

ECONOMY**Part 1****BANKING / PAYMENT AND SETTLEMENTS SYSTEM/FINANCIAL SECTOR****Project Sashakt**

- Project Sashakt is a five pronged strategy proposed by a panel led by PNB chairman Sunil Mehta to deal with NPA
- Bad loans of up to 50 crore will be managed at the bank level, with a deadline of 90 days.
- For bad loans of 50-500 crore, banks will enter an inter-creditor agreement, authorizing the lead bank to implement a resolution plan in 180 days, or refer the asset to NCLT.
- For loans above 500 crore, the panel recommended an independent AMC, supported by institutional funding through the AIF. The idea is to help consolidate stressed assets.

Inter-Creditor Agreement (ICA)

- It is part of the “Project Sashakt”
- It is an improvement on joint lenders’ forum to arrive at a consensus.
- If 66% of the lenders agree to a resolution plan it would be binding on all lenders. A ‘dissenting creditor’ is that which votes against or abstains from voting for the resolution plan approved by the committee.
- The agreement has a standstill clause wherein all lenders are barred from enforcing any legal action against the borrower.

Prompt Corrective Action norms

- This allows RBI 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 PCA that can be imposed on banks include special audit, restructuring operations and activation of recovery plan.
- Banks’ promoters can also be asked to bring in new management. The RBI can also supersede the bank’s board, under PCA.
- PCA can be invoked when there are three risk thresholds which are based on certain levels of asset quality, profitability and capital.
- The third such threshold, which is maximum tolerance limit, sets net NPA at over 12% and negative return on assets for four consecutive years.

Public Credit Registry

- The RBI has said it would set up a public credit registry for all borrowers.
- A public credit registry is an information repository that collates all loan information of individuals and corporate borrowers.

- A credit repository helps banks distinguish between a bad and a good borrower and accordingly offer attractive interest rates to good borrowers and higher interest rates to bad borrowers.

Bad Bank

- The concept of having a 'bad bank' to take over the troubled loans of public sector banks (PSBs) is being considered by the government to enable them to get back to business.
- While the government has not charted out any guidelines on the structure of a bad bank, such an institution would be largely based on the principles of an asset restructuring company (ARC), which buys bad loans from the commercial banks at a discount and tries to recover the money from the defaulter by providing a systematic solution over a period of time.

RBI alters 'Relative' definition

- Concerned over funds sent abroad under the 'maintenance of close relative' category of the Liberalised Remittance Scheme (LRS), the Reserve Bank of India (RBI) has narrowed the definition of relatives to check the flow of funds.
- The new definition: RBI has aligned the definition of 'relative' with the definition given in Companies Act, 2013 instead of Companies Act, 1956.

India Post Payment bank (IPPB)

- The India Post Payment Bank was launched recently.
- It aims to offer doorstep banking to customers and enhance Financial Inclusion.
- It will work as a public sector company under the Department of Post with 100% government equity.
- It will be governed by the RBI.
- The pilot project for IPPB was started in Jaipur and Ranchi.
- It can accept deposits only upto 1 lakh rupees per customer.
- It cannot issue loans, credit cards or ATM debit cards.
- Instead it can provide QR Code-based biometric card which can be used for withdrawing cash or doing transactions.
- It will provide doorstep banking facility at a minimum charge and for minimum transaction of 10,000 rupees.
- 25% of its branches must be in the unbanked rural area.
- It has to maintain the Cash Reserve Ratio and invest minimum 75% of its "demand deposit balances" in Statutory Liquidity Ratio (SLR).

Small Finance Banks

- The Reserve Bank of India has decided to allow urban co-operative banks (UCB) to convert into small finance banks (SFB), a move aimed at bringing these entities into mainstream banking.

- The small finance bank will primarily undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities.
- They can Take small deposits and disburse loans. Distribute mutual funds, insurance products and other simple third-party financial products.
- Lend 75% of their total adjusted net bank credit to priority sector.
- Minimum 50% of loans should be up to 25 lakhs.
- However, they cannot lend to big corporates and groups and Cannot open branches with prior RBI approval for first five years.
- Imp guidelines they need to follow:
- Minimum paid-up capital would be Rs 100 cr.
- Capital adequacy ratio should be 15% of risk weighted assets, Tier-I should be 7.5%.

White Label ATM

- White label ATMs, are the ATMs permitted by RBI which are operated by non – bank entities.
- They don't have any bank logo.
- Cash deposits are not accepted at White Label ATMs.
- White Label ATMs were conceptualized to foster financial inclusion.

LOUs and LOCs

- LOUs - Letter of Undertaking is a bank guarantee under which a bank allows its customer to raise money from another Indian bank's foreign branch in the form of short-term credit.
- The loan is used to make payment to the customer's offshore suppliers in foreign currency.
- LOCs - A Line of Credit is a standing amount of money, similar to a loan, that a bank extends to a customer.
- A customer may draw upon the available line of credit, provided that the amount does not exceed the limit.

Bank Consolidation

- Recently, it was proposed to merge Bank of Baroda, Vijaya Bank and Dena Bank to form India's third largest Bank.
- Government constituted the Alternate Mechanism Panel headed by Finance Minister to look into the proposals of merger by the Public sector Banks.
- The merger benefits include getting economies of scale and reduction in the cost of doing business.
- Technical inefficiency is one of the main factors responsible for banking crisis.
- Mergers help small banks to gear up to international standards with innovative products and services with the accepted level of efficiency.

- Mergers help many PSBs, which are geographically concentrated, to expand their coverage beyond their outreach.

Capital Conservation Buffer (CCB)

- Capital Conservation Buffer is a mandatory capital that financial institutions are required to hold over and above the minimum requirements, as per the Basel III norms.
- According to the CCB norms, banks are required to hold 2.5% Risk Weighted Assets in the form of common equity, over and above the Capital Adequacy Ratio of 9%.
- Basel norms III: Basel III is an international regulatory accord that introduced a set of reforms designed to improve the regulation, supervision and risk management within the banking sector.
- Capital Adequacy Ratio: Capital Adequacy Ratio, also known as Capital to Risk Assets Ratio, is the ratio of a bank's capital in relation to its risk weighted assets and current liabilities.
- As per RBI norms, Indian scheduled commercial banks are required to maintain a CAR of 9% while Indian public sector banks are emphasized to maintain a CAR of 12%.

Share Swap

- Share swap is when a company pays for an acquisition of or merger with another company by issuing its own shares (used as a currency) to the shareholders of the target company.
- The ratio of the number of shares to be issued to that of their existing holdings in the target company called the swap ratio.
- Swap ratio is determined on the basis of the existing market value of the target company.

Municipal Bonds

- Indore Municipal Corporation has listed its bonds on the debt market platform of NSE.
- A municipal bond is a debt instrument used by a city, state or other local government authority to raise money for its capital expenditures, including the construction of highways, bridges or schools.
- Municipal bonds are mostly exempt from central taxes and from most state and local taxes, making them especially attractive to people in high income tax brackets.
- The ability of municipal bodies to be self-sustaining is also critical to the success of the Centre's pet projects such as Smart Cities and AMRUT.

Concession Financing Scheme

- CFS is aimed to support Indian Entities bidding for strategically important infrastructure projects abroad since 2015-16.
- Under the Scheme, MEA selects the specific projects keeping in view strategic interest of India
- The Scheme is presently being operated through the Export-Import Bank of India.

UPI 2.0

- National Payments Corporation of India (NPCI) has launched UPI 2.0 as an upgrade to Unified Payment Interface (UPI)
- UPI is a payment system that allows money transfer between any two bank accounts by using a smartphone.
- UPI allows a customer to pay directly from a bank account to different merchants, both online and offline.
- 24/7 immediate money transfer through mobile device.
- Single mobile application for accessing different bank accounts.
- Single 2 Factor Authentication.
- UPI 2.0 Allows linking of over draft accounts to UPI.
- Allow customers to check their invoice sent by merchants prior to making payments.
- Customers would be able to check the authenticity of merchants while scanning QR code.
- Customers will now be able to pre-authorise a transaction and pay at a later date.
- National Payments Corporation of India (NPCI) is an umbrella organization for operating retail payments and settlement systems in India.

Payments Regulator

- The draft Payment and Settlement System bill 2018 has been submitted by an inter-ministerial committee headed by Subhash Chandra Garg.
 - 1) It seeks to consolidate all laws relating to payments.
 - 2) It proposes to set up an Independent Payments Regulatory Board (PRB).
 - 3) The bill seeks to change the PRB's composition and recommends that the chairperson be appointed by the government in consultation with the RBI, as opposed to the current system where RBI governor is the ex-officio chairperson.
 - 4) It redefines the role of RBI as an infrastructure provider.
- Currently Payment and Settlement Systems Act 2007, regulates and supervises the payment systems in India.
- It empowers the RBI to act as the oversight authority.

- The Act establishes a Statutory Board (Board for Regulation and Supervision of Payment and Settlement Systems 2007) which is the highest policy decision making body with respect to payment systems.
- The Department of Payment and Settlement System of the RBI serves as the Secretariat of the Board and executes its directions.

Prepaid Payment Instruments (PPIs)

- The Reserve Bank of India has released the guidelines for interoperability between PPIs such as wallets and cards that will effectively allow users of popular payment wallets such as Paytm, Freecharge, Mobikwik, PhonePe and PayZapp, among others, to transfer money from one wallet to another.
- Where PPIs are issued in the form of wallets, interoperability across PPIs shall be enabled through UPI.
- Where PPIs are issued in the form of cards, the cards shall be affiliated to the authorised card networks.

IL&FS crisis

- The Infrastructure Leasing & Financial Services (IL&FS) is a 30-year-old financial firm that would provide loans for infrastructural projects - an infrastructure project finance company. When it defaulted, it has created panic in the entire financial market.
- Commercial paper - Commercial paper is an unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable and inventories, and meeting short-term liabilities.
- Shadow banking - lending and other financial activities conducted by unregulated institutions or under unregulated conditions.
- **NBFCs:** A Non-Banking Financial Company is a company registered under the Companies Act, 1956 of India, engaged in the business of loans and advances, acquisition of shares, stock, bonds, hire-purchase insurance business or chit-fund business.
- It does not include any institution whose principal business include agriculture, industrial activity or the sale, purchase or construction of immovable property.
- Systemically important NBFCs are those whose asset is of Rs.500 crore or more.

Credit Rating Agencies

- SEBI has tightened disclosure norms for Credit Rating Agencies (CRAs) in the backdrop of IL&FS crisis.
- SEBI is empowered under the SEBI (credit rating agencies) Regulation Act 1999 to regulate CRAs operating in India.
- At present there are seven CRAs registered with SEBI: CRISIL, ICRA, CARE, SMERA, India Ratings and Research, Infomerics and Brickworks.

National Financial Reporting Authority (NFRA)

- NFRA is an independent regulator to oversee auditing profession and accounting standards.
- It consists of a Chairperson, 3 full time members and 9-part time members.
- Government of India has notified the rules outlining the powers, functions and jurisdiction of the National Financial Reporting Authority.
- The failure of Institute of Chartered Accountants of India (ICAI) to identify corporate frauds has necessitated the notification of an independent regulator, NFRA.
- It was introduced under the Companies Act 2013, but its provisions were not notified for 5 years.
- It will oversee the auditors of banks, Insurers and Electricity firms, and other agencies referred to it by the government.
- NRFA can debar erring auditors and audit firms.
- Listed entities, unlisted entities with paid up capital not less than Rs.500 crore or annual turnover over Rs. 1,000 crore.
- Those entities, having an aggregate loan, debenture or deposits of not less than Rs.500 crore.

Credit enhancement of bonds by NBFCs and HFCs

- RBI allowed partial credit enhancement of the bonds issued by systemically important NBFCs registered with the RBI and HFCs registered with the National Housing Bank.
- Credit enhancement means improving the credit rating of a corporate bond.

Insider Trading

- Insider trading is the buying or selling of a security by someone who has access to substantial non-public information about the security.
- In India, SEBI (Insider Trading) Regulation, 1992 framed under SEBI Act, 1992 and The Companies Act 2013 prohibits insider trading.

National Housing Bank

- Cabinet approved payment to acquire its stake in National Housing Bank.
- The change in ownership from RBI to government will segregate RBI's role as banking regulator and as owner of NHB.
- NHB is an All India Financial Institution (AIFI), set up in 1988, under the National Housing Bank Act, 1987.
- It has been established to operate as a principal agency to promote and regulate housing finance institutions both at local and regional levels.
- It launched NHB Residex - the first official residential housing price index in 2007.

Ind AS

- The Reserve Bank of India has deferred the implementation of the Indian Accounting Standards (Ind AS) by banks as the requisite legislative amendments are still under consideration.

Fintech sector

- Recently, RBI Governor said that RBI will release the guidelines for the creation of a 'regulatory sandbox' for the fintech sector.
- FinTech or financial technology is an industry comprising companies that use technology to offer financial services.
- These companies operate in insurance, asset management, payment and numerous other industries.
- A regulatory sandbox is a controlled mechanism within which the sector will be able to experiment with solutions in a closely-monitored ecosystem so that the risks do not spread outside it and the reasons for failure can be analyzed.
- The sandbox will help fintech startups launch innovative products at lower costs.

SCHEMES/RULES

Pradhan Mantri MUDRA Yojana:

- Launched in 2015, it seeks to provide collateral free loans to Small/Micro business enterprises and individuals in the non-corporate, non-agricultural sector.
- Activities allied to agriculture such as Dairy, Poultry, Bee Keeping etc, are also covered.
- The loans are extended by Banks, Non-Banking Financial Companies (NBFCs) and Micro Finance Institutions (MFIs).
- Categories of Loans under Mudra:
- **Shishu** : loans up to Rs. 50,000
- **Kishor** : loans above Rs. 50,000 and up to 5 lakh
- **Tarun**: above Rs. 5 lakh and up to Rs.10 lakh
- These categories are based on the stage of growth or development and funding needs of the beneficiary.

New proposals for National Pension System

- Government increased its contribution from 10% to 14% for employees covered under NPS tier I.
- Central government employees now have the freedom of choice to select the pension funds and then decide the pattern of investment.

- Cabinet has approved the EEE status (Exempt Exempt Exempt) for national pension scheme, where entire withdrawal will be exempt from taxes.
- The subscribers can now withdraw 25% of the money after three years, for skill development activity.
- Now, tier II of NPS will be covered under the section 80C for the purpose of income tax benefit provided there is a three-year lock in period.
- The scheme is implemented and regulated by the Pension Fund Regulatory and Development Authority (PFRDA) in the country.

New e-Commerce Rules

- The new e-commerce rules have come into effect from February 1, 2019.
- If an entity is owned by an e-commerce marketplace (ECM), it cannot sell its products on the platform run by the same ECM
- A single vendor can't account for more than 25% of sales in an ECM or platform.
- The rules put curbs on exclusive partnerships with brands or providing favorable services to a few vendors.
- No seller can be forced to sell its products exclusively through a particular vendor.
- The e-commerce entities are not allowed to offer deep discounts.
- The government will appoint a regulator to check deep discounts by the e-commerce vendors so that they do not sell below a market price.
- The e-commerce entities will have to furnish a certificate along with a report of statutory auditor to RBI, validating its compliance to new rules for the preceding year, by 30 September of every year.
- In 2016, the government permitted 100% FDI in the marketplace model of e-commerce, but not in the inventory-based model.

Pradhan Mantri Ujjwala Yojana (PMUY)

- Government has extended the scope of beneficiaries covered under the PMUY.
- Earlier beneficiaries of PMUY included all BPL families who suffer from at least one deprivation under the SECC 2011.
- The scheme has now been expanded to cover, All SC/STs households, Beneficiaries of Antyodaya Anna yojana, PMAY (Grameen), Forest dwellers etc
- The LPG connection is in the name of the adult woman of the family and a financial assistance of Rs.1600 is provided on the condition that no family member has an existing LPG gas connection in his/her name.

Minimum Basic Income

- The Minimum Basic Income is a social welfare system that guarantees basic income to households, provided they meet certain conditions.

- It is different from the Universal Basic Income (UBI) to the extent that it is conditional transfer of money, whereas UBI is unconditional transfer of cash.

UDAN 3.0

- Ministry of Civil Aviation and Commerce announced the results of UdeDesh Ka AamNaagrik (UDAN) Scheme and handed over the letters of award to successful Airlines.
- The success of UDAN 3 has come on the back of strong performance of UDAN 1 and UDAN 2.
- It is a key component of National Civil Aviation Policy.
- It provides regional connectivity to underserved and unserved airports of the country.
- Inclusion of seaplanes for connecting Water Aerodromes.
- Government will provide Viability Gap Funding (VGF) for operators who cap fares on regional flights at 2500 per hour.
- The VGF will be met through Regional Connectivity Fund.
- The scheme will be operational for a period of 10 years.

Deendayal Disabled Rehabilitation Scheme (DDRS)

- Regional Conference of Deendayal Disabled Rehabilitation Scheme was held recently.
- To ensure effective implementation of the Rights of Persons with Disability Act 2016.
- It is a Central Sector Scheme (CSS).
- It is implemented by the Department of Empowerment of Persons with Disability, Ministry of Social Justice and Empowerment.
- It provides financial assistance to various voluntary organizations.
- It encourages voluntary actions to provide rehabilitation services.

Atal Jyoti Yojana

- The Government launched Phase II of Atal Jyoti Yojana.
- The aim of the Scheme is to provide solar street lightning system for public use.
- The scheme is a sub-scheme under Off –Grid and Decentralized Solar Applications Scheme of Ministry of New and Renewable Energy (MNRE).
- Energy Efficiency Services Limited (EESL) has been entrusted to implement this scheme in a mission mode.
- The scheme will cover both rural and urban areas.

PM-KISAN

- The Union Government has launched the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN).

- To aims to provide income support to all Small and Marginal land holding farmer families having cultivable land.
- Landholder farmer families with total cultivable holding upto 2 hectares shall be provided a benefit of Rs.6000 per annum per family payable in three equal installments, every four months.
- Responsibility of identifying the landholder farmer family eligible for benefits under the scheme shall be of the State/UT Government.
- This is a Central Sector Scheme and will be funded fully by the Government of India.
- A dedicated PM Kisan Portal will be launched for implementation of the scheme.

PMShram-Yogi Maandhan Yojana

- Ministry of Labour and Employment launched pension plan 'PM Shram-Yogi Maandhan Yojana' for informal workers.
- Those unorganised workers whose monthly income is Rs 15,000/ per month or less are eligible.
- The beneficiary should belong to the age group of 18-40 years.
- He/she should not be an income tax payer.
- They shall receive minimum assured pension of Rs 3000/- per month after the age of 60 years.
- His/her spouse shall be entitled to receive 50% of the pension received by the beneficiary, in case of the death of the beneficiary after 60 years of age.
- He/she is required to contribute the prescribed contribution amount from the age of joining PM-SYM till the age of 60 years and the matching contribution will be made by the Central Government.

FAME-India Phase 2

- Union Cabinet has approved a proposal for implementation of the 2nd Phase of FAME-India ('Faster Adoption and Manufacturing of Electric Vehicles in India').
- The scheme will be implemented over a period of 3 years from 2019-20 to 2021-22.
- Special incentives will be given for local manufacturing of critical components for electric vehicles, like lithium ion batteries.
- Incentives will be given to 3-wheeler/4 wheeler vehicles used for public transport or registered for commercial purposes and in e-2Ws segment, the focus will be on the private vehicles.
- Establishment of charging infrastructure at least one in a grid of 3km x 3km in the cities and on both sides of highways connecting major city clusters at every 25km.

SHREYAS Scheme:

- The Ministry of Human Resources Development launched Scheme for Higher Education Youth in Apprenticeship and Skills (SHREYAS).
- It aims at improving the employability of students by introducing employment relevance into the learning process of the higher education system.
- To establish a culture of 'earn while you learn' system into higher education.
- The scheme involves three central ministries:
- Ministry of Human Resource Development
- Ministry of Skill Development & Entrepreneurship
- Ministry of Labour & Employment
- It will be implemented by the Sector Skill Councils (SSCs).

Pradhan Mantri Awaas Yojana-Gramin

- Union Cabinet has approved the implementation of Pradhan Mantri Awaas Yojana – Gramin (PMAY-G) beyond March, 2019.
- The aim of the scheme was to provide a pucca house, with basic amenities, to all houseless householder and households living in kutcha and dilapidated house in rural areas by 2022.
- The immediate objective was to cover 1 crore households in three years from 2016-17 to 2018- 19.
- The scheme was originally meant to cover people in the EWS (annual income not exceeding Rs. 3 lakh) and LIG (annual income not exceeding Rs. 6 lakh) sections, but now covers the mid-income group (MIG) as well.
- The beneficiaries will be identified using information from Socio Economic and Caste Census (SECC) 2011.
- The unit cost will be shared between the center and the states in the ratio of 60:40 in plain areas and 90:10 in North Eastern and hilly states.
- There is a provision of assistance for toilets in the houses.
- A Pan-India training and certification programme of Masons has been launched under the scheme.
- The programme implementation is to be monitored through community participation (Social Audit), Member of Parliament (DISHA Committee), Central and State Government officials etc.

Pradhan Mantri JI-VAN (JAIV INDHAN- VATAVARAN ANUKOOL FASAL AWASHESH NIVARAN) Yojana

- Ministry of Petroleum & Natural Gas (MoP&NG) will provide financial support to Integrated Bioethanol Projects using lignocellulosic biomass and other renewable feedstock.
- 12 commercial scale and 10 demonstration scale Second Generation (2G) ethanol projects will be provided viability gap funding support over the next six years in two phases.

- The ethanol produced by the scheme beneficiaries will be mandatorily supplied to Oil Marketing Companies (OMCs)
- Centre for High Technology (CHT), a technical body under the aegis of MoP&NG, will be the implementation Agency for the scheme.

STARS Scheme

- Ministry of Human Resource Development launched STARS Scheme (Scheme for Translational and Advanced Research in Science).
- It was launched on the National Science Day (28 february).
- Under this, 500 science projects would be funded.
- The project will be coordinated by the Indian Institute of Science (IISc), Bangalore.

SWAYATT and START-UP Runway

- 'SWAYATT' initiative and GeM Start-up Runway initiative was launched by the Minister of Commerce and Industry.
- SWAYATT is an initiative to promote Start-ups, Women and Youth Advantage Through eTransactions on Government e Marketplace (GeM).
- GeM Start-up Runway is an initiative of GeM in association with Start -up India.
- It will facilitate Start-ups registered with Start -up India to access the public procurement market and sell innovative products and services to government buyers.

Atal Jaianushandhan Biotech Mission- Undertaking Nationally Relevant Technology Innovation (UNaTI)

- The Atal Jai Anusandhan Biotech Mission - Undertaking Nationally Relevant Technology Innovation (UNaTI) was launched by the Ministry of Science and Technology.
- It is under the Department of Biotechnology, Ministry of Science and Technology.
- It aims to transform Health, Agriculture and Energy sectors during the next 5 years.
- This mission includes:
 - GARBH-ini: A Mission to promote Maternal and Child Health and develop prediction tools for preterm berth
 - IndCEPI: A Mission to develop affordable vaccines for endemic diseases
 - Development of biofortified and protein rich wheat contributing to POSHAN Abhiyan
 - Mission on Antimicrobial Resistance for Affordable Diagnostics and Therapeutics

- Clean Energy Mission for innovative technology interventions for Swachh Bharat.

IPRISM

- Second edition of 'IPrism' launched in India.
- It was launched by Cell for IPR Promotion and Management (CIPAM) in collaboration with ASSOCHAM and ERICSSON India.
- IPrism is an Intellectual Property (IP) competition for students of schools, polytechnic institutes, colleges and universities.

Women's Livelihood Bond

- It has been jointly launched by the World Bank, UN Women, and Small Industries Development Bank of India (SIDBI).
- It has an initial corpus of Rs 300 crore.
- It will enable individual women entrepreneurs to borrow around Rs 50,000 to Rs 3 lakh at an annual interest rate of around 13-14 per cent or less.
- The bonds will have a 5-year maturity.
- SIDBI will act as the financial intermediary and channel funds through participating financial intermediaries like banks, NBFCs etc.

SKILL DEVELOPMENT

Global Skills Park

- India and ADB have signed an agreement to establish the country's first Global Skills Park in Bhopal, Madhya Pradesh.

Closing Skills Gap in India

- A task force for Closing Skills Gap in India had been launched in collaboration with World Economic Forum (WEF).
- This initiative forms part of WEF's Center for New Economy and Society.
- It will develop an action plan to make India's workforce ready for future jobs.
- India is second such country, after South Africa to establish such a country level task force in collaboration with WEF.

MSME

- According to the report on 'Survey on Jobs Creation and Outlook in MSME Sector' Micro, Small and Medium Enterprises (MSMEs) sector was the largest job creator amongst all the sectors in the last four years.
- Government initiatives like the 2% interest rate subvention given to MSMEs and recently implemented Trade Receivable e-Discounting System (TReDS) are expected to drive future growth in the MSME sector.

- TReDS is an online mechanism for facilitating the financing of trade receivables of MSMEs through multiple financiers.
- It also enables discounting of invoices of MSME sellers raised against large corporate, allowing them to reduce working capital needs.

National Minimum Wage

- The Expert Committee under the Chairmanship of Dr. Anoop Satpathy has brought out a Report on “Determining the Methodology for the Fixation of the National Minimum Wage (NMW)”.
- In 2017, Code on Wages Bill, provided for bringing in a statutory National Minimum Wage.
- Code on Wages Bill, 2017 will amalgamate the four central labour laws relating to wages: The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965 and The Equal Remuneration Act, 1976.

Minimum wage	Living wage	Fair wage
It is paid by an employer/industry to its workers irrespective of its ability to pay.	It enables the earner to provide for himself and his family not only the bare essentials but also comforts like education for his children, health, social needs, insurance etc.	It is linked with the capacity of the industry to pay. It is above the minimum wage but below the living wage.

Periodic Labour Force Survey

- National Sample Survey Office (NSSO) released draft report of the first Periodic Labor Force Survey (PLFS).
- PLFS was launched in 2017 by the NSSO.
- It is a regular survey for generating estimates of various labour force indicators on a quarterly basis for urban areas and for both rural and urban areas on an annual basis, at State/UT and all-India level.
- It would supply data for both formal sector and informal sector.
- It uses following approaches to measure labour force indicators in India:
 - Usual Status (US) approach
 - Current Weekly Status (CWS) approach.
- Computer Assisted Personal Interviewing (CAPI) Method is a new feature of this survey, with field operators using tablets to enter the data.

INFRASTRUCTURE**Power Asset Revival through Warehousing and Rehabilitation (Pariwartan)**

- The government plans to warehouse stressed power projects totalling 25,000 megawatts (MW) under an asset management firm.
- To protect the value of the assets and prevent their distress sale.
- Under the insolvency and bankruptcy code till demand for power picks up.

First Multi Modal Terminal on Inland Waterways

- It is the first of four Multimodal Terminals being constructed on National Waterways-I (NW1) on River Ganga as part of World Bank-aided Jal Marg Vikas Marg Project of IWAI.
- India has total 111 waterways under the National Waterways Act 2016.
- IWAI is the statutory authority in charge of the waterways in India. Its headquarters is located in Noida, UP.
- Its parent agency is the Ministry of Shipping.

River Information System

- The Union Minister of Shipping recently inaugurated the Phase 2 of the River Information System.
- It is one of the components of Jal Marg Vikas Project.

Strategic Petroleum Reserve

- The Visakhapatnam Strategic Petroleum Reserve (SPR) facility was recently operationalized.
- Strategic Oil Reserve is a storage of crude oil which would act as a cushion during any external supply disruptions.
- According to the IEA and the Integrated Energy Policy 2006 a country should maintain a reserve equivalent to 90 days of oil imports for strategic cum-buffer stock purposes.
- Construction of storage facilities are maintained by Indian Strategic Petroleum Reserves Limited, under the Ministry of Petroleum and Natural Gas.
- Presently, strategic reserves are situated at:
 - Visakhapatnam (Andhra Pradesh)
 - Mangalore (Karnataka)
 - Padur (Kerala)
- Three projects of additional reserves in pipeline at:
 - Chandikhol (Odisha)
 - Bikaner (Rajasthan)
 - Rajkot (Gujrat)

Oil in Krishna Godavari basin

- Vedanta Limited notified the Directorate General of Hydrocarbons and Ministry of Petroleum and Natural Gas of an oil discovery in the Krishna Godavari basin.
- The Krishna Godavari basin is a proven petroliferous basin with commercial hydrocarbon accumulations.
- It is located on the east coast of India.
- The Directorate General of Hydrocarbons (DGH), was established in 1993 under the administrative control of Ministry of Petroleum & Natural Gas acts as the nodal agency for implementing Hydrocarbon Exploration and Licensing Policy (HELP).

HELP

- It was introduced in 2016.
- It is a contractual and fiscal model for award of hydrocarbon acreages towards exploration and production.
- It brings all hydrocarbons such as oil, gas, coal bed methane etc. under a single licensing framework.
- HELP introduced Open Acreage Licensing Policy (OALP).

OALP

Under OALP, exploration companies can select their operation blocks without waiting for the formal bid round from the Government.

Real Estate Investment Trust

- The initial public offering of India's first Real Estate Investment Trust (Embassy REIT) was subscribed 2.58 times, with the share sale generating a demand of over Rs 5,300 crore.
- 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.
- REITs are structured as trusts, and hence the assets of REITs are held by an independent trustee on behalf of unit holders.
- The investment objective of REITs is to provide unit holders with dividends, usually generated from capital gains accruing from the sale of the commercial assets.

Hydro Projects

- Large hydro projects get 'renewable energy' status

- The government has introduced a slew of measures for the hydropower sector to arrest the decline in the share of hydro-power in the total capacity in India from 50.36% in the 1960s to only around 13% in 2018-19.
- Large Hydropower Projects (LHPs) have been declared as renewable energy source to promote hydropower projects.
- At present, only small hydropower projects (SHPs) i.e. those up to 25MW are categorized as Renewable Energy.
- The government has also allowed LHPs to sell renewable energy certificates under non-solar Renewable Purchase Obligation (RPO) to discoms.
- Renewable Purchase Obligation (RPO) is a mechanism by which distribution companies, captive power plants and other large electricity consumers are obliged to purchase a certain percentage of power from renewable energy sources.

INDEXES IN NEWS

Global Peace Index 2018

India has moved up four places to the 137th rank among 163 countries on the 2018 Global Peace Index.

- Released by Australia-based Institute for Economics and Peace (IEP).

Composite Water Management Index

Report on Composite Water Management Index (CWMI) was launched recently.

- Composed and published by NITI Aayog
- Gujarat Ranked 1st in the reference year 2016 – 17

National Disaster Risk Index

The first ever National Disaster Risk Index has been released.

- The index is being made by Ministry of Home Affairs along with United Nations Development Program.
- Maharashtra as the most vulnerable, followed by West Bengal, Uttar Pradesh, Madhya Pradesh and Rajasthan.

Delta Ranking of Aspirational Districts

First Delta Ranking of Aspirational Districts

- Ranking published by NITI Aayog
- Five developmental areas are the indicators of the ranking:
 - Health and Nutrition
 - Agriculture and water resources
 - Financial Inclusion
 - Skill Development
 - Basic Infrastructure
- Dahod district in Gujarat ranked 1st among 108 districts.

Ease of Doing Business – States Rankings

Andhra Pradesh secured the top spot in the ease of doing annual business ranking of states and Union Territories.

Published by World Bank and Department of Industrial Policy and Promotion (DIPP).

United Nation's e - Government Index, 2018

India ranked 96th place in the E-Government Development Index, 2018.

- Biennially released by United Nations
- Evaluates countries on parameters of e – governance taking in cognizance:
 - Quality of services provided
 - Literacy rate and level of education
 - Access to internet and phones

Public Affairs Index 2018

Kerala stands as the best-governed state in the country followed by Tamil Nadu, according to the Public Affairs Index 2018 released by the think tank Public Affairs Centre (PAC).

Global Innovation Index

Global Innovation Index, GII- 2018 launched in India.

- Published annually by World Intellectual Property Organisation (WIPO) in collaboration with INSEAD.
- India's Rank – 57 (2018), up from 60 (2017)

Atal Ranking of Institutions on Innovation Achievements (ARIIA)

Ministry of Human Resource Development (HRD) has introduced Atal Ranking of Institutions on Innovation Achievements (ARIIA)

- To systematically rank education institutions and universities primarily on innovation related indicators.

Global Liveability Index

Global Liveability Index 2018 was released recently.

- Published annually by Economist Intelligence Unit (EIU)
- Delhi was ranked 112 and Mumbai five places behind at 117 are the only Indian cities on the list.

Multidimensional Poverty Index (MPI)

UNDP and OPHI (Oxford Poverty and Human Development Initiative) together released the MPI 2018.

- The MPI is an international measure of poverty used in over 100 developing countries.
- It uses 3 dimensions of poverty and 10 indicators.

- A person is identified as multidimensionally poor, if he/she is deprived of at least one-third of the dimensions.
- It has been published as a part of the Human Development Report of the UNDP since 2010.
- 5 out of 10 indicators in MPI 2018 was different compared to the original MPI.
- These changed indicators include: nutrition, child mortality, years of schooling, housing and assets.

Ease of Living Index

The Union Ministry of Housing and Urban Affairs published the Ease of Living Index for 111 Indian cities.

- Pune is the best city to live in India according to the index.
- The Index includes cities under the Smart City Mission, capital cities and cities with a population of more than 1 million.

Global Competitiveness Index (4.0)

The World Economic Forum released the index under its Global Competitiveness Report 2018.

- It assesses a country's productivity around 12 main drivers.
- The index is topped by US, followed by Singapore and Germany.
- India was ranked 58th out of 140 economies, with a score of 62.0
- Among the BRICS countries China topped with 28th rank and a score of 72.6

Human Capital Index

The World Bank released the first Human Capital Index (HCI).

- HCI measures the amount of human capital that a new-born child can expect to attain at the age of 18 i.e. it measures the expected productivity of the next generation.
- HCI is a part of the World Development Report, under the Human Capital Project.
- Singapore topped the Index.
- India was placed at 115th out of 157 countries considered.
- India's is ranked below Nepal, Sri Lanka, Myanmar and Bangladesh.

World Development Report

The World Bank recently released the World Development Report.

- The theme of the report: The Changing Nature of Work.
- This report throws light on new areas and different kinds of jobs created through the technological intervention.

Ease of Doing Business Index 2018

India was ranked 77 out of 190 countries in the Ease of Doing Business Index 2018.

- This Index is released by the World Bank as a part of Ease of Doing Business Report 2018.
- The Report ranks countries based on Distance from the Frontier (DTF), a score that shows the gap of an economy from the global best practice.
- India features in the top 10 improvers for the year 2018 (India's rank in 2017 was 100th). This is an achievement for a second time in a row.
- India is the only BRICS nation to feature in the top 10 improvers list.
- India seeks to reach the 30th position by 2020.
- The report uses 10 parameters to rank countries:
 - Dealing with construction permits
 - Starting a new Business
 - Enforcing contracts
 - Trading across borders
 - Getting credit
 - Getting electricity connection
 - Registering property
 - Paying taxes
 - Resolving insolvency
 - Protecting minority investors

Inclusive Internet Index 2019

India ranked 47th in Inclusive Internet Index 2019.

- It is released by the Economist Intelligence Unit.
- It covers 100 countries, Sweden has topped the ranking and Congo is on the last spot for 2019.
- It measures inclusiveness based on four categories: Accessibility (network coverage), Affordability (pricing), Relevance (availability of local-language content) and Readiness (capability to access internet).

Core Sector Growth

According to the Government data, growth of India's eight core industries slowed down in recent months due to fall in output of crude oil and refinery products.

Eight core sectors include:

- Coal
- Crude oil
- Natural gas
- Refinery products
- Fertilizers
- Steel
- Cement
- Electricity

- The data on core sector growth will also have an impact on the Index of Industrial Production (IIP) as these segments account for about 40% of the total factory output.

ForumIAS