Prelim Bits 06-07-2019

Sovereign Gold Bonds scheme

- Sovereign Gold Bonds (SGB) are government securities denominated in grams of gold.
- It's **objective** is to reduce the demand for physical gold and shift a part of the domestic savings of gold into financial savings.
- The bonds are denominated in units of 1 gram of gold and multiples thereof.
- Persons **resident in India** as defined under Foreign Exchange Management Act, 1999 are eligible to invest in SGB.
- Eligible investors include individuals, HUFs, trusts, universities and charitable institutions.
- Bonds are sold through Nationalised Banks, Scheduled Private Banks, Scheduled Foreign Banks, designated Post Offices, Stock Holding Corporation of India and the authorised stock exchanges either directly or through their agents.
- Minimum investment in the bonds is **1 gram** with a maximum limit of subscription of **500 gram** per person per fiscal year.
- The maximum limit of subscription is 4 kg for individual and Hindu Undivided Family (**HUF**) and 20 kg for **trusts** and similar entities per fiscal.
- Investors are assured of the market value of gold at the time of maturity and periodical interest.
- The Bonds bear **interest** at the rate of **2.5%** (fixed rate) per annum on the amount of initial investment.
- The bonds are held in the books of the RBI or in demat form eliminating risk of loss of script.
- The **tenor** of the bond is **8 years**, early encashment/redemption of the bond is allowed after 5^{th} year from the date of issue.
- The bond will be tradable on Exchanges, if held in demat form. It can also be transferred or gifted to any other eligible investor.
- It can also be used as **collateral** for loans from banks, financial Institutions and Non-Banking Financial Companies (NBFC).
- Interest on the Bonds will be **taxable** as per the provisions of the Income-tax Act, 1961.
- **Tax Deducted at Source** (TDS) is not applicable on the bond. However, it is the responsibility of the bond holder to comply with the tax laws.
- The SGB Scheme 2019-20 (Series II) will be opened for subscription for the

period July 08-12, 2019.

New Space India Ltd. (NSIL)

- The Public Sector Enterprise, "**New Space India Ltd.** (NSIL)**"** has been incorporated as a **new commercial arm** of **Department of Space**, as announced in the Budget 2019-20.
- It will **commercialise ISRO's** space products like launch vehicles, Transfer of Technology (TOT) and marketing of space products.
- It will tap the benefits of the Research & Development carried out by ISRO.
- It will be responsible for manufacturing of Small Satellite Launch Vehicle (SSLV) and Polar Satellite Launch Vehicle (PSLV) through technology transfer mechanisms.
- It will develop private entrepreneurship in space related technologies.
- **NSIL** will act in the presence of another commercial arm of ISRO, "**Antrix"**, which has been carrying out all the commercial business of the **ISRO**.
- India is currently processing its **'Space Activities Bill'** to align its liability in outer space with international standard.
- This means that in case any Indian space objects cause damage to another (natural or man-made) object in space, India will have a financial plan in place.

SFURTI

- **SFURTI** aims to set up more **'Common Facility Centres'** for generating sustained employment opportunities, **cluster based** development for the traditional industries as mentioned in the Budget 2019-20.
- The new clusters will help 50,000 artisans economically.
- **SFURTI** is "Scheme of Fund for Regeneration of Traditional Industries", launched by 'Ministry of Micro Small and Medium Enterprises' (**MSME**).
- The MSME Ministry through Khadi and Village Industries Commission **(KVIC)** and the **Coir Board** implements the scheme.
- The **objective** of SFURTI is to organize the **traditional industries and artisans** into **clusters** to make them competitive and provide support for their long term sustainability by,

1. Enhancing the marketability of products,
2. Improving the skills of artisans,
3. Making provision for common facilities and
4. Strengthening the cluster governance systems.

- The **financial assistance** provided for any specific project shall be subject to a maximum of **Rs 8 crore** to support Soft, Hard and Thematic interventions.

- NGOs, Central, State Governments and semi-Government institutions, field functionaries of State and Central Govt, Panchayati Raj institutions (PRIs), Private sector by forming cluster specific SPVs, Corporates and corporate Responsibillity (CSR) foundations are eligible for the scheme.

Losharik (AS-12 or AS-31)

- It is a highly advanced **Nuclear powered submarine** of **Russia**.
- This week a fire accident was reported on the submarine within the Russian territorial waters.
- It is a deep-diving special missions ship, operated by the Russian Navy.
- It is capable of withstanding high pressures at great depths, enabling it to survey the ocean floor.
- It's interior hull is built using titanium spheres which makes the vessel dive up to 6000 metres. A regular submarine can go to the depth of only 600 metres.
- It is generally carried under the hull of a larger submarine and is capable of releasing a smaller submarine itself.
- According to Russian military the submarine was carrying out 'bathymetric measurements' or underwater mapping.
- But the the US and its allies feared that Russia might be developing new, secretive ways to tap or even cut undersea **Fiber-optic cables** that carry transatlantic Internet traffic.
- In recent years, U.S. and British military officials have warned that Russian submarines have been spotted close to the cables.

Source: PIB, Business Standard, Indian Express

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