6. Economics

Inflation (Measurement and Control)

Inflation
Inflation is a condition which is characterized by sustained and unchecked rise in the general prices of the commodities and fall in the purchasing power of the currency and when this phenomenon is observed over the long period of time it is known as Inflation.

Deflation
Deflation is the condition which the overall prices of the commodities decreases and high rise in the purchasing power of the currency which leads to the negative inflation it is known as deflation

Stagflation
It is a type of condition where in a country both inflation as well as recession coexists at the same time and there is also unemployment in the country it is known as Stagflation. According to Mr. C Rangarajan presently Indian is in the clutches of stagflation

Hyper Inflation
It is a type of condition when in a country the rate of inflation rises so much that the people of the country loses the faith in the currency of the country and the government may think of using the alternate currency or finally switching over to the barter system

The alternate currency has been used three times till date

1921- Germany

1993- Argentina

2010- Zimbabwe

Point to Point Inflation
It is used to measure the rate of inflation in any country of any commodity for a week ending in a country and when it is compared to the corresponding week ending in the previous year it is known as Point to Point inflation

Disflation
It is a type of condition in which there is decrease in the rate of inflation or we can say when there is slowdown in the rate of increase of the general prices of the goods and services in a country it is known as disflation

Reflation
It is the process of speeding up the economy of the country by increasing the money supply in the country or by reducing the taxes in the country in order to bring back the economy to the track it is known as reflation

Core Inflation
It is used to measure the rate of inflation for the non-food commodities i.e the food and the primary articles are not included in the core inflation. Economist in India and other countries of the world always consider the core inflation as the better way to measure the inflation because according to them the cost of the food and the primary articles depends upon the natural factors which is outside there preview. The economic data in India is collected by the NSSO (National Sample Survey Organization) and it is analyzed and published by the CSO (Central Statistical Organization)

Cost Push Inflation
Aggregate supply is the total volume of goods and services produced by an economy at a given price level. When there is a decrease in the aggregate supply of goods and services stemming from an increase in the cost of production, we have cost-push inflation. Cost-push inflation basically means that prices have been "pushed up" by increases in costs of any of the four factors of production (labor, capital, land or entrepreneurship) when companies are already running at full production capacity. With higher production costs and productivity maximized, companies cannot maintain profit margins by producing the same amounts of goods and services. As a result, the increased costs are passed on to consumers, causing a rise in the general price level (inflation).

Demand-Pull Inflation
Demand-pull inflation occurs when there is an increase in aggregate demand, categorized by the four sections of the macro economy households, businesses, governments and foreign buyers. When these four sectors

concurrently want to purchase more output than the economy can produce, they compete to purchase limited amounts of goods and services. Buyers in essence "bid prices up" again, causing inflation. This excessive demand, also referred to as "too much money chasing too few goods," usually occurs in an expanding economy.

Recession

It is a type of condition when in a country the general prices of the commodities decreases and the purchasing power of the currency increase and on the other hand there is lack of liquidity in the market it is known as Recession.
The sectors of the economy which is most effected during the recession are real estate, insurance, banking, IT etc.

Depression

It is an extreme type of recession under this the recession is not concentrated in only few sectors of the economy but when the recession is spread in all the sectors of the economy it is known as Depression. Such type of condition occurred in the USA from 1929-1933

Double Depression

It is a type of condition when on phase of recession is not over and there are chances of another recession taking place it is known as double depression

Measurement of Inflation

The inflation in India is measured by two ways i.e. the WPI and the CPI however the CPI is considered as the much better way to measure it

WPI (Wholesale Price Index)

It is also known as the headline rate of inflation because it is mentioned in the headlines of the newspapers periodically. The WPI is constructed on the basis of the data collected from the major wholesale markets of India. The WPI consists of total 676 commodities with the base year of 2011-12. The WPI is not very representative because it gives more emphasis to the manufactured goods and less emphasis to the food and primary articles and on the other hand it is constructed on the basis of wholesale prices and India being the poor country majority of the population buys the commodities at the retail prices.

CPI (Consumer Price Index)

It is used to measure the cost of living for the common man on the basis of which the government decides the DA (Dearness Allowances). The CPI is constructed on the basis of the data collected from the major retail markets of India. The CPI consists of total 448 commodities in the rural areas and 460 commodities in the urban areas with the base year of 2012. The CPI is much more representative because it gives more emphasis to the food and primary articles and less emphasis to the manufactured goods and on the other hand it is based on the retail prices.

Measures to control Inflation

1. Strict monetary policy by the RBI
2. Strict fiscal policy by the government of India
3. Strict administrative measures such as
    a) Imposing a temporary ban on exports in order to speed up the supply
    b) Liberalizing the import duty in order to speed up the supply
    c) Strict penalty on black marketing
    d) Imposing ESMA (Essential Services Maintenance Act) in order to prevent the strikes

***

Brief Overview of Indian Economy

Indian Economy is the third fastest growing economy in the world after China and United States of India

The GDP of India is 9.4Trillion US$ after China which has the GDP of 23 Trillion US$ and USA which has the GDP of 19.3 Trillion US$

India has the population of around 125 crore people and around 55% of the population of the country and around 45% of the land area of India is engaged in agriculture and agriculture related activities however the share of agriculture in the GDP of India is only 17%

Poverty in India is widespread and the according to the latest report by Mr. C Ranjarajan around 22% of the population of India lives below the poverty line and according to the International Poverty Line by the World Bank around 24 % of the population of India lives below the poverty line

The rank of India in the Per Capita Income is 140th and it is 1852US$ per person per year

The labor force of India is around 52 crores which is the second largest work force in the world after China

The rate of Unemployment in India is around 5%

The rank of India in the HDI is 131 out of 188 countries. The HDI report is the annual report published by the UNDP it consists of 3 major parameters

1. High Per Capita Income
2. High Literacy
3. High Life Expectancy

The nature of the Indian Economy is mixed economy i.e. it is the combination of Socialist and Capitalist Economy it was adopted by the Indian government in the year 1991 under PV Narsimha Rao and Dr. Manmohan Singh

Socialist Economy

Socialist means the system under which economic system is controlled and regulated by the government so as to ensure welfare and equal opportunity to the people in a society. The idea of socialism is first introduced by Karl Marx and Fredric Engles in their book, 'The Communist Manifesto'.

Capitalist Economy

It is one of the oldest economic systems and its origin is at the time of mid-eighteenth century in England in the wake of Industrial Revolution. It is that system, where means of production are owned by private individuals, profit is the main motive and there is no interference by the government in the economic activities of the economy. Hence, it is known as free market economy.

According to Karl Marx, in his 'Das Kapital', the capitalist on an average takes twelve hours work from the worker and pays him wages equal to six hours work. According to Ferguson, "Capitalism is a free-market form or capitalistic economy may be characterised as an automatic self-regulating system motivated by self-interest of individuals and regulated by competitions."

There are three major sectors of the Indian Economy

1. Primary Sector- It consists of agriculture and agriculture related activities it consists of 55% of the population and it contributes 17% of the total GDP of India
2. Secondary Sector- It consists of manufacturing and industries it consists of 25% of the population and it contributes 28% of the total GDP of India
3. Tertiary Sector/ Service Sector- It consists of business, transport, service, banking, IT, Insurance etc. It consists of 20% of the population and it contributes 55% of the total GDP of India

Minimum Support Price

It was introduced by the Agriculture Cost Price Commission in the year 1965 but it was implemented for the first time in the year 1966-1967. It is the minimum price at which the government buys the commodities from the farmers in case of any mishappening. The MSP consist of total 25 commodities and it is provided by the government of India twice in a year at the beginning of the Kharif Season and the Rabi Season respectively.

Major Agriculture Revolutions in India

Revolution	Product related	Father/Person associated with
Yellow Revolution	Oil seed Production (Especially Mustard and Sunflower).	Sam Pitroda
Black Revolution	Petroleum products.	
Blue Revolution	Fish Production	Dr. Arun Krishnan.
Brown Revolution	Leather / Cocoa / Non-Conventional Products.	
Golden Fibre Revolution.	Jute Production.	
Golden Revolution	Fruits / Honey Production / Horticulture Development	Nirpakh Tutej.
Grey Revolution	Fertilizers.	
Pink Revolution	Onion Production / Pharmaceuticals / Prawn Production.	Durgesh Patel.
Evergreen Revolution	Overall Production of Agriculture.	Started in 11^{th} 5 year Plan.
Silver Revolution	Egg Production / Poultry Production	Indira Gandhi.
Silver Fibre Revolution	Cotton.	
Red Revolution	Meat Production / Tomato Production.	Vishal Tewari.
Round Revolution	Potato.	
Green Revolution	Food Grains.	Norman Borlong M.S. Swaminathan. William Goud (UK).
White Revolution (or, Operation Flood)	Milk Production.	Verghese Kurien.

***

Agriculture Revolution, Unemployment & Poverty

Major Agriculture Revolutions in India

Revolution	Product related	Father/Person associated with
Yellow Revolution	Oil seed Production (Especially Mustard and Sunflower).	Sam Pitroda
Black Revolution	Petroleum products.	
Blue Revolution	Fish Production	Dr. Arun Krishnan.
Brown Revolution	Leather / Cocoa / Non-Conventional Products.	
Golden Fibre Revolution.	Jute Production.	
Golden Revolution	Fruits / Honey Production / Horticulture Development	Nirpakh Tutej.
Grey Revolution	Fertilizers.	
Pink Revolution	Onion Production / Pharmaceuticals / Prawn Production.	Durgesh Patel.
Evergreen Revolution	Overall Production of Agriculture.	Started in 11th 5 year Plan.
Silver Revolution	Egg Production / Poultry Production	Indira Gandhi.
Silver Fibre Revolution	Cotton.	
Red Revolution	Meat Production / Tomato Production.	Vishal Tewari.
Round Revolution	Potato.	
Green Revolution	Food Grains.	Norman Borlong M.S. Swaminathan.William Goud (UK).
White Revolution (or, Operation Flood)	Milk Production.	Verghese Kurien.

***

International Organizations

1. World Trade Organization (WTO)
Headquarters – Geneva, Switzerland
Head – Roberto Azevedo
Founded on – 1 January 1995

2. World Health Organization (WHO)
Headquarters – Geneva, Switzerland
Head – Dr. Margaret Chan
Founded on – 7 April 1948

3. World Economic Forum (WEF)
Headquarters – Geneva, Switzerland
Head – Klaus Schwab
Founded on – 1971

4. World Intellectual Property Organisation
Headquarters – Geneva, Switzerland
Head – Francis Gurry
Founded on – July 14, 1967

5. International Labour Organisation
Headquarters – Geneva, Switzerland
Head – Guy Ryder
Founded on – 1919

6. United Nations Conference on Trade & Development (UNCTAD)
Headquarters – Geneva, Switzerland
Head – Mukhisa Kituyi
Founded on – 1964

7. World Meteorological Organisation
Headquarters – Geneva, Switzerland
Head – Petteri Taalas
Founded on – 1950

8. International Committee of the Red Cross
Headquarters – Geneva, Switzerland
Head – Peter Maurer
Founded on – 1863

9. International Monetary Fund
Headquarters – Washington DC, US
Head – Christine Lagarde
Founded on – 27 December 1945

10. The World Bank
Headquarters – Washington DC, US
Founded on – July 1944

11. United Nations Organization
Headquarters – New York, US
Head – António Guterres
Founded on – 1945

12. United Nations Children's Fund (UNICEF)
Headquarters – New York, US
Head – Anthony Lake
Founded on – December 1946

13. United Nations Populations Fund (UNFPA)
Headquarters – New York, US
Head – Dr. Babatunde Osotimehin
Founded on – 1969

14. Asian Development Bank
Headquarters – Manila, Philippines
Founded on – 22 August 1966

15. Asian Infrastructure Investment Bank (AIIB)
Headquarters – Beijing, China
Head – Jin Liqun
Founded on – 4 October 2014

16. New Development Bank (BRICS Development Bank)
Headquarters – Shanghai, China
Head – K. V. Kamath
Founded on – July 2015

17. United Nations Education Scientific & Cultural Organisation (UNESCO)
Headquarters – Paris, France
Head – Irina Bokova
Founded on – 16 November 1945

18. Organization for Economic Cooperation & Development (OECD)
Headquarters – Paris, France
Head – Jose Angel Gurria
Founded on – 30 September 1961

19. North Atlantic Treaty Organisation (NATO)
Headquarters – Brussels, Belgium
Head – Jens Stoltenberg
Founded on – 4 April 1949

20. Asia-Pacific Economic Cooperation (APEC)
Headquarters – Singapore
Head – Dr. Alan Bollard
Founded on – 1989

21. Association of South East Nations (ASEAN)
Headquarters – Jakarta, Indonesia
Founded on – 8 August 1967

22. South Asian Association for Regional Cooperation (SAARC)
Headquarters – Kathmandu, Nepal
Founded on – 8 December 1985

23. International Maritime Organisation (IMO)
Headquarters – London, UK
Head – Kitack Lim
Founded on – 1959

24. Amnesty International
Headquarters – London, UK
Head – Salil Shetty
Founded on – July 1961

25. Commonwealth of Nations
Headquarters – London, UK
Head – Queen Elizabeth II
Founded on – 28 April 1949

26. International Atomic Energy Agency (IAEA)
Headquarters – Vienna, Austria
Head – Yukiya Amano
Founded on – July 29, 1957

27. United Nations Industrial Development Organisation (UNIDO)
Headquarters – Vienna, Austria
Head – Li Yong
Founded on – 1966

28. Organization of Petroleum Exporting Countries (OPEC)
Headquarters – Vienna, Austria
Head – Mohammed Barkindo
Founded on – 1961

29. International Olympic Committee (IOC)
Headquarters – Lausanne, Switzerland
Head – Thomas Bach
Founded on – 23 June 1894

30. International Cricket Council (ICC)
Headquarters – Dubai, UAE
Head – David Richardson (CEO)
Founded on – 15 June 1909

31. The Fédération Internationale de Football Association (FIFA)
Headquarters – Zurich, Switzerland
Head – Gianni Infantino
Founded on – 21 May 1904

32. World Wide Fund for Nature (WWF)
Headquarters – Avenue du Mont-Blanc, Gland, Vaud, Switzerland
Founded on – 29 April 1961

33. Food & Agricultural Organisation (FAO)
Headquarters – Rome, Italy
Head – Jose Graziano da Silva
Founded on -16 October 1945

34. International Court of Justice (ICJ)
Headquarters – The Hague, The Netherland
Head – Ronny Abraham
Founded on -1945

***

5 Year Plan

Five Year Plans in India

India's planning is based on the 5 years plans

The concept of 5-year plan has been borrowed from the constitution of USSR/ Russia

The concept of planning in India was given in the year 1934 by Mr. M Vishveshvarya

The National Planning Commission was setup in the year 1938

Bombay Plan was given in the year 1944 by the top industrialist of India

Gandhian Plan was given in the year 1944 by Mr. S.N Agarwal

Labor leader Mr. M N Roy gave people's plan in the year 1945

Sarvodaya Plan was given by Lok Nayak Jaiprakash Narayan in the year 1950

Planning Commission was set up in the year 1950

National Development Council was set up in the year 1952

NITI Aayog was set up in the year 2015

Five Years Plans in India

First five year plan (1951-1956)

- To reconstruct the economy that was damaged due to repercussion effect of partition of India and world war.
- Construction of the roads, extending the transport and communication facilities and constructing the irrigation and water electricity projects were given priority which helps in proper growth and development of the country.
- Community development program was launched in 1952.
- It plans to constitute administrative and organizational set up necessary for enforcing the development programmes.
- To introduce the mechanism in the economy this helps in checking the Inflationary pressure.
- To enhance the capacity of production in the economy.
- To improve the food availability in the country.

Under the first year plan provision was made to spend a sum of Rs 2378 crore. But the actual expenditure amounted to Rs.1960 crore. In this plan agriculture was given highest priority.

Target growth rate was 2.1% in the plan period. But this plan was more than a success, achieve annual compound growth rate of 3.6% because of good harvest of last two years.

Second five year plan (1956-1961)

Model prepared by Professor P.C. Mahalanobis is being used in this plan. The fundamental objective of this plan was to initiate and accelerate the process of industrialization in a country.

- Hydroelectric power projects and five steel power plants were established in Durgapur ,Rourkela and Bhilai
  - The actual growth rate achieved in this plan was 4.2% as compared to the target rate, which was 4.5%.
  - To increase the annual capital investment rate from 7% to 11% by 1960-61.
  - Expansion in employment opportunities.
  - During the plan period, per capita income growth rate was only 1.9% per annum but the growth rate of national income was 4.27% in the same period.
  - This plan was hindered by the rising inflation rate in the economy. The price level in the economy was become more than double as compared to the first plan.
  - The atomic energy commission in department of atomic energy was established on March 1st 1958.
  - The main stress was on the development of heavy industries which helps in the fast progress of industrialization in the country.
  - Hypothetical capital output ratio is being used which is 2:1 but in actuality in this plan period it was 3.40:1 on the basis of 1980-81 prices.

Third Five Year Plan (1961-1966)

To push up the economy to the take off stage of development and self-sustaining growth in the country is the basic objective of this plan.

- To attain more than 5% annual growth rate.
- National income should grow at 30%.
- Per capita income should grow at annual level of 17%.
- To restrict the import of food grains there is a need of attaining the self-sufficient position in food grain availability.
- A target of 6%annual growth rate for food grains and 14% annual growth rate target was fixed for industrial production.
- The actual achieved growth rate of national income was 2.5%, against the target of 5% per annum.
- The actual growth rate of per capita was only 0.2% per annum.
- This plan miserably fails due to war with china and Pakistan during this plan period.
- Drought was faced by India which also plays its role in the failure of plan.
- It also aims at expanding the basic good industries to follow up the industrialization process in the economy.
- It ensures the proper utilization of all resources which are available to the country.

Three annual plans (plan holiday 1966-1969)

The fourth plan was scheduled to begin from April 1, 1966, but due failure of the third plan, production in various sector became stagnant.

- In 1966 the government of India declared devaluation of rupees but favourable results could not be obtained.
- During this period main focus is on the agricultural activities.
- The transition period of agriculture begins in 1966 when green revolution takes place in the country. High yielding varieties of seeds is being used in the production of rice, wheat, jowar, bajra, and maize to enhance their productivity level. For efficient use of this technique better irrigation facility, fertilizers, pesticides have being developed in the country.
- The growth target was not set for these three years but the actual growth rate was 3.9%
- In this plan economy tries to overcome from the failure faced by the country during third plan.
- After absorbing the shocks of third plan period it tries to make a way out for growth and development in the country.

Fourth Five Year Plan (1969-1974)

The two principal objectives of 4th plan were sustainable growth and self-dependence. To achieve these two objectives certain targets were laid down:

- To ensure growth rate of 5.7% for economic development of the country.
- In agriculture 5% and in industrial production 8% to 10% growth target is set.
- To develop backward areas and to remove the regional imbalances.
- Regulation and control over the money supply for the purpose of stabilizing the prices in the economy.
- Maintaining the buffer stock so that problem of food crises does not arises in the country.
- Family planning programmes was introduced during this plan period, for improving the living standard and to keep a check on population growth in the country.
- To create employment opportunities for reducing the involuntary unemployment.
- To establishes the economic equality.
- Production of commodities of general consumption has been increased.

During the fourth plan, the annual growth rate of national income (1993-94 prices) was only 3.8% lower than the target growth. The annual growth rate of industrial production was only 4% which was lower than the target growth rate. In 1971 India's war with Pakistan and liberation war in Bangladesh hampers the industrial development because the funds which are supposed to be used for industrial development are utilized on after war effort. Prices increased about 61%.Nationalisation of 14 banks and first underground nuclear test was also performed during this period.

Fifth Five Year Plan (1974-1979)

The fifth plan was structured by DD Dhar. The basic objectives of the plan were 'removal of poverty' (Garibi Hatao) and self-dependence

- National programmes for essential needs in which supply of drinkable water, education at primary level, provide medical help to rural households, and electrification of the villages and cleanliness of the suburbs were included.
- In this plan more emphasis is placed on the policy of import substitution and export promotion for the betterment of the people of the country.
- There should be optimum collection and distribution system to provide benefits to the weaker section of the country.
- Unnecessary consumption should be avoided.
- For reducing the regional and social inequalities various fiscal policies and institutional measures have been introduced by the government.
- Production of commodities of general use which plays important role in day to day life was emphasized.
- Many programs were introduced in the plan period on social welfare.
- The target growth rate was 4.4% but the actual growth rate achieved was 4.7%.
- When the janta government came into power, this plan was closed in 1978 one year before its closing period which is in 1979.

Rolling Plan (1978 – 1980)

After fifth plan ended before its time period there are two phases of sixth plan. When janta government in power the plan for (1978-1983) were introduced but this plan lapses before its time period because the congress came into power and terminated the plan and a new plan was introduced in the country for the period of (1980-1985).

Rolling plan is plan by janta government for two years which is (1978-1980).

In 1979-1980 growth rate was -5.2 %(negative).

Sixth Five Year Plan (1980-1985)

- The first phase of sixth plan was introduced by janta government but it was abandoned by the congress and a new Sixth plan was introduced for the period 1980-1985.
- Increase in national income, modernization of technology, rapid development of the domestic sources of energy and stress on the efficient use of the energy resources.
- Ensure continuous decrease in poverty and unemployment.
- Minimum need programme was introduced for the qualitative improvement in the living standard of the poor people of the country.
- Stress on minimization of regional disparities.
- To ensure the participation of all categories of people in development process by adopting institutional strategies.
- Family planning methods was adopted for population control.
- 5.2% was the growth target but the economy has achieved the growth rate of 5.7%.

Seventh Five Year Plan (1985-1990)

- This plan emphasis on self-dependence on food grains production, increase in the rate of employment, with special focus on social justice.
- The major objectives was to establish a social system based on equality and justice, to encourage self-reliance by export promotion and import substitution, energy protection and development of non-traditional energy sources, ecological and environmental protection.
- The growth rate of 5.8% was achieved in the economy during the plan as compared to the target growth rate which was 5.0%.

Annual Plan (1990-1992)

- Due to political changes at the centre the government was not able to introduce the eighth plan on the scheduled time.
- Balance of payments account is worsening during this time.
- Inflation rate in 1991 was at high level specially prices of food items increases rapidly in this year.

- The government was under the danger of falling into the debt trap.
- The growth rate of 3.4% was achieved during this period.

Eighth Five Year Plan (1992-1997)

- Human development in various aspects is the basic motto of eighth plan.
- Priorities were given in the plan to create sufficient employment opportunities, to impose restrictions on population explosion by seeking people's cooperation, to make provision for primary health care facilities and vaccination in all the villages to cover entire population, to strengthen the basic infrastructure (energy, transport, communication, irrigation,) in order to support the development process.
- The average annual growth rate in agricultural and alied activities has been estimated at 3.9% while the target was 3.5%.
- During the 8th plan the services like trading, hotels, transport and communication made a good progress.
- The inflation rate based in whole sale price index was come down to 3.8% which was 16.3% in 1991.
- The fiscal deficit during 1990-1991 was 8.3% of GDP but during the plan period it came down to 5.23%.
- The plan has achieved a growth rate of 5.8% but the target was set to the level of 5.6% in the economy.

Ninth Five Year Plan (1997-2002)

The main focus of the ninth plan was 'growth with equity and distributive justice'.

In order to achieve this objective following four fields were identified -:

- Quality of life – To ensure a better life to the poor people, measures for poverty elimination and providing minimum basic services were adopted which help in creating assets and integrate these people for the development of the country. Private investors are interested only in profits so they generally do not participate in basic service sector. The state takes the responsibility of this sector to improve the quality of life of the people in the country.
- Employment promotion – It focused in creating job opportunities by developing technology in various sectors. To break the vicious circle of poverty national employment assurance scheme is introduced in this period.
- Regional imbalances – For removing regional imbalance, the speed of industrialization in the less developed area was given priority in the ninth plan.
- Self- dependence – In order to achieve self-dependence the following areas are given priority-:
  - i) To ascertain the balance of payment.
  - ii) To check the burden of foreign debt and also give measure to curtail them.
  - iii) Proper utilization and protection of natural resources.
  - iv) To attain self-sufficiency in food grains and technology.
  - v) To increase dependence on non-debt income for the purpose of development.

The economy was only able to achieve the growth rate of 5.5% as compared to the target which was set to 6.5%.

Tenth Five Year Plan (2002-2007)

The main focus of the Tenth Five-Year Plan was:

- Universal access to primary education by 2007.
- 15% in poor blocks and 25% in normal blocks is the essential amount required to extend the funds of gram-sabha during 10th plan.
- Food for work programme in place of employment programmes.
- For improving the conditions of the poor people especially agricultural labor great stress is given to agricultural sector.
- Sectors like real estate, transport small scale industries, transport, IT-enabled services should grow at the accelerated rate during the 10th plan period to get high job opportunities in these sectors of the economy.
- Maternal mortality rate (MMR) should be reduced to twenty per thousand live births at the end of 2007 and to ten per thousand live births at the end of 2012.

- Infant mortality rate (IMR) should be reduced to forty five per thousand live births by 2007 and to twenty eight per thousand live births at the end of 2012.
- The target growth rate was 8.1% but the economy was able to achieve only 7.8%.

Eleventh Five Year Plan (2007-2012)
The basic components of this plan include broad based improvement in life of weaker /backward section of the society like SCs/STs, other backward classes (OBCs) etc.
Major objectives of 11th plan are as follows -:

- Manufacturing sector is targeted to grow at 12%
- Total fertility rate stand at 2.1 with the completion of the plan.
- Reduce anemia among women and girls by 50%with completion of the plan.
- It ensures the electricity connection to the rural people.
- Create 58 million new work opportunities.
- Ten percent decrease in the headcount ratio of poverty.
- 33% share in government schemes belongs to the female members of the country.
- Treatment of water waste by the end of 2011-2012.
- Efficiency of energy should be increased to 20% by 2016-2017.
- Educational unemployment should be below 5%.
- Increase of 20% in the real wage rate of those workers who are unskilled.
- Five percent increase in forest and tree cover.

The target growth rate was 8.1% but the economy in this period achieves a growth rate of 7.9%.

Twelfth Five Year Plan (2012-2017)
The basic components are to enhance the capacity for rapid growth in various sectors of the economy.
The main objectives of the plan -:

- Real GDP must grow at the rate of 8%.
  - Agriculture sector must grow at the rate of 4%
  - Manufacturing sector must grow at the rate of 7.1%.
- Industrial sector must grow at the rate of 7.6%.
- Service sector must grow at the rate of 9%.
- On an average the states of the country grows at a rate which is more than the rate of growth in 11th plan.
- Head count ratio of consumption poverty to be reduced by 10 percentage points over the preceding estimates by the end of twelfth five year plan.
- Employment opportunities around 50 million in sectors other than agricultural.
- On completion of 12th plan mean years of schooling should be seven years.
- Reduce infant mortality rate (IMR) to 25 per 1000 live births and maternal mortality rate to 1 per 1000 live births, and child sex ratio (0-6) to 950 by the end of twelfth five year plan.
- Reduce total fertility rate to 2.1 by the end of twelfth five year plan.
- Increase rural tele density to 70 percent with the completion of twelfth five year plan.
- Eastern and western freight corridors must be completed by the end twelfth five year plan.
- Technology and innovation is the key of higher productivity so the resources should be moved towards this direction.
- Funds should be allocated to provide adequate transport infrastructure to minimize the cost of transportation.
- Increase the banking services so that every household enjoy the facility of banking.
- Direct cash payment method came in place of
- subsidies so that it will help in keeping the track of government money.
- To over the food and nutritional insecurities steps taken for sustainable growth in agricultural sector.
- One million hectare increase in green cover.
- Various measures should be taken to improve the health indicators

Growth Rate during the Five Year Plans

Particulars	Target growth rate	Actual growth rate
First plan	2.1%	3.6%
Second plan	4.5%	4.2%
Third plan	5.6%	2.8%
Annual plan	NA	3.9%
Fourth plan	5.7%	3.3%
Fifth plan	4.4%	4.7%
Annual plan	NA	-5.2%
Sixth plan	5.2%	5.7%
Seventh plan	5.0%	5.8%
Annual plan	NA	3.4%
Eighth plan	5.6%	5.8%
Ninth plan	6.5%	5.5%
Tenth plan	8.1%	7.8%
Eleventh plan	8.1%	7.9%
Twelfth plan(initial)	9-9.5 %	8.0 %

***

Welfare Schemes by Government of India

Pradhan Mantri Jan Dhan Yojana (PMJDY)
Launched: 28 August 2014
Main Objective:
Financial inclusion and access to financial services for all households in the country.
Pradhan Mantri Jan Dhan Yojana (PMJDY) is a national mission to bring comprehensive financial inclusion of all the households in the country. Under the PMJDY, any individual above the age of 10 years and does not have a bank account can open a bank account without depositing any money.

Pradhan Mantri Sukanya Samriddhi Yojana (PMSSY)
Launched: 22 January 2015
Main Objective:
Secure the future of girl child
Sukanya Samriddhi Yojana is an ambitious small deposit savings scheme for a girl child. Under the scheme, a saving account can be opened in the name of girl child and deposits can be made for 14 years. After the girl reach 18 years of age, she can withdraw 50% of the amount for marriage or higher study purposes.
After the girl completes 21 years of age, the maturity amount can be withdrawn including the interest at rates decided by Government every year.

Pradhan Mantri MUDRA Yojana (PMMY)
Launched: 8 April 2015
Main Objective: Financial support for growth of micro enterprises sector.
Pradhan Mantri MUDRA (Micro Units Development and Refinance Agency) Yojana was launched with the purpose to provide funding to the non-corporate small business sector. Pradhan Mantri Mudra Yojana (PMMY) is open and is available from all Bank branches across the country.
The small businesses/startups or entrepreneurs can avail loans from Rs. 50 thousand to 10 Lakh to start/grow their business under the three, Shishu, Kishore and Tarun categories of the scheme.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
Launched: 9 May 2015
Main Objective:
Provide life insurance cover to all Indian citizens
Pradhan Mantri Jeevan Jyoti Bima Yojana is a government backed life insurance scheme in India aimed at increasing the penetration of life insurance cover in India. The scheme is open and available to all Indian citizens between the age of 18 to 50 years.
Under the scheme, the policy holder can get a life insurance cover of Rs. 2 Lakh with an annual premium of just Rs. 330 excluding service tax. All the Indian citizens between 18-50 years of age with a saving bank account are eligible to avail the scheme.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)
Launched: 9 May 2015
Main Objective:
Provide accidental insurance cover to all Indian citizens
Pradhan Mantri Suraksha Bima Yojana is also a government backed accident insurance scheme in India aimed at increasing the penetration of accidental insurance cover in India. The scheme is open and available to all Indian citizens between the age of 18 to 70 years.
Under the scheme, the policy holder can get a life insurance cover of Rs. 2 Lakh with an annual premium of just Rs. 12 excluding service tax. All the Indian citizens between 18-70 years of age with a saving bank account are eligible to avail the scheme.

Atal Pension Yojana (APY)
Launched: 9 May 2015
Main Objective:
Increase the number of people covered under any kind of pension scheme.
Atal Pension Yojana is one of the three Jan Suraksha schemes launched by PM Narendra Modi. APY is aimed at increasing the number of pension scheme beneficiaries across the country. The scheme is especially targeted to the private unorganized sector and is open to all Indian citizens between the age of 18 to 40 years.

Under the scheme, the beneficiary have to make contribution for at least 20 years before he/she can get pension after attaining age of 60 years. The scheme provides a monthly pension of Rs 1000 to Rs. 5000 per month based on the contribution amount.

Pradhan Mantri Awas Yojana (PMAY)
Launched: 25 June 2015
Main Objective:
Achieve housing for all by the year 2022, 2 crore in Urban and 3 Crore homes in Rural areas.
Pradhan Mantri Awas Yojana is an ambitious scheme of Narendra Modi Government. Under the PMAY, the government aims to provide about 5 Crore affordable homes to the people belonging to EWS and LIG categories by the year 2022. There is a target of building 2 crore homes in urban area and 3 crore in rural areas across the country. Under the scheme, the government will provide financial assistance to the poor home buyers, interest subsidy on home loan and direct subsidy on homes bought under the scheme.

Sansad Adarsh Gram Yojana (SAGY)
Launched: 11 October 2014
Main Objective:
Social, cultural, economic, infrastructure developments in the villages, i.e. development of model villages called "Adarsh Gram"
Under the Yojana, Members of Parliament (MPs) will be responsible for developing the socio-economic and physical infrastructure of three villages each by 2019, and a total of eight villages each by 2024.

Pradhan Mantri Fasal Bima Yojana (PMFBY)
Launched: 11 October 2014
Main Objective:
Provide insurance cover to rabi and kharif crops and financial support to farmers in case of damage of crops.
In order to make crop insurance simpler and cheaper for the farmers and to provide them with better insurance services, a Central Sector Scheme of Pradhan Mantri Fasal Bima Yojana (PMFSY) was launched by the Government of India replacing NAIS and MNAIS.

Under the new scheme, farmers will have to pay a uniform premium of two per cent for all kharif crops and 1.5 per cent for all rabi crops.
The scheme will be implemented from the kharif season this year, i.e. 2016.

Pradhan Mantri Gram Sinchai Yojana (PMGSY)
Launched: 01 July 2015
Main Objective:
Irrigating the field of every farmer and improving water use efficiency to provide `Per Drop More Crop'.
The scheme is aimed to attract investments in irrigation system at field level, develop and expand cultivable land in the country, enhance ranch water use in order to minimize wastage of water, enhance crop per drop by implementing water-saving technologies and precision irrigation.
All the States and Union Territories including North Eastern States are covered under the programme.
The government has approved Rs.50,000 crore for the implementation of Pradhan Mantri Krishi Sinchai Yojana for next 5 years, i.e. up to 2020.

Pradhan Mantri Garib Kalyan Yojanay (PMGKY)
Launched: April 2015
Main Objective:
Implement the pro-poor welfare schemes in more effective way and reaches out to more poor population across the country.
Garib Kalyan Yojana is a Poverty Alleviation Scheme, which is primarily a work shop that you can pay and attend. The effort of the campaign and workshop is to motive and appraise the member of parliaments to help them effectively implement the government run schemes for the welfare of poor in the country.

Pradhan Mantri Jan Aushadhi Yojana (PMJAY)
Launched: March 2016 (Expected)
Main Objective:
Provides drugs/medicines at affordable cost across the country.
The scheme is a new version of earlier Jan Aushadhi Yojana, to be renamed as Pradhan Mantri Jan Aushadhi Yojana, the scheme aims to open 3000 Jan Aushadhi stores to sell drugs at affordable cost.

Under the scheme, over 500 medicines will be sold through Jan Aushadhi stores at price less than the market price. Private hospitals, NGO's, and other social groups are eligible to open the Jan Aushadhi stores with a onetime assistance of Rs. 2.5 Lakh from the central Government.

Make In India
Launched: 25 September 2014
Main Objective:

To encourage multi-national, as well as domestic companies to manufacture their products in India and create jobs and skill enhancement in 25 sectors.

The major objective behind the initiative is to focus on job creation and skill enhancement in 25 sectors of the economy. The initiative also aims at high quality standards and minimising the impact on the environment. The initiative hopes to attract capital and technological investment in India.

Swachh Bharat Abhiyan
Launched: 2 October 2014
Main Objective:

To fulfil Mahatma Gandhi's dream of a clean and hygienic India.

Swachh Bharat Mission is being implemented by the Ministry of Urban Development (M/o UD) and by the Ministry of Drinking Water and Sanitation (M/o DWS) for urban and rural areas respectively.

Kisan Vikas Patra
Launched: 3 March 2015 (Re-Launched)
Main Objective:

To provide safe and secure investment avenues to the small investors.

Kisan Vikas Patra is an investment scheme wherein the invested money will get doubled in 8 years and 4 months. However, investors would not get any tax benefit for their investment in Kisan Vikas Patra unlike in PPF. The Kisan Vikas Patra certificates would be available in the denominations of Rs 1,000, 5,000, 10,000 and 50,000 and there is no upper limit on investment in KVPs.

Soil Health Card Scheme
Launched: 17 February 2015
Main Objective:
To help farmers to improve productivity from their farms by letting them know about nutrient/fertilizer requirements for their farms.
The soil health card studies and reviews the health of soil or rather we can say a complete evaluation of the quality of soil right from its functional characteristics, to water and nutrients content and other biological properties. It will also contain corrective measures that a farmer should adopt to obtain a better yield.

Digital India
Launched: 1 July 2015
Main Objective:
To deliver Government services to citizens electronically by improving online infrastructure and by increasing Internet connectivity.
The Digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. The vision of Digital India programme is to transform India into a digitally empowered society and knowledge economy.

Skill India
Launched: 16 July 2015
Main Objective:
Train over 40 crore people in India in different skills by 2022.
The main goal of Skill India Program is to create opportunities, space and scope for the development of talents of the Indian youth. The scheme also targeted to identify new sectors for skill development and develop more of those sectors which have already been put under skill development for the last so many years.

Beti Bachao, Beti Padhao Yojana
Launched: 22 January 2015
Main Objective:
To generate awareness and improving the efficiency of welfare services meant for women.
The scheme is to have as focussed intervention and multi-section action in almost 100 districts with low Child Sex Ratio (CSR).

Mission Indradhanush

Launched: 25 December 2014
Main Objective:

To immunize all children as well as pregnant women against seven vaccine preventable diseases namely diphtheria, whooping cough (Pertussis), tetanus, polio, tuberculosis, measles and hepatitis B by 2020.

The aim of Mission Indradhanush is to achieve full immunization in 352 districts which includes 279 mid priority districts, 33 districts from the North East states and 40 districts from phase one where huge number of missed out children were detected.

Deen Dayal Upadhyaya Gram Jyoti Yojana

(DDUGJY)

Launched: 25 July 2015
Main Objective:

Electric supply feeder separation (rural households & agricultural) and strengthening of sub-transmission & distribution infrastructure including metering at all levels in rural areas.

DDUGJY will help in providing round the clock power to rural households and adequate power to agricultural consumers. The earlier scheme for rural electrification viz. Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) has been subsumed in the new scheme as its rural electrification component.

Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY)

Launched: 25 July 2015
Main Objective:

To achieve inclusive growth, by developing skills and productive capacity of the rural youth from poor families.

DDU-GKY aims to train rural youth who are poor and provide them with jobs having regular monthly wages. It is one of the cluster initiatives of the Ministry of Rural Development that seeks to promote rural livelihoods. It is a part of the National Rural Livelihood Mission (NRLM) – the Mission for poverty reduction called Aajeevika.

Pandit Deendayal Upadhyay Shramev Jayate Yojana (PDUSJY)

Launched: 16 October 2014
Main Objective:

To consolidate information of Labour Inspection and its enforcement through a unified web portal, which will lead to transparency and accountability in inspections.

A Unified Labour Portal, known as the Shram Suvidha portal was launched under the scheme as a platform to facilitate the implementation of a transparent system for information and database management.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

Launched: 24 June 2015
Main Objective:

Providing basic services (e.g. water supply, sewerage, urban transport) to households and build amenities in cities which will improve the quality of life for all, especially the poor and the disadvantaged.

The purpose of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) is to (i) ensure that every household has access to a tap with assured supply of water and a sewerage connection; (ii) increase the amenity value of cities by developing greenery and well maintained open spaces (e.g. parks); and (iii) reduce pollution by switching to public transport or constructing facilities for non-motorized transport (e.g. walking and cycling).

Swadesh Darshan Yojana

Launched: 09 March 2015
Main Objective:

Develop world class tourism infrastructure.

As part of the Swadesh Darshan Scheme, theme based tourism circuits (TBCT) around specific themes such as religion, culture, ethnicity, niche, etc. are identified for infrastructure development across the country.

PRASAD (Pilgrimage Rejuvenation and Spiritual Augmentation Drive)
Launched: 09 March 2015
Main Objective:
Develop world class tourism infrastructure in Amritsar, Ajmer, Amaravati, Dwaraka, Gaya, Kanchipuram, Kedarnath, Kamakhya, Mathura, Puri, Varanasi and Vellankani.
PRASAD scheme aims to create spiritual centres for tourism development within the nation. As part of mission strategy, religious destinations that have potential to be show-cased as world-class tourism products are identified and infrastructure is developed on a priority basis.

National Heritage City Development and Augmentation Yojana (HRIDAY)
Launched: 21 January 2015
Main Objective:
Bringing together urban planning, economic growth and heritage conservation in an inclusive manner to preserve the heritage character of each Heritage City.
With a duration of 27 months (completing in March 2017) and a total outlay of INR 500 Crores, the Scheme is being implemented in 12 identified Cities namely, Ajmer, Amaravati, Amritsar, Badami, Dwarka, Gaya, Kanchipuram, Mathura, Puri, Varanasi, Velankanni and Warangal. The scheme is implemented in a mission mode.
Udaan Scheme
Launched: 14 November 2014
Main Objective:
Encouraging girls for higher technical education and aims to provide a platform that empowers girl students and provides them with better learning opportunities.
It is a mentoring and scholarship scheme to enable meritorious girl students to transit from schools to technical education without much difficulty and also aims to enrich and enhance teaching and learning of mathematics and science at senior secondary school level by providing free online resources for all.

National Bal Swachhta Mission
Launched: 14 November 2014
Main Objective:
To provide hygienic and clean environment, food, drinking water, toilets, schools and other surroundings to the children.
The Bal Swachhta Mission is a part of the nationwide sanitation initiative of 'Swachh Bharat Mission' launched by the Prime Minister on 2nd October, 2014.

One Rank One Pension (OROP) Scheme
Launched: NA
Main Objective:
To provide same pension, for same rank, for same length of service, irrespective of the date of retirement.
This is not a Modi Government scheme, however, the government is making its efforts to implement the long pending scheme.

Smart City Mission
Launched: 25 June 2015
Main Objective: To develop 100 cities all over the country making them citizen friendly and sustainable
Under the mission, the NDA Government aims to develop smart cities equipped with basic infrastructure and offer a good quality of life through smart solutions. Assured water and power supply, sanitation and solid waste management, efficient urban mobility and public transport, robust IT connectivity, e-governance and citizen participation along with safety of its citizens are some of the likely attributes of these smart cities.

Gold Monetisation Schemes
Launched: 04 November 2015
Main Objective:
To reduce the reliance on gold imports over time.
The programme is to lure tonnes of gold from households into the banking system. Under the scheme, people can deposit gold into the banks and earn interest based on the value of the gold.

Startup India, Standup India
Launched: 16 January 2016
Main Objective: To provide support to all start-up businesses in all aspects of doing business in India.
Under the scheme, the start-ups will adopt self-certification to reduce the regulatory liabilities. An online portal, in the shape of a mobile application, will be launched to help start-up founders to easily register. The app is scheduled to be launched on April 1.

DigiLocker
Launched: 01 July 2015
Main Objective:
To provide a secure dedicated personal electronic space for storing the documents of resident Indian citizens.
It is a part of Digital India programme, Digital Locker has been designed to reduce the administrative overhead of government departments and agencies created due to paper work.
It will also make it easy for the residents to receive services by saving time and effort as their documents will now be available anytime, anywhere and can be shared electronically.

Integrated Power Development Scheme (IPDS)
Launched: 18 September 2015
Main Objective:
To ensure 24/7 power for all.
The Government of India will provide financial support of Rs. 45,800 crore over the entire implementation period of IPDS under which strengthening of sub-transmission network, metering, IT application, customer care Services, provisioning of solar panels will be implemented.

Shyama Prasad Mukherji Rurban Mission
Launched: 21 February 2016
Main Objective:
To create 300 rural clusters across the country and strengthen financial, job, and lifestyle facilities in rural areas.
Rurban Mission is a solution for both villages and cities in the country that would promote growth of villages and its residents at the place where they are. Under the mission, the government will identify and develop 300 rural clusters with urban like facilities in the next 3 years.

Sagarmala Project
Launched: 31 July 2015
Main Objective:
To transform the existing ports into modern world class ports.
The prime objective of the Sagarmala project is to promote port-led direct and indirect development and to provide infrastructure to transport goods to and from ports quickly, efficiently and cost-effectively.
The Sagarmala Project, aimed at port-led development in coastal areas, is bound to boost the country's economy and the government has lined up about Rs 70,000 crore for its 12 major ports only

'Prakash Path' – 'Way to Light' – The National LED Programme
Launched: 05 January 2015
Main Objective:
To distribute LED bulbs and decrease the power consumption.
This is one of the many schemes launched by Narendra Modi government India. The programme has been launched to distribute and encourage the use of LED light bulbs to save both cost and consumption.

UJWAL Discom Assurance Yojana (UDAY)
Launched: 20 November 2015
Main Objective:
To obtain operational and financial turnaround of State owned Power Distribution Companies (DISCOMs).
The Scheme aims to reduce the interest burden, reduce the cost of power, reduce power losses in Distribution sector, and improve operational efficiency of DISCOMs.

Vikalp Scheme
Launched: 01 November 2015
Main Objective:
For confirmed accommodation in next alternative train for the waitlisted passengers.
Vikalp scheme is available only for the tickets booked through internet for six months and option will be limited to mail and express trains running on Delhi-Lucknow and Delhi-Jammu sectors.

National Sports Talent Search Scheme (NSTSS)
Launched: 20 February 2015
Main Objective:
To Identify sporting talent among students in the age group of 8–12 years.
The scheme is being implemented by the Sports Authority of India (SAI), under the Ministry of Youth Affairs & Sports for spotting talented young children in the age group of 8-14 years from schools and nurturing them by providing scientific training.

Rashtriya Gokul Mission
Launched: 16 December 2014
Main Objective:
To conserve and develop indigenous bovine breeds.
Rashtriya Gokul Mission aims to conserve and develop indigenous breeds in a focused and scientific manner. It is a focussed project under National Programme for Bovine Breeding and Dairy Development, with an outlay of Rs 500 crore during the 12th Five Year Plan.

PAHAL-Direct Benefits Transfer for LPG (DBTL) Consumers Scheme
Launched: 01 January 2015
Main Objective:
To send the subsidy money of LPG cylinders directly into the bank accounts of the consumers and increase efficiency & transparency in the whole system.
Under the scheme, the LPG consumer can now receive subsidy in his bank account by two methods. Such a consumer will be called CTC (Cash Transfer Compliant) once he joins the scheme and is ready to receive subsidy in the bank account.

The National Institution for Transforming India (NITI AAYOG)
Launched: 01 January 2015
Main Objective:
to foster involvement and participation in the economic policy-making process by the State Governments of India.
The National Institution for Transforming India (NITI) which replaced 65 year old Planning Commission will act more like a think tank or forum, in contrast with the Commission which imposed five-year-plans and allocated resources to hit set economic targets.

Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY)
Launched: 17 September 2015
Main Objective:
To Safeguard Health, Environment and Economic Conditions of the Tribals.
Pradhan Mantri Khanij Kshetra Kalyan Yojana (PMKKKY) is meant to provide for the welfare of areas and people affected by mining related operations, using the funds generated by District Mineral Foundations (DMFs).

Namami Gange Project
Launched: 10 July 2014
Main Objective:
To integrates the efforts to clean and protect the Ganga river in a comprehensive manner.
Namami Gange approaches Ganga Rejuvenation by consolidating the existing ongoing efforts and planning for a concrete action plan for future. The interventions at Ghats and River fronts will facilitate better citizen connect and set the tone for river centric urban planning process.

Setu Bharatam Project
Launched: 03 March 2016
Main Objective:
To free all national highways from railway level crossings and renovate the old bridges on national highways by 2019.
Setu Bharatam is an ambitious programme with an investment of Rs. 50,000 crore to build bridges for safe and seamless travel on National Highways.
208 new "road over bridges / road under bridges" are envisaged for construction, while 1500 bridges will be widened, rehabilitated or replaced.

Pradhan Mantri Ujjwala Yojana
Launched: 1 May 2016
Main Objective:
To distribute free LPG connections to the women belonging to 5 Crore BPL families across the country.
According the estimates, about 1.50 Crore BPL families will be benefited under the scheme in the year 2016-17. The scheme will cover 3.5 Crore more BPL families in the next two years. The scheme provides a financial support of Rs 1600 for each LPG connection to the BPL households.
This is the first ever welfare scheme by the Ministry of Petroleum and Natural Gas which would benefit crores of women belonging to the poorest households.

Rashtriya Gram Swaraj Abhiyan
Launched
Main Objective:
To help Panchayat Raj Institutions deliver Sustainable Development Goals.
It is a new proposed scheme announced in the union financial budget 2016-17 by the Finance Minister Mr. Arun Jaitley.
Rashtriya Gram Swaraj Abhiyan has been proposed with allocation of Rs. 655 crore.

Types of Companies

There are three types of Public Sector Companies in India

1. **Maharatna Company**
2. **Navratna Company**
3. **Mini Ratna Company**

1. **Mahartna Company**

- *The company already holds* Navratna status.
- It is listed on the Indian stock exchange fulfilling the minimum prescribed public shareholding according to the SEBI regulations.
- The Average annual turnover of company during the last 3 years is more than Rs. 25,000 crore.
- The Average annual net worth during the last 3 years is more than Rs. 15,000 crore.
- The Average annual net profit after tax during the last 3 years is more than Rs. 5,000 crore.
- The company should have significant global presence or international operations.

  Rs. 1,000 crore - Rs. 5,000 crore, or free to decide on investments up to 15% of their net worth in a project

There are 7 Maharatna namely:

- Bharat Heavy Electricals Limited
- Coal India Limited
- GAIL (India) Limited
- Indian Oil Corporation Limited
- NTPC Limited
- Oil & Natural Gas Corporation Limited
- Steel Authority of India Limited

Navratna Company

- The company must have 'Miniratna Category
- Along with the above, it should also have a composite score of 60 or above out of possible 100 marks in the 6 selected performance parameters

Net Profit to Net Worth

Manpower cost to cost of production or services

Gross margin as capital employed

Gross profit as Turnover

Earnings per Share

Inter-Sectoral comparison based on Net profit to net worth

Investment up to Rs. 1,000 crore or 15% of their net worth on a single project or 30% of their net worth in the whole year (not exceeding Rs. 1,000 crores).

There are 17 Navratna CPSEs in the country, these are:

- Bharat Electronics Limited
- Bharat Petroleum Corporation Limited
- Container Corporation of India Limited
- Engineers India Limited
- Hindustan Aeronautics Limited
- Hindustan Petroleum Corporation Limited
- Mahanagar Telephone Nigam Limited
- National Aluminium Company Limited
- National Buildings Construction Corporation Limited
- NMDC Limited
- Neyveli Lignite Corporation Limited
- Oil India Limited
- Power Finance Corporation Limited
- Power Grid Corporation of India Limited
- Rashtriya Ispat Nigam Limited
- Rural Electrification Corporation Limited
- Shipping Corporation of India Limited

Miniratna Company

Those PSEs that have shown profits in the last continuous three years and have positive net worth, can be considered eligible for grant of Miniratna status.

Presently, there are 73 Miniratnas in total.

The Miniratnas are divided in two categories – I and II.

Category I: These have made profits for the last three years continuously or earned a net profit of Rs. 30 crore or more in one of these three years.

Investment up to Rs. 500 crore or equal to their net worth, whichever is lower

There are 57 such companies.

1. Airports Authority of India
2. Antrix Corporation Limited
3. Balmer Lawrie & Co. Limited
4. Bharat Coking Coal Limited
5. Bharat Dynamics Limited
6. BEML Limited
7. Bharat Sanchar Nigam Limited
8. Bridge & Roof Company (India) Limited
9. Central Warehousing Corporation
10. Central Coalfields Limited
11. Chennai Petroleum Corporation Limited
12. Cochin Shipyard Limited
13. Dredging Corporation of India Limited
14. Kamarajar Port Limited
15. Garden Reach Shipbuilders & Engineers Limited
16. Goa Shipyard Limited
17. Hindustan Copper Limited
18. HLL Lifecare Limited
19. Hindustan Newsprint Limited
20. Hindustan Paper Corporation Limited
21. Housing & Urban Development Corporation Limited
22. HSCC (India) Limited
23. India Tourism Development Corporation Limited
24. Indian Rare Earths Limited
25. Indian Railway Catering & Tourism Corporation Limited
26. Indian Renewable Energy Development Agency Limited
27. India Trade Promotion Organization
28. IRCON International Limited
29. KIOCL Limited
30. Mazagaon Dock Limited
31. Mahanadi Coalfields Limited
32. Manganese Ore (India) Limited
33. Mangalore Refinery & Petrochemical Limited
34. Mishra Dhatu Nigam Limited
35. MMTC Limited
36. MSTC Limited
37. National Fertilizers Limited
38. National Seeds Corporation
39. NHPC Limited
40. Northern Coalfields Limited
41. North Eastern Electric Power Corporation Limited
42. Numaligarh Refinery Limited
43. ONGC Videsh Limited
44. Pawan Hans Helicopters Limited
45. Projects & Development India Limited
46. Railtel Corporation of India Limited
47. Rail Vikas Nigam Limited
48. Rashtriya Chemicals & Fertilizers Limited
49. RITES Limited
50. SJVN Limited
51. Security Printing and Minting Corporation of India Limited
52. South Eastern Coalfields Limited
53. State Trading Corporation of India Limited
54. Telecommunications Consultants India Limited
55. THDC India Limited
56. Western Coalfields Limited
57. WAPCOS Limited

Category II : These companies have made profits continuously for the last three years and must have a positive net worth.

Investment up to Rs. 300 crore or up to 50% of their net worth, whichever is lower

There are 16 such companies in this category.

1. Bharat Pumps & Compressors Limited
2. Broadcast Engineering Consultants (I) Limited
3. Central Mine Planning & Design Institute Limited
4. Central Railside Warehouse Company Limited
5. Ed.CIL (India) Limited
6. Engineering Projects (India) Limited
7. FCI Aravali Gypsum & Minerals India Limited

8. Ferro Scrap Nigam Limited
9. HMT (International) Limited
10. Indian Medicines & Pharmaceuticals Corporation Limited
11. MECON Limited
12. Mineral Exploration Corporation Limited
13. National Film Development Corporation Limited
14. National Small Industries Corporation Limited
15. PEC Limited

    Rajasthan Electronics & Instruments Limited

***

Budget and Taxation

The term Budget was used for the first time by the British Economist James Wilson in the year 1860

The Budget is the annual financial statement of any country for one financial year in India it is between 1st April to 31st March

The Budget is mentioned under article 112 of the Constitution of India

The Budget can be introduced only in the Lok Sabha where it should get passed by a simple majority after that it goes to the Rajya Sabha where it should also get passed by a simple majority if the Budget is passed by one house and not by the other house then in that case the Council of Ministers along with the Prime Minister is bound to resign

The general budget and the railway budget were both presented at the same time but since 1924 they both were presented separately but again from 2017 they both are presented at the same time

The Budget is presented by the Finance Minister of India every year and Mr. Morarji Desai holds therecord for presenting the budget for the maximum number of times

The first budget of India was presented by then Finance Minister RK Shanmukham Chetty on November 26, 1947.

The maximum number of 10 budgets have been presented by Morarji Desai. P Chidambaram is second in place to present eight budgets.

Pranab Mukherjee, Yashwant Sinha, YB Chavan and CD Deshmukh have presented seven budgets each in the past.

The difference between the house budget and country's budget is that the house budget is the budget of consumption and it is always a surplus budget where as the country's budget is a budget of investment and it is always a deficit budget

Revenues

The revenue is the money which the government of India earns in one financial year

The government of India earns revenues in two forms -

(i) Taxes

(i) Non-Taxes

Taxes

The taxes are of two types-

Direct Taxes

Direct taxes are those taxes which the point of incidence and the point of impact are both same. The direct taxes in India are collected by the Central Board for Direct Taxes

(i) Income Tax

Income Tax Act, 1961 imposes tax on the income of the individuals or Hindu undivided families or firms or co-operative societies (other tan companies) and trusts (identified as bodies of individuals associations of persons).

(ii) Corporation Tax

The companies and business organizations in India are taxed on the income from their worldwide transactions under the provision of **Income Tax Act, 1961**.

(iii) Property Tax

Property tax or 'house tax' is a local tax on buildings, along with appurtenant land, and imposed on owners. The tax power is vested in the states and it is delegated by law to the local bodies, specifying the valuation method, rate band, and collection procedures.

iv) Gift Tax

Gift tax in India is regulated by the Gift Tax Act which was constituted on 1st April, 1958. It came into effect in all parts of the country except Jammu and Kashmir. As per the **Gift Act 1958**, all gifts in excess of Rs. 50,000.

v) Wealth Tax

This tax has been abolished from 1st April 2016

vi) Toll Tax

This tax has been imposed on the use of the roads

vii) Sin Tax

This tax is not applicable in India this tax has been imposed on illegal activities.

Indirect Taxes

Indirect taxes are those taxes in which the point of incidence and the point of impact are both different. The indirect taxes in India are collected by the Central Board for Excise and Customs.

i) **Service Tax**
It is the type of tax which is paid on the services taken by the government

ii) **Entertainment Tax**
This tax is imposed by the state government on the entertainment sector

iii) **VAT**
This tax is imposed when the buyer and the seller is both in the same state

iv) **Sales Tax**
This tax is imposed when the buyer and the seller is in different states

v) **State Excise Duty**
This duty is imposed only on the production of the liquor. It is imposed by the State Government

vi) **Central Excise Duty**
This duty is imposed on the production of all the commodities and it is imposed by the Central Government

vii) **Customs Duty**
This duty is imposed on the imports and exports

viii) **Security Transaction Tax**
This tax is imposed on the transaction in the capital market

ix) **GST**
This tax has been imposed from 1st July 2017 and it is the merger of all the indirect taxes

Non-Taxes

The major source of income of the government from the Non -Taxes includes

1. Dividends- It is the part of the profit which is distributed amongst the share holders
2. Interest Payments- It is the money which the central government earns from the loans given to the state governments
3. Disinvestment- It is the process of privatization
4. Fees
5. Fine
6. Commissions

Expenditures

It is the money which the government spends in one financial year from the revenues earns by the government in one financial year

The government of India spends money in two ways

1. Planned Expenditure
2. Non-Planned Expenditure

1. Planned Expenditures is the expenditure which is mentioned in the five year plans they are also known as development expenditures they contribute directly in the economic growth of the country. These expenditures include
   i) Railways
   ii) Roads and Highways
   iii) Power Plants
   iv) PSU's
   v) Health
   vi) Education

2. Non-Planned Expenditures are those which are not mentioned in the five year plans they are also known as non-development expenditures as they do not contribute directly in the economic growth of the country. These expenditures include
   i) Defense
   ii) Subsidies
   iii) EMI's
   iv) Salaries
   v) Pension
   vi) Bonus

Revenue Deficit

It is the difference between the expenses and the revenues of the country

Revenue Deficit= Expenditure- Revenues

Sources of Deficit Financing

1. Imposition of the new taxes
2. Disinvestment
3. Borrowing
4. Printing of the artificial currency

Types of Budget

Balance Budget

It is the type of Budget in which the revenues and the expenditure are both same. It is the type of budget which is most common in the developed countries

Surplus Budget

It is the type of Budget in which the revenues is greater than the expenditures. This type of budget is most common in the underdeveloped countries

Deficit Budget

It is the type of Budget in which the expenditure is more than the revenues. This type of Budget is most common in the developing countries

Fiscal Deficit

Fiscal Deficit= Revenue Deficit + Borrowings +Interest Payments

Primary Deficit

Primary Deficit= Fiscal Deficit- Interest Payments

***