

26 December, 2023

Double inflows of NRI deposits in India

Context: Fresh inflows into non-resident deposit schemes doubled to \$6.1 billion in April-October 2023 from \$3.05 billion in the same period last year.

- The rise is attributed to increased inflows into foreign currency non-resident (FCNR-B) accounts.
- Inflows into FCNR(B) deposits rose to \$2.06 billion, compared to an outflow of \$814 million in the same period the previous year.
- Non-resident external rupee accounts (NRE RA) saw flows increase to \$1.95 billion from \$1.67 billion in the corresponding period last year.
- The highest NRI deposits came into non-resident ordinary (NRO) accounts at around \$2 billion.
- Interest rate differentials and the stability of the rupee are cited as reasons for the increased NRI deposits.
- NRE and NRO accounts maintain deposits in rupees, while FCNR(B) deposits are held in foreign currency, mitigating currency depreciation risk.
- In 2023, the rupee exhibited low volatility compared to other emerging market economies, appreciating by 1.6% on a trade-weighted basis and 4.5% adjusted for inflation differentials.

➤ NRI Deposits:

- NRI Deposits provide a platform for Non-Resident Indians (NRIs) to invest their money in India.
- NRIs, residing outside India, typically earn income in international currencies such as the US dollar and Euro.
- The need arises for an account that can hold and convert their assets and funds into Indian rupees.
- An NRI account serves this purpose, facilitating the management and conversion of securities and money from international currencies to Indian rupees.

• Types:

▪ NRE Account:

- ✓ Facilitates the transfer of money earned overseas to India.
- ✓ A rupee-dominated account that is repatriable, allowing the transfer of international earnings back to India.
- ✓ Interest earned on the NRE account is tax-free.

▪ NRO Account:

- ✓ Formed and held in INR values for revenue received within India.
- ✓ Suitable for deposits related to income sources within India, such as rent and dividends.
- ✓ No currency conversion barrier, as deposits are made in rupee denominations.

▪ FCNR (B) Account:

- ✓ Allows NRIs or Persons of Indian Origin to make deposits in foreign currency.
- ✓ Deposits can be made in the denomination of currencies from their resident country.
- ✓ The principal amount and interest in an FCNR Account are fully repatriable.
- ✓ Interest income earned on the money in an FCNR account is non-taxable in India.
- ✓ Currencies must be those prescribed by RBI for holding in the account.

Millisecond burst detected by AstroSat

Context: AstroSat, India's first multi-wavelength space observatory, detected rapid X-ray bursts from a unique neutron star, a magnetar, shedding light on extreme astrophysical conditions.

Background:

- AstroSat is India's first multi-wavelength space observatory, initiated after the success of the Indian X-ray Astronomy Experiment (IXAE) in 1996.
- The project was approved by the Indian Space Research Organization (ISRO) in 2004, and various astronomy research institutions in India and abroad collaborated on building the satellite.

Mission Details:

- AstroSat is a near-Earth, equatorial orbit satellite with five instruments covering different regions of the electromagnetic spectrum.
- Instruments include UV Imaging Telescope (UVIT), Soft X-ray Imaging Telescope (SXT), Large Area X-ray Proportional Counter (LAXPC), Cadmium Zinc Telluride Imager (CZTI), Scanning Sky Monitor (SSM), and Charged Particle Monitor (CPM).
- The satellite aims to study a wide range of astrophysical objects, from nearby Solar System objects to distant stars and cosmological entities.
- Observations include simultaneous multi-wavelength monitoring, X-ray sky monitoring for transients, and surveys in hard X-ray and UV bands.

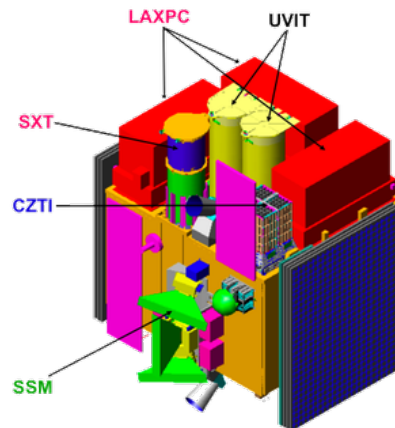
Mission Objectives:

- Simultaneous multi-wavelength monitoring of cosmic sources.
- Monitoring X-ray sky for new transients.
- Conducting surveys in hard X-ray and UV bands.
- Broadband spectroscopic studies of various astrophysical objects.
- Studies of periodic and non-periodic variability in X-ray sources.

Payloads:

➤ Ultra Violet Imaging Telescope (UVIT):

- Performs imaging in three channels covering different UV and visible wavelength ranges.
- Allows for spectral band selection through filters and grating for slitless spectroscopy.



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➤ Soft X-ray Imaging Telescope (SXT):

- Utilizes focusing optics and a CCD camera for X-ray imaging in the 0.3–8.0 keV band.
- Consists of gold-coated conical foil mirrors.

➤ Large Area X-ray Proportional Counter (LAXPC):

- Covers X-ray timing and low-resolution spectral studies over a broad energy band (3–80 keV).
- Cluster of three co-aligned identical LAXPCs.

➤ Cadmium Zinc Telluride Imager (CZTI):

- A hard X-ray imager with a Pixellated Cadmium-Zinc-Telluride detector array.
- Effective area of 500 cm² and energy range from 10 to 150 keV.

➤ Scanning Sky Monitor (SSM):

- Consists of three position-sensitive proportional counters with a coded mask for imaging.
- Similar to NASA's RXTE satellite's All Sky Monitor.

➤ Charged Particle Monitor (CPM):

- Included to control the operation of LAXPC, SXT, and SSM.
- Prevents damage to detectors during high fluxes of low-energy particles.

➤ Concerns and Inputs:

- The Commerce Department has gathered inputs from various sectors on tariff and non-tariff barriers faced by Indian businesses in the ASEAN region.
- Sectors needing attention include chemicals, alloys, plastics, rubber, minerals, leather, textiles, gems, and jewelry.

➤ Concessions and Objective of Balance:

India may need to make concessions for ASEAN, but the central objective is to achieve a more balanced agreement that benefits both parties.

➤ AITGA Revamp:

- Modernizing the AITGA involves changes in the Rules of Origin (ROO), with the aim of increasing market access for some items and preventing potential re-routing of goods by China through ASEAN countries.
- Product-Specific Rules (PSRs) will be introduced in the ROO chapter to relax rules for certain items, facilitating increased exports and preventing circumvention by China.

➤ What is AITGA?

- AITGA is a trade deal between India and the ten-member states of ASEAN.
- The agreement was signed during the 7th ASEAN Economic Ministers-India Consultations in Bangkok, Thailand, in 2009.
- It came into effect in 2010 and is often referred to as the ASEAN-India Free Trade Agreement.
- AITGA serves as a framework agreement, providing the basis for future trade negotiations between India and ASEAN.
- The agreement primarily covers trade in physical goods and products.
- It does not extend to trade in services.

ASEAN India Trade in Goods Agreement

Context: India and ASEAN will start talks in February to update their 15-year-old free trade agreement for a more balanced deal favouring New Delhi.

➤ Trade Deficit and Historical Context:

- The AITGA, implemented in January 2010, has resulted in disproportionate benefits for ASEAN, leading to a growing trade deficit for India.
- India's trade deficit with the ASEAN region has surged from \$7.5 billion per annum to \$43.57 billion in FY23.

NEWS IN BETWEEN THE LINES

Kaleshwaram Project



Recently, the Telangana government plans an on-site 'expose' into Telangana's Kaleshwaram project.

About Kaleshwaram Project:

- The Kaleshwaram Lift Irrigation Project (KLIP) is a **multi-stage lift irrigation project** on the Godavari River in Kaleshwaram, Telangana.
- Renowned as the **world's largest multi-stage lift irrigation** project, its inception point lies at the confluence of the **Pranhita** and **Godavari** rivers.
- The project's three main purposes are **irrigation, transport** and **power**.
- The Pranhita River, a confluence of smaller tributaries including the **Wardha, Painganga** and **Wainganga** rivers, forms the **seventh-largest drainage basin** on the subcontinent.
- The project's primary objective revolves around generating a cumulative output of **240 TMC** (195 from Medigadda Barrage, 20 from the Sripada Yellampalli project and 25 from groundwater).

Veer Bal Diwas



Recently, the Prime Minister of India participated in a programme to pay homage to the courage and martyrdom of the sons of Guru Gobind Singh, the 10th and last Sikh 'Guru'.

About Veer Bal Diwas:

- Veer Bal Diwas is observed annually on December 26th.
- It is a day of remembrance for the "**Sahibzades**", the four sons of the tenth and final Sikh guru, **Guru Gobind Singh**.
- Two sons died fighting the Mughals, while the younger pair, **Sahibzada Zorawar Singh ji** and **Sahibzada Fateh Singh ji**, were bricked alive on December 11, 1705, by **Aurangzeb's governor of Sirhind**.
- Guru Gobind Singh **introduced the practice of wearing a turban** to cover hair and instituted the fundamental principles of Khalsa, embodying the **Five 'K's** (**kesh, kanga, kara, kirpan** and **kachera**).
- The commemoration of Veer Baal Divas was announced by Prime Minister Modi on **January 9, 2022**, as a tribute to the martyrdom of Guru Gobind Singh's sons.

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NASAMS



Recently the Russian Military has reportedly struck Norwegian NASAMS and French Crotale-NG AD system at the Starokonstantinov airfield in the Khmelnytsky region.

About NASAMS:

- NASAMS (National/Norwegian Advanced Surface-to-Air Missile System) is a **ground-based and a medium-range air defense system** designed to protect against **aircraft, helicopters, cruise missiles** and drones.
- It has been designed by a collaboration between **Raytheon** (United States) and **Kongsberg Defence & Aerospace** (Norway).
- It is **operated by 13 nations**, including the U.S., Norway, Finland, Spain, Netherlands, Oman, Lithuania, Indonesia, Australia, Qatar, Hungary, Ukraine and one undisclosed country.
- It is the **world's first networked** system that seamlessly integrates with other defense systems.
- It is equipped with an **X-Band, 360-degree** phased array radar with a 75-kilometer range for target identification.

'MedTech Mitra'



Recently, the Union Minister of Health and Family Welfare and Chemicals & Fertilizers virtually launched 'MedTech Mitra'.

About MedTech Mitra:

- MedTech Mitra is a platform that **supports** and **nurtures** medical technology (MedTech) innovators in India.
- The initiative provides **guidance, resources** and **assistance** in shaping research and obtaining regulatory approvals.
- It is a collaborative alliance between **NITI Aayog, ICMR** and **CDSCO**.
- Aligned with '**Viksit Bharat**,' it seeks to transform India's healthcare by **2047** through indigenous innovation.
- Implementation of schemes like **production-linked incentives**, investments in **medical drug parks** and research policies seeks to promote indigenous development of quality yet affordable MedTech devices.

Place in News

Egypt

Egypt recently presented an ambitious proposal aiming to end the Israel-Hamas conflict.

Egypt (Capital: Cairo)

Location: Egypt is a transcontinental country located in the northeast corner of Africa and the Sinai Peninsula in Western Asia.

Boundaries: It shares its border with **Mediterranean Sea** (North), **Israel** and the **Red Sea** (East), **Sudan** (South) and **Libya** (West).

Physical Features:

- The **Nile River**, the world's longest river, flows through Egypt.
- Large parts of Egypt are covered by the **Sahara Desert**.
- Egypt has several plateaus and mountainous regions, including the **Gulf Kebir Plateau** and the **Red Sea Mountains**.



POINTS TO PONDER

- What percentage of global trade is estimated to pass through the Suez Canal, recently affected by attacks in the Red Sea? – **12%**
- What category of organisms does *Pantoea tagorei* belong to, making recent headlines? – **Bacteria**
- Which ministry introduced the 'Bhoomi Rashi Portal'? – **Ministry of Road, Transport and Highways**
- Which state is the primary state partner for the International Gita Seminar and Gita Mahotsav? – **Haryana**
- Which university secured the Maulana Abul Kalam Azad Trophy in 2023? – **Guru Nanak Dev University**

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