



PLUTUS IAS

Argasia Education PVT. Ltd. (GST NO-09AAPCA1478E1ZH)
Address: Basement C59 Noida, opposite to
Priyagold Building gate, Sector 2, Pocket I, Noida,
Uttar Pradesh 201301, CONTACT NO- 8448440231

CONTENT BY ~JITHIN LAL (GENERAL STUDIES FACULTY UPSC)
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1. Inter-Ministerial Committee set up to strengthen Capital Goods Sector

The Government of India set up an inter-ministerial committee to strengthen capital goods sectors. This will help India achieve its goal of becoming a 5 trillion USD economy.

Highlights

The Government of India has set up a 22-member inter-ministerial committee to strengthen the Capital Goods Sector. The committee will look into issues pertaining to the Capital goods Sector. This includes global value chains, skill training, global standards, custom duties

Capital Goods Sector in India

The Capital Goods Sector of India holds its strong base in construction, engineering, infrastructure, consumer goods. The sector had an overall production of 13.6 billion USD in 2018-19. The Capital Goods Industry provides 1.4 direct employment opportunities and 7 million indirect employment opportunities.

Growth of Capital Goods Industry in India

India has introduced several market-oriented reforms such as "Power for All". Also, India aims to add 93 GW by 2022. This will generate huge demand for power transmission and distribution equipment. By 2022, the Electrical Equipment industry is targeted to reach 100 billion USD. By 2022, the Transport and Distribution industry is to reach 75 billion USD.

Market Size of Capital Goods Sector in India

The capital goods in India has a market size of 43.2 billion USD. The industry is divided into 10 sub sectors. The sub sectors and their market contribution are as follows

- Heavy Electrical Equipment: 24.2 billion USD
- Earth Moving and Mining Machinery: 3.3 billion USD

- Process Plant Equipment: 3.7 billion USD
- Printing Machinery: 3.01 billion USD
- Food Processing Machinery: 2.4 billion USD
- Textile Machinery: 1.8 billion USD
- Dies, moulds and press tools: 2.3 billion USD
- Metallurgical Machinery: 0.4 billion USD
- Plastic Machinery: 0.5 billion USD
- Machine Tools: 1.4 billion USD

Infrastructure Trends

India has plans to build 200 low cost airports in the next 20 years. Under "Housing for All", India is to build 100 million houses by 2022.

All the above details are according to Invest India.

.2.Indian Navy launches fifth Scorpene Submarine "Vagir"

The Indian Navy launched the fifth Scorpene submarine "Vagir" at Mazagon Dock of south Mumbai. The submarine is capable of taking missions such as anti-submarine warfare, anti-surface warfare, mine laying, intelligence gathering and area surveillance.

Key Highlights

Vagir is a part of six Kalvari class submarines that is being built in India. These submarines were designed by French Navy and an energy company DCNS. The six submarines were built under Project-75 of Indian Navy.

About Vagir

Vagir has been named after Sand Fish. It is a deep-sea predator in the Indian Ocean. The first Vagir was commissioned in 1973. The first Vagir submarine was from Russia.

What is Project 75?

The Project 75 aims to build six Scorpene Class attack submarines. The submarines were built through transfer of technology from a French Company DCNS at Mazagon Dock Limited. Under the project, the first Scorpene submarine Kalvari was commissioned in 2017. The second Scorpene Class Submarine that was commissioned under the project was Scorpene Khandri. The third Scorpene class submarine was INS Karanj. INS Vela was the fourth Scorpene submarine. The fifth Scorpene submarine being inducted is INS Vagir. The INS Vagsheer is yet to be commissioned and is still under construction.

Scorpene Class Submarine

It is a diesel-electric attack submarine that was jointly developed by French Direction des Constructions Navales (DCNS) and Spanish Navantia.

The beneficial feature of these submarines is that they have an additional air-independent propulsion.

Air-Independent Propulsion

It is a marine propulsion technology that allows non-nuclear submarine to operate without accessing surface oxygen (or atmospheric oxygen).

Submarines in Indian Navy

The Nuclear-powered submarines that are currently in service are as follows

- Chakra Class
- Arihant Class

The Diesel Electric submarines that are currently in service are as follows

- Shishumar class
- Kalvari class
- Sindhughosh class.

3.Finance Minister announces Economic Stimulus Package 4.0

The Finance Minister Smt Nirmala Sitaraman announced the Economic Stimulus Package 4.0.

Key Highlights

- **Production Linked Incentive Scheme for 10 sectors.** Rs 1.46 trillion to be provided.
- Rs 6,940 crore scheme to promote manufacture of API (Active Pharmaceutical Ingredients).
- Rs 18,000 crores allocated to Pradhan Mantri Awas Yojana (Urban). The implementation of the programme will generate 7.8 million jobs.
- Rs 10,200 crores for industrial infrastructure, green energy and defence equipment
- Rs 3,000 crores for IDEAS Scheme
- Rs 10,000 crores to Pradhan Mantri Garib Kalyan Yojana. These funds are to be utilised for MGNREGA or for **Pradhan Mantri Gram Sadak Yojana**.
- Rs 65,000 crores was allocated for fertilizer subsidies
- Rs 6,000 crores for National Investment and Infrastructure Funds.

Atma Nirbhary Bharat Rozgar Yojana

Atma Nirbhary Bharat Rozgar Yojana is being launched. This will incentivise creation of new employment opportunities during COVID-19 recovery phase. The beneficiaries

of the scheme include employees in EPFO registered establishments who were on monthly wages less than Rs 15,000.

Atma Nirbhar Bharat Abhiyan 1.0 Progress

One Nation-One Ration Card

Around 28 states and Union Territories have been brought under the National Portability of ration card. The scheme now covers 68.6 crore beneficiaries.

PM SVANidhi Scheme

Around 26.62 lakh loan applications have been received under the Pradhan Mantri SVANidhi Scheme. It intends to provide a loan of Rs 10,000 to the street vendors. Rs 13.78 lakh loans have been sanctioned.

Kisan Credit Cards

Credit boost to 2.5 crore farmers were provided. The Government of India sanctioned Rs 1,43,262 crores benefiting 157.44 lakh farmers.

Pradhan Mantri Matsya Sampada Yojana

Rs 1681.32 crores were sanctioned to the Pradhan Mantri Matsya Sampada Yojana. The scheme focuses on fisheries

NABARD

Rs 25,000 crores of Emergency Working Capital funding to farmers were disbursed through NABARD.

Liquidity

Rs 118,273 crores of loans were injected as liquidity into the DICOMs. Rs 7,227 crores were disbursed to Non Banking Financial Corporations.

Background

According to Finance Minister Nirmala Sitaraman, PMI rose to 58.9 in October 2020 indicating a strong recovery of the economy from COVID-19 crisis. The energy consumption growth was higher in October, 2020.

4. Atma Nirbhar Bharat Rozgar Yojana launched to boost employment

Finance Minister Smt Nirmala Sitharaman announced the fourth economic stimulus package. During the announcement, the Finance Minister introduced the “Atma Nirbhar Bharat Rozgar Yojana”.

Atma Nirbhar Bharat Rozgar Yojana

The beneficiaries of the scheme include employees in EPFO registered establishments who were on monthly wages less than Rs 15,000.

Beneficiaries

Atma Nirbhar Bharat Rozgar Yojana will benefit new employees of EPFO registered organizations and the new employees who had lost jobs between March 1, 2020 and September 30, 2020.

Key Features of the Scheme

- The centre under Atma Nirbhar Bharat Rozgar Yojana will provide subsidy for two years.
- For the establishments employing up to 1000 employees, the GoI will provide employees' contribution (12% of wages) and employer's contribution (12% of the wages).

What is EPF scheme?

The Employment Provident Scheme is run by the Employees Provident Fund Organization. It covers all the establishments that employ more than 20 people. Under the scheme, the employee has to pay a certain contribution towards the scheme. The equal contribution will be paid by the employer as well. During retirement of the employee, a lump sum amount with interest on both is given to the employee.

Under the scheme, a person drawing salary less than Rs 15,000 is not eligible. Thus, the GoI has brought in the Atma Nirbhar Bharat Rozgar Yojana to include them as well and also help boost employment generation in the country.

Here, in the Atma Nirbhar Bharat Abhiyan, the GoI had announced that it will pay both employee and employer contributions.

Other announcements

The finance minister also announced that the PLI scheme is being extended to 10 other sectors. An additional outlay of Rs 18,000 crores to PM Awas Yojana. Rs 900 crores to research and development of Indian COVID-19 vaccine development.

Apart from these, various other announcements were made on fertilizer subsidy, Active Pharmaceutical Ingredients, etc.

5. IFSC submits its report on Capital Market to IFSCA

The IFSC International Retail Business Development Committee presented its final report to IFSCA on November 11. The final report has recommendations on Capital Markets. The committee also made recommendations for the development of IFSC. Before this, the committee has submitted two interim reports on insurance and banking.

This IFSC International Retail Business Development Committee was appointed on August 3, 2020 by International Financial Services Centres Authority (IFSCA). The authority mandated the committee to submit its report in 3 months.

Key Recommendations of the Report

Banking

- Permit retail participation by Indians (residing in the country) including LRS investments and enable IFSC Banking Units (IBUs) to provide banking products and solutions to retail/ individual clients.
- To enable Wealth management capabilities in IBU by allowing investments in different markets.
- To permit IBUs for offering foreign currency (FCY) clearing services from the IFSC and setting up a central clearing mechanism in the IFSC for the same.
- To permit IFSC Banking Units for obtaining FPI (Foreign Portfolio Investor) license and investing in rupee-denominated corporate bonds, Government Securities (G-Secs), and other permissible rupee-denominated securities.
- To permit IBUs to finance Indian exporters for pre-shipment in foreign currency in addition to post shipment.
- To permit IBUs for opening current account (including Escrow account) for all entities willing to do so.
- To remove the requirement of maintaining liquidity ratios.

Insurance

- To permit Persons of Indian Origin (PIOs)/Non-resident Indians (NRIs) for buying Life Insurance policies from companies set up in the IFSC for themselves as well as their family members based in India and abroad and also allowing them to pay premium in the currency as per their choice (also including Indian currency).
- To allow insurance companies for offering health insurance products to PIOs/NRIs covering their family members based in India.
- To allow Insurers to set up subsidiaries in IFSC for promoting business.
- To reduce Net Owned Funds (NOF) requirement to INR 5 billion in order to promote mid-sized foreign reinsurers for setting up base in the IFSC.
- To allow Indian investors to set up direct and reinsurance companies with lower capital requirements for promoting insurance abroad.
- To encourage foreign reinsurance brokers to set up bases in IFSC.

Asset Management and Capital Markets

- To permit resident individuals for investing in Mutual Funds (MFs) or Alternative Investment Funds (AIFs) in IFSC through LRS route.
- To permit resident individuals to invest in companies listed on the IFSC exchanges through the LRS route.
- To develop a framework for allowing Indian or foreign issuers to raise debt or equity in IFSC.

- To allow wholly owned subsidiaries of banks to operate as Clearing /Trading Members without setting up a separate company.
- To implement a simple and practical separate safe harbor regime for IFSC Fund Managers.
- To develop a payment system for USD and other foreign currency settlements in IFSC.
- To allow hybrid structures like a Variable Capital Company (VCC) to manage funds in the IFSC.

International Financial Services Centres Authority was launched by the government of India to regulate all the financial services at IFSC. Injeti Srinivas is the Chairman of IFSCA.

6. IRCTC to start 'Bharat Darshan Yatra' on the theme 'Show India to Indians'.

Indian Railway Catering and Tourism Corporation (IRCTC) will be starting 'Bharat Darshan–Dakshin Bharat Yatra' from December 12. The Bharat Darshan Yatra will start from Hyderabad and Secunderabad from December 12 to 18. The theme of this yatra will be 'Show India to Indians'.

Key Points

- The facility of boarding and deboarding this tourist train will be available at Secunderabad, Khammam, Nellore, Vijayawada, Warangal, Ongole, and Renigunta.
- The train will have 12 sleeper coaches, one 3-tier AC coach and a pantry car.
- The standard fare for sleeper coaches will be Rs 7,140 and that for three-tier AC will be Rs 8,610.
- The facility of night stays for all the tourists will be made at dormitories or dharamshalas.
- Tourists will also be provided with the morning tea, breakfast, lunch, dinner and a water bottle per day.
- The authorities will arrange non-AC bus transportation on a sharing basis and tourist escort and security on trains.

In January 2019, IRCTC also started booking for Shirdi Sai Baba darshan tickets on its website.

About IRCTC

Incorporated on September 27, 1999, Indian Railway Catering and Tourism Corporation (IRCTC) is a subsidiary organisation of the Indian Railways. IRCTC handles online ticketing, tourism and catering & hospitality operations of railways. At present, IRCTC has 5 Zonal Offices at New Delhi, Kolkata, Mumbai, Secunderabad and Chennai. IRCTC have also started running private trains and its first private and fastest

train of the country is "Tejas' ' which was first started on 24 May 2017 from Mumbai CST to Karmali, Goa. Mahendra Pratap Mall is the Chairman & Managing Director of IRCTC.

7.Madhya Pradesh launches 'Roadmap to Atma Nirbhar Madhya Pradesh'
Madhya Pradesh Chief Minister Shivraj Singh Chouhan launched a roadmap to "Aatma Nirbhar Madhya Pradesh 2023" on November 12 through a virtual event. Under the roadmap, special focus will be on health and education in the state.

Key Points

- A network of hospitals will be established in the state focusing on the health sector.
- Economy and employment will also be major focus areas and small and cottage industries will be motivated.
- Four seminars were conducted on physical infrastructure, good governance, health and education to prepare the roadmap of the state. On the basis of the inputs received by the experts in the seminar, the roadmap of Aatma Nirbhar Madhya Pradesh has been prepared.

Mukhya Mantri Rural Street Vendor Scheme

- Along with launching the roadmap to Atma Nirbhar Madhya Pradesh, the chief minister also transferred the interest-free loan of 10 thousand rupees each into the accounts of rural street vendors under the Mukhya Mantri rural Street Vendor Loan Scheme.
- The scheme was launched by the state government to provide a loan up to Rs 10,000 to street vendors in rural areas.
- Under the scheme, the state government will bear 14% interest subsidy per loan beneficiary (for loans upto Rs 10,000).

Atmanirbhar Bharat

It is a vision of Prime Minister Narendra Modi to make India "Self-reliant". The word was first used by the PM in his address to the nation on May 12, 2020 where he appealed to the people to be "Vocal for Local". Since then various initiatives have been taken under the mission like manufacturing of PPE kits, announcement of 'Made in India' 5G network by Reliance Jio, import embargo on 101 defence items, etc. The IIT Alumni Council has also set up a fund of 21,000 crore to support the mission.

8.Moody's revises India 2020 GDP forecast to 8.9% contraction

Credit rating agency, Moody's Investors Service has revised the Gross Domestic Product (GDP) forecast of India to -8.9 percent upwards for calendar year 2020 from the -9.6 percent contraction forecasted earlier. The agency forecasted in September 2020 that India's GDP will contract by 9.6%.

Other Key Points

- GDP forecast for calendar year 2021 for India has also been revised to from 8.1 percent to 8.6 percent now. The Indian economy had contracted by about 23.9% in the April-June quarter and is earlier seen contracting more than 10% in the financial year 2021. This was due to the impact of the nationwide lockdown for fighting against COVID-19 pandemic.
- The report also pointed that geopolitical and trade risks would remain a major focus in the next year as the relationship between the two largest economies of the world, the U.S. and China had deteriorated.
- Also, as per the Reserve Bank of India (RBI), India's GDP is expected to contract by 8.6% for the July-September period.

About Moody's

Moody's Investors Service credit rating agency of Moody's Corporation. Moody's is one of the biggest credit rating agencies which offer international financial research on bonds issued by government and commercial entities. It was started by John Moody in 1909 for producing manuals of data related to stocks, bonds and bond ratings. U.S. Securities and Exchange Commission identified the company as a Nationally Recognized Statistical Rating Organization (NRSRO) in 1975. After this, Moody's Investors Service became a separate company in the year 2000 and Moody's Corporation was established as a holding company.