ECONOMY

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Schemes / Government Initiatives

1. **Mega Food Park Scheme**
   - To give a major boost to the food processing sector by adding value and reducing food wastage with particular focus on perishables, Ministry of Food Processing Industries is implementing Mega Food Park Scheme in the country.
   - It aims to link agricultural production to the market by bringing together farmers, processors and retailers so as to ensure maximizing value addition, minimizing wastages, increasing farmers’ income and creating employment opportunities particularly in rural sector.
   - The Scheme has a cluster based approach based on a hub and spokes model.
   - Implementation and financial assistance:
     - Mega Food Park project is implemented by a Special Purpose Vehicle (SPV) which is a Body Corporate registered under the Companies Act.
     - State Government/State Government entities/Cooperatives applying for setting up a project under the scheme are not required to form a separate SPV.
     - The financial assistance is provided in the form of grant-in-aid at 50% of eligible project cost in general areas and at 75% of eligible project cost in NE Region and difficult areas (Hilly States and ITDP areas) subject to maximum of Rs. 50 crore per project.
   - The foundation stone for First Maize based Mega Food Park was recently laid in Kapurthala, Punjab.

2. **INAM-Pro +**
   - It is a Web Platform for Sale and Purchase of Construction Material and Service launched recently by the Ministry of Road Transport & Highways and Shipping.
   - INAM-Pro+ is an upgraded version of INAM-Pro.
   - The web portal is designed by National Highways and Infrastructure Development Corporation Ltd (NHIDCL).
   - INAM-Pro+ to include the A to Z of construction materials, equipment /machinery and services like purchase/hiring/lease of new/used products and services in the domains of Construction Materials viz, cement, steel, bitumen, stone aggregates, concrete, bricks, wood, sanitary items, paint etc.

3. **Operation Swarn**
   - The Railway Ministry has launched “Operation Swarn” to improve services in Rajdhani and Shatabdi Express trains.
   - The cleanliness and quality of food suffered a lot, which is one of the main reasons that the Indian Railway authority has taken the decision to give the premium trains in India a new look.
   - Under the project, the Indian Railways will focus attention on 10 key areas — punctuality, cleanliness, linen, coach interiors, toilets, catering, staff
behaviour, security, entertainment, housekeeping and regular feedback.

4. Unclaimed PF to fund medical costs
   - A committee of secretaries has directed the Labour Ministry to frame a scheme for benefit of senior citizens who are PF subscribers from inoperative account funds.
   - With this, savings remaining unclaimed in dormant Employees’ Provident Fund (EPF) accounts for seven years will be used to fund a new scheme for providing medical benefits to pensioners under the EPF scheme.
   - Background:
     - EPF money becomes unclaimed after a subscriber doesn’t withdraw money after reaching 61 years of age. Accounts also become inoperative if persons settling abroad do not withdraw their money within three years.
     - The government had framed a law in 2016 wherein unclaimed money under EPF, Public Provident Fund and small saving schemes such as post office savings accounts for a period of seven years will be diverted to set up a senior citizens’ welfare fund.
   - About EPFO:
     - The Employees’ Provident Fund Organisation, a statutory body, is one of the largest social security organizations in India in terms of volume of financial transactions undertaken and number of covered beneficiaries.
     - It works under the overall aegis of the Ministry of Labour and Employment.
     - The main functions of the EPFO: Administers a compulsory contributory Provident Fund Scheme, Pension Scheme and Insurance Scheme.
   - Employee Provident Fund (EPF):
     - The Employee Provident Fund (EPF) is a retirement benefit applicable only to salaried employees.
     - It is a fund to which both the employee and employer contribute fixed amount (percent) of the former’s basic salary amount each month.
     - At present, the entire EPF amount is tax-free at the time of withdrawal if the employee has completed five years of continuous service.
     - In Budget 2018 the Government proposed to contribute 12% of employees’ contribution to EPF fund for new jobs.

5. Interest Subvention Scheme (ISS)
   - Cabinet approved the Interest Subvention Scheme (ISS) for farmers for the year 2017-18.
   - This will help farmers getting short term crop loan up to Rs. 3 lakh payable within one year at only 4% per annum.
   - The Interest Subvention Scheme will be implemented by NABARD and RBI.
   - The objective is give a boost to agricultural productivity and production in
the country.
- The interest subvention will be given to Public Sector Banks (PSBs), Private Sector Banks, Cooperative Banks and Regional Rural Banks (RRBs) on use of own funds and to NABARD for refinance to RRBs and Cooperative Banks.
- The scheme has been running since 2006-07.
- As a measure to check distress sale, post-harvest loans for storage in accredited warehouses against Negotiable Warehouse Receipts (NWRs) are available for up to 6 months for Kisan Credit Card holding small & marginal farmers.

6. **Hydrocarbon Exploration and Licensing Policy (HELP)**
   - To mark a paradigm shift in the country’s hydrocarbon exploration policy, the government has launched the National Data Repository (NDR) along with the Open Acreage Licensing Policy (OALP).
   - **Open Acreage Licensing Policy (OALP):**
     - The OALP, a part of the government’s Hydrocarbon Exploration and Licensing Policy (HELP), gives exploration companies the **option to select the exploration blocks on their own**, without having to wait for the formal bid round from the Government.
   - **About HELP:**
     - HELP opens up India’s entire sedimentary basin for investment from domestic and foreign players.
     - The National Data Repository (NDR) manifested through open acreage licensing (OAL) process will be a key facilitator by providing seamless access to India’s entire exploration and production (E&P) data process through a digital medium to all investors.
   - **The key features of HELP are:**
     - Single, uniform license for extraction and exploration for all types of hydrocarbon prospects.
     - Open acreage licensing (OAL).
     - Simple and easy to administer Revenue Sharing Model.
     - Full marketing freedom and free pricing for crude oil and natural gas.
     - Exploration allowed during entire contract period.
     - Zero royalty rates for deep water & ultra-deep water blocks for first 7 years.
     - Equal weightage to work program and fiscal share.
     - No oil cess.
     - Custom duty exemption.

7. **MERIT (Merit Order Despatch of Electricity for Rejuvenation of Income and Transparency)**
   - A web portal- MERIT (Merit Order Despatch of Electricity for Rejuvenation of Income and Transparency) was recently launched by the Ministry of Power.
   - The portal has been developed by Ministry of Power in association with Power System Operation Corporation Limited (POSOCO) and Central Electricity Authority.
• The portal displays extensive array of information regarding the merit order of Electricity procured by State(s).
• The web-portal also give information regarding reasons for deviation from merit order.
• The advantages of “Merit” Portal are as follows:
  o Empowerment of the Consumer and participative governance.
  o Transparent information dissemination pertaining to marginal variable cost and source wise purchase of electricity.
  o Promotes economy and efficiency in operations.
  o Optimization of the power procurement costs.
  o Indication of supply side reliability, adequacy, and cost of power procurement.

8. Dynamic Fuel Pricing
• The government has dismantled the Administered Price Mechanism (APM) for fixing the petrol and diesel prices and has introduced dynamic fuel pricing.
• In dynamic fuel pricing, the oil retailers will be daily revising the retail selling prices of petrol and diesel based on import parity and market forces.
• The move will give free hand to the oil marketing companies (OMCs) to take independent decisions.
• India joins countries such as the US and Australia where fuel prices are fixed in tandem with the price of crude oil.
• Earlier oil marketing companies (OMCs) were revising prices of the fuel on the 1st and 16th of every month, depending upon average international price in the preceding fortnight and the currency exchange rate.

• The program named Innovate in India (i3) i.e. the National Biopharma Mission was recently launched by the government.
• This is the first ever Industry-Academia mission to accelerate biopharmaceutical development in India.
• It aspires to create an enabling ecosystem to promote entrepreneurship and indigenous manufacturing in the sector.
• The aim of the Mission is to “Enable and nurture an ecosystem for developing capabilities in biopharmaceuticals to a globally competitive level over the next decade, and transform the health standards of India’s population through affordable product development”
• As a flagship program of the Government of India in collaboration with World Bank, it promises to boost the growth curve for domestic biopharma in India.
• The Mission to be implemented by Biotechnology Industry Research Assistance Council (BIRAC), a Public Sector Undertaking of Department of Biotechnology.

10. Startup India Hub
• Ministry of Commerce & Industry launched the Startup India Virtual Hub, an
online platform for all stakeholders of the entrepreneurial ecosystem in India to discover, connect and engage with each other.

- It will create a marketplace where all the stakeholders can interact, exchange knowledge, and enable each other to grow.
- It will solve the problem of information asymmetry and lack of access to knowledge, tools, & experts, especially across Tier II and III towns.
- Startup India Hub comes under Invest India, the official Investment Promotion and Facilitation Agency of the Government of India.

11. National Financial Reporting Authority (NFRA)

- The government is planning to put in place the National Financial Reporting Authority (NFRA) as it seeks to rein in the Institute of Chartered Accounts for India (ICAI) for its perceived failure in enforcing discipline.
- Companies Act 2013 had provided for NFRA as a regulatory agency for audit, accounts and financial reporting.

12. Pradhan Mantri Vaya Vandana Yojana (PMVVY)

- Pradhan Mantri Vaya Vandana Yojana (PMVVY), is a pension scheme exclusively for senior citizens aged 60 years and above.
- The Scheme can be purchased offline as well as online through Life Insurance Corporation (LIC) of India which has been given the sole privilege to operate this Scheme.
- Scheme provides an assured return of 8% p.a. for 10 years.
- Pension is payable as per the frequency of monthly/ quarterly/ half-yearly/ yearly as chosen by the pensioner at the time of purchase.
- The scheme is exempted from Service Tax/ GST.
- On survival of the pensioner to the end of the policy term of 10 years, Purchase price along with final pension instalment shall be payable.
- Loan upto 75% of Purchase Price shall be allowed after 3 policy years (to meet the liquidity needs). Loan interest shall be recovered from the pension instalments and loan to be recovered from claim proceeds.
- The scheme also allows for premature exit for the treatment of any critical/ terminal illness of self or spouse. On such premature exit, 98% of the Purchase Price shall be refunded.
- On death of the pensioner during the policy term of 10 years, the Purchase Price shall be paid to the beneficiary.
13. National Trade Facilitation Action Plan (NTFAP)

- The Action Plan aims to transform cross-border clearance ecosystem through efficient, transparent, digital, and technology driven procedures which are supported by advanced sea ports, airports, and land borders.
- The NTFAP aims to achieve improvement in ease of doing business by reducing cargo release time and cost, promote paperless regulatory environment, transparent and predictable legal regime and improved investment climate through better infrastructure.
- NTFAP also awards specific responsibilities to all regulatory agencies like Customs, FSSAI, Drug Controller, Plant Quarantine, DGFT, etc to be completed in a time-bound manner.
- All actions covered under the plan have been categorized by prioritizing the activities into short term, midterm and long term.
- The National Plan would be monitored by the Steering Committee (the operational arm of the NCTF) chaired by the Revenue Secretary and the Commerce Secretary.
- The plan would be reviewed by the Cabinet Secretary.
- Trade facilitation:
  - The TFA is the WTO’s first-ever multilateral accord that aims to simplify customs regulations for the cross-border movement of goods.
  - It was outcome of WTO’s 9th Bali ministerial package of 2013.
  - Lowering import tariffs and agricultural subsidies make it easier for developing countries to trade with the developed world in global market.
  - Developed countries would abolish hard import quotas on agricultural products from the developing world and instead would only be allowed to charge tariffs on amount of agricultural imports exceeding specific limits.
  - Reduction in red tape at international borders aims to facilitate trade by reforming customs bureaucracies and formalities.
NOTES

It also contains provisions for technical assistance and capacity building in this area.

14. **Transfer unclaimed accruals to fund: IRDA**
   - As per the new direction from IRDA, insurance companies can no longer retain unclaimed amounts of policyholders if those accruals are more than 10 years old.
   - Such sums need to be, instead, transferred to the Senior Citizens’ Welfare Fund (SCWF) of the Centre.
   - **Insurance Regulatory Authority of India (IRDA)**
     - IRDA is an autonomous, apex and statutory body that regulates and develops the insurance industry in India.
     - It was constituted as per provisions of Insurance Regulatory and Development Authority Act, 1999.

15. **National Investment and Infrastructure Fund (NIIF)**
   - NIIF was set up in December 2015 to catalyse funding into the country’s infrastructure sector.
   - It has been registered with the Securities and Exchange Board of India as a Category II Alternate Investment Fund.
   - It has a targeted corpus of Rs 40,000 crore to be raised over the years — 49% of it will be funded by government at any given point of time.
   - The remaining 51% will be raised from domestic and global investors, including international pension funds, sovereign wealth funds, and multilateral/bilateral investors.
   - It has been set up as a **fund of funds structure** with aim to generate risk adjusted returns for its investors alongside promoting infrastructure development.
   - NIIF is India’s first sovereign wealth fund.
   - It is different from the National Investment Fund.
   - A governing council under the chairmanship of the Finance Minister act as an advisory council to NIIF.
   - It will invest in areas such as energy, transportation, housing, water, waste management and commercially viable Greenfield, Brownfield and stalled projects in the infrastructure sector.
   - NIIF signed an investment agreement worth $1 billion with Abu Dhabi Investment Authority (ADIA).
   - ADIA will become the first institutional investor in NIIF’s Master Fund and a shareholder in National Investment and Infrastructure Ltd, the NIIF’s investment management company.

16. **Government e-Marketplace (GeM)**
   - Government e-Marketplace (GeM) is an Online Market platform to facilitate procurement of goods and services by various Ministries and agencies of the Government.
   - It aims to ensure that public procurement in India worth more than Rs. 5 lakh crore annually is carried out through the online platform for transparency.
and to eliminate corruption.

- It aims to transform the way in which procurement is done by the Government Ministries/Departments, PSUs, autonomous bodies etc.
- It functions under **Directorate General of Supplies and Disposals (DGS&D), Ministry of Commerce and Industries.**
- **DGS&D** with technical support of **National e-Governance Division (NeGD)** has developed GeM portal for procurement of both Products & Services.
- GeM is a **completely paperless, cashless and system driven e-market place** with minimal human interface.
- In future GeM would eventually emerge as the **National Public Procurement Portal**, keeping in tune with the Global best practices.
- The Ministry of Commerce & Industry has launched third version of the **Government e-Marketplace (GeM 3.0).**
- GeM 3.0 has standardised and enriched catalogue management, powerful search engine and real time price comparison.

**17. Various Railways initiatives**

- Following new railway initiatives were recently launched:
  - **RailCloud:**
    - Rail Cloud works on **Cloud Computing system**. Most Important works are done through Cloud Computing.
    - It is developed by rail PSU RailTel.
  - **NIVARAN-Grievance Portal:**
    - ‘NIVARAN-Grievance Portal’ is the first **IT application to be launched on the RailCloud**.
    - It is the platform for **resolution of service related grievances** of serving and former railway employees.
  - **Cashless treatment Scheme in Emergency (CTSE):**
    - To provide **immediate care to its retired employees** in ‘Golden Hour’, “Cashless treatment Scheme in Emergency’ (CTSE), in empanelled hospitals, for retired employees and their dependent family members.
    - The whole system is online and even the bill processing shall be online.

**18. Electoral Bonds**

- The **electoral bonds scheme was announced in Union Budget 2017.**
- **Electoral bonds will be bearer instrument**

Electoral bonds will be available for purchase for 10 days each in the months of January, April, July and October

- Such bonds can be purchased by any Indian citizen or a body incorporated in India
- Can be bought for any amount in multiples of ₹1,000, ₹10,000, ₹1 lakh, ₹10 lakh, and ₹1 crore
- Can only be bought from specified SBI branches
- Can only be encashed through the payee’s bank account
- Can be used for donation to a registered political party only
- Bonds will not carry the name of the payee and will be valid for 15 days
- Purchaser must pay from KYC-compliant bank account
in nature of promissory note and an interest-free banking instrument.

- These can be redeemed only through the registered accounts of a political party in a prescribed time frame.
- Political parties that have secured not less than 1% of votes polled in last general election to Lok Sabha or Assembly can avail funding through this bonds.

19. Technology and Innovation Support Center (TISC)

- The Department of Industrial Policy and Promotion (DIPP) has signed an agreement with the Punjab State Council of Science and Technology to establish India’s first Technology and Innovation Support Center (TISC) under the World Intellectual Property Organization’s (WIPO) TISC programme.
- Second agreement was signed with Anna University, Chennai to establish TISC.
- The Cell for IPR Promotion and Management (CIPAM) is designated as the National Focal Point for the TISC national network.
- CIPAM will also act as the main intermediary between WIPO and TISC host institutions.

  - TISC programme:
    - WIPO’s Technology and Innovation Support Center (TISC) program provides innovators in developing countries with access to locally based, high quality technology information and related services, helping them to exploit their innovative potential and to create and manage their Intellectual Property Rights (IPRs).

20. Sovereign Gold Bond (SGB) Scheme

- The Government announced a few changes in its Sovereign Gold Bond (SGB) Scheme recently.
- The primary change was the increase in the limit to 4 kg (from 0.5 kg) for individuals, HUF and 20 kg for Trusts.
- This was probably done to encourage high net-worth individuals, rich farmers as well as trusts to invest in these bonds.
- The Government also introduced flexibility in the scheme to design and introduce variants to cater to a cross-section of investors.
- SGBs are government securities denominated in grams of gold.
- It was first launched under the gold monetization scheme of 2015.
- It is issued by the RBI on behalf of the Government of India.
- The Sovereign Gold Bonds will be available both in demat and paper form.
- The tenor of the bond is for a minimum of 8 years with option to exit in 5th, 6th and 7th years.
- Bonds can be used as collateral for loans.
- Tradable through National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).
- Fixed Interest rate of 2.5% per annum payable once in 6 months.
- Capital Gains Tax exempted on redemption.
• Investments in such bonds by banks will be counted in calculation in SLR (Statutory Liquidity Ratio).

21. Trade Infrastructure for Export Scheme (TIES)
• Trade Infrastructure for Export Scheme (TIES) was launched to address the infrastructure problem.
• The Scheme is focused on addressing the needs of the exporters.
• The scheme replaces a centrally sponsored scheme — Assistance to States for creating Infrastructure for the Development and growth of Exports (ASIDE).
• The objective of the TIES is to enhance export competitiveness by bridging gaps in export infrastructure, and first-mile and last-mile connectivity.
• The Central and State Agencies, including Export Promotion Councils, Commodities Boards, SEZ Authorities and Apex Trade Bodies recognised under the EXIM policy of Government of India; are eligible for financial support under this scheme.
• The scheme would provide assistance for setting up and up-gradation of infrastructure projects with overwhelming export linkages like the Border Haats, Land customs stations, quality testing and certification labs, cold chains, trade promotion centres, dry ports, export warehousing and packaging, SEZs and ports/airports cargo terminuses.

22. Niti Aayog clears six proposals for high-tech public transport
• These proposals include mass rapid transportation technologies such as Hyperloop, Metrino, Pod taxis, Stadler Bus, Hybrid Bus and Freight Rail System.
• Metrino: Fully automatic, driverless small pods travel independently suspended over an overhead network which is usually 5-10 meters above the ground.
• Podtaxi: Small automated vehicles/podcars/cable cars which carry a small number of passengers. The ropeway-like system runs on electricity and driverless pods and comes down at designated stations.
Hyperloop: A hyperloop comprises a near-vacuum sealed tube through which a pod may travel free of air resistance or friction conveying people or objects at speeds matching that of an aircraft.

- Andhra Pradesh has signed a Memorandum of Understanding (MoU) with California-based Hyperloop Transportation Technologies (HTT) to develop India’s first Hyperloop route in the state.

Stadler Bus: Tram like high frequency bus service for end to end connectivity.

Hybrid Bus: Transport system uses hybrid propulsion systems, consisting diesel and electric ones.

Freight Rail System: Elevated corridors would be built with rail lines where freight trucks can be placed. It would move on rails at high speed, reducing freight time and increasing freight quantity.

23. Scheme for IPR Awareness – Creative India; Innovative India

- Taking forward the National Intellectual Property Rights (IPR) Policy 2016, a ‘Scheme for IPR Awareness – Creative India; Innovative India’ has been launched by Cell for IPR Promotion and Management (CIPAM) under the aegis of the Department of Industrial Policy and Promotion.
- The Scheme aims at raising IPR awareness amongst students, youth, authors, artists, budding inventors and professionals to inspire them to create, innovate and protect their creations and inventions across India including Tier 1, Tier 2, Tier 3 cities as well as rural areas in the next 3 years.
- The Scheme will conduct over 4000 IPR awareness workshops/seminars in academic institutions and the industry, including MSMEs and Startups, as also IP training and sensitization programmes for enforcement agencies and the judiciary.

24. Aaykar Setu

- The Central Board of Direct Taxes (CBDT), Ministry of Finance launched Aaykar Setu, a new tax payer service module.
- The app is part of the Digital India initiative to help users understand the various nuances of direct taxes, file income tax, apply for PAN, check TDS statement, and share grievances with the authorities.

25. Atal Pension Yojana (APY)

- The Finance Minister had announced a new initiative called Atal Pension Yojana (APY) in his Budget Speech for 2015-16.
- The APY will be focussed on all citizens in the unorganised sector and who are not members of any statutory social security scheme.
- Under the APY, the subscribers would receive the fixed pension of Rs. 1000, Rs. 2000, Rs. 3000, Rs. 4000, Rs. 5000 per month, at the age of 60 years, depending on their contributions.
- The minimum age of joining APY is 18 years and maximum age is 40 years.
- The Central Government would also co-contribute 50% of the subscriber’s contribution or Rs. 1000 per annum, whichever is lower, to each eligible
subscriber account, for a period of 5 years, i.e., from 2015-16 to 2019-20.

26. “People First” Campaign

- Pension Fund Regulatory and Development Authority (PFRDA) conducted State specific Atal Pension Yojana (APY) mobilization Campaigns under the title “People First”.
- The People First campaign is a series of campaigns conducted at various states across the country to increase APY outreach.

27. e-Shakti initiative of NABARD

- e-Shakti is a pilot project of National Bank for Agriculture and Rural Development (NABARD) for digitisation of Self Help Groups (SHGs).
- It was initiated to improve the quality of book keeping of SHGs and to enable banks to take informed credit decisions about the group through a Management Information System (MIS).
- The project covers 25 districts and 1,30,176 SHGs have been digitised as on 31st March, 2017.

28. e-RaKAM

- The government has launched a portal, e-RaKAM, to provide a platform to sell agricultural produce.
- E-RaKAM is a first-of-its-kind initiative that leverages technology to connect farmers of the smallest villages to the biggest markets of the world through internet and e-RaKAM centres.
- The portal is a joint initiative by state-run-auctioneer MSTC and Central Warehousing Corporation arm CRWC (Central Railside Warehousing Company).
- E-RaKAM is a digital initiative bringing together the farmers, FPOs, PSUs, civil supplies and buyers on a single platform to ease the selling and buying process of agricultural products.
- Under this initiative, e-RaKAM centres are being developed in a phased manner throughout the country.

29. AGRI-UDAAN

- To promote innovation and entrepreneurship in agriculture, the government launched a new AGRI-UDAAN programme that will mentor startups and help them connect with potential investors.
- The programme will help convert innovative ideas from India’s rural youth into viable businesses.
- It will be managed by ICAR-NAARM’s technology incubator, a-IDEA along with IIM Ahmedabad’s Centre for Innovation.
- Start-ups will get incubation space to run their businesses and have access to research laboratories and libraries.
- AGRI UDAAN will also help the selected start-ups with regulatory services like company registration and environmental compliances.
30. **Long Term Irrigation Fund (LTIF)**

- The Union Finance Minister, during his Budget speech 2016-17, announced creation of dedicated [Long Term Irrigation Fund (LTIF)] in NABARD with an initial corpus of Rs. 20,000 crore for funding of Central and State share for the projects under [PMKSY (Pradhan Mantri Krishi Sinchayee Yojana)].
- Corpus would be raised by way of budgetary resources and market borrowings to fund fast tracking of implementation of incomplete major & medium irrigation projects.

31. **Essential Commodities Act**

- NITI Aayog has recommended for completely removing agriculture commodities from the [Essential Commodities Act], and a shift towards organised trading wherein lower number of
- This will lead to organised trading, improve scale and logistics benefit and bring about more capital into trade with handful of big traders competing with each other.
- **Essential Commodities Act, 1955:**
  - The [Essential Commodities Act, 1955](https://en.wikipedia.org/wiki/Essential_Commodities_Act) was enacted to ensure the easy availability of essential commodities to consumers and to protect them from exploitation by unscrupulous traders.
  - The Act provides for the [regulation and control of production, distribution and pricing](https://en.wikipedia.org/wiki/Essential_Commodities_Act) of commodities which are declared as essential.
  - The [States are the implementing agencies](https://en.wikipedia.org/wiki/Essential_Commodities_Act) to implement the EC Act, 1955 to ensure adequate availability of essential commodities at reasonable prices.
  - This is reviewed periodically at the National level.

32. **Essential Services Maintenance Act**

- The Essential Services Maintenance Act (ESMA) is an [act of Parliament of India](https://www.legisinfo.aisrc.gov.in/iaes/index-10754.html). It is a central law.
- It was established to ensure the delivery of certain services, which if obstructed would affect the normal life of the people.
- These include services like public transport (bus services), health services (doctors and hospitals).
- Its execution rests entirely on the discretion of the State government.
- Each state has a separate [state Essential Services Maintenance Act](https://www.legisinfo.aisrc.gov.in/iaes/index-10754.html) with slight variations from the central law. This freedom is accorded by the central law itself.

33. **Negotiable Warehousing Receipts**

- The government has rolled out [negotiable warehousing receipts in electronic format](https://www.insightsonindia.com) that farmers can use to avail of bank credit easily and without fear of losing or misusing it.
- Negotiable warehouse receipt was launched in 2011, it allows transfer of ownership of that commodity stored in a warehouse without having to
deliver the physical commodity.

- These receipts are issued in negotiable form, making them eligible as collateral for loans.
- Warehouse receipts are made negotiable under the Warehouse (Development and Regulation) Act, 2007, and regulated by the Warehousing Development and Regulatory Authority (WDRA).

34. VASTRA 2017

- The 6th edition of VASTRA i.e. “VASTRA – An International Textile and Apparel Fair 2017” (VASTRA – 2017) was recently inaugurated at Jaipur.
- Rajasthan State Industrial Development and Investment Corporation Ltd. (RIICO) is the organiser and Federation of Indian Chambers of Commerce and Industry (FICCI) is the co-organiser of the fair.
- VASTRA, an all-encompassing trade fair and conference on Textiles and Apparel.
- Crafted to create business opportunities, it aims at revitalizing existing business ties and forging of new business relations.

35. Hortinet

- Agricultural and Processed Food Products Export Development Authority (APEDA) has developed a mobile app- Hortinet- to allow farmers to apply online to facilitate their farm registration, tracking the status of application & approvals by State Government and Lab sampling by authorized Laboratories.
- It provides Internet based electronic services to the stakeholders for facilitating farm registration, testing and certification of Grape, Pomegranate and Vegetables for export from India to the European Union in compliance with standards.

36. Bullet Train Project

- India’s first bullet train project is coming up in Ahmedabad.
- The 508km-long Mumbai to Ahmedabad High Speed Rail (MAHSR) is scheduled for completion in December 2023.
- The train will have top speeds of 320-350 km per hour and it is expected to reduce travel time between the two cities to around 2 hours from the existing 7-8 hours.
- To fund the ambitious Rs 1,10,000-crore project, a loan of Rs 88,000 crore will be taken from Japan.
- The Japan International Cooperation Agency (JICA) will fund it at a low rate of interest of 0.1% per annum.
- This loan has to be repaid to Japan in 50 years, with 15 years grace period.

37. Gaon ki ore Campaign

- Steel Authority of India Ltd. (SAIL), is running a nation-wide campaign SAIL steel – Gaon ki ore which is aimed at boosting steel consumption in country.
- The Gaon ki ore campaign is designed to familiarize end users at the Grass-root level, especially of rural areas, with innovative usage of SAIL steel and its
applications and advantages in construction, household equipment, agriculture etc.

38. **Rashtriya Rail Sanraksha Kosh (RRSK)**
- Rashtriya Rail Sanraksha Rosh (RRSK) is a dedicated ‘non-lapsable’ fund for critical safety-related works.
- In Budget 2017-18, Finance Ministry had announced the setting up a special safety fund with a corpus of more than Rs. 1 lakh crore over a period of five years.

39. **MSME Samadhaan**
- **Delayed Payment Portal** – *MSME Samadhaan* was launched for empowering micro and small entrepreneurs across the country to directly register their cases relating to delayed payments by Central Ministries/Departments/CPSEs/State Governments.
- The information on the portal will be available in public domain, thus exerting moral pressure on the defaulting organisations.
- The MSEs will also be empowered to access the portal and monitor their cases.
- The *Micro, Small and Medium Enterprise Development (MSMED) Act, 2006* contains provisions to deal with cases of delayed payment to Micro and Small Enterprises (MSEs).

40. **Bureau of Indian standards (BIS) Act 2016**
- A new *Bureau of Indian standards (BIS) Act* 2016 has been brought into force with effect from 12th October, 2017. It will replace the BIS Act of 1986.
- **Highlights:**
  - Bureau of Indian Standards (BIS) will be the National Standards Body of India.
  - Compulsory certification of any goods considered necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices or national security.
  - Hallmarking of the precious metal articles is mandatory.
  - Allowing simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity.
  - Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services and issue certificate of conformity.
  - Provision for repair or recall, including product liability of the products bearing Standard Mark.

41. **Indian Institute of Corporate Affairs**
- The Union Cabinet gave its approval for continuation of the scheme on Indian Institute of Corporate Affairs (IICA) for another three financial years (FYs)
IICA is a think-tank and repository of data and knowledge to support rational decision-making for the policy makers, regulators as well as other stakeholders working in areas related to the corporate sector.

It offers services to stakeholders in the field of corporate laws, corporate governance, CSR, accounting standards, investor education, etc.

Various activities of IICA also help first-generation entrepreneurs and small business for imparting multi-disciplinary skills.

**42. Merchandise Exports from India Scheme (MEIS)**

- The government has doubled the incentive for exporters of garments and made-ups under the Merchandise Export from India Scheme (MEIS) to support declining textile exports.
- Exporters are given duty exemption scrips that are pegged at a certain percentage of total value of their exports. These scrips can be used to pay duties on inputs including customs.
- Merchandise Exports from India Scheme (MEIS) is introduced under Foreign Trade Policy of India (FTP 2015-20), as a part of Exports from India Scheme.
- The objective is to offset infrastructural inefficiencies and associated costs involved in export of goods/products, which are produced/ manufactured in India, especially those having high export intensity, employment potential and thereby enhancing India’s export competitiveness.
- Under this scheme, Ministry of Commerce gives duty benefits to several products.

**43. National Power Portal (NPP)**

- National Power Portal (NPP) - a Centralized Platform for Collation and Dissemination of Indian Power Sector Information.
- It facilitates online data capture/ input from generation, transmission and distribution utilities in the country and disseminate Power Sector Information at all India, region, state level for central, state and private sector.
- NPP is integrated with associated systems of Central Electricity Authority (CEA), Power Finance Corporation (PFC), Rural Electrification Corporation (REC) and other major utilities.
- The Nodal Agency for implementation of NPP and its operational control is CEA.
- The system has been conceptualized, designed and developed by National Informatics Centre (NIC).

**44. Coastal Economic Zone (CEZ)**

- The government has given the go-ahead for setting up India’s first mega coastal economic zone (CEZ) at the Jawaharlal Nehru Port in Maharashtra.
- The Union Cabinet had last year approved setting up of 14 mega CEZs under the National Perspective Plan of the Sagarmala Programme.
- CEZs are spatial economic regions comprising a group of coastal districts or districts with a strong linkage to ports in that region to tap into synergies with the planned industrial corridor projects.
• CEZ could extend along **300-500 km of coastline** and around **200-300 km inland** from the coastline.
• The concept is based on China based Shenzhen-style Coastal Economic Zone. **Port led industrialization** will be developed by having a uniform policy along the ports and coastal states.

**45. Logistics Sector granted Infrastructure Status**
• The Logistics Sector has been granted Infrastructure status.
• The government has defined “logistics infrastructure” to include:
  o A **multimodal logistics Park** comprising an Inland Container Depot (ICD) with a minimum investment of Rs50 crore and minimum area of 10 acre,
  o A **cold chain facility** with a minimum investment of Rs15 crore and minimum area of 20,000 sq. ft
  o A **warehousing facility** with a minimum investment of Rs25 crore and a minimum area of 100,000 sq ft.
• Development of logistics would give a boost to both domestic and external demand thereby encouraging manufacturing and ‘job creation’ and improving country’s GDP.
• High logistics cost reduces the competitiveness of Indian goods both in domestic as well as export market.

**46. Nivesh Bandhu**
• It is **Investor Facilitation Portal** to assist investors to make informed investment decisions, launched during the **World Food India Expo**.
• It will provide information on Central and State Governments investor friendly policies, agro-producing clusters, infrastructure, and potential areas of investment in the food processing sector.
• Ministry of Food Processing Industries and Food Safety and Standards Authority of India (FSSAI) also launched the **Food Regulatory Portal**.

**47. National Highways Investment Promotion Cell (NHIPC)**
• The **National Highways Authority of India** has created a National Highways Investment Promotion Cell (NHIPC) for attracting domestic and foreign investment for highways projects.
• The cell will focus on **engaging with global institution investors, construction companies, developers and fund managers** for building investor participation in road infrastructure projects.
• The NHIPC will be working in close co-ordination with various connected Ministries and Departments of Government of India, State Governments, Apex Business Chambers like CII, FICCI, ASSOCHAM, and InvestIndia etc.
• NHIPC will also work in close co-ordination with Foreign Embassies and Missions in India and Indian Embassies and Missions situated in foreign countries.
• **National Highways Authority of India** was constituted by the National Highways Authority of India Act, 1988. It is under the aegis of **Ministry of**
Road, Transport and Highways.

48. **DARPAN Project**
- **DARPAN** – “Digital Advancement of Rural Post Office for A New India”
  Project has been launched by **Union Ministry of Communications** to improve the quality of service, add value to services and achieve “financial inclusion” of un-banked rural population.
- **Significance of the Project:**
  - The Project shall **increase the rural reach of the Department of Posts** and enable Branch Post Offices (BOs) to increase traffic of all financial remittances, savings accounts, Rural Postal Life Insurance, and Cash Certificates;
  - Improve mail operations processes by allowing for automated booking and delivery of accountable article;
  - **Increase revenue** using retail post business;
  - Provide third party applications;
  - Make disbursements for social security schemes such as MGNREGS.

49. **RERA’s administration under Urban Affairs Ministry**
- Real Estate Regulatory Authority (RERA) will be looked after by the Urban Affairs Ministry.
- **About the Real Estate (Regulation and Development) Act, 2016:**
  - The RERA is for **regulation and promotion of the real estate sector** and to protect the interest of consumers in the real estate sector.
  - It makes it **mandatory for all builders** – developing a project where the land exceeds 500 square metres – to **register with RERA** before launching or even advertising their project.
  - The promoter of a real estate development firm has to maintain a **separate escrow account** for each of their projects.
    - A minimum 70% of the money from investors and buyers will have to be **deposited**.
    - This money can only be used for the construction of the project and the cost borne towards the land.
  - RERA requires builders to submit the original approved plans for their ongoing projects and the alterations that they made later.
  - They also have to furnish details of revenue collected from allottees, how the funds were utilised, the timeline for construction and delivery that will need to be certified by an Engineer/Architect/practicing Chartered Accountant.

50. **MSME Sambhandh**
- The **Ministry of Micro, Small and Medium Enterprises (MSME)** launched **Public Procurement Portal ‘MSME Sambandh’** for MSME.
- The objective of the portal is to **monitor the implementation of the Public Procurement from MSEs** by Central Public Sector Enterprises (CPSEs).
- It will help in achieving the procurement goal of **minimum of 20%** of the total annual purchases of the products or services rendered by MSMEs as
mandated by Public Procurement Policy, 2012.

51. **FDI policy further liberalized in key sectors**
   - The Union Cabinet gave its approval to a number of amendments in the FDI Policy so as to provide ease of doing business in the country.
   - 100% FDI under automatic route for **Single Brand Retail Trading**.
   - 100% FDI under automatic route in **Construction Development**.
   - Foreign airlines allowed investing up to 49% under approval route in **Air India**.
   - FIIs/FPIs allowed investing in **Power Exchanges** through primary market.
   - Definition of ‘**medical devices**’ amended in the FDI Policy.

52. **Udyami Mitra Portal**
   - **Small Industries Development Bank of India (SIDBI)** launched the ‘Udyami Mitra’ Portal to improve accessibility of credit and handholding services to **Micro, Small and Medium Enterprises (MSMEs)**.
   - Under the portal entrepreneurs can **apply for loan** without physically visiting bank branches.
   - Scheduled Commercial Banks (SCBs) have been advised to ensure a target of 7.5% of Adjusted Net Bank Credit (ANBC) for Micro Enterprises, that collateral security is not required for loans upto Rs. 10 lakh to MSE sector, a simplified working capital requirement for MSEs.

53. **Price deficiency payment (PDP) scheme**
   - Various state governments have launched Price deficiency payment (PDP) schemes to **cover farmers’ losses**.
   - Under Price Deficiency Payment, **farmers will be compensated for the difference between the MSPs for select crops and their actual market prices**.
   - However there may be a cap on the extent to which the Centre will bridge the gap between MSP and market price.
   - **NITI Aayog in its three-year agenda** has also suggested PDP to address the gaps in Minimum Support Price (MSP) based procurement of crops.
   - To avail this benefit, farmer would have to register with the nearest APMC mandi and report the total area sown.
   - The subsidy may be paid via **Direct Benefit Transfer (DBT)** into the farmer’s Aadhaar-linked bank account.

54. **National Year of Millets**
   - Government has approved **2018** as the ‘**National Year of Millets**’ to boost production of the nutrient-rich millets and the sunrise agro-industry involved in it.
   - In November 2017, India had forwarded proposal to United Nations (UN) for declaring year 2018 as ‘International Year of Millets’.
   - **India is the largest producer of millets** followed by the African countries of Nigeria and Niger.
55. Modified Special Incentive Package Scheme (M-SIPS)

- The Union Cabinet in 2012 approved the M-SIPS to provide a special incentive package to promote large scale manufacturing in the Electronics System Design and Manufacturing (ESDM) sector to boost domestic electronic product manufacturing.
- The scheme provides subsidy for capital expenditure. The subsidy is 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs.
- ESDM products including telecom, IT hardware, consumer electronics, medical electronics, automotive electronics, solar photovoltaic, LEDs, LCDs, strategic electronics, avionics, industrial electronics, nano-electronics, semiconductor chips and chip components, other electronic components and EMS.
- The incentives are provided on reimbursement basis (means first investment has to be made by the unit to claim the subsidy).
- Amendments in the Modified Special Incentive Package Scheme (M-SIPS) for electronics manufacturing.
  - These modifications will further incentivize investments in electronic sector and move towards Union Government’s goal of ‘Net Zero imports’ in electronics by 2020.
  - Besides expediting investments into the Electronics System Design and Manufacturing (ESDM) sector in India, the amendments in M-SIPS are expected to create employment opportunities and reduce dependence on imports.
  - The Policy covers all States and Districts and provides them an opportunity to attract investments in electronics manufacturing.

56. Savings (Taxable) Bonds, 2018 scheme

- The Union Finance Ministry has launched 7.75% Savings (Taxable) Bonds, 2018 scheme.
- The Bonds are open to investment by individuals (including Joint Holdings) and Hindu Undivided Families (HUF).
- Non-Resident Indians (NRIs) are not eligible for making investments in these bonds.
- The Bonds will be issued at par i.e. at Rs.100. They will be issued for minimum face value amount of Rs.1,000 and in multiples thereof.
- There will be no maximum limit for investment in the Bonds.
- The Bonds will have maturity of 7 years carrying interest at 7.75% per annum payable half-yearly.
- The Bonds will be issued in demat form only.
- The Bonds are not transferable and also are not tradable in secondary market.
- They are also not eligible as collateral for loans from banking institutions, non-banking financial companies or financial institutions.
- Interest on the Bonds will be taxable under the Income-tax (IT) Act, 1961 as applicable according to the relevant tax status of the bond holder.
- However it will be exempt from Wealth-tax under Wealth Tax Act, 1957.
A sole holder of a Bond, being an individual, can make a nomination.
Banking Sector / Financial Sector

1. **Qualified institutional placement (QIP)**
   - SBI raised Rs15,000 crore through qualified institutional placement (QIP) in June 107.
   - A QIP is a capital raising tool wherein a listed company can issue equity shares, fully and partly convertible debentures, or any security (other than warrants) that is convertible to equity shares.
   - Apart from preferential allotment, this is the only other speedy method of private placement whereby a listed company can issue shares or convertible securities to a select group of investors.
   - But unlike in an IPO or an FPO (further public offer), only institutions or qualified institutional buyers (QIBs) can participate in a QIP issuance.
   - QIBs include mutual funds, domestic financial institutions such as banks and insurance companies, venture capital funds, foreign institutional investors, and others.
   - The market regulator has stated that there should be at least two QIBs if the issue size is less than Rs.250 crore, and at least five investors if the size is more than Rs.250 crore. A single investor cannot be allotted more than 50% of the issue.
   - QIPs are less cumbersome than IPOs and FPOs. It is less expensive mode of raising capital.
   - For the QIBs, unlike in an IPO where an anchor investor has to stay invested for a month, there are no such restrictions with QIPs.

2. **Basel-III norms**
   - Basel III (or the Third Basel Accord) is a global, voluntary regulatory framework on bank capital adequacy, stress testing, and market liquidity risk.
   - It was agreed upon by the members of the Basel Committee on Banking Supervision in 2010–11.
   - The third installment of the Basel Accords was developed in response to the deficiencies in financial regulation revealed by the financial crisis of 2007–08.
   - Basel III is intended to strengthen bank capital requirements by increasing bank liquidity and decreasing bank leverage.

3. **Bankruptcy Code**
   - RBI has hinted that stress was coming from sectors such as power, telecom, steel, textiles and aviation.
   - The government had recently amended the RBI Act, which gave powers to the central bank to direct banks to take punitive action against individual accounts under Insolvency and Bankruptcy Code (IBC).
   - **What does bankruptcy mean?**
     - A company is bankrupt if it is unable to repay debts to its creditors (banks, suppliers etc).
The inability to repay debts has resulted in a huge pile of non-performing assets for the banking system.

A mechanism to free up the money stuck as bad loans is one of the key for the banking system. IBC is seen as one such.

- **Insolvency and Bankruptcy Code (IBC), 2016:**
  - Override other existing laws on matters pertaining to Insolvency and Bankruptcy.
  - **Resolve insolvencies within 180 days.** (Extendable upto 270 days) for the Company.
  - Debt Recovery Tribunal - Adjudicating authority for individuals.
  - National Company Law Tribunal - Adjudicating authority for corporate insolvency.
  - Insolvency and Bankruptcy Board of India to exercise regulatory oversight over insolvency professionals, insolvency professional agencies and information utilities.
  - Insolvency and Bankruptcy Board of India is under the Ministry of Corporate Affairs (MCA).
  - Enabling provisions to deal with cross border insolvency.
  - National e-Governance Services Ltd (NeSL) became India’s first information utility (IU) for bankruptcy cases under the Insolvency and Bankruptcy Code 2016.

4. **Banking Regulation (Amendment) Bill, 2017**
   - The Banking Regulation (Amendment) Bill, 2017, seeks to amend the Banking Regulation Act, 1949.
   - It gives powers to the Reserve Bank of India (RBI) to ask any bank to initiate insolvency proceedings and give directions for resolution of stressed assets.
   - The RBI would also be empowered to issue other directions for resolution, appoint or approve for appointment, authorities or committees to advise the banking companies for stressed asset resolution.
   - RBI can issue directions to any banking company or banking companies to effectively use the provisions of the Insolvency and Bankruptcy Code, 2016 for timely resolution of stressed assets.

5. **M-banking now under Ombudsman’s Purview**
   - Widening the scope of its Banking Ombudsman Scheme, the Reserve Bank of India (RBI) has included complaints relating to mis-selling and mobile banking in its purview.
   - The scheme now includes deficiencies arising out of sale of insurance/mutual fund/other third party investment products by banks.
   - A customer can lodge a complaint against the bank for its non-adherence to RBI instructions with regard to mobile banking/ electronic banking services in India.
   - The pecuniary jurisdiction of the Banking Ombudsman to pass an Award has been increased from existing Rs 10 lakh to Rs 20 lakh.
   - Compensation not exceeding Rs 1 lakh can also be awarded by to the complainant for loss of time; expenses incurred as also, harassment and
mental anguish suffered by the complainant.

- **What is Banking Ombudsman?**
  - Banking ombudsman is a quasi judicial authority, created to resolve customer complaints against banks relating to certain services provided by them.
  - The Ombudsman is a senior official, who has been appointed by the Reserve Bank of India to address grievances and complaints from customers, pertaining deficiencies in banking services.
  - It covers all kinds of banks including public sector banks, Private banks, Rural banks as well as co-operative banks.

6. **Municipal Bonds**

- To finance its 24×7 water supply project, the Pune Municipal Corporation has launched India’s biggest municipal bonds programme. The project looks to raise Rs 2,264 crore in five years.
- Municipality bonds can be issued by the city corporations to fund developmental projects like Metro rail network.
- Institutional investors, as well as the public, can buy these bonds.
- The corporations can use the revenues earned from the developmental projects to repay the interest and principal on these bonds. These municipal bonds have now been permitted for public offering by SEBI.
- Municipal bonds have been in existence in India from the year 1997. Cities such as Ahmedabad, Bengaluru, Nashik and Madurai have already issued them.
- These bonds will help the city corporations to directly raise funds without the help of grants from the state governments or agencies such as World Bank.

7. **Public Credit Registry (PCR)**

- The Reserve Bank of India (RBI) has constituted high-level task force on public credit registry (PCR) for India.
- Public credit registry keeps extensive database of credit information that is accessible to all stakeholders.
- **What is a PCR:**
  - A PCR is managed by a public authority like the central bank and reporting of loan details to the PCR by lenders and/or borrowers is mandated by law.
  - The idea is to capture all relevant information in one large database on the borrower, in particular, the borrower’s entire set of borrowing contracts and outcomes.
  - It will help in credit assessment and pricing by banks; risk-based, dynamic and countercyclical provisioning at banks; supervision and early intervention by regulators; understanding if transmission of monetary policy is working.

8. **Monetary Policy Committee (MPC)**

- The Monetary Policy Committee (MPC) is a committee of the central bank —
Reserve Bank of India, headed by its Governor.

- It was set up by amending the RBI Act to provide for a statutory and institutionalised framework for MPC.
- The 6 member MPC is entrusted with the task of fixing the benchmark policy interest rate (repo rate) to contain inflation within the target level.
- The meetings of the MPC will be held at least 4 times a year and it will publish its decisions after each such meeting.
- Composition of MPC:
  - Governor of RBI (ex officio Chairperson), Deputy Governor of RBI, in charge of Monetary Policy (Member), One officer of RBI (Member) and three members appointed by Central Government as members.
  - Each member will have one vote and the governor gets a casting vote in case of tie.
  - While the majority voice of the committee will be final in deciding the interest rates.
  - The government members to MPC will be appointed by the Central Government on recommendations of a search-cum-selection committee headed by the Cabinet Secretary, with RBI governor; Secretary, Economic Affairs; and three experts as members.
  - Members of the MPC will be appointed for a period of four years and shall not be eligible for reappointment.

9. Mission Indradhanush for PSBs

- In 2015, under the Indradhanush plan, the government had announced capital infusion of ₹70,000 crore in public sector banks for four years, starting from 2015-16.
- The mission is a brainchild of PJ Nayak committee.
- It was launched by Ministry of Finance under the Department of Financial Services.
- The mission includes the seven key reforms of appointments, board of bureau, capitalisation, de-stressing, empowerment, framework of accountability and governance reforms.
- It aims to clean up the balance sheets of PSBs to ensure banks remain solvent and fully comply with global capital adequacy norms, Basel-III.

10. Non Performing Asset

- A non performing asset (NPA) is a loan or advance for which the principal or interest payment remained overdue for a period of 90 days.
- In case of Agriculture/Farm Loans, the NPA varies for Short duration crop loan (interest not paid for 2 crop seasons) and Long Duration Crops (interest not paid for 1 Crop season).
- Banks are required to classify NPAs further into Substandard, Doubtful and Loss assets.
  - Substandard assets: Assets which has remained NPA for a period less than or equal to 12 months.
  - Doubtful assets: If it has remained in the substandard category for a period of 12 months.
- **Loss assets**: “Loss asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted, although there may be some salvage or recovery value.”

- **Restructured Loans** - assets/loans which have been restructured by giving a longer duration for repayment, lowering interest or by converting them to equity.

- **Written off Assets** - assets/loans which aren’t counted as dues. A write-off is a deduction in the value of earnings by the amount of loss.

- **Stressed Assets** - It is a broader term and comprises of NPAs, restructured loans and written off assets.

### 11. Capital-to-risk weighted Assets Ratio

- Capital-to-risk weighted assets ratio also called as Capital Adequacy Ratio refers to the amount of capital that a bank must have against its current liabilities and risk-weighted assets.

- It is used for the protection of depositors and promotion of stability of financial systems across the world.

- This is mainly to prevent the banks from taking excess leverage and becoming insolvent in the process.

- According to the revised Prompt Corrective Action (PCA) norms, banks are required to maintain a minimum CRAR of 9 percent.

### 12. Green Bonds

- A green bond is a **fixed income instrument** for the purpose of raising debt capital through markets.

- Certifies that the proceeds will be used exclusively for **specific “green” purposes**.

- Can provide a long-term source of debt capital for **renewable infrastructure projects**.

- Green bonds are issued by **multilateral agencies such as the World Bank, corporations, government agencies and municipalities**.

- Institutional investors and pension funds also have appetite for such bonds.

- The first ever green bond was issued by multilateral institutions (European Investment Bank and World Bank) in 2007.

- **Axis Bank launched India’s first internationally-listed certified green bond** to finance climate change solutions around the world at London Stock Exchange (LSE).

- Recently, **India INX listed Indian Railways Finance Corporation’s (IRFC) first green bond on its global securities market (GSM)**.

- **India’s International Stock Exchange (India INX):**
  - **India-INX is India’s first international exchange at IFSC** of Gujarat International Financial Tech (GIFT) City, Gandhinagar (Gujarat).
  - It is **wholly-owned subsidiary of Bombay Stock Exchange (BSE)**.
  - **India INXs Global Securities Market (GSM) is India’s first debt listing platform which allows fund raising in any currency.**
13. National Bank for Agriculture and Rural Development (NABARD)

- It is an apex development and specialized bank established on 12 July 1982 by an act of parliament.
- It was established based on the recommendations of the Committee headed by Shri B. Shivarman.
- It replaced the Agricultural Credit Department (ACD) and Rural Planning and Credit Cell (RPCC) of Reserve Bank of India, and Agricultural Refinance and Development Corporation (ARDC).
- It has been accredited with “matters concerning policy, planning and operations in the field of credit for agriculture and other economic activities in rural areas in India”.
- The bank provides funds to State governments for undertaking developmental and promotional activities in rural areas.
- **Parliament passes NABARD (Amendment) Bill, 2017**
  - The Bill seeks to amend National Bank for Agriculture and Rural Development (NABARD) Act, 1981.
  - The Bill allows Union Government to increase capital of NABARD from Rs. 5000 crore to Rs 30,000 crore. It can be increased more than Rs 30,000 crore in consultation with the Reserve Bank of India (RBI), if necessary.
  - The Bill provides that Central Government alone must hold at least 51% capital share of NABARD.
  - It transfers share capital held by RBI valued at Rs. 20 crore to Union Government.
  - The Bill replaces terms ‘small-scale industry’ and ‘industry in tiny and decentralised sector’ with terms ‘micro enterprise’, ‘small enterprise’ and ‘medium enterprise’ as defined in MSME Development Act, 2006.
  - NABARD can provide financial assistance to banks if they provide loans to the MSMEs.
  - The Bill substitutes references to provisions of the Companies Act, 1956 with references to the Companies Act, 2013.

14. BHARAT 22 ETF

- A new Exchange Traded Fund (ETF) by the name **BHARAT 22** was recently launched.
- Bharat 22 consists of **22 stocks of central public sector enterprises (CPSEs), public sector banks (PSBs) and its holdings under the Specified Undertaking of Unit Trust of India (SUUTI).**
- Bharat 22 is a well Diversified portfolio with 6 sectors (Basic Materials, Energy, Finance, FMCG, and Industrials & Utilities).
- The BHARAT-22 ETF is expected to benefit long term and retail investors by providing an opportunity of participation in equity stocks of Government run companies.
- It will help to speed up Government’s disinvestment programme budgeted to raise a record Rs 72,500 crore in the FY 2018.
- **Exchange Traded Fund (ETF):**
ETF is index funds that offer the **security of a fund and liquidity** of stock listed and traded on exchanges.

Much like index funds they mirror the index, commodity, bonds or basket of assets.

They are similar to mutual funds in a certain manner but are more liquid as they can be sold quickly on stock exchanges like shares.

### 15. Graded Surveillance Measure

- SEBI introduced the measure **to keep a tab on securities that witness an abnormal price rise that is not commensurate with financial health and fundamentals of the company** such as earnings, book value, price to earnings ratio among others.

- It is to **alert and protect investors** trading in a security, which is seeing abnormal price movements.

- SEBI may put shares of companies under the measure for suspected price rigging or under the ambit of ‘shell companies’.

- Shell Companies:
  - These are companies **without active business operations with significant assets**. Generally, they hold assets only on paper and not in reality.
  - A shell company may be legal or illegal.
  - They may be created for the purpose of **diverting money or for money laundering**.
  - In India Shell companies are **not defined under Companies Act, 2013** or any other legislation.

### 16. Systematically Important Banks (D-SIBs)

- After adding the **State Bank of India** and private lender **ICICI**, the Reserve Bank of India has listed **HDFC to systemically important banks list**.

- This means that HDFC has now being considered as **too big to fail bank**.

- A few banks assume systemic importance due to their size, cross-jurisdictional activities, complexity, lack of substitutability and interconnectedness.

- The disorderly failure of these banks has the propensity to cause **significant disruption to the essential services** provided by the banking system, and in turn, to the overall economic activity.

- Their **continued functioning is critical** for the uninterrupted availability of essential banking services to the real economy.

### 17. Peer-to-peer lending

- RBI has notified that peer-to-peer (P2P) lending platforms need to be regulated and treated on par with non-banking financial companies (NBFCs).

- P2P lending is a form of **crowd-funding** used to raise loans which are paid back with interest.

- It uses **online platform** that matches lenders with borrowers in order to provide unsecured loans.
• The borrower can either be an individual or a legal person requiring a loan.
• The interest rate may be set by the platform or mutual agreement between the borrower and the lender.
• Fees are paid to the platform by both the lender as well as the borrower.

18. Consolidation of Public Sector Banks
• The government is working on a consolidation of public sector banks with a view to creating 3-4 global-sized banks and reduce the number of state-owned banks from 21 to about 10-12.
• Narsihman Committee Report 1991:
  o It had envisaged a three-tier banking structure:
    ▪ Three large banks with international presence at the top,
    ▪ 8 to 10 national banks at tier two, and
    ▪ A large number of regional and local banks at the bottom.
  o Setting up large number of local bank for banking penetration.

19. Contingency Fund of RBI
• RBI surplus sum transferred from earning during 2016-17 was less than half of previous year.
• One of the reasons for such low surplus was due to the amount transferred to the Contingency Fund of RBI.
• Contingency Fund is maintained by RBI to overcome unforeseen contingencies such as Black Swan events – the collapse of Lehman Bank in USA or any other bank which may endanger economic stability of the bank.
• It acts as cushion against events such as unprecedented forex and gold fluctuations or other valuation losses in bond holdings etc.

20. Multi Commodity Exchange (MCX)
• MCX was formed in 2003. It falls under the regulatory purview of SEBI.
• Similar to the BSE and the NSE, MCX is an exchange where commodities are traded.
• Four types of commodities are traded on the MCX – bullion, base metals, energy and agro commodities.
• Recently, gold options were launched for the first time in India on MCX.

21. Non-banking financial companies (NBFCs)
• RBI has issued fresh directions on managing risks in outsourcing of financial services by NBFCs.
• New directions are as follows:
  o NBFCs cannot outsource core management functions like internal audit, strategic and compliance functions for know your customer (KYC) norms, sanction of loans and management of investment portfolio.
  o Access to customer information shall be on ‘need to know’ basis i.e., limited to those areas where the information is required.
  o Constitute grievance redressal machinery with the name and contact details of the redressal officer displayed prominently at their
branches.
- NBFCs’ grievance redressal machinery will also deal with the issue relating to services provided by the outsourced agency.
- NBFCs must make currency transaction reports and suspicious transactions reports to the financial intelligence unit for activities carried out by the service providers.

- **NBFCs:**
  - NBFCs are financial institutions that **provide banking services without meeting the legal definition of a bank**, i.e. one that does not hold a banking license.
  - These institutions typically are restricted from **taking deposits from the public** depending on the jurisdiction.
  - Operations of these institutions are often still **covered under** a country’s **banking regulations**.
  - NBFC cannot accept demand deposits.
  - NBFCs do not form part of the payment and settlement system and **cannot issue cheques** drawn on itself.
  - Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is **not available to depositors** of NBFCs, unlike in case of banks.
  - The **Reserve Bank of India** is entrusted with the responsibility of **regulating and supervising** the Non-Banking Financial Companies by virtue of powers vested under Reserve Bank of India Act, 1934.

### 22. Islamic Banking

- Islamic or Sharia banking is a finance system based on the **principles of not charging interest, which is prohibited under Islam**.
- The fundamental principle is the rejection of usury, along with the requirement that there must be **no engagement in immoral businesses**.
- Usury is the levying of **unreasonably high interest rates** while lending money.
- Under Islamic law, a Muslim is **prohibited from both paying and accepting interest**.
- Thus, Sharia banking means **money can only be parked in a bank without interest** — and this money **cannot be used for speculative trading, gambling, or trading in prohibited commodities such as alcohol or pork**.
- A 2015 World Bank report estimated Sharia-compliant financial assets to be in the range of US $2 trillion, covering bank and non-bank financial institutions, capital markets, money markets and insurance.
- There has also been a surge of interest in Islamic finance in non-Muslim countries such as the UK, Luxembourg, South Africa, and Hong Kong.

### 23. Capital Gains Tax

- A **capital gains tax** is a tax levied on capital gains, profits an investor realizes when he sells a capital asset for a price that is higher than the purchase price.
- Capital gains taxes are only **triggered when an asset is realized**, not while it is
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held by an investor.

- Normally if an asset is held for less than 36 months, any gain arising from selling it is treated as a **short-term capital gain (STCG)** and taxed in your hands.
- It becomes a ‘**long-term’ capital gain (LTCG)** if the asset is held for 36 months or more.
- In case of shares and mutual funds, a holding period of 12 months or more qualifies as ‘long-term’.
- In the **Budget 2018-19**, Tax on Long Term Capital Gains exceeding Rs 1 lakh at the rate of 10%, without allowing any indexation benefit was proposed. However, all gains up to 31st January, 2018 will be grandfathered.

24. **Prompt correction action (PCA)**

- The **RBI** under its supervisory framework uses various measures and tools to maintain sound **financial health of banks**.
- PCA norms allow the regulator to place **certain restrictions** such as halting branch expansion and stopping dividend payment.
- It can even cap a bank’s lending limit to one entity or sector.
- Other corrective actions that can be imposed on banks include special audit, restructuring operations and activation of recovery plan.
- Banks’ promoters can be asked to bring in new management, too.
- The **RBI** can also supersede the bank’s board, under PCA.
- The PCA is **invoked when certain risk thresholds are breached**.
- PCA was first issued by the RBI in May 2014.
- There are **two types of restrictions, mandatory and discretionary**.
  - Restrictions on dividend, branch expansion, director’s compensation, are mandatory
  - Discretionary restrictions could include curbs on lending and deposit.

25. **‘Petro’ cryptocurrency**

- **Venezuelan has launched its own cryptocurrency, called the “Petro,”** which will be backed by the country’s vast natural resource reserves.
- Crypto Currencies or Virtual Currencies are type of **unregulated digital money** that is neither issued by central bank, nor is necessarily attached to fiat currency.
- They are used and accepted among the members of specific virtual community.
- They are capable of being **transferred, stored or traded electronically**.
- They are founded as **peer-to-peer (P2P) electronic payment system**.
- They can be transferred directly between peers and the transactions are confirmed in a **public ledger**, accessible to all the users.
- They enable **transfer of money** between parties, **without going through banking system**.
- The process of maintaining this ledger and validating the transactions is known as **mining** and is carried out in a **decentralised manner**.
- Some of the Cryptocurrencies available over the internet are **Ethereum, Ripple, Bitcoin, Cardano, and Litecoin**.
**External Sector**

1. **India top remittance-receiving country in 2016: UN report**
   - The report of the ‘One Family at a Time’ study by the UN International Fund for Agricultural Development (IFAD).
   - It talks about the foreign remittances. The study is the first-ever of a 10-year trend in migration and remittance flows over the period 2007-2016.
   - India has become the top remittance-receiving country in 2016 followed by China, the Philippines and Pakistan.
   - Indians working across the globe sent home USD 62.7 billion last year.
   - Asia remains the main remittance-receiving region.

2. **Advance Pricing Agreement**
   - The Central Board of Direct Taxes (CBDT) has entered into Advance Pricing Agreement with Indian taxpayers.
   - The APA Scheme endeavours to provide certainty to taxpayers in the domain of transfer pricing by specifying the methods of pricing and determining the arm’s length price of international transactions in advance for the maximum of five future years.
   - Further, the taxpayer has the option to rollback the APA for four preceding years, as a result of which, tax certainty for a total period of nine years is provided.
   - APAs bring tax certainty, reduce litigation expenses and avoid risk of double taxation.
   - The APA Scheme was introduced in the Income-tax Act in 2012 and the “Rollback” provisions were introduced in 2014.
   - An APA brings extra revenue to the tax administration.
   - An APA can be unilateral, bilateral, or multilateral.

3. **Special Economic Zones (SEZ)**
   - A Special Economic Zone (SEZ) is a geographical region that has economic laws more liberal than a country’s typical economic laws.
   - They are established with an aim to purport development, promote rapid economic growth by providing tax and business incentives for attracting foreign technology along with investment.
   - They may be called as “favourite Investment destinations” for foreign establishments.
   - They are sources of employment, hubs of latest technologies and equipped with the best infrastructure.
   - The incentives and facilities offered include:
     - Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
     - 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years.
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Exemption from minimum alternate tax.
External commercial borrowing by SEZ units upto US $ 500 million in a year without any maturity restriction through recognized banking channels.
Exemption from Central Sales Tax.
Exemption from Service Tax.
Single window clearance for Central and State level approvals.
Exemption from State sales tax and other levies as extended by the respective State Governments.

4. International Investment Agreements (IIA)

- An International Investment Agreement (IIA) is a type of treaty between countries that addresses issues relevant to cross-border investments.
- Most IIAs cover foreign direct investment (FDI) and portfolio investment, but some exclude the latter.
- Countries concluding IIAs commit themselves to adhere to specific standards on the treatment of foreign investments within their territory. IIAs further define procedures for the resolution of disputes.
- The most common types of IIAs are Bilateral Investment Treaties (BITs) and Preferential Trade and Investment Agreements (PTIAs).
- International Taxation Agreements and Double Taxation Treaties (DTTs) are also considered as IIAs.
- Countries conclude IIAs primarily for the protection and promotion of foreign investment, and also for the purpose of liberalization of such investment.

5. Bilateral Investment Treaty

- A bilateral investment treaty (BIT) is an agreement establishing the terms and conditions for investment by nationals and companies of one state in another state.
- This type of investment is called foreign direct investment (FDI).
- BIT increases the comfort level and boosts the confidence of investors.
- The distinctive feature of many BITs is that they allow for an alternative dispute resolution mechanism, whereby an investor whose rights under the BIT have been violated could have recourse to international arbitration.
- The first BIT was signed by India on March 14, 1994. Since then, till date, the Government of India has signed BITs with more than 80 countries.
- Revised Indian model text for Bilateral Investment Treaty (BIT)
  - The revised Indian model text for Bilateral Investment Treaty (BIT) will replace the existing Indian Model BIT.
  - "Enterprise" based definition of investment.
  - Non-discriminatory treatment through due process, national treatment, protections against expropriation.
  - A refined Investor State Dispute Settlement (ISDS) provision requiring investors to exhaust local remedies before commencing international arbitration.
  - Bilateral Investment Treaty (BIT) between India and Cambodia is the first Bilateral Investment Treaty in accordance with the text of the
6. **Investor State Dispute Settlement (ISDS)**

- The ISDS mechanism permits companies to **drag governments to international arbitration without exhausting the local remedies**.
- It also allows them to **claim huge amounts as compensation** citing losses they suffered due to reasons, including policy changes.
- **India has rejected such mechanism.** It clearly held that only after all local options have been exhausted for settling disputes, then the issues can be taken up in international arbitration tribunals.
- It also held that such provisions could be a part of bilateral agreements but they can’t be allowed in a multilateral agreement and in WTO.

7. **Transports Internationaux Routiers (TIR) Convention**

- The **Convention on International Transport of Goods Under Cover of TIR Convention** is a multilateral treaty that was concluded at Geneva on 14 November 1975 to **simplify and harmonise the administrative formalities of international road transport**.
- The 1975 convention replaced the TIR Convention of 1959, which itself replaced the 1949 TIR Agreement between a number of European countries.
- The conventions were adopted under the auspices of the **United Nations Economic Commission for Europe (UNECE)**.
- **India became the 71st country to ratify the convention.**
- The ratification is a part of **India’s multi-modal transport strategy** that aims to integrate the economy with global and regional production networks through better connectivity.
- **Significance of this convention:**
  - TIR is the **only global customs transit system** that provides easy and smooth **movement of goods across borders** in sealed compartments or containers under customs control from the customs office of departure to the customs office of destination.
  - It plays an important role in **boosting regional connectivity** and facilitating **cross-border trade flows**, according to connectivity experts.
  - The TIR system has a **globally accepted electronic control system** for integrated transit operations.
- **Benefits for India:**
  - It will have far reaching **benefits for trade** and will **save significant time and money** by streamlining procedures at borders, reducing administration and cutting border waiting times.
  - It will **improve cross border road transport**, facilitating overland trade integration with both eastern and western neighbours.
  - It will also help India in implementing the **World Trade Organization’s Trade Facilitation Agreement**.
  - The Convention will help Indian traders to have access to fast, easy, reliable and hassle free international system for movement of goods by road or multi-modal means across the territories of other countries.
contracting parties.
- By joining the convention, the need for inspection of goods at intermediate borders as well as physical escorts en route shall be obviated due to reciprocal recognition of Customs controls.

8. **Foreign Contribution Regulation Act (FCRA)**
   - Foreign Contribution Regulation Act (FCRA), 2010 seeks to regulate the foreign contributions or donations to organizations and individuals in India.
   - It is aimed to curb such contributions which might be detrimental to the national interest.
   - The law is within the purview of the Home Ministry.
   - The Home ministry had cancelled the license of 20,000 NGOs for violating the various provisions of Foreign Contribution Regulation Act (FCRA).
   - As per FCRA, if an NGO is put under prior permission category, it is barred to receive foreign funding from abroad without taking permission from the Home ministry.
   - Foreign Contribution Regulation Act (FCRA), 2010 made three main changes:
     - FCRA registration would expire after 5 years, and has to be renewed afresh, unlike earlier where it was permanent.
     - Restriction of 50% on the proportion of foreign funds that could be used for administrative expenses, thereby controlling how a civil society spends its money.
     - The new law shifts focus from only political parties to “organisations of a political nature”.

9. **Multilateral Convention to Implement Tax Treaty Related Measures**
   - The Union Cabinet approved for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.
   - The Multilateral Convention aims at the swift and consistent implementation of the treaty related BEPS measures.
   - The Convention is an outcome of the OECD / G20 BEPS Project to tackle base erosion and profit shifting.

10. **Base Erosion and Profit Shifting (BEPS)**
    - Base Erosion and Profit Shifting (BEPS) refers to those instances where gaps between different tax rules leads to tax avoidance causing harm to the government.
    - It refers to all those artificial arrangements where:
      - Due to gaps in application of the bilateral tax treaties, cross border activities may go untaxed in any of the two countries.
      - No or low tax is paid by shifting profits to low tax jurisdictions and shifting losses and high expenditures to high tax jurisdictions.
    - In 2013, the OECD came up with an action plan to address the Base Erosion and Profit shifting menace.
    - The 15 OECD action points seek to develop a more coherent international system to address the problems of digital economy taxation, treaty abuse, transfer pricing, aggressive tax planning and disputes related to such
11. Investment Facilitation Mechanism (IFM)

- The European Union (EU) and India has established an Investment Facilitation Mechanism (IFM) for EU investments in India.
- The IFM has been established with the key objectives of paving the way for identifying and solving problems faced by EU companies and investors with regard to their operations in India.
- The IFM will cover new investors as well as those already established in India.
- As part of the IFM, the EU Delegation to India and the DIPP will hold regular high level meetings to assess and facilitate “ease of doing business”.
- The IFM was built on the Joint Statement of the 13th EU-India Summit held in Brussels in March 2016.

12. Global Foreign Exchange Committee (GFXC)

- India will soon join the Global Foreign Exchange Committee (GFXC), a newly-constituted forum of central bankers and experts working towards promotion of a robust and transparent forex market.
- The Global Foreign Exchange Committee (GFXC) was established in May 2017 with the aim to promote a robust, liquid, open, and appropriately transparent foreign exchange market.
- The committee has been set up under the guidance of the Bank for International Settlements (BIS).
- One of the major tasks of the committee is to maintain and update the “Global Code of Conduct for the Foreign Exchange Markets”.

13. Bank of International Settlements (BIS)

- BIS was established in 1930 and is world’s oldest international financial organisation.
- It is the bank to central banks and aims to support global financial and monetary stability in order to foster international cooperation.
- Head office is located in Basel, Switzerland.
- It is owned by 60 member central banks representing countries from around the world.
- RBI Governor Urjit Patel has been appointed to the Financial Stability Institute Advisory Board or the Bank of International Settlement (BIS).
  - The Financial Stability Institute (FSI) of BIS assists financial sector authorities worldwide in strengthening their financial systems.
  - The FSI was jointly established by BIS and the Basel Committee on Banking Supervision in 1998.
  - FSI seeks to promote cross-sectoral and cross-border supervisory contacts and cooperation.

14. Most Favoured Nation (MFN) status

- Most Favoured Nation is a treatment accorded to a trade partner to ensure
non-discriminatory trade between two countries vis-a-vis other trade partners.

- It is the **first clause in the General Agreement on Tariffs and Trade (GATT)**.
- **Under WTO rules, a member country cannot discriminate between its trade partners. If a special status is granted to a trade partner, it must be extended to all members of the WTO.**
- MFN doesn’t mean preferential treatment.
- Pakistan is yet to award the most favoured nation (MFN) status to India.
- **As per a World Trade Organisation (WTO) rule, every member of WTO requires to accord this status to other member countries.**
- India has already granted this status to all WTO members including Pakistan.

15. **Anti-Dumping Duty**

- Anti-Dumping Duty is a **trade levy** imposed by any government on imported products which have **prices less than their fair normal values** in their domestic market.
- Anti-Dumping Duty is imposed under the multilateral **World Trade Organisation (WTO)** regime.
- It **varies** from product to product and from country to country.
- In India, anti-dumping duty is **recommended by the Union Ministry of Commerce** (i.e. by Directorate General of Anti-dumping & Allied Duties (DGAD)), while the Union Finance Ministry imposes it.
- So far, India has initiated maximum anti-dumping cases against “below-cost” imports from China.

16. **Countervailing duties (CVDs)**

- Countervailing duties (CVDs), also known as **anti-subsidy duties**, are trade import duties imposed under World Trade Organization (WTO) rules to **neutralize the negative effects of subsidies**.
- They are imposed after an investigation finds that a foreign country subsidizes its exports, injuring domestic producers in the importing country.
- It is imposed in accordance with the **GATT** Article VI and the GATT Agreement on Subsidies and Countervailing Measures.

17. **Safeguard Duty**

- The safeguard duty is tariff barrier imposed by government on the commodities to **ensure that imports in excessive quantities do not harm the domestic industry**.
- It is **mainly temporary measure** undertaken by government in defence of the domestic industry which is harmed due to **sudden cheap surge in imports**.

18. **Nobel Economics Prize**

- US economist **Richard Thaler** won the 2017 **Nobel Economics Prize** for his contributions in the field of **behavioural economics**.
- The field of behavioural economics blends insights of **psychology** and
economics, and provides some valuable insights that individuals are not behaving in their own best interests.

- Behavioural economics provides a framework to understand when and how people make errors.
- Lessons from behavioural economics can be used to create environments that nudge people toward wiser decisions and healthier lives.
- It's kind of the opposite to the rational decision makers that are usually described in economic theory.

19. International Conference on Consumer Protection

- International Conference on Consumer Protection for East, South and South-East Asian Countries with the theme of “Empowering Consumers in New Markets” was held in New Delhi.
- International Conference on Consumer Protection is being organised by the Department of Consumer Affairs, Government of India in association with UNCTAD.
- This is the first time an international conference on consumer protection is being organised by India for 22 countries from East, South and South-East Asia.
- UNCTAD:
  - United Nations Conference on Trade and Development (UNCTAD) was established in 1964.
  - UNCTAD is the principal organ of the United Nations General Assembly dealing with trade, investment, and development issues.
  - The primary objective of UNCTAD is to formulate policies relating to all aspects of development including trade, aid, transport, finance and technology.
  - The conference ordinarily meets once in four years; the permanent secretariat is in Geneva.

20. Foreign Exchange Management Act, 1999 (FEMA)

- The Reserve Bank of India (RBI) has simplified Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations to make it easier for foreign investors to invest in the country.
- The Foreign Exchange Management Act (FEMA) was passed by Parliament in 1999. It replaced FERA (Foreign Exchange Regulations Act), 1973.
- It aims at facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India.
- It seeks to make offenses related to foreign exchange civil offenses.
- It enables a new foreign exchange management regime consistent with the emerging framework of the World Trade Organisation (WTO).
- It also paved way to Prevention of Money Laundering Act 2002, which was effected from 1 July 2005.

21. Credit Ratings

- US-based rating agency Moody’s has upgraded India’s sovereign credit
Moody’s has also raised India’s long-term foreign-currency bond ceiling to Baa1 from Baa2, and the long-term foreign-currency bank deposit ceiling to Baa2 from Baa3.

The rating upgrade comes after a gap of 13 years – Moody’s had last upgraded India’s rating to ‘Baa3’ in 2004. In 2015, the rating outlook was changed to ‘positive’ from ‘stable’.

A credit rating is an assessment of the creditworthiness of a borrower. Individuals, corporations and governments are assigned credit ratings.

22. Double Taxation Avoidance Agreement
- A DTAA is a tax treaty signed between two or more countries.
- Its key objective is that tax-payers in these countries can avoid being taxed twice for the same income.
- A DTAA applies in cases where a tax-payer resides in one country and earns income in another.
- India has DTAA with more than eighty countries, of which comprehensive agreements include those with Australia, Canada, Germany, Mauritius, Singapore, UAE, the UK and US.
- DTAA are intended to make a country an attractive investment destination by providing relief on dual taxation.

23. WTO Ministerial Conference (MC11)
- The Eleventh WTO Ministerial Conference (MC11) took place in December 2017 in Buenos Aires, Argentina.
- The members failed to agree to a ministerial declaration at the end of MC11.
- Key Takeaways:
  - Prohibiting subsidies for illegal, unreported and unregulated (IUU) fishing and improving the reporting of existing fisheries subsidy programmes.
  - No outcome on public stockholding for food security purposes or on other agriculture issues.
  - To continue the 1998 work programme on e-commerce.
  - India categorized Issues like rules for small and medium enterprises and gender rights in global trade raised by developed countries as non-trade issues.
  - No agreement was reached on special safeguard mechanism (SSM), special and differential treatment of developing countries and on cotton issue.

24. Financial Sector Assessment Programme
- The two main Reports of the 2017 India Financial Sector Assessment Programme (FSAP) – the Financial System Stability Assessment (FSSA) and Financial Sector Assessment (FSA), were released by the International Monetary Fund (IMF) and the World Bank.
- Last FSAP for India was conducted in 2011-12.
- The Financial Sector Assessment Program (FSAP), established in 1999, is a
comprehensive and in-depth assessment of a country’s financial sector.

- It is a joint programme of the International Monetary Fund and the World Bank.
- FSAPs analyze the resilience of the financial sector, the quality of the regulatory and supervisory framework, and the capacity to manage and resolve financial crises.
- Based on its findings, FSAPs produce recommendations of a micro- and macro-prudential nature, tailored to country-specific circumstances.

25. Society for Worldwide Interbank Financial Telecommunication (SWIFT)

- It is a messaging network that financial institutions use to securely transmit information and instructions through a standardized system of codes.
- SWIFT India Domestic Services has rolled out services to provide harmonised exchange of structured financial information between banks, the Reserve Bank of India, stock exchanges, clearing houses, corporations, and their customers.
1. **Handbook of Statistics on States 2016-17**
   - RBI has released second edition of its statistical publication titled ‘Handbook of Statistics on States 2016-17’.
   - The publication follows the ‘one-indicator-one table’ approach and covers all sub-national statistics on socio-demographics, state domestic product, agriculture, industry, infrastructure, banking and fiscal indicators across the states over a period ranging from 1950-51 to 2016-17.
   - It also offers data on state-wise availability of power, per capita availability of power, installed capacity of power, and power requirement, length of national highways, roads and state highways, and railheads.
   - Led by the most populous Uttar Pradesh and the largest Rajasthan, the gross fiscal deficits of all the states skyrocketed to Rs 4,93,360 crore in fiscal 2016 from Rs 18,790 crore in FY1991.

2. **Global Innovation Index 2017**
   - The Global Innovation Index (GII), co-published by World-Intellectual Property Organization (WIPO), Cornell University and INSEAD with CII as a Knowledge Partner.
   - It has been ranking world economies including India since 2007.
   - It is based on both subjective and objective data derived from several sources, including the International Telecommunication Union, the World Bank and the World Economic Forum.
   - It has established itself as both a leading reference on innovation and a ‘tool for action’ for policy makers.
   - India’s position in the 2017 Global Innovation Index has moved up six ranks from last year to 60. The country has also proven itself to be the rising innovation centre of Asia by taking the top spot in central and southern Asia.
   - The report also noted India’s continual improvement in terms of investment, tertiary education, quality of its publications and universities, its information and communication technology (ICT) services exports and innovation clusters.
   - India has shown improvement in most areas, including in infrastructure, business sophistication, knowledge and technology and creative outputs.
   - Switzerland, Sweden, the Netherlands, the US and UK retained their top spots as the most-innovative countries.

3. **McKinsey Employment Report**
   - McKinsey Global Institute released its report titled “India’s Labour Market: A new emphasis on gainful employment”.
   - The employment estimates in the report are based on employment and unemployment surveys carried out by the National Sample Survey Office as well as the annual surveys of the labour bureau.
   - Key Findings:
     - The report focuses on “gainful employment” i.e. better work that
promises more money.
  o Between 2011 and 2015, the number of agricultural jobs reduced by 26 million while the number of non-farm jobs rose by 33 million.
  o Despite the growth of non-farm jobs, overall labour force participation rate fell from 55.5% in 2011 to 52.4% in 2015.
  o Gig economy, government spending and increased entrepreneurial activity have created gainful employment of 20-26 million people between 2014 and 2017.

4. **Index and the Inequality Report**
   - The index and the inequality report was released by the international NGO Oxfam and Development Finance International.
   - It measures the efforts of governments that had pledged to reduce inequality as part of the sustainable development goals.
   - The index mainly focuses on redistributive actions governments can take, rather than those that would prevent rising inequality in the first place.
   - India has been ranked 132 out of 152 countries.
   - OECD countries headed by Sweden ranked the highest while Nigeria was at the bottom.

5. **Sustainable Development Goals Index**
   - The Sustainable Development Solutions Network (SDSN) and the Bertelsmann Stiftung launched the Sustainable Development Goal Index for 2017.
   - The SDG Index ranks countries based on their performance across the 17 Sustainable Development Goals.
   - India is ranked 116th on the index with a score of 58.1, behind countries such as Nepal, Iran, Sri Lanka, Bhutan and China. Pakistan is ranked 122.
   - Sweden leads the list, followed by Denmark and Finland.
   - The countries which are closest to fulfilling the goals are not the biggest economies but comparably small, developed countries.
   - Many of the richest countries in the world are nowhere near achieving the global policy objectives but also deteriorate the implementation process for poorer countries because of negative spillover effects.
   - **Sustainable Development Solutions Network (SDSN):**
     o SDSN was established in 2012 and has been operating under the auspices of the UN Secretary-General.
     o SDSN mobilizes global scientific and technological expertise to promote practical solutions for sustainable development.
     o It is part of the UN’s response to the outcome of the UN Conference on Sustainable Development (UNCSD or Rio+20).

6. **Digital Evolution Index**
   - India has emerged strong, exhibiting a high potential in terms of digital payments and has been categorised under the “break out” segment among 60 countries, according to the Digital Evolution Index 2017.
The Fletcher School at Tufts University in partnership with Mastercard, unveiled the Digital Evolution Index 2017.

The Index is a comprehensive research that tracks the progress countries have made in developing their digital economies and integrating connectivity into the lives of billions.

The ‘break out’ segment refers to countries that have relatively lower absolute levels of digital advancement, yet remain poised for growth and are attractive to investors by virtue of their potential.

7. **Global Cyber security Index (GCI) 2017**

- The UN telecommunications agency, International Telecommunication Union (ITU), released its second edition of the Global Cyber security Index (CGI) which ranks countries of the world depending on their national policy against cybercrime.
- The Global Cyber security Index (GCI) is a multi-stakeholder initiative to measure the commitment of countries to cyber security.
- The index has placed India at a high 23rd position and has been listed in the “maturing” category.

8. **Global Conference on Cyber Space (GCCS)**

- India hosted the 5th Global Conference on Cyber Space (GCCS), one of the world’s largest conferences on Cyber Space and related issues.
- The GCCS took place outside OECD nations for the first time.
- It was held in India for the first time.
- The theme for the GCCS 2017: ‘Cyber4All: An Inclusive, Sustainable, Developmental, Safe and Secure Cyberspace’.
- GCCS aims at encouraging dialogue among stakeholders of cyberspace, which has been taking place since 2011.

9. **Financial Stability Report (FSR)**

- The Reserve Bank of India releases the Financial Stability Report (FSR) once in 6 months.
- The FSR reflects the overall assessment on the stability of India’s financial system and its resilience to risks emanating from global and domestic factors.
- Besides, the Report also discusses issues relating to development and regulation of the financial sector.

10. **World’s Most Liveable City**

- Melbourne has been named ‘The World’s Most Liveable City’ for the seventh consecutive year by the annual Economist Intelligence Unit’s (EIU) Global Liveability Index.
- The EIU’s Liveability Ranking assesses living conditions in 140 cities across the globe.
- No Indian city was ranked in the top ten or bottoms ten in the most liveable city ranking.
11. Financial Stability and Development Council (FSDC)

- The Central Government had established Financial Stability and Development Council (FSDC) in December 2010 with the Finance Minister as it Chairman.
- Seventeenth Meeting FSDC was held recently.
- The idea to create it was first mooted by the Raghuram Rajan Committee on Financial Sector Reforms in 2008.
- Members: Heads of the financial sector regulatory authorities (i.e, RBI, SEBI, IRDA, PFRDA), Finance Secretary and/or Secretary, Department of Economic Affairs (Union Finance Ministry), Secretary, Department of Financial Services, and Chief Economic Adviser.
- Two Core functions:
  - Act as an apex level forum to strengthen and institutionalize the mechanism for maintaining financial stability.
  - Promoting financial sector development in the country.
- Other functions:
  - Focus on financial literacy and financial inclusion.
  - Monitor macro-prudential supervision of the economy.
  - Assess the functioning of the large financial conglomerates.

12. Ease of Doing Business Report

- NITI Aayog has launched the Ease of Doing Business report based on an Enterprise Survey of 3,500 manufacturing firms across Indian states and union territories.
- The Enterprise Survey was conducted in recognition of the importance of monitoring the business environment in India.
- The survey has been conducted, along with the IDFC Institute, to assess the business regulations and enabling environment across India from firms’ perspective.
- The World Bank’s ‘Ease of Doing Business’ survey, which ranked India at 100, is confined to just two cities of Delhi and Mumbai whereas the NITI-IDFC Survey covers 3,276 manufacturing enterprises spread across India, including 141 early stage firms and covering 23 manufacturing sectors.

13. Global Human Capital Index

- The Global Human Capital Index is released by World Economic Forum (WEF).
- It ranks 130 countries on how well they are developing their human capital on a scale from 0 (worst) to 100 (best).
- It measures country’s ability to nurture, develop and deploy talent for economic growth.
- India has been placed at a low 103 rank, the lowest among BRICS economies.
- The list was topped by Norway, Finland and Switzerland.
14. Business & Climate Summit
- **BUSINESS & CLIMATE SUMMIT 2017** was held in New Delhi. Federation of Indian Chambers of Commerce and Industry (FICCI) organized the third edition of BCS.
- The Business & Climate Summit is the leading annual forum for businesses, investors and policymakers on climate action.
- Business and governments come together to agree on a roadmap for reaching net zero emissions over the next half century.
- Theme: “the businesses hold the key to meeting global carbon reduction targets; and collaboration between business and government is critical to success”.

15. Global Competitiveness Index
- India has been ranked as the 40th most competitive economy – slipping one place from last year’s ranking – on the World Economic Forum’s global competitiveness index.
- The index is calculated by aggregating indicators across 12 pillars in the report which covers both business and social indicators.
- The GCI measures 12 pillars which include institutions, macro-economic environment, infrastructure, health and primary education, higher education and training, labour market efficiency, goods and market efficiency among others.

16. Committees on Corporate Governance
- A corporate governance committee was formed by the SEBI in June 2017, under the chairmanship of Uday Kotak.
- Various committees in the past include Kumar Mangalam Birla (1999) and N.R. Narayana Murthy (2003), which contributed to the process of improving standards of corporate governance in India.
- Independent directors (ID):
  - SEBI brought in the concept of IDs which deals with corporate governance norms for listed companies.
  - An ID is a director on a company’s Board other than a managing director, whole-time director or a nominee director.
  - They act as trustees of shareholders, especially minority shareholders. They are expected to take an outsider’s view and ensure checks and balances.
  - Under Companies Act, 2013:
    - An ID should not be a promoter or related to promoter of the company, its subsidiary or associates.
    - Must not have been an employee of the company.
    - Should also have not had any pecuniary relationship with the company in the two preceding financial years or in the current year.
17. **Ease of Doing Business Index**
   - Its score also increased from 56.05 in 2017 to 60.76 in Doing Business 2018.
   - It covers 10 indicators which span the lifecycle of a business.
   - **India improved in 6 out of 10 indicators.** They are Resolving Insolvency, Paying Taxes, Getting Credit, Enforcing Contracts, Protecting Minority Investors and Construction Permits.

18. **Global Investment Competitiveness Report 2017**
   - It is published by *World Bank* which shows various factors affecting investment decision in a country.
   - The factors include domestic market size, macroeconomic stability and favourable exchange rate, labour force talent and skills, physical infrastructure etc.

19. **World Energy Outlook (WEO)**
   - International Energy Agency (IEA) releases World Energy Outlook (WEO) and Energy Access outlook.
   - **India is world’s third largest energy consumer** after the US and China.
   - International Energy Agency (IEA):
     - IEA is an autonomous agency, founded in 1974.
     - It seeks to promote energy security among its member countries and ensure reliable, affordable and clean energy.
     - **Its four focus area** includes Energy Security, Economic Development, Environmental Awareness and Engagement Worldwide.
     - India is an associated member to IEA.

20. **2018 Inclusive Development Index (IDI)**
   - Inclusive Development Index has been released by the *World Economic Forum*.
   - It is developed as a new metric of national economic performance as an alternative to GDP.
   - **India is placed at the 62nd place** among emerging economies much below China’s 26th position and Pakistan’s 47th. India was ranked 60th among 79 developing economies in 2017.
   - It has three pillars: Growth and Development, Inclusion and Intergenerational Equity, and Sustainability.

21. **Logistics Ease Across Different States (LEADS) Index**
   - The Logistics Ease Across Different States (LEADS) index is a perception-based index of mobility of goods and efficiency of logistics chain.
   - LEADS index is a composite indicator to assess international trade logistics across states and Union territories.
   - It is based on a stakeholders’ survey conducted by Deloitte for the ministry of commerce and industry.
22. Committee on Doubling Farmers’ Income

- Ashok Dalwai committee, on doubling farmers’ incomes (DFI) proposed major reforms in its report titled Structural Reforms and Governance Framework.

23. Liveability Index

- The Union Ministry of Housing and Urban affairs (MoHUA) launched the Liveability index to rate 116 Indian cities.
- Liveability index is tool that aims to measure quality of life in 99 smart cities, capital cities and those with a population of over one million.
- It will be funded by the World Bank.

24. Corruption Perception Index 2017

- India was ranked 81st among 180 countries in Corruption Perception Index (CPI) 2017 released by NGO Transparency International.
- India has dropped by two ranks from 79th slot in CPI 2016.
- CPI ranks countries on a scale of zero (highly corrupt) to 100 (very clean) based on levels of corruption in the public sector.
- The index is compiled by using data of World Bank, World Economic Forum (WEF) and other institutions.
- Transparency International (TI):
  - TI is an international non-governmental organization based in Berlin, Germany.
  - It publishes annually Corruption Perceptions Index and Global Corruption Barometer.
  - Its purpose is to take action to combat corruption and prevent criminal activities arising from corruption.

25. Other Major Reports

- Global Wealth Report - Credit Suisse Research Institute.
- Global Manufacturing Index (GMI) – World Economic Forum.
- World Economic Outlook – International Monetary Fund (IMF).
- World Economic Freedom Index - Centre for Civil Society in collaboration with Canada’s Fraser Institute.
- India Innovation Index - Jointly developed by NITI Aayog, DIPP and CII in consultation with World Economic Forum (WEF), World Intellectual Property
Organization (WIPO), Cornell University, UNIDO, ILO, OECD, UNESCO, ITU etc.

- **Network Readiness Index** – World Economic Forum (WEF).
1. **National Institute of Fashion Technology (NIFT)**
   - The Union Government appointed Shri Rajesh V. Shah as Chairperson on the Board of Governors of the National Institute of Fashion Technology as per the provisions of the *National Institute of Fashion Technology Act, 2006*.
   - National Institute of Fashion Technology (NIFT) is a fashion institute in India. It was set up in 1986 under the aegis of the *Ministry of Textiles*, Government of India.
   - NIFT was granted **statutory status in 2006**, empowering it to **award degrees and other academic distinctions**.

2. **Directorate General of Foreign Trade (DGFT)**
   - **Right from its inception till 1991**, this organization has been essentially involved in the **regulation and promotion of foreign trade through regulation**.
   - Keeping in line with liberalization and globalization and the overall objective of increasing of exports, DGFT has since been assigned the **role of “facilitator”**.
   - The shift was from prohibition and control of imports/exports to promotion and facilitation of exports/imports.
   - The DGFT’s role includes **Foreign Trade Policy (FTP) formulation and implementation** — to in turn boost India’s exports.
   - It is manned mainly by the *Indian Trade Service (ITS)* cadre officials, but is **usually headed by an Indian Administrative Service (IAS) officer**.
   - **Foreign Trade Policy 2015-20:**
     - It provides a framework for **increasing exports of goods and services** as well as generation of **employment** and increasing value addition in the country.
     - It introduces two new schemes, namely **‘Merchandise Exports from India Scheme (MEIS)’** for export of specified goods to specified markets and **‘Services Exports from India Scheme (SEIS)’** for increasing exports of notified services.
3. Council for Trade Development and Promotion

- The Council for Trade Development and Promotion was constituted in July 2015 under the chairpersonship of the **Union Minister for Commerce and Industry**, in pursuance to the provisions of **Foreign Trade Policy statement 2015-20**.
- **Objective**: The objective was to ensure a continuous dialogue with the governments of states and Union Territories on measures for providing an **international trade enabling environment** in the states and to create a framework for making the states active partners in boosting India’s exports.
- **Composition**: The State Ministers of Commerce and Industry, Secretaries of concerned central departments/Ministries and heads of other export related organizations/trade bodies are Members of the Council.

4. National Anti-Profiteering Authority (NAA)

- The Union Cabinet approved setting up of five-member NAA, mandated to **ensure that the benefits of GST rate reduction is passed on to consumers**.
- The anti-profiteering framework consists of NAA at top level, standing committee, screening committees in every state and Directorate General of Safeguards (DGS) in Central Board of Excise & Customs (CBEC).
- **What you need to know about the Anti-profiteering authority**:
  - The authority will be headed by a retired secretary-level officer. As per the structure, the complaints of profiteering would first come to the Standing Committee comprising tax officials from states and the Centre.
  - It would forward the complaint to the Directorate of Safeguards (DGS) for investigation, which is likely to take about 2-3 months to complete the inquiry.
  - On completion of investigation, the report would be submitted to the anti-profiteering authority which would decide on the penalty.
- **Functions**:
  - It can take **suo motu action**, besides acting on complaints of profiteering.
  - As per the norms, the authority will have a sunset date of two years and will decide on penalty to be levied.
  - It would ask the businesses to refund the price reduction on a proportionate basis to consumers.
  - Where the consumer cannot be identified the amount would be credited to the **consumer welfare fund**.
  - NAA has **power to cancel registration** of any entity or business if it fails to pass on to consumers’ benefit of lower taxes under GST regime, but it will probably be last step against any violator.

5. Goods and Service Tax Network (GSTN)

- GSTN is a **private, not-for Profit Company** in which the **central government and states and Union territories together hold 49%**. The rest is owned by financial institutions.
- The GSTN is a unique and complex IT initiative.
- The company will provide information technology support to all stakeholders for smooth implementation of the new taxation regime across the country and will be the repository of all information related to taxation and entities registered under GST.
- GSTN will mobilize working capital by levying a user fee on state governments for its services.
- The portal envisions becoming a trusted National Information Utility (NIU) which provides reliable, efficient and robust IT Backbone for the smooth functioning of GST regime.

6. **GST Suvidha Provider**
   - GSTN has allowed GST suvidha providers (GSP) for providing convenient methods to taxpayers and other stakeholders seeking to interact with the system.
   - These are third-party application providers which are allowed by GSTN to smoothen the process of tax administration under GST.
   - They provide an additional channel for filing returns and other compliances relating to GST.
   - GSPs are expected to help large businesses with complex internal processes in complying with the GST regime.

7. **Agricultural and Processed Foods Export Development Agency (APEDA)**
   - APEDA is statutory authority related to exports of agricultural products.
   - It functions under the aegis of Union Ministry of Commerce and Industry.
   - Its role is development of industries relating to scheduled products for export by way of providing financial assistance.
   - It looks at the export of fruits, vegetables, and their processed products, meat and meat products, poultry and dairy products.
   - It also looks at fixing of standards and specifications, improving packaging, marketing for the scheduled products for the purpose of exports.
   - The authority replaced the Processed Food Export Promotion Council (PFEPC).
8. Central Board of Direct Taxes (CBDT)
   - The Central Board of Direct Taxes is a **statutory authority** functioning under the **Central Board of Revenue Act, 1963**.
   - It is a part of the Department of Revenue in the Ministry of Finance, Government of India.
   - It provides essential inputs for policy and planning of direct taxes in India.
   - It is responsible for **administration of the direct tax laws** through Income Tax Department.
   - It is India’s official **Financial Action Task Force unit**.
   - The CBDT Chairman and Members of CBDT are selected from Indian Revenue Service (IRS).
   - The Central Board of Direct Taxes (CBDT) has entered into several **Advance Pricing Agreements (APAs)**.
   - Background:
     - The **Central Board of Revenue** as the Department apex body charged with the administration of taxes came into existence as a result of the Central Board of Revenue Act, 1924.
     - Initially the Board was in charge of both direct and indirect taxes. However, when the administration of taxes became too unwieldy for one Board to handle, the **Board was split up into two**, namely the Central Board of Direct Taxes and Central Board of Excise and Customs in 1964.

9. Bharat Bill Payment System (BBPS)
   - The Bharat Bill Payment System (BBPS) is an **RBI conceptualised system driven by National Payments Corporation of India (NPCI)**. It is a **one-stop payment platform** for all bills, providing an interoperable and accessible “Anytime Anywhere” bill payment service across the country.
   - NPCI will function as the Bharat Bill Payment Central Unit (BBPCU) and operate the Bharat Bill Payment System (BBPS).
   - Bill aggregators and banks, who will function as operating units, will carry out these transactions for the customers.

10. National Payments Corporation of India (NPCI)
    - National Payments Corporation of India (NPCI) is an **umbrella organization for all retail payments system in India**.
    - It was set up with the **guidance and support of the Reserve Bank of India (RBI) and Indian Banks’ Association (IBA)**.
    - It was founded in 2008 as a **not-for-profit organisation** registered under section 25 of the Companies Act, 2013.
    - It has successfully played pioneering role in the **development of a domestic card payment network called RuPay**, reducing the dependency on international card schemes.
    - The National Payments Corporation of India (NPCI) **launched “Unified Payments Interface (UPI)” to revolutionise mobile payment system in the**
country.

11. Public Financial Management System (PFMS)
- PFMS is a Centralized Transaction System & Platform, providing end to end financial management services to all stakeholders.
- It is also known as Central Plan Scheme Monitoring System (CPSMS), tracks fund disbursement and ensures that state treasuries are integrated with the Centre to ensure money is send as and when required.
- PFMS functions under the Controller General of Accounts in the Ministry of Finance. It is a web based application.
- The PFMS platform compiles, collates and makes available in real-time, information regarding all government schemes, and provides the government real-time information on resource availability and utilisation across schemes.

12. Food Safety and Standards Authority of India (FSSAI)
- FSSAI has put in place a nationwide online platform called ‘FoSCoRIS’.
- FoSCoRIS’ system will help verify compliance of food safety and hygiene standards by food businesses as per the government norms.
- The new system will bring together all key stakeholders — food businesses, food safety officers (FSOs), designated officers, state food safety commissioners — on a nation-wide IT platform and data related to inspection, sampling and test result data will be shared.
- FSSAI:
  - Established under Food Safety and Standards Act, 2006.
  - Ministry of Health & Family Welfare, Government of India is the Administrative Ministry for the implementation of FSSAI.
    - The Chairperson is in the rank of Secretary to Government of India.
  - Important functions
    - Lay down the Standards and guidelines in relation to articles of food.
    - Accreditation of certification bodies engaged in certification of food safety management system.
    - Accreditation of laboratories.
    - Scientific advice and technical support to Central Government and State Governments in the matters of framing the policy and rules in areas of food safety and nutrition.
    - Provide training programmes for persons who are involved in food businesses.

13. Real Estate Investment Trusts (REITs)
- SEBI has relaxed the guidelines for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) in order to broaden the scope of fund raising by such instruments.
- REITs are similar to mutual funds. While mutual funds provide for an opportunity to invest in equity stocks, REITs allow one to invest in income-generating real estate assets.
• REITs raise funds from a large number of investors and directly invest that sum in income-generating real estate properties (which could be offices, residential apartments, shopping centres, hotels and warehouses).
• The trusts are listed in stock exchanges so that investors can buy units in the trust.
• The assets of an REIT are held by an independent trustee on behalf of unit holders.
• Short-term capital gain tax is applicable for unit holders at the rate of 15%.

14. Infrastructure Investment Trust Fund (InvITs)
• InvITs are similar to mutual funds. While mutual funds provide an opportunity to invest in equity stocks, an InvIT allows one to invest in infrastructure projects such as road and power.
• InvITs are registered as trusts with SEBI.
• InvIT investments are not open for small and retail investors. The minimum application size for InvIT units is ₹10 lakh.
• The main investors could be foreign institutional investors, insurance and pension funds and domestic institutional investors (like mutual funds, banks) and also super-rich individuals.
• How do InvITs work?
  o Two types of InvITs have been allowed: one, which invests in completed and revenue generation infrastructure projects;
  o The other, invest in completed or under-construction projects.
  o InvITs which invest in completed projects take the route of public offer of its units, while those investing in under construction projects take the route of private placement of units.
  o Both forms are required to be listed on stock exchanges.

15. Telecom Regulatory Authority of India (TRAI)
• It was established in 1997 by an Act of Parliament to regulate telecom services and tariffs in India.
• In January 2000, TRAI act was amended to establish the Telecom Disputes Settlement Appellate Tribunal (TDSAT) to take over the adjudicatory functions of the TRAI.
• Its mandate is to regulate telecom services and deliver fair and transparent environment for fair competition in telecom market.
• TRAI also fixes or revises the tariffs for telecom services in India.

16. Cell for IPR Promotions & Management (CIPAM)
• The CIPAM is nodal agency under the aegis of the Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry.
• It is working to ensure effective implementation of the National IPR Policy 2016.
• It has undertaken several measures to strengthen the IP ecosystem in the country.
• It has launched a social media campaign to promote Indian Geographical
Indications (GIs) with #LetsTalkIP to make more people aware about the importance of Intellectual Property Rights.

17. Small Farmers’ Agri-Business Consortium (SFAC)

- The 22nd meeting of Board of Management (BOM) of Small Farmers’ Agri-Business Consortium (SFAC) was held in New Delhi.
- **SFAC is an Autonomous Society promoted by Ministry of Agriculture, Cooperation and Farmers’ Welfare, Government of India.**
- It is registered under Societies Registration Act 1860. The Society is also registered as Non-Banking Financial Institution by Reserve Bank of India.
- Its fundamental objective is to **link small farmers to agricultural value chain**, which includes investments, technology and markets in association with private and cooperative sector.
- It also **promotes farmer producer organisations (FPOs)** and their integration in agriculture value chain.
- Recently it implemented **Delhi KisanMandi** and **National Agriculture Market Scheme (NAM)** on e-platform to progressively free agricultural trade and offer price discovery to farmers.

18. Serious Fraud Investigation Office (SFIO)

- **To detect financial frauds**, the SFIO is in the process of developing an **early warning system (EWS)**, and a consulting agency has been engaged to prepare the conceptual framework.
- The Serious Fraud Investigation Office (SFIO) is a **fraud investigating agency** and is the **co-ordinating agency with the Income Tax and CBI**.
- It is under the jurisdiction of the **Ministry of Corporate Affairs**, Government of India.
- **Composition**: It is a multi-disciplinary organization having experts from financial sector, capital market, accountancy, forensic audit, taxation, law, information technology, company law, customs and investigation.
- These experts have been taken from various organizations like banks, Securities and Exchange Board of India, Comptroller and Auditor General and concerned organizations and departments of the Government.
- **Background**: The Government approved setting up of this organization on 9 January 2003 on the basis of the recommendations made by the **Naresh Chandra Committee** on corporate governance.

19. National Pharmaceutical Pricing Authority (NPPA)

- NPPA fixes ceiling price of essential medicines of Schedule I under the **Drugs (Prices Control) Order (DPCO) 2013**.
- In respect of medicines that are not under price control, manufacturers are allowed to increase the maximum retail price by 10% annually.
- **Functions of NPPA**:
  - To implement and enforce the provisions of the Drugs (Prices Control) Order.
  - To deal with all legal matters arising out of the decisions of the Authority.
NOTES

To monitor the availability of drugs, identify shortages, if any, and to take remedial steps.

To collect/maintain data on production, exports and imports, market share of individual companies, profitability of companies etc, for bulk drugs and formulations.

To undertake and/or sponsor relevant studies in respect of pricing of drugs/pharmaceuticals.

To recruit/appoint the officers and other staff members of the Authority, as per rules and procedures laid down by the Government.

To render advice to the Central Government on changes/revisions in the drug policy.

To render assistance to the Central Government in the parliamentary matters relating to the drug pricing.

20. CERT-In (Indian Computer Emergency Response Team)

- CERT-In is a government-mandated nodal agency for information technology (IT) security established in 2004 under the aegis of the Indian Department of Information Technology, Ministry of Electronics and IT.

- Mandate of CERT-In:
  - Protect Indian cyberspace and software infrastructure against destructive and hacking activities.
  - Respond to computer security incidents, report on vulnerabilities and promote effective IT security practices throughout the country.
  - Issue guidelines, vulnerability notes, advisories, and whitepapers regarding to information security practices, prevention, procedures, response and reporting of cyber security incidents.

21. Financial Intelligence Unit

- It is under the jurisdiction of the Ministry of Finance, Government of India.

- To provide quality financial intelligence for safeguarding the financial system from the abuses of money laundering, terrorism financing and other economic offences.

- To become a highly agile and trusted organization that is globally recognized as an efficient and effective Financial Intelligence Unit.
1. Statistics Day

- **11th statistics day** was celebrated on 29th June 2017 with ‘Administrative Statistics’ as the theme for the Statistics Day.
- In recognition of the notable contributions made by Late Professor **Prasanta Chandra Mahalanobis** in the fields of statistics, statistical system and economic planning, Government of India in 2007, designated 29th June the birth anniversary of Prof. Mahalanobis. as the “Statistics Day”.
- The objective of celebration of this Day is to **create public awareness about the importance of statistics** in socio-economic planning and policy formulation and to acknowledge the contribution of Prof. Mahalanobis.

2. India’s First Underwater Rail Tunnel

- The **Kolkata Metro Rail Corporation (KMRC)** has completed the construction of India’s first set of underwater transportation tunnels **under the Hooghly river to link Howrah and Kolkata**.
- The project is built by Afcons Transtonnelstroy and implemented by KMRC. Afcons Transtonnelstroy is an Indo-Russian joint venture.

3. Image Trademark

- **Mumbai’s Taj Mahal Palace hotel** has acquired an ‘image trademark’ under the **Trademark Act of 1999**.
- It is the **first building in the country** to acquire IPR protection for its architectural design.
- Henceforth no one can use the Taj Mahal Palace’s images for commercial purposes without paying the company a licensing fee.
- Violators are liable to be prosecuted. However, the locals and tourists can click pictures of the iconic building as long as they do not use it for commercial benefits.
- **Image Trademarks Around the world**:  
  - Empire State Building, New York, USA.  
  - Eiffel Tower, Paris, France.  
  - Opera House, Sydney, Australia
- **Trademark in India**:  
  - Trademark refers to **graphical representation of goods or services** to make it distinguishable from the others.  
  - Trademark can be **words, symbols, sound, colours, shape of goods, graphics representation or packaging etc.**  
  - In India, trademarks are governed under **Trademarks Act, 1999**, under aegis of **DIPP**.  
  - The implementing body is the **Controller General of Patents, Designs and Trademarks**.  
  - Recently government has also issued the **Trademark rules, 2017** to make the process of obtaining Trademark easier and hassle free.
4. **Hybrid Annuity Model**

- The Union Cabinet had approved the Hybrid Annuity-PPP model in January 2016 with **100% central sector funding**.
- Under this model, development, operation and maintenance will be undertaken by Special Purpose Vehicle (SPV) created by winning bidder at local level.
- As per this model, **40% of capital cost quoted will be paid on completion of construction** while remaining **60% cost will be paid over life of project annuities along with operation and maintenance cost (O&M) expenses**.
- One of the most important features of this model is that **both the Annuity and O&M payments are linked to the performance**.
- An agreement was signed for setting up of India’s first Sewage Treatment Plants under Hybrid Annuity mode, at Haridwar and Varanasi.

   - **Build-Operate-Transfer (BOT):**
     - The private partner is responsible to design, build, operate and transfer back the facility to the public sector.
     - The government starts paying to the private party after the commercial launch of the project.
     - DBFOT (Design-Build-Finance-Operate-Transfer) is one of its variants.

   - **Engineering, Procurement and Construction (EPC) model:**
     - Procurement of raw material and construction costs are met by the government.
     - The private sector’s participation is limited to the provision of engineering expertise.

5. **Geographical Indication (GI) tag**

- Recently, Geographical Indication (GI) tag was granted to:
  - Banaganapalle mangoes of Andhra Pradesh.
  - Tulaipanji rice of West Bengal.
  - Gobindobhog rice of West Bengal.
  - Banglar rosogulla of West Bengal.
  - Stone sculptures of Mamallapuram.
  - Durgi stone carvings and Etikoppaka toys of Andhra Pradesh.
  - Pochampally Ikat of Telangana.
  - Chakshesang shawl of Nagaland.

- **Sculptures from Mamallapuram:**
  - They are**carved in stone** with characteristics of intricate designing chiselled finely, keeping with the spirit of the surrounding Pallava art and architecture.
  - The description includes cave architecture, rock architecture, structural temples, open sculptures, relief sculptures and painting/portrait sculptures.
  - Mamallapuram sculptors still use **hammer-and-chisel technique** for carving and follow the process enunciated in various Shilpa Shastras.
  - Mamallapuram was named after the famous title of Narasimhavarma Pallava in the mid-seventh century.

- **Etikoppaka toys:**
- These toys are made in Etikoppaka region of Andhra Pradesh.
- They are made from the soft wood of Ankudi Karra (Wrightia tinctoria) tree.
- The toys are painted with natural dyes.
- The art of making such toys is known as Turned Wood Lacquer Craft.
- According to the artisans, the art is more than 400 years old.

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**About Geographical Indication (GI):**
- GI tag is an insignia on products having a unique geographical origin and evolution over centuries with regards to its special quality.
- **Benefits of GI Status:**
  - Legal protection to the products.
  - Prevents unauthorised use of GI tag products by others.
  - Helps consumers to get quality products of desired traits.
  - Promotes economic prosperity of producers of GI tag goods by enhancing their demand in national and international markets.
- Legal Authorities associated with GI: It is covered as an element of intellectual property rights (IPRs) under the Paris Convention for the Protection of Industrial Property.
- At international level, GI is governed by World Trade Organisation’s (WTO’s) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- In India, GI registration is governed by the Geographical Indications of goods (Registration and Protection) Act, 1999 which came into force in September 2003.
- This Act is administered by the Controller General of Patents, Designs and Trade Marks, who is also the Registrar of Geographical Indications.
- Darjeeling tea was the first product to accorded with GI tag in India.

**6. Fishery Sector in India**
- India became second largest fish producing nation in the world.
- Fishery sector includes Inland Fisheries and Marine Fisheries. In the total fish production, nearly 65% contribution is from inland fishing and rest form marine fishing.
- Fish and fish products accounts for around 10% of the total exports of the country and nearly 20% of the agricultural exports.

**7. Ship Breaking Industry**
- Government has proposed a revision in the Shipbreaking code 2013.
- Alang in Gujarat is the largest ship breaking site in India.
- In 2016, India dismantled over 300 ships, which is more than ship dismantling in Bangladesh, Pakistan and China.
- Bangladesh is ahead of India in terms of gross tonnage dismantled.
- Ship breaking has been transferred from the control of Ministry of Steel to
Ministry of Shipping in 2014.

8. **Ponzi Scheme**

- A Ponzi can be any scheme in which the returns promised to older investors are paid from the money collected from new investors, and not actual profits from the investments.
- Ponzi schemes are banned under the **Prize Chit and Money Circulation (Banning) Act, 1978** and the State government concerned is the enforcement agency.
- Though it is a Central Act, the respective State governments are the enforcement agency of this law.
- Ponzi schemes do not fall under the regulatory purview of SEBI.
Highlights of Budget 2018-19

- Budget guided by mission to strengthen agriculture, rural development, health, education, employment, MSME and infrastructure sectors.
- Country firmly on course to achieve over 8% growth as manufacturing, services and exports.
- MSP for all unannounced kharif crops will be one and half times of their production cost.
- Institutional Farm Credit raised to 11 lakh crore in 2018-19 from 8.5 lakh crore in 2014-15.
- 22,000 rural haats to be developed and upgraded into Gramin Agricultural Markets to protect the interests of 86% small and marginal farmers.
- “Operation Greens” launched to address price fluctuations in potato, tomato and onion for benefit of farmers and consumers.
- Two New Funds of Rs10,000 crore announced for Fisheries and Animal Husbandry sectors;
- Re-structured National Bamboo Mission gets Rs.1290 crore.
- Loans to Women Self Help Groups will increase to Rs.75,000 crore in 2019 from 42,500 crore last year.
- Higher targets for Ujjwala, Saubhagya and Swachh Mission to cater to lower and middle class in providing free LPG connections, electricity and toilets.
- Tribal students to get Ekalavya Residential School in each tribal block by 2022.
- World’s largest Health Protection Scheme covering over 10 crore poor and vulnerable families launched with a family limit upto 5 lakh rupees for secondary and tertiary treatment.
- Fiscal Deficit pegged at 3.5%,
Insights PT 2018 Exclusive (Economy)

projected at 3.3 % for 2018-19.

- Ten prominent sites to be developed as Iconic tourist destinations.
- NITI Aayog to initiate a national programme on Artificial Intelligence (AI).
- Centres of excellence to be set up on robotics, AI, Internet of things etc
- Disinvestment crossed target of Rs 72,500 crore to reach Rs 1,00,000 crore.
- Comprehensive Gold Policy on the anvil to develop yellow metal as an asset class.
- 100 percent deduction proposed to companies registered as Farmer Producer Companies with an annual turnover upto Rs. 100 crore.
- Corporate Tax reduced to 25 % and will be extended to companies with turnover up to Rs. 250 crore.
- More concessions for International Financial Services Centre (IFSC), to promote trade in stock exchanges located in IFSC.
- To control cash economy, payments exceeding Rs. 10,000 in cash made by trusts and institutions to be disallowed and would be subject to tax.
- Tax on Long Term Capital Gains exceeding Rs. 1 lakh at the rate of 10 percent, without allowing any indexation benefit. However, all gains up to 31st January, 2018 will be grandfathered.
- Proposal to introduce tax on distributed income by equity oriented mutual funds at the rate of 10 percent.
- Proposal to increase cess on personal income tax and corporation tax to 4 percent from present 3 percent.
- Proposal to roll out E-assessment across the country to almost eliminate person to person contact leading to greater efficiency and transparency in direct tax collection.
- Proposed changes in customs duty to promote creation of more jobs in the country and also to incentivise domestic value addition and Make in India in sectors such as food processing, electronics, auto components, footwear and furniture.
The survey projects economy to grow in the range of 7% to 7.50% in the next fiscal year 2018-19.
The survey is authored by chief economic adviser in the finance ministry Arvind Subramanian.
Survey 2017-18 is in pink colour to highlight gender issues.
ECONOMIC SURVEY 2017-18

FOODGRAINS PRODUCTION
In million tonnes

252.0 251.6 275.7*
2014-15 2015-16 2016-17

*4th Advance Estimates
PIB/KBK