

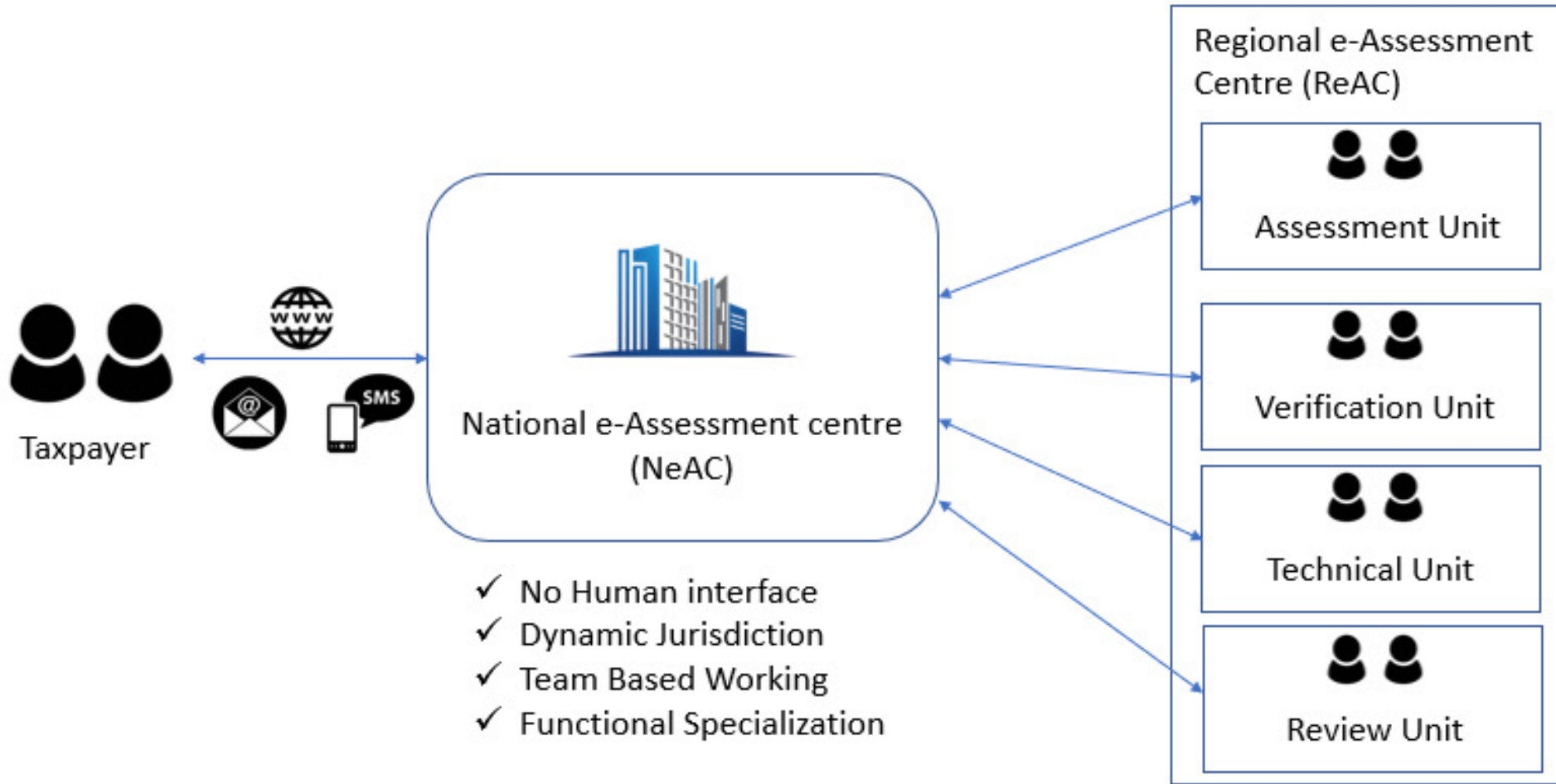
Important topics for Prelims 2023

Economy Part 3

Faceless Assessment Scheme under Income tax

- The Union Government introduced 'Faceless Assessment Scheme' for all taxpayers to usher in greater transparency, efficiency and accountability in income tax assessments.
- The scheme will eliminate human interface in assessments and is expected to reduce potential harassment of taxpayers.
- The National e-Assessment Center will be the sole governing authority for all communication with taxpayers under the scheme.
- Under the scheme, the selection of a taxpayer is done through a system using analytics and artificial intelligence.
- A taxpayer may belong to one city, but it is possible that the income tax return may be assessed in some other city through random selection by computer.

Faceless Assessment Scheme under Income tax



Ratna Status to CPSEs

Classification of CPSEs			
Category	Launch	Criteria	Examples
Maharatna	<ul style="list-style-type: none"> ○ Maharatna Scheme was introduced for CPSEs in May, 2010, in order to empower mega CPSEs to expand their operations and emerge as global giants. 	<ul style="list-style-type: none"> ○ Having Navratna status. ○ Listed on Indian stock exchange with minimum prescribed public shareholding under Securities and Exchange Board of India (SEBI) regulations. ○ An average annual turnover of more than Rs. 25,000 crore during the last 3 years. ○ An average annual net worth of more than Rs. 15,000 crore during the last 3 years. ○ An average annual net profit after tax of more than Rs. 5,000 crore during the last 3 years. ○ Should have significant global presence/international operations. 	<ul style="list-style-type: none"> ○ Bharat Heavy Electricals Limited, Bharat Petroleum Corporation Limited, Coal India Limited, GAIL (India) Limited, etc.

Ratna Status to CPSEs

Navratna	<ul style="list-style-type: none"> ○ Navratna Scheme was introduced in 1997 in order to identify CPSEs that enjoy comparative advantages in their respective sectors and to support them in their drive to become global players. 	<ul style="list-style-type: none"> ○ The Miniratna Category – I and Schedule ‘A’ CPSEs, which have obtained ‘excellent’ or ‘very good’ rating under the Memorandum of Understanding system in three of the last five years, and have composite score of 60 or above in the six selected performance parameters, namely, <ul style="list-style-type: none"> ○ Net profit to net worth. ○ Manpower cost to total cost of production/services. ○ Profit before depreciation, interest and taxes to capital employed. ○ Profit before interest and taxes to turnover. ○ Earning per share. ○ Inter-sectoral performance. 	<ul style="list-style-type: none"> ○ Bharat Electronics Limited, Hindustan Aeronautics Limited, etc.
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Ratna Status to CPSEs

Miniratna	<ul style="list-style-type: none"> ○ Miniratna scheme was introduced in 1997 in pursuance of the policy objective to make the public sector more efficient and competitive and to grant enhanced autonomy and delegation of powers to the profit-making public sector enterprises. 	<ul style="list-style-type: none"> ○ Miniratna Category-I: The CPSEs which have made profit in the last three years continuously, pre-tax profit is Rs.30 crores or more in at least one of the three years and have a positive net worth are eligible to be considered for grant of Miniratna-I status. ○ Miniratna Category-II: The CPSEs which have made profit for the last three years continuously and have a positive net worth are eligible to be considered for grant of Miniratna-II status. ○ Miniratna CPSEs should have not defaulted in the repayment of loans/interest payment on any loans due to the Government. ○ Miniratna CPSEs shall not depend upon budgetary support or Government guarantees. 	<ul style="list-style-type: none"> ○ Category-I: Airports Authority of India, Antrix Corporation Limited, etc. ○ Category-II: Artificial Limbs Manufacturing Corporation of India, Bharat Pumps & Compressors Limited, etc.
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REC has been accorded with the status of a 'Maharatna' Central Public Sector Enterprise, thus giving REC greater operational and financial autonomy.

- REC is a Maharatna Central Public Sector Undertaking under the Ministry of Power.
- It is a leading infrastructure finance company with a net worth of over ₹50,000 crore (as on 31st March, 2022).
- Its activities involve financing projects in the complete power sector value chain, be it generation, transmission or distribution.

It has been appointed as a Nodal Agency for Government of India's flagship schemes as following:

- Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGAYA)
- Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY)
- National Electricity Fund (NEF)

Benefits of Maharatna Status:

- REC can now invest up to ₹5,000 crore, or 15% of its net worth, in a single project after its Maharatna status.
- The Board can also structure and implement schemes relating to personnel and Human Resource Management and Training.
- REC can also enter into technology Joint Ventures or other strategic alliances among others.

Revamped Distribution Sector Scheme

- It aims at improving operational efficiencies and the financial sustainability of beleaguered power distribution companies (discoms) and state power departments.
- The scheme aims to reduce technical and commercial losses to pan-India levels of 12-15 percent by 2024-25 and cut the cost-revenue gap to zero by 2024-25.
- Rural Electrification Corporation and Power Finance Corporation have been nominated as the nodal agencies for the scheme.
- RDSS includes two components, which will work simultaneously.
 - Part A –Financial support for prepaid smart metering and system metering and up-grading of distribution infrastructure.
 - Part B – Training and capacity building and other enabling and supporting activities.

Market Infrastructure Institutions

- Stock exchanges, depositories and clearing houses are all Market Infrastructure Institutions and constitute a key part of the nation's vital economic infrastructure.
- MIIs are systemically important in India as these institutions have seen exponential growth in terms of the market capitalization of listed companies, capital raised and the number of investor accounts and their values.
- Any failure of such an MII could lead to even bigger cataclysmic collapses that may result in an overall economic downfall that could potentially extend beyond the boundaries of the securities market and the country.

Market Infrastructure Institutions

- Among stock exchanges, the SEBI lists seven, including the BSE, the NSE, the Multi Commodity Exchange of India and the Metropolitan Stock Exchange of India.
- There are two depositories – charged with the safekeeping of securities and enabling their trading and transfer – that are tagged MIIs: the Central Depository Services Ltd. and the National Securities Depository Ltd.
- The regulator also lists seven clearing houses including the Multi Commodity Exchange Clearing Corporation.
- Clearing houses, for their part, help validate and finalise securities trades and ensure that both buyers and sellers honour their obligations.

US' Currency Monitoring List

The US had set up its Currency Monitoring List to track the currency practices and monetary policies of its major trading partners, which includes India.

Any country which is excessively purchasing the US dollar, or has a large trade surplus with the US, the US wants to monitor the currency of that particular country.

Countries are judged on three specific criteria listed in the Trade Facilitation and Trade Enforcement Act of 2015 Act. Economies that meet two or three criteria in the 2015 Act are placed on the list.

What Are the 3 Criteria?

1 A significant bilateral trade surplus with the US: this means a trade surplus of at least \$15 billion in goods and services.

2 A material current account surplus is one that is at least 3% of GDP, or a surplus for which Treasury estimates there is a material current account “gap” using Treasury’s Global Exchange Rate Assessment Framework (GERAF).

3 Persistent, one-sided intervention occurs when net purchases of foreign currency are conducted repeatedly, in at least 8 out of 12 months, and these net purchases total at least 2% of an economy’s GDP over a 12-month period.



Reasoning Behind The Monitoring

When the US is in a big deficit, they become alert to make sure that there is no currency manipulation which makes American goods artificially costlier.

Once included in the list, a country will remain on it for at least two consecutive reports "to help ensure that any improvement in performance versus the criteria is durable and is not due to temporary factors."



Why Was India Removed from the List?

India, which had been on the list for around two years, was removed from it because it met only one of the three criteria for two consecutive reports.

The US would have observed that the Indian currency's management, as done by the Reserve Bank of India, does not merit any interventions that require closer monitoring.

According to the report, the countries (or regions) currently on the list include China, North Korea, Germany, Singapore, Malaysia, and Taiwan.



National Anti-Profiteering Authority

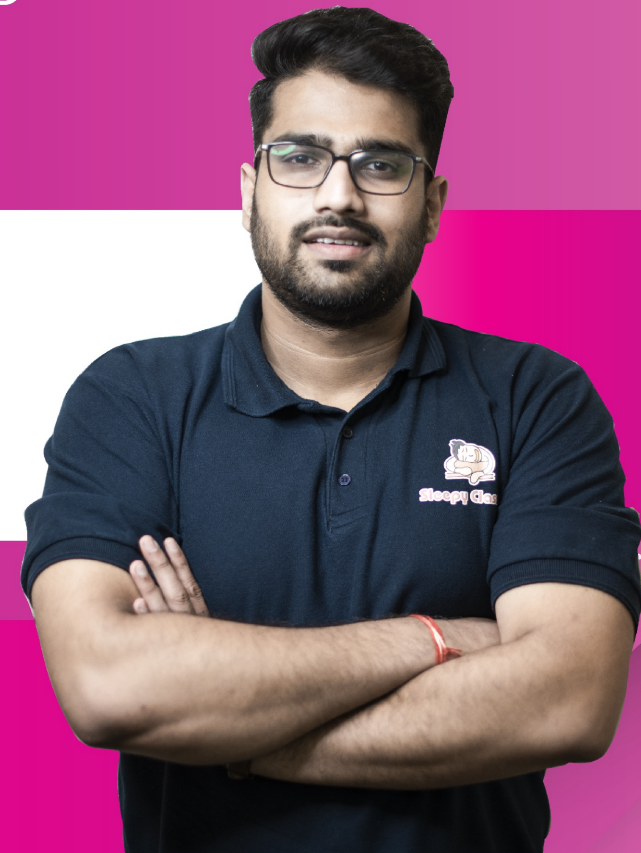
- From December 1, all complaints related to GST profiteering are dealt by India's antitrust watchdog Competition Commission of India (CCI), in place of National Anti Profiteering Authority.
- All reports by DGAP henceforth will be submitted to CCI for its verdict.
- The National Anti-Profiteering Authority (NAA) is a statutory body set up in November 2017 under the Goods and Services Tax (GST) law to check unfair profiteering activities by registered suppliers.



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Mr. Arvind Guleria

(Highest Hit-Rate of Economy Qs in Prelims 2022)

GST

- With an intention to have a '**One Nation One Tax' system, Goods and Services Tax (GST) as an indirect tax** was introduced on **1 July 2017** and is applicable throughout India. It replaced a multiple number of cascading taxes levied by the Central and State Governments.
- Four separate acts were enacted:
 - Central GST Act, 2017
 - Integrated GST Act, 2017
 - The GST (Compensation to States) Act, 2017
 - The Union Territory GST Act, 2017

GST

DIRECT TAXES

These are paid directly by the individual or entity to the central/state government

Examples of Direct Taxes in India are:

- ☐ Income Tax
- ☐ Corporation Tax
- ☐ Capital Gains Tax
- ☐ Profession Tax
- ☐ Property Tax
- ☐ Road Tax
- ☐ Stamp Duty

INDIRECT TAXES

These are paid by one individual/entity to the government and subsequently the tax burden is passed on to a different entity/individual

Examples of Indirect Taxes in India are:

- ☐ Goods and Services Tax (GST)
- ☐ Value Added Tax (VAT)
- ☐ Customs Duty
- ☐ Excise Duty
- ☐ Securities Transaction Tax
- ☐ Dividend Distribution Tax
- ☐ Sales Tax

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Multi-tiered system

Tax rate	Indicative items
0%	50% of the consumer price basket, including foodgrains 
18%	Soaps, oil, toothpaste, refrigerator, smartphones 
5%	Mass consumption items like spices and mustard oil 
28%	White goods, cars 
12%	Processed foods 
28% plus cess	Luxury cars, pan masala, tobacco, aerated drinks 

Source: GST council

IGST CGST SGST

Type of Sales

Local Sales within State

Interstate Sales

CGST + SGST

IGST

Will be charged

Will be charged

Sales 100000

Sales 100000

CGST 2.5% 2500

IGST 5% 5000

SGST 2.5% 2500

105000

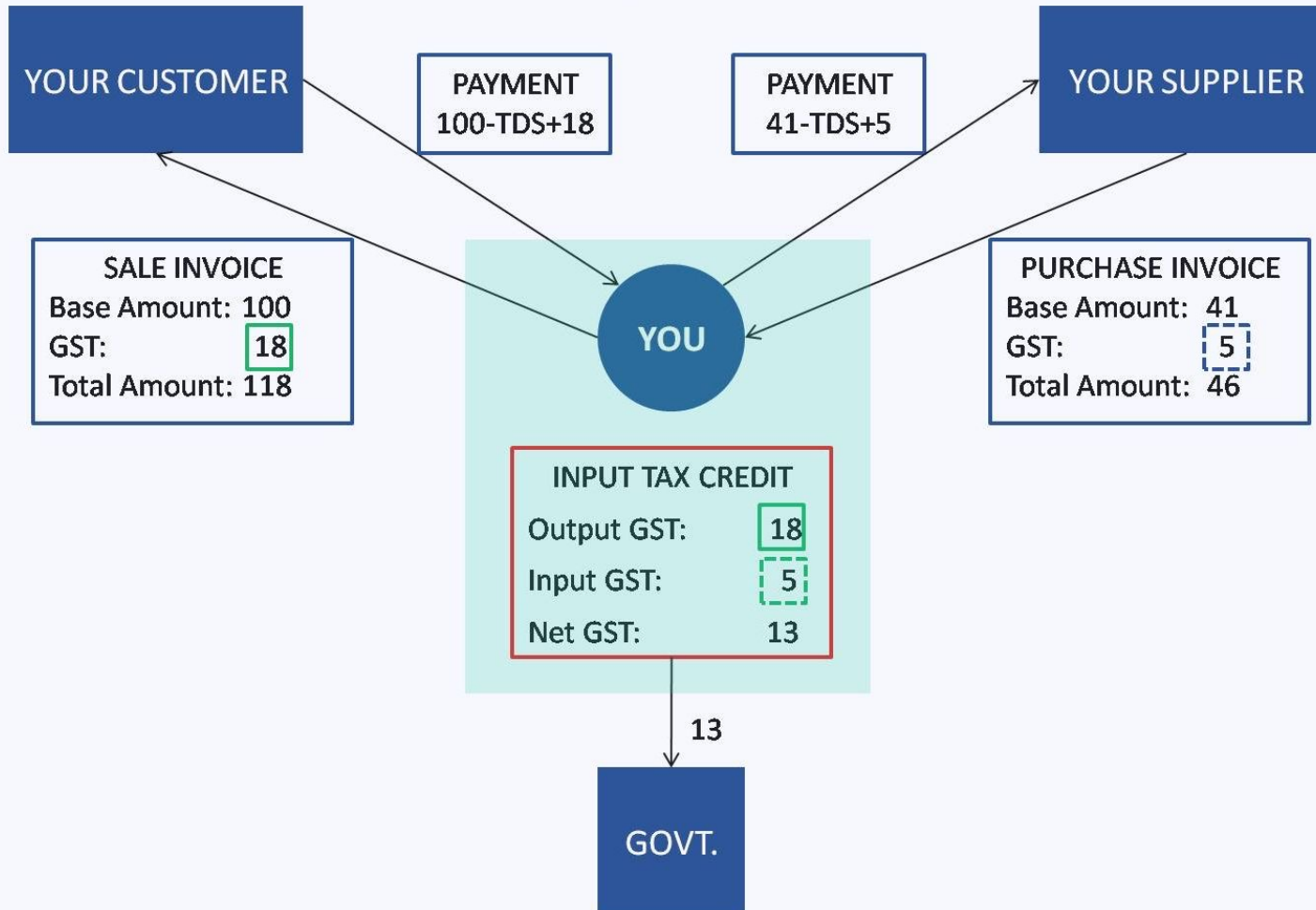
105000

GST Input Tax Credit

GST Input Tax Credit

(All figures in INR)

GTM360
Making IT marketable



GST COUNCIL

1

A joint forum of the Center and state

2

Will function under the chairmanship of Union Finance Minister and will have ministers nominated by states and UTs as members

3

The council will act as a benchmark and will guide the states and union on issues like tax rates, exemption lists, threshold limits etc

4

The central government shall have a weightage of 1/3rd of the total votes cast

5

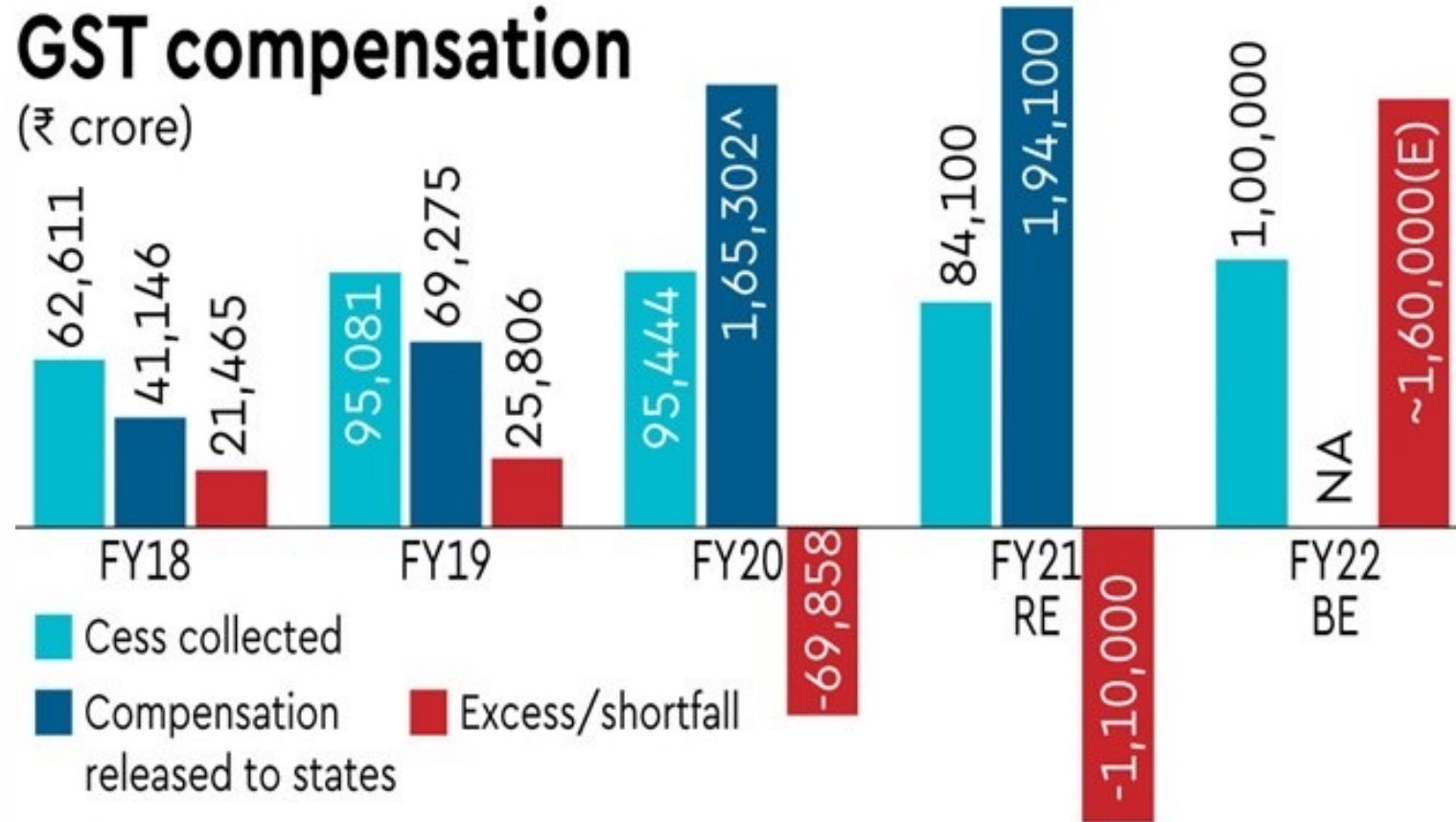
The votes of all state governments taken together shall have a weightage of 2/3rd of the total votes cast

GST compensation

- As the country shifted to Goods and Service Tax, **there was apprehension among manufacturing States about a possible loss of revenues.**
- The new system replaced a **production-based taxation system with one based on consumption.** To assuage this worry, a compensation mechanism was instituted for five years.
- As per Section 18 of the Constitution (101st) Act, 2016, Parliament “shall, by law, on the recommendation of the GST Council, provide compensation to States for loss of revenue arising on account of implementation of the Goods and Services Tax for a period of five years from the date of its implementation.”
- During the transition period, **States’ revenue was protected at 14 per cent per annum over the base year revenue of 2015-16.**

GST compensation

(₹ crore)



[^]Besides surplus from cess pool of previous years, ₹33,412 crore unutilised I-GST collections were for FY18 used to compensate states in the year



Kalanamak Rice

- Indian Agriculture Research Institute has **successfully tested two new dwarf varieties** — Pusa Narendra Kalanamak 1638 and Pusa Narendra Kalanamak 1652 — in Uttar Pradesh that give double the yield.
- **Kalanamak is a traditional variety of paddy** with a black husk and a strong fragrance.
- It is grown in **11 districts of the Terai region** of northeastern Uttar Pradesh and in Nepal.
- It is **considered a gift from Lord Buddha** to the people of the Sravasti when he visited the region after enlightenment.
- The traditional variety has been **prone to lodging, a reason for its low yield**.

Kalanamak Rice

- **Lodging is a condition in which the top of the plant becomes heavy** because of grain formation, the stem becomes weak, and the plant falls on the ground.
- Due to this, its **yield is barely 2 to 2.5 tonnes per hectare.**
- The traditional Kalanamak rice is **protected under the Geographical Indication (GI) tag system.**
- To address the problem, the Indian Agriculture Research Institute (IARI) has **successfully developed two dwarf varieties of Kalanamak rice.**
- They have been named **Pusa Narendra Kalanamak 1638 and Pusa Narendra Kalanamak 1652.**
- New names are in recognition of the association IARI with the Acharya Narendra Dev University of Agriculture and Technology in Ayodhya, where the two varieties were tested.



Kalanamak Rice

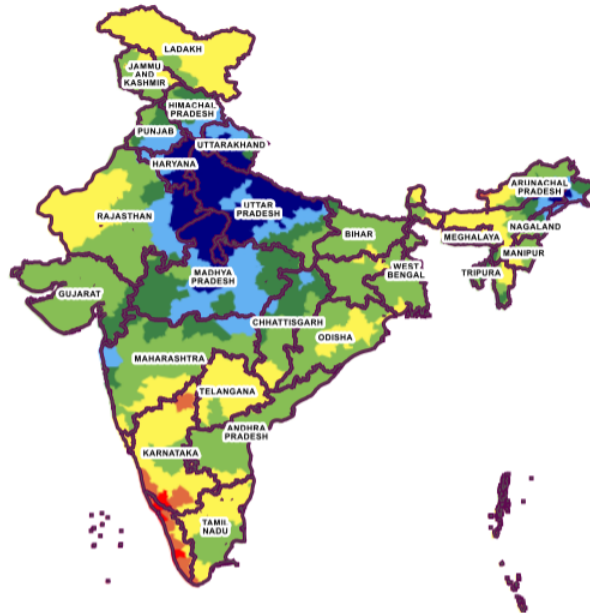
- The productivity of these varieties are higher at around 4.5 to 5 tonnes per hectare.
- For the old variety, the length of the plant is 140 centimetres, and for the new variety it is between 95-100 centimetres.
- Kalanamak rice is rich in micronutrients such as Iron and Zinc.
- Regular intake of Kalanamak rice is said to prevent Alzheimer's disease.
- It has 11% protein, almost double that of common rice varieties.
- It has low Glycemic Index (49% to 52%) making it relatively sugar Free and suitable for diabetics.

Krishi-Decision Support System

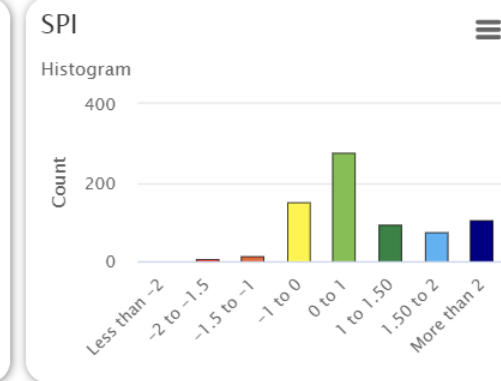
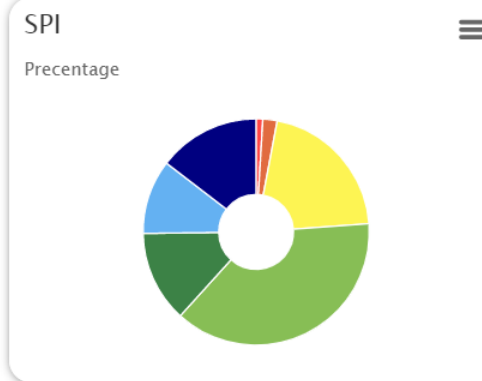
- The Department of Agriculture and Farmers Welfare and Department of Space signed a Memorandum of Understanding (MoU) to develop the Krishi-Decision Support System (Krishi-DSS).
- It will use geospatial technologies and related databases for enhancing evidence-based decision making capability of all the stakeholders in the agriculture sector.
- The Ministry of Agriculture and Farmers Welfare is developing Krishi-DSS, a decision support system, on the lines of Gati Shakti, using RISAT-1A and VEDAS of Department of Space.
- This will enhance the evidence-based decision-making capability of all the stakeholders in the agriculture sector by way of integration with MOSDAC and BHUVAN (Geo-platform) of ISRO and systems of ICAR.



Krishi-Decision Support System



1000 km



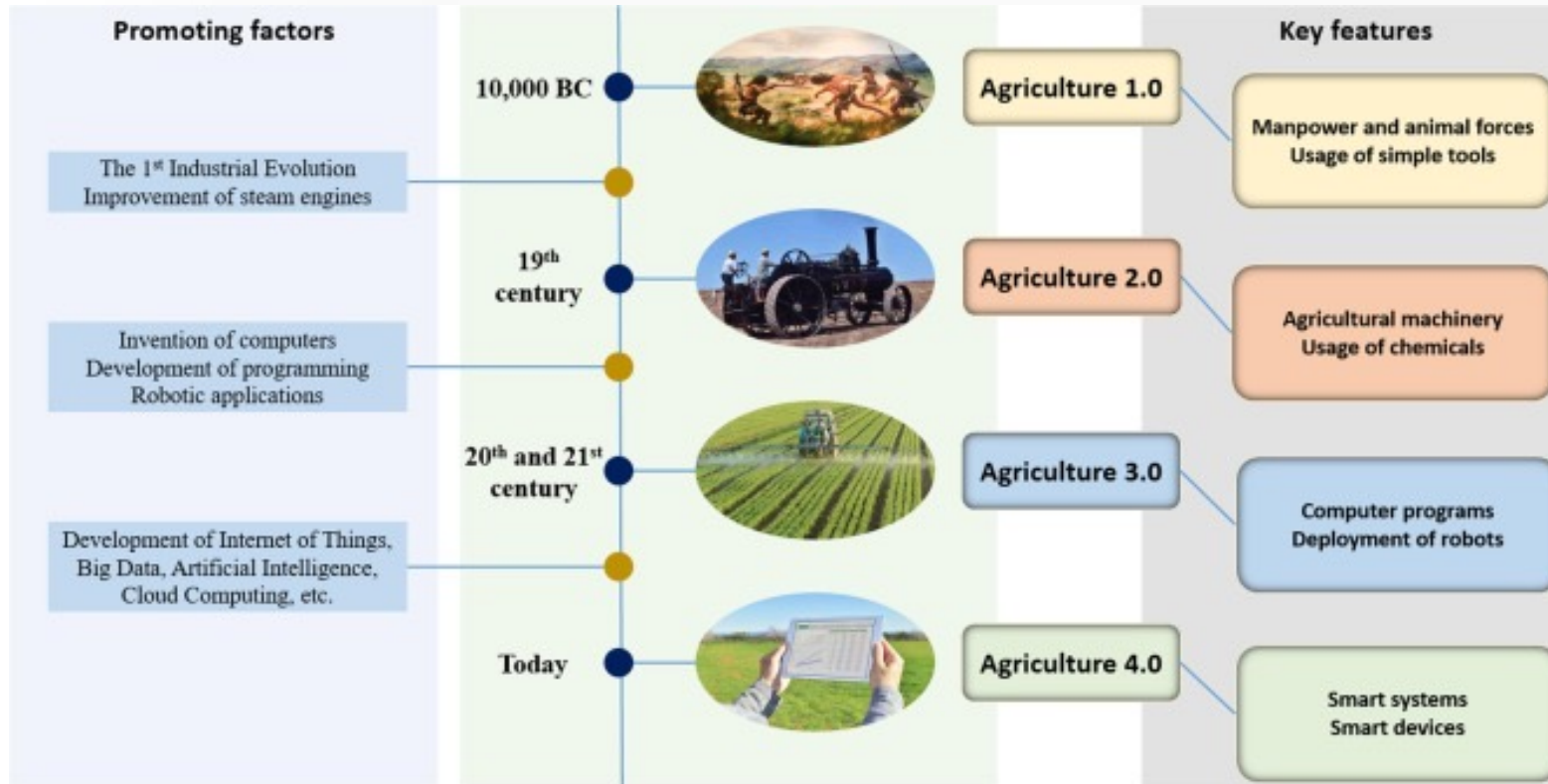
Standard Precipitation Index: Standardized Precipitation Index (SPI) expresses the actual rainfall as a standardized departure with respect to rainfall probability distribution function. The positive SPI indicating greater than median precipitation and negative values indicating less than median precipitation.



Krishi-Decision Support System

Benefits:

- Agricultural production and productivity will increase
- Quality of production will increase and export opportunities will also increase.



Convergence Module of MOFPI

- GOI launched the convergence module between the **Agriculture Infrastructure Fund (AIF) scheme** of the Ministry of Agriculture and Farmers Welfare, Pradhan Mantri Micro Food Enterprises Upgradation Scheme (PMFME) and Pradhan Mantri Kisan Sampada Yojana (PMKSY) of the Ministry of Food Processing Industries.

Convergence Module of MOFPI

 कृषि एवं किसान कल्याण मंत्रालय
MINISTRY OF
AGRICULTURE & FARMERS WELFARE
GOVERNMENT OF INDIA

 मेरी सरकार

PM Modi Launches Agriculture Infrastructure Fund

 **To provide debt financing facility** for post-harvest management Infrastructure & community farming assets

 **Corpus of ₹1 lakh crore for FPOs, SHGs, PACS*, Startups, Agri-entrepreneurs,** for other farm processing-based activities

 **Interest subvention of 3% per annum** up to ₹2 crore for a max. period of 7 years

 Moratorium for repayment from **6 months up to 2 yrs**

 **Scheme to be implemented** from August 2020





#AatmaNirbharKrishi

*Primary Agri Credit Societies

Date: 8 August, 2020

Convergence Module of MOFPI



Convergence Module of MOFPI

PRADHAN MANTRI KISAN SAMPADA YOJANA

AIMS TO:

Create modern infrastructure for an efficient supply chain management from the farms to retail outlets.

Reduce the time taken for the produce to reach final consumers

Provide better prices to farmers for their produce

Create employment opportunities in rural India

Increase processing level

Enhance exports of processed foods.



Convergence Module of MOFPI

- Through this convergence, eligible beneficiaries receiving credit-linked subsidy under PMFME and PMKSY schemes can avail interest subvention at the rate of interest charged by the banks.
- The eligible AIF beneficiaries under PMFME can get the benefit of subsidy by applying in PMFME MIS portal.
- The process of obtaining 3% interest subvention has been made very simple, wherein the beneficiary can apply on the portal using the already approved DPR and acceptance letter under PMFME and PMKSY.

TWIN Deficit Problem



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50 IMPORTANT TOPICS FOR PRELIMS 2023

SCHEDULE

27-03-2023	Monday	Polity	06-04-2023	Thursday	Geography
28-03-2023	Tuesday	Science	07-04-2023	Friday	Economy
29-03-2023	Wednesday	Environment	08-04-2023	Saturday	History
30-03-2023	Thursday	Geography	09-04-2023	Sunday	HOLIDAY
31-03-2023	Friday	Economy	10-04-2023	Monday	Polity
01-04-2023	Saturday	History	11-04-2023	Tuesday	Science
02-04-2023	Sunday	HOLIDAY	12-04-2023	Wednesday	Environment
03-04-2023	Monday	Polity	13-04-2023	Thursday	IR
04-04-2023	Tuesday	Science	14-04-2023	Friday	Economy
05-04-2023	Wednesday	Environment	15-04-2023	Saturday	Schemes

Starting from **27th March** 2023 on YouTube Channel



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