INFUSION NOTES

WHEN ONLY THE BEST WILL DO

UPSC-CSE

PRELIMS+MAINS

ENGLISH MEDIUM

General Study Paper-3

Part -1

ECONOMICS PART-1

PREFACE

Dear Aspirants, The Presented Notes "**UPSC – CSE (PRE + MAINS)**" have been prepared by a team of teachers, colleagues and Infusion Notes members who are expert in various subjects. These notes will help the Aspirants to the fullest extent possible in the examination of Civil Services conducted by the **UNION PUBLIC SERVICE COMMISSION (UPSC).**

Finally, despite careful efforts, there may be chances of some shortcomings and errors in the notes, So your suggestions are cordially invited in Infusion notes.

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CHAPTER – 2

ECONOMIC GROWTH

Measuring Economic Growth

Economic growth is the change- increase or decrease, in the value of goods and services produced by an economy. It needs to be measured as government and private sector decisions and policies need a base for their actions. All important aspects of an economy are linked to growth: tax collections; interest rates; inflation and its expectations; employment; foreign trade and so on. Without measuring growth, there is no rationality in behavior- both public and private. Investment decisions depend on the growth and inflation rate, to give one example. That is the reason for the Central Statistics Office (CSO) of India to project growth figures weeks before the Union Budget is presented facilitating rational projection of revenues and expenditure which in turn influences the private sector decisions.

Economic Growth: Its Benefits and Side Effects

The first benefit of economic growth is wealth creation. It helps create jobs and increase incomes. It ensures an increase in the standard of living. Government has more tax revenues: fiscal dividend. Economic growth boosts tax revenues and provides the government with extra money to finance spending projects. For example, the flagship programmes of the government like Pradhan Mantri Awas Yojana-Gramin (PMAY-G), Pradhan Mantri Ujjwala Yojana (PMUY), Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Gram Sadak Yojana (PMGSY), Ayushman Bharat, Saubhagya are a direct result of the tax buoyancy of growth. It sets up the positive spiral: rising demand encourages investment in new capital machinery which helps accelerate economic growth and to create more employment.

Side effects are the inequalities, environmental degradation, mental stress etc.

Need To Measure Economic Growth

The following aims can be attributed to the study and measure of economic growth:

- When growth is quantified, we can understand whether it is adequate or not for the given goals of the economy. We can understand its potential and accordingly set targets.
- We can adjust growth rates for their sustainability.
- We can prevent inflation or deflation to some extent if we see the performance of the economy in quantitative terms.
- We can balance the contributions of the three sectors of the economy and steer the direction of growth towards national goals- away from agriculture to manufacturing as in the case of India in recent years.
- target appropriate levels of employment creation and poverty alleviation.
- forecast tax revenues for governmental objectives.
- Corporates can plan their business investments.

Economic growth can also have a self-defeating effect: Environmental costs can be huge unless properly managed; Inequality can have polarizing effects causing instability due to radicalisation.

Thus, unless growth is measured, growth rates can not be calculated. In the absence of such data, economic rationality- both investment and consumption diminishes. The US economy in the Great Depression (1929-39) could have ended only when data was available. Therefore, Simon Kuznets, an economist, gave the notion of National Income in mid 1930's to capture all economic production by individuals, companies, and the government in a single measure. It is popularly known as Gross Domestic Product (GDP) and its variant, Gross National Product (GNP). Calculation of national income is a complex and elaborate exercise. The rules and formulae that are used to capture economic growth data and conclude on relevant statistics is known as national income accounting. GDP is defined as the total market value of all final goods and services produced within the country in a given period of time- usually a calendar year or financial year or a fraction like quarter.

GDP and GNP

While GDP includes the production within a country by all producers- citizens as well as foreign multinational corporations, GNP captures all that is produced by the citizens of a country whether it is within the geography of the country or abroad. In other words, GDP is a geography related concept while GNP is a citizen related concept. GDP focuses on where the output is produced while GNP shows who produced it. GNP is GDP plus net factor income from abroad. That is, from the domestic product, we need to deduct what the foreigners have produced in the country and to that amount we need to add what citizens have produced outside the country. In the age of MNCs and globalization, one country's GDP is another country's GNP. For example: in the case of a German-owned car factory operating in the US, the profits from the factory would be counted as part of German GNP and US GDP.

If it is a highly globalized and competitive economy and many of its MNCs are operating in other countries, its GNP tends to be more. For example, Japan. Chinese GDP till last decade was almost equal to its GNP. But till last decade, there were many foreign MNCs operating in China and thus its GDP was far more than its GDP. But with China's Belt and Road initiative gaining ground, its GNP will outweigh its GDP.

In a closed economy relatively, GDP is more. For example, India till we opened up in 1991.

For most countries, however, GDP and GNP have more or less the same values.

Take the case of Ireland. Its GNP is much larger than its GDP. In Ireland, Google, Apple, Microsoft, Accenture and such other multinational corporations are headquartered due to the tax advantage they get as corporate tax rates are very low. They only have registered offices in Ireland without any production activity. The higher GDP value however is illusory as these companies are in reality non-Irish. Ireland is a tax haven, thus attracting companies to register there rather than giving them the ecosystem for production and innovation as China did since 1980's.

India's GDP is a little more than its GNP as inbound Foreign Direct Investment(FDI) is many times that of outbound FDI. That is, the Indian MNCs produce far less abroad than what foreign MNCS produce in India. There are remittances from abroad sent by Indians working across the world and they amounted to about US $69 billion in 2017 but that is outnumbered by the outflows on a variety of accounts- interest payments, royalty on technology etc.

GDP vs GNP

Analysts tend to say that GDP is a better measure than GNP. The reason is that GDP is domestic production where employment is created; inflation is moderated; tax revenues are more, exports can be made for foreign currency earnings that helps in foreign exchange reserve build up and so on. GNP also has its advantages and India is a big beneficiary of it- remittances from abroad; acquisition of foreign companies; invest abroad to tap on foreign opportunities etc. But the consensus is that former is of greater value than the latter for the reasons cited.

National Income and Gross Value Added (GVA)

National Income is calculated by deducting indirect taxes from Net National Product and adding subsidies. National Income (NI) is the NNP at factor cost.

NI= NNP- Indirect Taxes + Subsidies

GVA is GDP minus indirect taxes. It helps us know the tax-GDP link. If the output grows and the tax buoyancy is not commensurate, the meaning is one of the following or both: non-taxed part of GDP is growing (for example, agriculture) or there is tax evasion.

Potential GDP

The actual GDP is what is being produced. It can be boosted by a variety of means. Government can borrow more than is advisable and enable consumption through subsidies. Interest rates can be reduced to encourage consumption and investment but it has its own risks if the broader economy is not responding. Imports can be liberalized to encourage consumption. But its impact on trade deficit and currency valuation can be destabilizing. Thus, output growth has to be non inflationary and sustainable. Potential gross domestic product (GDP) is the level of output that an economy can produce sustainably and. without inflating the economy excessively. It is the 7 highest level of real gross domestic product (output) that can be sustained over the long term. Sustainability, as mentioned above, is in terms of prices, fiscal deficit, current account deficit (exports can not be boosted by devaluing the exchange rate as it can be dysfunctional), financial sector not accumulating non-performing assets (NPAs) etc. Potential output in the long run, depends on a variety of factors like infrastructure, human capital and skills, potential labour force (which depends on demographic factors), level of technological development and labour productivity. The limits thus relate to natural and institutional factors.

An associated concept is output gap. It means the difference between the actual and potential GDP. If actual GDP rises and stays above potential output, it is called a positive gap. It is inflationary as demand exceeds supply due to excess money which may once again be due to fiscal excess or reduction in interest rate. Rise in demand can also be due to wage rise which is once again inflationary. In the opposite set of conditions, if actual GDP is below potential GDP, called negative gap, inflation will come down. Employment implications are that when the gap is positive, there will be full employment (all those looking for work, find work) and in fact productivity will also rise. Ideally, potential GDP is not to be exceeded for the reasons given above. Towards this objective, the government's fiscal policy and Reserve Bank of India (RBI) monetary policy is suitably used.

Per capita income

GDP/GNP divided by mid year population of the corresponding year. Per capita income is shown as an indicator of how rich or poor the country is; its standard of living and so on. But like all averages, per capita income is indicative of the prosperity of a country to a limited degree as there can be steep inequality which is often the case in the majority of the countries.

Estimating GDP

There are three different ways of calculating GDP. Output approach adds the market value of final goods and services. The expenditure approach adds consumption, investment, government expenditure and net exports (exports minus imports). The income approach adds what factors carn: wages, profits, rents etc. The three methods must yield the same results because the total expenditures on goods and services (GNE) must by value of the goods and services produced (GNP) which must be equal to the total income paid to be equal to the factors that produced these goods and services. In reality, there will be minor differences in the results obtained from the various methods due to changes in inventory levels. This is because goods in inventory have been produced (and therefore included in GDP), but not yet sold. Also, payments may not have been made, that is interest on loans; salaries or rents are not paid. So the value of goods and services is arrived at but it does not match the income or expenditure as the case may be. Inventory is a detailed list of all the items in stock.

GDP considers only marketed goods. If a cleaner is hired, his pay is included in GDP. If one does the work himself, it does not add to the GDP. Thus, much of the work done by women at home-taking care of the children, aged; chores etc. which is called 'care economy' is outside the GDP. Even when the elder sibling teaches the younger one is outside the scope of national accounts.

In estimating GDP, only final goods and services are considered. That is, goods that go into making other goods - input goods, are counted only once when the final product is valued. Otherwise it becomes double counting- counted as an input and again counted as an output. Final goods are goods that are either consumed or used in the production of another good or service. For example, a car sold to a consumer is a final good and so is a car that is used as a cab. Former is consumption and the latter is investment.

Some goods are used both as inputs and also as final goods. Car tyres sold to the car manufacturer are intermediate (input) goods. The same tires, if sold to a consumer, would be a final product. If intermediate goods were included in the calculation of GDP, this would lead to double counting; for example, the value of tyres would be counted once when they are sold to the car manufacturer, and again when the car is sold to the consumer. It artificially inflates/deflates the value of production.

In calculating GDP, only newly produced goods are counted. Transactions in existing goods, such as second-hand cars, are not included, as these do not involve the production of new goods. Resale is excluded but the services provided by the agents are counted. That is, when a used car or house is sold, no new goods are being produced. But the auto or the real estate agent makes some money through commission which adds to the service economy.

CHAPTER -3

NATIONAL INCOME OF INDIA

The Central Statistical Office (CSO) in the Ministry of Statistics and Programme Implementation (MOSPI) is responsible for the compilation of National Accounts Statistics (NAS). At the State level, State Directorates of Economics and Statistics (DESS) have the responsibility of compiling their State Domestic Product and other aggregates. The statistics that are released by the CSO and the State DESS relate to various macro-economic aggregates of the Indian economy at current and constant prices which include gross and net domestic product, consumption, saving, capital formation, public sector transactions, per capita income etc. The CSO releases both annual and quarterly GDP estimates. Since 2015, in the new national income series the data relate to GVA too. The first official estimates of national income were prepared by the Central Statistical Office (CSO) with base year 1948-49. These estimates were published in 1956. Since then base years changed as Indian economy grew to make new goods and services. In 2015, CSO changed base year to 2011-12. Normally, when the base year of national accounts statistics is changed, there is some change in the levels of GDP estimates due to widening the coverage as new commodities produced in the economy are covered; some informal economy becomes formal as the enterprises grow; and also because of more sophisticated methods of data collection. The CSO revises the base year of the NAS series periodically. The first estimates of growth for the current year called Advance Estimates (AE) of National Income are released before the fiscal year is over sometime in January, so that the budget figures can be projected rationally for the upcoming fiscal year. The advance estimates are subsequently revised and released as Quick Estimates of NAS after the full fiscal year is completed. But they are still not fully validated. Quick estimates are further revised to Provisional Estimates and the last figures are the Final estimates. The improvisation is based on the availability of data in course of time. Final estimates arrive years after the quick estimates.

New GDP Series 2015

The Central Statistics Office (CSO) came out with a new series of national accounts with 2011-12 as the base year for computing size of the economy and economic growth rate. It has the effect of broadening the coverage across segments including farm, corporate and unorganised. Under the new series, the data for corporate income is collated from the corporate affairs ministry's MCA21 records, a comprehensive compendium that allows collecting granular information even from the level of the small firms. In the earlier series such data was taken primarily from the Reserve Bank of India's study on companies and finances.

On the basis of new data available by 2015, it came to be known that the 2004-05 GDP data was under-estimating industrial growth as the coverage was low and the weights were misallocated. Under the new GDP series, the share of manufacturing increased to 15.8% from 11.9% in 2004-05. The share of agriculture has increased marginally in the new series to 17.2% from 16.8%. The new series is praised as its base is wider and collection methods and are more exhaustive.

Real GDP or GDP at constant (2011-12) prices for the year 2017-18 is estimated at 130.11 lakh crore. Growth rate of GDP at constant (2011-12) prices for the financial year 2017-18 is estimated at 6.7 percent. Real GVA, ie, GVA at basic constant (2011-12) prices for the year 2017-18 is estimated at 119.76 lakh crores showing a growth rate of 6.5 percent over 2016-17. India's per capita income was Rs 1,12,835 in March 2018.

GDP has limitations in coverage

The measurement of national income encounters many coverage issues

- GDP does not capture black money which may be generated by two means: Illegal activities like smuggling and also by unreported incomes due to tax evasion. Thus, the parallel economy poses a serious hurdle to accurate GDP estimates.
- In the rural economy, a considerable portion of transactions occur as the barter economy. GDP does not cover it.
- Quite a large portion of the economy is in the informal sector- small and marginal farmers, land -less labourers, vegetable vendors, domestic help and so on. It is outside official GDP estimates.

- The national income accounts do not include the care economy'- domestic work and housekeeping.
- Social Services are ignored- voluntary and charitable work- as it is unpaid.

GDP has limitations in the quality of data

GDP data does not capture the following qualitative data

1. Environmental costs. National income calculations are not useful to see whether the output causes pollution or not. What matters is the output and its market value.
2. Poverty is not revealed as it yields only quantitative data about the value of the output which is the basis for calculating per capita income. In a rich country, the illusion is created that everyone enjoys a high standard of living.
3. Inequality is not indicated
4. Health and education standards escape calculation in the GDP figures except as a sectoral estimate.

GDP is a measure of growth and not progress

GDP indicates growth that is quantitative. Development, progress and well being on the other hand, factor in the qualitative aspects of growth as we shall see ahead. Seen thus, GDP shows broad national economic growth in output. Simon Kuznets, who pioneered the notion of national income-and GDP, did not offer this benchmark as a measure of welfare but only as a way to quantify, monetize and compare.

Growth, it must be stressed, is a precondition for welfare. Countries with higher GDP often score highly on measures of welfare, such as life expectancy.

However, even in such developed countries, GDP can not be cited as a measure of progress because it does not value intangibles like leisure, quality of life which is determined by many criteria other than economic goods like relationships; lack of stress; good mental health; quality gender relations; clean environment; culture etc.

Even while the above limitations exist in GDP methods, the reasons for using GDP as an indicator of advancement of the economy and standard of living are that it is measured frequently, widely and consistently. It can be undertaken relatively conveniently. Global comparisons are feasible.

Other measures of Development

According to critics of GDP as a concept, not only is it inadequate, it even distorts and misleads.Following examples amplify the point-

1. Rising crime rates can lift GDP by raising expenditures on security personnel and technology.
2. Despite the destruction wrought by the oil spills, it boosts GDP as cleaning up adds to hiring and purchasing services and equipment.
3. When more guns are sold as people feel insecure, it magnifies GDP.
4. Commercial agricultural production boosts GDP even when it is unsustainable.

GDP is used as a measure of growth and other metrics that have emerged of late are used to indicate a variety of dimensions like Green GDP, Human Development Index (HDI), Inequality adjusted Human Development Index, Social Progress Index (SPI), Gross National Happiness (GNH), natural resource accounting have been suggested. These new indices and concepts are proposed to give a more complete picture of the level of well-being and sustainability of natural resources.

Human Development Index (HDI)

The UN Human Development Index (HDI) was developed in 1990 by the Pakistani economist Mahbub ul Haq who was assisted by Amartya Sen and has been used since 1993 by the United Nations Development Programme in its annual report. The HDI measures the average achievements of a country in three basic dimensions of human development:

- A long and healthy life, as measured by life expectancy at birth.
- Knowledge, as measured by the adult literacy rate; and the combined primary, secondary, and tertiary gross enrolment ratio.
- A decent standard of living, as measured by gross domestic product (GDP) per capita at purchasing power parity (PPP) in US Dollars.

Each year, UN member states are listed and ranked according to these measures. The 2010 Human Development Report came up for the first time with an Inequality-adjusted Human Development Index (IHDI), which factors in inequalities in the three basic dimensions of human development (income, life expectancy, and education) and adjusts the HDI.

130 out of 189 countries were in the 2018 human development rankings of which India's HDI value for 2017 was 0.640, which put the country in the medium human development category.

Between 1990 and 2017, India's HDI value increased from 0.427 to 0.640, an increase of nearly 50 percent - and an indicator of the country's remarkable achievement in lifting millions of people out of poverty.

Genuine Progress Indicator (GPI)

Redefining Progress is a think tank in the USA that devised a new measure to assess national progress in 1990's. It is called the Genuine progress indicator (GPI). It is a metric that is designed to take fuller account of the well-being of a nation beyond the size of the nation's economy, by incorporating environmental and social factors which are not measured GDP,GPI deducts environmental costs of economic activity like biodiversity loss, resource depletion,pollution, loss of farmland and wetlands, and ozone depletion, and social costs like increase in crime and family breakdown.

Social Progress Index

Social Progress Index is similar to the GPI as it factors in social and environmental factors to set economic growth to arrive at an indicator of progress. The indicators are different in number and weights but the basic thrust is the same. The index is published by the nonprofit Social Progress Imperative, and is based on the writings of Amartya Sen and Joseph Stiglitz.

The index has three sides:

1. Basic human needs
2. Foundations of well-being
3. Opportunity

The above three broad heads include: health, sanitation, personal safety, ecosystem sustainability, shelter, access to knowledge, personal rights, and tolerance and inclusion.

India faces challenges across many dimensions. India scores particularly low on shelter in the basic human needs dimension, access to information in the foundations of well-being dimension, and tolerance and inclusion in the opportunity dimension.

Gross National Happiness (GNH)

GNH is an attempt to define quality of life in more holistic terms than Gross National Product. The term was coined by Bhutan's former King Jigme Singye Wangchuck. While conventional development models stress economic growth as the ultimate objective, the concept of GNH is based on the premise that true development takes place when the following four dimensions are fulfilled in right measure

- equitable and sustainable socio-economic development
- preservation and promotion of cultural values
- conservation of the natural environment
- good governance.

Happiness Index

The World Happiness Report is a measure of happiness published by the United Nations Sustainable Development Solutions Network to help nations make their public policies for the happiness of their people. It is inspired by the GNH of Bhutan. The first World Happiness Report was released in 2012. World Happiness Report 2018, ranked 156 countries by their happiness. levels. Finland is the world's happiest country followed by Norway, Denmark and Iceland in the 2018 World Happiness Report.

Six key variables are the basis to assess well-being: income, healthy life expectancy, social support, freedom, trust and generosity.

The entire top ten were wealthier developed nations. Yet money is not the only ingredient in the recipe for happiness. In fact, among the wealthier countries the differences in happiness levels had a lot to do with differences in mental health, physical health and personal relationships: the biggest single source of misery is mental illness.

Few factors that are strikingly different in the report are generosity, social support and so on.

It placed India in the 133rd position. Among the South Asian Association for Regional Cooperation (SAARC) countries, Pakistan was ranked 75th, while Nepal was ranked at 101st. Bhutan has been placed at 97th rank and Sri Lanka at 116th position. Bangladesh is ranked 115th and Afghanistan is ranked 145th. Data is compiled from surveys.

Purchasing Power Parity: PPP

The value of the GDP of a country is estimated in domestic currency. It is Indian rupee in the category of India. But the same can be expressed in terms of another currency. For example, the US dollar. For this, the rupee value of GDP is converted into USD at the prevailing exchange rate or the average rate in a given year. For example, about Rs.70 in the calendar year 2018 is the number of rupees that fetched a USD. But many critics of this method base their criticism on the factors behind the exchange rate of rupee in relation to the dollar as the markets decide it. Markets decide the rate based on a variety of factors like net foreign currency inflows; forex reserves; growth rate of the economy and its prospects; commodity dependence of the economy on global supplies and the price behavior of the latter and so on. If these factors are favourable, currency strengthens. That is, its exchange rate is strong. Meaning, the cost of foreign currency comes down in terms of domestic currency.

However, there is so much speculation in the forex markets that the market rate is far from what it should be, in the opinion of the critics of the market rate of foreign currency.

A crucial factor in the determination of the exchange rate is the confidence that the international and domestic investors have in the currency of a country. Based on the confidence, they buy or sell a global currency.

In order to arrive at a more genuine rate of exchange, there is a method called purchasing power parity (PPP). It is arrived at by comparing the purchasing power of two currencies, say Indian Rupee and USD. A basket of tradable goods and services are taken and their value in rupee and dollar is taken. Based on the values, a parity is set. That is the true exchange rate because it is reflected in the market value of goods and services.

PPP is defined as the number of units of a country's currency required to buy the same amount of goods and services in the domestic market as one dollar would buy in the US.

Purchasing power parity exchange rates are useful for comparing living standards between countries. Actual exchange rates can give a very misleading picture of living standards. For example, the rupee fell about 15% in relation to USD in 2018 till October. At the diminished market rate of conversion, India's GDP in dollar terms fell correspondingly and so did its per capita income. But the market exchange rate may not mirror ground level conditions because living standards have not fallen in India. In fact they did not fall at all and have improved. Market exchange rate doesn't reflect the purchasing power of a currency in relation to goods and services domestically.

Measuring income in different countries using purchasing power parity exchange rates helps to avoid this problem.

PPP is used to estimate poverty and is used by the United Nations in constructing the human development index.

India's GDP by PPP is USD 9.5 trillions. The USA's is 19.5 USD and China's is USD 23.2 trillion. India is the third largest by this metric. It takes that much USD to buy all goods and services produced in the country in 2017. The market conversion rate will value India's economy in 2017 at $2.6 trillion, according to the International Monetary Fund's World Economic Outlook (WEO). That made India the world's sixth largest economy, displacing France. The five economies ahead are the United States, China, Japan, Germany and the United Kingdom.

It is interesting to note that US GDP is valued higher by market rate than by PPP as the global confidence in the USD is more than its real strength. Opposite is the case with the Chinese Yuan.

Big Mac Index

The Big Mac index was developed by The Economist magazine of London. It is based on the theory of purchasing-power parity (PPP). It shows the parity of any two currencies, for example, between Indian Rupee and the USD based on their purchasing power of a specific variety of hamburger sold by MacDonald called Big Mac in America and Maharaja Burger in India. The parity generally works out to around 20-25 rupees per dollar. Thus, the rupee is seen to be grossly undervalued.

The advantage with PPP is that it corresponds to the ground level value of the currency in India and it does not change in a volatile manner.

3. HELICOPTER MONEY

- This involves the central bank of the country printing currency notes and distributing it to the people free of cost. The idea is to promote demand in the economy during recession.

3.16 OTHER MONETARY TOOLS USE BY RBI

1. CALL MONEY MARKET

- It is an Inter Bank money market for short-term financial assets that are close substitutes of money.
- The call money market is an important segment of the money market where borrowing and lending of funds take place on overnight basis (for one day)
- Money market is also known as 'overnight borrowing money at call'.
- Funds raising/borrowing maximum period ???? 14 days ("Short notice")
- Borrowing can take place against securities or without securities.
- Rate of Interest – 'glides' with 'repo rate'.
- Longer the interest rate ???? higher the interest rate.
- Real call rate ???? revolves around the current repo rate, according to the availability and demand of funds in the market.
- Borrowers as well as lenders ???? Schedule commercial banks, cooperative banks.
- Lender only ???? LIC, GIC, mutual funds, IDBI and NABARD.

2. MARKET STABILISATION SCHEME (MSS)

- MSS is a policy tool used by the Reserve Bank of India to suck out excess liquidity from the market through issue of securities like T-Bills, Dated Securities etc. on behalf of the government.
- The RBI initiated the MSS scheme in 2004, to control the surge of US dollars in the Indian market, RBI started buying US dollars while pumping in rupee
- MSS was introduced to deal with the excess liquidity in the market which could lead to inflation.
- The issued securities under the MSS are government bonds and they are called Market Stabilisation Bonds and these securities are owned by the government though they are issued by the RBI.

  Post demonetization (2016) RBI has raised the ceiling for MSS 20 times to suck excess cash out of the banking system and help banks earn some return from the voluminous deposits they have garnered after the government's demonetization move.

3. STANDING DEPOSIT FACILITY SCHEME

- Standing deposit facility is a collateral free liquidity absorption mechanism which aims to absorb liquidity from the commercial banking system into RBI.
- Concept was first recommended by the Urjit Patel committee report in 2014.
- The new scheme has been proposed by the Union Budget 2018-19.
- The scheme is aimed at helping RBI to manage liquidity in a better way, especially when the economy is flush with excess fund (as was seen after the demonetisation 2016).

3.17 TYPES OF MONETARY POLICY

TYPES OF MONETARY POLICY

1. CONTRACTIONARY MONETARY POLICY
2. EXPANSIONARY MONETARY POLICY

CONTRACTIONARY MONETARY POLICY

- Contractionary Monetary Policy also called a Dear Money Policy.
- It is pursued to control Inflation.

Case 1	Case 2
If CRR is increased. SLR is also increased Lending capacity of the Banks decreases. Bank rate is increased. This leads to RBI charging a higher rate of interest on bank lending due to which banks borrow less from RBI.	Repo Rate is increased. Reverse Repo Rate is also increased. This leads to RBI paying more interest on Banks deposits. Thus Banks prefer to deposit extra money with the RBI instead of giving loans to the public. It is called Dear Money Policy as loans get expensive for the public.

EXPANSIONARY (CHEAP) MONETARY POLICY

- This policy is adopted to increase money supply in the economy in order to stimulate economic growth.
- It is also pursued to overcome recession.
- CRR, SLR, Repo Rate, Reverse Repo Rate, Bank Rate should be reduced.
- It is called Cheap Money policy as interest rates are low thus borrowing money becomes cheap.

3. 18 STRATEGIES OF A MONETARY POLICY MAKING

STRATEGIES OF A MONETARY POLICY MAKING

1. Exchange rate stability
2. Multiple Indicators
3. Inflation targeting

STRATEGIES OF A MONETARY POLICY MAKING

1. **Exchange rate stability** – Singapore & other export-oriented economies use this.
2. **Multiple Indicators** – Central Bank tries to focus on Growth, Employment, Inflation Control and Exchange rate stabilization. India's RBI had this before 2016.
3. **Inflation targeting** – here the Central Bank only aims to keep inflation under control, then other indicators (growth, employment, exchange rate) will automatically fall in line. It was successful in Western nations, adopted in India 2016, based on Urjit Patel Committee Report (2013-14), by amending RBI Act Section 45.

3. 19 MONETARY POLICY COMMITTEE (MPC)

- MPC is a statutory body created under Monetary Policy Framework Agreement 2015 between the RBI and Government in 2016
- MPC is entrusted with the responsibility of fixing the benchmark repo rate (policy rate) required to contain inflation as defined in the Monetary Policy Framework Agreement.
- The meetings of the MPC are held at least 4 times a year and it publishes its decisions after each such meeting.
- MPC is a 6-member body including 3 members from RBI and 3 members to be nominated by the Central Government.
- These Government of India nominees are appointed by the Central Government based on the recommendations of a search cum selection committee. Moreover, nominees of the MPC will hold office for a period of four years and will not be eligible for re-appointment.
- Decisions are taken by majority with the Governor having the casting vote in case of a tie.
- Chairperson of MPC – RBI Governor
- Quorum for meeting – 4 members
- To ensure transparency – Govt can send messages only in writing.
- Committee must publish its proceedings of the meeting on the 14th day, and "Monetary policy report" every 6 months.
- Inflation target decided by the Union Government after consulting with the RBI Governor.
- The present mandate of the committee is to maintain 4% annual inflation (until March 31, 2021) with a bandwidth ceiling of 6% and a floor of 2%.
- If Target fails: If inflation is not kept in the 4% +/-2% zone for 3 consecutive quarters then the Committee must send a report to Govt. with reasons and remedies.

3. 20 LIMITATIONS OF MONETARY POLICY

- Existence of black money in the economy limits the working of the monetary policy
- Conflicting objectives – To achieve the objective of economic development, the monetary policy is to be expansionary but to achieve the objective of price stability and curb on inflation policy is to be contractionary.
- Underdeveloped Indian money market – The weak money market limits the coverage, as also the efficient working of the monetary policy.
- Indian Banks don't immediately pass on the RBI rate cuts to customers (monetary transmission), citing NPA/Bad loans/profitability problems.
- Government Side Issues – Fiscal repression, Fiscal slippage, Fiscal deficit, Subsidy leakage, Populist Loan-waivers etc.
- Structural Issues in Economy – Lack of electricity-road infrastructure / Ease of Doing Biz production, long pending land and labour reforms.
- Presence of Informal moneylenders in rural areas – circulate illegitimacy money at exorbitant interest rates.
- Poor penetration of the banking sector and financial inclusion etc.

FINANCIAL STABILITY AND DEVELOPMENT COUNCIL

FSDC is a non-statutory apex council setup in 2010 under the Ministry of Finance and chaired by the Finance Minister. Its constitution was proposed by the Raghuram Rajan committee (2008) on financial sector reforms.

Members ????

1. Governor of RBI,
2. Chairperson of SEBI

3. Chairperson of IRDA
4. Chairperson of PFRDA
5. Finance Secretary and/or Secretary, Department of Economic Affairs (Union Finance Ministry)
6. Secretary, Department of Financial Services
7. Chief Economic Adviser.

Functions of FSDC ????

- Monitor macro-prudential supervision of the economy.
- Assess the functioning of the large financial conglomerates.
- Enhancing inter-regulatory coordination
- Promoting holistic financial sector development.
- To strengthen and institutionalize the mechanism for maintaining financial stability.

In a recent meeting, it was noted that the **COVID-19 pandemic** poses a serious threat to the stability of the global financial system since its impact and timing of recovery was still uncertain.

3.21 MONETARY POLICY TRANSMISSION

- Monetary policy transmission is said to have occurred when the changes in the policy rates (repo, reverse repo) will lead to corresponding change in the interest rates in the retail sector. (Housing, auto loans etc.)

INTEREST RATES AND MONETARY POLICY TRANSMISSION

- Subject to norms of the RBI, Banks in India are free to determine interest rates on the loans/deposits they extend to their customers.
- However banks publish the minimum interest rates they charge their best clientele.
- This minimum interest rate is commonly called the prime lending rate. However the problem with the prime lending rate was that it was not transparent.
- In 2016, RBI introduced the concept of MCLR in order to ensure monetary policy transmission.
- Under MCLR the banks use the marginal cost for obtaining funds to set their lending rates.
- MCLR has replaced the base rate system of fixing interest rates.

3. 22 BENCHMARK PRIME LENDING RATE (BPLR)

- BPLR was used as a benchmark rate by banks for lending till June 2010.
- Under BPLR, bank loans were priced on the actual cost of funds.
- However, the BPLR was subverted, resulting in an opaque system. The bulk of wholesale credit (loans to corporate customers) was contracted at sub-BPL rates and it comprised nearly 70% of all bank credit.
- Under the BPLR system, banks were subsidising corporate loans by charging high interest rates from retail and small and medium enterprise customers.

3. 23 BASE RATE

- Base Rate is the interest rate below which Scheduled Commercial Banks will lend no loans to its customers –
- It replaced the idea of BPLR on 1 July, 2010. The BPLR system, introduced in 2003, fell short of its original objective of bringing transparency to lending rates.
- This was mainly because under this system, banks could lend below BPLR. This made a bargaining by the borrower with the bank- ultimately one borrower getting cheaper loan than the other, and blurred the attempts of bringing in transparency in the lending business.
- Loans taken between June 2010 and April 2016 from banks were on base rate.
- Base rate is calculated on following three parameters –

BASE RATE

1. Blended cost of funds (liabilities)
2. Average cost of funds
3. Marginal cost of funds

- Hence, the rate depended on individual banks and they changed it whenever their cost of funds and other parameters changed.
- For the same reason, it was also difficult to assess the transmission of policy rates of the Reserve Bank to lending rates of banks.
- The Base Rate system is aimed at enhancing transparency in lending rates of banks and enabling better assessment of transmission of monetary policy.
- Banks are not allowed to offer any loan below their base rates.

3. 24 MARGINAL COST OF FUNDS BASED LENDING RATE

- The MCLR refers to the minimum interest rate of a bank below which it cannot lend, except in some cases allowed by the RBI. It is an internal benchmark or reference rate for the bank.

CHAPTER – II

BAKING INDIA – PART 2

1. COMMERCIAL BANKS

- Commercial banks may be defined as any banking organization that deals with the deposits and loans of business organizations. Commercial banks issue bank cheques and drafts, as well as accept money on term deposits.
- Commercial banks also act as moneylenders, by way of installment, loans and overdrafts.
- Commercial banks also allow for a variety of deposit accounts, such as current, savings, and time deposit.
- These institutions are run to make a profit and are owned by a group of individuals.
- They lend to all sectors ranging from rural to urban.
- These banks do not charge concessional interest rates unless instructed by the RBI.
- Public deposits are the main source of funds for these banks.
- They have a unified structure and are owned by the government, state, or any private entity.

SCHEDULED COMMERCIAL BANKS (SCB)

- Governed by the Banking Regulation Act-1949.
- Scheduled banks are those mentioned in the 2nd schedule of RBI Act, 1934.
- Scheduled commercial banks (SCBs) account for a major proportion of the business of the scheduled banks.
- Private sector banks include the old private sector banks and the new generation private sector banks– which were incorporated according to the revised guidelines issued by RBI regarding the entry of private sector banks in 1993.

1. 1 PUBLIC SECTOR BANKS

- These are banks where the majority stake is held by the Government of India. Examples of public sector banks are: SBI, Bank of India, Canara Bank, etc.

EMERGENCE OF STATE BANK OF INDIA (SBI) GROUP

- State bank group implies, State bank of India and its associates.
- Prior 1955, SBI was known as "Imperial Bank of India".
- Imperial Bank of India created in 1921 by amalgamating 3 Presidency banks of – Bengal, Bombay and Madras.
- Post – independence, the economic model of Five-year plan necessitated a reorganisation of banking. Following this, on July 1, 1955 as per the SBI act 1955, the SBI constituted and it took over the business and undertaking of Imperial Bank.
- By enacting SBI Act, 1955 the government partially nationalized Imperial Bank of India and renamed it as SBI.
- In 1959, by enacting SBI (Associates) Act, 1959 the government brought 8 banks of former princely states under SBI as its associates. They were –
  - State bank of Bikaner
  - State bank of Jaipur
  - State bank of Hyderabad o State bank of Indore
  - State bank of Mysore
  - State bank of Saurashtra
  - State bank of Patiala
  - State bank of Travancore
- State bank of Bikaner and Jaipur were merged and known as SBBJ (State Bank of Bikaner and Jaipur)
- 2008 – State bank of Saurashtra was merged with state bank of India.
- Now the number of associate banks is 5.
- SBI associates and Bharatiya Mahila Bank was merged with SBI w.e.f. April 1, 2017.
- SBI is the largest public sector bank in India.
- To unload RBI from its administrative work and to endow it with only regulatory functions, RBI's shareholding was transferred to the government of India.

2019: Global top banks – 100 banks ???? China (18 banks), USA (12 Banks), Japan > France >.....India (only 1 bank: SBI at Rank 55).

The Union Cabinet in 2017, had approved the merger of five associate banks along with Bharatiya Mahila Bank with SBI. The five banks were State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Travancore, State Bank of Mysore and State Bank of Patiala. At present, there are 12 Public Sector Banks in India including SBI.

1. 2 NATIONALIZATION OF THE BANKS

- In India, the banks which were previously functioning under the private sector were transferred to the public sector by the act of nationalization and thus the nationalized banks came into existence.

- Post-independence, the GOI adopted a planned economic development model for the country. Nationalisation was in accordance with the national policy of adopting the socialistic pattern of society.
- The first major step was Nationalization of the Imperial Bank of India in 1955 via the State Bank of India Act.
- SBI was made to act as the principal agent of RBI and handle banking transactions of the Union and State Governments.
- After that, in a major process of nationalization, seven subsidiaries of the SBI were nationalized via the SBI (Subsidiary Banks) Act, 1959.
- In 1969, a major phase of nationalization was carried out and 14 major commercial banks in India were nationalized.

> The second phase of nationalization Indian Banking Sector Reform was carried out in 1980 with six more banks**1969 – 14 banks nationalized.**
> **1980 – 6 more banks nationalized The nationalized banks controlled about 91% of banking assets.**
> **1990 – Narasimham Committee Reforms New Economic Policies (NEP)**

Golden anniversary (50 years) of the bank nationalisation – First round of bank nationalisation was done in 1969 (2019-1969).

- These 14 banks Nationalized in 1969 are shown in the below table.

Sr.	Bank
1.	Central Bank of India
2.	Bank of Maharashtra
3.	Dena Bank
4.	Punjab National Bank
5.	Syndicate Bank
6.	Canara Bank
7.	Indian Bank
8.	Indian Overseas Bank
9.	Bank of Baroda
10.	Union Bank
11.	Allahabad Bank
12.	United Bank of India
13.	UCO Bank
14.	Bank of India

- The above was followed by a second phase of nationalization in 1980, when the Government of India acquired the ownership of 6 more banks, thus bringing the total number of Nationalized Banks to 20. This step brought 80% of the banking segment in India under Government ownership.
- The private banks at that time were allowed to function side by side with nationalized banks and the foreign banks were allowed to work under strict regulation.
- **A few recent events as part of banking sector reforms include:**
  - Deregulation of interest rates
  - Differentiated banking – Small and Payment banks
  - Increased autonomy to banks
  - Basel III compatibility of banks
  - Regulation of NBFCs etc.

1.2.1 REASONS FOR NATIONALIZATION OF BANKS

- Wars with China (1962) and Pakistan (1965) that put immense pressure on public exchequer.
- Two successive years of drought had led to severe food shortages and also compromised national security (PL 480 program).
- Resultant three-year plan holiday affected aggregate demand as public investment was reduced.
- India's economic growth barely outpaced population growth in 1960-70s and average incomes stagnated.
- Share of the industrial sector in credit disbursement by commercial banks almost doubled between 1951 and 1968, from 34% to 68% whereas agriculture received less than 2% of total credit, though more than 70 percent of the population was dependent upon it.
- Priority Sector Lending – the agriculture sector and its allied activities were the largest contributors to the national income.

- Nationalisation aimed at mobilizing the savings of the people to the largest possible extent and to utilize them for productive purposes.
- Reducing inter and intra-regional imbalance to curb the urban-rural divide
- Controlling private monopolies over financial sectors.
- Ensuring Socio-economic welfare as enshrined in preamble of the Indian constitution.
- Expansion of banking to rural pockets to ensure financial inclusion.
- To shift from 'class banking' to 'mass banking' (social banking)

1.2.2 OBJECTIVE OF NATIONALISATION

- To Induce Confidence of Public in Banking Sector
- To provide social orientation like loan to weaker sections of society
- Expansion of banking, Opening accounts in rural areas – financial inclusion
- To reduce inequalities in society.
- Controlling private monopolies
- Reducing regional imbalances
- Developing banking habits
- Priority sector lending to weaker sections – inclusive growth

1.2.3 IMPACT OF NATIONALIZATION OF BANKS

- Nationalization of the Banks brought the public confidence in the banking system of India.
- After the two major phases of nationalization in India, 80% of the banking sector came under government ownership.
- After the nationalization of banks, the branches of the public sector banks in India rose to approximately 800 per cent in deposits, and advances took a huge jump by 11,000 per cent.
- Government ownership gave the public implicit faith and immense confidence in the sustainability of public sector banks.
- Indian banking system has reached even to the remote corners of the country.
- More equitable and prioritized disbursement of credit to different sectors of economy.
- Nationalization of banks led to a smooth and streamlined Indian growth process, particularly in the Green revolution.
- Aim of nationalization is to promote rapid growth in agriculture, small industries and export, to encourage new entrepreneurs and to develop all backward areas.

ECONOMIC SURVEY 2020 – After the 1980 nationalization, PSBs had a 91% share in the national banking market which has reduced to 70% in recent times. Reduced stake has been absorbed by New Private Banks (NPBs) which came up in early 1990s after liberalization.

ECONOMIC SURVEY 2020 – Allow campus recruitment, lateral entry in higher management positions, make employees 'part owners' through Employee Stock Ownership Plan (ESOP). Use Artificial Intelligence (AI), Machine Learning (ML), Big Data Analytics, geotagging of mortgaged assets etc. Setup an organization PSBN Network to implement above ICT-solutions to improve efficiency of PSBs.

1.2.4 CRITICAL ASSESSMENT OF NATIONALISATION

- Most of the social objectives were achieved.
- Bank deposits increased significantly.
- Loans to the priority sector increased drastically.
- Nationalisation ensured deep penetration of the banking sector in rural and remote pockets.
- Financial inclusion
- Women empowerment – ensured by extending credits to SHGs which are led by women.

1.2.5 DOWN SIDE OF NATIONALISATION OF BANKING

- Efficiency and profitability of Banks declined drastically
- Issue of NPA becoming major roadblock in profitability of banking sector
- Nationalization of banks led to an interest rate structure that was incredibly complex – different rates of interest for different types of loans.
- Nationalization drive has led to lesser competition between the public sector and private sectors banks.
- Bureaucratic attitude and procrastination in the functioning of the banking system.
- Lack of responsibility and initiative, red-tapism, inordinate delays are common features of nationalized banks.
- Ruthless expansion of these banks are now facing the problems of heavy overdue loans and economically unviable branches.

Crowding out – *This refers to a phenomenon where increased borrowing by the government to meet its spending needs causes a decrease in the quantity of funds that is available to meet the investment needs of the private sector. However, government spending does not always lead to a crowding out of private investment in the economy.*

Arguments Against

- ***Risk of Exchange Rate*** – *If rupee weakens against the dollar during the bond's tenure (for instance, USD1: INR60 → INR70), the government would have to return more rupees to pay back the same amount of dollars. Then the loan may turn out to be 'more expensive' than originally anticipated.*
- *It's true that presently the Indian Government's external borrowing is very low, but once this 'door' is opened, subsequent governments may get tempted to borrow more and more from the foreign sources to finance their (populist) welfare schemes, ultimately it can result in a crisis when exchange rates turn volatile.*
- *Better to increase the foreigners' investment limit in G-Sec (in ₹ currency) and attract them to come to India, rather than going 'abroad' to get their money in USD currency.*

Conclusion

Against:- *From the aforementioned analysis, it's evident that challenges outweigh the potential benefits. Noted economists such as Dr. Raghuram Rajan are apprehensive about sovereign borrowing from external markets in foreign currency. Therefore, this idea, though well-intended, requires more deliberation.*

In favor:- *Considering the above points, sovereign borrowing from external markets in foreign currency may not be a bad idea, provided that it's done in a judicious and prudential manner.*

CHAPTER – 18

CAPITAL EXPENDITURE

Its notable components in decreasing order are:

- *Capital assets for various schemes, ministries, departments (Building, vehicles..)*
- *Giving debt/equity finance to PSUs & foreign institutes, giving loans to State Govt & Foreign Govt. The Finance Ministry – Dept of Economic Affairs (DEA)'s Indian Development and Economic Assistance Scheme (IDEAS) gives such funds to foreign nations.*
- *Union repaying loan principal for Internal Debts*
- *Union repaying loan principal for External Debts.*

Types of Deficits

A deficit occurs when a resource, money, in particular, is less than the amount required. A budget deficit and a trade deficit are the two main types of deficits. A deficit adds to one's debt, which most do not consider financially healthy.

Surplus budget	*If the government's income is more than its expenditure*
Balanced budget	*If the government's expenditure is equal to its income*
Deficit budget	*If the government's expenditure is more than its income*

Types of Deficit

- *Revenue Deficit*
- *Effective Revenue Deficit*
- *Budget Deficit*
- *Fiscal Deficit*
- *Primary Deficit*

Deficit	**Formula**	**Budget-2020**
Revenue Deficit	*Revenue expenditure minus Revenue receipts*	*2.7% of GDP*
Effective Revenue Deficit	*Revenue Deficit minus Grants for creation of capital assets*	*1.8% of GDP*

Budget Deficit	Budget Deficit Budget expenditure minus Budget receipt	-
Fiscal Deficit	Budget Deficit plus Borrowing	3.5% of GDP
Primary Deficit	Fiscal Deficit minus interest to be paid on previous loans	0.4% of GDP

Fiscal Deficit

- Fiscal Deficit = Budget Deficit + Borrowing.
- This borrowing includes internal borrowing [such as through Small Savings Scheme, and the G-Secs subscribed by Banks/NBFCs + Borrowing from RBI] + External Borrowing.
- As per Sukhamoy Chakravarty Committee report, it was implemented in 1997-98.

Primary Deficit

- Primary Deficit = Fiscal deficit minus the interest to be paid on the previous loans.
- Mentioned in Finance Minister Manmohan Singh's budget speech of 1993.
- If the government continues to borrow year after year, it leads to accumulation of debt and the government has to pay more and more interest.
- These interest payments themselves add more burden to borrow next year.
- So, to get a clearer picture of how much the government is borrowing for new programs, they look at another indicator, known as primary deficit.

Deficit Financing

- When the revenue of the government is shorter than its expenditure then this situation is dealt by printing more currency, buying from public and foreign institutions. This temporary arrangement of the money is known as deficit financing.
- Taxes cannot be increased beyond a point because it may force people to evade taxes / discourage their motivation to work (Laffer Curve).

It is worth mentioning that deficit financing is equal to the fiscal deficit of the country.

Sources of Deficit Financing

- Printing new currency notes.
- Borrowing from internal sources (RBI, General Public, Ad-hoc Treasury Bills & government bonds etc.)
- Borrowing from External Sources (like borrowing from developed countries and International institutions like World Bank, IMF, etc.)

Purposes of Deficit Financing

- To overcome the problem of lack of funds for speeding up the country's development.
- Promote additional investment in the country to side away the adverse impacts of the depression period of the country.
- To arrange funds for ensuring the holistic development of the country.
- To arrange fund for the unforeseen events and arrange resources for wartime
- To upgrade the infrastructure of the country so that the taxpayers of the country are convinced that the tax paid by them is spent on the right things.

Negative Consequences of Deficit Financing

- Increase in deficit which leads to increased borrowing by Govt.
- Adverse Impact on Saving -Deficit financing leads to inflation and inflation affects the habit of voluntary saving adversely.
- Increase in inflation due to the increase in the supply of money in the economy.
- Decrease in average consumption level due to higher inflation.
- Increase in income disparities, because the rich get more opportunities due to higher supply of money in the economy. In fact it is not possible for the people to maintain the previous rate of saving due to rising prices.
- Adverse Impact on Investment – Deficit financing affects investment adversely. When there is inflation in the economy trade unions/employees demand higher wages to survive.
- Economist David Ricardo argued that during high deficits, people save more, because they become precautious about future hike in taxes. It's called "Ricardian equivalence" (and if people begin to spend less and save more, then companies will face unsold inventories, a new problems for economy)

प्रिय दोस्तों, अब तक हमारे नोट्स में से विभिन्न परीक्षाओं में आये हुए प्रश्नों के परिणाम देखने के लिए क्लिक करें - (Proof Video Link)

RAS PRE. 2021 - https://shorturl.at/qBJ18 (74 प्रश्न , 150 में से)

RAS Pre 2023 - https://shorturl.at/tGHRT (96 प्रश्न , 150 में से)

UP Police Constable 2024 - http://surl.li/rbfyn (98 प्रश्न , 150 में से)

Rajasthan CET Gradu. Level - https://youtu.be/gPqDNlc6UR0

Rajasthan CET 12th Level - https://youtu.be/oCa-CoTFu4A

RPSC EO / RO - https://youtu.be/b9PKjl4nSxE

VDO PRE. - https://www.youtube.com/watch?v=gXdAk8S6Wl8&t=202s

Patwari - https://www.youtube.com/watch?v=X6mKGdtXyu4&t=2s

PTI 3rd grade - https://www.youtube.com/watch?v=iA_MemKKgEk&t=5s

SSC GD - 2021 - https://youtu.be/2gzzfJyt6vI

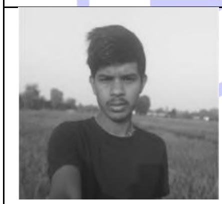
EXAM (परीक्षा)	DATE	हमारे नोट्स में से आये हुए प्रश्नों की संख्या
MPPSC Prelims 2023	17 दिसम्बर	63 प्रश्न (100 में से)
RAS PRE. 2021	27 अक्तूबर	74 प्रश्न आये
RAS Mains 2021	October 2021	52% प्रश्न आये

RAS Pre. 2023	01 अक्टूबर 2023	96 प्रश्न (150 मेंसे)
SSC GD 2021	16 नवम्बर	68 (100 में से)
SSC GD 2021	08 दिसम्बर	67 (100 में से)
RPSC EO/RO	14 मई (1st Shift)	95 (120 में से)
राजस्थान S.I. 2021	14 सितम्बर	119 (200 में से)
राजस्थान S.I. 2021	15 सितम्बर	126 (200 में से)
RAJASTHAN PATWARI 2021	23 अक्तूबर (1st शिफ्ट)	79 (150 में से)
RAJASTHAN PATWARI 2021	23 अक्तूबर (2nd शिफ्ट)	103 (150 में से)
RAJASTHAN PATWARI 2021	24 अक्तूबर (2nd शिफ्ट)	91 (150 में से)
RAJASTHAN VDO 2021	27 दिसंबर (1st शिफ्ट)	59 (100 में से)
RAJASTHAN VDO 2021	27 दिसंबर (2nd शिफ्ट)	61 (100 में से)
RAJASTHAN VDO 2021	28 दिसंबर (2nd शिफ्ट)	57 (100 में से)
U.P. SI 2021	14 नवम्बर 2021 1st शिफ्ट	91 (160 में से)
U.P. SI 2021	21नवम्बर2021 (1st शिफ्ट)	89 (160 में से)
Raj. CET Graduation level	07 January 2023 (1st शिफ्ट)	96 (150 में से)
Raj. CET 12th level	04 February 2023 (1st शिफ्ट)	98 (150 में से)
UP Police Constable	17 February 2024 (1st शिफ्ट)	98 (150 में से)

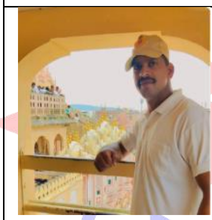
& Many More Exams like UPSC, SSC, Bank Etc.

Our Selected Students

Approx. 483+ students selected in different exams. Some of them are given below -

Photo	Name	Exam	Roll no.	City
	**Mohan Sharma S/O Kallu Ram**	Railway Group - d	114195120370022	PratapNagar Jaipur
	**Mahaveer singh**	Reet Level- 1	1233893	Sardarpura Jodhpur
	**Sonu Kumar Prajapati S/O Hammer shing prajapati**	SSC CHSL tier-1	2006018079	Teh.- Biramganj, Dis.- Raisen, MP
N.A	**Mahender Singh**	EO RO (81 Marks)	N.A.	teh nohar , dist Hanumangarh
	**Lal singh**	EO RO (88 Marks)	13373780	Hanumangarh
N.A	**Mangilal Siyag**	SSC MTS	N.A.	ramsar, bikaner

	**MONU S/O KAMTA PRASAD**	SSC MTS	3009078841	kaushambi (UP)
	**Mukesh ji**	RAS Pre	1562775	newai tonk
	**Govind Singh S/O Sajjan Singh**	RAS	1698443	UDAIPUR
	**Govinda Jangir**	RAS	1231450	Hanumangarh
N.A	**Rohit sharma s/o shree Radhe Shyam sharma**	RAS	N.A.	Churu
	**DEEPAK SINGH**	RAS	N.A.	Sirsi Road , Panchyawala
N.A	**LUCKY SALIWAL s/o GOPALLAL SALIWAL**	RAS	N.A.	AKLERA , JHALAWAR
N.A	**Ramchandra Pediwal**	RAS	N.A.	diegana , Nagaur

	**Monika jangir**	RAS	N.A.	jhunjhunu
	**Mahaveer**	RAS	1616428	village- gudaram singh, teshil-sojat
N.A	**OM PARKSH**	RAS	N.A.	Teshil- mundwa Dis- Nagaur
N.A	**Sikha Yadav**	High court LDC	N.A.	Dis- Bundi
	**Bhanu Pratap Patel s/o bansi lal patel**	Rac batalian	729141135	Dis.- Bhilwara
N.A	**mukesh kumar bairwa s/o ram avtar**	3rd grade reet level 1	1266657	JHUNJHUNU
N.A	**Rinku**	EO/RO (105 Marks)	N.A.	District: Baran
N.A.	**Rupnarayan Gurjar**	EO/RO (103 Marks)	N.A.	sojat road pali
	**Govind**	SSB	4612039613	jhalawad

	**Jagdish Jogi**	EO/RO (84 Marks)	N.A.	tehsil bhinmal, jhalore.
	**Vidhya dadhich**	RAS Pre.	1158256	kota
	**Sanjay**	Haryana PCS	96379 	Jind (Haryana)

And many others......

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