet was originally developed to treat neurological illnesses like epilepsy. Studies have now proven that eating a healthy diet can help with a wide range of health issues :

- Heart disease. Body fat, HDL (good) cholesterol levels, blood pressure, and blood sugar levels can all benefit from a ketogenic diet.
- Cancer. Because it may help limit tumor growth, the diet is currently being researched as an additional cancer treatment.
- Alzheimer's disease. The keto diet may assist to alleviate Alzheimer's disease symptoms and halt the disease's progression.
- Epilepsy. The ketogenic diet has been found in studies to help children with epilepsy have fewer seizures.
- Parkinson's disease. Although additional

research is needed, one study found that the diet can help with Parkinson's disease symptoms.

- Polycystic ovary syndrome. The ketogenic diet can aid in the reduction of insulin levels, which may be important in polycystic ovarian syndrome.
- Brain injuries. According to some studies, eating a healthy diet can help people recover from traumatic brain injuries.
- A sample keto meal plan for 1 week
- To help get you started, here's a sample ketogenic diet meal plan for one week:

Monday

- breakfast: veggie & egg muffins with tomatoes; lunch: chicken salad with olive oil, feta cheese, olives, and a side salad; dinner: salmon with asparagus cooked in butter

Tuesday

- breakfast: egg, tomato, basil, and spinach omelet; lunch: almond milk, peanut butter, spinach, cocoa powder, and stevia milkshake with a side of sliced strawberries; dinner: cheese-shell tacos with salsa

Wednesday

- breakfast: nut milk chia pudding topped with coconut and blackberries; lunch: avocado shrimp salad; dinner: pork chops with Parmesan cheese, broccoli, and salad

Thursday

- breakfast: omelet with avocado, salsa, peppers, onion, and spices; lunch: a handful of nuts and celery sticks with guacamole and salsa; dinner: chicken stuffed with pesto and cream cheese, and a side of grilled zucchini

Friday

- breakfast: sugar-free Greek, whole milk yogurt with peanut butter, cocoa powder, and berries; lunch: ground beef lettuce wraps tacos with sliced bell peppers; dinner: loaded cauliflower and mixed veggies.

Saturday

- breakfast: cream cheese pancakes with blueberries and a side of grilled mushrooms; lunch: zucchini & beet "noodle" salad; dinner: white fish cooked in coconut oil with kale and toasted pine nuts.

Sunday

- breakfast: fried eggs with and mushrooms; lunch: low carb sesame chicken and broccoli; dinner: spaghetti squash Bolognese.

Always aim to rotate your vegetables and meat, as each type delivers various nutrients and health advantages. Keto Tips and Tricks :

- Although getting started on the ketogenic diet can be difficult, there are a few methods you can do to make it go more smoothly.
- To figure out how your favorite foods can fit into your diet, familiarize yourself with food labels and check the grams of fat, carbohydrates, and fiber.
- It's also a good idea to plan your meals ahead of time so you can save time during the week.
- Keto-friendly recipes and meal ideas can be found on a variety of websites, food blogs, apps, and cookbooks.
- Alternatively, for a quick and simple way to eat keto meals at home, certain meal delivery services offer keto-friendly selections.
- If you're going to a social gathering or visiting relatives and friends, consider packing your own food, which can help you reduce cravings and stick to your meal plan. ■■■

Why RBI doesn't agree with idea of printing money

Nobel Laureate Shri Abhijit Banerjee said India should print money to finance the government´s fiscal deficit, offering advice for an economy devastated by a second wave of Covid19 infections

Other experts disagree with the idea and the RBI, which has the sole right to print money, is not comfortable with it as well. Here are key things to know about printing money to finance deficit:

How money is printed

The RBI has two ways to infuse money in the system. One is by buying dollars from the market while infusing rupee liquidity in return. The second way is to buy government bonds from the secondary market and pump in liquidity.

These are two generic ways to infuse money. The Central Bank expands its balance sheet through foreign currency assets when it purchases dollars. When it buys government bonds, the expansion is made by buying domestic assets.

What is deficit financing by printing money

Buying bonds from the secondary market to infuse liquidity is an indirect way of financing the government´s fiscal deficit.

There is a direct way as well: when the government privately places bonds with the RBI. India used this system in the mid1990swhen the government placed adhoc treasury bills with the RBI. Fiscal deficit was automatically monetised through adhoc treasury bills, which were issued by the RBI on behalf of the Centre to itself at a fixed rate. RBI is the government´s merchant banker, managing its fund raising programme. It issues government bonds to the banks to raise the funds. Simply put, RBI subscribed the bond issues it had made. When Shri Chakravarthi Rangarajan was the RBI governor in 1997, the policy of automatically monetising the government´s fiscal deficit was discontinued.

Why direct financing of deficit is being demanded now

There is again a debate whether India should undertake automatic monetisation of the deficit, given the hurt to its economy. Some former central bankers have supported such a move. It is an unconventional policy also known as helicopter dropping of money: a term coined by American economist Milton Friedman in 1969.

India´s GDP contracted by 7.3 per cent in 2020-21, the first time it happened in 40 years. Various quarters want more money pumped into the economy to revive GDP growth. The RBI took a growth supportive stance after the pandemic broke out last year, reducing the repo rate by 115 bps between March and May of 2020.

Further interest rate cuts were not possible after that though: repo rate is at 4 per cent, whileaverage retail inflation in FY21 was 6.2 per cent and for FY22 it is projected at 5 per cent. The RBI opened a liquidity tap in April - namely Government Securities Acquisition Programme - to buy government bonds from the secondary market. RBI governor Shri Shaktikanta Das announced on June 04, 2021 the second version of the GSAP. GSAP 1.0 was worth Rs.1 trillion; GSAP 2.0 will be of Rs.1.2 trillion and it will buy state government bonds as well. Shri Das also announced keeping the repo rate unchanged.

What are the drawbacks of such a move

There is an argument that the central bank is printing money and buying bonds from the secondary market, so the objective of economy stimulus is fulfilled. Hence, there is no need for a direct purchase on bonds

“ I am not in favour of such a move that is private placement of bonds to RBI by the government,” said Shri Indranil Pan, chief economist at YES Bank.

“ The RBI, through its balancesheet and its participation in the secondary market, is doing exactly that [pumping money]. Quantitative easing….open market operations etc, is happening in any which way. The whole reason why the private placement was taken off was to guide the government towards a discipline towards its borrowing and fiscal deficit,” Shri Pan told

There is apprehension that such direct financing of the deficit will hurt fiscal prudence. The country has repeatedly pushed back its target of achieving 3 per cent fiscal deficit.

Shri Pan said that direct monetisation of the deficit can have a bearing on maintaining fiscal discipline. “ Till the point in time RBI, with all the tools, was able to cap the yield movement - the purpose was achieved,” he said.

RBI´s view on the issue

The central bank has managed the borrowing programme well. It managed, in the last financial year, a government borrowing of Rs.12.8 trillion, at rates lowest in 16 years. The government has announced, for this financial year, a borrowing of Rs.12.05 trillion. The figure is likely to rise due to an anticipated shortfall in GST revenue collection.

The yield on 10 year government bond has been hovering around 6 per cent since GSAP 1.0 in April, allowing the RBI say the borrowing cost is under check as bond yields are under control. Governor Shri Das made this point on June 04, 2021. “Regarding the printing of notes, the central bank has their own models and their own assessments. The central bank, with regard to printing notes, takes the decision on the basis of many complex factors, relating financial stability, inflation, exchange rates,” he said during the post monetary policy interaction with the media.

“RBI has been managing the borrowing requirements of the states and Centre very successfully. Last year the borrowing rates were lowest in 16 year. This time also RBI has taken measures in terms of GSAP 1.0 and GSAP 2.0. In addition to Rs. 60,000 crore auctions under GSAP 1.0 done so far, RBI has injected another Rs. 36,000 crore. The borrowing is going on smoothly," he said, indicating his views on the issue of automatically financing the government’s fiscal deficit.

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