Topic 1: Nature of Indian Economy

- Population grows at a high rate of 2 percent per annum
- Every third poor person in the world is an Indian
- In 2004-05, 22 percent of population live below the poverty line
- India's per capita income was $ 620 in 2004.
- Gross domestic capital formation was 30% in 2004-05
- HDI was 0.602 in 2003
- According to latest UNDP Report INDIA Ranks 127 out of 177 countries
- Gini index for India in 1999-00 was 0.33
- In 2004-05 National income at constant prices is Rs.21, 41,776 crores.
- In 2004-05 Per-capita income at constant prices is Rs.19,469
- In 2001 the primary sector occupies 59.3% of population
- In 2001 the Secondary Sector occupies 18.2% of population
- In 2001 the Tertiary sector occupies 22.5% of population
- In 2004-05 primary sector contributes 23% to composition of GDP
- In 2004-05 secondary sector contributes 23.8% to composition of GDP
- In 2004-05 tertiary sector contributes 53.2% to composition of GDP
- In 2004-05 installed electricity generating capacity was 1,37,500 MW
- In 2001 the total Literacy ratio was 65.38%
- The bed population ratio was 9.5 per 10,000 population

Topic 2: Agriculture

- The food grain production in 2004-05 was 204.6 million tones
- Green Revolution was started in the year 1966
- Fourteen Major banks was Nationalised in the year 1969
- RRBs are established in the year 1975
- NABARD is established in the year 1982
- Only two –third area is rain fed
- Only 40 percent of the gross cropped area has irrigation facilities
- Insurance scheme was provided to the farmers in 1985
- Kisan credit scheme was introduced in 1998-99
- In 1965. FCI storage facilities are started
- USA per capita income in 2004 is $ 41,400

Topic 3: Industries

- The tenth plan aims at achieving a growth rate of 10 percent in the Industrial sector
- Deceleration and retrogression was occurred in the year 1965-80
- 3 steel plants Bhilai, Rourkela and Durgapur were established in the 2nd five year plan
- The number of central public sector units was just 5 only
- The number of registered and un registered units is more than 118 Lakhs in 2004-05
- Growth rate of small scale sector in terms of production is @ 9% since 1973
- The production in small scale and cottage industries is more than 4,18,000 crores in 2004-05
- The number of registered and unregistered small scale units in 2004-05 is 118-59 lakhs
- Small-scale sector employed nearly 283 lakhs persons in 2004-05
- Exports from this sector is around more than Rs.95,000 crores in 2004-05
- The ICOR was 4% during the 8th and 9th plan
- Large scale industries are concentrated in very few states like maharashtra, west Bengal, Tamilnadu and Gujarat with 44% of total factories
- In march 2003 there were 1.71 lakhs sick units

Topic 4: Services

- Services accounted for 35% for total exports of India
- In 2004 India's share in world total services export was 1.9%
- Indian services exports grew by 75% in (2005-06)
- In the list of exporters of services India is ranked 21st
- The share of Financial services in 2004-05 is 22.41%

Topic 5: National Income

- GDP of India at current Prices in 2003-04 is rs.25,49,396 crores
- GDP of India at constant Prices in 2003-04 is Rs.22,26,041 crores
- During Nineties the growth rate of National Income is around 6.5 % p.a.
- During the planning period the percapita income has increased at a rate of 2.2% p.a.

Topic 6: Tax Structure

- Income tax in India introduced in 1860, But it was discontinued in 1873
- Income Tax was reintroduced in 1886
- During 1974-75 the marginal rate of income tax is 97.75%, At present it is only 30%
- Estate duty was first introduced in India in 1953
- Estate duty was abolished in 1985
- Annual tax on wealth was introduced in 1957
- Annual tax on wealth was abolished in 1993,
- (Except Certain assets like residential houses, farm houses, urban land, Jewellery, bullion and motor car etc.)
- Gift tax was introduced in 1958
- Gift tax was abolished in 1998
- The maximum rate of custom duty is now just 15%
- The maximum rate of Excise duty is now just 16%
- MODVAT was introduced in the year 1986-87
- CENVAT was introduced in the year 2000-01
- VAT was introduced in 1999 and was implemented in April 2005
- At present tax revenues form about 16% of total national income of India.
- Tax Revenue collected by both central and state Govt. in the year 2005-06 is Rs.6,75,000 crores
- The ratio of direct to indirect taxes which was 40:60 in 1950-51 declined to 20:80 in 1990-91
- In 2005-06 the share of direct taxes in the gross tax revenue was 34 percent
- Only 2.5% of the total population is liable to pay the I.T
- In 2005-06 Direct taxes are around 5% only
- Service sector contributes just 4.7% towards tax revenues

Topic 7: Population

- In 2004-05 the population was 109 crores
- India has only about 2.4% of world's area and less than 1.2% of the world's income
- India accommodates about 16.7% of the world's population
- The year 1921 is known as "year of Great divide" for India's population
- In 2003 the birth rate was 24.8 and the death rate is 8 per thousand of population
- Density of population was 324 in 2001
- Delhi has the highest density of population with more than 9000 persons
- Arunachal Pradesh has the lowest density of population with 13 persons
- In 2001 the six ratio is 933 per 1000 males
- According to state wise sex-ratio is highest in Kerala with 945 per 1000 males
- In 2001 the life expectancy was 63.8
- Literacy ratio is highest in Kerala with 90% and Lowest in Bihar with less than 50%
- In India around 40% of the population is unproductive consumers
- To bring about an increase of 5% in per capita income, an investment of 28% will be needed
- Family planning was created in 1966
- National population policy was started in 2000
- Free school education to the children up to 14 years of age
- Reduction in IMR to below 45 per 1000 live birth by 2007 and 28 per 1000 by 2012
- Reduction in MMR to below 2 per 1000 live birth by 2007 and 1 per 1000 by 2012
- Reduction in decadal growth rate of population between 2001-2011 to 16.2%
- Promote delayed marriage for girls not earlier than age 18

Topic 8: Poverty

- Thus if a person living in rural area is earning less than Rs.225 p.m and for Urban area Rs.265 p.m, he will be
- the below poverty line
- According to NSSO in 2004-05, 22% of people living below poverty line.
- The tenth plan has set a target reduction in the poverty ratio to 19.3% by 2007 and to 11% by 2012
- To improve the road connectivity 'PMGSY' scheme was introduced in 2000 up to December 2005 a total length of 82,718 kms of road works had been completed
- To construct houses to the poor people 'IAY' scheme was introduced, up to January, 2006 138 lakhs houses had been constructed /upgraded
- As a result of restructuring and combining of 'IRDP" programme 'SGSY, programme was introduced in the year April, 1999
- For providing wage employment in rural areas and creation of durable community social and economic assets. 'SGRY' programme was launched in 2001
- To intensity the generation at supplementary wage employment 'NFFWP' was launched in November, 2004
- To provide gainful employment to the Urban unemployed or under employed person 'SYSRY' scheme was introduced in December 1997
- DPAP was launched in 1973-74 to tackle special problems faced by drought prone areas
- DDP programme was launched in 1977-78 to mitigate adverse effects of diversification
- IWDP programme was launched in 1989-90 for the development of waste lands/ degraded buds
- VAMBAY was launched in 2001. to construct and up gradation of dwelling unity

Topic 9: Infrastructural Challenges

- In India nearly 80% of the population does not have the purchasing power to enter the market for commercial energy
- Major users of commercial energy are industry (50%) transport (22%) house hold (12%) Agriculture (9%) and commercial establishment (1%)
- In 2004-05 our total installed capacity of generating power was around 1,37,500 M.W
- Roughly we are adding 4000-5000 M.W every year
- In terms of generation of power thermal is contributing 72%, Hydel is 15% and Nuclear 2.5% and others are contributing 10.5%
- Demand for coal in 2005-06 is 338 million tonnes and available coal was only 316.66 million tonnes
- India's oil imports bill has increased to a record level of Rs.1,34,094 crores in 2004-05
- PLF was Lowest in North Eastern Region (16.2% in 2005)
- PLF was highest in Northern Region (75% in 2005)
- In SEB's PLF was (65%), (80%) in central sector (86.6%) in private sector in 2005
- Electricity Act was passed in 2003
- Electricity Amendment Bill was passed is 2005
- The total inter-regional transmission capacity is planned to increase from its present 9450 M.W to about 37,150 M.W by 2012
- "Rajiv Gandhi Grameen Vidhyutikaran Programme" was launched in 2005 to provide access to electricity to all areas including villages and hamlets.
- The total route length of Railways was 63.5 thousand kilometers in 2004-05
- According to 2004-05 Railways carried 5416 million of passengers and 601.9 million tonnes of freight traffic.
- In 2002-03 the total road length had increased to 24,83,300 kms out of which 14,20,500 kms is surfaced
- The national high ways carry more than 40% of total road traffic
- India has a coast line of 7,517 kms
- There are 12 major parts and 187 minor ports
- In 2001 the costal tonnage was 0.70 million GRT.
- In 2002 the shifting tonnage was 6.91 million GRT.

- India Ranks 17th in the world shipping
- India manages 92 Airports including five international Airports
- To allow more services to designated foreign airlines 'A limited open sky policy' was introduced is the year 2005-06
- Domestic and international cargo recorded a growth of 11.9% in 2005 and stands second highest in the world next to china
- In India there are 1.55 lakhs post offices and out of which around 1.4 lakhs in the rural areas.
- one post office serves 6615 persons and 21 Sq.km area
- 140 VSATs have been setup and they handle more than 1 million money orders per month
- India has a total of 321 telephone exchanges, 338 long distance public call offices and 3324 telegraph offices
- The telephone penetration rate continues to be low at 11.32 phones per 100 population
- The internet connections increased to 4.1 million in December 2003
- The broad band subscribers are 7.5 lakh in November 2005
- There are 1.17 Leprosy cases per every 10,000 population
- In 2003-04 the proportion of children enrolled in Elementary Schools increased to 84.91%
- SSA was launched in 2001-02, it aims at having all children in school by 2005 and universal retention by 2010
- The total enrolment into higher education and employment is 40.22%
- National Literacy Mission was Launched in 1998.
- Drop out rate at the Primary in 2003-04 is only 31.4%

Topic 10: Inflation

- During the fifties the average decadal rate of inflation was 1.7%
- The Maximum rate of inflation at 13.9% was recorded in the year 1966-67
- The rate of inflation in 2004-05 is 4.7%
- Public expenditure in 2004-05 is 36%

Topic 11: Budget and fiscal deficits

- In 1997 the practice of RBI lending to government through ad hoc Treasury Bills was given up
- FRBM bill was introduced in 2000
- FRBM act was introduced in 2003, Aims at reducing deficit by 0.5%

Topic 12: Balance of Payments

- In 1979-80 India had experienced very adverse of BOP due to growing trade deficits
- The foreign currency Reserves in 1994 is $ 19,386 million
- The current Account deficit as percentage of GDP has declined from 1.9 percent during pre-crisis period to around 1% during post-crisis period (2001-04)
- In the year 2001-04 we had surplus in the current Account

Topic 13: External debt

- The share of concessional debt in total debt is about 33.3%
- India's external debt is more than Rs.5,48,000 crore in 2005-06
- As percent of GDP India's external debt was 17.3% in 2004-05
- Debt service payments in 2004-05 is 6.2%
- India ranks 8th among the top ten debtor countries in the world

Topic 14: Economic Reforms

- In 2004-05 the foreign investment in banking sector was liberalized by raising FDI in private sector bank to 74%
- In 2004-05 the FDI limits in Air transport service was raised by 49%
- In 2005 FDI ceiling in telecom sector service was raised from 49% to 74%
- C.R.R. was gradually lowered from its peak at 15% to 4.5% in 2003 but raised to 5% in 2004
- S.L.R was reduced from its peak of 38.5% to 25% in recent years
- Bank rate was reduced from 8% to 6% in 2003
- Rate of interest on saving deposits was reduced from 4.5% to 3.5% in recent years

- Fresh guidelines for licensing new banks were issued in January, 2000
- RBI issued guidelines for merger/amalgamation in respect of private sector banks in 2005
- Principles governing the dividend payments were liberalized in 2005
- The Tax rate for domestic companies has been reduced from 40% to 30%.
- The tax rate on foreign companies has also been reduced from 55% to 40%
- Dematerialization of T.D.S certificates will be effective from 1-4-08
- By the year ended 2005-06, the government could auction off very small portion of its investment in public sectors raising Rs.49,214 crores in the process.
- By disinvestment of equity in public sector government can realize Rs.1,567 crores in 2005-06.
- The rate of custom duty (on non-agricultural goods) has been brought down to 15% in 2006-07 budget.
- India's share in the world trade has raisen to 0.86% in 2003
- Our foreign currency reserves rose substantially to about 141 billion dollars in March, 2005
- The average growth rate of export has been raised by 10% p.a. during 1992-04
- The surplus in current account was ranging between 0.7-1.08% of GDP During 2001-03
- The external debt at the time of crisis was raised by less than $3 billion per year during 1996-03
- FDI were just 155 million dollars in 1991. They increase to around 3200 million dollars in 2004-05
- The number of countries in WTO is 149
- At present 100% FDI is allowed in drugs & pharmaceuticals
- At present there are only 6 industries for which licensing is compulsory
- At present only 3 industries are reserved for the public sector
- World bank was established in the year 1945
- No. of member countries in world bank is 184
- World trade organisation was came into existence from 1st January, 1995.
- The process of Globalisation was initiated in 1991
- The rupee was devalued twice in July 1991 amounting to a cumulative devaluation of about 19%
- Foreign exchange regulation act was commenced in the year 1973
- Quantitative restriction were removed on 714 items in EXIM policy of 2000-01
- Tariff rate was lowered to 15% in 2006-07

Topic 15: Money & Banking

- In 1969 14 major Commercial Banks were nationalized and 6 more banks in 1980.
- At present there are only 19 Nationalized Banks
- Number of branch offices of commercial banks has increase to 68,500 in 2005
- The population per bank office has reduced to 16,000 in 2005
- The percentage of rural bank branches improves to about 47% in 2005.
- The aggregate deposits of commercial banks have increased from Rs.4,665 crores to 17,57,846 crores in 2005
- There has been a spectacular rise in the bank lending to more than 11, 69,090 crore in March, 2005.
- The percentage of lending to small scale industries and agriculture sector is about 40% in 2004.
- In terms of lending priority sectors constitute about 40% of total bank lending.
- Rural areas have nearly 50% of bank branches but 75% of the population residing there.

Abbreviations in Macro Economics

NLBS	:	National Livestock Breeding Strategy
SFPP	:	Special Food Grain Production Programme
NPDP	:	National Pulses Development Programme
CADP	:	Common Area Development Programme
IPM	:	Integrated Pest Management
HYVP	:	High Yielding Variety Programme
RRBs	:	Regional Rural Banks
NABARD	:	National Bank for Agriculture and Rural Development
ACD	:	Agriculture Credit Department
RPC	:	Rural Planning and Credit
ARDC	:	Agricultural Refinance and Development Corporation
FCI	:	Food Corporation of India
PDS	:	Public Distribution System
TPDS	:	Targeted Public Distribution System
CACP	:	Commission for Agriculture Costs and Prices
LDBs	:	Land Development Banks
FSS	:	Farmers Service Societies
AFC	:	Agriculture Finance Corporation
CSO	:	Central Statistic Organisation
MRTP	:	Monopolies Restrictive Trade Practices
UNS	:	United Nations Survey
BFC	:	Bengal Famine Commission
ARCSC	:	All India Rural Credit Survey Committee
CCBs	:	Central Co-operative Banks
SCBs	:	State Co-operative Banks
TME	:	Technical Monitoring and Evaluation
RIDF	:	Rural Infrastructural Development Fund
SAO	:	Seasonal Agricultural Operations
IADP	:	Intensive Agro District Programme
RWP	:	Rural Works Programme
MFALS	:	Marginal Farmers and Agricultural Labourers Scheme
FPS	:	Fair Price Shops
WFP	:	World Food Programme
BPL	:	Below Poverty Line
CIP	:	Central Issue Price
EAS	:	Employment Assurance Scheme
JRY	:	Jawhar Rozgar Yojana
SGRY	:	Sampoorna Gramin Rozgar Yojana
MRD	:	Ministry of Rural Development
DAPR	:	Draft Agricultural Policy Resolution
IRDP	:	Integrated Rural Development Programme
DIC	:	District Industries Centre
MEC	:	Minimum Economic Capacities
IIP	:	Index of Industrial Production
ONGC	:	Oil and Natural Gas Corporation
NTPC	:	National Thermal Power Corporation
ICOR	:	Incremental Capital Output Ratio
IRCI	:	Industrial Reconstruction Corporation of India
IRBI	:	Industrial Reconstruction Bank of India
IIBI	:	Industrial Investment Bank of India
SIC	:	Sick Industrial Companies
BIFR	:	Board for Industrial and Financial Reconstruction
NCLT	:	National Company Law Tribunal
SLIIC	:	State Level Inter Institutional Committee
IDBI	:	Industrial development Bank of India
ICICI	:	Institutional Credit and Investment Corporation of India
SIDC	:	Small Industries Development Corporation
SIDBI	:	Small Industries Development Bank of India
SIDO	:	Small Industries Development Organisation
NSIC	:	National Small Industries Corporation
NEFS	:	National Equity Fund Scheme
GDRs	:	Global Depository Receipts
IOC	:	Indian Oil Corporation
SCI	:	Shipping Corporation of India
MOU	:	Memoranda of Understanding
NIP	:	New Industrial Policy
IPR	:	Industrial Policy Resolution
IDRA	:	Industrial Development and Regulation Act

BPE	:	Bureau of Public Enterprises
SIDF	:	Small Industries Development Fund
NSIC	:	National Small Industries Corporation
NEF	:	National Equity Fund
TDC	:	Technology Development Cell
EDP	:	Entrepreneurial Development Programme
NHDC	:	National Handloom Development Corporation
PSUs	:	Public Sector Undertakings
CSIR	:	Council of Scientific and Industrial Research
NRI	:	Non-Resident of India
BPO	:	Business Process out Sourcing
NSSO	:	National Sample Survey Organisation
NAS	:	National Account Statistics
MODVAT	:	Modified Value Added Tax
CENVAT	:	Central Value Added Tax
VAT	:	Value Added Tax
LTC	:	Leave Travel Concession
AAY	:	Antodaya Anna Yojana
ISM	:	Integrate Indian System of Medicine
IMR	:	Infant Mortality Ratio
MMR	:	Maternal Mortality Ratio
NRY	:	Nehru Rozgar Yojana
SESUP	:	Self Employment Scheme for Urban Poor
PMRY	:	Prime Minister's Rozgar Yojana
PMIUPEP	:	Prime Minister's Integrated Urban Poverty Eradication Programme
SJSRY	:	Swarna Jayanti Shahri Rozgar Yojana
SJGSY	:	Swarna Jayanti Gram Swarozgar Yojana
JGSY	:	Jawahar Gram Samridhi Yojana
CEA	:	Council of Economic Advisers
TRYSEM	:	Training of Rural Youth for Self Employment
CRTTC	:	Composite Rural Training and Technical Centers
DWCRA	:	Development of women and Children in Rural Areas
MWS	:	Million Wells Scheme
USEP	:	Urban Self Employment Programme
UWEP	:	Urban Wage Employment Programme
JGSY	:	Jawahar Gram Samridhi Yojana
PMGY	:	Pradhan Mantri Gramodaya Yojana
PMGSY	:	Pradhan Mantri Gram Sadak Yojana
JPRGY	:	Jai Prakash Rozgar Guarantee Yojana
VAMBAY	:	Valmiki Ambadkar Awas Yojana
CWS	:	Currently Weekly Status
CDS	:	Currently Daily Status
MTA	:	Mid Term Appraisal
SME	:	Small and Medium Enterprises
NFFWP	:	National Food For Work Programme
DPAP	:	Drought Prone Area Programme
DDP	:	Desert Development Programme
IWDP	:	Integrated Waste lands Development Programme
NHPC	:	National Hydro electric Power Corporation
NPCIL	:	Nuclear Power Corporation of India Limited
SEBs	:	State Electricity Boards
CERC	:	Central Electricity Regulatory Commission
OPEC	:	Organisation of Petroleum Exporting Countries
POL	:	Petroleum Oil and Lubricants
PLF	:	Plant Load Factor
GRT	:	Gross Registered Tonnage
AMPC	:	Automatic Mail Processing Centers
VPT	:	Village Public Telephone
PCOs	:	Public Call Offices
BSNL	:	Bharat Sanchar Nigam Limited
MTNL	:	Mahanagar Telephone Nigam Limited
TRAI	:	Telecom Regulatory Authority of India
NIXI	:	National Internet Exchange of India
NPE	:	National Policy on Education
SSA	:	Sarva Shiksha Abhiyan
NPEGEL	:	National Programme for Education of Girls at Elementary Level
EGS	:	Education Guarantee Scheme
AIE	:	Alternative Innovative Education
KGBV	:	Kasturba Gandhi Balika Vidyalaya

PSK	:	Parambhik Shiksha Kosh
IIT	:	Indian Institute of Technology
IIM	:	Indian Institute of Management
NLM	:	National Literacy Mission
TLC	:	Total Literacy Campaign
FRBM	:	Fiscal Responsibility and Budget Management
EPCG	:	Export Promotion of Capital Goods
CRR	:	Cash Reserve Ratio
SLR	:	Statutory Liquid Ratio
FDI	:	Foreign Direct Investment
NPAs	:	Non-Performing Asset
FRAs	:	Forward Rate Agreements
EOUs	:	Export Oriented Units
CCS	:	Cash Compensatory Scheme
EPZs	:	Export Processing Zones
FIEO	:	Federation of Indian Export Organisation
FERA	:	Foreign Exchange Regulation Act
FEMA	:	Foreign Exchange Management Act
DFEC	:	Duty Free Export Credit
TRC	:	Tax Reform Committee
SEZ	:	Special Economic Zone
GDRs	:	Global Depository Receipts
EMRs	:	Exclusive Marketing Rights
TRIPs	:	Trade Related Intellectual Property Rights
FII	:	Foreign Institutional Investors
IMF	:	International Monetary Fund
IBRD	:	Industrial Bank for Reconstruction and Development
IDA	:	International Development Association
IFC	:	International Finance Corporation
MIGA	:	Multilateral Investment Guarantee Agency
ICSID	:	International Centre for Settlement of Investment Disputes
MTAs	:	Multilateral Trade Agreements
PTAs	:	Plurilateral Trade Agreements
PRGF	:	Poverty Reduction and Growth Facility
SBA	:	Stand By Agreement
SRF	:	Supplemental Reserve Facility
CFF	:	Compensatory Financing Facility
DSB	:	Dispute Settlement Body
FTWZ	:	Free Trade Ware Housing Zone
EEFC	:	Export Earners Foreign Currency
DES	:	Duty Exemption Scheme
DEPB	:	Duty Entitlement Pass Book scheme
AEZ	:	Agriculture Export Zones
SIL	:	Special Import License
GST	:	Goods and Services Tax
RCTC	:	Risk Capital and Technology Corporation
RCF	:	Risk Capital Foundation
TDICI	:	Technology Development and Information Company of India
TFCI	:	Tourist Finance Corporation of India
UTI	:	Unit Trust of India
LIC	:	Life Insurance Corporation
GIC	:	General Insurance Corporation
CRISIL	:	Credit Rating Information Services of India Ltd
IFCI	:	Industrial Finance Corporation of India
DCP	:	District Credit Plan
DCC	:	District Consultative Committees
AAP	:	Annual Action Plans
GATT	:	General Agreement on Trade and Tariffs
UNCTAD	:	United Nations Conference on Trade And Development
GSTR	:	General Scheme for Trade Preference
MCA	:	Minimum Compulsory Access
MFA	:	Multi Fiber Agreement
OGL	:	Open General License
PLR	:	Prime Lending Rates
MFIL	:	Modern Food Industries Limited
TM	:	Trade Mark
T&D	:	Transmission and Distribution
R&D	:	Research and Development
GER	:	Gross Enrolment Ratio

