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Editorial Board

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FROM THE DESK OF THE EDITOR

STARTUP INDIA INITIATIVE

"Startup India" is an action plan under which banks would provide financial assistance to start-up ventures in order to promote entrepreneurship and encourage start-ups with jobs creation in our country. The campaign was first announced by Prime Minister Narendra Modi in his 15th August, 2015 address and is focused on to do away with "license raj" and hindrances, red-tapism in areas of foreign investment proposals, land permissions, environmental clearances etc. A startup is an entity that is headquartered in India, which was started less than five years ago and has an annual turnover of less than Rs.25 crore.

What is a start up – eligibility :

Start-up means:

- An entity, incorporated or registered in India
- Not older than five years,
- Annual turnover does not exceeding INR 25 crore in any preceding financial year. An entity shall cease to be a Start-up if its turnover for the previous financial years has exceeded INR 25 c rore or it has completed 5 years from the date of incorporation/ registration.

Key eligibility Criteria :

In order for a "Startup" to be considered eligible, the Startup should be working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property. In order to fulfill this criteria, the entity would require to be :

V.S. RATHORE
Secretary General, COSIDICI

- supported by a recommendation (with regard to innovative nature of business), in a format specified by Department of Industrial Policy & Promotion (DIPP), from an Incubator established in a post-graduate college in India; or
- supported by an incubator which is funded (in relation to the project) from Government of India as part of any specified scheme to promote innovation; or
- supported by a recommendation (with regard to innovative nature of business), in a format specified by DIPP, from an Incubator recognized by GoI; or
- funded by an Incubation Fund/Angel Fund/ Private Equity Fund/ Accelerator/ Angel Network duly registered with SEBI* that endorses innovative nature of the business; or
- funded by GoI as part of any specified scheme to promote innovation; or have a patent granted by the Indian Patent and Trademark Office in areas affiliated with the nature of business being promoted.

Start-up Plan - Support from Government Agencies :

- Building entrepreneurs – Dedicated programmes in Schools : The government will introduce innovation-related programems for students in over 5 lakh schools. Besides, there will also be an annual incubator grand challenge to develop world class incubators.

- Atal Innovation Mission : The Atal Innovation Mission will be launched to give a boost innovation and encourage talented youths.

- Setting up incubators : A private-public partnership model is being considered for 35 new incubators and 31 innovation centres at National Institutes.

- Research parks : The government plans to set up seven new research parks, including six in the Indian Institute of Technology campuses and one in the Indian Institute of Science campus, with an investment of Rs 100 crore each.

- Entrepreneurship in biotechnology : The government will further establish five new biotech clusters, 50 new bio incubators, 150 technology transfer offices and 20 bio-connect offices in the country.

- Start-up India hub : An all-India hub will be created as a single contact point for start-up foundations in India, which will help the entrepreneurs to exchange knowledge and access financial assistance. The hub would be a single point of contact for the ecosystem enabling exchange of knowledge, working like a hub and spoke model with Government(s), VC Funds,

- Angel Funds, Incubators and Mentors. It would assist start-ups through their lifecycle, on all aspects, such as providing

mentorship, incubator facilities, IPR support and funding. The Ministry of Human Resource Development and the Department of Science and Technology have agreed to partner in an initiative to set up over 75 such startup support hubs in the National Institutes of Technology (NITs), the India Institutes of Information Technology (IITs), the India Institutes of Science Education and Research (IISERs) and National Institutes of Pharmaceutical Education and Research (NIPERs).

- Patent protection : A fast-track system for patent examination at lower costs is being conceptualised by the Central Government. The system will promote awareness and adoption of Intellectual Property Rights (IPRs) by the start-up foundations.

- Legal support & Rebate for Patents : A panel of facilitators will provide legal support and assistance in submitting patent applications and other official documents. A rebate amount of 80 percent of the total value will be provided to the entrepreneurs on filing patent applications.

- Rs.10,000 crore fund : The government will develop a fund with an initial corpus of Rs 2,500 crore and a total corpus of Rs 10,000 crore over four years, to support upcoming start-up enterprises. The Life

Insurance Corporation of India will play a major role in developing this corpus. A committee of private professionals selected from the start-up industry will manage the fund.

- National Credit Guarantee Trust Company : A National Credit Guarantee Trust Company (NCGTC) is being conceptualised with a budget of Rs 500 crore per year for the next four years to support the flow of funds to start-ups.

- Ease of Doing Business : The Reserve Bank of India will take steps to help improve the 'ease of doing business' in the country and contribute to an ecosystem that is conducive for the growth of start-up businesses.

Tax Benefits :

- No Capital Gains Tax : At present, investments by venture capital funds are exempt from the Capital Gains Tax. The same policy would be applicable for primary-level investments in start-ups.

- No Income Tax for three years : Start-ups would not pay Income Tax for three years. This policy would revolutionise the pace with which start-ups would grow in the future.

Other enabling features of the Scheme are :

- Self certification : The start-ups will adopt self-certification to reduce the regulatory burden. The self-certification will apply to laws including payment of gratuity, labour contract, provident fund management, water and air pollution acts.

- Faster exit : If a start-up fails, the Government will assist the entrepreneurs to find suitable solutions for their problems. If they fail again, the Government will provide an easy way out.

Conclusion

Fostering a fruitful culture of innovation in the country is a long and important journey. This initiative would provide a supportive ecosystem at various stages in setting up and successful running start-ups and would go a significant way in reiterating Government of India's commitment to making India the hub of innovation, design and Start-ups.

(V.S. RATHORE)

Vikram Singh

GOALS in life are the milestones on our journey. They are what we want to achieve in our DOING. PURPOSE of our life is how we are BEING, the qualities we are experiencing and radiating while we are working towards our goals.

THE NATIONAL SOLAR MISSION: MARCHING AHEAD IN SOLAR ENERGY

*Arun Kumar Tripathi

The National Solar Mission (NSM) launched in January 2010, is a major initiative of the Government of India involving States, R&D institutions, and industries to promote solar energy while addressing energy security and climate change challenges of the country. Thus, it will constitute a major contribution by India to the global effort to meet the challenges of climate change. The Mission is one of the several initiatives that are a part of National Action Plan on Climate Change (NAPCC).

India, with its large population and rapidly growing economy, needs access to clean, affordable, and reliable sources of energy. India lies in the high solar insolation region, endowed with huge solar energy potential with most of the country having about 300 days of sunshine per year with the daily solar radiation incident varying from 4–6 kWh per square metre of surface area depending upon the location and time of the year. The total solar power potential in the country is estimated as approximately 748.98 GW.

Objective of the Mission

The objective of the Mission is to establish India as a global leader in solar energy, by creating the policy conditions for its large scale diffusion across the country as quickly as possible, abatement of carbon emissions, and creation of direct and indirect employment opportunities for both skilled and unskilled persons.

Goals and Targets

The Mission had set a target, amongst others, for deployment of grid connected solar capacity of 20,000 MW by 2022 to be achieved in three phases (first phase up to 2012–13, second phase from 2013 to 2017 and the third phase from 2017 to 2022).

The first phase (up to 2013) focussed on promoting scale-up in grid-connected solar power capacity addition of 1,000 MW through scheme of bundling with thermal power operated through NTPC's Vidyut Vyapar Nigam Ltd (NVVN) for minimizing the financial burden on Government, and a small component of 100 MW with GBI support through the Indian Renewable Energy Development Agency Limited (IREDA).

Recognizing the potential of solar energy to contribute to energy security of the country, and encouraged by the falling PV prices and the likelihood of reaching grid parity sooner and rapid increase in solar installation in the country, the Government in July 2015 had enhanced the target to 100 GW solar capacity to be set up by 2021–22. Out of this, 60 GW will come through large scale solar power and 40 GW through Grid Connected Solar Rooftops.

Implementation Strategy

The Ministry of New and Renewable Energy (MNRE) has formulated several schemes for achieving 100 GW by 2022. Few possible options, such as bundling, Generation-Based Incentive (GBI), and Viability Gap Funding (VGF) are being tried. The scheme wise strategy and achievements are presented below.

Phase-I of the NSM

1,000 MW Capacity Grid Solar Projects Through NVVN

In the Phase 1 of the Mission, 950 MW solar power projects (excluding 84 MW selected under migration scheme) were selected in two batches (batch-I during 2010–11 and batch-II during 2011–12) through a process of reverse bidding. The resulting tariffs in Batch-I for SPV projects ranged between Rs.10.95 and Rs.12.76 per unit, with average of Rs.12.12 per unit and for solar thermal projects the tariff ranged between Rs.10.49 and Rs.12.24 per unit, with average tariff being Rs.11.48 per unit. In Batch-II, for solar PV projects, the tariff ranged between Rs.7.49 and Rs.9.44 per unit, with average tariff being Rs.8.77 per unit.

The power from the plants is being purchased by the NVVN and being sold to distribution utilities/ Discoms after bundling with power from the unallocated quota of power from coal-based stations of NTPC on equal capacity basis, thus effectively reducing the average per unit cost of solar power. A total capacity of 420 MW has been commissioned under these batches by the end of Phase-1 (31.3.2013). In addition, a capacity of 50.5 MW under migration scheme, 88.8 MW under IREDAGBI scheme, and 21.5 MW under old Demonstration scheme has been commissioned, taking the total capacity commissioned during Phase-I to 580.8 MW.

Solar Water Heater Installations

Over 8 million sq. m solar water heaters have been installed in the country.

Installations Of Solar Off-Grid Systems

Around 320 MW capacity solar off grid systems have been installed in the country.

Phase-II of the NSM

Solar Parks And Ultra Mega Power Projects

- The Ministry has rolled out a Scheme to set up at least 25 Solar Parks, each with a capacity of 500 MW and above, thereby targeting around 20,000 MW of solar power installed capacity. These solar parks will be put in place within a span of five years starting from 2014–15. However, smaller parks may be considered in Himalayan region and other hilly States where contiguous land may be difficult to acquire in view of difficult terrain and in States where there is acute shortage of non-agricultural land.
- The solar parks will be developed in collaboration with the State Governments and their agencies. The choice of implementing agency for developing and maintaining the park is left to the State Government.
- The total budget support required for the Solar Park Scheme is Rs.4,050 crore.
- Under the scheme, the Ministry provides Central Financial Assistance (CFA) of Rs.25 lakh per solar park for preparation of Detailed Project Report (DPR), conducting surveys, etc. Beside this, CFA of up to Rs.20.00 lakh per MW or 30 per cent of the project cost, including grid-connectivity cost, whichever is lower, is also provided on achieving the prescribed milestones in the scheme. The approved grant is released by SECI as per milestones prescribed in the scheme.
- Till date, 34 Solar Parks in 21 States with aggregate capacity of 20,000 MW have been approved.

Solar PV Power Plants on Canal Banks and Canal Tops

- This Scheme is formulated so as to encourage the State Power Generation Companies/ State Government Utilities/

any other State Government Organizations/ PSUs to set up grid-connected solar PV power plants of 1 to 10 MW capacity with an aggregate capacity of 100 MW; 50 MW on canal tops and 50 MW on canal banks by providing capital subsidy (upto Rs.3 crore per MW or 30 per cent of the project cost, whichever is lower, for canal-top solar PV projects and up to Rs.1.50 crore per MW or 30 per cent of the project cost, whichever is lower, for canal-bank solar PV power projects). Besides gainful utilization of the unutilized space over canal tops/unutilized land on canal banks for power generation, the plants will enable the participating States to meet their Renewable Purchase Obligation (RPO) mandates and also provide opportunities to local population.

- Approvals have been given for 50 MW canal-top and 50 MW canal bank solar PV power projects. Andhra Pradesh, Gujarat, Karnataka, Kerala, Punjab, Uttarakhand, Uttar Pradesh, and West Bengal are implementing this Scheme.

Solar PV Power By Defence Establishments

The Scheme envisages setting up 300 MW of grid-connected solar PV power projects by Defence Establishments under the Ministry of Defence and Para Military Forces with Viability Gap Funding. The Schemes aim at utilizing land/rooftop available with the defence establishments and also boost domestic manufacturing in the country. The projects would be set up under developer and EPC mode selected through competitive bidding, during the period 2014–19. Out of the above, 150 MW has been allocated to Ordnance Factory Board under the Ministry of Defence.

1,000 MW of solar PV power by CPSUs

The above Scheme aims to motivate CPSUs to procure equipment from domestic manufacturers and participate in various Central/State

Government Schemes, from time to time, during the period from 2014–15 to 2016–17, for sale of solar power to the State Utilities/ Discoms at competitive tariffs. The MNRE has already allocated 924.50 MW capacity to various CPSUs and Central Government Organizations. Balance capacities are being allocated by the Ministry based on the requests received.

3,000 MW Solar PV Power: With Unallocated Conventional Power

NTPC is implementing the Scheme and will purchase the solar power from the selected solar PV plants at a quoted tariff determined through bidding and Thermal Power at tariff as determined by the Central Electricity Regulatory Commission (CERC) from time to time from the respective thermal power plant from which power was allocated. The bundling of the power would be on 2:1 basis (2 MW of solar power with 1 MW of thermal power), and selling of the bundled power to willing State Utilities under 25 years Power Purchase Agreements at a weighted average tariff. The projects are at various stages of tendering.

2,000 MW Solar PV Power Projects With VGF

The Scheme envisages setting up 2,000 MW of solar PV projects by Solar Power Developers (SPDs) on 'Build, Own, Operate' basis. A VGF shall be given to the selected SPDs based on his bid, with upper limit of Rs.1 crore/MW for projects under open category and Rs.1.31 crore/MW for projects under DCR category. The levelized tariff for the term of the PPA will be Rs.5.79 per kWh, with first year tariff as Rs.5.43 per kWh escalated annually @ Rs.0.05 per kWh for next 20 years and thereafter at a tariff of Rs.6.43 per kWh up to end of the term. The projects are under tendering process.

5,000 MW Solar PV Power Projects Through VGF

The Scheme is same as the earlier one with capacity enhanced to 5,000 MW. The entire capacity shall be implemented in four tranches of 1,250 MW each. The tariff for the first tranche shall be the same as the earlier Scheme. For the balance capacity, the tariff shall be reduced @ Rs.0.10 per kWh in subsequent tranches. The projects are under tendering process.

Grid Connected Solar Rooftops

The scheme has targeted 4,200 MW solar rooftops through 30 per cent financial incentives for selected categories and some achievements based incentives for government buildings including PSUs and other government organizations. Rs.5,000 crore have been allocated by the Government. So far, 27 States have notified regulations for the net-metering and connectivity. About 300 MW rooftop capacity have been installed so far.

New Initiatives :-

5,000 MW solar PV power by CPSUs

The Scheme is envisaged to be implemented as Phase-2 of the earlier Scheme with enhanced solar capacity of 5,000 MW with VGF. The tariff payable to the Project Developers would be fixed at Rs.4.50 per kWh or as may be specified by the MNRE based on market conditions, for the entire PPA period of 25 years. The projects would be selected through bidding process. The project would be developed by either developer mode or EPC mode or both, as decided by the MNRE. The Scheme is under approval stage.

Solar Parks And Ultra Mega Power Projects

Keeping in view the success of the solar power park, another 20,000 MW solar parks are being considered for approval. This will make a total 40,000 MW solar parks in the country and probably the largest solar power in the world. The Scheme is envisaged to be implemented as Phase-2 of the earlier Scheme keeping the solar capacity of 20,000 MW.

Solar Power Projects By Defence Establishments

Another 500 MW scheme is under approval.

Support To Existing Manufacturers Of Solar Cells And Modules

The Scheme envisages providing Production Subsidy to the existing solar manufacturers for manufacturing 6375 MW of solar cells and 15,775 MW of solar modules in the country for supply to project developers for setting up the solar power projects under any Scheme. The Scheme is under approval.

Small Grid-Connected Solar PV Power Projects (1 to 5 MW)

The Scheme envisages setting up 10,000 MW of solar capacity in the country. The Scheme is under approval.

The Way Forward

The solar capacity has grown with a CAGR of 46 per cent since the last five years, taking solar capacity from 1,023 MW in 2011–12 MW to 6,763 MW in 2015–16. India stands among the top six countries in terms of solar capacity, and with the present trend, India may move up in global solar capacity position.

India with its vast solar-power potential would be a leading source of electricity ahead of fossil based power, which is fast depleting. Growth in competition and scale has led to significant decline in solar tariff, which are very competitive as compared with the conventional power. The latest round of reverse bidding saw the lowest bid dropping to 4.34 per kWh for a project in Rajasthan.

The conducive policies initiated by the Government of India have helped in bringing about competitive rates through bidding process. The Tariff Policy has been amended to increase the solar power consumption and mentioned that "within the percentage so made applicable, to start with, the SERCs shall also reserve a minimum percentage for purchase of solar energy from the date of notification of this policy which shall be such that it reaches 8 per cent of total consumption of energy, excluding hydropower, by March 2022 or as notified by the Central Government from time to time". The Tariff Policy would mandate the States to buy solar power.

The Government is also coming up with schemes for providing production incentives to encourage growth in manufacturing in solar cells and solar modules. This will help in increasing domestic manufacturing of solar cells and solar modules at competitive rates as the imported solar equipments. Other new initiatives are also being considered.

At the state level too, many state governments are actively promoting the development of solar power through a supportive policy and regulatory framework. Achievement of 100 GW of solar power will lead to abatement of 170.482 million tonnes of CO2 over its life cycle. With an enhanced target of 100,000 MW, up to 1 million jobs will be created. More employment and investment opportunities will enhance income. Higher solar power targets will augment power generation in India improving energy security and energy access. Solar manufacturing will also pick up after visibility on this investment opportunity to support these targets. Power generation through solar energy will offset conventional power generation, reducing the need to import coal and gas and lead to savings in Foreign Reserves. Revenue to the Government through taxes and duty, etc., from plants in power generation and manufacturing will also increase and solar projects will provide a productive use of abundant wastelands.

Further, there are growing concerns about the viability of the newly bid projects. With project auctions becoming increasingly competitive, margins are coming under pressure and leading players to take increasingly more risks. Increased domestic manufacturing of solar cells and modules capacity may take care of the risk and help in capacity addition programme of the Government of India.

** Courtesy : Yojana Magazine.*

The Author is Adviser in the Ministry of New and Renewable Energy.

Sometimes people might get hurt and find our behaviours wrong, but we feel that what we did was absolutely right. We find their hurt unreasonable because we feel there was nothing wrong in what we had said or done.

RURAL ENTREPRENEURSHIP: CHALLENGES & WAY FORWARD

*** Dr. S. Vijay Kumar**

The Make in India Strategy adopted by the Prime Minister of India aims to facilitate investment, foster innovation, entrepreneurship, enhance skill development in the country. Rural entrepreneurs are those who establish industrial and business units in the rural areas. Entrepreneurship can play an important role in rural development. Agriculture continues to be the back bone of rural society. Seventy per cent of holdings are held by small and marginal farmers resulting in overcrowding on the agricultural land and diminishing farm produce. This results in migration of farm worker in large numbers to the urban areas. Land being limited and unable to absorb the labour force in agriculture, there is a need to develop rural industries to solve rural unemployment and rural migration to cities.

In the era of globalization, entrepreneurship development in the rural context is a challenge. According to 2011 Census 68.84% people are living in rural areas of India. People in rural areas suffer with unemployment, poor infrastructure facilities which may be solved with the development of the rural entrepreneurs. But, the rural entrepreneurs are suffering with various problems like fear of risk, lack of finance, illiteracy, and competition from the urban entrepreneurs. This article is an attempt to understand the problems and challenges for rural entrepreneurship in the context of rural development in India and possible suggestions to overcome the problems.

Scope of Rural Entrepreneurship and Rural Industries: Micro and small scale enterprises have existed in rural India since ages in the form of traditional skills. Recently, rural entrepreneurship has emerged as a dynamic concept. There is lot of scope for rural entrepreneurship in SMEs (Small and Medium Enterprises) sector which plays a

vital role in providing employment and income for the poor and unemployed in rural areas. As the population grows there will be pressure on land and the growth in the agricultural production cannot absorb the ever increasing rural labor force in agricultural employment. This leaves the rural non-farm sector in the form of rural SMEs to absorb those released from agriculture but not absorbed in the urban industries. Contributing more than 52% of the GDP and making available more than 75% of all labor force in India the rural sector is best poised for a rapid expansion in the small and medium industry arena. The scope of rural industries is considered basically a question of properly utilising the unexploited natural and human resources and tapping vast material existing in the countryside. The features of rural industrialization are low investment of capital, labour intensity and use of simple technology by employing local human and material resources. Thus, a judicious mix of local manpower with the local resource is necessary to bring about a viable development in these areas.

Basic principles of entrepreneur applied to the rural development are:

- Optimum utilization of local resources in an entrepreneurial venture by rural population

- Better distribution of the farm produce results in rural prosperity.

- Entrepreneurial occupation rural population to reduce discrimination and providing alternative occupations as against the rural migration.
- To activate such system to provide manpower, money, material, machinery, management and market to the rural population.

Government Schemes for Rural Entrepreneurship in India:

- Entrepreneurship Development Institution Scheme
- Rajiv Gandhi Udyami Mitra Yojana (RGUMY)
- Performance and Credit Rating Scheme (Implemented through NSIC)
- Khadi Karigar Janashree Bima Yojana for Khadi Artisans
- Marketing Assistance Scheme
- Provision of Urban Amenities to Rural Areas (PURA)

Problems faced by the rural entrepreneurs:

FINANCIAL PROBLEMS

- Lack of funds: Finance is the back bone for any business. Most of the rural entrepreneurs fail to get external funds due to absence of tangible security and credit in the market. The procedure to avail the loan facility is too time-consuming that its delay often disappoints the rural entrepreneurs. They are mainly depending on parents and relatives, popularized person in the particular area for finance. They are not aware of the entrepreneurial supporting financial institution like SIDCO (Small Industrial Development Corporation), SIDBI (Small Scale Industrial Development Bank of India), DIC(District Industrial Center), IDBI(Industrial Development Bank of India), IFCI(Industrial Finance Corporation of India), ICICI (Industrial Credit and Investment Corporation of India) ,etc., These financial institutions are providing finance to entrepreneurs to startup new venture and also modernize the existing business but due to stringent rules and regulations it is not easy to avail finance from these institutions.
- Risk bearing Capacity: Generally, rural entrepreneurs have low risk bearing ability due to lack of financial resources and external support. They expect regular income and restrict themselves to invest in their business.
- Poor infrastructure facilities: Due to lack of proper and adequate infrastructural facilities, the growth of rural entrepreneurs is not very healthy. Infrastructure facilities like transport (bus, train etc.), communication (telephone; fax, internet facilities etc.), power supply are very poor in the rural areas compare with the cities. They are very much useful for the entrepreneurs to successfully run their business.

MARKETING PROBLEMS:

- Limited scale and scope of local market opportunities.
- Lack of market information due to poor communication facility: The absence of effective communication and access to the right information makes it difficult for rural entrepreneurs to understand market trends and policies followed by the government on industrialization.
- Competition: Rural entrepreneurs are facing tough competition from the large scale organizations and urban entrepreneurs. Rural entrepreneurs cannot compete with the urban entrepreneurs due to lack of standardization and branding and quality of the products. The rural producers are not collective in their approach for marketing

their products because they are too widely scattered and mostly uneducated.

- Middlemen: Middlemen exploit rural entrepreneurs. The rural entrepreneurs are heavily dependent on middlemen for marketing of their products who pocket large amount of profit. Storage facilities and poor means of transport are other marketing problems in rural areas. In most of the villages, farmers store the produce in open space, in bags or earthier vessels etc. So these indigenous methods of storage are not capable of protecting the produce from dampness, weevils etc. The agricultural goods are not standardized and graded.
- Low quality products Today, consumers are more sensitive regarding the quality of the products. Only some big firms follow the TQM (Total Quality Management) practices in their production. Rural entrepreneur may not produce quality products due to lack of standardized equipments and poor quality of raw materials.

MANAGEMENT PROBLEMS:

- Lack of IT knowledge and Technical Skills: Information technology is not very common in rural areas. Due to low level of technical knowledge and skills, their performance may not be better. Entrepreneurs rely on internal linkages that encourage the flow of goods, services, information and ideas. The intensity of family and personal relationships in rural communities can sometime be helpful but they may also present obstacles in to effective business relations. Business deals may receive less than rigorous objectivity and intercommunity rivalries may reduce the scope for regional cooperation. Decision making process and lines of authority are mostly blurred by local politics in rural areas.
- Non availability of skilled labours: In rural areas skilled labours may not be available easily to the entrepreneurs. Generally skilled personnel are willing to work in urban areas due to high salary and other amenities when compared to rural areas.
- Legal Formalities: Rural entrepreneurs find it extremely difficult in complying with various legal formalities in obtaining licenses due to illiteracy and ignorance
- Procurement of Raw materials: In rural areas raw materials of the business mainly depend on agriculture. If there are no rains, the business operations are affected. Thus, procurement of raw materials is really a tough task for rural entrepreneur. They may end up with poor quality raw materials, may also face the problem of storage and warehousing.

Credit Information of the rural entrepreneurs has to be developed so as to enable them to get sufficient amount of loan from the banks at reasonable rate of interest.

SWOT Analysis: Strengths, Weaknesses, Opportunities, and Threats of small businessmen have to be identified and properly trained to motivate them to become entrepreneurs.

Innovators club should be established in villages to support the large mass of youth who are interested in taking business as a career.

Marketing management skills should be improved among the rural entrepreneurs to face the problems of entrepreneurship.

Awards should be given to those entrepreneurs who demonstrate extraordinary success.

Entrepreneurship development cell should be established at all the villages level to provide guidance and counseling to motivate the rural entrepreneurs regarding the use of modern technology.

Successful rural entrepreneurs should show path for other rural entrepreneurs.

Agriculture diversification by exploring the opportunities by farming completely a new range of grains, fruits or vegetables.

Establishing agro food processing units or related units like wine production, juice production and many others.

Non-farm product business establishment by promoting local rural artisan work.

OPS (Opportunities, Problem identification& Solution) Approach: This approach helps an entrepreneur especially neo-rural entrepreneur to explore opportunities include the scanning of the environment to explore the possibilities to start the new venture or to support the already established business in more professional manner. Identifying the exact nature of the problem (External to the organization or internal to the organization? If problem of the business is related with government policy it is external and if it is internal it may be related with strategic issue or operational issue or related with functional issues to set up an industrial unit), after identification of the problem it is easier to utilize the opportunities available in the market to explore further.

Encouraging the skilled and professional people who have left the rural community to come back in the main stream of the economic activities.

NRI and wealthy people of their respective villages should establish/assist rural industries.

There should be efficient regulated market for the marketing of rural products.

Grading, standardization should be promoted and promotional activities should be enhanced for the benefit of rural industries.

To help to develop flexible manufacturing networks of co-operatives, micro and other manufacturing businesses.

To develop and produce a particular product that none of the firms could manufacture alone i.e. there should be link between them in the manufacture of that product.

Conclusion: Rural entrepreneurship plays a vital role in the economic development of India, particularly in the rural economy. It helps in generating employment opportunities in the rural areas with low capital, raising the real income of the people, contributing to the development of agriculture by reducing disguised unemployment, reducing poverty, migration, economic disparity, unemployment. Government should go for appraisal of rural entrepreneurship development schemes and programmes in order to uplift rural areas. Rural entrepreneurship finds it difficult to take off due to lack of capital accumulation, risk taking and innovation. The rural development programs should combine infrastructure development, education, health services, investment in agriculture and the promotion of rural non-farm activities in which women and rural population can engage themselves. Rural entrepreneurship is the way of converting developing country into developed nation. Promotion of rural entrepreneurship is extremely important in the context of producing gainful employment and reducing the widening disparities between the rural and urban areas. Monitoring rural development programmes by supplying right information at the right time, providing timely and adequate credit and continuous motivation of bankers, panchayat union leaders and voluntary service organizations will lead to the development of rural entrepreneurship.

** Courtesy : Kurukshetra Magazine.*

The Author is former Head, Department of Economic, Kakatiya Government College and Ex-Member of Board of Studies, Kakatiya University, Warangal.

PROFILE OF MEMBER CORPORATIONS

DELHI FINANCIAL CORPORATION

Shri Janak Digal, IAS is presently Chairman & Managing Director of Delhi Financial Corporation (DFC). DFC is scaling new heights of achievements under the able stewardship of Shri Janak Digal, IAS.

Introduction

DFC was established in April 1967 under the State Financial Corporation Act 1951. The objective of DFC is to promote finance and develop industries/ service activities in the small and medium scale sectors including commercial transport in the NCT, Delhi and UT Chandigarh. The business domain of DFC consists of small scale industrial unit (Units in which the investment in plant and machinery does not exceed Rs. 10 million) and medium scale industry including service and transport industries. However, DFC does not finance new medium scale industrial units in Union Territory of Delhi in consonance with the industrial policy of Delhi Government.

Various schemes of DFC :

DFC schemes can be broadly divided into following categories : -

- Schemes for the weaker section of the society
- Schemes for special category
- Schemes for general category
- New schemes

Scheme specifically operated for SC / ST :

There is a special scheme for SC / ST in which proprietor or partnership units of SC/ST persons can avail loan upto a max. Rs. 5 lacs with minimum contribution of 25% only. Further, 1% concession in the rate of interest is also given for loans exceeding Rs. 2.00 lacs and upto Rs. 3.00 lacs. It is also important to note no promotors contribution is needed for loan upto Rs. 1.00 lacs under SC/ ST scheme.

Scheme for Physically Challenged Person :

DFC has a scheme for physically challenged persons where individual or partners can avail loan upto Rs. 50.000/- without any promoters contribution and max. loan upto Rs. 5.00 lacs at 5% promoters contribution.

Shri Janak Digal, IAS
Chairman & Managing Director

Scheme for qualified professionals :

Scheme for qualified professionals where consultancy ventures/ professional setup can be established by Doctors, Engineers, Chartered Accountants, management consultants etc. Soft loan upto 25% of cost of project not exceeding Rs. 10.00 lacs and Term loan upto 65% can be financed for projects having max. capital outlay of Rs. 50 lacs Effective interest rate is around 10.8% p.a.

Modernization :

Under modernization scheme, loan assistance is provided to existing profit making SSI units for upgradation of technology resulting in less consumption of power & increase in qualitative productivity or for reduction in pollution etc. Loans are made available on concessional rates for project outlays upto Rs. 100 lacs with promoters contribution of only 20%.

Scheme for Women Entrepreneurs :

There is a special scheme for women entrepreneurs called Mahila Udhyam Nidihi (MUN) where women entrepreneurs, independently or with more than 60% share held as managing partner in Joint Venture with others, can avail loan to set up new projects upto project outlays of Rs. 10 lacs with promoters contribution of 10% only. Soft loan upto 25% of the COP is made available at 1% service charge p.a. and thereby offering effective interest rate of 10.40% p.a. approx.

Interest rate structure of DFC :

The Corporation has adopted fixed interest rate regime and the interest is charged on reducing balance basis. The prime-lending rate of the Corporation w.e.f. 28.03.11 will be 13.5% p.a. and the interest rate of 12.75.% p.a. will be charged in the following cases : a) Who have been rated among the top three credit ratings given by CRISIL/ ICRA/ SMERA and that the credit rating given by the agency is valid on the date of application. b) Who are existing borrowers of the Corporation and has standard asset during the last three years. c) The past clients of the Corporation whose loan remained standard during the tenure of loan. d) Any other deserving case as decided by the CMD. The above interest rate structure will be effective for disbursements to be made w.e.f. 28.03.2011. It is subject to change from time to time. 2. Additional interest @ 2.5% p.a is charged on the defaulted amount and for the period of default. Any change in the rate of interest at the time of first disbursement on the directives of the RBI/SIDBI will be applicable even if the loan has been sanctioned and mortgage/Hypothecation deed has been executed 3. Interest is charged on EMI/ quarterly basis depending upon the scheme of financing. Further, during the moratorium period, interest is charged and recovered on monthly/ quarterly basis as per the financing scheme 4. The repayment of loan availed by borrower (disbursed amount and not sanctioned amount) is recovered along with normal interest charged on daily product basis and additional interest in case of delay

The Corporation can sanction maximum financial assistance upto Rs. 10.00 crore to companies and cooperative societies and upto Rs. 400 lacs to partnership and proprietorship concerns. However, the limit of assistance can go up to four times with the prior approval of the Small Industrial Development Bank of India.

QUESTIONS OF CYBERQUIZ ~ 60

Q.1. In computer terminology, what does ATM stand for ?

[a] Asynchronous Transfer Mode; [b] Automatic Transfer Mode; [c] Artificial Time Management; [d] Automative Time Management.

Q.2. BURN-Proof (BURN stands for Burn Under Run error) is a technology that enables CD recording to automatically pause recording process, and to resume recording when the cause of interruption is resolved. Which company developed this technology ?

[a] Sanyo; [b] Sony; [c] Philips; [d] Lomega.

Q.3. This keyboard, called "Chiclet Keyboard", was introduced with which computer ?

[a] PC Jr; [b] PC XT; [c] PC AT; [d] Lisa from Apple.

Q.4. What does the acronym USB stand for ?

[a] Ultimate Serial Bus; [b] Universal Software Base; [c] Ultimate Soft Bias; [d] Universal Serial Bus.

Q.5. What is the resolution unit of a mouse ?

[a] Mickey; [b] Mini; [c] Pixel; [d] Pixar.

For Answer See Page No. 29

DO YOU KNOW !

TOWNS ASSOCIATED WITH INDUSTRIES

TOWN	*STATE*	*INDUSTRY*
Aliabet	Gujarat	Oil Well
Alwaye	Kerala	Aluminium, Monazite; Rare Earth's Factory
Ambarnath	Maharashtra	Machine Tools Prototype Factory
Anand	Gujarat	Amul Butter, Cheese and Baby Food
Arvi (near Pune)	Maharashtra	TV Reception Station; Satellite Communication
Avadi, Chennai	Tamil Nadu	Heavy Vehicles; 'Vijayanta'Tank
Bailadila	Madhya Pradesh	Iron ore; Machanised mine
Barauni	Bihar	Oil Refinery
Baroda	Gujarat	Heavy Water Plant
Basti	Uttar Pradesh	Fruit Research
Bhadravati	Karnataka	Alloy Steel
Bhandara	Maharashtra	Explosives
Bhatinda	Punjab	Thermal Plant
Bhestan	Gujarat	Nylon
Bhilai	Madhya Pradesh	Steel Plant
Bhopal	Madhya Pradesh	Heavy Electricals
Bodra	West Bengal	Oil
Bokajan	Assam	Cement Plant
Bokaro	Bihar	Steel Plant
Burnpur and Kulti	West Bengal	Iron and Steel
Cambay	Gujarat	Petroleum
Chandrapura	Bihar	Thermal Power

Chittaranjan	West Bengal	Locomotive
Cochain	Kerala	Shipbuilding
Debari (near Udaipur)	Rajasthan	Zinc
Dhuvaran	Gujarat	Thermal Power
Doiwala (near Dehra Dun)	U.P	Satellite Earth Station
Durgapur	West Bengal	Steel Plant; Dry Ice
Ennore	Tamil Nadu	Thermal POwer
Ernakulam	Kerala	Cables
Gomia	Bihar	Explosives
Gopalpur-on-Sea	Orrisa	Guided Missiles Centre
Haldia	West Bengal	Oil Refinery
Harduaganj	Uttar Pradesh	Thermal Power
Hissar	Haryana	Indo-Australian Shep-Farm
Hoshangabad	Madhya Pradesh	Security Paper Mill
Hyderabad	Andhra Pradesh	HTM Hydraulic Press
Jabalpur	Madhya Pradesh	Vehicles-"Shakti-man" and "Nissan"
Jaduguda	Bihar	Uranium ore Mill
Jalsindhi	Maharashtra	Hydroelectric
Jawalamukhi	Himachal Pradesh	Petroleum
Jetsar	Rajasthan	Mechanized Farm

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

Forex Reserves Touch Life-Time High of $363.8 bn

Foreign exchange reserves hit a life-time high of $363.8 billion after it rose $592.1 million in the week ended June 17, the Reserve Bank said in June. In the previous week, the reserves had declined $231 million to $363.2 billion. The surge in reserves was on account of jump in foreign currency assets (FCAs), a major component of the overall reserves. FCAs rose by $594.3 million to $339.6 billion in the reporting week. FCAs, expressed in dollar terms, include the effect of appreciation or depreciation of non-US currencies such as the euro, pound and yen held in the reserves. The country's special drawing rights with IMF dipped by $1 million to $1.5 billion and the reserve position decreased by $1.2 million to $2.4 billion.

IMF retains India growth forecast at 7.5% for 2016, 2017

Structural reforms, including GST and in areas like land and labour; will be key to boosting India's economic growth potential, according to IMF which retained 7.5% growth forecast for this year and next. It further said implementation of structural reforms like Goods and Service Tax, (GST), is a priority to maintain this growth.

India is expected to grow at 7.5 per cent in FY17, underpinned by strong domestic consumption, which has benefited from lower energy prices, says the International Monetary Fund (IMF) in its Regional Economic Outlook: Asia and Pacific. The government's push to boost capital spending could help crowd in private sector investments, which will help broad-base the recovery.

The IMF lowered its growth forecast for the Asia-Pacific region to 5.3 per cent in 2016-17,

marginally lower than the previous estimate of 5.4 per cent. The downgrade reflects the sluggish nature of global recovery, which suggests that export growth is likely to be muted. As such growth in the region is likely to be driven largely by domestic consumption demand aided by lower commodity prices. The aggregate growth numbers might be adversely affected as the IMF predicts the Chinese and Japanese economies to slow sharply over the next two years.

While India will remain as the fastest-growing economy in the world, there are several reasons to worry. For one, as the IMF points out, weak exports, courtesy sluggish global growth and sluggish credit growth, in part a consequence of stressed bank and corporate sector balance sheets "will continue to weigh on the economy." With the Reserve Bank of India forcing banks to recognise the true extent of bad loans in the system, bank profits, especially in the public sector unit (PSU) segment, have come under stress, as they make provisions to deal with the bad loans. This puts pressure on PSU banks to raise capital. Though the government has allocated Rs 25,000 crore in the Budget for this purpose, analysts believe this may simply not be enough. In fact, even the IMF warns that despite exceeding regulatory requirements, Tier-I capital levels are relatively lower in India and China.

FDI up 16.5% to $2.46 bn in March

Foreign direct investment (FDI) into India increased by 16.5 per cent to $2.46 billion in March this year. The FDI inflows were at $2.11 billion in the same month of last year, according to Department of Industrial Policy and Promotion (DIPP) data. For the entire 2015-16 fiscal ended March 31, the inflows grew by 29 per cent to $40 billion as against $ 30.93 billion in 2014-15.

Govt Supports Solar Rooftop Projects

The government has lined up almost $2.5 billion (about Rs 16,800 crore) for providing low cost finance to achieve the target of installing 40 GW grid-connected solar rooftop systems. "The ministry is in negotiations with the KfW Development Bank to secure soft loans of 1 billion euro. They have already provided $100 million funding," The Ministry of New and Renewable Energy (MNRE) Secretary Shri Upendra Tripathy said. The World Bank has committed a loan of $620 million, with the Asian Development Bank and the New Development Bank pledging $500 million and $250 million, respectively. "This will enable participating commercial banks such as SBI, PNB and Canara Bank to extend loan at or near base rates". The secretary further said in the current fiscal, MNRE is trying to arrange an investment of Rs.6,000 crore for rooftop solar projects. The government is committed to encourage rooftop solar projects and Power and MNRE Minister Shri Piyush Goyal will inaugurate a national workshop on Roof Top Solar Power. This workshop will have presentations and discussions on various topics including best practices, innovative projects and major policy initiatives on projects.

Indirect tax collection jumps 42% in April

Indirect tax collections jumped 42 per cent in April 2016 on sharp rise in excise collections owing to increased duty on petrol and diesel. "Indirect tax collections for the month of April 2016 was Rs.64,394 crore registering a growth of 41.8% as compared to Rs.45,417 crore collected during the same period previous year".

Excise collections soared 70.7% to Rs.28,252 crore in April as compared to Rs.16,546 crore a year ago. The government had between November 2015 and January 2016 raised excise duty on petrol and diesel five times to raise an additional Rs.17,000 crore in 2015-16 fiscal. The five excise duty hikes totaled Rs.4.02 a litre on petrol and Rs.6.87 per litre on diesel. "Overall growth in revenue collections on account of indirect taxes excluding additional revenue measures is 17%," the statement said. Additional revenue measures include raising excise duty on auto fuels.

The collections in April are 8.3% of the Budgeted target for the 2016-17 fiscal. Finance Minister Shri Arun Jaitley has pegged indirect tax collections at Rs.7.78 lakh crore in 2016-17, up 9.7 per cent from Rs.7,09,022 crore actual collections of the previous fiscal.

Power to tolerate means to understand, accept and always remember – each soul is different from me. Their thoughts feelings, perceptions, sansakars and their role in this drama of life is different from me.

SUCCESS STORY

M/s Shree Rajesh Ginning Factory, Dharwad

M/s Rajesh Ginning Factory is located at Industrial Area, Dharwad engaged in cotton ginning with partners from the same family. Sri Narayana V Koparde, the Managing Partner has 30 years experience in the same line. Karnataka State Financial Corporation, Dharwad branch has assisted the unit with the financial assistance of Rs. 100.00 lakhs during August 2014. The unit is being managed well under the able administration of Sri Koparde with good family support.

M/s Shanthala Projects, Priyadarshini Colony, Gokul Road, Hubli

Sri Kadappa Mysore, the proprietor of M/s Shanthala Projects, a graduate degree holder in Instrumentation Engineering from SIT, Tumkur, Bangalore University. He has 20 years of experience in providing services to electrical power equipment Testing, Servicing and Calibration to Government and Private sector. Karnataka State Financial Corporation, Branch Office, Hubli has sanctioned loans aggregating to Rs. 465.00 lakhs between June 2011 to February 2015 to the above project located at Plot No: 24, Priyadarshini Colony, Gokul Road, Hubli, under Interest Subsdiy Scheme for Scheduled Caste and Scheduled Tribe Entrepreneurs from Government of Karnataka, for the activities of Testing, Servicing and calibration of Electrical transformers and reclamation of transformer oil. The unit is running successfully and has been regular in repayment to the Corporation. The Corporation is privileged to have been associated with unit.

Story of Rags to Riches :

Born to a Dalit farmer in sleepy village at Belligatti, Kundgol taluka, Dharwad district in January 1971, Mr. Kadappa lost his parents at early age. He started his career after graduation as a Service-in-charge at ELTEL, Bangalore and later commenced Shanthala Engineering at Bangalore in 1999. After realizing the potential, he shifted to Hubli, the business hub of North Karnataka and named it as Shanthala Power Limited [SPL] offering the services of testing, calibration, engineering services, project management consultancy, third party inspection and Turn Key services in the field of Electrical, electronics, Mechanical, Civil and Chemical Engineering services to the industries and utilities in India. The unit was certified with ISO- 9001:2008, accredited with NABL, started established a laboratory in Kota, Rajasthan for Energy Meters Testing, and got NABL,accreditation. Mr. Kadappa Mysore played an important role in converting Shanthala into a Medium scale industry and received several awards and recognitions which include National Award for Small Scale Entrepreneurs, Rajiv Gandhi National Quality Award, Small Scale Service Industry, Special Commendation for the Golden Peacock HR Excellence Award, The Corporation is privileged to have been associated with such good customers for all their development/growth through years.

RBI to give solution to resolve bad loans

The Reserve Bank has proposed that lenders may set up two different funds — one to infuse equity into stressed companies and the other to give working capital finance.

The move is set to strike a quick solution to resolve the bad debts of banks. Gross non-performing assets (NPAs) of listed companies have touched Rs 5.91 lakh crore as of March 2016 and as many as 14 banks have suffered huge losses.

The Stressed Assets Equity Fund (SAEF) — the proposed entity for equity infusion — may receive contribution from the government, banks, insurers, as well as local and overseas investors. The government's contribution can come from the National Investment & Infrastructure Fund. Stressed Assets Lending Fund (SALF), the other proposed entity, would restrict itself to providing last-mile financing.

CIBIL to provide info to Small, Micro Lenders

Credit information solutions provider, Credit Information Bureau (India) Limited (CIBIL) will partner and provide information solutions to small and micro lenders. The move will help these small lenders take better lending decisions, grow their customer base and drive credit penetration.

CIBIL Insights reveal that retail loans have grown at an average CAGR of 28% over the last three years, while at the same time there is significant reduction in retail NPA rates. Credit information solutions have helped reduce the average time required for approval of a loan application from approximately 7-9 days three years ago to around 3-4 days now.

11 PSBs need Rs.1.2 lakh-cr fund infusion by 2020: Moody's

State Bank of India and 10 other public sector banks (PSBs) will need Rs 1.2 lakh crore capital, far higher than the amount government has planned to inject into them, to bolster their balance sheets, Moody's Investors Service said in June. The government has announced Rs 70,000 crore capital infusion for 22 public sector banks by March 2019. Of this, Rs.25,000 crore has already been injected and the government plans to infuse as much during the current fiscal.

30 of 50 banks may not meet CAR norms

The RBI has raised concerns over the capital adequacy ratio of many lenders (30 of 50), saying they might not be able to meet the norms under extreme scenarios. In its Financial Stability Report, it said this ratio doesn't seem threatened for now but could slip below the required level if there's a surge in bad loans. Tests conducted by RBI suggest that under a baseline scenario, gross non-performing assets (NPAs) could rise to 8.5 per cent of the total by March 2017, from 7.6 per cent in 2016. However, if banks' asset quality faces any severe stress, it could rise to 9.3 per cent.

Public sector banks are a particular concern. The report says non-banking financial companies (NBFCs) are doing better. It noted the aggregated balance sheet of the NBFC sector expanded by 15.5 per cent over a year, as of end-March. And, gross NPAs fell to 4.6 per cent, from 5.1 per cent in September 2015.

PSBs may get Rs. 12k-cr extra capital in FY17

The government is planning to inject Rs.10,000-12,000 crore in public sector banks (PSBs) in the current financial year, over and above Rs.25,000 crore provisioned in the Budget, to help them sail through the mounting bad loans. Senior PSB executives have sought additional recapitalisation from the government to meet capital adequacy requirements.

KSFC

Women entrepreneurs make a significant contribution to the Indian economy and should be encouraged to participate in the MSME growth story. There are nearly three million MSME's with full or partial female ownership. Collectively, these women-owned enterprises contribute 3.09 percent of industrial output and employ over 8 million people. Approximately, 78 percent of women enterprises belong to the services sector. Women entrepreneurship is largely skewed towards smaller sized firms, as almost 98 percent of women-owned businesses are currently micro-enterprises.

The government has realized the importance of entrepreneurship as a prominent alternative to traditional wage employment in the new economy, and its role in increasing the pace of economic growth. Therefore, Government of Karnataka has come up with a special scheme to help women entrepreneurs for which Karnataka State Financial Corporation is the nodal agent. The scheme is available at a net interest rate of four percent.

Scheme For Women Entrepreneurs

The Government of Karnataka has introduced a scheme of interest subsidy in respect of loans availed by women entrepreneurs. Salient features of the scheme are as under :-

- The Scheme is made applicable to the women entrepreneurs who avail term loan from KSFC:-
    - for establishing new units in small & medium scale sector and service enterprises;
    - for taking up expansion / modernisation / diversification of existing units;
    - for the loans sanctioned after 10.12.2015 to women entrepreneurs;
- The unit should be owned by women entrepreneurs. In case of partnership firms and companies, the women partners / directors shall hold minimum 51% shares.
- The minimum loan size is Rs.5.00 lakhs for all activities, except for existing units going in for expansion / modernisation / diversification. In case of medical and veterinary doctors, the minimum loan size is Rs.2.00 lakhs. The maximum loan size is Rs.50.00 lakhs.
- The unit will be eligible for interest subsidy for a period of 5-years from the date of first disbursement of the loan, even if the repayment period extends beyond five years.
- The entrepreneurs are eligible to avail the benefits of interest subsidy under the scheme only once.
- The interest subsidy under the scheme is eligible only for the term loans sanctioned for small and medium scale industries and not applicable to other type of loans such as WCTL, PE loan, Corporate loan, loans to CRE and transport sector etc.,
- The units which have already availed the interest subsidy under any other scheme of Government of Karnataka / Government of India are not eligible for interest subsidy under this scheme.

- KSFC shall sanction loans with normal applicable rate of interest and the promoters shall pay the interest accordingly. The effective interest rate to be paid by the beneficiary / borrower is 4% p.a. The difference between the normal lending rate of KSFC and effective interest rate of 4% i.e., 10% will be reimbursed by KSWDC on monthly basis. To avail this interest subsidy, the entrepreneurs shall be regular in repayment of installments.
- The terms and conditions of loan sanction such as promoter's contribution, DER, security requirements, viability of the project etc., shall be ensured by KSFC as per the prevailing Lending Policy.
- The selection of women entrepreneurs for extending interest subsidy under the scheme shall be done by the District Level Committee headed by the Branch Managers of KSFC, consisting of District Level Lead Bank Managers, Joint Director of DIC, Deputy Director of Women and Child Welfare Department and Officers of KSWDC as other members.

With the introduction of new schemes like Interest Subsidy Scheme for the first generation entrepreneurs at the rate of 8% for establishing new Micro and Small Industries backed by interest subsidy from GoK, Scheme for financing Solar Power Generation Projects and Scheme of Venture Capital Assistance for Agribusiness projects offering 26% of promoter equity from Small Farmers' Agri-Business Consortium (Ministry of Agriculture, GoI), the Corporation is expecting to lure more business from entrepreneurs of Karnataka.

The original potential of each soul is to be 100% pure, powerful, loveful and peaceful. Today we are depleted from our original strength. Connecting with HIM, the power house restores our original powers.

If we are judgmental and critical about people even in our thoughts, it depletes our power . The thoughts reach them and they start thinking negatively for us, which further depletes our power. This become a vicious cycle of negative conversation between the two minds.

West Bengal Budget to cut fiscal deficit to 1.96%

West Bengal Finance Minister Shri Amit Mitra presented a tax-free Budget for 2016-17 in June, even as he proposed to cut his government's fiscal deficit to 1.96 per cent of gross state domestic product (GSDP), against 2.68 per cent in 2015-16. Displaying commitment to fiscal prudence, he proposed to eliminate revenue deficit from next year, from 1.03 per cent last year, and initiated several tax reforms such as digitisation of tax payment procedures and abolition of the tax dispute settlement commission.

In his first Budget Shri Mitra said he would increase his government's own-tax collections from 4.57 per cent of GSDP last year to 5.13 per cent in 2016-17 by relying on compliance for higher tax collections. A boost to the government's capital expenditure by proposing to increase the Plan outlay by nine per cent against the revised estimates of 2015-16 was also given. However, the state government's debt situation also worsened as its total debt was set to increase from 32.46 per cent of GSDP in 2015-16 to 33.72 in 2016-17. Last financial year, the state overshot its expenditure target to Rs.53,101 crore (revised estimates 2015-16), representing 34 per cent increase in expenditure over 2014-15. The state's tax revenue rose around nine per cent in 2015-16 to Rs.42,920 crore in 2015-16 (revised), against Rs.39,412 crore in 2014-15 (actuals). However, the state missed its target of Rs.46,497 crore, as set in Budget 2015-16. The state also raised the tax exemption limit on profession tax to Rs.10,000 a month, from Rs.8,500 earlier. This apart, the state would not go for litigation where the disputed amount in the appeal order was less than Rs.1 lakh.

As part of its digitisation plan, the state has done away with the requirement of submission of paper TDS certificate, replacing it with an online system.

To reduce litigation, the time limit for disposal of appeal cases in VAT has been reduced from one year to six months. With a view to providing relief to the tea industry, the exemption from payment of rural employment and education cess has been extended by one year. In the education sector, the government has introduced an e-learning initiative with an outlay of Rs.100 crore. It has also rolled out a scholarship scheme for low-income groups with a corpus of Rs.200 crore. The increase in the state Plan outlay had led the state GSDP to increase in 2015-16 to Rs.9,20,083 crore, against Rs.4,60,959 crore in 2010-11.

Karnataka Agribusiness & Food Processing Policy 2015

PREAMBLE:

The agro based industries in the State are spread across all the 30 districts. Currently, there are about 54,905 agro processing units with an investment of Rs.4,42,879 Lakhs have employed 3,24,148 manpower. These are mainly in MSME sector. Agribusiness & Food Processing Sector in the State has witnessed a steady growth. Exports have increased from Rs.5158 crore in 2010-11 to Rs.11231 crore in 2014-15 registering a Compounded Annual Growth Rate (CAGR) of 21%.

The Agriculture and allied sectors viz., Horticulture, Animal Husbandry, Fisheries, Food Processing in the State requires a special focus and thrust in view of their direct impact on the livelihood of the farming community of the State.

The value addition to agriculture, horticulture and other sector produce leads to extra income in the hands of farmer and also helps in boosting the economy of the State. Hence, there is a need to have an exclusive Agribusiness & Food Processing Policy to give focused attention for the overall development of agribusiness and food processing sector. In Karnataka, about 3% of the total agro and allied produce is processed currently. The Ministry of Food Processing Industries, Govt. of India aims to achieve the food processing target of 25% by 2025 at the national level. In line with the National benchmark, the Karnataka Agribusiness & Food Processing Policy 2015 aims to achieve the target of 10% of agro processing by 2020 and 25% by 2025 in the State. This policy aims to develop agribusiness and agro processing as a vibrant sector for creating employment opportunities and increasing the farm returns to farmers by value addition. The vision of Karnataka Agribusiness & Food Processing Policy 2015 is to position Karnataka in a sustained growth path in the field of agriculture & allied sectors through global technologies & innovative tools, by creating enabling frameworks and state of art infrastructure facilities, thereby generation of higher returns to farming community.

The objectives of the policy are as follows:

- To increase the value addition and reduce wastage, thereby increasing the income of farmers.
- To maximize direct and indirect employment generation opportunities.
- To create necessary supply chain like transportation, warehouses, and cold storage in the agro processing sector.
- To increase the flow of investments across the supply chain from farm to market.
- To extend the supply chain and infrastructure opportunity in rural area.

At the all India level Karnataka stands First in the production of coffee, Bengaluru Rose Onion, Sunflower, Gherkins, Arecanut, Capsicum, Green Chilli, Tamarind and Vanilla. Second in the production of Maize, Tur, Jowar, Tomato, Sapota, Grapes, Pomegranates, Pepper, Cut Flowers, Cucumber, Watermelon and Cloves. Third in the production of Sugarcane, Mango, Tobacco, Jackfruit, Onion, Dry Chillies, Cardamom, Cocoa, Coconut and Cinnamon. Fourth in the production of Bengalgram, Papaya, Carrot, Turmeric and Cashewnut. Fifth in the production of Groundnut, Soyabean, Banana, Lime/Lemon and Sweet Orange. The State is also one of the leading producer of Milk, Ginger, Marine Fish, Garlic, Eggs, Guava etc.

This policy covers warehousing, silos, cold storage logistics related to Agri-business, Export, Processing, Handling, Storage of Agricultural, Horticultural, Floriculture, Spices, Medicinal and Aromatic Plants, Fish, Meat, Poultry, Dairy, Organic Produce, Research for varietal development, Bio Technology, Bio informatics, Food Testing Laboratories, Tissue culture Laboratories, Seed Processing Units, Irradiation Units, Food Grade Packaging material units and preservatives, Horticulture hub, Food Parks, Sea food parks and Spice park.

Interest Subsidy Scheme From Gok To Encourage Establishment Of Warehouses And Cold Storages Around Villages And Towns

Warehouses and Cold storages play a key role in a number of other industries including e-commerce, retail, grocery and other more specific industry segments. A complete effective warehouse management system can increase productivity, allow more efficient space utilisation and reduce overhead costs. Considering the importance of logistic sector for industrial growth, KSFC has introduced a new Interest Subsidy Scheme from Govt. of Karnataka to encourage establishment of warehouses and cold storages around villages and towns.

The salient features of the scheme are as below:

Objective:

The objective of the scheme is to provide the farming community with facilities for scientific storage so that the wastage and produce deterioration are avoided and also to enable it to meet its credit requirement without being compelled to sell the produce at a time when the prices are low.

Eligibility:

The financial assistance is available under the scheme to the following:

To the proprietary concern / partnership firms / farmers and interested parties belonging to farmers / farmer associations / self help groups / cooperative societies / agriculture produce / marketing committees / farmer federation / NGOs.

Assistance of Interest Subsidy :

Interest subsidy from GoK is limited to 10% in the normal RoI on the loan amount. The promoter shall however repay the net of interest rate i.e., normal rate of interest less 10% interest subsidy from GoK.

DER:

DER shall be as per the norms of the Corporation as follows:

In case of loan upto Rs.10.00 lakhs DER shall be less than 3:1. In case of loans more than Rs.10.00 lakhs, DER shall be more than 2:1.

Promoter's contribution:

Promoters contribution shall be minimum 25%.

Terms of Repayment:

The interest subsidy will be applicable only for prompt repayment within the due date and shall not be available for delayed repayment or defaulting the due date. The interest subsidy will be available only for first 5 years from the date of first disbursement as a back ended subsidy.

Term Loan:

Depending on the project cost, maximum project cost will be Rs.3,000/- to Rs.4,000/- per tone capacity for construction.

Others:

- Applicable for claimants of loan sanctioned on or after 01-04-2013 from Nationalised Banks and State Co-operative Agricultural and Rural Development Banks, Scheduled Commercial Banks, NABARD, Co-operative Banks, Regional Rural Banks, KSFC, National Co-operative Department Corporation, on first come first serve basis.
- Warehouses and cold storages constructed must be in accordance with the standards of warehousing development and regulatory authority, GoI (WDRA website www.wdra.nic.in).
- Constructed units will be eligible for interest subsidy only after accreditation with the WDRA.
- Sanction of interest subsidy is subject to other guidelines of the Government that may change from time to time.
- In respect of cold storages projects construction of units must be in accordance with the standards of NHM (National Horticulture Mission)
- KAPPEC has been nominated as Nodal Agency for implementation of the scheme.
- NABARD is providing back ended subsidy for the project if available from Government of India.

Maharashtra remains the richest state: RBI report

Tamil Nadu showed the highest gross fiscal deficit across all states in 2015-2016, Maharashtra continued to be the richest state in the country while Punjab witnessed steady fall in the number of factories between 2010-11 and 2013-14, according to Reserve Bank of India's first edition of the Handbook of Statistics on Indian States. Maharashtra was the richest state with a gross state domestic product (GSDP) in 2014-15 recorded at about Rs.9.50 lakh crore at constant prices, rising 5.7 per cent from 2013-14. The second-richest state in terms of GSDP was Tamil Nadu, closely followed by Uttar Pradesh at about Rs.5 lakh crore each, in 2014-15.

Tamil Nadu's gross fiscal deficit was estimated at Rs.31,830 crore, followed by Uttar Pradesh's Rs.31,560 crore for 2014-15. Maharashtra's fiscal deficit, third widest in the country, was at Rs.30,730 crore for the period. The total fiscal deficit of all states included was at Rs.3,33,330 crore, down 8.8 per cent from the previous year. Punjab witnessed a steady fall in the number of factories in the past few years, according to RBI's handbook. In 2010-11, the northern state had 12,770 factories, which fell to 12,593 in 2011-12, 12,427 in 2012-13 and 12,278 in 2013-14. Across India, the number of factories at the end of 2013-14 stood at 224,576, from 222,120 a year ago.

Maharashtra and Rajasthan witnessed considerable fall in gross sown area for agriculture. In 2012-13, Maharashtra's gross sown area shrank to 21,874 thousand hectares, from 22,011 thousand hectares in 2011-12 and 23,175 thousand hectares in 2010-11. In case of Rajasthan, it was 23,954 thousand hectares, 24,505 thousand hectares and 26,002 thousand hectares, respectively.

Banks disbursed most loans in the southern region, which comprises Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Lakshadweep, Puducherry and Telangana. Credit deposit ratio in Tamil Nadu was as high as 119 as of March 2015. Compared to that, the most developed state Maharashtra's credit deposit ratio was at 92. The all-India average credit deposit ratio was at 77.1.

J&K to Develop 14 New Tourist Spots

Jammu and Kashmir government is set to develop around 14 new tourist destinations across the state, including Toosa Maidan firing range, recently vacated by the army and Bungus Valley in north Kashmir. The government will develop Toosa Maidan and Bungus Valley as eco-tourism destinations, where local population would also be involved to create infrastructure, without disturbing the environment. Officials of the tourism department stated that the population living in the meadows or mountains would not be relocated but trained professionally to host the tourists. They would also be provided monetary help to redevelop their mud hutments into guest lodges.

Some of the new tourist destinations proposed to be brought on the tourist map include Sinthan, Mazmooh, Apple Town Chiniwooder, Dudhal, Shrunz, Mantalai, Bani Basoli, Ranjeet Sagar Dam, Nori Chamb, Seven Lakes Rajouri, Burzuhama, and Khanmoh Fossil Park. According to government figures, around 11.67 lakh tourists visited in 2014, including 27,172 foreigners while in 2015, 9.27 lakh tourists, including 28,954 foreigners visited.

Odisha govt approves investment of over Rs.1,000 cr

Odisha government approved investment of Rs 1,002 crore in two projects which are likely to generate employment for about 1,000 people. The government approval came during a Single Window Clearance Committee (SWCLC) meeting presided over by Chief Secretary Shri A P Padhi here. The committee cleared a proposal of BMW Industries Limited (BMWIL) to set up a steel processing unit at Kalinganagar in Jajpur district with an investment of Rs 900 crore. The company would employ about 600 people, Industries secretary Shri Sanjib Chopra said after the meeting.

POLICY POINTERS

Labour reform in textile policy garb

The government in June 2016 announced a special package with an estimated annual outgo of Rs.6,000 crore for the garment industry, with a thrust on some radical changes to labour rules to help create 1 crore additional jobs over the next three years. The Cabinet is set to introduce fixed-term employment and bring in parity between the contractual and permanent labourers in terms of wages and all other incentives — an important step that can potentially be replicated in other industries (for instance, automobiles) that have witnessed protests over pay disparity among workers and are struggling under rigid rules for contractual employment. A garment factory will now have the flexibility to hire contractual workers for a fixed period with ease so that it can meet supply commitments, given the highly seasonal nature of export orders. This will boost domestic manufacturing and exports.

Rigid labour rules, were one of the reasons that caused Indian garment exports to grow at a much slower rate. This resulted in Bangladesh beating India in garment exports in 2003 and Vietnam in 2011. India's textiles and garment exports stood almost flat at $40 billion in 2015-16 from a year before.

The government has also raised the overtime work limits to 8 hours per week (which will translate into roughly 100 hours a quarter) against the current 50 hours per quarter and said the employees' provident fund contribution will be optional for employees earning less than Rs.15,000 per month.

Among other measures, the government has decided to bear the entire 12% of the employers' contribution of the Employees' Provident Fund Scheme for new employees in the garment industry earning less than Rs 15,000 per month for the initial three years. Currently, 8.33% of the employer's contribution is being provided by the government under the Pradhan Mantri Rozgar Protsahan Yojana.

Liberalisation of FDI norms

The government liberalized the FDI norms in June 2016 as under : -

- ***FOOD TRADING:*** 100% FDI under government approval route for trading, including through e-commerce, for food products manufactured or produced in India
- ***DEFENCE:*** Foreign investment beyond 49% permitted through government approval route, in cases resulting in access to modern technology, in lieu of state-of-the-art technology. FDI limit for defence sector applicable to manufacturing of small arms
- ***MEDIA:*** Cable, DTH, teleports, Headend in the Sky can all have 100% FDI
- ***PHARMA:*** 74% FDI under automatic route in brownfield pharmaceuticals
- ***AVIATION:*** 100% FDI under automatic route in brownfield airport projects. Also, FDI in scheduled air transport service/domestic scheduled passenger airline and regional air transport service raised to 100%. But, restriction on investment by foreign airlines to continue

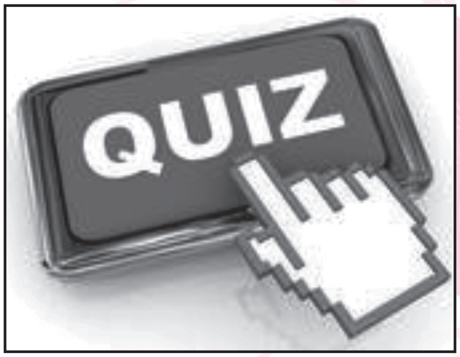
- ***PRIVATE SECURITY AGENCY:*** FDI up to 49% under automatic route and up to 74% on government approval route
- ***SINGLE-BRAND RETAIL:*** Local sourcing norms relaxed up to three years for all single-brand entities. Another five years' relaxation for trading of products having 'state-of-the-art' and 'cutting-edge' technology

Lok Sabha clears bankruptcy code

This Insolvency and Bankruptcy Code aims to slash the time it takes to wind up a company or recover dues from a defaulter. The uniform law will streamline the existing insolvency process which depends on 11 separate laws. Minister of State for Finance Shri Jayant Sinha, described the Code as "transformational" and said it would help India improve its ranking in the World Bank survey on 'ease of doing business'. The new legislation would help in taking the overseas assets of wilful defaulters, only when cross-border treaties are put in place.

"The Insolvency Bill is a landmark legislation which creates a common process for all creditors to interact with a company that has defaulted on its obligation and should go a long way in speeding up the resolution process for stressed assets in the country". "This legislation is a huge step towards ease of doing business in India and will over a period of time bring business practices in India closer to more developed markets". The Bill also proposes an insolvency regulator for oversight. It lays down a transition provision during which the central government will exercise all the powers of the regulator till the time one is set up.

ANSWERS OF CYBERQUIZ ~ 60



1. [a] Asynchronous Transfer Mode : This is a form of switching system designed to minimize the magnitude of switching time.
2. [a] Sanyo : In CD drives without this technology, CD burning must be done without any interruption, otherwise the recording becomes unsuccessful.
3. [a] PC Jr. : These small-size keyboards were not popular among the users and are hardly used in computers nowadays.
4. [d] Universal Serial Bus : USB is a general purpose port and can connect upto 127 peripherals to a microcomputer. The data transfer rate through a USB port is 12 mbps, which could be upto 55 mbps in case of USB 2.0.
5. [a] Mickey : Mickey is a less common unit named after the Mickey Mouse. It is a measure of distance reported by mouse. Mouse speed is expressed as DPI (dots per inch). The DPI is the number of pixels the mouse cursor moves when the mouse is moved one inch.

SEZs proposed on Ajmer Road, Jaipur

The Rajasthan Industrial Corporation (RIICO) has planned an information technology park in Sitapur, which has excellent connectivity with Jaipur. Many thriving IT companies like Infosys and Wipro are scheduled to set up base in Jaipur. One of the recent developments in Jaipur is the growth of its Peripheral Business Districts, and the Jaipur-Ajmer Expressway is part of it. Ajmer Road is six-laned and well-developed. The Expressway has seen tremendous growth in construction of both commercial and residential projects. Jaipur's rapidly-developing infrastructure has provided impetus to this growth corridor. Special Economic Zones (SEZs) have been proposed by two corporate majors, on Ajmer Road. There is a lot of demand for mid-income and luxury apartments, and developers are catering to this demand with projects offering all the major amenities. Social infrastructure in the form of schools, colleges, hospitals, avenues for entertainment such as cinema halls and restaurants and shopping malls have also been developed on Ajmer Road.

Govt releases draft national wind-solar hybrid policy

Draft National Wind-Solar Hybrid Policy which aims at providing a framework to promote large grid connected wind-solar PV system for optimal and efficient utilisation of transmission infrastructure has been released.

The goal of the policy is to reach wind-solar hybrid capacity of 10 GW by 2022, it said. The "policy aims to encourage new technologies, methods and way-outs involving combined operation of wind and solar PV plants. The main objective of the policy is to provide a framework for promotion of large grid connected wind-solar PV system for optimal and efficient utilisation of transmission infrastructure and land, reducing the variability in renewable power generation, thus, achieving better grid stability. Solar and wind power being infirm in nature impose certain challenges on grid security and stability. However, studies have revealed that solar energy and wind energy are almost complementary to each other and hybdridation of two technologies would help in minimising the variability as well as in optimally utilising the infrastructure.

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 !

What's the Big Power of Micro Greens?

Are you eating microgreens in your lunches or dinners?

If not, now is the time to learn about the big nutritional benefits to these tiny greens! Micro greens are the baby version of foods you may already know and like. They are usually sprouts (or sprout-like small leaves) usually under 14 days of growth. You can find full grown grocery staples like spinach, kale, chive, arugula, and broccoli as a microgreen. However, you can mix things up with watercress, mustard-greens, onion sprouts, radish & alfalfa. Each of the microgreens will not taste exactly like the adult plant. They are usually milder, since they're not fully grown. However, items like mustard, onion, and radish will have a stronger, more spicy flavor.

How do these little leaves bring you a big value?

They generally have from FOUR to SIX times the concentration of nutrients you usually get in the bigger/adult size plant. That means you get more nutrients in a smaller package, like beta carotene, vitamin B, vitamin C and even amino acids. That's great news if you don't want a traditional salad every day. Since you don't need as much plant material to get the benefits, they're easier to include in your diet with ideas like blending them into a smoothie, using lettuce sprouts to top a burger instead of lettuce (or topping any sandwich, really) or replacing the spinach leaves in an omelet with micro spinach sprouts.

Microgreens are tiny leaves with many health benefits.

The health benefits differ slightly between the different varieties of plants you can choose. For instance, most of the bean sprouts are rich in C, while alfalfa has higher calcium, potassium and magnesium. While no one would think to eat the sunflower plant, you can (and should) eat the sprouts as they have amino acids, folate & and vitamin E as well as trace copper. The benefits just go on and on, so the best thing to do is pick your favorite flavored sprout (the sweeter & mild sunflower, or the zippy radish, or maybe the heartier crunch of the bean-sprout in a stir fry?) and search for all of its specific nutrients on the internet.

Can you raise micro-greens in your own home?

Yes! But some are easier than others. For instance, with lentils you have to have several soaking, rinsing and resting periods before you can even get them to sprout. It is, of course, worthwhile if you really enjoy sprouted beans, but if you're looking to get to the greens faster you need the chia seed. If you're looking for the simplest and quickest sprout,(It's pretty much foolproof) look for the chia seed first. Chia seeds are so easy to sprout, they even made a gimmick ceramic animal "Pet" for kids to grow them on. They grow quickly, thanks to the nutrient packed seed, making sprouts to add to your salad even faster. Chia sprouts have a somewhat 'spicy' flavor. It isn't as powerful as onion or radish sprouts, but it is not as mild as alfalfa.

What is sprout safety?

With some seeds, a little potting soil (Or seed-starter mix soil) and a low dish, most people can raise microgreens in their own home. Chia seeds will certainly sprout if placed on damp soil in a low dish. It is important to properly care for any plant's microgreen, to avoid issues like mold & to maximize the appeal when serving as well as the nutrition. However, with a few quick tips, small plants like these are generally easy to manage.

Raising your own greens means saving money too, sometimes this healthy ingredient is expensive at the grocery, or appears less than fresh. Keep in mind that each one has a different flavor, if you don't like one microgreen, you may enjoy another, so experiment as much as you want, now that you know that the nutritional benefits are quite worthwhile. If you sample a few varieties and still find you want something a bit milder that adds nutrition to meals, you can always just eat the chia seeds. While the chia sprout has flavor, the seeds themselves do not. They can be mixed into every day foods without altering the taste, such as yogurt, ice cream, salad dressing, soup, stew, scrambled eggs, and PB&J. If you can sprinkle, you can use chia seeds. Remember the last sprouting tip: "The sprout doesn't need fertilizer because it is drawing its initial nutrition from the seed"—this illustrates the nutritional power of chia as you watch it grow. Its sprout is large & vigorous despite the seeds' tiny size. And, it's no wonder because the seed contains more calcium by weight than milk, is 23% complete protein (like what's in meat) has healthy omega-3 oils and two kinds of fiber, plus b-vitamins and the trace mineral boron.

With eating fresh & eating raw getting so much press for its health benefits, you can be ahead of the curve with the freshest food in town…food you harvested just minutes before serving. You save money at the store and save space in your home, because microgreens can be grown in small batches and never require massive pots or large areas. Something as simple as a foil pie tin & small bag of potting mix are all you need to get started (and the seeds, of course!) so there's hardly an up-front cost on time or supplies.

Even if we are receiving hatred, the thoughts we create is our choice. We have three options – we can think the same negative way; we can stop thinking about them completely or we can create pure thoughts for them – we have a choice.