

Prelim Bits 13-09-2023 | UPSC Daily Current Affairs

BRSR Framework

IICA and UNICEF jointly organize workshop to provide a comprehensive understanding of the BRSR framework.

- **BRSR** - Business Responsibility and Sustainability Reporting.
- **Launched by**- SEBI (Securities and Exchange Board of India) in 2021.
- **Predecessor** - Business Responsibility Report (BRR), launched in 2012, has evolved into BRSR.
- **Aim** - To encourage listed companies to adopt sustainable business practices and disclose information related to their environmental, social, and governance (ESG) performance.
- **Features** - It mandates the top 1,000 listed entities (by market capitalisation) to file BRSR as part of the Annual Report with SEBI.
- **Principle** - These listed entities report on their performance against the 9 principles as per 'National Guidelines on Responsible Business Conduct' (NGBRCs).
- **BRSR Principles**



Principle 1:

Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.



Principle 2:

Businesses should provide goods and services in a manner that is sustainable and safe.



Principle 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains.



Principle 4:

Businesses should respect the interests of and be responsive to all its stakeholders.



Principle 5:

Businesses should respect and promote human rights.



Principle 6:

Businesses should respect and make efforts to protect and restore the environment.



Principle 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



Principle 8:

Businesses should promote inclusive growth and equitable development.



Principle 9:

Businesses should engage with and provide value to their consumers in a responsible manner.

• **Advantages**

- Increased value creation
- Attraction and retention of talent
- Stronger brand positioning

References

1. [PIB | Business Responsibility and Sustainability Reporting \(BRSR\)](#)
2. [BRSR | About](#)
3. [INDIA CSR | BRSR](#)

Inward & Outward FDI Trends 2023

A recent census by the Reserve Bank of India shows that Total outward direct investment by Indian firms rose by 19.46% in FY2023.

- This census relied on foreign liabilities and assets (FLA) data, which encompassed cross-border assets and liabilities of various entities such as companies, limited liability partnerships, alternative investment funds, and partnership firms engaged in inward and outward direct investment (DI).
- **Outward direct investment (ODI)** - It is a business strategy in which a domestic firm expands its operations to a foreign country.
- It distinguishes from the *foreign portfolio investment*.

- **Foreign portfolio investment (FPI)** - It consists of securities and other financial assets held by investors in another country.
- It does not provide the investor with direct ownership of a company's assets and is relatively liquid depending on the volatility of the market.

OUTWARD DIRECT INVESTMENT FROM INDIA

COUNTRY	2022	2023	SHARE
Singapore	₹182,200 cr	₹203,233 cr	22.3%
USA	₹102,078 cr	₹124,123 cr	13.6%
UK	₹84,075 cr	₹116,398 cr	12.8%
Netherlands	₹97,723 cr	₹106,395 cr	11.7%
UAE	₹55,608 cr	₹87,459 cr	9.6%
Mauritius	₹70,392 cr	₹76,881 cr	8.4%
Switzerland	₹26,130 cr	₹28,228 cr	3.1%
Bermuda	₹11,515 cr	₹12,582 cr	1.4%
Jersey	₹13,198 cr	₹11,661 cr	1.3%
Cyprus	₹10,142 cr	₹9,985 cr	1.1%
Other Countries	₹1,09,591 cr	₹1,34,124 cr	14.7%
All Countries	₹7,62,652 cr	₹9,11,069 cr	100.0%

- Singapore was the largest beneficiary of outward direct investment (ODI) by Indian firms.
- Also, 3 countries Bermuda, Jersey and Cyprus which are known for their tax benefits are in the top 10 countries that received Indian ODI.
- **Inward FDI Trends** - US was the largest source of inward foreign direct investment (FDI) followed by Mauritius, the UK and Singapore which collectively accounted for 60% of the inward FDI in the country.
- **Sector wise** - The manufacturing sector continued to attract the largest share of FDI equity, both at market value as well as at face value.

- **Services** - Among services, information & communication and financial & insurance activities were the major FDI recipient sectors.
- **Market Value** - In terms of market value, ODI growth outpaced the growth in FDI and, as a result, the ratio of inward to outward direct investment stood at 5.5 times in 2023 as compared with 6.1 times in 2022.

Reference

1. [The Indian Express | ODI](#)

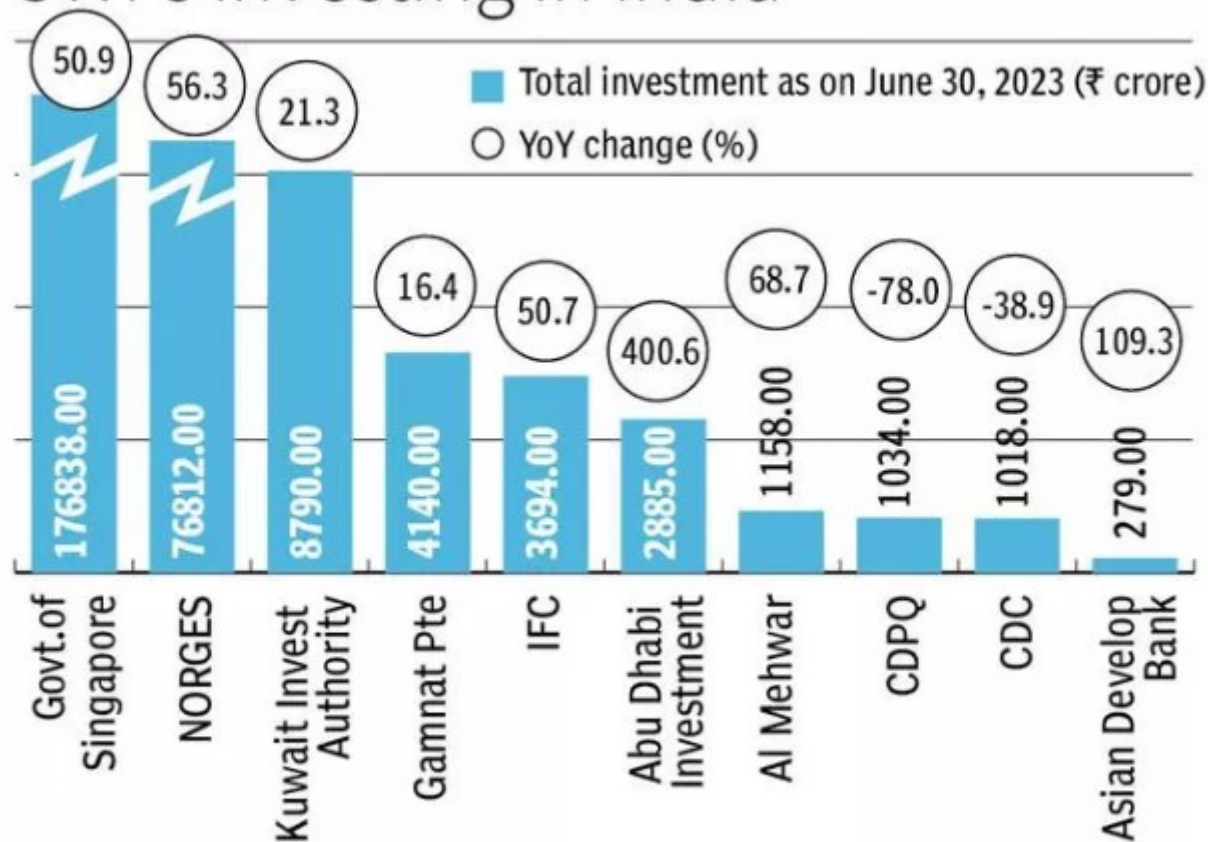
Sovereign Wealth Fund (SWF)

The investments of SWFs in India have seen a steady rise over the past few years.

- **Sovereign wealth fund** - It is a state-owned investment fund comprised of money generated by the government, often derived from a country's surplus reserves.
- An SWF is used to invest in capital assets such as real estate, metals, stocks, and bonds.
- SWFs also invest in alternative investments such as private equity funds and hedge funds.
- The main objective of the SWFs is to allocate funds for the betterment of the country's economy.
- **India's SWF** - The National Infrastructure and Investment Fund (NIIF) is India's first-ever sovereign wealth fund (SWF).
- The funding for a SWF can come from a variety of sources.
- **Sources**
 - Balance of payments surpluses
 - Official foreign currency operations
 - The proceeds of privatizations
 - Governmental transfer payments
 - Fiscal surpluses
 - Receipts resulting from resource exports
- **Recent trends** - The total assets of 6 of the top 10 SWFs investing into Indian equities rose by more than 50% in the year to June.
- The Singapore government was the largest SWF followed by Norway's Norges and Kuwait Investment Authority.
- Investment from Abu Dhabi Investment Authority rose to 400%, the most in percentage terms among the top 10 SWFs.
- India has also overtaken China as the most attractive emerging market for investing in emerging market debt.
- Saudi Arabia is now considering setting up an office for its SWF at GIFT City in Gandhinagar.
- **Reasons** - Since 2020, SWFs have been granted tax exemptions under the Indian tax laws when they invest in specified infrastructure companies directly.
- Such exemption has also been extended to investments in units of InVITS and AIFs which invest in infrastructure companies.
- The exemption has not only increased the net return in the hands of SWFs, but has

also acted as a catalyst for increasing SWF investments in the infra sector.

SWFs investing in India



Source: primeinfobase.com Includes FPI, FDI, Foreign SWFs and ownership through DRs; FPIs holdings in co<1% not considered

References

- [The Hindu Business Line | sovereign wealth funds](#)
- [Live Mint | Saudi plans to set up wealth fund office](#)
- [Investopedia | Sovereign Wealth Fund \(SWF\)](#)
- [SWFI Institute | What is a Sovereign Wealth Fund?](#)






Gifts to G20 Leaders

Different heads of states & leaders representing their countries at the recently held G20 summit in New Delhi got a special gift hamper from the government of India.

- Some of the products are the product of centuries of tradition & cherished across the world for their unparalleled workmanship and quality.
- The hamper had the following products:

The Gift

Significance

<p>Sheeshamwood Sandook With Brass Patti</p> 	<ul style="list-style-type: none"> • Sandook is the Hindi word for a treasure chest. • Traditionally, it is a strong box made of solid old wood or metal, with a lid on top and embellishments all over. • The Sandook gifted was handcrafted using Sheesham (Indian Rosewood), which is valued for its strength, durability, distinctive grain patterns and rich colour. • The brass <i>patti</i> (strip) was delicately etched and embedded on to the wood.
<p>Kashmiri Saffron</p> 	<ul style="list-style-type: none"> • Saffron has been valued across cultures and civilizations for its unparalleled culinary and medicinal value. • Kashmiri Saffron's intense aromatic profile, vibrant colour and unmatched potency sets it apart. • This is due to the crisp air, abundant sunlight and well-drained soil of Kashmir, which yields saffron with a higher concentration of essential oils.
<p>Pekoe Darjeeling And Nilgiri Tea</p> 	<ul style="list-style-type: none"> • Pekoe Darjeeling and Nilgiri Tea are two illustrious gems from Bharat's tea tapestry, epitomizing the delicate art of tea cultivation and infusion. • Darjeeling tea is the most valued tea in the world. • Nilgiri Tea comes from the most spectacular mountain range in southern India, cultivated amidst the mountains' lush terrain at an elevation of 1000-3000 ft.
<p>Araku Coffee</p> 	<ul style="list-style-type: none"> • Araku Coffee is the world's first terroir mapped coffee, grown on organic plantations in the Araku Valley of Andhra Pradesh. • Araku Coffee is known for its unique texture and a symphony of flavours that makes for a smooth, well-balanced cup.
<p>Sundarbans Honey</p> 	<ul style="list-style-type: none"> • Sundarbans is home to wild colonies of honeybees. • The distinct and rich flavour profile of Sundarbans honey mirrors the bio-diversity of the area. • It is less viscous than other types of honey.

Kashmiri Pashmina



- The Kashmiri Pashmina shawl has many enchanting stories woven into its fabric.
- 'Pashm' means wool in Persian.
- In ancient courts, Pashmina was used as an indicator of rank and nobility.

Zighrana Ittar



- Zighrana Ittar is a masterpiece of fragrance from Kannauj in Uttar Pradesh.
- Ittar (perfume) is an essential oil derived from botanical sources.
- It showcases a centuries-old tradition of exquisite perfume crafting.

Khadi Scarf



- Synonymous with Mahatma Gandhi, khadi is an eco-friendly clothing material most beloved for its beautiful texture and versatility throughout the seasons.
- It is also one of the most important symbols of India's freedom struggle.

Coin Box






- To commemorate India's G20 presidency, Prime Minister Narendra Modi released special G20 postage stamps and coins on July 26 this year.
- The G20 India Stamps and Coins were released during the inauguration of Bharat Mandapam at Pragati Maidan.
- The designs of both the coins and stamps draw inspiration from India's G20 logo and theme of 'Vasudhaiva Kutumbakam' or 'One Earth. One Family. One Future'.

Banarasi silk stole in Ebony Jali box



- Handcrafted using delicate lattice or jail work on the extremely dense and fine textured Indian Ebony wood.

<p>Assam stole in kadam wood box</p> 	<ul style="list-style-type: none"> • Stole using Muga silk. • Kadam - Burflower tree wood handcrafted by Karnataka artisans.
<p>Kanchivaram stole in kadam wood box</p> 	<ul style="list-style-type: none"> • Stole using pure mulberry silk threads.
<p>Ikkat stole in teak wood box</p> 	<ul style="list-style-type: none"> • Stole by artisans of Odisha using mulberry silk with the exquisite Ikkat technique. • Box by artisans of Gujarat.

References

1. [The Times of India - Gifts to G20 leaders](#)
2. [News 18 - Gifts G20 Leaders Took Home from India](#)

Nipah Virus

A recent outbreak of cases of Nipah infection have been found in Kerala again, after two people were confirmed to have died of the viral disease in Kozhikode district.

- **About** - It is a zoonotic disease that spreads primarily between animals and humans.
- **Transmission** - Nipah virus can be transmitted to humans from animals (such as bats or pigs), or contaminated foods and can also be transmitted directly from human-to-human.
- Fruit bats are known to transmit this virus to other animals like pigs, and also dogs, cats, goats, horses and sheep.
- **Cause** - The natural host of the Nipah virus are fruit bats of the Pteropodidae family and Pteropous genus, widely found in South and South East Asia.

The World Health Organization (WHO) says the infection has been found to be fatal in 40% to 75% of the infected patients.

- **Symptoms** - Fever, headache, cough, sore throat, difficulty in breathing, and

vomiting.

- Patients either show no symptoms of the infection (asymptomatic infections), thereby making it difficult to detect.
- Otherwise, patients develop acute respiratory problems, or encephalitis that often becomes fatal.
- **Treatment** - There is currently no specific treatment available for the Nipah virus. No drugs or vaccines specific to Nipah are currently available, as per WHO.
- **Countries** - Common in Asia, primarily Bangladesh and India.

References

1. [WHO | Nipah Virus](#)
2. [The Indian Express | Nipah kills 2 at Kozhikode](#)

