1. ₹ 3 lakh collateral free loan announced for businesses especially MSME as part of ₹20 lakh crore economic package.
2. Only domestic firms can bid for procurements upto ₹ 200 crore.
3. TDS (Tax Deducted at Source) and TCS (Tax Collection at Source) slashed by 25% next year.
4. Statutory provident fund payments have been slashed from 12 to 10% for both employers and employees for the next three months.
5. ₹ 45,000 crore partial credit guarantee for NBFCs
6. CAPF canteens will be selling only Indian products henceforth.
7. The requests for FB user data from India has increased by 28% according to transparency international.
8. ₹ 97,100 Crore is the collective loss of 21 major States because of the lockdown.
9. ₹ 3100 Crore from PM CARE to be allocated for COVID relief.
10. Army proposes a 3 year stint for civilians as part of army modernisation and to reduce expenditure.
11. Supreme Court directs advocates to shed their black robes to prevent spread of Corona virus.
12. Nepal : India can use the Link Road to Lipulekh Pass but Nepal won't surrender its Kalapani territory on which India is carrying out construction.
13. Army's Integrated Battle Groups will soon become operational.

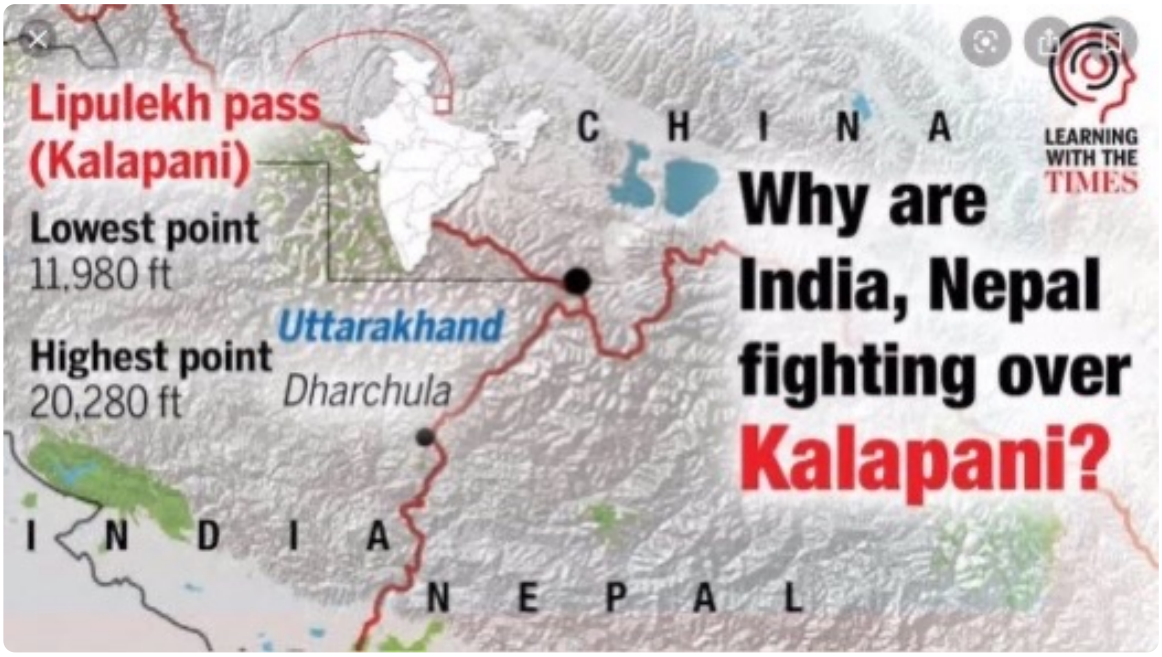
India's ranking in the Corruption Perceptions Index (CPI-2019) has slipped from 78 to 80 compared to the year 2018.

The 2019 CPI draws on 13 surveys and expert assessments to measure public sector corruption in 180 countries and territories, giving each a score from zero (highly corrupt) to 100 (very clean).
First launched in 1995 by the Transparency International, the Index has been widely credited with putting the issue of corruption on the international policy agenda.
Transparency International is a non-profit, non-governmental organisation dedicated to fighting corruption. It was founded in 1993 and is based in Berlin, Germany.

Global Status
A majority of countries are showing little to no improvement in tackling corruption.
In the last eight years, only 22 countries significantly improved their CPI scores, including Greece, Guyana and Estonia. In the same period, among the 21 countries that saw a significant fall in their scores are Canada, Australia and Nicaragua.
In the remaining 137 countries, the levels of corruption show little to no change.
Corruption is more pervasive in countries where money can flow freely into electoral campaigns and where governments only listen to the voices of wealthy or well-connected individuals.
The vibrant economic powers like China (41), Indonesia (40), Vietnam (37), the Philippines (34) and others continue to struggle to tackle corruption. The reasons include keeping decision-making out of public scrutiny and silencing dissenting voices.
Top Rankers
New Zealand and Denmark, with scores of 87 each, followed by Finland (86), Singapore (85), Sweden (85) and Switzerland (85).
Bottom Rankers
The countries ranked at the bottom of the list are Somalia, South Sudan and Syria with scores of 9, 12 and 13 respectively.
Asia-Pacific Region
In 2019 Index, the average score is 45 (marginally better than the global average of 43), after many consecutive years of an average score of 44, which "illustrates general stagnation" across the region.
Despite the presence of high performers like New Zealand (87), Singapore (85), Australia (77), Hong Kong (76) and Japan (73), the Asia Pacific region hasn't witnessed substantial progress in anti-corruption efforts or results.
Low performers like Afghanistan (16), North Korea (17) and Cambodia (20) continue to highlight serious challenges in the region.
China has improved its position from 87 to 80 with a score of 41 out of 100 (same as that of India).

India's Performance
India's score of 41 out of 100 remains the same as that in 2018. It has been ranked at number 80.
In democracies like India, unfair and opaque political financing, undue influence in decision-making and lobbying by powerful corporate interest groups, has resulted in stagnation or decline in the control of corruption.
Way Forward

Transparency International has recommended a series of measures to combat rising corruption across the world.
Following are the recommendations:
Manage conflicts of interest.
Control political financing.
Strengthen electoral integrity.
Regulate lobbying activities.
Empower citizens.
Tackle preferential treatment.
Reinforce checks and balances.



Inauguration of the new link road from India to China to shorten the travel time for pilgrims to Kailash Mansarovar.

Key facts:

The link road starts from Dharchula in Uttarakhand and runs 80 km to the Lipulekh pass.
It has been built by the Border Roads Organisation.
What's the issue now?

Nepal has claimed that the 'Link Road' connecting to Lipulekh passes through Nepali territory.

Nepal claims that India's move marks a breach of the agreement reached between the Indian Prime Minister and Nepal PM in 2014 which sought to work out the outstanding boundary issues on Kalapani (where Lipulekh lies) and Susta.

India's response:

The Ministry of External Affairs of India has clarified that the link road passing through Uttarakhand's Pithoragarh district lies completely within the territory of India.

India has also clarified that the new link road follows the pre-existing route used by the pilgrims of the Kailash Mansarovar Yatra.
India has stated that the boundary delineation exercise with Nepal is ongoing, and that India is committed to resolving outstanding boundary issues through diplomatic dialogue and in the spirit of our close and friendly bilateral relations with Nepal.
Where is the disputed territory located?

Kalapani is located at an altitude of 3600m on the Kailash Manasarovar route.

It borders Uttarakhand in India and Sudurpashchim Pradesh in Nepal.
Since the Indo-China war of 1962, Kalapani is controlled by India's Indo-Tibetan Border Police.

Genesis of the dispute:

Under the treaty of Sugauli signed between Nepal and the British East India Company in 1816, the Kali River was located as Nepal's western boundary with India.

It, however, made no mention of a ridgeline and subsequent maps of the areas drawn by British surveyors showed the source of the Kali river at different places.
This discrepancy has led to the boundary disputes between India and Nepal, with each country producing maps including the territory in their own area to support their claims. The exact size of the Kalapani territory also varies in different sources.

Recently, the Union Finance Minister announced liquidity measures for businesses, especially Micro, Small and Medium enterprises (MSMEs), as part of the first tranche of Atmanirbhar Bharat Abhiyan.

The announced measures also form a part of the Rs. 20-lakh-crore economic stimulus package to deal with the Covid-19 pandemic.
This economic stimulus includes both liquidity financing measures and credit guarantees.
Salaried Workers and Taxpayers:
The deadline for income tax returns for the financial year 2019-20 has been extended, with the due date now pushed to November 30, 2020.
The rates of Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) have been cut by 25% for the FY 2020-21.
The statutory Provident Fund (PF) payments have been reduced from 12% to 10% for both employers and employees for the next three months.

NBFCs, Housing Finance Companies and Microfinance Institutions:
Many of these institutions serve the MSME sector financially and will be supported through a Rs.30,000 crore investment scheme fully guaranteed by the Centre.
Further, an expanded partial credit guarantee scheme worth Rs.45,000 crores also has been offered, of which the first 20% of losses will be borne by the Centre.
For instance, if the government provides a 100% credit guarantee up to an amount of Rs 1 crore to a firm, it means that a bank can lend Rs 1 crore to that firm; in case the firm fails to pay back, the government will repay all of Rs 1 crore. If this guarantee was for the first 20% of the loan, then the government would guarantee to pay back only Rs 20 lakh.

Power Distribution Companies:
As these companies are facing an unprecedented cash flow crisis and thus will receive Rs. 90,000 crore liquidity injection.
Real Estate and Contractors:
Contractors (those dealing with the construction/ works and goods and services contracts) will get a six month extension for completion of work from all Central agencies, and also get partial bank guarantees to ease their cash flows.
Registered real estate projects will get a six-month extension for registration and completion of Real Estate Projects under Real Estate (Regulation and Development) Act (RERA) with Covid-19 to be treated as a "force majeure" event.
A Force Majeure (FM) means extraordinary events or circumstances beyond human control such as an event described as an Act of God (like a natural calamity).
Global Tenders to be Disallowed:
Indian MSMEs and other companies have often faced unfair competition from foreign companies and would be difficult to compete in the future due to Covid-19 pandemic.
Therefore, global tenders will be disallowed in government procurement tenders upto Rs 200 crores.
Liquidity Measures for Medium, Small and Micro Enterprises (MSMEs)

New Definition of MSMEs:
The definition of an MSMEs has been expanded to allow for higher investment limits and the introduction of turnover-based criteria.
Earlier MSMEs were defined on the basis of the limit of investment in machinery or equipment.
The 'turnover' is the more efficient way to identify an MSME as it allows a lot of firms, especially in the services sector like mid-sized hospitals, hotels and diagnostic centres to be eligible for benefits as an MSME.
There will be no difference between a manufacturing MSME and a services MSMEs.

Existing and Revised Definition of MSMEs

Existing MSME Classification			
Criteria : Investment in Plant & Machinery or Equipment			
Classification	Micro	Small	Medium
Mfg. Enterprises	Investment<Rs. 25 lac	Investment<Rs. 5 cr.	Investment <Rs. 10 cr.
Services Enterprise	Investment<Rs. 10 lac	Investment< Rs. 2 cr.	Investment<Rs. 5 cr.

Revised MSME Classification			
Composite Criteria : Investment And Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing & Services	Investment< Rs. 1 cr. and Turnover < Rs.5 cr.	Investment< Rs. 10 cr. and Turnover < Rs.50 cr.	Investment< Rs. 20 cr. and Turnover < Rs.100 cr.

Infusion of Liquidity:
Instead of directly infusing money into the economy or giving it directly to MSMEs,the government will offer credit guarantees for MSMEs.
Emergency Credit Line: The collateral free loans of worth Rs. 3 lakh crores will be available for MSMEs. It will ensure access to working capital to resume business activity and safeguard jobs for 45 lakh MSMEs.
The above measure is available for MSMEs that have an already outstanding loan of Rs. 25 crore or those with a turnover less than Rs 100 crore.
The loans will have a tenure of 4 years and they will have a moratorium of 12 months (that is, the payback starts only after 12 months).
Subordinate Debt Scheme : The loans of amount Rs 20,000 crore will be provided to MSMEs that were already categorised as "stressed", or struggling to pay back.
In this case, the government provides partial guarantee.
Equity Infusion: Fund of Funds with corpus of Rs 10,000 crores will be set up which will provide equity funding for MSMEs with growth potential and viability.

Credit Guarantees to MSMEs

Description:
A Credit Guarantee Schemes (CGS) by the government assures the bank that its loan will be repaid by the government in case the MSME falters.
Reasons for Introduction of CGS:
Though, there was an option to pump liquidity via the banks but banks suspect any new loans due to rising Non-Performing Assets (NPAs).
Thus, the government faced a dual problem where banks had the money but were not willing to lend to the credit-starved sections of the economy, while the government itself did not have enough money to directly help the economy.
The credit guarantees solve dual issues faced by the government.
Implications:
Such CGS creates moral hazards as borrowers remain assured of paying back and the lender remains assured of receiving credit amounts. Subsequently, the government is forced to pay the amount.

Overall Implications of Economic Stimulus

The measures announced during the first tranche of the economic stimulus focuses majorly on supply side measures, aimed at activating businesses in the MSME, real estate, NBFC sectors.
In general, stimulus measures are aimed at boosting demand either by government spending on its own account or increasing disposable incomes of households through cash transfers or tax concessions.
Indian economy needs both supply and demand side measures for the revival.