Finance Commission
[वित्त आयोग]

स्थापित (Established) → 22nd Nov. 1951

यह एक संवैधानिक है
⇓
Article 280

It is formed by President

For 5 years.

FC provides reccomendation to President

The recommendation provided FC to the president are not binding in nature.

Members
[सदस्य]

1. Chairman → N.K. Singh
2. 4 Other Members
   - (a) Ajay Narayan Jha
   - (b) Anup Singh
   - (c) Ramesh Chand
   - (d) Ashok Lahiri
3. Secraty → Arvid Mehta

1. First FC → 1952-1957
   ↳ K.C. Neogi
2. 15th FC. → $\boxed{2021\text{-}26}$ → N.K. Singh
3. 16th F.C. → $\boxed{2026 - 2031}$ → Arvind Pangariya
4. 14th F.C. → 2015-2020
   ↳ Y.V. Reddy
5. 13th FC → 2010-2015
   ↳ Vijay L. Kelkar
6. 12th FC → 2005-2010
   ↳ C. Rangarajan

It divides the revenue b/w Centre & states.

15th Finance Commission's Reccommendation

Vertical Devolution (लम्बवत वितरण)

Centre to States

Centre के पास → राजस्व

41% → States

1% → J&K & Ladhak

Horizontal Devolution (क्षैतिज वितरण)

Among States (राज्यों के बीच)

14th FC	15th FC
① आय दूरी → 50% (Income Distance)	① Tax efforts → 2.5%
② Forest & Ecology → 7.5%	② Demographic Performance → 12.5%
③ Area → 15%	③ Income Distance → 45%
④ Populalation → 27.5%	④ Forest & Ecology → 10%
	⑤ Areas → 15%
	⑥ Population → 15%

Foreign Trade
[विदेशी व्यापार]

अर्थव्यवस्था

Open Economy [मुक्त अर्थव्यवस्था]

1. आयात एवं निर्यात होते हैं।
2. Inflow & Outflow of Foreign Capital
3. यह विदेशी से ऋणों का लेन-देन करती है।
4. वास्तविकता में, यहां पर भी कुछ बाधाएं सरकार द्वारा लगाई जाती हैं।
5. In India, The Economy became open in 1991 with introduction of New Economy Reforms (LPG)

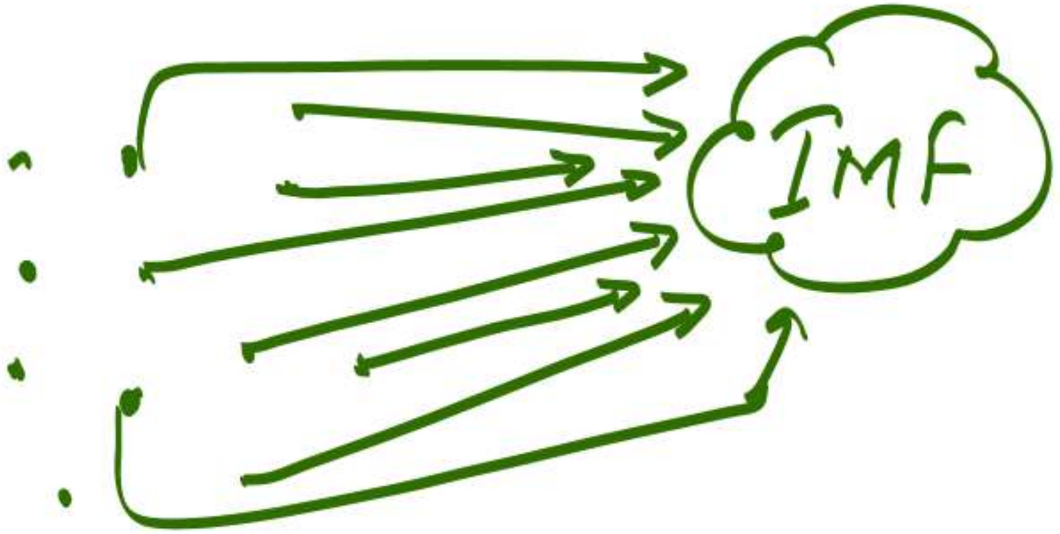
Closed Economy (बंद अर्थव्यवस्था)

It is also called 'Autarky'
No economic Transaction with Rest of World
No Imports & Exports
No Inflow & Outflow of Foreign Capital
Certain essential Goods can be imported. Exports → Crude oil, Food grains, Pharmaceuticals etc.

Foreign Exchange Reserve → FOREX
(विदेशी मुद्रा संग्रहण / भंडार)

- Foreign Currency Assets (विदेशी मुद्रा / करेंसी परिसंपत्तियां) (FCA)
- Gold Reserve (स्वर्ण आरक्षण)
- Special Drawing Rights (SDR) (विशेष आहरण अधिकार)
- Reserve Tranche Position (आरक्षित ट्रेंच स्थिति) (RTP)

SDR



1. It is the Currency of IMF.
2. It is the measuring Unit of IMF Funds.
3. SDR is also called → 'Paper Gold'

IMF Basket

↓

- US → \$ → 43.38%
- Europe → Euro → 29.31%
- Japan → Yen → 7.59%
- UK → £ (Pound) → 7.44%
- China → Yuan (2016) → 12.49%

IMF Quota is based on :-

1. GDP → 50%
2. Openness → 30%
3. Economic Variability → 15%
   (आर्थिक परिवर्तनशीलता)
4. International Reserve → 5%
   (अं. आरक्षित

Note:

(1) India's Quota in IMF → $\boxed{2.75\%}$

(2) ↓ → Voting Right → 2.63%

#RTP

India $\xrightarrow{\text{Quota}}$ IMF

IMF → India: 25% Withdrawl (निकालेगा)

↓

No interest

As on 15th Dec, 2023

↓

Forex → \$615.97 Billion

- FCA → \$545.05 Bn
- Gold Reserve → \$47.58 Bn
- SDR → \$18.32 Bn
- RTP → \$5.02 Bn

IMF

It was established during World-War-II
1944 → Bretton-Wood Conference → इसको स्थापित करने का प्रस्ताव लाया गया
इसकी स्थापना → 27th Dec. 1945
H/Q → Washington DC. (USA)
वर्तमान सदस्य देश → 190 (Last Country) → Andora
India is the founding member.
It helps in maintaining economic stability of member Countries
It maintains stable Foreign Exchange Rate
It provides **Short-term Loan**

World Bank [विश्व बैंक]

IBRD [International Bank for Reconstruction & Devt.]

- # 27th Dec. 1945
  - ⇓ Bretton-Wood Conference
- # IMF & IBRD को 'Bretton-Wood Twins'
- # It is the largest organ of WB.
- # Members → Long-term Loan.
  - ↓
- # IMF & IBRD → same.

IDA [International Devt. Association]

⇓ Poor member Countries

⇓ Long-term Loan

⇓ without any interest

IDA → 'Soft Loan window of WB'

IFC [International finance Corporation]

⇓ Developing member countries

↓ Private Sectors

↓ Loan.

MIGA [Multilateral Investment Guarantee Association]

ICSID [International Centre for Settlement of Investment Disputes]

World Bank → Long-Term Loan

Infrastructural Devt.

Poverty Reduction

Foreign Exchange Rate