

NEWS TODAY

ECONOMIC SURVEY 2022-23 RELEASED

- Economic Survey provides a **detailed report of national economy** for the year along with forecasts. It is presented a **day before the presentation of Union Budget**.
 - It was first presented for 1950-51 and was **initially part of Budget documents**. In 1964-65, it was **separated from budget**.
- It is prepared by **Economic Division of Department of Economic Affairs, Ministry of Finance** under guidance of **Chief Economic Advisor**.
- **Key takeaways from Economic Survey**

GDP forecast	• India's GDP forecast for FY24 is in a range of 6 - 6.8% , higher than most major economies.
Major global shocks	• Covid19 pandemic and contraction in global output; Russia-Ukraine conflict ; Sustained monetary tightening (increase in policy rates to curb inflation) by central bank.
Capital Expenditure (Capex)	• Capex for FY23 was increased by 35.4% to ₹7.5 lakh crore .
FDI inflows	• Declined by 14% in first half of FY23 due to global uncertainty (Russia-Ukraine conflict) but anticipated to increase in upcoming months.
Gross Non-performing Advances (GNPA)	• GNPA of Scheduled Commercial Banks has fallen to a seven-year low of 5.0% in 2022 while Net NPA have dropped to a ten-year low of 1.3% of total assets .
Social sector spending	<ul style="list-style-type: none"> • Increases to Rs. 21.3 lakh crore in FY23 (budget estimate). • Out-of-pocket expenditure as a percentage of total health expenditure has declined.
Agriculture	<ul style="list-style-type: none"> • Private investment in agriculture increases to 9.3% in 2020-21. • Institutional Credit to Agricultural Sector continued to grow to 18.6 lakh crore in 2021-22.
Industry	<ul style="list-style-type: none"> • Overall GVA by Industrial Sector for first half of FY23 rose 3.7%, which is higher than average growth of 2.8% achieved in first half of last decade. • Electronics exports rose nearly threefold and India became the second largest mobile phone manufacturer globally.

Note: Highlights of Economic Survey 2022-23 will be released shortly and its summary will be released by second week of February.

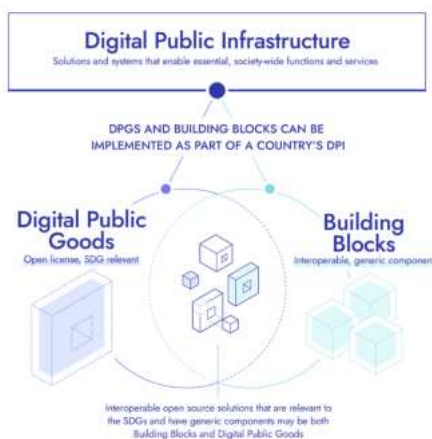
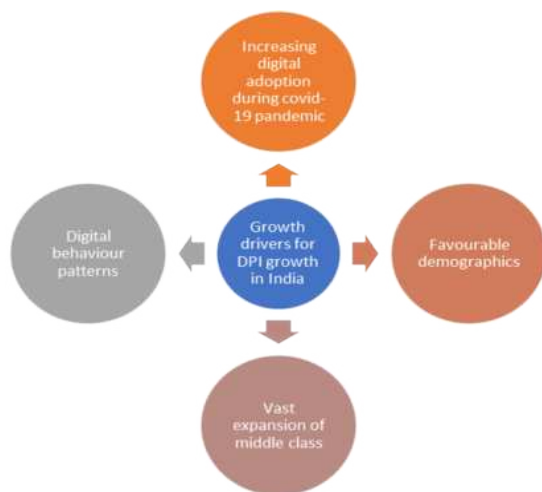
INDIAN PRIME MINISTER ADMIRES UTILISATION OF INDIA-UAE COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT (CEPA) BY INDIAN EXPORTERS

- India-UAE CEPA is the **first deep and full free trade Agreement (FTA) signed by India with any country** in the past decade.
 - It officially **entered into force in May 2022**.
 - It **covers Trade in Goods, Rules of Origin, Trade in Services, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, Dispute Settlement** etc.
 - India has **already signed a CEPA with Japan and South Korea**.
- **Significance of CEPA**
 - Expected to increase total value of **bilateral trade in goods to over US\$100 billion and trade in services to over US\$ 15 billion within five years**.
 - **Eliminated duties for 90% of India's exports to UAE**, covering sectors such as gems and jewellery, textiles, leather, etc.
 - Exports benefiting from India-UAE free trade pact accounted for about **60% of India's total non-oil shipments to UAE**.
- **India- UAE relations**
 - **UAE is India's third largest trading partner** after United States and China and second-largest export destination
 - UAE has **highest number of Indian diasporas** contributing high remittances to India.
 - UAE's **Nayif-1 nanosatellite** has successfully been launched into space by ISRO.

• FTA is an **agreement where two or more countries** agree to provide preferential trade terms, tariff concession etc. to the partner country.

DIGITAL INFRASTRUCTURE CAN ADD 60-100 BPS (BASIS POINTS) TO GDP GROWTH: CHIEF ECONOMIC ADVISOR

- Digital Public Infrastructure (DPI) are **solutions and systems that enable the provision of essential society-wide functions and services in public and private sectors.**
 - This includes digital forms of identification and verification, civil registration, payment (digital transactions and money transfers), data exchange, and information systems.
 - DPI was **introduced in India in 2009** when Aadhaar was first launched.
- Digital public goods (DPGs) are **types of open-source software, models and standards** that countries can use to operationalise their DPI. **Examples of DPGs** include **India Stack, UPI, Aadhaar** etc.
- **Significance of DPI growth:** Economic Survey 2022-23 highlights following benefits from DPI growth:
 - **Development of digital payment ecosystem** through UPI.
 - Payments made through UPI accounted for **over half of all digital transactions in India in FY22.**
 - Easier access to **e-government services** through initiatives such as UMANG, GeM, e-NAM etc.
 - **Better resource management** due to sharing of open-source e-governance applications through platforms like OpenForge.
 - **Overcoming language barrier** with National Language Translation Mission i.e., Bhashini.
 - **Filip to technological development** through information collation and sharing such as National AI portal.



Union Budget 2023-24 announced plans to **set up a DPI for agriculture enabling as an “open source, open standard, and interoperable public good”.**

CENTRE SEEKS REVIEW OF SUPREME COURT VERDICT STRIKING DOWN PROVISIONS OF BENAMI ACT

- Centre sought **review of SC 2022 judgement that struck down several provisions of Benami Transactions (Prohibition) Act, 1988, and 2016 amendments** to it.
 - Benami Transactions (Prohibition) Amendment Act, 2016 amended original Benami Act of 1988, expanding it to 72 Sections from a mere nine.
- **Benami Act 1988**, was introduced to **prohibit Benami transactions** and give government the right to recover Benami property.
 - If the property is **held in a fiduciary capacity, it does not come under ambit of law.**
 - Benami transaction means **any transaction in which property is transferred to one person for a consideration paid or provided by another person.**
- **Key highlights of SC 2022 verdict**
 - **Section 3(2) of 1988 Act (accordingly of 2016 act also) is unconstitutional** for being arbitrary and **violative of Article 20(1) of Constitution** (prohibits retrospective punishment for a crime).
 - **Punitive provisions of 2016 amendments under section 5 shall not be applied retrospectively.**
 - Section 5 of 2016 Amendment Act allows confiscation of any property which is subject matter of a benami transaction.
 - Prosecutions or confiscation proceedings (for transactions between 1988 and 2016) shall stand quashed.

ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG) PERFORMANCE HELPED TOP INDIAN FIRMS ACCESS CAPITAL AT LOWER COST: ECONOMIC SURVEY 2022-23

- ESG is a framework that helps stakeholders understand **how an organization is managing risks and opportunities related to environmental, social, and governance criteria.**

➤ **Environmental criteria** consider how a company performs as a steward of nature.

➤ **Social criteria** examine how it manages relationships with employees, suppliers, customers, communities where it operates etc.

➤ **Governance** deals with a company's leadership, audits, internal controls, shareholder rights etc.

- Benefits of ESG:** Increased value creation; Access to markets and increased market share; Increased access to capital; Reduced financial risks; Obtaining social license to operate; Attracting and retaining talent.

- Challenges with ESG:** Lack of a standard across globe; Political backlash & anti-ESG movement; Data inaccuracy, etc.

- In 2021, SEBI issued **new sustainability reporting requirements under Business Responsibility and Sustainability Report (BRSR).**

➤ BRSR aims to establish **links between financial results of a business with its ESG performance.**

➤ BRSR was made **mandatory for top 1,000 listed entities (by market capitalisation) from 2022–23.**

➤ BRSR seeks disclosure from listed entities on their performance against nine principles of 'National Guidelines on Responsible Business Conduct' (NGBRCs). (refer image)

- For mobilizing private capital towards climate action in line with ESG requirements, India is moving towards green bonds adoption.



- Green bonds generate funds for investing in environmentally sustainable and climate-suitable projects,** and command a relatively lower cost of capital compared to regular bonds.

➤ **Reserve Bank of India announced sovereign green bond (SGrBs)** worth Rs 16,000 crore.

➤ **Framework of SGrBs has been issued in compliance with International Capital Market Association (ICMA) Green Bond Principles (2021).**

ALSO IN NEWS



Section 497 of Indian Penal Code (IPC)

- Supreme Court in its clarification to 2018 judgement ruled that **armed forces can take action against their officers for adulterous acts.**
- SC in 2018 judgement **decriminalized adultery by striking down Section 497 of IPC** dealing with the offence of adultery, holding it unconstitutional.
 - **Section 497** imposed **culpability on a man who engages in sexual intercourse** with another man's wife. Women were exempted from such prosecution.
- Ministry of Defence (MoD) had **moved the SC for an exemption to armed forces from 2018 verdict** as it may hinder action against officers who indulge in such actions and can cause instability within the services.




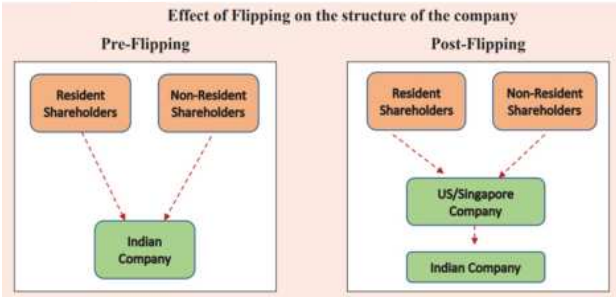




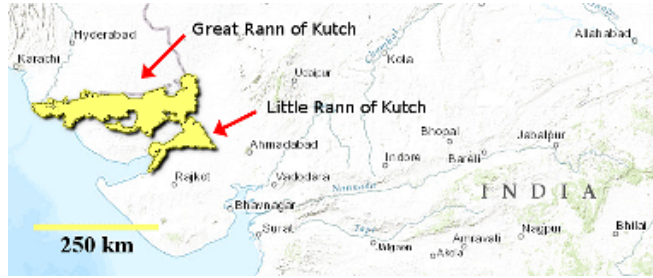

Family courts (FC)

- Madras HC quashed a Khula (divorce) certificate issued to a woman by Shariat Council of Tamil Nadu.
 - HC asserted that **only judicial forums were empowered to pass a decree to dissolve a marriage under Section 7(1)(b) of Family Courts (FC) Act, 1984.**
- FC Act, 1984 was enacted for **establishment of FCs to promote conciliation, and secure speedy settlement of disputes** relating to marriage and family affairs and for related matters.
 - FCs proceedings may be held in camera if Family Court so desires and shall be so held if either party so desires.
 - State Government may, with concurrence of HC, appoint **one or more persons to be Judge or Judges of a FC.**



Trishakti prahar

- Indian military concluded exercise Trishakti Prahar — a joint training exercise.
- It aims to **practice battle preparedness of security forces**, using latest weapons and equipment in a networked, integrated environment, involving **Army, the Indian Air Force and CAPFs.**

 <p>Reverse flipping</p>	<ul style="list-style-type: none"> Economic Survey 2022-23 states that start-ups are exploring "reverse-flipping". Flipping is the process of transferring entire ownership of an Indian company to an overseas entity. <ul style="list-style-type: none"> It is generally accompanied by a transfer of all intellectual property and data owned by an Indian company. It effectively transforms an Indian company into a 100% subsidiary of a foreign entity. Reverse Flipping is the process of shifting the domicile of those companies back to India who flipped earlier. 
 <p>Atal Innovation Mission (AIM)</p>	<ul style="list-style-type: none"> AIM, NITI Aayog inaugurated ACIC-CBIT (Atal Community Innovation Centre - Chaitanya Bharathi Institute of Technology) research and entrepreneurship foundation in Hyderabad. AIM, NITI Aayog is a flagship initiative set up in 2016 to promote a culture of innovation and entrepreneurship. <ul style="list-style-type: none"> AIM is ensuring creation of a problem-solving innovative mindset in schools (through Atal Tinkering Labs) and creating an ecosystem of entrepreneurship in universities, research institutions, private and MSME sector.
 <p>Native Indian cow breeds</p>	<ul style="list-style-type: none"> For the first time, Indian Institute of Science Education and Research have unravelled genetic makeup of native Indian cow breeds i.e., Kasargod Dwarf, Kasargod Kapila, Vechur, and Ongole. Native Indian cows have special abilities such as tolerant to heat, resistant to certain diseases. <ul style="list-style-type: none"> Till now, there is no genome of Indian cows available and country dependent other countries. Genome is like a blueprint or a set of instructions required by an organism to survive. It's made up of tiny units called genes.
 <p>Alienation</p>	<ul style="list-style-type: none"> Idea of 'alienation' by Karl Marx is one of the most widely discussed concepts in social, political and economic theory. Alienation refers to the feeling of separation from one's own labour and loss of power over it. It was first explained in Economic and Philosophical Manuscripts and later elaborated on it in his seminal work, Das Kapital or Capital: A Critique of Political Economy (1867). Karl Marx discusses four forms of alienation i.e., <ul style="list-style-type: none"> Alienation from the product, from process of labor, from humanity, from society.
 <p>White Rann of Kutch</p>	<ul style="list-style-type: none"> Mega Khadi fashion show, first ever on Rann of Kutch, was organized by Khadi and Village Industries Commission (KVIC). Rann of Kutch is a salt marshy land in Thar Desert in Kachchh district of western Gujarat. <ul style="list-style-type: none"> It is the largest salt desert in world. It includes Great Rann of Kachchh, Little Rann of Kachchh and Banni grassland. It is part of Indian wild ass sanctuary, and Kachchh desert wildlife sanctuary. It is home to the only remaining population of chestnut-coloured Indian wild ass (khur), as well as blue-bulls, blackbuck and chinkara. 
 <p>Personality in news</p>	<p>Amrita Sher-Gil (1913- 1941)</p> <ul style="list-style-type: none"> National Gallery of Modern Art celebrates 110th birth anniversary of Amrita Sher-Gil. She is one of the pioneers of the modern movement in Indian art. She was influenced by works of Paul Cézanne, Amedeo Modigliani, and Paul Gauguin. Influenced in particular by wall paintings of Ajanta Caves, she attempted to fuse their aesthetic with European oil painting techniques. Her works: "South Indian trilogy" (Brahmacharis, South Indian Villagers Going to Market, and Bride's Toilet), Mother India, Open Air Painters.