Prelim Bits 25-06-2018

Asian Infrastructure Investment Bank (AIIB)

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- India has been the largest borrower of AIIB lending since the time the Bank started its operations.
- The total project portfolios amounts to US$4.4 Billion.
- The 3rd Annual Meeting of AIIB is being organized by Govt of India, in collaboration with Maharashtra at Mumbai during 25-26 June 2018.
- The theme of the meeting is 'Mobilizing Finance for Infrastructure: Innovation and Collaboration".
- AIIB is the first major multilateral development bank where principal contributors are the borrowing members themselves.
- Thus, it differs from most other multilateral development banks set up by advanced economies.
- The bank has 52 member states with its headquarters at Beijing, China.
- United States and Japan are not its members.
- China, India and Russia are the three largest shareholders of AIIB with voting shares are 26.06%, 7.5% and 5.92% respectively.
- Asian region contributes to 75% of the bank's capital.
- It offers sovereign and non-sovereign finance for projects in various sectors with an interest rate of London Interbank Offered Rate (LIBOR) plus 1.15 % and a repayment period of 25 years with 5 years in grace period.
- AIIB has also invested in projects outside Asia which serve to benefit the Asian region.
- So far, AIIB has only invested in one solar power project in Egypt.

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Bharat – 22

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- The first Further Fund Offer (FFO) of Bharat 22 Exchange Traded Fund (ETF) was recently launched.
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- Bharat-22 will comprise stocks of 22 blue-chip **public sector units, State-owned banks and three private companies** where Specified Undertakings of the Unit Trust of India (SUUTI) has stakes.
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- It is managed through ICICI Prudential Fund and it is in pursuance of government's disinvestment policy targeting an initial amount of Rs.6,000 crore.
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- Earlier the government has launched Central Public Sector Undertakings (CPSE) ETF, which had stocks of many energy companies.
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- Bharat 22 is a well diversified ETF spanning six sectors such as basic materials, energy, finance, FMCG, industrials and utilities.
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- While CPSE ETF has only state-run companies as its constituents, Bharat-22 will give the government a shot at selling stakes in some of the private sector blue-chip companies as well.
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Exchange Traded Fund

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- An ETF is a type of fund that tracks the underlying assets and divides ownership of those assets into shares.
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- The underlying assets can be shares of stock, bonds, oil futures, gold bars, foreign currency, etc.
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- Shareholders do not directly own or have any direct claim to the underlying investments in the fund, rather they indirectly own these assets.
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- The ETFs trading value is based on the net asset value of the underlying

stocks that it represents.
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- ETF shareholders are entitled to a proportion of the profits, such as earned interest or dividends paid, and they may get a residual value in case the fund is liquidated.
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- **ETF Vs Mutual Fund** - The transaction of stocks and bonds under the Mutual Fund is with the company that manages the fund.
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- Whereas in ETF, the ownership of the fund can easily be bought, sold or transferred in the same way as shares of stock, since ETF shares are traded on public stock exchanges.
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Mohanpura Irrigation Project

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- The irrigation project is in Rajgarh District in Madhya Pradesh.
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- The project is implemented under the Pradhan Mantri Krishi Sinchai Yojana.
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- It was recently inaugurated by the Prime Minister of India.
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- The Rs 3,866-crore project includes a dam and a canal system.
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- It is construced on river Newaj in Chambal River Basin.
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- The Environmental Impact Assessment (EIA) dated May 2013 has been done by WAPCOS, an agency under Union Water Resources Ministry.
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- EIA has not taken into consideration the impact of this project on National Chambal Sanctuary which spreads across Madhya Pradesh, Rajasthan and Uttar Pradesh.
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- The project will have significant impact of water, silt and nutrient flow pattern into the ChambalRiver.
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CORPAT

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- **India and Bangladesh** have agreed to institute a Coordinated Patrol (CORPAT) as an annual feature between the two Navies.
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- The Navy regularly conducts CORPATs with Indonesia, Myanmar and Thailand. It also conducts EEZ surveillance of Maldives, Mauritius and Seychelles on their request.
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Third Neighbour Policy

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- It is the policy pursued by Mongolia, which is a land-locked country between Russia and China.
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- The policy refers to its building ties with countries other than China and Russia.
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- Mongolia, historically Outer Mongolia, country located in north-central Asia.
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- The national capital, Ulaanbaatar is in the north-central part of the country.
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- The **Huns,** a people who lived in Central Asia from the 3rd to the 1st century BCE, may have been ancestors of Mongols.
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- The country has a marked **continental climate**, with long cold winters and short cool-to-hot summers.
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- The highest peaks are in the Mongolian **Altai Mountains** in the southwest.
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Source: PIB, Hindu BusinessLine

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