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28, 1st Main Road, CIT Nagar, Chennai - 35 (HO).
Mail Address: manidhanaeyam@gmail.com
Website: www.mntfreeias.com

PAPER - IV - UNIT - III
INDIAN ECONOMY - CURRENT ECONOMIC TRENDS AND IMPACT OF GLOBAL ECONOMY ON INDIA

பொது அறிவு
GENERAL STUDIES

கால அளவு: மூன்று மணி நேரம் | மொத்த மதிப்பெண்: 250
Duration : 3 Hours | Total Marks : 250

பிரிவு - அ
SECTION - A

(10 x 10 = 100)

1. இந்தியாவில் நிலச் சீர்திருத்தங்களின் பல்வேறு கூறுகளை விவரிக்க.
Describe the various components of Land Reforms in India.
   - **Abolition of the zamindari system:** This removed the layer of intermediaries who stood between the cultivators and the state. It kept in check the debt trap and increased the share of marginal and small farmers in the production cost.
   - **Tenancy reforms:** The rent paid by the tenants during the pre-independence period was exorbitant. Tenancy reforms introduced to regulate rent, provide security of tenure and confer ownership to tenants.
   - **Ceilings on landholdings:** It was to deter the concentration of land in the hands of a few. It ensured redistribution of land from big landlords to landless labourers ensuring land ownership, access to credit, and food security.

- **Consolidation of landholdings:** It prevented the subdivision and fragmentation of land holdings. It brought down the cost of cultivation and reduced litigation among farmers and generated higher incomes.
- **Cooperative farming:** Under the mechanism, each member farmer remains the owner of his land but farming is done jointly. Profit is distributed among the member farmers in the ratio of land owned.

Challenges with the land reforms:

- Land reforms were lengthy and cumbersome process.
- Benami transactions became a point of concern under land ceiling act.
- Digitisation of land records with efficiency and correct information will take time.

Conclusion:

- The pace of implementation of land reform measures has been slow but the objective of social justice has been achieved to a considerable degree. New and innovative land reform measures should be adopted with new vigour to eradicate rural poverty and improve the socio-economic conditions of marginal and small farmers.

2. **இந்தியாவின் கிராமப்புற கடன் அமைப்பில் முதன்மை வேளாண்மைக் கடன் சங்கங்களின் செயல்பாடு மற்றும் பங்கினை விளக்குக.**

Explain the role and functioning of primary agriculture credit societies in India's rural credit system.

- PACS are village level cooperative credit societies that serve as the last link in a three-tier cooperative credit structure headed by the State Cooperative Banks (SCB) at the state level.
- Credit from the SCBs is transferred to the District Central Cooperative Banks (DCCBs), that operate at the district level. The DCCBs work with PACS, which deal directly with farmers.
- PACSs provide short-term, and medium-term agricultural loans to the farmers for the various agricultural and farming activities.
- A report published by the Reserve Bank of India on December 27, 2022 put the number of PACS at 1.02 lakh. At the end of March 2021, only 47,297 of them were in profit.

Access to Credit:

- PACS provide small farmers with access to credit, which they can use to purchase seeds, fertilizers, and other inputs for their farms. This helps them to improve their production and increase their income.

Financial Inclusion:

- PACS help to increase financial inclusion in rural areas, where access to formal financial services is limited. They provide basic banking services, such as savings and loan accounts, to farmers who may not have access to formal banking services.

Convenient Services:

- PACS are often located in rural areas, which makes it convenient for farmers to access their services. This is important because many farmers are unable to travel to banks in urban areas to access financial services.
- PACS have the capacity to extend credit with minimal paperwork within a short time.

Promoting Savings Culture:

- PACS encourage farmers to save money, which can be used to improve their livelihoods and invest in their farms.

Enhancing Credit Discipline:

- PACS promote credit discipline among farmers by requiring them to repay their loans on time. This helps to reduce the risk of default, which can be a major challenge in the rural financial sector.

3. **தமிழ்நாட்டில் MSME துறையை மேம்படுத்துவதற்கான சாத்தியங்கள், சவால்கள் மற்றும் முன்முயற்சிகள் குறித்து விவாதிக்க.**

Discuss the potential, challenges, and initiatives for promoting of MSME sector in Tamil Nadu.

- The State now has the 3rd highest number of MSMEs in India. As per the 73rd National Sample Survey, 2015-2016, there are 49.48 lakhs MSMEs in Tamil Nadu (7.8% of the country's MSMEs).
- More than 99% of these MSMEs in the State are micro enterprises, 0.42% are small Enterprises and only 0.003% are medium Enterprises.
- In addition to this, over 51.25% of All MSMEs are located in rural areas. Tamil Nadu is a major player in key Manufacturing sectors such as leather products, Engineering goods, automotive components, castings, pumps and readymade garments. The State is also emerging as a hub for many sunrise Sectors like Electric Vehicles and Startups in the Areas of FinTech and Saas (Software as Service).
- MSME (Micro, Small, and Medium Enterprise) are regulated under the Micro, Small & Medium Enterprises Development (MSMED) Act, 2006.

- MSMEs are managed under the Ministry of MSME. Earlier, MSMEs were categorised based on the amount invested in plant and machinery/equipment.
- **The classification criteria are:** (a) Micro Enterprise: Investment in Plant and Machinery or Equipment is less than INR 1 crore and Annual Turnover is less than INR 5 crore; (b) Small Enterprise: Investment in Plant and Machinery or Equipment is less than INR 10 crore and Annual Turnover is less than INR 50 crore; (c) Medium Enterprise: Investment in Plant and Machinery or Equipment is less than INR 50 crore and Annual Turnover is less than INR 250 crore
- **Contribution to GDP and Exports:** In 2020-21, MSMEs accounted for 26.8% of Gross Value Added (GVA). The contribution of MSMEs in exports stood at 42.6% (April 2022-August 2022). The contribution of Manufacturing MSME Gross Value Added (GVA) contributed 38.4% of India's total Manufacturing GVA (2020–21).
- As Indian economy is poised to reach US$ 5 trillion status, the Ministry of MSME has set a goal of increasing its contribution to GDP to 50% by 2025.
- **Rural Development:** 51% of MSMEs are located in rural areas. In contrast to large corporations, MSMEs have aided in the industrialization of rural areas at a low capital cost. The sector has made significant contributions to the rural socioeconomic growth while also supplementing major industries.
- **Creation of Employment:** MSMEs are India's largest employer outside of agriculture. They employ over 11.1 crore people, or 45% of all workers, and have low capital and technology requirements. MSMEs are key to the Make in India mission.
- **Simple Structure:** Given India's middle-class economy, MSMEs offers the flexibility of starting with limited resources under the owner's control. As a result, making decisions becomes easier and more efficient. A large corporation, on the other hand, requires a specialist for every departmental function due to its complex organisational structure.
- **Innovation Promotion:** They support local resource mobilisation, capacity building, industrial development in rural areas, and give aspiring entrepreneurs a chance to develop innovative products. It has enormous potential for connecting India's MSME base with large corporations.

Multinational corporations are increasingly purchasing semi-finished and auxiliary products from small businesses.

- **Social Inclusion:** According to the Annual Report of The Ministry of MSMEs (2021-22), the socially backward groups owned almost 66.27% of MSMEs. In rural areas, almost 73.67% of MSMEs were owned by socially backward groups.

Challenges faced by MSME:

- **Financial Constraints:** This is a significant impediment for the MSME sector. Only 16% of SMEs have timely access to finance, forcing small and medium-sized businesses to rely on their own resources.
- **Lack of Formalisation:** Almost 86% of the country's manufacturing MSMEs are unregistered. Only about 1.1 crore of the 6.3 crore MSMEs are registered with the Goods and Services Tax (GST) regime, and the number of income tax filers is even lower. As a result of limited availability and access to data, as well as legacy underwriting methods, the credit requirement of Indian MSMEs' have largely gone unmet.
- **Access to Technology:** Majority of MSMEs use outdated technology that prevents them from keeping up with the modern world. Adoption of new technology and training employees is difficult and expensive, especially in manufacturing where both physical equipment and software are involved. Lack of access to IT education contributes to the technological gap. Another significant factor is a lack of awareness, which reduces willingness to invest in advanced technology solutions.
- **Skill Development:** Skilled employees are critical for business growth. Multinational corporations (MNCs) recognise this and place on-the-job training at the heart of their operations. Unfortunately, small-scale businesses fail to upskill their workforce, causing them to suffer unknowingly.
- **Creativity:** Businesses are becoming more knowledge-based, and their success and survival are inextricably linked to their creativity, and innovation.
- To remain competitive, MSMEs must learn and incorporate the process of innovation into their daily operations. However, they lack the resources and capacity to undertake innovations.
- **Competition:** Because of increased competition, Indian MSMEs are finding it difficult to sell their products in both domestic and international

markets. Small-scale enterprises face stiff competition from global counterparts as well as domestic giants due to their massive scale of operation (large corporations). While the government does provide protection for such small-scale businesses, competition remains largely one-sided.

- **Red-Tapism:** MSMEs require various approvals and entrepreneurs are forced to navigate various government departments in order to obtain construction permits, enforce contracts, pay taxes, start a business, and trade across borders. In addition, regulatory risks and policy uncertainty limit scaling-up of MSMEs.
- Providing Escort Services to the Entrepreneurs towards identification of viable activities and preparation of Project Profiles for assistance from financial Institutions/Banks.
- Organising Entrepreneurship and skilled Development Training Programmes.
- Facilitating MSMEs in getting various Statutory Approvals, Clearances, Licenses and their renewals through Single Window Clearance Mechanism.
- Facilitating Entrepreneur in filling UAM (Udyog Aadhaar Memorandum).
- Sanction and Disbursement of Incentives and Subsidies to MSMEs, as per MSME Policy of GoTN.
- Export Promotion through the Export Promotion Cell in the District Industries Centres.
- Facilitating MSMEs in getting payment of dues from the large Industries through the Micro and Small Enterprises Facilitation Councils.
- Implementing Credit Linked Subsidy Schemes, Rehabilitation Assistance Schemes and various other Schemes of Government of India in the State.
- The Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO)
- The Tamil Nadu Small Industries Corporation Limited (TANSI)
- Entrepreneurship Development and Innovation Institute – Tamil Nadu (EDII–TN)
- Promote entrepreneurship Education and self-employment Across the State
- Bureau for Facilitating MSMEs of Tamil Nadu (FaMeTN)
- Facilitate MSMEs in access to credit, Markets – domestic and international,

- Investment, skilling, sustainability and sector Specific initiatives.
- Tamil Nadu Startup and Innovation Mission (TANSIM)
- Provide an enabling ecosystem for startups in the State
- Provide and facilitate financial Support to startups and Incubators
- Tamil Nadu Industrial Cooperative Bank (TAICO Bank)
- New Entrepreneur cum Enterprise Development Scheme (NEEDS)
- Unemployed Youth Employment Generation Programme (UYEGP)
- Prime Minister's Employment Generation Programme (PMEGP)
- Covid Assistance and Relief to Entrepreneurs (CARE) Scheme
- Udyam Registration -Formalization of MSMEs is an important Function of the Commissionerate and the DICs Are facilitating the registration of MSMEs
- Low Tension Power Tariff (LTPT) Subsidy

Micro and Small Enterprises Facilitation Councils (MSEFC):

- MICRO CLUSTER DEVELOPMENT PROGRAMME
- The Government is implementing the Micro Cluster Development Programme from 2022-23 Onwards to setup Common Facility Centres (CFCs) For micro clusters in various sectors across the State
- Common Facility Centres (CFCs) under Micro Small Enterprises –Cluster Development Programme (MSE-CDP).
- To enhance the productivity and Competitiveness of the Micro and Small Enterprises, State and Central Government Grants are provided for setting up of Common Facility Centres under MSE-CDP Scheme.

Vaazhndhu Kaattuvom Project (VKP):

- Vaazhndhu Kaattuvom Project is World Bank funded project. EDII-TN is working with VKP project to train and strengthen the Enterprise community professionals (ECPs) and Nano entrepreneurs in the project areas.
- Innovation and Entrepreneurship Development Programme (IEDP)
- Bureau for Facilitating MSMEs of Tamil Nadu (FaMeTN)
- The Tamil Nadu Credit Guarantee Scheme (TNCGS)
- Credit Score for MSMEs
- Credit Score for MSMEs is being developed With the objective of making it easier for eligible
- MSMEs to secure loans at competitive interest Rates from formal financial institutions.

- Tamil Nadu Trade Receivables Discounting System (TN TReDS)
- Tamil Nadu Startup and Innovation Mission (TANSIM)
- Tamil Nadu Startup Seed Fund (TANSEED)

4. **உள்கட்டமைப்பு மேம்பாட்டிற்கான கதி சக்தி - தேசிய மாஸ்டர் திட்டத்தின் முக்கியத்துவம் மற்றும் முக்கிய அம்சங்கள் குறித்து விவாதிக்க.**

Discuss the significance and major features of Gati Shakti - National Master Plan for infrastructure development.

PM Gati Shakti Significance:

- The chief aim of the program is to enhance coordination among the various ministries and departments. India has been suffering from poor infrastructure for decades. The infrastructure creation domain had several inherent weaknesses.
- There was a lack of coordination between different departments, for example, once a road was constructed, other agencies dug up the constructed road again for activities like laying of underground cables, gas pipelines, etc.
- This not only caused great inconvenience but was also a wasteful expenditure.
- It will ensure last-mile connectivity by working with all stakeholders.
- Individual ministries and departments often worked in silos leading to poor planning and execution, which ultimately led to delays in the projects. This is where the Gati Shakti program hopes to bring a positive change.
- The digital plan will provide the entire data at one place with GIS-based spatial planning and analytical tools having 200+ layers, enabling better visibility to the executing agency.
- Gati Shakti will help ministries/departments plan cross-sectoral projects better, monitor the implementation, review the progress and make course corrections if necessary since all the information will now be available on the portal through satellite imagery.
- It is important to reduce logistics costs in India which is currently about 13% of GDP (which is quite high) causing decreased competitiveness of Indian exports in the global markets.
- By planning to close the gap between macro planning and micro implementation, Gati Shakti seeks to reduce the huge logistics costs.

Major Features:

- Gati Shakti is a digital platform that will bring 16 ministries and departments of the Government of India together and that includes the Railways and the Roadways also.
- The idea is to have a coordinated execution of infrastructure connectivity projects across the country.
- It is a Rs.100 lakh-crore project for developing 'holistic infrastructure'.
- The existing infrastructure schemes under various ministries will be incorporated into this plan, including Sagarmala, Bharatmala, UDAN scheme, inland waterways, etc.
- The master plan will also cover economic zones such as pharmaceutical clusters, textile clusters, defence corridors, industrial corridors, electronic parks, fishing clusters, and agri zones.
- It will also leverage technology extensively including spatial planning tools with ISRO imagery developed by BiSAG-N.
- The master plan will usher in the seamless movement of goods and people all across India.
- PM GatiShakti will provide the public and business community information regarding the upcoming connectivity projects, other business hubs, industrial areas and surrounding environment.
- Gati Shakti raises the possibility of future economic zones as well.
- The program has been launched as an umbrella integrator of ₹111-lakh crore worth of projects under the National Infrastructure Pipeline (NIP) for 2020-25.

5. **தொழில்புரட்சி 4.0 எவ்வாறு உலகப் பொருளாதார சக்தி மற்றும் தன்னிறைவு நிலையை அடைய இந்தியாவுக்கு உதவும் என்பதை ஆராய்க.**

Examine how the industrial revolution 4.0 will help India in attaining the status of world economic power and self – reliance.

Fourth Industrial Revolution:

- The Fourth Industrial Revolution is a continuation of the Third, the digital revolution that has been occurring since the middle of the last century.
- It is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres.
- This was coined by the World Economic Forum founder and Executive Chairman Klaus Schwab.

- The Fourth Industrial Revolution is a fusion of technologies like artificial intelligence (AI), robotics, the Internet of Things (IoT), 3D printing, genetic engineering, quantum computing, and other technologies.
- It's the collective force behind many products and services that are fast becoming indispensable to modern life.
- These are rapidly changing the way humans create, exchange, and distribute value.

There are four main effects that the Fourth Industrial Revolution has on business: on customer expectations, on product enhancement, on collaborative innovation, and organizational forms.

- It will tremendously improve the services and business models.
- The productivity of the businesses will be continuous hence lore reliable.
- There will be more security in the IT sector and the resources will be better utilized for customer satisfaction.
- The working conditions and safety of machines and workers will improve with the increased sophistication of the technology.
- With technology enabling businesses to offer greater personalization and more valuable, connected experiences across sectors, customer experience will transform for the better.

In India, the Industrial Revolution 4.0 is based on Big Data and Artificial Intelligence. The fourth revolution is expected to affect the Indian sectors inside out from villages to big industries.

- It will help provide better and affordable health care through AI-driven diagnostics, personalized treatment, etc.
- It can enhance the farmer's income by introducing technologies for crop improvement, better yield, real-time advisory, advanced detection of pest attacks, and prediction of crop prices to inform sowing practices.
- It will help strengthen infrastructure and improve connectivity from villages to cities- bridging the urban divide.
- The ease of living and ease of doing business will improve by the use of smart technologies.
- The smart city mission, drone policies, Gati Shakti scheme, etc, are the evidence of the revolution influencing the policy-making in the country.

6. பொதுத்துறை நிறுவனங்களின் முதலீட்டை விலக்குவதும் மக்கள் நலன் பேணும் அரசு என்ற கருத்தும் ஒன்றாகச் செல்ல முடியுமா - விமர்சன ரீதியாக ஆராய்க.

Can disinvestment of public sector enterprises and the notion of welfare state go together – critically examine.

Disinvestment Policy:

- The government of India has decided to privatise the Public sector enterprises in a gradual and phased manner through disinvestment.
- It will be done by bringing down government's equity shares in all non-strategic Public sector enterprises to 26% or lower.
- The Government has decided to permit up to 49% disinvestment of equity so that the government would continue to hold 51%.

Benefits of disinvestment policy:

Benefit of government:

- It will reduce government's debt.
- It will save resources by spending less on PSUs which can be used by government for welfare purposes.
- It will help in reducing fiscal deficit.
- It enables government to raise funds that can be used to strengthen physical and social infrastructure.

Benefit of society:

- It will increase government's focus on society welfare.
- It will ensure resources in the hands of public.
- Consumers will get better services.
- Companies will expand that will lead to more jobs.

Benefit of market:

- It would bring more competition into various sectors thus improving the quality of services.
- It will increase market profitability and hence companies' profits.

Benefit of PSUs:

- It will ensure modernisation of PSUs with changing times.
- It distributes loss and failure risks of PSUs to the private sector.

Issues in disinvestment policy:

- There are controversies about the prices at which some of the initial shares were sold, even though all the disinvestment has been done through an auction process.

- It has been just a resource raising exercise by the government than reforming PSU.
- The valuation of shares is affected by the decision not to reduce government holdings to less than 51 per cent.
- With the continuing majority ownership of the government the disinvested public enterprises would continue to operate within the constraints of the public sector.
- Loss making units don’t attract investment so easily.
- It may lead to emergence of private monopolies.
- Mere change of ownership from public to private does not ensure higher efficiency and productivity.
- It may lead to loss of jobs of many workers. Private sector governed by profit motive tends to use capital intensive techniques which will worsen unemployment problem in India.
- Divestment should not be seen as a short-term fiscal measure; instead, it should be part of a long-term plan to improve the production of goods and services in India. The government should strengthen the regulatory framework that ensures efficient market conditions.

7. **பசுமைப் புரட்சி பல வெற்றிகளைப் பெற்றிருந்தாலும், அது பல சிக்கல்களைக் கொண்டுள்ளது - ஆராய்க.**

   Despite its many successes, the green revolution has a number of problems – Examine.

- **Non-Food Grains Left Out:** Although all food-grains including wheat, rice, jowar, bajra and maize have gained from the revolution, other crops such as coarse cereals, pulses and oilseeds were left out of the ambit of the revolution.
- **Major commercial crops like cotton, jute, tea and sugarcane were also left almost untouched by the Green Revolution.**
- Limited Coverage of HYVP: High Yielding Variety Programme (HYVP) was restricted to only five crops: Wheat, Rice, Jowar, Bajra and Maize.
- Therefore, non-food grains were excluded from the ambit of the new strategy.
- The HYV seeds in the non-food crops were either not developed so far or they were not good enough for farmers to risk their adoption.

Regional Disparities:

- Green Revolution technology has given birth to growing disparities in economic development at interred and intra regional levels.
- It has so far affected only 40 percent of the total cropped area and 60 per cent is still untouched by it.
- The most affected areas are Punjab, Haryana and western Uttar Pradesh in the north and Andhra Pradesh and Tamil Nadu in the south.
- It has hardly touched the Eastern region, including Assam, Bihar, West Bengal and Orissa and arid and semi-arid areas of Western and Southern India.
- The Green Revolution affected only those areas which were already better placed from an agricultural point of view.
- Thus the problem of regional disparities has further aggravated as a result of the Green Revolution.

Excessive Usage of Chemicals:

- The Green Revolution resulted in a large-scale use of pesticides and synthetic nitrogen fertilisers for improved irrigation projects and crop varieties.
- However, little or no efforts were made to educate farmers about the high risk associated with the intensive use of pesticides.
- Pesticides were sprayed on crops usually by untrained farm labourers without following instructions or precautions.
- This causes more harm than good to crops and also becomes a cause for environment and soil pollution.

Water Consumption:

- The crops introduced during the green revolution were water-intensive crops.
- Most of these crops being cereals, required almost 50% of dietary water footprint.
- Canal systems were introduced, and irrigation pumps also sucked out the groundwater to supply the water-intensive crops, such as sugarcane and rice, thus depleting the groundwater levels.
- Punjab is a major wheat- and rice-cultivating area, and hence it is one of the highest water depleted regions in India.

Impacts on Soil and Crop Production:

- Repeated crop cycle in order to ensure increased crop production depleted the soil's nutrients.
- To meet the needs of new kinds of seeds, farmers increased fertilizer usage.
- The pH level of the soil increased due to the usage of these alkaline chemicals.
- Toxic chemicals in the soil destroyed beneficial pathogens, which further led to the decline in the yield.

Unemployment:

- Except in Punjab, and to some extent in Haryana, farm mechanization under the Green Revolution created widespread unemployment among agricultural labourers in the rural areas.
- The worst affected were the poor and the landless labourers.

Health Hazards:

- The large-scale use of chemical fertilizers and pesticides such as Phosphamidon, Methomyl, Phorate, Triazophos and Monocrotophos resulted in resulted in a number of critical health illnesses including cancer, renal failure, stillborn babies and birth defects.

8. **இந்தியாவில் பிரதம மந்திரி விவசாய நிதி உதவி திட்டம் (PM-KISAN) திட்டத்தின் நோக்கம், செயல்பாடு மற்றும் தாக்கத்தை மதிப்பீடு செய்க.**

Evaluate the objectives, implementation, and impact of the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) scheme in India.

- Under the scheme, the Centre transfers an amount of Rs 6,000 per year, in three equal instalments, directly into the bank accounts of all landholding farmers irrespective of the size of their land holdings.
- It was launched in February 2019.

Funding and Implementation:

- It is a Central Sector Scheme with 100% funding from the Government of India.
- It is being implemented by the Ministry of Agriculture and Farmers Welfare.

Identification of Beneficiaries:

- The entire responsibility of identification of beneficiary farmer families rests with the State / UT Governments.

Objective:

- To supplement the financial needs of the Small and Marginal Farmers in procuring various inputs to ensure proper crop health and appropriate yields, commensurate with the anticipated farm income at the end of each crop cycle.
- To protect them from falling in the clutches of moneylenders for meeting such expenses and ensure their continuance in the farming activities.

PM-KISAN Mobile App:

- The PM-KISAN Mobile App developed and designed by the National Informatics Centre in collaboration with the Ministry of Electronics and Information Technology has been launched.
- The farmers can view the status of their application, update or carry out corrections of their Aadhaar cards and also check the history of credits to their bank accounts.

9. **இந்தியாவின் நிலம் கையகப்படுத்தும் சட்ட கட்டமைப்பின் முக்கிய சவால்கள் குறித்து விவாதிக்க.**

Discuss the major challenges of India's existing land acquisition legal framework.

- The Social Impact Assessment was a must for every acquisition in the Act but the mandatory requirement was removed for security, defence, rural infrastructure and industrial corridor projects in the amendment.
- Consent is not mandatory for government projects in the latest amendment.
- This can result in forceful evictions of land owners, without proper alternate arrangements for their rehabilitation and resettlement.
- Earlier, multi-cropped land could not be acquired for any purpose but according to the latest amendment, even multi-crop irrigated land can be acquired for security and social infrastructure projects.
- It leads to the issue of displacement of locals and even at times cut across ecological sensitive and bio diverse region.
- The current legal framework for land acquisition adds additional complications.
- The compensation, rehabilitation and resettlement provisions of the RFCTLARR Act are not in consonance with those from 13 other related laws which have been exempted from the Right to Fair Compensation and

Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013(RFCTLARR Act).

- These laws include major infrastructure-related laws such as the National Highways Act of 1956, the Metro Railways (Construction of Works) Act of 1978, the Railways Act of 1989 and the Electricity Act of 2003
- The government's sentiment towards the RFCTLARR Act is also that it is an inconvenient piece of legislation that both impedes the speed and raises the cost of land acquisition: the RFCTLARR has already been challenged at the central level via two ordinances and two amendment bills.
- With land being a State subject, States too have taken to State-specific legal reforms that bypass the RFCTLARR, many of which drop the need to conduct Social Impact Assessments (SIAs) for land acquisition and change land compensation amounts – two areas where the RFCTLARR is seen as inflexible and prescriptive by developers, but as key to ensuring people affected get a fair deal.
- All of this, compounded with the majority of existing civil cases in district courts being land and property disputes, makes for a convoluted state of affairs in governing land acquisition where no one really wins.
- Inadequate compensation to the owners, mostly poor farmers exclude them from agriculture as well as prevent them from a decent living standard.
- Using agricultural land for non-agricultural purposes, on one hand creates infrastructure whereas on the other hand serves as an impediment in the food security.
- Poor land acquisition policies in one region can transfer the development to other regions with favourable policies.
- The land to be acquired from the land owners should be acquired either on a long lease or in the form of equity for the proposed business. This option will ensure a steady income for the affected families.

10. தமிழ்நாடு நிதிநுட்பக் கொள்கையின் முக்கிய அம்சங்கள் குறித்து விவாதிக்க.

Discuss the salient features of Tamil Nadu fintech policy.

- Transform Tamil Nadu into a leading global destination for FinTech firms by 2025
- Increase financial inclusion and fintech adoption rate in Tamil Nadu by Promoting digital solutions for the traditional financial sector.

- Develop a comprehensive and concerted program with government agencies to
- Provide a one-stop shop solution to existing and new FinTech firms in the State.
- Facilitate seamless and transparent Business-to-Business (B2B),
- Business-to-Consumer (B2C), Government-to-Government (G2G), Government -to-Business (G2B), and Government-to-Citizen (G2C) financial transactions Efficiently.
- Develop industry-academia linkages to create a FinTech knowledge ecosystem Comprising universities, research institutions, design & innovation labs, and FinTech firms.
- Develop, attract, and nurture talent in the fields of finance and digital Technologies.
- Develop the necessary infrastructure required for attracting and promoting the Next generation of FinTech firms.
- Develop partnerships with other leading FinTech centres across the world.
- To become the leading State in the country in terms of growth of new FinTech
- Firms incorporated during the Policy period.
- Develop a FinTech city in the State with 1 million square feet of working space for
- FinTech firms with a world class FinTech Innovation Hub/FinTech Lab.
- Set up Skill Centres for FinTech in the State in partnership with premier institutes & private firms which shall also serve as Centres of Excellence (CoEs) to support
- Entrepreneurs/ SMEs/ startups in the State.

FinTech Initiatives:

FinTech Cell:

Development of Chennai as a FinTech Hub:

- The Tamil Nadu Industrial Development Corporation Limited (TIDCO) will develop a FinTech city in Chennai with a built-up space of at least 1 million square feet in a Phased manner.
- The FinTech City will develop as the fulcrum of financial services and related activities, largely driven by next-generation technologies in Tamil Nadu.

- The FinTech City shall largely be virtual, interconnected digitally with an iconic Building in Chennai and other FinTech centres in Tier 2 & 3 cities.
- Promoting Digital Payment Zones in the State the Government of Tamil Nadu shall encourage digital payments by developing Digital Payment Zones in the State
- FinTech Registry the State will set up a FinTech Registry for FinTech firms in Tamil Nadu. This Registry, managed by the FinTech Cell, shall enable the State to track and monitor the Progress of FinTech firms effectively.

Encouraging FinTech Adoption:

- The Government of Tamil Nadu has implemented several governance measures to spur the adoption of FinTech in the State.
- The Integrated Financial & Human Resources Management System (IFHRMS) is a government wide transformation to Utilise technology in improving the financial activities of the State Government and Ensure robust management of State Finances

Tamil Nadu Startup Seed Grant Fund:

- The Tamil Nadu Startup Seed Grant Fund created under the TN Startup and Innovation Policy 2018 provides grant financing to support early-stage financing Requirements of the startups for research & innovation purposes.

Tamil Nadu Emerging Sector Seed Fund:

- Digital Accelerator under Yaadhum Oorae The Government of Tamil Nadu has announced a 'Digital Accelerator' scheme Under Yaadhum Oorae with American Tamil Entrepreneurs Association (ATEA) to promote startups investing from USA in Tamil Nadu from various fields such as IT/Healthcare/EV/emerging areas on IoT, AI, Cloud Computing /SDGs.

11. மத்திய வங்கியின் டிஜிட்டல் நாணயத்தின் அம்சங்கள் குறித்து விவாதிக்க மற்றும் அதன் வரம்புகளை விளக்குக.

Discuss the features of Central Bank digital currency and explain its limitations.

- Reserve Bank of India (RBI) has been working on the phased introduction of the Central Bank Digital Currency (CBDC).

About Central Bank Digital Currency:

- It is a legal tender and a central bank liability in digital form denominated in a sovereign currency and appearing on the central bank's balance sheet.

- It is the same as a fiat currency and is exchangeable one-to-one with the fiat currency. Only its form is different.
- It can be converted or exchanged at par with similarly denominated cash and traditional central bank deposits.

Present Status in India:

- India is already a leader in digital payments, but cash remains dominant for small-value transactions.
- In February 2020 RBI bulletin, citing a survey of central banks conducted by the Bank for International Settlements had said some 80 per cent of the 66 responding central banks have started projects to explore the use of CBDC in some form.
- These central banks are contemplating and studying the potential benefits and implications of CBDC in the economy.
- A high-level inter-ministerial committee set up by the Finance Ministry had recommended the introduction of a CBDC with changes in the legal framework including the RBI Act, which currently empowers the RBI to regulate the issuance of banknotes.

Benefits:

- It would reduce the cost of currency management while enabling real-time payments without any inter-bank settlement.
- Foreign trade transactions could be speeded up between countries adopting a CBDC.
- India's fairly high currency-to-GDP ratio holds out another benefit of CBDC as to the extent large cash usage can be replaced by CBDC.
- The cost of printing, transporting and storing paper currency can be substantially reduced.
- They could enable a cheaper and more real-time globalisation of payment systems.
- It is conceivable for an Indian exporter to be paid on a real-time basis without any intermediary.
- The risks of dollar-rupee transactions, the time zone difference in such transactions would virtually disappear.
- The adoption of CBDCs can also have important implications for the banking system.
- CBDCs can cause a reduction in the transaction demand for bank deposits and will reduce the intra-day liquidity for settlement of transactions.

- They could also cause a shift away from bank deposits.

Issues in Implementation:

- Key issues under examination by the RBI relate to the scope of CBDCs.
- Whether they should be used in retail payments or also in wholesale payment.
- Whether it should be a distributed ledger or a centralised ledger, for instance, and whether the choice of technology should vary according to use cases.
- Validation mechanism
- Whether token-based or account-based distribution architecture
- Whether direct issuance by the RBI or through banks, degree of anonymity etc. Are also being examined.

12.நிதி பொறுப்பு மற்றும் வரவு செலவு மேலாண்மை சட்டம் 2003ஐ விவரிக்க.

Explain the fiscal responsibility and budget management act 2003.

- FRBMA stands for the Fiscal Responsibility and Budget Management Act enacted in 2003, aims to promote fiscal discipline, transparency, and accountability in the management of the India's finances.
- Fiscal Responsibility and Budget Management Act, 2003 is regulated by Department of Economic Affairs, Ministry of Finance.
- Fiscal Responsibility and Budget Management Act ,2003 ensure intergenerational equity in fiscal management and long-term macro-economic stability by reducing fiscal deficit. It further ensure effective conduct of monetary policy and prudential debt management consistent with fiscal sustainability.

FRBM Act: Provisions

- The Central Government shall,-
    - Take appropriate measures to limit the fiscal deficit upto three per cent of gross domestic product by the 31st March, 2021;
- **Endeavor** to ensure that-
    - The central Government debt does not exceed sixty per cent.
    - The Central Government debt does not exceed forty per cent of gross domestic product by the end of financial year 2024-2025.
- Not give additional guarantees with respect to any loan on security of the Consolidated Fund of India in excess of one-half per cent of gross domestic product, in any financial year.

- Endeavour to ensure that the fiscal targets specified in clauses (a) and (b) are not exceeded after stipulated target dates.

FRBM Act: Significance

- **Fiscal discipline**: The FRBMA promotes fiscal discipline by setting up the targets for reducing the fiscal deficit and by mandating the constitution of a Fiscal Responsibility and Budget Management Committee (FRBMC) to review the government's fiscal performance.
- **Fiscal transparency**: The FRBMA promotes transparency and accountability of public finances through publication of various reports, such as the annual budget, the medium-term fiscal policy statement, and the Fiscal Policy Strategy Statement.
- **Macroeconomic stability**: The FRBMA aims to maintain macroeconomic stability by ensuring that the government's fiscal policies are sustainable and do not lead to high levels of public debt.
- **Investor confidence**: The FRBMA helps to boost investor confidence in the Indian economy by transparency and compliance and demonstrating the government's commitment to fiscal discipline and macroeconomic stability.
- **Long-term planning**: The FRBMA requires the government to present a medium-term fiscal policy statement and an FPSS, which helps in long-term planning and ensures that the government's fiscal policies are aligned with its future economic goals.

FRBM Act: Amendments

- Since the enactment of the FRBM act in 2003, it was amended 4 times – 2004, 2012, 2015 & 2018. The FRBM Act and the Rules underwent more significant changes during the 4th Amendment, in 2018.

FRBM Act: Targets for Budget 2023

- Medium Term Fiscal Policy Statement in both 2021-22 and 2022-23 did not provide the rolling targets for budget deficits.
- In Budget 2022 government aims to reduce the fiscal deficit to below 4.5% of GDP by 2025-26.
- The estimated fiscal deficit target for 2023-24 is 5.9% of GDP. It indicates borrowings done by the government is to finance its expenditure.
- The estimated revenue deficit for 2023-24 is 2.9% of GDP. It tells about the government's need to borrow funds to meet expenses and it may not provide future returns.

- As per the budget 2023-24, interest payments as a percentage of revenue receipts is expected to be 43% in 2022-23.

FRBM Act: N.K.Singh Committee Recommendations

- Fiscal Responsibility and Budget Management Committee was constituted under the chairmanship of N.K.Singh to review the government's fiscal performance and make recommendations to FRBM Act.
- **Debt to GDP ratio:** The Committee suggested using debt as the primary target for fiscal policy. A debt to GDP ratio of 60% should be targeted with a 40% limit for the centre and 20% limit for the states.
- To achieve the targeted debt to GDP ratio, it proposed yearly targets to progressively reduce the fiscal and revenue deficits till 2023
- The Committee proposed to create an autonomous Fiscal Council with a Chairperson and two members appointed by the centre.
- The Committee noted that under the FRBM Act, the government can deviate from the targets in case of a national calamity, national security or other exceptional circumstances notified by it.
- Further, the government may be allowed to deviate from the specified targets upon the advice of the Fiscal Council in the following circumstances: (i) considerations of national security, war, national calamities and collapse of agriculture affecting output and incomes, (ii) structural reforms in the economy resulting in fiscal implications, or (iii) decline in real output growth of at least 3% below the average of the previous four quarters. These deviations cannot be more than 0.5% of GDP in a year.
- The Committee recommended that the 15th Finance Commission (which is also led by N.K.Singh) should be asked to recommend the debt trajectory for individual states.

13. 16வது நிதி ஆணையத்தின் செயல்பாடுகள் மற்றும் குறிப்பு விதிமுறைகளை (TOR) விளக்குக.

Explain the functions and Terms of reference (TOR) of 16th Finance commission.

- The Finance Commission in India is a constitutional body established under Article **280 of the Indian Constitution.**
- Its primary function is to **recommend the distribution of financial resources** between the central government and the state governments.

Major Terms of Reference for 16th Finance Commission:

- **Division of Tax Proceeds:** Recommending the distribution of taxes between the Union Government and the States under Chapter I, Part XII of the Constitution.
- This includes the allocation of shares among the States from these tax proceeds.
- **Principles for Grants-in-Aid:** Establishing the principles governing grants-in-aid to the States from the Consolidated Fund of India.
- This encompasses determining the amounts to be provided to the States as grants-in-aid, specifically under Article 275 of the Constitution, for purposes beyond those outlined in the provisos to clause (1) of that article.
- Enhancing State Funds for Local Bodies: Identifying measures to enhance the Consolidated Fund of a State.
- This is aimed at supplementing the resources available to Panchayats and Municipalities within the State, based on recommendations made by the State's own Finance Commission.
- **Evaluation of Disaster Management Financing:** The Commission may review the current financing structures related to Disaster Management initiatives.
- This involves examining the funds created under the Disaster Management Act, 2005, and presenting suitable recommendations for improvements or alterations.

பிரிவு - ஆ

SECTION - B

(10x 15 = 150)

14.நிதி ஆயோக் தொடர்பாக விரிவான விளக்கம் தருக.

Give on detailed account of NITI Aayog.

- Planning has been in Indian psyche as our leaders came under influence of the socialist clime of erstwhile USSR. Planning commission served as the planning vehicle for close to six decades with a focus on control and command approach.
- Planning Commission was replaced by a new institution – NITI Aayog on January 1, 2015 with emphasis on ‘Bottom –Up’ approach to envisage the vision of Maximum Governance, Minimum Government, echoing the spirit of ‘Cooperative Federalism’.

- The 65-year-old Planning Commission had become a redundant organization. It was relevant in a command economy structure, but not any longer.
- India is a diversified country and its states are in various phases of economic development along with their own strengths and weaknesses.
- In this context, a 'one size fits all' approach to economic planning is obsolete. It cannot make India competitive in today's global economy.
- To foster cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis, recognizing that strong States make a strong nation.
- To develop mechanisms to formulate credible plans at the village level and aggregate these progressively at higher levels of government.
- To ensure, on areas that are specifically referred to it, that the interests of national security are incorporated in economic strategy and policy.
- To pay special attention to the sections of our society that may be at risk of not benefitting adequately from economic progress.
- To provide advice and encourage partnerships between key stakeholders and national and international like-minded Think Tanks, as well as educational and policy research institutions.
- To create a knowledge, innovation and entrepreneurial support system through a collaborative community of national and international experts, practitioners and other partners.
- To offer a platform for resolution of inter-sectoral and inter-departmental issues in order to accelerate the implementation of the development agenda.
- To maintain a state-of-the-art Resource Centre, be a repository of research on good governance and best practices in sustainable and equitable development as well as help their dissemination to stake-holders.

15. **குறைந்தபட்ச ஆதரவு விலை (MSP) என்றால் என்ன? மற்றும் குறைந்தபட்ச ஆதரவு விலைகளை தீர்மானிப்பதிலும் செயல்படுத்துவதிலும் எதிர்கொள்ளும் சவால்களை முன்னிலைப்படுத்துக.**

What do you mean by Minimum Support Price (MSP)? and highlight the challenges faced in determining and implementing MSPs.

- Minimum Support Price (MSP) is the minimum price set by the government for certain agricultural products, at which the products would directly be bought from the farmers if the open market prices are less than the cost incurred.

- The MSP is the rate at which the government purchases crops from farmers, and is based on a calculation of at least one-and-a-half times the cost of production incurred by the farmers.
- MSP is a "minimum price" for any crop that the government considers as remunerative for farmers and hence deserving of "support".

Challenges:

- Except for wheat and rice, which the Food Corporation of India actively purchases under the PDS, the main issue with the MSP is a lack of government equipment for the procurement of all crops.
- Farmers in states where the government purchases all the last mile grain reap greater benefits, whereas those in states where the government purchases less grain are frequently impacted.
- The MSP-based procurement system also relies on intermediaries, commission agents, and APMC representatives, all of whom are difficult for smaller farmers to access.
- **Problems with disposal:** Unlike Niger seed, sesame, or safflower, which cannot be distributed through the public distribution system, cereals and pulses can.
- Increased procurement costs would result in higher food grain prices, which would eventually have an impact on the poor.
- If the MSP is greater than the going pricing on the international market, it would also influence India's agricultural exports. 11% of all commodity exports are comprised of farm products.
- Demands from other sectors: Farmers growing fruits and vegetables, spices, and other crops will seek the same if the Centre passes legislation guaranteeing 100 percent procurement in all 23 crops where MSP is announced.

16. சிறப்புப் பொருளாதார மண்டலங்கள் (SEZs) அமைப்பதுடன் தொடர்புடைய நன்மைகள் மற்றும் திறனை அதிகப்படுத்துவதற்கான உத்திகளைப் பரிந்துரைக்க.

Analyze the benefits and challenges associated with the establishment of Special Economic Zones (SEZs) and Suggest strategies to maximize the potential of Special Economic Zones.

Benefits:

- Special Economic Zones (SEZs) are set up to promote rapid economic growth in the country.
- The main objective including promoting exports of goods and services and encouraging investment from domestic and foreign sources.
- Infrastructure development, and creation of employment opportunities are among the significant benefits of special economic zones.
- Among the main benefits of investing in SEZs in India includes tax incentives for businesses and entities operating in the region and improved infrastructure.
- It promotes the growth of foreign exchange earnings through exports new employment opportunities.

Challenges:

- Since SEZs offer a wide range of incentives and tax benefits, it is believed that many existing domestic firms may just shift base to SEZs.
- There is a fear that the promotion of SEZs may be at the cost of fertile agricultural land affecting food security, loss of revenue to the exchequer and cause uneven growth with adverse effects.
- Apart from food security, water security is also affected because of the diversion of water use for SEZs.
- SEZs also cause pollution, especially with the release of untreated effluents.
- There has been a huge destruction of mangroves in Gujarat affecting fisheries and dairy sectors.
- SEZs have to be promoted but not at the cost of the agricultural sector of the country.
- It should also not affect the environment adversely.

17. **புதிய பொருளாதாரக் கொள்கை என்றால் என்ன? மற்றும் இந்தியாவில் LPG சீர்திருத்தங்களின் சாதக பாதகங்களை விளக்குக.**

What is New Economic Policy? and explain the pros and cons of LPG Reforms in India.

New Economic Policy 1991:

- The Government of India introduced the New Economic Policy (NEP) in 1991 to respond to a balance of payments crisis. The NEP is credited to former Prime Minister Manmohan Singh as its architect. The NEP also emphasized implementing structural reforms to boost economic efficiency. It sought to enhance international competitiveness by removing rigidities across various economic sectors. The 1991 NEP was pivotal in reshaping India's economic landscape, ushering in significant transformations. The economic policy 1991 aimed at achieving multiple goals within India's economy. These objectives included:

- Accumulating foreign exchange reserves.
- Eliminating market restrictions.
- Facilitating global trade of goods, services, capital, human resources, and technology.
- Fuelling economic growth.

Positive Impact of LPG in Our Economy:

Increase in GDP Growth:

- The Indian economy has surely become vibrant after the LPG reforms. The overall growth of the economy has trended up as indicated by GDP growth. Post LPG policies, the growth of GDP shot up to as high as 8 percent per annum.

Stimulant to Industrial Production:

- LPG policies have worked as a great stimulant to industrial production in the Indian economy. IT industries in India have reached the global level because of these LPG reforms.

Curb on Fiscal Deficit:

- The ever-increasing fiscal deficit has been a danger to the process of investment in the Indian economy. It was 8.5 percent of GOP before 1991. Thanks to the LPG policies, government revenue has increased. As a result, the Fiscal deficit was deduced to 4% of the GOP (gross operating profit).

Check on Inflation:

- LPG reforms made the flow of demand and supply smooth and it in return checked the inflation. There was a fall in inflation rates as reforms increased the production of goods and services resulting in either falling of price or constant price. The competition also helped to keep inflation in check.

The Decline in Poverty:

- The reform led to the smooth running of businesses without any hindrance, which led to more employment and hence the decline in Poverty.

Negative Impact of LPG Reforms:

- The reforms were mainly for the formal sector of the economy, the agricultural sector, the urban informal sector, and forest depending communities were untouched by the reform.
- This resulted in uneven economic growth and unequal distribution of wealth.
- Economic liberalization in the organized manufacturing industries (subjected to strict labour laws) has led to very little employment.
- Market-based reforms led to the economic disparity between the rich class and the poor class.
- Social Sectors like Health, education were ignored in this reform which has led to poor health sector development and lousy educational growth.
- Economic reforms have pushed up the growth of the economy but have miserably failed to generate adequate employment.

18.இந்தியாவில் புதுப்பிக்கத்தக்க எரிசக்தி ஆதாரத்தின் திறனை ஆராய்க.

Examine the potential of renewable energy source in India.

Sources of Renewable Energy:

- **Primary Sources** - Renewable energy sources such as solar, wind, and geo-thermal are the primary sources.
- **Secondary sources** - Nonrenewable energy derived from the conversion of coal, oil, natural gas, and other fossil fuels.

Renewable Energy in India:

- India is the world's third largest electricity consumer and third largest renewable energy producer, with renewable energy accounting for 38% (136 GW out of 373 GW) of total installed energy capacity in 2020.
- According to Ernst & Young's (EY) 2021 Renewable Energy Country Attractiveness Index (RECAI), India is ranked third, after the United States and China.
- India committed to producing 50% of its total electricity from non-fossil fuel sources by 2030 as part of the Paris Agreement's Intended Nationally Determined Contributions targets in 2016.
- The Central Electricity Authority of India set a goal of producing 50% of total electricity from non-fossil fuel sources by 2030 in 2018.
- The government has increased the target for renewable energy capacity to 175 GW by 2022, which includes 100 GW from solar, 60 GW from wind, 10 GW from biopower, and 5 GW from small hydropower.

- India has also set a renewable energy target of 500 GW by 2030.
- As of September 2020, 89.22 GW of solar energy is already operational, 48.21 GW of projects are in various stages of completion, and 25.64 GW of projects are in various stages of bidding.
- In 2020, three of the world's top five largest solar parks were in India,
- including the world's largest 2255 MW Bhadla Solar Park in Rajasthan;
- world's second-largest solar park, Pavgada Solar Park Tumkur in Karnataka; and
- 100MW Kurnool in Andhra Pradesh.
- Wind power in India has a strong manufacturing base, with 20 manufacturers producing 53 different wind turbine models of international quality up to 3 MW in size, with exports to Europe, the United States, and other countries.
- In terms of installed hydroelectric power capacity, India ranks fifth worldwide.
- As of 31 March 2020, India's installed utility-scale hydroelectric capacity was 45,699 MW, or 12.35% of its total utility power generation capacity.
- As of November 2020, India had 10 nuclear reactors under construction with a combined capacity of 8 GW and 23 existing nuclear reactors in operation in 7 nuclear power plants with a total installed capacity of 7.4 GW (3.11% of total power generation in India).
- Nuclear power is India's fifth-largest source of electricity, trailing coal, gas, hydroelectricity, and wind power.

19.இந்தியாவில் பொது விநியோக முறையின் முக்கிய நோக்கங்கள் குறித்து விவாதித்து மற்றும் அது எதிர்கொள்ளும் முக்கிய சவால்கள் குறித்து எழுதுக.

Discuss the main objectives of the Public Distribution System (PDS) in India and write about the major challenges faced by it.

- India’s PDS is an initiative administered by the Ministry of Consumer Affairs, Food, and Public Distribution. It aims to ensure affordable access to essential commodities for the economically vulnerable.
- Established in the 1960s, the PDS operates through a Fair Price Shops (FPS) network.
- Key commodities like rice, wheat, sugar, and others are procured from farmers at the Minimum Support Price (MSP) and distributed to beneficiaries at subsidised rates.
- Additionally, States/UTs distribute items like pulses, edible oils, and spices.

Objectives of PDS

- **Ensure Affordable Essentials:** To protect consumers, provide essential goods at subsidised rates.
- **Stabilize Prices:** Control open market prices and shield consumers from price hikes.
- **Nutritional Safeguard:** Ensure minimum nutritional standards are met for all beneficiaries.

Phases of Evolution of PDS in India

- **Early Evolution:** PDS began during World War II and expanded in the 1960s by establishing the Agricultural Prices Commission and the Food Corporation of India (FCI) to address food shortages.
- **Targeting and Revamping:** The Revamped Public Distribution System (RPDS) was introduced in 1992 to target remote areas, while the Targeted Public Distribution System (TPDS), introduced in 1997, focused on Below-Poverty-Line (BPL) and Above-Poverty-Line (APL) households.
- **Expansion:** The Antyodaya Anna Yojana (AAY) launched in 2000 provided subsidised food to the poorest, and the National Food Security Act (NFSA) of 2013 extended food entitlements to 82 crore people.

Significance of the Public Distribution System (PDS)

- **Poverty Alleviation and Social Welfare:** Provides subsidised food to low-income groups, ensuring basic nutrition. E.g. 80.1 crore NFSA beneficiaries receive benefits via 5.45 lakh Fair Price Shops across India (as of 30th June 2023).
- **Food Security and Price Stabilization:** Ensures affordable access to essential food items and stabilises prices. E.g. ₹3/kg for rice, ₹2/kg for wheat during inflation.
- **Farmer Support and Stable Income:** MSP procurement ensures stable market prices for farmers. E.g. Punjab and Haryana benefit from MSP for wheat and rice.
- **Crisis Mitigation and Emergency Relief:** Acts as a safety net during food shortages or crises. E.g. PDS provided food during COVID-19 Pandemic.
- **Nutritional Support:** Helps prevent malnutrition, especially for children and pregnant women. E.g. Tamil Nadu distributes subsidised pulses and oil for better nutrition.

- **Regional Equity and Redistribution:** Redistributes food from surplus to deficit regions, promoting food equity. Eg. Food grains from Punjab are sent to Northeast India.

Steps Taken to Improve Public Distribution System (PDS)

- **Digitisation:** Digitisation of ration cards and GPS-based tracking to ensure efficiency in the supply chain.
- **One Nation One Ration Card (ONORC):** Enables portability of benefits across states, ensuring that beneficiaries can access subsidised food grains regardless of their location.
- **Social Audits:** Community participation through social audits enhances transparency and accountability.
- **Technology Integration:** Use of e-POS devices for real-time monitoring of PDS operations.
- **Promotion of Nutri-Cereals:** Encouraging the inclusion of millets and other nutritious grains to diversify food intake and improve health outcomes.

Challenges:

Issues with the Public Distribution System (PDS)

- **Leakages and Diversions:** A study highlights 28% leakage in India's Public Distribution System (PDS), leading to an annual loss of ₹69,108 crore. E.g. 28% of allocated grains fail to reach intended beneficiaries.
- **Targeting Errors:** Inclusion of non-poor households and exclusion of eligible ones. E.g. Wealthier families in urban areas access subsidised grains for the poor.
- **Supply Chain Inefficiencies:** Challenges in storage, transportation, and timely delivery of food grains. E.g. delays in distributing food grains to remote areas lead to shortages.
- **Monocropping:** Over-reliance on rice and wheat, limiting crop diversity. E.g. Lack of variety in food grains impacts agricultural sustainability.
- **Rising Subsidy Costs:** Substantial increase in subsidy burden over the years. E.g. From ₹21,200 crores in 2002-03 to ₹2 lakh crores in 2024-25.
- **Urban Bias:** Limited effectiveness in reaching remote rural areas due to infrastructure gaps. E.g. Urban areas have more consistent access to subsidised food grains compared to rural regions.

20. வங்கி அல்லாத நிதி நிறுவனம் என்றால் என்ன? வணிக வங்கிகளிலிருந்து இந்த நிதி நிறுவனங்கள் எவ்வாறு வேறுபடுகின்றன?

What is Non-banking financial institution? How these financial institutions are different from commercial banks?

- When an asset no longer generates income for the bank, it is considered a non-performing asset.
- Previously, an asset was classified as a non-performing asset (NPA) based on the concept of "Past Due."
- A 'non-performing asset' (NPA) was defined as a credit for which interest and/or principal instalments have been 'past due' for a specified period of time.
- To move toward international best practices and ensure greater transparency, '90 days' overdue norms for identifying NPAs were made applicable beginning with the fiscal year ended March 31, 2004.
- Commercial loans that are more than 90 days past due and consumer loans that are more than 180 days past due are typically classified as nonperforming assets by banks.
- In the case of agricultural loans, NPAs are declared if the interest and/or instalment or principal remain unpaid for two harvest seasons.
- However, this period should not be longer than two years. Any unpaid loan/instalment will be classified as NPA after two years.

Classification of Non-Performing Assets:

- Lenders shall recognise incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts (SMA).
- **SMA-0** categories will be treated as default case fit for insolvency resolution if they fail to pay the principal or interest due on them within **0-30 days**.
- **SMA-1** defaulters will be taken for **Insolvency and Bankruptcy Code** (IBC) if they don't pay between **31-60 days**.
- **SMA-3** firms will be treated for **National Company Law Tribunal** (NCLT) in case of no payment of dues within **61-90 days**.
- **Sub-standard:** When the NPAs have aged <= 12 months.
- **Doubtful:** When the NPAs have aged > 12 months.
- **Loss assets:** When the bank or its auditors have identified the loss, but it has not been written off.

NPA Problem of India Banks:

- The NPA was on a declining trend from FY 2018 due to various initiatives by the Reserve Bank of India and the central government such as the **Insolvency and Bankruptcy Code**, Abolition of previous initiatives like 5:25 rule etc.
- Due to the effects of the coronavirus (COVID-19) epidemic and lockdown, the country was expected to see an increase in **bad loans.**
- The Reserve Bank of India projected three scenarios for the fiscal year 2022 until September 2021 based on the value for September 2020.
- Under the baseline scenario, the GNPA-ratio would reach 13.5 percent, setting a new high.

Provisioning:

- The bad loans lead to banks having to save a part of their operating revenue to account for bad loans which is called Provisioning.
- The technical term used for provisioning is Capital Adequacy Ratio (CAR) or Capital to Risk (weighted) Assets Ratio (CRAR).

Less profitable:

- The banks are required to provision for bad loans out of their operating income.
- The concerned bank becomes less profitable because it has to use some of its profits from other loans to make up for the loss on the bad loans.

Risk-averse:

- The officials of such banks hesitate from extending loans to business ventures that may remotely appear risky for the fear of aggravating an already high level of non-performing assets (or NPAs).

Downfall in the share markets:

- Any reduction in the perceived valuation of the banks might lead to loss of share value of the banks, leading to general downfall in the share markets. This could result in wiping out shareholders' wealth from the financial markets.

Rising Bad Loans:

- In spite of various efforts, a substantial amount of NPAs continue on the balance sheets of banks primarily because the stock of bad loans as revealed by the Asset Quality Review is not only large but fragmented across various lenders.

Debt Recovery Tribunals:

- The Act, which was passed by the Indian Parliament in 1993, empowers financial institutions to quickly collect debts of ten lakhs or more.
- DRTs are able to handle a higher number of cases than conventional courts by reducing delays in the beginning procedures.

Willful Defaulter:

- Any entity is considered a willful defaulter when:
- The unit has failed to make its payment/repayment commitments to the lender, despite having the financial means to do so.
- The unit has failed to meet its payment/repayment commitments to the lender and has not used the lender's funds for the specific objectives for which they were obtained, instead of diverting the money to other uses.
- The unit has failed to meet its payment/repayment commitments to the lender and has syphoned off the funds, such that the funds have not been used for the precise purpose for which credit was obtained, nor are the funds available in the form of other assets with the unit.
- The Banks have to submit the names of the Willful defaulters to the Reserve Bank of India (RBI) with outstanding loans of more than 25 Lakhs.

SARFAESI Act:

- SARFAESI Act of 2002 is an act to regulate securitization and reconstruction of financial assets and enforcement of security interests, and to provide for a central database of security interests created on property rights, and for matters associated with or incidental.
- **SARFAESI** is an acronym for Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest.
- It permits banks and other financial institutions to recover loans by **auctioning off the defaulter's residential or commercial assets**.
- Under this act, India's first **Asset Reconstruction Corporation** (ARC), ARCIL, was established.
- **Secured creditors** (banks or financial institutions) have rights to security interest enforcement under **section 13** of the SARFAESI Act, 2002.
- The SARFAESI Act of 2002 will now **apply to all state and multi-state co-operative banks**, according to the Supreme Court of India. Banks can now seize and sell defaulters' properties to recoup their debts, thanks to the Supreme Court's momentous decision.

Insolvency and Bankruptcy Code:

- The Insolvency and Bankruptcy Code, 2016 (IBC) is India's bankruptcy law, which aims to unify the existing framework by establishing a single insolvency and bankruptcy law.
- Insolvency is a condition in which a debtor is unable to pay his/her debts.
- Bankruptcy is a legal process that involves an insolvent person or company that is unable to pay its debts.
- It establishes clearer and faster insolvency procedures to assist creditors, such as banks, in recovering debts and avoiding bad loans, which are a major drag on the economy.
- It is an all-encompassing insolvency code that applies to all businesses, partnerships, and individuals (other than financial firms).

Asset Quality Review:

- Inspectors from the Reserve Bank of India (RBI) typically **review bank records** once a year as part of the **Annual Financial Inspection (AFI) process**.
- In 2015-16, however, throughout the months of August and November, a special inspection was carried out. Asset Quality Review (AQR) was the name given to this.
- A small sample of loans is evaluated in a routine AFI to see if **asset classification matches loan repayment** and if banks have made necessary reserves.
- The sample size in the AQR, on the other hand, was substantially larger, and most of the large borrower accounts were investigated to see if categorisation complied with prudential standards.
- According to some reports, a list of over 200 accounts was identified, and banks were instructed to designate them as non-performing.
- Banks were allocated two quarters to complete the asset classification: October-December 2015 and January-March 2016.
- The main aspect of AQR is that it is a **random check rather than a periodic check**.

Recapitalisation of Banks:

- Recapitalisation of Banks is injecting additional capital into state-owned banks to bring them up to capital adequacy standards.
- It entails **injecting more capital** into **state-owned banks** in order for them to achieve capital adequacy requirements.

- The requirement for Indian public sector banks to maintain a **Capital Adequacy Ratio (CAR) of 12 per cent** has been underlined by the Reserve Bank of India in line with **BASEL norms**.
- The capital-to-risk-weighted-assets-and-current-liabilities ratio (CAR) is the ratio of a bank's capital to its risk-weighted assets and current liabilities.
- The government injects capital into banks that are short on cash using a variety of instruments.
- Because the government is the largest stakeholder in public sector banks, it is the government's responsibility to increase capital reserves.
- The government injects capital into banks by issuing bonds or buying new shares.
- In 2017, the government had announced an Rs. 2.11 Lakh crore recapitalisation package for the Public sector Banks.

Prompt Corrective Action:

- The RBI uses the PCA framework to keep track of banks with poor financial performance.
- The PCA framework was introduced by the **RBI in 2002** as a structured early-intervention mechanism for banks that have become undercapitalized or fragile due to a loss of profitability.
- Its goal is to **address the issue of non-performing assets (NPAs)** in India's banking system.
- Based on the recommendations of the **Financial Stability and Development Council's** working group on Resolution Regimes for Financial Institutions in India and the **Financial Sector Legislative Reforms Commission**, the framework was reviewed in 2017.
- If a bank is in crisis, PCA is supposed to inform the regulator, as well as investors and depositors.
- The goal is to prevent problems from reaching crisis proportions.

Asset Reconstruction Company (ARC):

- It is a specialized financial institution that buys the NPAs or bad assets from banks and financial institutions so that the latter can clean up their balance sheets. ARCs are in the business of buying bad loans from banks.
- ARCs clean up the balance sheets of banks when the latter sells these to the ARCs. This helps banks to concentrate in normal banking activities. Banks rather than going after the defaulters by wasting their time and effort, can sell the bad assets to the ARCs at a mutually agreed value.

'Fugitive Economic Offender' (FEO):

- FEO is defined as an individual against whom a warrant of arrest in relation to scheduled offence has been issued by any court in India and the value of the offence is at least Rs.100 crore.
- The offender has left the country so as to avoid criminal prosecution; and refuses to return to face criminal prosecution.
- Fugitive economic offenders act, 2018
- **About:** It aims to seize the property of economic offenders who have fled the nation to avoid being prosecuted or who refuse to come back to face charges.
- **Declaration of FEO:** A special court (established under the PMLA, 2002) may designate someone as a fugitive economic offender after hearing the application.
- It has the authority to seize any property, whether it is located in India or outside, including Benami properties and proceeds of crime.
- Upon confiscation, the central government will become the sole owner of the property and have all rights and titles (such as any charges on the property).
- **Bar on Filing or Defending Civil Claims:** The Act allows any civil court or tribunal to prohibit a declared fugitive economic offenderfrom filing or defending any civil claim.

Bad Bank:

- A bad bank is a financial institution that was formed to purchase the bad loans and other illiquid assets of another financial institution.
- An organisation with a large number of nonperforming assets will sell them to the bad bank at market value.
- The original institution may be able to clear its balance sheet by transferring such assets to the bad bank, albeit it will still be compelled to take write-downs.
- Instead of a single bank, a bad bank structure may assume the risky assets of a consortium of financial organisations.
- Grant Street National Bank is a well-known example of a bad bank. This entity was founded in 1988 to house Mellon Bank's bad assets.
- Outside of the United States, the Republic of Ireland established the National Asset Management Agency, a bad bank, in 2009 in response to the country's own financial crisis.

21.அனைவரையும் உள்ளடக்கிய மற்றும் நிலையான வளர்ச்சியில் சமூக உட்கட்டமைப்பின் பங்களிப்பு குறித்து விவாதிக்க.

Discuss the Role of social infrastructure in inclusive and sustainable growth.

- Economic, physical, and social infrastructures are interrelated components for holistic and sustainable community development.
- Social Infrastructure is often a combination of tangible and intangible assets that facilitates the development of society.
- The Social Infrastructure includes the physical Infrastructure, human resources, and intellectual capital needed to render social services.

Importance of Social Infrastructure:

Social Infrastructure creates various positive externalities:

- **Human development** – Reduce poverty and inequality. Expansion of opportunities and choices of people.
- **Economic growth** – Social Infrastructure forms the foundational services and structures that contribute to economic development through increased income, better productivity, and technological advancement.
- **Better Quality of life** – It includes policies, programmes, projects, schemes, and services of the government, and also the network of facilities, spaces, institutions and groups aimed at increasing the quality of life and living standard of the people.
- **Productive efficiency of human resources** – An economy with better health and skill level is more productive.
- **Inclusive growth** – Social Infrastructure plays a pivotal role in promoting equality and inclusive growth.
- **Better resource utilisation & Sustainable development** – Lower poverty level, a healthy environment and an educated society are core dimensions of sustainable growth.

Government Initiatives:

- The government has been committed to provision of social security which is evident in the initiation of major social sector schemes by the Government of India during the last five years given below:
  - **Pradhan Mantri Suraksha Bima Yojana, 2015** – It offers a one-year accidental death and disability cover with annual premium of Rs. 12. It is available to people in the age group 18 to 70 years.

- **Pradhan Mantri Jeevan Jyoti Bima Yojana, 2015 –** It is government-backed life insurance scheme with annual premium of Rs. 330. It is available to people between 18 and 50 years of age.
- **Pradhan Mantri Vaya Vandana Yojana, 2018 –** It is a pension scheme exclusively for the senior citizens aged 60 years and above.
- **PM-KISAN, 2019 –** It offers income support of Rs. 6000 per annum in three equal instalments to all eligible farmers irrespective of land holdings.
- **National Nutrition Mission (POSHAN Abhiyaan)** – It ensure attainment of malnutrition free India by 2022. Targeted intervention in areas with high malnutrition burden.
- **Mission Indradhanush (MI) and Intensified Mission Indradhanush (IMI)** – To vaccinate unreached/ partially reached pregnant women and children so as to reduce vaccine preventable under-5 mortality rate. The drive is foucused on pockets of low immunization average and hard to reach areas where proportion of unvaccinated and partially vaccinated children and pregnent women is high.
- **Samagra Shiksha** – A comprehensive programme subsuming Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE). For first time, it also includes provisions for support at preschool level, library grants and grants for sports and physical equipment.
- **ICT Driven Initiatives** – Shaala Sidhi (to enable all schools to self-evaluate their performance), e-Pathshala (providing digital resources such as textbooks, audio, video, periodicals etc.) and Saransh (an initiative of CBSE for schools to conduct self-review exercises).
- **LaQshya** – 'LaQshya – Quality Improvement Initiative' was launched in December, 2017 with the objectives of reducing preventable maternal and new born mortality, morbidity and stillbirths associated with the care around delivery in Labour room and Maternity OT (Operation Theatre) and to ensure respectful maternity care.
- **Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA):** PMSMA was launched in 2016 to provide comprehensive and quality Ante-Natal Care (ANC) to pregnant women on the 9^{th} of every month. Under PMSMA, doctors from both the public and private sector examine pregnant women on 9^{th} of every month at Government health facilities.

- **Skilling Ecosystem** – Skilling ecosystem in India is equipping the youth to meet the challenges of a dynamic labour market by providing various short term and long-term skilling under programmes like 'Pradhan Mantri Kaushal Vikas Yojana' (PMKVY). PMKVY has had positive impact on employment and incomes of the youth as per evaluation studies.
- **Rural Infrastructure** – Connectivity is critical for rural areas to improve quality of lives of the poor by enhancing access to various social services, education, health and access to markets. PMGSY has played a crucial role in connecting the unconnected in rural India and enhanced their livelihood opportunities. Government has accorded highest priority to rural housing, by providing dwelling with all basic facilities to the neediest under Pradhan Mantri Awas Yojana (Gramin) (PMAY-G). Government has also prioritized employment programmes like MGNREGS which is reflected in the upward trend in budget allocation and release of funds to the States in the last four years.
- **Financial Inclusion** – Financial inclusion of women is considered as an essential tool for empowerment of women as it enhances their self-confidence and enables financial decision-making to a certain extent. As far as financial inclusion in India is concerned, significant progress has been made during the last decade. At all India level, the proportion of women having a bank or saving account that they themselves use have increased from 15.5 percent in 2005-06 to 53 percent in 2015-16.

22.இந்தியாவில் பயிர்க் காப்பீட்டுத் திட்டங்களின் செயல்திறனை விமர்சன ரீதியாக பகுப்பாய்வு செய்க.

Critically analyze the effectiveness of crop insurance schemes in India.

- India, with its vast agricultural sector, has always been at the mercy of the monsoons. The **unpredictability of weather patterns** and the **increasing frequency of extreme weather events** have made farming a high-risk occupation.
- To mitigate these risks and protect farmers from potential crop losses, the government has introduced **several crop insurance schemes** like ***Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather-based Crop Insurance (RWBCIS).***

Pradhan Mantri Fasal Bima Yojana (PMFBY)

- Insurance protection for food crops, oilseeds and annual horticultural/commercial crops notified by the state government. – **Uniform maximum premium** for all farmers:
  - **Kharif season** – 2% of sum insured.
  - **Rabi Season** 1.5% of sum insured.
  - **Annual commercial/horticultural crops** – 5% of sum insured.

Weather Based Crop Insurance Scheme (WBCIS)

- Insurance protection for notified food crops, oilseeds and horticultural /commercial crops.
- Uniform maximum premium for all farmers like PMFBY:
  - **Kharif Season** – 2% of sum insured.
  - **Rabi Season** – 1.5% of sum insured.
  - **Commercial/horticultural crops** – 5% of sum insured.

Current State of Crop Insurance in India

- India has implemented four major crop insurance schemes, most prominent among them is the PMFBY, which is the third-largest crop insurance program globally. Other schemes include the RWBCIS, the Pilot Unified Package Insurance Scheme (UPIS), and the Coconut Palm Insurance Scheme (CPIS).
- **Increase in Farmer Enrolment:** The scheme witnessed a 27% increase in farmer enrolment from 2022-23, with 42% of non-loanee farmers and 41% of enrolled farmers (56.80 crore) indemnified from 2016-17 to 2023-24.
- **Low Penetration and Density of PMFBY and RWBCIS:** Despite the phenomenal growth, the penetration and density of PMFBY and Restructured Weather-based Crop Insurance (RWBCIS) programmes are significantly low.
- **Penetration and Insurance Density Statistics:** Their penetration in terms of gross premium as a percentage of GDP is 0.62%, and insurance density or per capita farmer premium is only ₹2,148.

Effectiveness of Crop Insurance Schemes

Positive Impacts:

- **Risk Mitigation:** By transferring the risk of crop failure to insurance companies, farmers can protect their investments and livelihoods.
- **Income Stabilization:** Timely claim settlements can help farmers maintain their income levels, even in adverse weather conditions.

- **Encouraging Adoption of Modern Agricultural Practices:** Insurance can incentivize farmers to adopt modern agricultural practices, leading to increased productivity and efficiency.
- **Government Support:** Government subsidies for premiums can make insurance more affordable for small and marginal farmers.

Challenges and Limitations:

- **Low Penetration:** Despite government efforts, the penetration of crop insurance schemes remains low, particularly among small and marginal farmers.
- **Complex Claim Settlement Process:** The complex and lengthy claim settlement process often discourages farmers from filing claims.
- **Inadequate Compensation:** In many cases, the compensation received by farmers is insufficient to cover their actual losses.
- **Exclusions and Conditions:** Many insurance policies exclude certain risks, such as losses due to pests and diseases, which can limit their effectiveness.
- **Lack of Awareness:** Many farmers are unaware of the benefits and features of crop insurance schemes.
- **Data Quality and Accuracy:** Accurate and timely data on crop loss assessment is crucial for effective claim settlement, but data quality issues often hinder the process.
- **Adverse Selection and Moral Hazard:** Farmers with higher risk profiles may be more likely to enroll in insurance, leading to adverse selection. Additionally, moral hazard can arise if farmers take fewer precautions to protect their crops, knowing they are insured.

Recommendations for Improvement

- To enhance the effectiveness of crop insurance schemes in India, the following measures can be considered:
  - **Simplified Claim Settlement Process:** Streamlining the claim settlement process and reducing paperwork can expedite the disbursement of funds to farmers.
  - **Increased Awareness and Outreach:** Conducting awareness campaigns and providing information in local languages can help farmers understand the benefits of crop insurance.
  - **Enhanced Data Management:** Investing in advanced technologies like remote sensing and GIS can improve data accuracy and facilitate timely claim assessments.

- **Risk-Based Premium Pricing:** Implementing risk-based premium pricing can ensure fair and equitable premium rates for different risk profiles.
- **Public-Private Partnerships:** Collaborating with private insurance companies can bring in expertise and innovative solutions to the sector.
- **Strengthening Extension Services:** Providing adequate extension services can help farmers make informed decisions about crop selection, risk management, and insurance coverage.
- **Financial Inclusion:** Ensuring access to credit and banking services can help farmers pay premiums and manage their finances effectively.

23.இந்தியாவில் சரக்கு மற்றும் சேவை வரி (GST) அமைப்பு முறையை விவரிக்க.

Explain about Goods and Service Tax (GST) Structure in India.

- The Constitution of India was amended by the Constitution **(one hundred and first amendments) Act, 2016.**
- The GST is imposed and collected by the Centre and the States under Article 246A of the Constitution.
- It is a **destination-based tax on the consumption of goods and services**.
- A **destination tax** is a tax that would accrue to the taxing authority which has jurisdiction over the place of consumption which is also termed a **place of supply**.

Evolution of GST:

- The idea of moving to GST was first floated by the then-Union Finance Minister in his **2006-07 Budget speech**. Initially, it was proposed that GST would be implemented on April 1, 2010.
- The **Empowered Committee of State Finance Ministers (EC)**, which designed State VAT, was asked to develop a roadmap and structure for GST.
- In November 2009, the EC issued its **First Discussion Paper (FDP)** on the GST, based on internal and external discussions with the Central Government. This outlined the features of the proposed GST and has served as the foundation for discussions between the Centre and the states thus far.
- The **12th Finance commission under the Chairmanship of C Rangarajan** also recommended implementing the GST.

- It was recommended by **Kelkar Committee** setup in 2004 for "**Implementation of FRBM (Fiscal Responsibility & Budget Management Act, 2003)**"
- The government implemented GST on July 1st, 2017.

Features of GST:

- It is to believe at all stages right from manufacture up to final consumption with credit of taxes paid at previous stages available as set off.
- In a nutshell, only value addition is taxed and the burden of tax is borne by the final consumer.
- It is a dual GST, with the Centre and States levying it at the same time on the same tax base.
- The Central GST (CGST) levied by the Centre on intra-State supply of goods and/or services is known as the Central GST (CGST) whereas the GST by the states is known as the State GST (SGST).
- Similarly, the Centre levies and administers Integrated GST (IGST) on all inter-state supplies of goods and services.
- CGST and IGST are levied and administered by the Centre, whereas SGST and UTST are levied and administered by the states and UTs.
- A dual GST complies with the Constitution's mandate of fiscal federalism.

Taxes Subsumed by GST:

- The GST would replace the following taxes:
- Central taxes that are subsumed under the GST are:
- Central Excise duty
- Duties of Excise (Medicinal and Toilet Preparations)
- Additional Duties of Excise (Goods of Special Importance)
- Additional Duties of Excise (Textiles and Textile Products)
- Additional Duties of Customs (commonly known as CVD)
- Special Additional Duty of Customs (SAD)
- Service Tax
- Central Surcharges and Cesses so far as they relate to supply of goods and services
- State taxes that are subsumed under the GST are:
- State VAT
- Central Sales Tax
- Luxury Tax
- Entry Tax (all forms)

- Entertainment and Amusement Tax (except when levied by the local bodies)
- Taxes on advertisements
- Purchase Tax
- Taxes on lotteries, betting and gambling
- State Surcharges and Cesses so far as they relate to supply of goods and services

Commodities Kept Outside GST:

- The Products and Services Tax (GST) is defined by Article 366(12A) of the Constitution, as amended by the 101st Constitutional Amendment Act, 2016, as a tax on the supply of goods or services or both, except for the supply of alcoholic liquor for human consumption.
- As a result, **alcohol for human use is exempt from GST** under the constitution's definition of GST.
- **Petroleum crude, motor spirit (petrol), high-speed diesel, natural gas, and aviation turbine fuel have all been temporarily prohibited.**
- The GST Council will determine the date on which they will be subject to GST.
- Furthermore, **power is exempt from the GST.**
- On imported items, customs duty and IGST will continue to be collected.
- Currently, **petroleum and tobacco products are exempt.**
- **Liquor excise duty, stamp duty, and power taxes** are all exempted as well.
- In the case of the aforementioned items, the present taxing structure (VAT and Central Excise) would be maintained.

Structure of GST:

- The government has categorised items into five major slabs for different goods and services - **0%, 5%, 12%, 18% and 28%**. Cesses may be imposed on the items under the highest slab of 28%.
- GST Council examines issues relating to goods, services tax and makes recommendations to the Union, and the States on parameters like **rates, exemption list and threshold limits**.
- Necessities and food items are kept at the minimal rates of 0% and 5% and the luxury items and sin goods (such as tobacco, pan masala) are placed at the top bracket rate of 28%.
- Out of 1300 products and 500+ services, the majority of the products are placed in the 12% and 18% tax bracket.

GST Council:

- GST Council is a non-profit organisation dedicated to decisions regarding GST.
- As per, GST (Article 279A), the President will appoint a council to administer and manage the GST.
- It's Chairman is India's Union Finance Minister, while its members are ministers chosen by state governments.
- The council is set up so that the centre has 1/3 of the voting power and the states have 2/3.
- A 3/4th majority is required to make a decision.

Goods and Services Network (GSTN):

- GSTN is registered as a not-for-profit company under the Companies Act.
- It has been formed to set up and operate the information technology backbone of the GST.
- While the Central (24.5%) and the state (24.5%) governments hold a combined stake of 49%, the remaining 51% stake is divided among five financial institutions—LIC Housing Finance with 11% stake and ICICI Bank, HDFC, HDFC Bank and NSE Strategic Investment Corporation Ltd with 10% stake each.
- GSTN had awarded Infosys Ltd the contract to develop the hardware and software for GST.
- The idea behind GSTN was to set up an entity that is equidistant from both the Central government and the state governments, as it will advise both the Centre and the states on the information technology network.

GST (Compensation to States) Act, 2017:

- As per the GST (Compensation to States) Act, 2017, loss of revenue to the states on account of implementation of Goods and Service Tax is payable during the transition period of 5 years.
- The Act says that the financial year 2015-16 is to be taken as the base year for calculating compensation amount. The projected nominal growth rate of revenue subsumed for a state during the transition period shall be 14% per annum.
- The government needs extra revenue to compensate the states, and so the GST Council allowed the centre to impose additional cesses for five years on certain goods over and above the highest tax bracket of 28%. These

goods on which cess will be levied include tobacco products, coal, motor vehicles, which include all types of cars, personal aircraft, and yachts.

National Anti-Profiteering Authority (NAA)

(Replace with Competition Commission of India – CCI):

- The National Anti-Profiteering Authority shall be a **five-member committee** consisting of a **Chairman** who holds or has held a post equivalent in rank to a Secretary to the Government of India; and **four Technical Members** who are or have been Commissioners of State tax or central tax. Additional Director General of Safeguards shall be the Secretary of the Authority.
- The Authority will determine the method and procedure for determining whether the reduction in rate or the benefit of the **input tax credit** has been passed on by the seller to the buyer by reducing the prices.
- The Authority shall **exist for 2 years** from the date on which the Chairman enters upon his office unless the Council recommends otherwise.
- The GST Council will constitute a Standing Committee and a **state-level Screening Committee on Anti-Profiteering**, Standing Committee comprises officers of the State and Central Government as nominated by it.

Composition Scheme:

- Taxpayers under the composition scheme of the GST will now have more relaxed rules with an increased turnover limit for the applicability, inclusion of service providers and reduced tax rates.
- This scheme is also applicable to the real estate sector with respect to under-construction, ready and affordable homes.
- The composition scheme is an alternative method of tax levy under GST designed to simplify compliance and reduce compliance costs for small taxpayers.
- The main feature of this scheme is that the business or person who has opted to pay tax under this scheme can pay tax at a flat %age of turnovers every quarter, instead of paying tax at a normal rate every month.

Eligibility:

- The composition scheme is applicable to manufacturers or traders whose taxable business turnover is up to ₹1.5 crore (₹75 lakh in case of North-Eastern States).

- A service provider can opt for the scheme if his taxable turnover is up to ₹50 lakh.
- Businesses with inter-State supplies, manufacturers of ice cream, pan masala and tobacco, and e-commerce players cannot opt for the composition scheme.

New Compliances under GST:

e-Way Bills:

- e-Way Bills are a type of electronic bill.
- By introducing "e-way bills," the GST created a centralised system of waybills.
- This system was started on April 1, 2018, for inter-state goods movement and on April 15, 2018, for staggered intra-state goods transit.
- Manufacturers, traders, and carriers can easily generate e-way bills for items moved from their point of origin to their point of destination using the e-way bill system.
- Tax authorities gain as well, as this technique reduces time spent at checkpoints and aids in the reduction of tax evasion.

E-invoicing:

- For enterprises with annual aggregate revenue of more than Rs.500 crore in any previous financial year, the e-invoicing system became effective on October 1, 2020.
- This system was also extended to those having an annual aggregate turnover of more than Rs.100 crore as of January 1, 2021.
- Every business-to-business invoice must be assigned a unique invoice reference number by uploading it to the GSTN's invoice registration page.
- The invoice is checked for accuracy and authenticity by the gateway. It then authorises the use of a digital signature and a QR code.
- e-Invoicing enables invoice interoperability and reduces data entry errors. Its purpose is to send invoice information directly from the IRP to the GST and e-way bill portals.
- As a result, it will reduce the need for manual data entry when filing GSTR-1 and will also aid in the preparation of e-way bills.

Reforms Brought About by GST:

- **National Market:** By combining a large number of Central and State taxes into a single tax, a common national market can be created.

- **Mitigation of cascading effects:** The GST significantly reduced the negative consequences of cascading or double taxation, paving the path for a common national market.
- **Reduced Tax Burden:** From the perspective of consumers, the main benefit would be a reduction in the overall tax burden on goods.
- **Increasing the competitiveness of Indian products:** Due to the entire neutralisation of input taxes across the value chain of manufacturing, the GST is making Indian products more competitive in both domestic and foreign markets.
- GST would be easier to manage due to its transparency and self-policing nature.

Advantages of GST:

For the Government:

- **Create a unified common market:** Will assist India in establishing a unified common national market. It will also help the "**Make in India" initiative and international investment**.
- **Increase the tax rate Compliance:** Improved compliance environment since all **returns must be filed online, input credits must be validated online**, and a paper trail of transactions must be kept at each level of the supply chain.
- **Discourage Tax evasion:** By eliminating rate arbitrage between neighbouring States and between intra-state and inter-state sales, uniform SGST and IGST rates will minimise the incentive for evasion.
- **Streamline Taxation:** By harmonising tax rules, procedures, and rates between the federal government and states, as well as between states.

For Overall Economy:

- **Will form a secure taxation system:** Bring greater certainty to the taxation system by establishing common procedures for taxpayer registration, tax refunds, uniform tax return forms, a common tax base, and a common system of classification of goods and services.
- **Lessen corruption:** Increasing the use of technology will eliminate the human interface between the taxpayer and the tax administration, which will help to reduce corruption.
- **Boost the secondary sector:** This will improve export and manufacturing activity, create more jobs, and so increase GDP through gainful

employment, resulting in real economic growth; in the end, it will aid in poverty eradication by creating more jobs and financial resources.

For the Trade and Industry:

- A more straightforward tax system with fewer exemptions.
- Ease of doing business will improve.
- Reduction in the number of taxes.
- Certain sectors will no longer be subject to double taxes.
- Increasing the competitiveness of our products on the global market.
- Registration, returns, refunds, and tax payments have all been simplified and automated.
- Reduced average tax burden on goods and services supply.

For Consumers:

- **Visible prices:** Due to the smooth flow of input tax credits between the manufacturer, retailer, and service provider, the final price of items is supposed to be transparent.
- **Reduction in price:** Long-term reduction in the price of commodities and goods due to a reduction in the taxation's cascading effect.
- **Poverty eradication:** It is accomplished through increasing employment and financial resources.

For the States:

- **Broaden the Tax Base:** States will be empowered to tax the entire supply chain from manufacturing to retail, which will broaden the tax base.
- **More economic empowerment:** Giving states access to the fastest-growing sector of the economy, which was previously solely available to the federal government, will increase revenue and provide states access to the fastest-growing sector of the economy.
- **Enhancing Investments:** Because GST is a destination-based consumption tax, it will benefit consumers. Improve the country's overall investment climate, which will inevitably boost the country's development.
- **Boosting Compliance:** By minimising rate arbitrage between neighbouring States and between intra-state and inter-state sales, nearly uniform SGST and IGST rates will minimise the incentive for evasion.

Issues Regarding GST:

- **All commodities are not covered:** Certain taxes, such as those on alcohol and tobacco, are still not covered by the GST.

- States claim that incorporating them will reduce revenue and deplete a valuable resource.
- However, some experts believe that the underlying explanation is a political-business alliance and high-profile lobbying.
- In addition, India's Finance Minister stated in parliament that a consensus on bringing alcohol and cigarettes under the GST framework is conceivable shortly.
- **GST Council:** There are concerns regarding how to identify which things will fall into which tax bracket and the criteria for determining which items will fall into which tax bracket. It could result in lobbying.
- The Finance Minister has responded by saying that the decision will be made by the GST Council only after full diligence and, most likely, by consensus.
- **Various tax brackets and rates:** Due to different tax rates and bands, the conceptual premise that GST stands for "One Nation, One Tax" is currently diluted. In response, the Finance Minister stated that because the target consumers of goods and services have varying capabilities, a system similar to the democratic lines must be implemented, in which higher-value consumers pay greater taxes.
- **The Central Government has taken away the power of the Parliament to levy taxes:** The Act gives the government the authority to announce CGST rates, subject to a cap. This means that the government can change rates up to a maximum of 20% without getting Parliament's permission.
- Parliament and state legislatures levy taxes under the Constitution. Though the plan to set rates through delegated legislation satisfies these criteria, the question remains whether it is proper to do so without first undergoing parliamentary examination and approval.
- **Confusion over consumption location:** Under GST, both the state and the federal government can tax services based on where they are consumed. Now the problem occurs because the general guideline for determining the recipient's location is his address on file; yet, there are particular requirements for various services such as telecommunications, real estate, transportation, and so on.
- This means that even if a service is used in numerous jurisdictions, the tax revenue is credited to the state where the beneficiary is registered or where

his business is located. This could result in states with more registered offices paying a larger tax.

- **Anti-Profiteering Clause:** The government intends to establish an authority to determine whether or not there would be any reduction in tax rates when GST is passed on to consumers by businesses. This notion is not well received by industry and enterprises, who perceive it as a backdoor entry for inspector raj.

24.இந்தியாவில் பணவியல் கொள்கையை விவரிக்க. பணவியல் கொள்கையை செயல்படுத்துவதற்கு பயன்படுத்தப்படும் முறைகள் யாவை?

Elucidate Monetary policy in India. What are the tools that are used for implementing monetary policy?

- Monetary policy means the set of **measures taken to control a nation's entire money supply.** Monetary policy seeks to promote economic growth, limit inflation, create job opportunities, and maintain an appropriate exchange rate. Interest rate changes and adjustments to bank reserve requirements are **examples** of monetary policy strategies.
- Monetary policy is a macroeconomic plan established by the central bank.
- It is a **demand-side economic strategy** used by a nation's government to achieve macroeconomic goals including inflation, consumption, growth, and liquidity.
- Monetary policy includes changing interest rates, either directly or indirectly, through open market operations, reserve requirements, or foreign exchange trading.
- **Credit policy** is a subset of monetary policy since it governs how much and at what interest rate banks extend credit.

Objectives of Monetary Policy:

- Monetary policy is concerned with making money available to the market at reasonable rates and in sufficient quantities at the appropriate time in order to achieve:
  - **Price stability**
  - **Accelerating growth of economy**
  - **Exchange rate stabilization**
  - **Balancing savings and investment**
  - **Generating employment**
  - **Financial stability**

- The primary goal of monetary policy is to maintain price stability while keeping growth in mind. Price stability is a prerequisite for long-term growth. In order to maintain price stability, inflation must be kept under control. Every five years, the Indian government sets an inflation target. The Reserve Bank of India (RBI) plays an important role in the consultation process for inflation targeting. The current **inflation-targeting framework** in India is flexible.

Types of Monetary Policy:

There are two types of monetary policy: expansionary and contractionary policies:

- **Expansionary policy** – An expansionary policy boosts economic activity during slowdowns or recessions. Expansionary policy works by increasing the total money supply in the economy. The money supply in the economy is increased by lowering the general interest rates on loans and other forms of debt. When there are low-interest rates, people tend to save less, and consumer spending and borrowing increase. Thus, it is used to stimulate economic growth.
- **Contractionary policy** – Contractionary policy decreases the total supply of money in the economy by increasing the interest rates. It is used to reduce prices caused by an excess money supply.

Monetary Policy Committee (MPC):

- The **Monetary Policy Committee (MPC)** is the committee set up by the Union government to set the policy interest rates as a part of its monetary policy.
- MPC was constituted in 2016 as a statutory body under the RBI Act to formulate monetary policy in India.
- It is **headed by the Governor of the Reserve Bank of India (RBI)**. The Monetary Policy Committee decisions will impact the money supply and liquidity in the economy.
- The MPC is a six-person committee appointed by the Central Government (**Section 45ZB of the amended RBI Act, 1934**).
- The MPC must meet at least **four times per year**. The MPC meeting requires a quorum of four members. Each MPC member has one vote, and in the event of a tie, the **Governor** has a **second or casting vote**.

Instruments of Monetary Policy:

- Monetary policy is implemented using a variety of direct and indirect instruments:

Repo Rate:

- Repo Rate is the (fixed) interest rate at which the Reserve Bank provides overnight liquidity to banks in exchange for the government and other approved securities as collateral under the liquidity adjustment facility (LAF).

Reverse Repo Rate:

- Reverse Repo Rate is the (fixed) interest rate at which the Reserve Bank absorbs liquidity from banks on an overnight basis in exchange for eligible government securities under the LAF.

Liquidity Adjustment Facility (LAF):

- Liquidity Adjustment Facility (LAF) is made up of both overnight and term repo auctions.
- The Reserve Bank has gradually increased the proportion of liquidity injected through fine-tuning variable rate repo auctions of various tenors.
- The goal of term repo is to help develop the inter-bank term money market, which in turn can set market-based benchmarks for loan and deposit pricing and thus improve monetary policy transmission.
- The Reserve Bank also conducts variable interest rate reverse repo auctions as market conditions dictate.

Marginal Standing Facility (MSF):

- Marginal Standing Facility (MSF) is the facility through which scheduled commercial banks can borrow an additional amount of overnight money from the Reserve Bank by dipping into their **Statutory Liquidity Ratio (SLR)** portfolio up to a certain limit at a penal rate of interest.
- This acts as a safety valve for the banking system in the event of unexpected liquidity shocks.

Corridor:

- The corridor for the daily movement in the weighted average call money rate is determined by the MSF rate and the reverse repo rate.

Bank Rate:

- Bank Rate is threat at which the Reserve Bank is willing to purchase or rediscount bills of exchange or other commercial papers.

- Section 49 of the **Reserve Bank of India Act, 1934** mandates the publication of the Bank Rate.
- This rate has been aligned with the MSF rate and, as a result, changes automatically when the MSF rate and the policy repo rate change.

Cash Reserve Ratio (CRR):

- Cash Reserve Ratio (CRR) is the average daily balance that a bank is required to maintain with the Reserve Bank as a share of such percentage of its **Net demand and time liabilities (NDTL)** as specified by the Reserve Bank in the Gazette of India from time to time.

Statutory Liquidity Ratio (SLR):

- Statutory Liquidity Ratio (SLR) is the percentage of NDTL that a bank must keep in safe and liquid assets such as unencumbered government securities, cash, and gold.
- SLR changes frequently have an impact on the availability of resources in the banking system for lending to the private sector.

Open Market Operations (OMOs):

- Open Market Operations (OMOs) include the outright purchase and sale of government securities for the purpose of injecting and absorbing long-term liquidity, respectively.

Market Stabilisation Scheme (MSS):

- Market Stabilisation Scheme (MSS) is a monetary management tool that was introduced in 2004.
- Short-term government securities and treasury bills are sold to absorb longer-term surplus liquidity resulting from large capital inflows.
- The money raised in this manner is kept in a separate government account of the Reserve Bank.

25. பின்வருவனவற்றை விளக்குக.

A. சமூக பங்குச் சந்தை.

B. அமலாக்கத்துறை இயக்குனரகம்.

C. நிதி சேவை நிறுவனங்கள் பணியகம் (FSIB).

Explain the following

A. Social stock exchange.

B. Directorate of Enforcement.

C. Financial services institutions bureau (FSIB).

A. Social stock exchange.

- A Social Stock Exchange is a stock exchange that provides an alternative fund-raising mechanism for Non-Profit Organization to get listed and raise funds.
- It enables organizations working for various social causes to raise funds.
- It shows less dependence on foreign aid organizations.
- These organizations already exist in various developed democracies such as the US, UK, etc.
- It enables better allocation of resources and hence their better utilization.

Benefits of Social Stock Exchange:

- They operate on common minimum laid down standards which encourage participation of various other stakeholders such as investors, donors, etc.
- They help leverage existing relations and infrastructure to build newer networks.
- They result in a more inclusive economic and social growth.
- It results in better reporting capabilities by NGOs, social auditing, etc.
- Providing supportive regulations such as tax exemptions, etc could lead to better utilization of funds for social causes.
- It would encourage performance linked philanthrophy.

B. Directorate of Enforcement.

- The Enforcement Directorate (ED) or the Directorate of Enforcement is a **specialised financial law enforcement and economic intelligence agency** of India.
- It functions **under the administrative control** of the **Department of Revenue in the Union Ministry of Finance,** Government of India.
- The **primary mandate** of the ED is to enforce economic laws and combat economic crimes, particularly those related to **money laundering and violations of foreign exchange laws.**

Establishment of Enforcement Directorate:

- The history of the genesis and evolution of the Enforcement Directorate (ED) goes back to the year 1956. Major events related to the establishment of ED can be seen as follows:
- **1956**: In the year 1956, an **"Enforcement Unit"** was formed within the **Department of Economic Affairs,** Ministry of Finance to handle

cases related to violations of **Exchange Control Laws** under the **Foreign Exchange Regulation Act, 1947 (FERA, 1947).**

- The Enforcement Unit was **headquartered in Delhi and headed by the Director of Enforcement (DoE).**
- **1957**: In the year 1956, the "**Enforcement Unit"** was renamed the "**Enforcement Directorate (ED)".**
- **1960**: In 1960, the **administrative control** of the Enforcement Directorate (ED) was **transferred from** the Department of Economic Affairs (DEA) to the **Department of Revenue (DoR), Ministry of Finance.**
- **1973-1977**: For a short period of 1973 – 1977, the Directorate remained under the administrative jurisdiction of the Department of Personnel & Administrative Reforms.
- **1977**: In the year 1977, the Directorate was again transferred back under the administrative control of the Department of Revenue where it has been functioning as of now.

The broad functions of the Enforcement Directorate (ED) are:

- To enforce the provisions of the Foreign Exchange Management Act (FEMA), the Prevention of Money Laundering Act (PMLA) and the Fugitive Economic Offenders Act (FEOA).
- To investigate cases related to financial crimes, such as money laundering, foreign exchange violations, and bank fraud.
- To exercise the power to arrest individuals, conduct searches and seizures, and summon records and persons as part of its investigations.

Statutory Functions of Enforcement Directorate

- Prevention of Money Laundering Act, 2002 (PMLA)
- Foreign Exchange Management Act, 1999 (FEMA)
- Fugitive Economic Offenders Act, 2018 (FEOA)
- Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA)

C. Financial services institutions bureau (FSIB).

- It's a government body set up under the Department of Financial Services.
- It replaced the Bank Board's Bureau (BBB) which was declared an incompetent authority.

Structure:

- FSIB would be headed by a chairman, a central government nominee.
- The board would comprise the Secretaries of the DFS, the chairman of IRDAI, and a deputy governor of the RBI.
- Additionally, it will have three part-time members who are experts in banking and three more from the insurance sector.

The Primary role of FSIB:

- To identify manpower capabilities and ensure proper selection of talent for senior positions at financial institutions owned by the government.
- It is entrusted with making recommendations for the appointment of full-time directors and non-executive chairman of state-run financial services institutions.
- The final decision on the FSIB recommendation would be taken by the Appointments Committee of the Cabinet headed by the Prime Minister.

Other Mandates of FSIB:

- It would also issue guidelines for selecting general managers and directors of public sector general insurance companies.
- It will also be involved in formulating and developing business strategies for state-run banks and help them in their fund-raising plans.
- It would also monitor and assess the performance of public sector banks, government-owned financial institutions and insurance companies.

26. **நிதி கூட்டாட்சி என்றால் என்ன? மற்றும் இந்தியாவில் நிதி கூட்டாட்சியின் முக்கியத்துவம் மற்றும் சவால்கள் குறித்து விவாதிக்க.**

What is Fiscal Federalism? and discuss the significance and challenges to Fiscal Federalism in India.

- **Fiscal Federalism**- Fiscal federalism refers to the division of financial powers and responsibilities between the central government and state governments in India.

Examples of Cooperative Fiscal Federalism

- **Introduction of GST**- The introduction of Goods and Services Tax (GST) through the 101st Constitutional Amendment is a historic example of cooperative fiscal federalism in India. The GST act has transformed India’s indirect tax landscape, and fostered Centre-State cooperation.

- **Passage of FRBM Act**- The Fiscal Responsibility and Budget Management (FRBM) Act 2003 aims to promote fiscal discipline at the central and state levels. 21 states enacted their own FRBM Acts, incentivized by debt and interest rate relief provided by the 12th Finance Commission. This is a historic example of centre-state cooperation in maintenance of Fiscal prudence.
- **Introduction of performance-based grants**- Performance-based grants are being used to incentivize states to achieve developmental targets. This has led to competitive and cooperative federalism between the Centre and States in the sphere of finances and public expenditure.

Finance commission recommendations for Fiscal federalism

- The Finance Commissions have made several important recommendations over the years to promote fiscal federalism in India-
- **Vertical Tax Devolution**- The 14th Finance Commission radically increased the share of states in the central divisible pool of taxes from 32% to 42%, the biggest ever increase in vertical tax devolution. This enhances the fiscal autonomy and resources of state governments.
- **Horizontal Distribution Formula**- The 15th FC used criteria like income distance (45%), population (2011) (15%), area (15%), demographic performance (12.5%), and forest and ecology (10%) to determine each state's share. This helps equalize fiscal capacities and addresses horizontal imbalances between states.
- **Grants-in-Aid**- The Finance Commissions provide grants-in-aid to specific states or sectors that need assistance or reform. This promotes the spirit of competitive and cooperative fiscal federalism.
- **Fiscal Consolidation**- The finance commissions have suggested maintenance of fiscal prudence by the states. The 12th FC recommended a multi-dimensional restructuring aimed at both qualitative and quantitative aspects of managing government finances

Significance of Fiscal Federalism in India:

Promoting Economic Development:

- **Regional Disparities:** Fiscal federalism allows states to tailor policies to their specific needs, addressing regional disparities and promoting balanced economic growth.
- **Local Innovation:** Decentralization encourages experimentation and innovation in policy implementation, leading to better outcomes.

Strengthening Democratic Governance:

- **Accountability:** By assigning fiscal responsibilities to different levels of government, it enhances accountability and transparency.
- **Citizen Participation:** Local governments can better respond to the needs and preferences of their citizens, fostering a sense of ownership and participation.

Effective Public Service Delivery:

- **Tailored Services:** State and local governments can design and deliver public services that are more responsive to local needs and conditions.
- **Efficient Resource Utilization:** Decentralization can lead to more efficient allocation of resources, avoiding duplication and waste.

Challenges to Fiscal Federalism in India:

Vertical Fiscal Imbalance:

- **Central Dominance:** The central government often exerts significant influence over state finances through various mechanisms like conditional grants and tax-sharing arrangements.
- **Revenue Shortfall:** States often face revenue shortfalls, limiting their ability to fund essential public services.

Horizontal Fiscal Imbalance:

- **Inter-State Disparities:** Significant disparities exist among states in terms of revenue generation capacity and expenditure needs.
- **Resource Allocation Inequities:** The allocation of resources through central grants and tax-sharing arrangements may not always be equitable.

Weak Fiscal Institutions:

- **Lack of Capacity:** State and local governments may lack the capacity to effectively manage their finances and implement fiscal reforms.
- **Poor Financial Management:** Inefficient financial management practices can lead to fiscal mismanagement and debt accumulation.

Political Interference:

- **Centralization Tendencies:** The central government may sometimes overstep its constitutional authority and interfere in state fiscal matters.
- **Populist Measures:** State governments may adopt populist measures that are not fiscally sustainable, leading to long-term problems.

Way Forward:

- To address these challenges and strengthen fiscal federalism in India, the following measures can be considered:

- **Strengthening Fiscal Institutions:** Investing in capacity building and institutional reforms at the state and local levels.
- **Reforming the Finance Commission:** Enhancing the role of the Finance Commission in ensuring equitable resource distribution and fiscal discipline.
- **Promoting Fiscal Responsibility:** Implementing fiscal responsibility laws and regulations to ensure sustainable fiscal management.
- **Enhancing Tax Autonomy for States:** Granting states greater autonomy in taxation to increase their revenue generation capacity.
- **Improving Intergovernmental Fiscal Transfers:** Designing efficient and equitable intergovernmental transfer mechanisms to address regional disparities.
- **Strengthening Local Governance:** Empowering local governments to play a more significant role in public service delivery and economic development.
- **Promoting Cooperative Federalism:** Fostering cooperation and coordination between the central and state governments to address common challenges

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பொது அறிவு
GENERAL STUDIES

கால அளவு: மூன்று மணி நேரம் | மொத்த மதிப்பெண்: 250
Duration : 3 Hours | Total Marks : 250

பிரிவு - அ
SECTION - A

(10 x 10 = 100)

1. **இந்தியாவின் வேலையின்மை வளர்ச்சிக்கான பல்வேறு காரணிகளை விமர்சன ரீதியாக பகுப்பாய்வு செய்க.**

   Critically analyze the various factors for India's jobless growth.

   India's Jobless Growth: Key Points

   Contributing Factors:

   - **Demographic Pressure**: Rapid population growth outpaces job creation.
   - **Skill Mismatch**: Education system fails to meet modern job market needs.
   - **Sectoral Imbalances**: Focus on capital-intensive sectors like IT, not labor-intensive industries.
   - **Informal Economy**: Dominance of low-paying, insecure informal jobs.
   - **Infrastructure Bottlenecks**: Poor transport, power, and facilities limit industrial growth.
   - **Low Labor Productivity**: Outdated practices in sectors like agriculture.
   - **Automation**: Technology reduces demand for low-skilled labor.
   - **Weak SME Support**: Limited support for small businesses hampers job creation.

- **Poor Industrial Policy**: Insufficient focus on labor-intensive manufacturing.

Consequences:

- **Social Unrest**: Rising unemployment increases dissatisfaction, especially among youth.
- **Income Inequality**: Economic growth benefits a small section disproportionately.
- **Economic Slowdown**: Unemployment reduces consumer demand and economic activity.

Potential Solutions:

- **Skill Development**: Quality education and training programs aligned with market needs.
- **Labor-Intensive Industries**: Promote manufacturing and agriculture for job generation.
- **Formalizing Informal Sector**: Transition informal workers into formal jobs with better security.
- **Infrastructure Development**: Invest in large-scale infrastructure to create jobs.
- **Entrepreneurship Promotion**: Support SMEs and startups to boost job creation.
- **Policy Reforms**: Flexible labor laws and targeted industrial policies for job growth.

2. **பெண் தொழிலாளர் பங்கேற்பை மேம்படுத்த தமிழக அரசு எடுத்துள்ள பல்வேறு முயற்சிகள் குறித்து விவாதிக்க.**

Discuss the various initiatives taken by the Tamil Nadu government to improve female worker participation.

Promoting Women-Centric Industries:

- Encourages industries like electronics manufacturing and non-leather footwear, which employ a higher number of women.

Childcare Facilities

- Companies are encouraged to set up on-site childcare centers to help women rejoin the workforce after maternity leave.

Workplace Safety Measures

- Mandatory Internal Complaints Committees: Ensures a harassment-free workplace.

- **Gender Sensitivity Training**: Regular sessions to create a respectful workplace environment.

Financial Incentives for Employers

- Subsidies and other benefits are provided to companies hiring and retaining women employees.

Tamil Nadu State Policy for Women 2021

- Comprehensive measures addressing education, healthcare, entrepreneurship, and protection from gender-based violence.

Women-Led Cooperative Societies

- Women Industrial Co-operative Societies engage in activities like stitching uniforms for school children under government schemes.

  Schemes Include:
  - Purachi Thalaivar M.G.R. Nutritious Meal Programme.
  - Adi Dravidar and Tribal Welfare Department Initiatives.

Skill Development Programs

- Vocational training programs aimed at equipping women with employable skills in various sectors.

Public Transport Accessibility

- **Free Travel for Women**: Introduced in 2021, women can travel free in government-operated ordinary city buses, facilitating easier commutes.

Helpline Services

- **181 Women Helpline**: 24-hour support for women facing workplace harassment or violence.
- **Kavalan-SOS App**: Provides immediate assistance in emergencies.

Gender Budget Cell

- Ensures gender-responsive budgeting across all departments to focus on women's welfare and empowerment.

Awareness Campaigns

- Promotes awareness of gender equality and women's rights to foster societal change.

Key Schemes Supporting Female Workers:

Moovalur Ramamirtham Ammaiyar Higher Education Assurance Scheme:

- Monthly stipend of ₹1,000 for girls in government schools to encourage higher education.

Women Industrial Co-Operative Societies:

- Supports women through employment in cooperative societies, providing income and skill development.

Free Sewing Machine Scheme:

- Free sewing machines for economically weaker women, widows, and deserted wives to support self-employment.

Tamil Nadu Transgender Welfare Board:

- Includes women-friendly initiatives for inclusivity and empowerment.

Marriage Assistance Schemes:

- **Dr. Dharmambal Ammaiyar Ninaivu Widow Remarriage Scheme**: Financial aid for remarriage and employment opportunities.
- **Dr. Muthulakshmi Reddy Ninaivu Inter-Caste Marriage Scheme**: Encourages inter-caste marriages with financial incentives.

Service Homes:

- Provide accommodation, education, and vocational training to widows, deserted women, and women rescued from child marriage.

Pension Scheme for Women and Transgenders:

- Monthly pensions for destitute women and transgenders to ensure financial security.

3. **அதிக ஏற்றுமதி திறன் கொண்ட இந்தியாவின் முக்கிய துறைகளை முன்னிலைப்படுத்துக.**

Highlight the key sectors in India with high export potential.

Petroleum Products:

- India is a global leader in oil refining with a strategic location near the Middle East, making it the largest exporter of petroleum products.

Pharmaceuticals:

- A well-established industry exporting a wide range of generic drugs and vaccines to global markets.

Textiles and Apparel:

- Known for its diverse and high-quality production of textiles and garments, including t-shirts, suits, and jeans.

Dairy Products:

- Expertise in agricultural and dairy production allows India to export milk, ghee, cheese, and other products internationally.

Cotton Yarn:

- Ethical and high-quality cotton yarn is a key export, catering to the global demand for sustainable materials.

Electronics:

- Investments in electronics manufacturing are positioning India as an emerging hub for exporting electronic goods.

Iron and Steel:

- The robust iron and steel industry contributes significantly to exports, supporting construction and infrastructure globally.

Agricultural and Allied Products:

- Diverse offerings include spices, tea, coffee, fruits, and other commodities, making India a key player in the global agricultural trade.

Digital Financial Services

- India's advanced digital ecosystem has potential for exporting digital financial services, leveraging its technological prowess.

4. **சர்வதேச நாணய நிதியகத்தின் (IMF) கட்டமைப்பு, பங்களிப்பு மற்றும் செயல்பாடுகள் குறித்து விவாதிக்க.**

Discuss the structure, role and functions of International Monetary Fund (IMF).

Structure:

- **Membership:** The IMF consists of **191-member countries**, all of which are shareholders in the organization.
- **Governance:**
  - The **Board of Governors**, with one governor and an alternate governor from each member country, is the highest decision-making body.
  - An **Executive Board** of 24 members, elected by the Board of Governors, oversees the day-to-day operations.
  - The **Managing Director** serves as the head of the IMF staff and chairs the Executive Board.
- **Decision-Making:** Voting power in the IMF is weighted by each member's financial contribution, known as the **quota system**.

Role:

- The **IMF aims** to promote global economic stability and growth through:
  - Encouraging international monetary cooperation.
  - Facilitating balanced trade and economic expansion.
  - Discouraging policies that undermine global economic prosperity.

Functions:

Policy Advice:

- Provides guidance to member countries on economic and financial policies to foster stability and growth.

Lending:

- Offers **short- and medium-term loans** to countries facing balance of payments difficulties, helping stabilize economies during crises.

Technical Assistance and Training:

- Provides support to member nations to improve fiscal policies, monetary strategies, and institutional frameworks for better economic management.

Monitoring (Surveillance):

- Regularly assesses global economic developments and the economic performance of member countries to identify risks and opportunities for growth.

Funding:

- The IMF is primarily funded through **quota contributions** from its members, which are based on the relative size of their economies. These quotas determine both a country's financial commitment to the IMF and its voting power.

5. **ஒரு பொருளாதாரத்திற்கான அந்நிய செலாவணி கையிருப்பின் முக்கியத்துவம் குறித்து விவாதிக்க.**

Discuss the significance of foreign exchange reserves for an economy.

Currency Stability:

- Central banks use foreign exchange reserves to intervene in foreign exchange markets.
- By buying or selling foreign currency, they manage the exchange rate of the domestic currency, preventing excessive volatility and ensuring economic stability.

Managing Trade Imbalances:

- Reserves help finance imports when a country experiences a trade deficit (imports exceed exports).
- This ensures uninterrupted access to essential goods and services from global markets.

Debt Servicing:

- Countries with external debt obligations rely on reserves to meet interest payments and repay principal amounts.

- Adequate reserves prevent default risks, enhancing the country's creditworthiness.

Economic Crisis Buffer:

- During financial or economic crises, reserves act as a cushion to manage external shocks.
- They enable countries to stabilize their economies by addressing sudden capital outflows or funding gaps in foreign transactions.

Maintaining Market Credibility:

- A robust level of reserves boosts investor confidence by showcasing the country's ability to manage financial risks.
- It attracts foreign investment, fostering economic growth and stability.

Support for International Trade and Investment:

- Reserves ensure smooth settlement of cross-border trade and investment transactions, vital for economic globalization.

Components of Foreign Exchange Reserves:

Foreign Currency Assets:

- The largest component, held in major currencies like USD, Euro, and Yen.

Gold:

- Acts as a safe haven asset, particularly during periods of global economic uncertainty.

Special Drawing Rights (SDRs):

- An international reserve asset allocated by the IMF to supplement reserves.

Reserve Position in the IMF:

- Represents a country's credit line with the IMF for balance of payment needs.

Factors Influencing Foreign Exchange Reserves:

Trade Balance:

- A trade surplus increases reserves, while a trade deficit depletes them.

Foreign Investment Inflows:

- Higher foreign direct investment (FDI) or portfolio investment inflows boost reserves.

Economic Policies:

- Prudent fiscal and monetary policies contribute to building and maintaining reserves.

6. தமிழகப் பொருளாதாரத்தில் சேவைத் துறையின் பங்களிப்பு குறித்து எழுதுக.

Write about the contribution of the service sector in Tamil Nadu's economy.

- The service sector is the cornerstone of Tamil Nadu's economic growth, contributing approximately **54% to the Gross State Domestic Product (GSDP)**. It plays a pivotal role in employment generation, foreign exchange earnings, and infrastructure development, driving the state toward greater prosperity and innovation.

Key Contributors to Tamil Nadu's Service Sector:

Information Technology (IT) and IT-Enabled Services (ITES):

- **Chennai**, dubbed the "IT capital of South India," is a prominent hub for IT companies.
- Major services include software development, business process outsourcing (BPO), and cloud computing.
- This sector is a significant foreign exchange earner and provides substantial employment opportunities.

Healthcare:

- Tamil Nadu boasts advanced healthcare infrastructure with numerous public and private hospitals, medical colleges, and research centers.
- The state is a key destination for **medical tourism**, attracting patients from across India and abroad.

Education:

- With a strong network of universities, colleges, and training institutes, Tamil Nadu contributes to skilled workforce development.
- The state is recognized as a hub for educational services, which also support the growth of other sectors.

Financial Services:

- Banking, insurance, and financial institutions play a vital role in facilitating economic activities.
- The sector supports businesses and consumers, ensuring smooth financial transactions and investments.

Logistics and Transportation:

- Tamil Nadu's **well-developed transportation network**, including major ports in **Chennai** and **Tuticorin**, supports trade and commerce.

- The logistics sector, driven by warehousing and supply chain services, bolsters industrial and export growth.

Tourism:

- Rich cultural heritage, historical landmarks, and natural attractions make Tamil Nadu a top tourist destination in India.
- Tourism generates significant revenue through hotels, travel agencies, and related services.

Impact of the Service Sector on Tamil Nadu's Economy:

Employment Generation:

- The service sector provides a large share of employment, particularly in IT, healthcare, and education.
- It supports both skilled professionals and semi-skilled workers across diverse industries.

Economic Growth:

- By contributing the largest share to Tamil Nadu's GSDP, the service sector acts as the engine of economic growth.

Infrastructure Development:

- Rising demand for IT parks, healthcare facilities, and educational institutions drives infrastructure expansion.

Social Development:

- Services like healthcare, education, and financial assistance contribute to the state's social welfare and quality of life.

Challenges and Future Prospects:

Skill Gap:

- Bridging the gap between available skills and industry requirements is essential to sustain growth.

Infrastructure Needs:

- Continued investment in transport, digital connectivity, and urban infrastructure is required to support expanding service industries.

Innovation and Diversification:

- Focusing on emerging technologies such as fintech, artificial intelligence, and telemedicine can enhance the service sector's competitiveness.

Tourism Potential:

- Unlocking the full potential of Tamil Nadu's cultural and natural assets through improved facilities and global promotion can further boost revenues.

7. தமிழ்நாட்டின் இயற்கை வேளாண்மைக் கொள்கையின் நோக்கங்களைப் குறித்து எழுதுக.

Write about the objectives of the organic farming policy of Tamil Nadu.

Promoting Chemical-Free Farming:

- Increase the area under organic farming by reducing dependency on synthetic fertilizers and pesticides.
- Encourage safe and sustainable food production practices to protect consumer health.

Enhancing Soil Health:

- Focus on improving soil fertility through the use of organic manures, composting, and crop rotation.
- Promote sustainable farming techniques to restore and maintain soil structure.

Conserving Biodiversity:

- Support the preservation of native crop varieties and traditional seeds.
- Encourage agroforestry and integrated farming systems to enhance biodiversity in agricultural landscapes.

Water Resource Management:

- Promote efficient water use through advanced irrigation practices like drip irrigation.
- Implement rainwater harvesting systems to mitigate the impacts of climate variability.

Empowering Farmers:

- Provide training and technical support to help farmers transition to organic farming methods.
- Develop market linkages and value addition opportunities to improve farmers' incomes.

Ensuring Certification and Quality Assurance:

- Establish a robust organic certification system to validate the authenticity of organic products.
- Maintain stringent quality standards to ensure consumer trust in organic produce.

Fostering Research and Development:

- Support research in organic farming techniques, pest control, and crop varieties suitable for Tamil Nadu's agro-climatic conditions.

- Develop innovative organic farming tools and practices to enhance productivity.

Raising Consumer Awareness:

- Educate consumers about the benefits of organic food to stimulate demand for certified organic products.
- Promote sustainable consumption patterns that align with environmental goals.

Developing the Organic Value Chain:

- Strengthen infrastructure for processing, storage, and marketing of organic produce.
- Build a seamless value chain to connect organic farmers with local, national, and international markets.

8. அண்ணல் அம்பேத்கர் வணிக சாம்பியன்ஷிப் திட்டத்தின் (ஏஏபிசிஎஸ்) நோக்கங்கள் மற்றும் முக்கிய விதிகளைப் குறித்து விவாதிக்க.

Discuss the objectives and major provisions of Annal Ambedkar Business Championship Scheme (AABCS).

- The **Annal Ambedkar Business Champions Scheme (AABCS)** is a significant initiative by the Tamil Nadu government to empower Scheduled Caste (SC) and Scheduled Tribe (ST) entrepreneurs.

Objectives of AABCS:

Economic Empowerment:

- To enhance economic participation of SC/ST communities by facilitating their entry into entrepreneurial ventures.
- Encourage the community to take ownership of businesses, contributing to wealth creation and economic self-reliance.

Social Inclusion:

- Provide targeted financial support to marginalized communities, ensuring their integration into the broader economic framework.

Job Creation:

- Promote employment generation by establishing new enterprises and expanding existing ones.
- Develop businesses that create job opportunities within SC/ST communities and beyond.

Skill Development:

- By incentivizing entrepreneurship, the scheme encourages skill-building in areas like business management, finance, and technology.

Key Provisions of AABCS:

Eligibility Criteria:

- Exclusively open to SC/ST entrepreneurs.
- No minimum educational qualifications are required to apply.

Age Limit:

- Applicants must be below 55 years of age.

Capital Subsidy:

- Provides a **35% capital subsidy** on eligible project costs.
- Eligible costs include land, plant, machinery, and equipment, with the cost of land capped at **20% of the total project cost**.

Interest Subvention:

- Offers **6% interest subvention** on loans taken for the project.
- Loan tenure for this benefit extends up to **10 years**.

Project Scope:

- Applicable to both new business ventures and expansion of existing enterprises.
- Includes trading activities that go beyond the threshold of other unemployment schemes.

Credit Linkage:

- Encourages projects with credit linkage, offering capital subsidy even for projects without direct credit linkage through backend disbursement.

No Restriction on Additional Assistance:

- Beneficiaries can claim additional subsidies from other schemes not controlled by the Tamil Nadu government.

9. **தமிழ்நாட்டின் கடலோர காற்றாலை ஆற்றலின் தேவை, முக்கியத்துவம் மற்றும் சவால்கள் குறித்து எழுதுக.**

Write about the need, importance, and challenges of offshore wind energy potential in Tamil Nadu.

Need for Offshore Wind Energy in Tamil Nadu:

High Renewable Energy Targets:

- Tamil Nadu aims to achieve ambitious renewable energy goals. Offshore wind energy offers a vast untapped resource to diversify its energy mix, especially as onshore wind potential becomes saturated in certain areas.

Energy Security:

- Offshore wind can reduce dependence on fossil fuels, improving energy security by providing a stable and sustainable power source.

Economic Growth:

- Large-scale offshore wind projects can drive economic development through job creation in manufacturing, installation, operation, and maintenance, as well as boosting infrastructure in coastal regions.

Importance of Offshore Wind Energy in Tamil Nadu:

Abundant Wind Resources:

- Coastal areas, particularly the Gulf of Mannar, experience strong and consistent winds, making them ideal for offshore wind energy generation.

Land Efficiency:

- Unlike onshore wind, offshore wind projects do not compete with agriculture or settlements for land use, making them a practical choice for Tamil Nadu's densely populated regions.

Environmental Benefits:

- Offshore wind is a clean energy source, producing zero greenhouse gas emissions, thereby supporting Tamil Nadu’s climate change mitigation efforts.

Challenges in Offshore Wind Energy Development:

High Initial Costs:

- Offshore wind projects demand significant capital for turbine installation, underwater cabling, and grid integration, which are much higher than onshore alternatives.
- Long payback periods can deter investors without strong policy support.

Technical Complexity:

- Installing and maintaining turbines in deep ocean environments involves specialized technology and expertise, making the process technically challenging.
- Harsh ocean conditions and variability in seabed characteristics add to the complexity.

Environmental Concerns:

- Potential impacts on marine ecosystems, fisheries, and biodiversity must be carefully assessed and mitigated through site selection, design modifications, and operational strategies.

Grid Integration:

- Large-scale offshore wind requires substantial upgrades to the existing grid infrastructure to handle intermittent power generation and ensure stable supply.

Stakeholder Engagement:

- Addressing concerns from local fishing communities and other stakeholders is essential to secure project acceptance and minimize conflicts.

Addressing the Challenges and Moving Forward:

Policy Support:

- Governments must introduce supportive policies such as subsidies, tax benefits, and feed-in tariffs to attract private investment in offshore wind energy.
- Streamlining the permitting process and providing clarity on regulatory frameworks is crucial.

Technology Advancement:

- Investments in research and development can reduce costs, improve turbine efficiency, and develop advanced grid integration solutions.
- Innovations in floating turbine technology can unlock deeper ocean resources.

Community Engagement:

- Comprehensive stakeholder consultations and benefit-sharing mechanisms can address local concerns and build community support for offshore wind projects.

Environmental Monitoring:

- Robust monitoring programs are essential to assess and mitigate potential impacts on marine life and ecosystems.

10. அனைவரையும் உள்ளடக்கிய மற்றும் நிலையான வளர்ச்சியில் சமூக உட்கட்டமைப்பின் பங்களிப்பு குறித்து விவாதிக்க.

Discuss the Role of social infrastructure in inclusive and sustainable growth.

Human Capital Development

- **Education**: Equips individuals with necessary skills, enhancing employability and economic participation.
- **Healthcare**: A healthier population contributes to a more productive workforce, reducing economic burdens from illness.

Social Mobility and Equity

- **Reducing Poverty**: Essential services help alleviate poverty, enabling upward social mobility.

- **Gender Equality**: Equal access to services empowers women and girls, contributing to broader economic growth.

Economic Productivity

- **Skill Development**: Investments in vocational training create a skilled workforce, boosting economic competitiveness.
- **Improved Labor Force Participation**: Access to childcare and other services encourages greater workforce participation, especially by women.

Environmental Sustainability

- **Awareness and Behavior Change**: Education and community outreach promote sustainable practices.
- **Resilience Building**: Access to clean water and sanitation increases community resilience to disasters and climate change.

Examples of Social Infrastructure Contributing to Inclusive and Sustainable Growth:

- **Community Centers**: Provide spaces for education, skill development, and social interaction, particularly in underserved areas.
- **Public Transportation Systems**: Ensure accessible mobility, promote economic participation, and reduce environmental impact.
- **Early Childhood Development Programs**: Improve long-term educational outcomes, particularly for disadvantaged children.
- **Social Safety Nets**: Offer financial assistance during economic downturns, reducing poverty and social inequality.

Challenges in Implementing Social Infrastructure for Inclusive Growth:

- **Funding Constraints**: Difficulty securing enough funding to develop and maintain comprehensive social infrastructure.
- **Inefficient Governance**: Unequal distribution of services due to poor management and corruption.
- **Accessibility Issues**: Geographical and socio-economic barriers that hinder marginalized communities from accessing services.

11. **தமிழ்நாட்டின் பெண்கள் அதிகாரமளிப்பதில் சுயஉதவி குழுக்களின் பங்கினை பொருத்தமான உதாரணங்களுடன் விவாதிக்க.**

Discuss the role of self-help groups in women empowerment of Tamil Nadu with suitable examples.

Financial Support:

- **Micro-loans**: SHGs provide women with easy access to small loans for starting or expanding businesses. These loans are often crucial in helping women sustain their livelihoods, particularly in rural areas where formal banking access may be limited.

- **Savings Habit**: By encouraging regular saving habits among members, SHGs help women build a financial cushion, enhancing their financial security and giving them the ability to negotiate better terms for loans when needed.
- **Example**: In rural Tamil Nadu, SHGs have enabled women to start small businesses like tailoring, grocery shops, and handmade crafts. These businesses have not only provided income but also helped women gain confidence and decision-making power.

Capacity Building:

- **Training and Skill Development**: SHGs offer entrepreneurship training, vocational skills, and financial literacy programs, equipping women with the tools needed to start and manage businesses effectively.
- **Credit Linkages and Marketing**: Women in SHGs often receive training on how to access credit facilities and market their products, helping them grow their businesses sustainably.
- **Example**: SHGs in Tamil Nadu have been instrumental in training women in areas like food processing, weaving, and tailoring. These women have subsequently expanded their businesses and contributed to the local economy.

Collective Wisdom:

- **Mutual Support**: SHGs provide a platform where women share experiences, offer financial advice, and support each other in business and personal matters. The collective approach ensures better management of finances and business operations.
- **Decision-Making**: Women within SHGs discuss and make collective decisions, empowering them to manage their resources and pursue initiatives independently.
- **Example**: In several districts of Tamil Nadu, SHGs have helped women with agricultural loans, where group members contribute to decision-making regarding the use of funds for joint agricultural projects like organic farming.

Health and Hygiene:

- **Health Awareness**: SHGs educate members about sanitation, clean drinking water, and general health and hygiene practices. This has a direct impact on improving the health outcomes of women and their families.
- **Community Health Programs**: SHGs often engage in health campaigns and workshops, raising awareness on issues like maternal health, hygiene practices, and nutrition.
- **Example**: SHGs in Tamil Nadu have collaborated with government health departments to organize vaccination drives, health camps, and awareness programs about sanitation and hygiene.

Education:

- **Promoting Education for Children**: SHGs encourage members to send their children, especially girls, to school. Some SHGs also assist in providing financial support for the education of children in marginalized families.
- **Adult Education**: In many SHGs, adult literacy programs are organized to educate women who have missed out on formal education, empowering them with knowledge and improving their confidence.
- **Example**: Many SHGs in Tamil Nadu have run adult education classes to educate women who were previously illiterate, helping them gain basic reading, writing, and numeracy skills.

Counselling and Social Support:

- **Addressing Domestic Issues**: SHGs often play a crucial role in offering counseling services to women facing domestic violence or marital problems. They provide a safe space for women to voice their concerns and receive support.
- **Empowerment through Advocacy**: SHGs also pressurize local authorities or intervene when women face abuse, advocating for their rights and providing necessary legal or social assistance.
- **Example**: SHGs in Tamil Nadu have been instrumental in counselling women who are victims of domestic violence. Some SHGs have helped women file complaints against abusive husbands and have supported them in seeking legal remedies.

Government Support:

- **Tamil Nadu Government Initiatives**: The government of Tamil Nadu has recognized the importance of SHGs in women's empowerment and has launched various initiatives like financial assistance, subsidies, and even gold coins to promote savings and business development among women.

- **Financial Assistance and Recognition**: The government has also collaborated with SHGs to provide financial assistance for women's ventures, such as small loans for agricultural and non-agricultural businesses.
- **Example**: The Tamil Nadu government provides interest subsidies and financial schemes to SHGs, enabling women to access credit at lower interest rates, thus reducing financial barriers to entrepreneurship.

12. தமிழ்நாடு மக்கள் தொகையின் முக்கிய பண்புகள் யாவை?

What are the key demographic characteristics of Tamil Nadu?

Population:

- **Total Population**: Tamil Nadu had a population of **72,147,039** in 2011.
- **Gender Distribution**: The population was nearly balanced with **36,137,975 males** and **36,009,064 females**.

Sex Ratio:

- The **sex ratio** in Tamil Nadu stood at **996 females for every 1,000 males** in 2011, which is slightly above the national average of 940. This indicates a relatively balanced gender distribution, which is a positive demographic feature.

Literacy Rate:

- **Overall Literacy Rate**: Tamil Nadu had an average literacy rate of **80.09%** in 2011, which is higher than the national average of **74.04%**. This reflects the state's emphasis on education and its relatively well-developed educational infrastructure.
- **Male Literacy**: The male literacy rate was **86.81%**.
- **Female Literacy**: The female literacy rate was **73.86%**, showing significant gender disparities that are gradually improving with various government initiatives.

Population Density:

- **Population Density**: Tamil Nadu's population density was recorded at **555 people per square kilometer** in 2011. This is relatively high compared to the national average, making Tamil Nadu one of the more densely populated states in India, especially considering its urbanization and industrial development.

Urban and Rural Population:

- **Urban Population**: Approximately **52.5%** of Tamil Nadu's population lived in urban areas in 2011. This indicates a fairly high level of urbanization, with cities like Chennai, Coimbatore, and Madurai serving as key economic and cultural hubs.
- **Rural Population**: About **51.6%** of the population resided in rural areas, showing that despite significant urban growth, a substantial portion of the population still lives in rural settings, contributing to agriculture and traditional industries.

Child Population:

- **Children Under Seven**: Around **10.51%** of Tamil Nadu's population in 2011 was under seven years old, highlighting the state's young population and the need for early childhood education and healthcare.

Fertility Rate:

- Tamil Nadu has the **second-lowest fertility rate** in India, after Kerala. The state's fertility rate was about **1.7 children per woman**, well below the national average, which reflects trends toward smaller family sizes and greater access to family planning services.

Per Capita Income:

- Tamil Nadu's **per capita income** is above the national average, which reflects its relatively high levels of industrialization, especially in sectors like automobile manufacturing, textiles, and information technology. It is one of the wealthier states in India, with a strong economic base.

Age Structure:

- Tamil Nadu has a **relatively stable age structure**, with a large working-age population. This is supported by good healthcare services, which contribute to longer life expectancy and lower mortality rates.

Migration Patterns:

- Tamil Nadu has been a major destination for **migrants** from other states due to its strong economy and job opportunities, particularly in industries like manufacturing, IT, and healthcare. There is also a significant number of **emigrants**, particularly to the Middle East, from rural areas.

Life Expectancy:

- Life expectancy in Tamil Nadu is relatively high due to the state's robust healthcare system, low infant mortality rate, and good sanitation. It is one of the leading states in India in terms of public health outcomes.

13. தமிழகத்தில் சூழியியல் சுற்றுலாவை மேம்படுத்துவதற்கான சாத்தியங்கள், சவால்கள் மற்றும் முன்முயற்சிகள் குறித்து விவாதிக்க.

Discuss the potential, challenges, and initiatives for promoting ecotourism in Tamil Nadu.

Diverse Natural Assets:

- **Forests and Wildlife Sanctuaries**: Tamil Nadu is home to several national parks and wildlife sanctuaries like the **Mudumalai Tiger Reserve**, **Indira Gandhi Wildlife Sanctuary**, and **Kalakkadu Mundanthurai Tiger Reserve** that house unique species of flora and fauna.
- **Coastal Areas**: The state's long coastline offers opportunities for marine ecotourism, including activities like dolphin watching, coral reef exploration, and birdwatching, especially around places like **Gulf of Mannar**.
- **Hill Stations**: Hill stations such as **Ooty**, **Kodaikanal**, and **Yercaud** offer opportunities for nature-based activities like trekking, botanical tours, and nature walks, ideal for ecotourism ventures.

Cultural Heritage:

- Tamil Nadu's **temples**, **ancient monuments**, and **traditional crafts** hold immense appeal for tourists interested in cultural heritage and sustainable tourism. These can be integrated with ecotourism to provide a holistic travel experience.

Support for Local Communities:

- Ecotourism can significantly support local livelihoods, especially in rural and tribal areas. By promoting responsible tourism, it can provide communities with sustainable income options while also preserving their cultural and environmental heritage.

Growing Demand for Sustainable Tourism:

- With the increasing global emphasis on sustainable travel, Tamil Nadu's diverse ecosystems, natural beauty, and cultural richness make it a potential leader in the ecotourism sector.

Challenges in Promoting Ecotourism in Tamil Nadu:

Environmental Degradation:

- High tourist numbers can lead to environmental degradation, such as **deforestation**, **pollution**, and **habitat destruction**, especially if tourism is not carefully managed to align with the environment's carrying capacity.

Infrastructure Issues:

- The development of **sustainable infrastructure** is critical. There is a need for low-impact accommodation, waste management systems, and responsible transportation options that minimize the ecological footprint.
- Many areas are lacking **adequate tourism facilities**, such as trained guides, signages, and educational materials, which hinder the potential for immersive ecotourism experiences.

Overcrowding:

- Popular ecotourism destinations may face overcrowding, leading to negative impacts on both the environment and the local communities. Managing the **number of visitors** to avoid exceeding the **carrying capacity** of certain sites is a key challenge.

Local Community Involvement:

- While ecotourism can provide benefits to local communities, the success of these initiatives depends on ensuring the active involvement of local populations in **planning**, **management**, and **decision-making** processes. This can sometimes be challenging due to a lack of capacity or awareness.

Sustainability and Profitability:

- Balancing the goals of **sustainability** with **profitability** is a significant challenge. Ensuring that ecotourism ventures are not only eco-friendly but also economically viable for both businesses and local communities requires careful planning and management.

Awareness and Education:

- Building awareness about **responsible travel**, **conservation**, and **local culture** among tourists and stakeholders is crucial to ensuring that tourism remains sustainable. Educating both tourists and local communities about the importance of preserving the natural environment can be difficult.

Initiatives for Promoting Ecotourism in Tamil Nadu:

Ecotourism Policy:

- The **Tamil Nadu Ecotourism Policy** aims to recognize, market, and advance natural places as ecotourism destinations. It provides a framework for **sustainable tourism development**, including the promotion of **environmentally-friendly infrastructure**, **visitor management** strategies, and **community-based ecotourism** models.

Conservation-Focused Initiatives:

- To reduce the negative impact of tourism, the state focuses on **conservation efforts** in protected areas. For example, ecotourism initiatives are integrated with wildlife protection strategies in reserves like **Mudumalai Tiger Reserve**, which encourages tourists to engage with nature while contributing to conservation.
- **Awareness campaigns** and **educational programs** are designed to promote environmental consciousness among tourists, which helps in fostering a deeper connection between them and the natural surroundings.

Community Participation and Capacity Building:

- Tamil Nadu emphasizes involving local communities in **ecotourism planning** and **management**. Training programs are being conducted to improve their skills in **hospitality**, **guiding**, and **sustainable practices**, empowering them to become active contributors to the ecotourism sector.
- **Livelihood support programs**, such as providing locals with **microcredit** and helping them develop **sustainable enterprises**, are helping ensure that tourism benefits are equitably distributed.

Infrastructure Development:

- Development of **low-impact infrastructure** in ecotourism sites, such as eco-lodges, renewable energy sources, and **waste management** systems, is encouraged to minimize the environmental footprint.

பிரிவு - ஆ

SECTION - B

(10x 15 = 150)

14. **இந்தியாவில் வறுமைக் கோடு மதிப்பீடு குறித்து எழுதுக மேலும் கிராமப்புற வறுமை, இந்தியாவின் நகர்ப்புற வறுமையிலிருந்து எவ்வாறு வேறுபடுகிறது என்பதை விளக்குக?**

Write about poverty line estimation in India and explain how does rural poverty differ from urban poverty in India?

Definition:

- Poverty line estimation in India determines the minimum income or consumption required to meet basic needs (food, clothing, shelter).

Methodology:

- Based on household consumption expenditure rather than income.
- Uses National Sample Survey (NSS) to collect data on household expenditure.

- The poverty line is determined based on minimum calorie intake and essential goods.

Separate Poverty Lines for Rural and Urban Areas:

- **Rural Poverty Line** is usually lower than the **Urban Poverty Line** due to different living costs and access to opportunities.

Committees for Poverty Line Determination:

- **Tendulkar Committee (2009)**: Revised the poverty line considering consumption patterns and cost of living.
- **Rangarajan Committee (2014)**: Made further adjustments based on regional variations and economic changes.

Rural vs Urban Poverty in India

Rural Poverty:

Occupation:

- Primarily linked to **agriculture**; low income due to small landholdings, crop failures, and seasonal employment.

Access to Basic Amenities:

- Limited access to healthcare, education, sanitation, and clean drinking water.

Social Mobility:

- Rural poverty is **intergenerational**, with limited opportunities for **social mobility**.

Contributing Factors:

- **Fragmented landholdings** limit agricultural productivity.
- **Low agricultural productivity** due to lack of modern techniques and irrigation.
- **Seasonal unemployment** due to dependency on agriculture.
- **Overdependence on a single crop** makes farmers vulnerable to price fluctuations.

Urban Poverty:

Occupation:

- Linked to **unemployment** or low-paying informal sector jobs, especially for migrants from rural areas.

Access to Basic Amenities:

- **Housing** is a major issue, with many living in **slums** lacking basic sanitation and clean water.

- Access to **healthcare** and **education** is better than in rural areas but still costly for the poor.

Cost of Living:

- **High cost of living**, especially for housing, transportation, and food, adds pressure to urban poor families.

Contributing Factors:

- **Informal sector dominance** leads to low wages and job insecurity.
- **High housing costs** force many to live in inadequate conditions.
- **Skills mismatch** results in limited employment opportunities.

Important Considerations:

Multidimensional Poverty Index (MPI):

- Measures poverty beyond income, considering **health**, **education**, and **living standards**.

Government Schemes:

- **Rural Poverty**: Programs like **MGNREGA**, **PMAY (Gramin)** for rural employment and housing.
- **Urban Poverty**: Programs like **PMAY (Urban)**, **Skill India Mission** for affordable housing and skill development.

15. **உலகளாவிய பாலின இடைவெளி அறிக்கை 2024 இன் முக்கிய கண்டுபிடிப்புகள் குறித்து விவாதிக்க.**

Discuss the key findings of the Global Gender Gap Report 2024.

Global Gender Gap:

- The global gender gap is **68.5%** closed, leaving **31.5%** of the gap unaddressed.
- **Progress is slow**, with only a **0.1%-point improvement** from 2023, indicating that gender parity is advancing at a very slow pace.

Projected Timeline for Full Gender Parity:

- At the current rate of progress, it will take **134 years** to reach full gender parity globally, highlighting the significant delay in achieving equality.

Top-Ranking Countries:

- **Iceland** ranks as the highest-performing country, having closed **93.5%** of its gender gap, showcasing its strong progress in gender equality.

Bottom-Ranking Countries:

- **Sudan** is ranked last, having closed only **56.8%** of its gender gap, indicating a significant disparity in gender equality compared to global standards.

Regional Trends:

- European economies dominate the **top 10**, securing seven out of the ten spots, which suggests that the continent leads in closing gender gaps.

India's Performance:

- India's overall rank is **129th**, which is slightly lower than its previous ranking of **127th** from the previous year.
- India's gender gap in **Southern Asia** is particularly concerning, reflecting slower progress in this region.
- India ranks in the **top-10** for **head-of-state** representation (40.7%), but **women's representation at the federal level** remains relatively low, which indicates the need for further improvement in political participation.

India's Literacy Rate:

- India is ranked **124th** globally for **literacy rates**, underscoring the challenges in achieving educational equity between men and women in the country.

Largest Gender Gaps:

- The **largest gender gaps** remain in two key areas:
  - **Political Empowerment**: 77.5% of the gender gap in political participation remains unaddressed, showing a significant underrepresentation of women in political positions globally.
  - **Economic Participation & Opportunity**: 39.5% of the gender gap in economic opportunities remains unaddressed, reflecting ongoing disparities in employment, wages, and career advancement between men and women.

16. இந்தியாவில் மகாத்மா காந்தி தேசிய ஊரக உறுதியளிப்பு சட்டம் (MGNREGA) திட்டத்தின் நோக்கம், செயல்படுத்தல் மற்றும் தாக்கம் ஆகியவற்றை மதிப்பீடு செய்க.

Evaluate the objective, implementation, and impact of the Mahatma Gandhi National Rural Guarantee Act (MGNREGA) scheme in India.

Objectives of MGNREGA:

Livelihood Security:

- MGNREGA aims to provide rural households with a guaranteed income through at least **100 days of unskilled manual labor per year** for adult members who seek work.

Rural Infrastructure Development:

- The scheme focuses on the creation and improvement of rural infrastructure, including **water conservation**, **irrigation facilities**, **roads**, and other community assets, thus contributing to the development of rural areas.

Social Inclusion:

- MGNREGA aims to empower marginalized communities, particularly **women**, **Scheduled Castes (SC)**, and **Scheduled Tribes (ST)**, by providing them with **employment opportunities**, ensuring greater **social inclusion** and economic empowerment.

Implementation of MGNREGA:

Demand-Driven Approach:

- The scheme operates on a **demand-driven** model, where any adult member of a rural household can apply for work, and the government is **legally bound to provide employment** within 15 days of the application. This ensures that the labor force is utilized where it's needed most.

Gram Panchayat Level Execution:

- MGNREGA projects are implemented at the **village level** by **Gram Panchayats**, fostering local decision-making and community participation in the selection and execution of projects, which helps in addressing local needs more effectively.

Wage Payment:

- Wages are paid directly into the **bank accounts of workers**, ensuring **transparency** and **timely payment**, which reduces the likelihood of corruption and delays in disbursement.

Impact of MGNREGA:

Poverty Reduction:

- MGNREGA has made a significant contribution to **poverty reduction**, particularly in **rural areas**, by providing a **stable income** to the most vulnerable populations. It has been especially impactful in **rural areas** where poverty levels are high.

Increased Rural Wages:

- The scheme has created a **demand for unskilled labor**, contributing to an **increase in rural wages**. This, in turn, helps improve the economic conditions of rural workers and reduces the gap between urban and rural wages.

Asset Creation:

- MGNREGA has led to the creation of **rural infrastructure**, such as **water harvesting structures**, **roads**, **drainage systems**, and **irrigation facilities**, which are crucial for sustainable rural development.

Women's Empowerment:

- The scheme has played an important role in **women's empowerment** by enabling greater **participation of women in the workforce**, which has increased their **economic independence** and **social status**. Women now have access to income-generating opportunities that were previously unavailable to them.

Challenges in MGNREGA Implementation:

Bureaucratic Delays:

- The implementation of MGNREGA projects often faces **bureaucratic delays**, which can slow down the process of providing work and delay the creation of infrastructure.

Quality of Work:

- There are concerns about the **quality of work** done under MGNREGA, with many projects suffering from **inadequate technical expertise** and **poor planning**, leading to subpar infrastructure creation that may not be sustainable in the long term.

Corruption and Misappropriation:

- Despite the scheme's focus on **transparency**, there have been instances of **corruption** and **misappropriation of funds**, especially at the local level, where funds may not reach the intended beneficiaries or the work may be poorly executed.

Seasonal Fluctuations:

- The **availability of work** under MGNREGA can be inconsistent due to **seasonal variations** in demand, which can affect the **stability of income** for workers, particularly in agricultural sectors where the demand for manual labor is seasonal.

17.பின்வருவனவற்றை விளக்குக:

A. முதலமைச்சர் தாயுமானவர் திட்டம் (5 மதிப்பெண்கள்)

B. உலகளாவிய பட்டினி குறியீடு 2024 (10 மதிப்பெண்கள்)

Explain the following:

A. Chief Minister Thayumanavar Scheme (5 Marks)

B. Global Hunger Index 2024 (10 Marks)

A. Chief Minister Thayumanavar Scheme (5 Marks)

- The **Chief Minister's Thayumanavar Scheme** is a comprehensive poverty alleviation program introduced by the Tamil Nadu state government, aimed at identifying and addressing the needs of the poorest and most vulnerable sections of society.

Key Features of the Scheme:

Target Groups:

- The scheme focuses on the most vulnerable sections of society, including:
  - Destitute people
  - Elderly individuals living alone
  - Single-parent families
  - Orphaned children
  - Mentally challenged and differently-abled persons
  - Families with children requiring special assistance.

Comprehensive Support:

- The scheme will not only fulfill the **basic needs** of these families but also address their **educational**, **employment**, **skill development**, and **housing** requirements.

Identification of the Poorest Families:

- Despite the lack of recent census data, the government will identify the **poorest families** using a combination of methods:
  - Convergence of official databases
  - Field inspections
  - Community participation and Gram Sabha sessions.
- This process will involve the active participation of **elected representatives**, **charitable organizations**, and **banks** to ensure an inclusive approach.

Integrated Government Assistance:

- The scheme aims to provide **18 necessary government assistance schemes** in an integrated manner to approximately **five lakh poorest families**.

Multidimensional Poverty Index:

- Citing the Niti Aayog report, Tamil Nadu's **multidimensional poverty index** is noted at **2.2%**, which highlights the state's success in reducing poverty through previous social welfare programs.

Pioneering Social Welfare:

- Tamil Nadu has made significant progress over the past century in reducing poverty by implementing various social welfare programs aimed at improving the well-being of marginalized communities.

Objectives of the Scheme:

- **Poverty Alleviation**: To reduce poverty by providing targeted support to the poorest families.
- **Social Security**: To enhance the quality of life for vulnerable populations by ensuring their basic needs and providing essential services like healthcare, education, and skill development.
- **Inclusive Growth**: To ensure **social inclusion** by addressing the needs of marginalized and disadvantaged groups, promoting equality, and empowering these communities through various welfare programs.

B. Global Hunger Index 2024 (10 Marks)

- The **Global Hunger Index (GHI) 2024** report provides a snapshot of the state of hunger globally, measuring the severity of hunger across countries and regions. It uses a composite score that takes into account various indicators of hunger, including undernourishment, child malnutrition, and child mortality.

Global GHI Score:

- The global **GHI score** for 2024 is **18.3**, which falls under the **moderate** category.
- While there has been a slight improvement from the **2016 score** of **18.8**, the report highlights that progress in reducing hunger globally is still **inadequate**.

Regional Hunger Levels:

- **South Asia** and **Africa South of the Sahara** are identified as the regions with the highest levels of hunger, falling under the **serious** category.
- These regions continue to face significant challenges related to hunger and nutrition, despite various global initiatives to address the issue.

India's Ranking:

- India ranks **105th out of 127 countries**, which is categorized as **serious** on the hunger severity scale.
- This reflects persistent issues related to malnutrition, undernourishment, and child mortality in India.

Child Malnutrition:

- **148 million children under five** are **stunted**, meaning they are too short for their age due to chronic undernutrition.
- **45 million children** are suffering from **wasting**, a form of malnutrition where children are too thin for their height, often due to acute food shortages or illness.
- These conditions are associated with high rates of child mortality and long-term health impacts.

Child Mortality:

- Nearly **5 million children** under the age of five die annually due to **hunger-related causes**, including malnutrition and lack of access to adequate food and healthcare.

Undernourishment:

- Globally, **733 million people** are undernourished, meaning they do not have access to sufficient and nutritious food on a regular basis.

Food Insecurity:

- In **2023**, **281.6 million people** faced **acute food insecurity**, highlighting the ongoing challenges in ensuring food availability and access, especially in conflict zones and areas affected by climate change.

GDP Growth and Hunger:

- The report points out that **GDP growth** does not always guarantee a reduction in hunger or improvements in nutrition. This underscores the importance of targeted policies that address the root causes of hunger and malnutrition, rather than relying solely on economic growth.

GHI Severity Scale:

- The Global Hunger Index uses a severity scale to classify countries based on their GHI score:
  - **Extremely alarming:** ≥ 50.0
  - **Alarming:** 35.0–49.9
  - **Serious: 20.0–34.9**
  - **Moderate: 10.0–19.9**
  - **Low:** ≤ **9.9**

18. பணவீக்கம் என்றால் என்ன? அதன் வகைகளைப் குறித்து விவாதித்து மேலும் மொத்த விலைக் குறியீடு (WPI) மற்றும் நுகர்வோர் விலைக் குறியீடு (CPI) குறித்து எழுதுக.

What is inflation? Discuss its types and write about the wholesale price index (WPI) and consumer price index (CPI).

Inflation:

- Inflation refers to the **sustained increase in the general price level** of goods and services in an economy over a period of time.
- This means that the purchasing power of currency decreases as the prices of products and services rise.
- Inflation is a key economic indicator, and its rate determines how much the cost of living increases over time.

Types of Inflation:

Demand-Pull Inflation:

- **Definition**: This occurs when **demand** for goods and services exceeds the **supply** available in the economy, pushing prices higher.
- **Cause**: It happens in situations of economic expansion when people and businesses increase their demand for goods and services.
- **Example**: During periods of strong economic growth, when consumer spending and business investment rise, leading to higher demand.

Cost-Push Inflation:

- **Definition**: This type of inflation arises when the **cost of production** increases (e.g., higher wages, increased raw material costs) and businesses pass on those costs to consumers through higher prices.
- **Cause**: Supply chain disruptions, higher energy prices, or wage increases are common triggers.
- **Example**: An increase in oil prices can cause the cost of production for various industries (like transportation and manufacturing) to rise, leading to higher consumer prices.

Creeping Inflation:

- **Definition**: A gradual and moderate increase in prices, typically around 1-3% per year. It is considered manageable and doesn't significantly harm the economy.
- **Cause**: Slow economic expansion or moderate increases in demand.
- **Example**: A steady increase in the cost of living, where small price rises occur each year without causing major economic disruptions.

Galloping Inflation:

- **Definition**: A rapid increase in prices, generally between 10-50% annually. It can have a significant impact on purchasing power and can destabilize the economy.
- **Cause**: Typically caused by rapid demand increases, supply shortages, or economic instability.
- **Example**: The economic crises in countries like Argentina or Venezuela, where inflation rates reached double digits, affecting daily life.

Hyperinflation:

- **Definition**: An extremely rapid, out-of-control increase in prices, often above 50% per month. It leads to a collapse in the value of the currency and severe economic instability.
- **Cause**: Often the result of unchecked money printing by governments, loss of confidence in the currency, or wars and political instability.
- **Example**: Zimbabwe in the 2000s and Venezuela in the 2010s experienced hyperinflation, where prices escalated uncontrollably.

Wholesale Price Index (WPI):

Definition:

- WPI measures the **average price change** of goods sold in bulk at the **wholesale level**, before goods reach the retail market. It tracks the prices of raw materials, intermediate goods, and bulk commodities.

Calculation:

- A representative **basket of goods** is selected from various industries, and their price changes are monitored over time. This gives an early indication of inflationary pressures in the production stages of the economy.

Usefulness:

- WPI serves as an **early indicator** of potential consumer price inflation, as price increases at the wholesale level typically precede price increases at the retail level.
- It is valuable for **monitoring price trends** in key industries and sectors, helping policymakers and businesses make informed decisions.

Consumer Price Index (CPI):

Definition:

- CPI measures the **average price change** of a basket of **consumer goods and services** purchased by households, reflecting the **cost of living** for consumers.

Calculation:

- A representative **basket of goods and services** is selected (including food, clothing, housing, education, transportation, and health services), and the price changes of these items are tracked over time.

Usefulness:

- CPI is widely considered the **most important indicator** of inflation as it directly reflects the price changes faced by consumers in their everyday purchases.

19. **வெளிநாட்டு வர்த்தகக் கொள்கை 2023ன் முக்கியத்துவம் குறித்து விவாதிக்க.**

Discuss the significance of foreign trade policy 2023.

Ambitious Export Target:

- **Goal:** Triple India's exports to $2 trillion by 2030.
- **Significance:** Positions India as a global export leader, contributing to economic growth and employment.

Ease of Doing Business:

- **Focus:** Streamline export processes through digitalization, reduced application timelines, and lower transaction costs.
- Special focus on MSMEs to enhance trade efficiency and reduce barriers.

District-Level Focus – Towns of Export Excellence:

- **Goal:** Identify and develop "Towns of Export Excellence" at the district level.
- **Significance:** Encourages local manufacturing and export growth in underdeveloped regions.

Promotion of E-Commerce Exports:

- **Goal:** Support online trade as a growing sector.
- **Significance:** Expands India's reach to global markets, especially for small businesses and startups.

Recognition of Exporters:

- **Goal:** Reward high-performing exporters through the "Status Holder Scheme."
- **Significance:** Motivates businesses to expand their global presence, improving export performance.

Merchanting Trade Facilitation:

- **Goal:** Enable Indian intermediaries to engage in merchanting trade.

- **Significance:** Opens new avenues for trade and strengthens India as a hub for international commerce.

Integration with Global Markets:

- **Goal:** Simplify export procedures, promote trade settlement in Indian Rupee (INR).
- **Significance:** Reduces dependence on foreign currencies, enhances financial sovereignty.

Focus on Emerging Sectors:

- **Goal:** Promote exports of high-tech manufacturing, pharmaceuticals, and renewable energy.
- **Significance:** Strengthens India's presence in innovation-driven and sustainable global markets.

Overall Significance of FTP 2023:

Economic Growth:

- Drives export-led growth, increases national income, and creates jobs across sectors.

Global Competitiveness:

- Streamlines processes, reduces costs, and fosters innovation, making India more competitive internationally.

Atma Nirbhar Bharat Vision:

- Supports "Make in India" and "Atma Nirbhar Bharat" initiatives by promoting domestic manufacturing and value addition in exports.

Job Creation and Employment:

- Stimulates employment, particularly in manufacturing, MSMEs, and e-commerce sectors, while promoting regional development.

Sustainability and Future-Proofing:

- Focuses on emerging sectors like renewable energy and pharmaceuticals, ensuring long-term growth and alignment with global sustainability trends.

20. **நாட்டின் பொருளாதார வளர்ச்சியில் அந்நிய நேரடி முதலீட்டின் FDI பங்களிப்பு குறித்து விவாதிக்க.**

Discuss the role of foreign direct investment (FDI) in the economic development of the country.

Capital Inflow:

- FDI brings substantial foreign capital to finance infrastructure projects and business expansions, aiding economic growth.

Technology Transfer:

- Foreign companies introduce advanced technologies and production techniques, enhancing domestic industry productivity.

Job Creation:

- FDI leads to the establishment of businesses and the creation of employment opportunities, reducing unemployment.

Skill Development:

- Foreign investors provide training programs, improving the skill set of the local workforce.

Competition Enhancement:

- The entry of foreign firms stimulates local businesses to improve quality, reduce costs, and enhance efficiency.

Market Access:

- FDI provides local firms access to international markets through established foreign company distribution networks.

Economic Diversification:

- FDI encourages investment in diverse sectors, reducing dependency on single industries and stabilizing the economy.

Factors Influencing FDI Inflows:

Political Stability:

- A stable political environment with predictable policies attracts foreign investors.

Economic Stability:

- Low inflation and stable macroeconomic conditions make a country more attractive for investment.

Infrastructure Development:

- Adequate infrastructure (transport, energy, telecommunications) lowers business operation costs and boosts FDI.

Regulatory Framework:

- A transparent and efficient regulatory system is crucial for attracting FDI.

Tax Incentives:

- Tax breaks and subsidies provided by governments encourage foreign investment.

Potential Challenges of FDI:

Job Displacement:

- FDI may lead to the closure of local businesses that cannot compete with foreign firms, resulting in job losses.

Profit Repatriation:

- A significant portion of profits may be sent back to the home country, reducing the host country's net economic benefit.

Environmental Concerns:

- Foreign investors may neglect environmental regulations, causing ecological damage in the host country.

21. 16வது பிரிக்ஸ் + உச்சிமாநாட்டின் முக்கிய சிறப்பம்சங்களை விவரிக்க.

Elucidate the key highlights of the 16th BRICS + Summit.

Expansion of BRICS Group:

- The 16th BRICS Summit marked the first gathering after the expansion of the BRICS group to include **Egypt**, **Ethiopia**, **Iran**, and the **United Arab Emirates (UAE)**, alongside the original five members: Brazil, Russia, India, China, and South Africa.

Focus on Multipolar World Order:

- Russian President **Vladimir Putin** emphasized the ongoing and irreversible formation of a **multipolar world order**, underscoring a shift in global power dynamics away from unipolarity.

Participation of UN Secretary-General:

- **Antonio Guterres**, the **UN Secretary-General**, attended the summit, marking his first meeting with President Putin in over two years, highlighting the growing role of BRICS in global discussions.

Bilateral Meetings and Collaboration:

- **Prime Minister Narendra Modi** and **President Vladimir Putin** held bilateral talks on the sidelines, discussing avenues for collaboration in sectors such as **politics**, **economics**, **defence**, **energy**, and **cultural exchanges**.
- Modi also invited Putin to visit India for the **23rd India-Russia Annual Summit** in 2025.

Support for Ukraine Peace Initiatives:

- Russia expressed support for the **Ukraine peace initiatives** proposed by **China** and **Brazil**, indicating a shared interest in resolving the ongoing conflict in Ukraine through diplomacy.

International Payment System Discussions:

- Leaders discussed the development of a **BRICS-led international payment system**, aiming to reduce dependency on Western financial systems and enhance economic autonomy for member countries.

Focus on Middle East Conflict:

- **Middle East peace** and stability were key topics, with discussions focusing on the ongoing conflicts in the region, including the conflict in **Palestine** and **Syria**.

Representation of Global Leaders:

- Around **20 global leaders**, including representatives from China, India, Turkey, Iran, and other countries, participated in the summit, reinforcing

Relevance of the 16th BRICS Summit:

- **Global Geopolitical Shift**: The expansion of BRICS and the focus on multipolarity reflect a significant shift in global geopolitics, with BRICS countries asserting their role in counterbalancing Western-led institutions.
- **Economic Cooperation**: The discussions around creating alternative international financial systems highlight BRICS' efforts to reduce reliance on the U.S. dollar and Western-dominated financial institutions like the IMF and World Bank.
- **Peace and Security**: The summit's attention to conflict resolution, particularly regarding Ukraine and the Middle East, shows BRICS' growing role in global peace efforts.
- **Strengthening Bilateral Ties**: The strengthening of ties between India and Russia, along with collaborative initiatives with other BRICS members, signals a stronger geopolitical and economic partnership.

22. **தமிழ்நாட்டின் 2024 - 25 ஆண்டு நிதிநிலை அறிக்கையின் முக்கிய அம்சங்களை விளக்குக.**

Explain the major features of Annual financial statement 2024 - 25 of Tamil Nadu.

- The Annual Financial Statement (AFS) for Tamil Nadu for the fiscal year 2024-25 outlines the state's financial projections, including revenue receipts, expenditure plans, and sources of funding.

Total Revenue Receipts:

- Tamil Nadu's total estimated revenue receipts for 2024-25 are ₹2,99,010 crore.

- This reflects a **10% increase** over the revised estimate of ₹2,71,828 crore for the fiscal year 2023-24.

Revenue Sources:

- **Own Resources**: The state is set to raise **76%** of its revenue, which amounts to ₹2,25,901 crore. This comprises the state's own tax revenue and non-tax revenue sources.
- **Central Transfers**: The remaining **24%**, or ₹73,109 crore, will come from the central government. This includes grants from the center and the state's share of central taxes.

Own Tax Revenue:

- Tamil Nadu's own tax revenue has shown significant growth. In the first half of 2024-25, the state's tax revenue grew by approximately **14%**, reaching ₹86,975.28 crore. This is a crucial indicator of the state's economic performance and fiscal health.
- The state's own tax revenue includes taxes like sales tax, excise duties, stamp duties, and other state-specific taxes.

Growth and Economic Recovery:

- The increase in revenue is reflective of the state's ongoing recovery from economic challenges. It indicates a boost in economic activity and efficient tax collection mechanisms.

Grants and Central Tax Transfers:

- The central government's financial support plays a significant role, as the state is expected to receive ₹73,109 crore through grants and a share of central taxes. This transfer is essential to meet the state's needs and support various welfare and developmental schemes.

Expenditure Plans:

- The state government's expenditure will be allocated to key sectors such as education, health, infrastructure development, social welfare, and rural development. The budget will aim to support economic growth and improve the quality of life for citizens.

Fiscal Deficit and Debt Management:

- The AFS will outline the projected fiscal deficit for 2024-25 and detail how the state plans to manage its public debt. The deficit is closely monitored to ensure the state's finances remain sustainable while promoting development.

Policy Priorities:

- The financial statement will highlight the government's key policy initiatives and priority areas, such as job creation, infrastructure development, social security, and measures to support agricultural growth.
- **Education:** Financial assistance of Rs 1,000/month to 3 lakh students under the Tamizh Pudhalvan scheme; Rs 2,500 crore for education loans for one lakh students.
- **Housing:** Construction of 8 lakh concrete houses in rural areas by 2030, with the first phase covering 1 lakh houses at a cost of Rs 3,500 crore in 2024-25.
- **Roads:** Development of 2,000 km of rural roads and 4,457 km of urban roads, with total spending of Rs 3,500 crore.
- **Energy:** Funds for TANGEDCO to address losses, including Rs 14,442 crore for financing power sector losses and Rs 6,743 crore for power tariff subsidies.

23. பிராந்திய ஒட்டுமொத்தப் பொருளாதாரக் கூட்டுறவு (RCEP) என்றால் என்ன? பிராந்திய ஒட்டுமொத்தப் பொருளாதாரக் கூட்டுறவிலிருந்து இந்தியா வெளியேறுவதற்கான காரணிகளை பகுப்பாய்வு செய்க.

What is Regional Comprehensive Economic Partnership (RCEP)? Analyse the factors of India's exit from the regional comprehension economic partnership.

- **RCEP** is a proposed free trade agreement (FTA) between the 10 ASEAN countries and 5 FTA partners: **Australia, China, Japan, South Korea, and New Zealand**.
- It aims to **lower tariffs**, **increase investments**, and facilitate **easier movement of goods** across the region.

Key Factors Behind India's Exit from RCEP:

Large Trade Deficit with China:

- India already has a significant trade imbalance with China.
- Joining RCEP would likely exacerbate this issue by allowing more cheap Chinese goods into India.

Concerns Over Agricultural Sector:

- India feared cheap Chinese agricultural imports would harm its domestic farmers.
- India’s agricultural market could be flooded with low-cost goods like pulses, fruits, and vegetables.

Lack of Sufficient Safeguards for Domestic Industries:

- India was concerned that RCEP lacked effective **safeguards** to protect its industries from **surges in imports**.
- There were no clear provisions to temporarily block imports that could harm domestic sectors.

Domestic Political Pressure:

- **Political opposition** within India due to concerns about **job losses** and disruption in vulnerable sectors (e.g., agriculture, textiles, and manufacturing).
- There were fears that the deal would negatively impact local industries and lead to **social unrest**.

Need for Further Domestic Reforms:

- Experts argued that India needed to undertake more **economic reforms** to become more **competitive** before committing to such a large trade agreement.
- Reforms were needed to improve **productivity**, infrastructure, and **manufacturing** efficiency.

Important Points About India's Exit from RCEP:

Impact on Regional Trade:

- India's exit could affect the **overall trade dynamics** in the region, especially in sectors like **IT, pharmaceuticals**, and **textiles**.
- India's absence means RCEP lacks one of the largest consumer markets in the region.

Geopolitical Considerations:

- India's decision may reflect **strategic concerns** about growing **Chinese influence**.
- India aims to balance relations with other countries like the **US, Japan**, and **Australia** while limiting dependency on China.

Potential for Future Re-entry:

- India's exit doesn't rule out the possibility of **rejoining** the agreement in the future.
- India could reconsider if its concerns, particularly regarding safeguards and trade imbalances, are addressed.

24.தமிழ்நாடு பொது-தனியார் கூட்டுக் கொள்கையின் நோக்கம் மற்றும் முக்கியத்துவத்தை ஆராய்க.

Explore the objectives and importance of the Tamil Nadu public-private partnership policy.

Infrastructure Development:

- **Goal**: Facilitate the construction and maintenance of large-scale infrastructure projects such as roads, power plants, hospitals, and water treatment plants.
- **Reason**: These projects often require significant capital that may not be fully available from public funds, so private sector involvement is key.

Economic Growth:

- **Goal**: Attract private investment to stimulate economic activity and infrastructure development, thereby creating jobs and boosting the state's overall economy.

Improved Service Delivery:

- **Goal**: Enhance the quality and efficiency of public services by leveraging private sector expertise in operations, management, and innovation.

Risk Sharing:

- **Goal**: Establish a fair system for sharing risks between the public and private sectors to avoid financial burdens on the government. This ensures that both parties are equally responsible for the success or failure of projects.

Transparency and Accountability:

- **Goal**: Promote transparency in the PPP process through clear guidelines and procedures, ensuring accountability from both public and private partners, which will build trust and reduce corruption.

Capacity Building:

- **Goal**: Equip government agencies with the necessary knowledge, skills, and capabilities to effectively manage PPP projects. This ensures the successful implementation and long-term sustainability of projects.

Importance of the Tamil Nadu PPP Policy:

Financial Advantage:

- **Private Sector Funding**: The PPP model allows the government to access private capital, which helps in undertaking large-scale projects without relying entirely on public funds.

- **Faster Implementation**: This access to private funding accelerates the development and delivery of infrastructure projects.

Innovation and Efficiency:

- **Expertise and Technologies**: The private sector brings in innovative technologies, management practices, and operational efficiencies, improving the overall quality and cost-effectiveness of public services.

Accessibility:

- **Wider Access to Services**: By engaging the private sector, PPPs can extend essential services like healthcare, education, and transportation, particularly in underserved or rural areas, ensuring greater equity in service distribution.

Economic Development Catalyst:

- **Attraction of Investment**: Infrastructure improvements through PPPs create a favorable environment for businesses to invest in the state, fostering industrial growth and generating employment opportunities.
- **Boosting GDP**: The development of infrastructure stimulates various sectors of the economy, contributing to a rise in the state's GDP.

Challenges in Implementing the Tamil Nadu PPP Policy:

Contractual Complexity:

- Designing clear and comprehensive contracts that manage risks effectively while ensuring fair treatment for both public and private partners can be complex and time-consuming.

Regulatory Environment:

- Establishing a supportive regulatory framework is crucial to facilitate smooth project execution. Bureaucratic delays and a lack of clear regulatory guidelines can hinder the success of PPP projects.

Public Sector Capacity Building:

- Government agencies need to be adequately equipped with skills and knowledge to manage PPP projects effectively. Without proper capacity building, there may be issues in managing these partnerships and ensuring.

25. கிராமப்புற சுற்றுலா குறித்து எழுதுக மேலும் பொருளாதார வாய்ப்புகளை உருவாக்குதல், கலாச்சார பாரம்பரியத்தைப் பாதுகாத்தல் மற்றும் கிராமப்புற வளர்ச்சியை மேம்படுத்துதல் ஆகியவற்றில் அதன் முக்கியத்துவத்தை முன்னிலைப்படுத்துக.

Write about rural tourism and highlight its significance in generating economic opportunities, preserving cultural heritage, and promoting rural developments.

Economic Opportunities:

Job Creation:

- Creates employment in sectors like hospitality, guiding, food production, transportation, and craft-making.
- Benefits marginalized groups (e.g., women and youth) with limited access to urban employment.

Income Generation:

- Generates income through authentic experiences like homestays, farm visits, and local tours.
- Improves living standards and provides economic stability to rural communities.

Diversification of Rural Economy:

- Provides an alternative income source, reducing reliance on agriculture.
- Promotes economic resilience by lessening dependency on weather conditions and market fluctuations.

Cultural Preservation:

Revival of Traditions:

- Encourages preservation of local customs, festivals, crafts, and storytelling.
- Fosters a sense of pride and identity within the community.

Community Engagement:

- Promotes cross-cultural understanding through interactions between tourists and locals.
- Leads to the preservation of traditional knowledge and practices.

Sustainable Development:

- Encourages responsible tourism practices that respect local customs and the environment.
- Supports the long-term conservation of natural and cultural resources.

Promoting Rural Development:

Infrastructure Improvement:

- Triggers investment in better roads, sanitation, and community centers.
- Enhances quality of life for residents, benefiting both locals and tourists.

Community Empowerment:

- Involves locals in decision-making, giving them control over their development.
- Promotes social cohesion and equitable distribution of benefits.

Environmental Stewardship:

- Encourages sustainable land use practices and conservation efforts.
- Ensures long-term viability of rural destinations by maintaining natural beauty.

Key Challenges in Rural Tourism:

Overtourism:

- Risk of overcrowding, environmental degradation, and disruption to local life.
- Need for effective management to avoid negative impacts on communities and ecosystems.

Community Participation:

- Importance of involving all members of the community to ensure equitable distribution of tourism benefits.

Environmental Sustainability:

- Need for responsible tourism practices to minimize environmental damage.
- Educating tourists on respecting nature and local culture.

26. **தமிழகத்தில் வறுமை மற்றும் வேலையில்லா திண்டாட்டத்தை ஒழிக்க தமிழக அரசு எடுத்துள்ள பல்வேறு முயற்சிகளை விளக்குக.**

Explain the various initiatives taken by the Tamil Nadu government to eradicate poverty and unemployment in the state.

State Balanced Growth Fund (SBGF):

- **Focus Areas**: Aims to address issues like poverty, unemployment, illiteracy, health, and gender equality.
- **Target**: Focuses on 100 backward blocks in the state, ensuring development in the most underdeveloped regions.

- **Implementation**: Managed by the State Planning Commission and monitored by a State-level Empowered Committee to ensure effective execution.

Unemployment Assistance Scheme - Vazhndhu Kaatuvom:

- **Target Group**: Provides assistance to youth registered with the District Employment and Career Guidance Centre, particularly those awaiting employment opportunities.
- **Inclusion**: Also extends support to differently-abled job seekers, helping them find employment and reducing unemployment rates.

Amma Skill and Employment Training Scheme:

- **Objective**: Launched in 2014 to provide skills training to the youth of Tamil Nadu.
- **Implementation**: Offers skill development programs across various sectors to enhance employability and ensure better job opportunities for the youth.

Free Coaching Centers:

- **Purpose**: Set up in Arts and Science Colleges affiliated with 10 universities in Tamil Nadu.
- **Target Group**: Provides free coaching for economically weaker students preparing for competitive exams like TNPSC, SSC, UPSC, and IBPS.
- **Impact**: Aims to help students from disadvantaged backgrounds improve their chances of securing government jobs and other competitive roles.

Chief Minister's Thayumanavar Scheme (2024):

- **Objective**: Launched to alleviate poverty in Tamil Nadu over the next two years.
- **Funding**: ₹27,922 crore allocated under the Rural Development and Panchayat Raj Department.
- **Focus**: Targets rural and underserved areas, addressing critical issues like poverty, and creating economic opportunities through various welfare measures.

Thanniraivu Thittam:

- **Focus**: This initiative emphasizes sustainable water resources management and ensuring equitable access to water in rural areas.
- **Impact**: By improving water availability, it indirectly supports poverty alleviation by promoting agricultural productivity, which is a significant source of income in rural Tamil Nadu.

Free Ration Scheme:

- **Description**: This scheme provides free rice and other essential food items to Below Poverty Line (BPL) families through the Public Distribution System (PDS).
- **Target Group**: Families in poverty or facing economic hardships.

Free Education for Girls:

- **Description**: The government provides free education from primary to higher secondary level for all girls, including in government schools.
- **Target Group**: Girl students from economically disadvantaged families.

Free Bus Passes:

- **Description**: The Tamil Nadu government provides free bus passes for students and differently-abled individuals to ensure they have access to education and public transport.
- **Target Group**: School and college students, persons with disabilities.

Free Medical Treatment and Health Insurance:

- **Description**: The Tamil Nadu government offers free medical treatments for economically weaker sections, including free surgeries, consultations, and medicines in government hospitals.
- **Target Group**: BPL families and underprivileged sections.

Free Housing Scheme:

- **Description**: The government provides free housing or financial assistance for constructing houses to poor families, especially in rural and slum areas.
- **Target Group**: Families living in huts or informal housing.

Free Water Supply Scheme:

- **Description**: The Tamil Nadu government provides free water to households in certain areas, ensuring access to basic needs, especially in rural regions.
- **Target Group**: Rural households and poor urban areas.

Free Power Supply for Farmers:

- **Description**: The government provides free electricity to farmers for agricultural purposes to reduce their financial burden and support the agricultural economy.
- **Target Group**: Farmers engaged in agriculture.