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Editorial Board

Contents

HOW GOODS AND SERVICE TAX WILL BENEFIT THE NATION

* Hasmukh Adhia

After a long wait of 10 years, the goods and services tax (GST) is now a reality. Most of the work required for implementation of GST from July 1, 2017 has been completed. Trade and industry outreach programmes are in full swing. It is time now to reflect on the possible benefits of this new tax regime to trade and industry, to consumers, to the government and to the entire economy.

The prime benefit of GST is that India will become a common market. One product or service will have a single tax rate in any part of the country. The multiplicity of taxes on the same commodity or service will now go.

No more taxes that are barriers to industry such as octroi or entry tax. This obviously means that trade and industry will have a much lesser compliance burden compared with the current regime in which they have to file different returns with different authorities for different taxes. The consumers also would better understand the total incidence of tax on the product or the service they are buying.

The total incidence of taxation on a product or service is likely to come down for most items. This will happen because of the removal of cascading of taxation, and availability of seamless flow of credit across the value chain. If goods are produced in which services are used, the input tax credit of taxes paid on services will be available and vice versa.

Also, there is a provision in the GST law that, by chance, if taxes paid on the inputs are more than the tax rate of the output liability, refunds will also be given except in certain items such as work contracts. Such a scientific system of

taxation removes all hidden taxes and brings down the overall burden of taxes. This will benefit consumers immensely.

GST is going to be a big milestone for Make in India also. Today, when goods are imported, there is a levy of countervailing duty (CVD), which is equivalent to excise duty paid by the domestic manufacturers of the same product. In many cases, there are CVD exemptions even where local goods attracted excise duty. Under GST, all these exemptions will go away.

Also, while local manufacturers of goods pay full value added tax (VAT) in addition to excise, imported goods attract only 4 per cent special additional duty. This also gave negative protection to domestic manufacturers of goods.

Under the GST regime, all goods that are imported will pay the full rate of central+state GST in the form of integrated or IGST. That will provide a complete level playing field to domestic manufacturers vis-à-vis imported goods. Of course, importers can use this IGST credit to discharge their liability for CGST and SGST when the same goods are sold within the country.

Also, GST is likely to promote exports from India. When goods are exported, the taxes paid on those products within the country are supposed to be fully refunded. While there is a system of duty drawback today by which central taxes paid on exported items are refunded, the same is not true of VAT paid on the inputs of exported items.

There are many states that either do not refund VAT paid on exports or give such refunds after one or two years. Under the new GST regime, the entire refund of CGST or SGST paid on inputs of exported items will be fully paid by a single authority—either the state government or the central government.

It is also decided that 90 per cent of refunds will be given provisionally within seven days of receiving the complete application for online refunds. Also, for special economic zones (SEZs), there is a provision to bring goods from abroad or from domestic tariff area without payment of IGST. This means that as far as SEZs are oncerned, there will be no blockage of working capital. With exports being boosted, Make in India will also get a big lift.

GST, being an end-to-end IT-enabled tax system, is expected to bring buoyancy to government revenue. This will happen because of the attraction of taking input tax credit by purchasing goods from registered dealers, which will incentivise everyone to come into the tax net. Also, there will be a reduction in refund frauds or input tax frauds because of invoice-wise matching of B2B transactions.

A question is raised by many—'How is it possible that consumers will pay less under GST and the government will also gain?' They say that if the government is gaining, obviously the consumers will pay more! Let me explain this properly. Today there are dealers who try to remain outside the tax chain and pocket the benefits of taxes not paid while keeping the consumer price the same as tax-paid goods.

These traders are pocketing the benefits of tax evasion while the government is deprived of revenue and consumers are also not benefited.

When this activity of tax theft will go away under GST, both consumers as well as the government will gain. So basically, the extra revenue of the government will not come from the consumers' pocket but from reduction of tax theft.

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Courtesy: The Economic Times.
The writer is the Revenue Secretary, MoF, Govt. of India

Technology is just a tool. In terms of getting the kids working together and motivating them, the teacher is the most important.

IMPACT OF CHANGE IN THE CURRENCY ON THE INDUSTRIES WITH SPECIAL REFERENCE TO THE SLFIS

***Rajesh Bhatnagar**

On 8th November, 2016, Prime Minister Shri Narendra Modi announced withdrawal of legal tender status of existing Rs. 1000/- and Rs. 500/- denomination notes and also introduced new Rs. 2000/- and Rs. 500/- denominations notes. Main objectives of this exercise were to fight black money, counterfeit currency in circulation, terrorist funding and also to curb parallel economy i.e. cash economy.

As a result, 86% of total currency in circulation in the country has been removed and limits have been introduced on exchange of old notes and withdrawal of cash from bank accounts in new currency. As of now, RBI has replenished 30% of new currency into the system. However, the Government of India has made it clear that it will not replenish the entire currency withdrawn from the system and it will reduce the currency in circulation from the existing levels.

Before we assess the impact of change in currency on the industries, we should first understand the working of industries in the country. The industrial sector has been classified into Micro, Small, Medium and Large scale. Another classification is formal and informal sector. The formal sector consists of the businesses, enterprises and economic activities that are monitored, protected and taxed by the Government. On the contrary, the businesses, enterprises and activities that make up the informal sector are not registered with or taxed by the Government. For this reason, the informal sector is sometimes referred to as terms like shadow economy, parallel economy or black economy. According to some studies conducted in the past, the size of this parallel economy is estimated at around 50 to 60% of the GDP of India and this sector provides employment to more than 90% labour force. However, this informal sector has no access to any form of institutional credit.

Shri Rajesh Bhatnagar

Now this entire informal sector and a major part of formal sector are relying highly on cash transactions so as to avoid tax and other regulatory compliances. In other words, only a very small portion of these transactions is routed through the banking system.

With the points mentioned above in mind, let us discuss impact of currency change. This impact assessment is divided into four parts:-

- Impact on Indian Economy
- Impact of Industries
- Impact on Banking System
- Impact of SLFIs

Impact on Indian Economy :

India is a country of 1.30 billion people and according to RBI data, cash still accounts for 90% of all monetary transactions. Demonetizing 86% of currency in a country like this is an unprecedented move and hence it is quite difficult to assess the impact of this move on the economy. However, an attempt is being made to assess the impact based on reports coming in from various sources and views expressed by top Indian and International Economists.

Short Term Impact

It is most likely that due to limited supply of new currency on account of printing capacity constraints, cash crunch in the economy may prevail till March, 2017. This is going to hit both formal as well as informal sector and a slowdown in the economy for two quarters i.e. Q3 & Q4 of current financial year 2016-17 seems inevitable. Informal sector is going to be hit worst as it is relying entirely on cash. Production will come down, capacity utilization will decrease and some micro and small scale industries may face complete shutdown. Labour force in the agriculture sector and small scale industrial sector (particularly daily wage earners) may also face partial or complete unemployment.

Medium Term Impact

With the demonetization move coupled with other policy initiatives announced by Government of India till now and proposed to be announced in the forthcoming Budget like a gradual shift towards lower tax rate/interest rate regime, a major portion of informal sector or parallel economy may be encouraged to shift towards formal sector. The overall size of Indian Economy (accounted as well as un-accounted) may not increase but the size of accounted Indian Economy will most certainly increase and the GDP of India may see a jump of 2 to 3% from its current level (pre-demonetization). It is expected that India may achieve a double digit GDP growth rate in 2017-18.

Impact on Industries

Here again it is expected that industrial production will go down in the short term as there is no purchasing power in the hands of the consumers and they are postponing their purchases for the present. As soon as the liquidity improves with the increase in supply of new currency into the system, consumers will start purchasing again and the demand will go up. The industrial units in the formal sector will bounce back faster as compared to the units in the informal sector. As the formal sector units are already transacting partially through banking system and their switch over to banking system completely will be fast and smooth. The informal sectors units may take a longer time to switch as they would be required to go through process of registrations with various departments like Industries, Sales Tax, Income Tax, Labour etc. Further, they will also require funds to be raised through authorised channels viz. Banks/FIs, NBFCs, MFIs etc.

It needs special mention here that the demand still exists in the country but it is being postponed temporarily on account of cash crunch. The recovery in this sector depends on two factors i) how quickly the consumers switch over to non cash mode of payments and ii) willingness of industries to shift from informal sector to the formal sector which is well regulated and tax compliant.

Keeping in view the points mentioned above, it is expected that the recovery signs may start appearing in February-March, 2017. However, the complete picture will evolve in the next financial year i.e. 2017-18.

Impact on Banking System

The banking system of India is already over burdened and stressed due to various factors viz. increasing non-performing assets, decrease in demand of bank credit, reducing profit margins, management of currency crisis etc. However, there exists a big opportunity for the entire banking system post demonetization. The anticipated benefits are as under:-

Improved Liquidity

Big denominations notes worth Rs. 15 lac crores have been withdrawn from circulation and Government of India has already given indications that entire currency withdrawn shall not be replenished. If we assume that only 75% currency will be put back into circulations, banks will be having Rs. 3.75 lac crore surplus liquidity available with them.

Reduced Cost of Funds

The cost of funds for the Banks will come down substantially on account of surplus liquidity available with them as mentioned above. Hence, they may reduce interest rates on loans as well as deposits.

Prospective Demand for Credit

As more and more businesses, enterprises and economic activities will switch from informal sector to formal sector, demand for institutional finance is bound to increase swiftly. In addition, reduction in interest rates on commercial and retail loans will further increase the demand.

Impact on State Level Financial Institutions (SLFIs)

We have discussed the possible impacts of change in currency on Indian Economy, Industrial Sector and Banking System. SLFIs can play a vital role in the circumstances mentioned above. As stated earlier, demand for institutional credit will increase, interest rate will come down and SLFIs may be able to increase their market share on account of the following points:-

Major demand for institutional credit will come from informal sector now switching to formal sector comprising of micro and small scale sector and SLFIs have developed an undisputed expertise in providing financial assistance to micro, small and medium enterprises. SLFIs in last six decades have promoted first generation entrepreneurs, green field projects all across their respective states.

It is most unlikely that Banks will be able to grab this opportunity as they are already reeling under various pressures viz. Higher NPAs, Financial Inclusion Drive, Currency Crisis Management and one new challenge i.e. implementation of Cashless Society Movement initiated by Government of India.

SLFIs may also replace the private financiers who were providing credit to the informal sector on abnormally high rate of interest.

As Banks are flushed with funds at present, SLFIs may raise funds from Banks at competitive rates for onward lending to industrial sector. Banks will also prefer wholesale lending over direct lending as this will reduce their risk substantially.

Conclusion: The future of Indian Economy is uncertain and it is very difficult to estimate the impact of demonetization but one thing is certain that the economy is going through a revolutionary phase and the entire banking system and institutional finance providers must keep themselves ready for unforeseen challenges as well as opportunities. Their pro-active and positive approach, innovative strategies coupled with market oriented designer products and services will provide them opportunities to achieve greater heights in their respective operational areas.

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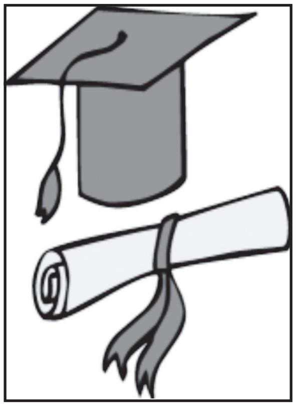
The Author is Shri Rajesh Bhatnagar, Manager, MPFC and has won the 2nd Prize in the Essay Competition, 2016 organised by COSIDICI.

APPOINTMENTS

- Shri S.N. Sahai, IAS has been appointed as Chairman & Managing Director, Delhi Financial Corporation {DFC}, New Delhi vice Shri Janak Digal, IAS.
- Dr. Raja Sekhar Vundru, IAS has been appointed as Managing Director, Haryana State Industrial & Infrastructure Development Corpn. Ltd. {HSIIDC}, Chandigarh vice Shri Sudhir Rajpal, IAS
- Shri Atulya Misra, IAS has been appointed as Chairman & Managing Director, Tamilnadu Industrial Development Corpn. Ltd. {TIDCO}, Chennai vice Shri C.V. Sankar, IAS
- Shri R. Vasuki, IAS has been appointed as Managing Director, State Industries Promotion Corpn. of Tamilnadu Ltd. {SIPCOT}, Chennai vice Dr. R. Selveraj, IAS.
- Shri Ranvir Prasad, IAS has been appointed as Managing Director, Uttar Pradesh Industrial Development Corpn. Ltd. {UPSIDC}, Kanpur vice Shri Manoj Singh, IAS.



- Shri P.K. Mohanty, IAS has been appointed as Managing Director, Uttar Pradesh Financial Corporation {UPFC}, Kanpur vice Shri Mohammad Iftakharuddin, IAS.
- Shri Narayan M. Gad has been appointed as Managing Director, Goa Industrial Development Corporation {Goa-IDC}, Panaji vice Shri Umesh Chander Joshi.

People who work together will win, whether it be against complex football defenses, or the problems of modern society.

Coming together is a beginning; keeping together is progress; working together is success.

LETTER TO THE EDITOR

Date April 25, 2017

Dear Editor,

It gives me great pleasure to learn that the COSIDICI is felicitating successful industrial units financed by State Level Financial Institutions {SLFIs}. It is very useful and informative magazine, especially for MSMEs and would not only help them understand the role of SFCs and SIIDCs but also bring about positive interaction between them I am sure this Journal will prove to be a guide for economic upliftment of the country and entrepreneurs.

Harkanwar Singh

Please accept my heartiest congratulations on this unique accomplishment which will keep COSIDICI name alive among the generations to come.

With warm regards,

Yours sincerely,
Sd/-
(Harkanwar Singh)
Managing Editor
Peep India An English Weekly Newspaper
SCF-13 (G.F.),
Phase-10, S.A.S. Nagar,
Mohali (Punjab)

Accept the things to which fate binds you, and love the people with whom fate brings you together, but do so with all your heart.

PROFILE OF MEMBER CORPORATIONS

Zoram Industrial Development Corporation (ZIDCO)

Zoram Industrial Development Corporation (ZIDCO) develops Industries in Mizoram. At present Shri Zothan Khuma, ITS is the Managing Director of ZIDCO.

Loan Recovery is the main source of fund of ZIDCO. One Time Settlement Scheme (OTS) was introduced during 2008 – 2009 and extended to Financial year 2010 – 2011 by waiving 100% penal interest and 100% normal interest only in the cases of loans from IDBI/SIDBI. This was made possible by negotiating with SIDBI which waived 75% normal interest and 100% penal interest. The refinance balance outstanding balance outstanding to SIDBI amounting to Rs.872.00 lakhs was paid and liquidated during 2008 – 2009. ZIDCO recovered Rs.383.58 lakhs under OTS Scheme during 2008 – 2009. The Corporation has diversified its activities as under :

- Steel Authority of India Ltd. has appointed ZIDCO as Consignment Agency of SAIL Products for Mizoram. ZIDCO is earning Rs 7.92 lakhs every year.
- Handling of Coal Quota for Mizoram : The Government of Mizoram has nominated ZIDCO as State Nominated Agency of Coal Quota for Mizoram. During 2009 – 2010 Coal India Ltd. (CIL) had allotted 10,000 MT of coal of ZIDCO.
- Construction Agency of JNV School at SAIHA : ZIDCO has been appointed as the Construction Agency of JNV School Building at Saiha to get 10% commission of the project cost of Rs. 14.00 crores. The appointment was given by the Department of Navodaya Vidyalaya Samiti, Ministry of Human Resources, New Delhi.
- Integrated Infrastructure Development Centre (IIDC) : The Govt. of Mizoram appointed ZIDCO as Implementing Agency of IIDC. IIDC at Pukpui, Lunglei with the project cost of Rs. 481.00 lakhs, was implemented in 2005 and IIDC at Zote, Champhai with project cost of Rs. 456.93 lakhs is almost complete.

- Power Plant & Coal Mine : (ZIDCO) proposes to apply to the Govt. of India seeking allocation of Coal Blocks, outside Mizoram, under Government dispensation scheme. The coal from these coal blocks shall be utilized for generation of power or other permitted uses. The selected party shall form a special purpose vehicle 1 (SPV 1) with ZIDCO for development and operation of Coal Mine. The share equity of ZIDCO shall be 51% and the selected party share equity shall be 49% in the SPV 1. The SPV 1 shall be registered as a company with the Registrar of Companies. The Fund towards share equity of ZIDCO shall be provided for by the selected party. The Coal Mined from the allotment Coal Blocks shall be supplied by the SPV 1 to the Power Plant. The Power Plant referred above shall be developed and operated by a new SPV 2 which shall be formed by the selected party and ZIDCO.
- Administrative Building : The Govt. of Mizoram allotted a site at New Secretariat Complex. ZIDCO has shifted office in its own building there from May, 2011.

DO YOU KNOW !

Some Amazing Properties of Lemongrass Oil

Antibacterial/Antifungal: The sweet grassy fragrance of lemongrass comes from citral, sometimes called lemonal. This organic compound has potent antibacterial and antifungal properties.

Antipyretic: Antipyretics are substances that can bring down a high fever. Lemongrass oil has the ability to do just this and is often used in tea to reduce dangerously high fevers. It is able to reduce a high fever by encouraging perspiration.

Anti-inflammatory and Antioxidant: Some of the essential oil compounds found in lemongrass also have anti-inflammatory and antioxidant qualities.

Carminative: Lemongrass oil helps to remove excess gas from the intestines and keeps gas from forming.

Sedative: One of the most recognized characteristics of lemongrass oil is its ability to promote feelings of peace and tranquility. This is useful for people who have a hard time relaxing or sleeping.

Anticarcinogenic: Limonene has been found by some research to have significant anticarcinogenic properties. A flavonoid compound known as luteolin, also found in lemongrass, has been linked to combatting cancer cells. Luteolin may also assist with improving symptoms of lung infections and multiple sclerosis.

Antiseptic: Lemongrass oil can help clean internal and external wounds and keep infection at bay.

Astringent: An astringent helps stop blood flow by contracting blood vessels. In cases where there is severe bleeding, an astringent can mean the difference between life and death. Lemongrass promotes contraction of hair follicles, muscles, skin and blood vessels.

Diuretic: Lemongrass oil increases urination that helps in the reduction of toxic buildup and swelling. Frequent urination helps to keep the kidneys clean as well.

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The way a team plays as a whole determines its success. You may have the greatest bunch of individual stars in the world, but if they don't play together, the club won't be worth a dime.

Exports Increase By 27.6% and Imports by 45% in March

India's merchandise exports increased at the fastest pace in almost six years by 27.59% to $29.2 billion in March led by an overall rise in shipments across sectors even as a steeper rise in imports by 45.25% due to firmer commodity prices widened the trade deficit to $10.4 billion. This is the seventh consecutive month of rise in exports this year. Twenty-five out of 30 sectors showed an increase in exports led by iron ore. India's imports in March were $39.6 billion of which gold imports were $4.1 billion, up 329% year-on-year. Imports too rose at a six-year high. India exported goods worth $274.6 billion in 2016-17, 4.7% higher than $262.2 billion in FY16. Trade deficit in 2016-17 was $105.7 billion. The pace of growth of non-oil, non-gold imports firmed up to 19.8% indicating strengthening domestic demand.

Factory output grows at 5-month high

Manufacturing sector grew at its fastest pace in five months in March, marking the third month of expansion, on surge in domestic and export orders, according to a monthly survey in April. The survey also showed that the inflationary pressure eased in the sector as input prices rose at a slower pace and the corresponding easing of output prices helped boost demand. The Nikkei Markit India Manufacturing Purchasing Managers' Index increased to 52.5 in March from 50.7 in February.

Tax collection up 18%

Tax collections at Rs.17.1 lakh crore for 2016-17 exceeded the Revised Estimates (RE) of Rs.16.97 lakh crore by 0.8 per cent. The tax collection figures in 2016-17 were 18 per cent higher than the previous fiscal year's figures and the highest growth in the past six years, according to Revenue Secretary Shri Hasmukh Adhia. With these tax numbers coupled with a spurt in disinvestment proceeds in March, the Centre will be able to rein

in its fiscal deficit at 3.5 per cent of the country's gross domestic product (GDP), as budgeted. Direct tax collections were Rs.8.47 lakh crore, same as in the RE, and 14.2 per cent higher than in the previous year. Indirect tax collections were Rs.8.63 lakh crore, higher than RE Rs.8.5 lakh crore, and 22 per cent higher than in 2015-16. Corporate tax collections grew 6.7 per cent, year-on-year (YoY), lower than the projected 8.97 per cent. Income tax (I-T) collections have increased 21 per cent.

Excise duty collections were Rs.3.83 lakh crore, slightly lower than RE of Rs.3.87 lakh crore. Service tax collections at Rs.2.54 lakh crore were higher than the RE of Rs.2.47 lakh crore, growing 20.2 per cent from the previous year's Rs.2.1 lakh crore. Customs duty yielded Rs.2.26 lakh crore, higher than the RE of Rs.2.17 lakh crore.

Advance tax mop-up rises only 6% in Q4

India's top 100 companies paid six per cent more advance tax in the March quarter than they did a quarter ago. Of these, 43 companies contributed Rs.29,239 crore, according to the income tax (I-T) data, which is a reflection of corporate India's financial health. The advance tax paid by the same 43 companies in the December quarter was Rs.27,584 crore. The March 2017 figures are around eight per cent higher than those of March 2016. In the December quarter, advance tax payment for the top 43 companies grew 10.12

per cent over the September quarter. The single-digit growth in the March quarter was mostly driven by advance tax paid by public sector undertakings like State Bank of India (SBI), Life Insurance Corporation (LIC) and Indian Oil. Private companies reported either a decline or a small single-digit increase in their tax outgo.

Govt seeks approval to spend Rs.14,787 crore more in FY17

The government in March 2017 sought Parliament's approval for gross additional expenditure of Rs.11.35 lakh crore for FY17; given the savings by ministries and enhanced receipts, the net cash outgo would be only Rs.14,787 crore. The additional spending for which Parliament's approval has now been sought would be panned out across food, telecom, defence and MSME sectors. It won't lead to any extra borrowings by the Centre this fiscal year as tax receipts would be more than Budget target.

In its third and final supplementary demand for grants for FY17, the government sought to spend extra Rs.3,500 crore under price stabilisation fund that aims to create a buffer stock of essential food items like pulses and onion to check price rise. It also made a provision of Rs.3,293 crore towards payment of one-rank- one-pension (OROP) arrears and allowances to armed forces after implementation of the 7th pay panel award. Other major additional spending includes an allocation of Rs.782 crore for providing grants for the creation of capital assets under Pradhan Mantri Awas Yojana. A provision of about Rs.400 crore has been made to give salaries and repay loans of Kota-based Instrumentation Ltd, which is being closed. The government has revised FY17 Budget expenditure to Rs.20.14 lakh crore, Rs.36,000 crore more than the initial estimate to continue to spend its way out of the sluggishness in economic activity in the private sector.

Forex reserves at $371.14bn

Foreign exchange reserves rose by $1.250 billion to $371.14 billion for the week to April 21, helped by an increase in foreign currency assets, according to the RBI data. In the previous week, reserves had risen by $889.4 million to $369.887 billion.

Expressed in US dollar terms, FCAs include the effects of appreciation/depreciation of non-US currencies, such as the euro, pound and the yen, held in the reserves. Gold reserves remained unchanged at $19.869 billion, the apex bank said. The special drawing rights with the International Monetary Fund were up by $5 million to $1.451 billion. The country's reserve position with the Fund too rose by $7.7 million to $2.331 billion, RBI said.

Unido to Double India Spend, Focus on 5 Cities

In an attempt to enhance Indian cities' credit-worthiness and improve their ability to access financing, the United Nations Industrial Development Organization (Unido) plans to double its spend in India this year with a sharp focus to develop sustainable cities. This, according to Mr. Philippe Scholtes, managing director of Unido, will help in linking Indian cities to international city networks. We target at this point five cities across the country — Bhopal, Vijayawada, Guntur, Mysore and Jaipur. The project we are launching now is part of a global programme funded by the Global Environment Facility and co-implemented by the World Bank and Unido. The programme is known as Integrated Approach Programme on Sustainable Cities. In India, Unido spent around $4million in 2013 and 2014 annually, raised its expenditure to $7 million annually in 2015, and is targeting a figure of $16 million in 2017 on the back of a batch of new projects such as the one on sustainable cities.

Unido currently manages a portfolio of 18 projects in India with a total value of $70 million that is entirely grant or nonrefundable assistance of which $34.7 million have been spent in recent years, leaving another $35.3 million for future expenditures. The organisation has identified inefficient institutional capabilities, lack of coordination between national and local authorities, scant qualified human resource and short-term planning with poorly integrated approach for city development as challenges in urban planning in India.

"Coherent strategies are frequently developed and implemented by different responsible bodies but lacking coordination, sometimes resulting in contradictory actions being undertaken". Citing insufficient innovative funding schemes for investment projects, Mr. Scholtes said public-private partnership implementation still has challenges that need to be overcome and that continuity of investment projects is often impaired. To overcome the challenges, Unido will continue to provide technical assistance in the areas of chemicals and waste management, industrial energy efficiency, industrial applications of renewable energy, especially solar, eco-industrial parks and industrial upgradation in the sectors of cement, pulp and paper, and bicycle manufacturing.

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QUESTIONS OF CYBERQUIZ ~ 65

Q.1 Who is a script-kiddle or script kiddy ?

[a] A very young programmer of school-going age; [b] A very young hacker; [c] A new hacker who does not have sophisticated knowledge and skills of traditional hacking and relies instead on easy to use kiddie scripts.

Q.2 What do members of a "tiger team" do ?

[a] Organize flash mobs; [b] Provide online service relating to programming bugs for free; [c] Expose errors or security holes in new software or computer networks; [d] Engage in cyberterrorism.

Q.3 Who is a bigot in the computer field ?

[a] A person who uses the computer networks and the Net to spread religious hatred; [b] A person who uses computer networks and the Net to propagate his religion; [c] A person who is highly addicted to computer; [d] A person who is so religiously attached to a particular computer, language, O/S, or some other tools that she or he refuses to learn alternatives even when hishe or her favourite tool is soon going to be obsolete.

Q.4 Who is a domainist ?

[a] A person who has email IDs with many email service providers; [b] A person who does not stick to one domain name i.e. keeps on registering domain names and discarding them in favor of new ones; [c] A person who judges others by the domain name of their email address; [d] A person who registers well-known names/words as domain names and sells them to others at a profit.

Q.5 Who or what is a mouse-potato ?

[a] A person suffering from palm and finger injury due to long hours of computer mouse use; [b] A person spending long hours online; [c] A person who prefers the mouse and the command menus rather than the key-board for command input; [d] A "click-happy" Net Surfer who surfs the Net at very fast pace.

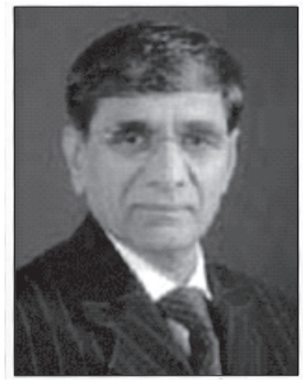
For Answer See Page No. 22

SUCCESS STORIES OF MPFC ASSISTED UNITS

M/s NCM SHOAVA ENGINEERS PVT. LTD.

M/s NCM Shoava Engineers Pvt. Ltd. was incorporated in 1993 for setting up a heavy industrial engineering unit. During the year 1995 to 2007 the Corporation advanced multiple loans to the Company aggregating to Rs. 297.000 lacs, for expansion and modernization.

The company is promoted by Shri N.C. Muzumdar, qualified mechanical engineer having technical skill and management acumen. PIONEER:PRECISION:PERFECTION: These words express the spirit behind the team of NCM-SHOAVA Engineers Pvt. Ltd. that is reflected in the Design, Manufacturing, Technology and Quality of its products. It is this spirit that has placed NCM-SHOAVA Engineers Pvt. Ltd. on the forefront of India's Manufacturing scenario. It is privileged to place India on world map in the earth moving industry. It is the only Indian company that manufactures and exports accessories and attachments for earth moving industry. Out of over seventy products NCM Shoava makes, it is the patent holder for Vertical Shaft Impactors, a tertiary stage crusher for aggregate manufacturing plants. (Patent No. 194111)



Shri N.C. Muzumdar

The company undertakes design, manufacturing and supply of tailor made equipments such as hydro tester (pipe handling system for spiral and submerged arc welded pipes) and calibration fixture for load cells. While meeting the most stringent international standards of our customers, the company takes every project as an opportunity to scale new technical frontiers. In the year 2004, the promoters have developed hydraulic hammer model X-21366 of 300 kg Capacity, which is a very vital equipment used in demolition industry. This is mainly used for breaking rocks and concrete structures. Only a few countries in the world manufacture this product.

The first consignment of hammer was dispatched in Sept.,2004 and in the first two years of operations the company has exported 391 hammers. The company is certified with ISO 9000:2001 for maintaining quality standard.

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Geography has made us neighbors. History has made us friends. Economics has made us partners, and necessity has made us allies. Those whom God has so joined together, let no man put asunder.

SIDCUL

Chinese Delegation From Luan Chambers Of Commerce And Industries, Visited State Infratructure And Industrial Development Corporation Of Uttarakhand Ltd. (SIDCUL) to Assess Investment Opportunities In Uttarakhand.

Goa-IDC

Goa-IDC gets good response for 90 industrial plots on sale

Several micro and small entrepreneurs have registered with Goa State Industrial Development Corporation to buy plots spread across 90 industrial estates in the state. The state-run body has till now received 179 applications seeking plots to set up micro and small industrial units in these estates. State Industries Minister, Shri Mahadev Naik termed the development as "surge in industrial investment" and added the state governments efforts are paying off.

"The Goa-IDC last year had identified nearly 90 new industrial plots measuring 2.13 lakh sq mt land at the industrial estates of Verna, Kundaim, Panchwadi, Tuvem, Pissurlem, Cuncolim, Sanguem, Canacona and Kakoda for setting up of environmental friendly industrial units. Through these plots investment in pharma, food and beverages, ice and cold storages, automobile services, fabrication, sponge iron, warehousing and others is anticipated.

NIDC

Agro & Food Processing SEZ being developed by NIDC

An Agro & Food Processing Special Economic Zone is being developed by Nagaland Industrial Development Corporation {NIDC} at Ganeshnagar in Nagaland. Recently, Shri Thongwang Konyak was appointed as Chairman of the Corporation.

Shri Bendangoshi Longkumer, Managing Director, in his welcome address, stated that it was very rare for the Corporation to have a Chairman in the status of a Cabinet Minister and felt that with his influence and experience a new era would usher in for NIDC and requested the Chairman to take up the cause of the Corporation at the highest level in the State.

Shri Thongwang was happy to take over the Chairmanship of NIDC Ltd., being an apex financial

institution in the State, and assured to find new avenues to uplift the Corporation.

TIDCO

350 crore design centre to boost Tamil Nadu aerospace

The nascent aerospace sector in the state will get an impetus through the Advanced Computing and Design Engineering Centre to be set up at the aerospace park in Sriperumbudur near Chennai.

The 350 crore facility is a precursor to the first-of-its-kind aerospace policy to be unveiled by the TN government shortly. The Tamil Nadu Industrial Development Corporation Limited (TIDCO) is establishing the aerospace park at Sriperumbudur to create an integrated ecosystem for aerospace industry development covering design, engineering, manufacturing, servicing and maintenance of aircraft for the civil and defence sector.

"The centre will come up in an area of one million square feet at the aerospace park. It will focus on product design and prototype development giving a support system for the companies in the park," a TIDCO official said. While the state government has allocated land for 14 companies to set up their manufacturing units, seven more companies have sought land in the industrial park. These companies have been allocated around 70 acres of land. We are expecting 30-40 companies to establish their facilities investing 1000 crore in the first phase over a period of three years. Industries department sources said that the state government would be launching an aerospace policy to promote the sector. "It would be the first-of-its-kind policy on aerospace (manufacturing) for Tamil Nadu," a senior official said.

ARCs must have minimum net corpus of Rs.100 cr by March 2019

The Reserve Bank of India has said all the existing asset reconstruction companies (ARCs) must have a minimum net-owned corpus of Rs.100 crore by March 2019. The government as well as RBI have envisaged a greater role for ARCs in resolving stressed assets. These companies are in the business of buying bad loans from banks to turn them around. In a notification, the RBI said that it "has been decided to fix the minimum net owned fund (NOF) requirement for ARCs at Rs.100 crore on an ongoing basis". As per amended Sarfaesi Act, 2016, no ARC can commence or carry on the business of securitisation or asset reconstruction without having net owned fund of not less than Rs.2 crore or such other higher amount as the RBI may, by notification, specify. The RBI notification on April 28, 2017 said the existing ARCs not meeting the minimum NOF criteria have been asked by the RBI to achieve the minimum NOF of Rs.100 crore latest by March 31, 2019. In its last bi-monthly monetary policy, the RBI had proposed to stipulate a minimum NOF of Rs.100 crore for ARCs in view of their enhanced role and greater cash based transactions.

Reserve Bank set to get more powers to deal with Stressed assets

The government plans legislation that will empower the Reserve Bank of India to deal much more effectively with stressed assets than before as part of a broader plan to resolve banks' bad loans. This will help the economy to achieve its full potential. The Centre may even issue an ordinance to enable RBI to direct banks on dealing with stressed assets as moving the Banking Regulation Act amendment through Parliament could take time. The reworked law will also empower RBI to set up oversight panels that will shield bankers from later action by probe agencies looking into loan recasts. Bad loans rose by over Rs.1 lakh crore in the first nine months of last fiscal to Rs.6.07 lakh crore by December 31, 2016, minister of state for finance Shri Santosh Gangwar had said in a written reply to the Rajya Sabha. Public sector banks' gross bad loans stood at Rs.5.02 lakh crore at the end of March 2016, up from Rs.2.67 lakh crore at the end of March 2015.

High NPAs have held back lending and prevented banks from lowering interest rates further, which has in turn discouraged private investment, badly needed to speed up growth. Banks have been reluctant to resolve NPAs through settlement schemes or sell bad loans to asset reconstruction companies for fear of being hauled up by investigation agencies. Once the law is amended, RBI will be able to give specific solutions for specific cases and also, if required, look at providing relaxation in terms of current guidelines. Banks are initially expected to focus on the top 50 accounts to get the greatest benefit from a speedier resolution process.

'Banks responsible for ailing MSMEs'

RBI deputy governor Shri SS Mundra on April 08, 2017 held the banking system responsible for the growing sickness of the country's medium and small enterprises.

A large number of MSMEs are getting sick and the responsibility of this lies with the banks. RBI has given several tools to encourage banks to give automatic enhancement in credit, all kinds of facilities have been provided, but they have not been used to the extent they should have been done. MSME units need to be made aware of these initiatives to enable them to take advantage of them.

First Bi-monthly Monetary Policy Statement, 2017-18

Dr. Urjit R. Patel, Governor, Reserve Bank of India, presented the First Bi-monthly Monetary Policy for the year 2017-16 on April 6, 2017. On the basis of an assessment of the current and evolving macroeconomic situation the Monetary Policy Committee (MPC) decided to:

Liquidity and monetary policy operations

- Reverse repo rate increased by 25 bps to 6% from 5.75%
- Marginal Standing Facility (MSF) rate reduced by 25 bps to 6.5%

Banking regulation and supervision

- Minimum net owned funds for asset reconstruction companies increased from Rs.2 crore to Rs.100 crore
- Banks allowed to participate in Real Estate Investment Trust (REITs) and Infrastructure Investment Trust (InvITs)

Financial markets

- Draft guidelines on simplified hedging facility for forex exposure likely by mid-April
- Towards development of corporate bond market, a draft policy framework for introduction of tri-party repo likely by mid-April

Payment and settlement

- Eleven additional settlement batches for National Electronic Funds Transfer (NEFT) to be introduced from 8.30 am onwards
- Total half-hourly settlement batches to increase to 23

Financial inclusion

- RBI to initiate a pilot project on financial literacy

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In our daily life, we encounter people who are angry, deceitful, intent only on satisfying their own needs. There is so much anger, distrust, greed, and pettiness that we are losing our capacity to work well together.

Strict deadlines set for infra projects

NITI Aayog CEO Shri Amitabh Kant highlighted the progress made in several infrastructure projects in April 2017 to the Prime Minister. The highest ever average daily construction rate of 130 km has been achieved for rural roads under the Pradhan Mantri Gram Sadak Yojana. This had led to an addition of 47,400 km of PMGSY roads in 2016-17 and 11,641 additional habitations had been connected with roads, an official statement said. In the highway sector, over 26,000 km of four- or six-lane national highways have been built in 2016-17 on a cumulative basis since the National Democratic Alliance came to power. This works out to roughly 24 km a day. Use of non-conventional materials such as waste plastic, geo-textiles, flyash, iron and copper slag is being pushed by the industry.

The Prime Minister directed efficient and stringent monitoring of rural road construction and their quality. For this, he laid stress on use of space technology in addition to the technologies already being used, such as the "Meri Sadak" app. He called for expeditious completion of vital links that will connect the remaining unconnected habitation at the earliest. NITI Aayog will examine global standards in the application of technology for infrastructure creation and their feasibility in India. In the railways sector, 953 km of new lines were laid in 2016-17 against the target 400 km. Track electrification of over 2,000 km and gauge conversion of over 1,000 km were achieved during the year. More than 1,500 unmanned level crossings were eliminated in 2016-17. Among measures to enhance customer experience, wifi access was enabled in 115 railway stations and 34,000 bio-toilets were added. Shri Modi called for speeding up work related to redevelopment of railway stations and greater creativity in the generation of non-fare revenue.

India adds wind power capacity of 5,400 MW in 2016-17

India added wind power capacity of 5,400 MW in 2016-17, more than the target of 4,000 MW it had set itself for the year.

The ministry of new and renewable energy said the previous best was 3,423 MW in 2015-16, and before that 3,197 MW in 2011-12. Of the new capacity, around 3,026 MW was added in March 2017 alone. With this, the country's total wind capacity stands at around 32,177 MW. India's renewable energy programme has accelerated rapidly in the past three years, starting with successful auctions of solar energy projects, which led to a sharp fall in tariffs. In the fiscal year that ended last week, the government has also launched several initiatives for the wind energy sector. These include introduction of bidding, steps to encourage wind-solar hybrid plants and new guidelines for the development of wind energy.

Only nine states in the country have winds strong enough to generate power. Of these, Andhra Pradesh added the maximum capacity of 2,190 MW, or over 40% of the total capacity added. It was followed by Gujarat with 1,275 MW and Karnataka with 882 MW. In addition, Madhya Pradesh added 357 MW, Rajasthan 288 MW, Tamil Nadu 262 MW, Maharashtra 118 MW, Telangana 23 MW and Kerala 8 MW. Last year, Madhya Pradesh had added the maximum capacity of 1,291MW, followed by Rajasthan, Gujarat and Andhra Pradesh. The wind energy sector saw a number of fresh initiatives in 2016-17, especially the holding of the first wind auction, which brought the wind tariff down to Rs 3.46 per kwH. Until then, the tariff, set by state power regulators, had varied between Rs 4 and Rs 6 per kwH in different states.

NEWS FROM STATES

Andhra's Medical Tech Park to get central aid under TIES scheme

Andhra Pradesh has sought assistance from the Centre to set up Medical Technology Park in the State with an investment of Rs.25,000 crore. The park will support companies with manufacturing services for production of stents and other medical devices. The State requested the Centre to help its project with funding under the newly launched export scheme TIES. The Export scheme that will come into effect on April 1, 2017 was announced by the Centre in the Union Budget 2017-18. The cost of projects under TIEs would be equally shared between the Centre and the states. Demand for medical stents has been growing over the years in the country with a proliferation in heart ailments among Indians.

About 300 companies are expected to be a part of this park which will employ around 25,000 people. Medical devices manufacturing is a highly capital-intensive activity and as such individual producers often lack the wherewithal to invest in capital goods required to manufacture medical devices. The proposed park would be equipped with in-house high-quality scientific facilities that would help medical devices maker reduce manufacturing cost up to 50%. The proposed park intends to create a centrally-located sharable facility, which will promote total indigenous production of medical devices. At present, a part of medical device manufacturing processes are outsourced to foreign companies.

Around 80% of all medical devices in the country are imported currently and this Park would pave the way for substituting India's imports with local supplies and also boost exports. Inadequate domestic production of medical devices led to import dependency as well as high cost of medical device products in the country, and consequently higher healthcare services cost. The proposed Park would have advanced facilities such as component testing centres,

various types of laboratories and molding centres, 3D printing facilities for medical grade products, etc. which will enhance capacity of the medical device industry in India. The Park will also host a rapid prototyping centre and an office that will guarantee regulatory compliance of the units located therein.

Andhra budget gives importance to education, infra & rural development

The Andhra Pradesh government's budget for the year 2017-18 has given importance to education, infrastructure and rural development, as well as made provisions to assist the unemployed youth by allocating a sum of Rs.500 crore towards it. For its Amaravati capital city project, the AP government has proposed Rs.1,061 crore for developmental operations. Presenting the budget, Shri Yanamala Ramakrisnadu, finance minister, said that the state re-organisation had put tremendous stress on the financial and other resources. The state has allocated Rs.9,091 crore constituting 5.79% of the total budgetary allocation to agriculture and allied sectors, Rs.19,565 crore to rural development which is 12.46% of the total budgetary allocation, and Rs.12,770 crore to irrigation sector. The state has proposed an expenditure of Rs.1,56,999 crore, with revenue expenditure estimated at Rs.1,25,912 crore and capital expenditure at around Rs.23,078 crore for the financial year 2017-18. The budget estimates entail an overall increase of around 15.70% over the 2016-17 budget estimates with rural and agriculture sectors getting huge share of Rs.8,790 crore.

While the revenue expenditure is estimated to increase by 10.28%, the capital expenditure is estimated to grow by 44.54% over the 2016-17 financial year. The estimated revenue deficit is around Rs.416 crore and the fiscal deficit is estimated at around Rs.23,054 crore. The fiscal deficit will be around 3% of the GSDP, whereas the revenue deficit would be around 0.05% of the GSDP.

An amount of Rs.4,311 crore has been proposed for the energy and infrastructure department, which includes power subsidy to the agriculture sector. "Despite the state inheriting a huge revenue deficit, the government stood by its commitment and disbursed Rs.11,000 crore to 55 lakh farmers' accounts till date. Rs.3,600 crore kept in the current budget of 2017-18 for the next instalment of debt redemption for farmers and Rs.7,342 crore for agriculture development''.

The AP government is taking steps to develop robust infrastructure to promote manufacturing. Andhra Pradesh has two large industrial corridors viz. Visakhapatnam–Chennai Industrial Corridor (VCIC) and Chennai–Bengaluru Industrial Corridor (CBIC). An amount of Rs.369 crore has been proposed to industries department and Rs.73 crore to the R&B department for VCIC in the financial year 2017-18.

The Andhra Pradesh Industrial Corridor Development Authority 14 (APICDA) will be established shortly to manage industrial infrastructure development under single umbrella entity. An amount of Rs.2,086 crore has been proposed for the industries department. The allocation for industrial sector has been increased by 113% over the last year.

The state has envisaged IT exports worth Rs.570 crore during the year. About 33 start-ups are promoted in the two incubation towers. The state government has proposed 9 electronic manufacturing clusters and allotted 1,526.12 acres of land for this purpose.

The Changing face of centre-state fiscal ties

Over the course of the last few years, the government has altered the federal architecture of the country. The government initiated this change in 2015 by accepting the recommendations of the 14th Finance Commission, which increased the states' share in the Union taxes by 10 per cent. The proposed roll-out of the goods and services tax (GST) from July 1 is another pivotal step in that direction. Taken together, these two changes will alter the role the Centre and the states will play to shape India's fiscal and economic destiny. The GST Council is India's first truly federal council with fiscal powers vested in it and has a wider fiscal remit. Unlike earlier, when the Centre had the sole licence to tax goods and services, the GST Council, which includes representation from all states, will exercise authority over all indirect taxation, except customs. Its remit includes deciding tax rates for different goods and services, exemptions, exclusions or inclusions of items in the new tax.

"The real issue is the change in the right of taxation," said Shri Pronab Sen, former chief statistician of the government. "Earlier, the Centre taxed production of goods and services, and incomes (both personal and corporate), while states taxed sales. Now, the Centre as well as the states will have the authority to tax both production of goods and services, as well as sales. There is a widening of the ambit for both the Centre and the states".

Yet, despite the federal nature of the council, the Centre will hold a veto over all decisions. In the GST Council, the Centre will have a third of the voting rights, with the balance two-thirds equally shared among the states. But, for any proposal to be cleared by the council, it will require 75 per cent of the vote. This effectively gives the Centre a veto, though it would require 19 of the 30 states to agree with its proposals to sail through. This greater say in imposing taxes should be seen in conjunction with the leverage states have gained with the Centre accepting the recommendations of the 14th Finance Commission. The 14th

Finance Commission increased the states' share in divisible tax pool from 32 per cent to 42 per cent. This increase in untied funding has given states greater flexibility to prioritise their expenditure. As some research reports have shown, different states have used this flexibility differently. While some have used this increase to fund greater capital expenditure, others have expanded particularly in the social sector.

Tamil Nadu presents revenue-deficit budget

Tamil Nadu's government proposed no new taxes in its Budget for 2017-18 with a fiscal deficit of Rs.41,977 crore. The gap was Rs.61,341 crore in the revised estimates for 2016-17, against last year's Budget estimation of Rs.40,534 crore. "This is 4.58 per cent of the GSDP (Gross State Domestic Product), breaching the norm prescribed in the FRBM (the fiscal law)," admitted Finance Minister Shri D Jayakumar. "This breach is only due to TANGEDCO's (the state electricity generation and distribution entity's) debt take over and is termporary.

The fiscal deficit is 2.79 per cent of the GSDP for FY18. This is to increase to 3.17 per cent in 2018-19 and then reduce to 2.8 per cent in 2019-20. In absolute terms, the Rs.41,977-crore gap for 2017-18 would swell to one of Rs.53,586 crore in 2018-19 and then be at Rs.53,162 crore in 2019-20. As part of joining the central government's Ujwal DISCOM Assurance Yojana (UDAY), the financial turnaround and revival package for the state power distribution companies, the state has taken over 75 per cent of the Rs.30,420 crore debt of the Tangedco, or Rs.22,815 crore. Bonds are being floated in the open market to repay this debt. The centre has given an exemption from the FRBM norms for states which join the scheme, for a year.

Karnataka budget

Karnataka chief minister Shri Siddaramaiah presented the state budget for 2017-18 which was partial to farmers, students and urban poor. The gross state domestic product (GSDP) is expected to grow at 6.9% in FY17 as against 7.3% during 2015-16. The budget introduced the concept of 'Namma Canteens' on the lines of Tamil Nadu's 'Amma Canteen' at a cost of Rs.100 crore in Bengaluru city. The state capped the ticket rates at multiplexes at Rs.200 and decided to remove the value-added tax (VAT) on liquor from April 1, including beer, fenny and wine. The cause for decline in overall growth rate is attributable to decline in growth rate of industry and service sectors. The industry sector is expected to grow at 2.2% compared to 4.9% during the previous year while the service sector is expected to register a growth of 8.5% during the current year as compared to 10.4% in the previous year. Agriculture sector is estimated to grow by 1.5% owing to severe drought for the last two years.

Shri Siddaramaiah announced a farm loan interest waiver of Rs.125 crore, which will benefit 74,525 farmers. The loan waiver comes in the backdrop of severe drought for the last two years, which has affected the agriculture growth. With this waiver, the total amount of farm loan waiver announced by the Congress government over the last four years has gone up to Rs.2,359 crore to 10.7 lakh farmers as against Rs.940 crore waived by the previous government. The overall budget size has been fixed at Rs.1.86 lakh crore, which is 14.16% higher than Rs.1.63 lakh crore estimated for 2016-17.

Cabinet approves health policy and gives Rs.2,000 crore for roads in UP

The union cabinet in March 2017 approved the National Health Policy (NHP), which proposed to provide assured health services to all and increases the ambit of health facilities covered by the primary healthcare centers. Cleared a Rs.2,147-crore project for widening of Handia-Varanasi stretch. It also approved pricing and marketing freedom to producers of natural gas from coal seams and raised the dearness allowance to 4 per cent from existing 2 per cent from January 1, 2017, benefiting 4.8 million employees and 5.5 lakh pensioners.

Grants from centre prevent cuts in states' expenses in FY17

Moderate growth in sales tax collections and substantial expansion in grants from the Centre have prevented a sharp cut-back in expenditure growth of the state governments, says ICRA. According to the rating agency, higher capital spending and extension of loans were also the chief drivers of the sharp rise in states' fiscal deficits as well as borrowings in FY2017. "The note ban has selectively affected some revenue streams of the state governments, such as stamps and registrations collections and land revenue. However, moderate growth in sales tax collections and substantial expansion in grants from the Centre have averted a sharp cut-back in their expenditure growth."

The 16 per cent expansion in the states' capital spending outpaced the 12 per cent rise in their revenue expenditure between April-January of FY2017, and stood in sharp contrast to the 3 per cent contraction in the Centre's capital expenditure in the same months. "Higher capital spending and extension of loans, which may be partly on account of the UDAY scheme, appear to be the chief drivers of the sharp rise in the states' fiscal deficits in April-January FY2017". The ICRA study is based on monthly unaudited fiscal data for April 2016-January 2017 published by the Comptroller and Auditor General for eight states including Chhattisgarh, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab and Tamil Nadu, which together account for nearly 50 per cent of the country's GDP. The fiscal deficit of these states rose sharply to Rs.92,270 crore in April-January FY2017 from Rs.66,690 crore in April-January FY2016.

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ANSWERS OF CYBERQUIZ ~ 65

1[c] A new hacker who does not have sophisticated knowledge and skills of traditional hacking and relies instead on easy to use kiddie scripts : Kiddie script is a simple easy-to-use executable script used to hack into a computer network. More sophisticated crackers use this term derogatively for immature crackers.

2[c] Expose errors or security holes in new software or computer networks : "Tiger team" is a term usually used by the military.

3[d] A person who is so religiously attached to a particular computer, language, O/S, or some other tools that she or he refuses to learn alternatives even when hishe or her favourite tool is soon going to be obsolete.

4[c] A person who judges others by the domain name of their email address : A domainist is less respectful for anyone who posts messages from a public email service provider but takes a message seriously from an id such as xyz@infosys.com.

5[b] A person spending long hours online : Mouse-potato is the on-line counterpart of the couch-potato. A couch-potato is the person who spends a lot of time before the TV lying on a couch.

Cabinet approves 4 GST Bills

The Cabinet cleared four GST-related Bills, in March paving the way for their introduction in Parliament. The four drafts are the Compensation Law, the Central-GST (C-GST), Integrated-GST (I-GST) and Union Territory-GST (UT-GST) — and these would likely be introduced in the House as Money Bills.

The GST Council has approved five draft laws, including the above four and the state GST (S-GST) Bill, which needs to be approved by all state assemblies. Approval of the Bills by Parliament and state assemblies will complete the legislative process for rollout of the comprehensive indirect tax on value addition. The plan is to usher in the new tax regime by July 1.

The GST will lead to a nationwide market, removal of cascading of taxes and broadening of the tax base. It will subsume assorted levies, including the central excise duty and its equivalents on imports, service tax and state VAT, but exclude the basic customs duty. The GST Council has already approved four-tier tax slabs of 5%, 12%, 18% and 28% plus an additional cess on demerit goods like luxury cars, aerated drinks and tobacco products. Goods and services will be put in different slabs for the purpose.

GST council caps cess on luxury goods at 5%

The Goods and Services Tax (GST) Council in March cleared a proposal to cap the cess on luxury cars and aerated drinks at 15 per cent over the peak rate of 28 per cent. The ceiling for

the cess on “sin” goods would be much higher. For paan masala, the cap would be 135 per cent. On tobacco and cigarettes, the cap would be 290 per cent, or Rs.4,170 per 1,000 cigarette sticks. The cess on coal and lignite (environment cess) would have an upper limit at Rs.400 per tonne. However, the actual cess would be much lower — equal to the current indirect taxes on these goods. The cap would give headroom to the authorities to increase the cess in the future.

After the meeting of the Council in New Delhi in March, Union Finance Minister Shri Arun Jaitley explained at present, luxury cars were taxed at 40 per cent. After the GST is rolled out, luxury cars would be taxed at 28 per cent, and a cess of 12 per cent more would be charged. The Council gave a cushion of 25 per cent in the case of paan masala. In the case of cigarettes, there was inbuilt headroom of 100 per cent, as either or both ceilings could be imposed. Currently, the tax on cigarettes is a mix of ad valorem (on estimated value of goods being taxed) and a specific tax. While the value-added tax (VAT) is ad valorem, excise is a mix of ad valorem and specific tax. “We will most likely use a combination of both. For instance, 50 per cent ad valorem and 50 per cent specific, so there are no leakages. The environment cess had no cushion, as the industry could not bear more than that, he added. The cess would be used to compensate states for any loss in revenue because of the GST. The cap on cess on any other items notified later would be used only if more compensation is needed; so, in a way, this was also a leeway.

Govt removes duties amid tepid response for solar rooftops

To encourage the use of rooftop solar power, the ministry of new and renewable energy (MNRE) has exempted customs and excise duties on materials used in solar rooftop projects of more than 100-KW capacity. The move is expected to cut down the overall cost of power generation through solar rooftop projects. Currently, grid tariff for rooftop solar is around Rs.6 per unit. Solar tariff touched a new low in April as the final levelised tariff for a 250 MW solar project in Andhra Pradesh was discovered to be Rs.3.15 per unit. The development also coincides with the Solar Energy Corporation of India (SECI) extending the bid-submission deadline for 1,000-MW grid-connected rooftop solar scheme for government buildings.

Net benefit from the exemptions is expected to be relatively small as such installations often use government subsidy or viability gap funding (VGF). In the VGF model, a one-time grant is provided to projects that are economically justified but fall short of financial viability. An MNRE official said that the move is aimed towards promoting rooftop solar installations across the country. The development will also aide the domestic solar module manufacturing industry. Developers mostly use imported modules for solar installations as they are 8-10% cheaper than their domestic counterparts. The exemption in duties is expected to bridge the gap between the prices of imported and domestically manufactures solar modules.

Though the country is progressing decently in adding renewable capacity, rooftop installation targets have remained elusive. By 2022, India aims to achieve 40 GW of grid connected solar rooftops. So far, only about 500 MW have been installed and about 3,000 MW has been sanctioned. Apart from the private sector, the railways, airports, hospitals, educational institutions and government buildings have been spotted as potential solar rooftop sites. The MNRE had said that at least 5,900 MW power and annual financial savings of Rs.830 crore can be achieved through rooftop solar projects in government properties.

New trade policy holds hope for industrial revolution in North East

The North-East is awaiting its own industrial revolution and a new policy to promote investment in the region is in the making. A NITI Aayog-led committee is framing a new policy — North East Industrial and Investment Promotion Policy (NEIIPP) — for the region. Assam, the largest among the Eight Sisters — is gearing up to open industrial parks, which it believes would fuel investments in the state. Shri Chandra Mohan Patowary, the state's minister in charge of commerce and industries, transport and parliamentary affairs, said that as many as five industrial parks would come up in the state, which is also planning to focus on sugar and jute in the near term.

The state government is setting up a plastics park in Dibrugarh. The second is a bamboo park, which could replace the ailing plywood industry in the state. As many as 46 plywood mills used to operate in Assam. Most closed down as timber production fell, owing to environmental concerns. Now, Patowary aims to replace this with bamboo. The North-East accounts for 85 per cent of India's total bamboo production. "Preference will be given to those who come first". It is also banking on its staple tea industry, a key economic driver. While tea from Assam accounts for 52 per cent of India's annual production of nearly 1,200 million kg, small tea growers are mostly neglected. Now, Assam, which has over 200,000 small tea growers, would build a tea park where they will be able to route their produce to branded tea packers for better price realisation. Besides, it is setting up textile and pharmaceutical hubs.

The North East region has the potential to become an export hub for the entire south-east Asian region. The region has its own challenges, of which connectivity is a major one. As a result of this, the region has been unable to attract big ticket investments, the size of bank accounts was another concern. Shri Pawan Bajaj, managing director and CEO of United Bank of India, said, "Most of the accounts are very small. It is not contributing to the bank's growth." However, Ms. Mamta Shankar, economic advisor at DoNER, indicated the new policy would be friendlier towards the micro, small and medium enterprises.

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Long before history began we men have got together apart from the women and done things. We had time.

The more connections you and your lover make, not just between your bodies, but between your minds, your hearts, and your souls, the more you will strengthen the fabric of your relationship, and the more real moments you will experience together.

HEALTH CARE !

HEALTH TIPS FOR HEALTHY LIVING
Medical Author: Charles Patrick Davis, MD, PhD

Healthy living facts

This article is designed to give tips to readers about how they can improve or augment actions in their life to have a healthy lifestyle; it is not meant to be all inclusive but will include major components that are considered to be parts of a lifestyle that lead to good health. In addition to the tips about what people should do for healthy living, the article will mention some of the tips about avoiding actions (the don'ts) that lead to unhealthy living.

"Healthy Living" to most people means both physical and mental health are in balance or functioning well together in a person. In many instances, physical and mental health are closely linked, so that a change (good or bad) in one directly affects the other. Consequently, some of the tips will include suggestions for emotional and mental "healthy living."

Eating (Diet)

ll humans have to eat food for growth and maintenance of a healthy body, but we humans have different requirements as infants, children (kids), teenagers, young adults, adults, and seniors. For example, infants may require feeding every four hours until they gradually age and begin to take in more solid foods. Eventually they develop into the more normal pattern of eating three times per day as young kids. However, as most parents know, kids, teenagers, and young adults often snack between meals. Snacking is often not limited to these age groups because adults and seniors often do the same.

Tips :

- Eat three meals a day (breakfast, lunch, and dinner); it is important to remember that dinner does not have to be the largest meal.
- The bulk of food consumption should consist of fruits, vegetables, whole grains, and fat-free or low-fat milk products.
- Choose lean meats, poultry, fish, beans, eggs, and nuts (with emphasis on beans and nuts).
- Choose foods that are low in saturated fats, trans fats, cholesterol, salt (sodium), and added sugars; look at the labels because the first listed items on the labels comprise the highest concentrations of ingredients.
- Control portion sizes; eat the smallest portion that can satisfy hunger and then stop eating.
- Snacks are OK in moderation and should consist of items like fruit, whole grains, or nuts to satisfy hunger and not cause excessive weight gain.
- Avoid sodas and sugar-enhanced drinks

because of the excessive calories in the sodas and sugar drinks; diet drinks may not be a good choice as they make some people hungrier and increase food consumption.

- Avoid eating a large meal before sleeping to decrease gastroesophageal reflux and weight gain.
- If a person is angry or depressed, eating will not solve these situations and may make the underlying problems worse.
- Avoid rewarding children with sugary snacks; such a pattern may become a lifelong habit for people.
- Avoid heavy meals in the summer months, especially during hot days.
- A vegetarian lifestyle has been promoted for a healthy lifestyle and weight loss; vegetarians should check with their physicians to be sure they are getting enough vitamins, minerals, and iron in their food.
- Cooking foods (above 165 F) destroys most harmful bacteria and other pathogens; if you choose to eat uncooked foods like fruits or vegetables, they should be thoroughly washed with running treated (safe to drink) tap water right before eating.
- Avoid eating raw or undercooked meats of any type.

Tips for special situations:

- People with diabetes should use the above tips and monitor their glucose levels as directed; try to keep the daily blood glucose levels as close to normal as possible.
- People with unusual work schedules (night shifts, college students, military) should try to adhere to a breakfast, lunch, and dinner routine with minimal snacking.
- People who prepare food should avoid using grease or frying foods in grease.
- People trying to lose weight (body fat) should avoid all fatty and sugary foods and eat mainly vegetables, fruits, and nuts and markedly reduce his/her intake of meat and dairy products.

All human beings are also dream beings.
Dreaming ties all mankind together.

MISCELLANY

Five things to know about GST

What is goods and services tax (GST)?

It is a destination-based tax on consumption of goods and services. This means the tax would accrue to the taxing authority, which has the jurisdiction over the place of consumption — also termed as place of supply.

How does it work?

It will be levied at all stages right from manufacture up to final consumption with credit of taxes paid at previous stages available as setoff. In a nutshell, only value addition will be taxed and burden of tax is to be borne by the final consumer.

Which of the existing taxes are proposed to be subsumed under GST?

Central taxes:

- Central excise duty
- Duties of excise (Medicinal and Toilet Preparations)
- Additional duties of excise (Goods of special importance)
- Additional duties of excise (textiles and textile products)
- Additional duties of customs (commonly known as CVD)
- Special additional duty of customs (SAD)
- Service tax
- Central surcharges and cesses so far as they relate to supply of goods and services

State taxes:

- State VAT
- Central Sales Tax
- Luxury Tax
- Entry Tax (all forms)
- Entertainment and amusement tax (except when levied by the local bodies)
- Taxes on advertisements
- Purchase tax

- Taxes on lotteries, betting and gambling
- State surcharges and cesses so far as they relate to supply of goods and services

Who is liable to pay GST?

Tax is payable by the taxable person on the supply of goods and/or services. Liability to pay tax arises when the taxable person crosses the threshold exemption — Rs20 lakh (Rs10 lakh for NE states) except in certain specified cases where the taxable person is liable to pay GST even though he has not crossed the threshold limit. The CGST/SGST is payable on all intra-state supply of goods and/or services and IGST is payable on all interstate supply of goods and/or services.

What would be the role of GST Council & GSTN?

A GST Council comprising the Union Finance Minister (who will be the Chairman of the Council), the Minister of State (Revenue) and the State Finance/Taxation Ministers make recommendations to the Union and the States on all matters relating to GST. The CGST and SGST would be levied at rates to be jointly decided by the Centre and States. The rates would be notified on the recommendations of the GST Council. GSTN is a special purpose vehicle set up to cater for the needs of GST. The GSTN shall provide a shared IT infrastructure and services to central and state governments, tax payers and other stakeholders.

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