Crux of Indian Economy for IAS Prelims 2021 Book (July 2021 Edition)

Economy Current Affairs for the m/o August 2021

PM launches digital payment solution e-RUPI (02-08-2021)

e-RUPI is basically a digital voucher which a beneficiary gets on his phone in the form of an SMS or QR code. It is a pre-paid voucher, which he/she can go and redeem it at any centre that accepts its.

For example, if the Government wants to cover a particular treatment of an employee in a specified hospital, it can issue an e-RUPI voucher for the determined amount through a partner bank. The employee will receive an SMS or a QR Code on his feature phone / smart phone. He/she can go to the specified hospital, avail of the services and pay through the e-RUPI voucher received on his phone.

Thus e-RUPI is a one time contactless, cashless voucher-based mode of payment that helps users redeem the voucher without a card, digital payments app, or internet banking access.

e-RUPI should not be confused with Digital Currency which the Reserve Bank of India is contemplating. Instead e-RUPI is a person specific, even purpose specific digital voucher.

Benefits of e-RUPI

For Consumer- e-RUPI does not require the beneficiary to have a bank account, a major distinguishing feature as compared to other digital payment forms. It ensures an easy, contactless two-step redemption process that does not require sharing of personal details either.

Another advantage is that e-RUPI is operable on basic phones also, and hence it can be used by persons who do not own smart-phones or in places that lack internet connection.

For sponsors- e-RUPI is expected to play a major role in strengthening Direct-Benefit Transfer and making it more transparent. Since, there is no need for physical issuance of vouchers, it will also lead to some cost savings as well.

For Service Providers- Being a prepaid voucher, e-RUPI would assure real time payments to the service provider.

Who has developed the e-RUPI ?

The National Payments Corporation of India (NPCI), which oversees the digital payments ecosystem in India, has launched e-RUPI, a voucher-based payments system to promote cashless transactions.

It has been developed in collaboration with the Department of Financial Services, Ministry of Health & Family Welfare and National Health Authority.

Which Banks issue e-RUPI ?

NPCI has partnered with 11 banks for e-RUPI transactions. They are Axis Bank, Bank of Baroda, Canara Bank, HDFC Bank, ICICI Bank, Indian Bank, IndusInd Bank, Kotak Mahindra Bank, Punjab National Bank, State Bank of India and Union Bank of India.

The acquiring Apps are Bharat Pe, BHIM Baroda Merchant Pay, Pine Labs, PNB Merchant Pay and YoNo SBI Merchant Pay.

More banks and acquiring Apps are expected to join the e-RUPI initiative soon.

Where can e-RUPI be used now ?

To begin with NPCI has tied up with more than 1,600 hospitals where e-RUPI can be redeemed.

Experts say, in the days to come the user base of e-RUPI is expected to widen, with even private sector using it to deliver employee benefits and MSMEs adopting it for Business To Business (B2B) transactions.

The composite Global Hunger Index score of India imporved from 38.9 to 27.2 in 2020 (03-08-2021)

Union Minister of State for Consumer Affairs, Food and Public Distribution, Ms. Sadhvi Niranjan Jyoti in a written reply to a question in Lok Sabha informed that the India’s ranking in the Global Hunger Index (GHI) 2015, 2016, 2017, 2018, 2019 and 2020 brought out by Concern Worldwide and Welthungerhilfe was 80, 97, 100, 103, 102 and 94 respectively.

As per GHI Reports, the composite GHI scores of India have improved from 38.9 in 2000 to 27.2 in 2020. Thus, the country has shown consistent improvement over the years.

Finance Minister launches the National Monetisation Pipeline (23-08-2021)

Union Minister for Finance and Corporate Affairs, Smt Nirmala Sitharaman, launched the asset monetisation pipeline of Central ministries and public sector entities: 'National Monetisation Pipeline (NMP Volumes 1 & 2)'.

The pipeline has been developed by NITI Aayog, in consultation with infrastructure line ministries, based on the mandate for 'Asset Monetisation' under Union Budget 2021-22. NMP estimates aggregate monetisation potential of Rs 6.0 lakh crores through core assets of the Central Government, over a four-year period, from FY 2022 to FY 2025.

As part of a multi-layer institutional mechanism for overall implementation and monitoring of the Asset Monetization programme, an empowered Core Group of Secretaries on Asset Monetization (CGAM) under the chairmanship of Cabinet Secretary has been constituted. The Government is committed to making the Asset Monetisation programme, a value-accretive proposition both for the public sector and private investors/developers, through improved infrastructure quality and operations and maintenance. This is aimed at achieving the broader and longer-term vision of 'inclusiveness and empowerment of common citizens through best in class infrastructure'.

National Monetisation Pipeline: An Introduction

Union Budget 2021-22 has identified monetisation of operating public infrastructure assets as a key means for sustainable infrastructure financing. Towards this, the Budget provided for preparation of a 'National Monetisation Pipeline (NMP)' of potential brownfield infrastructure assets. NITI Aayog in consultation with infra line ministries has prepared the report on NMP.

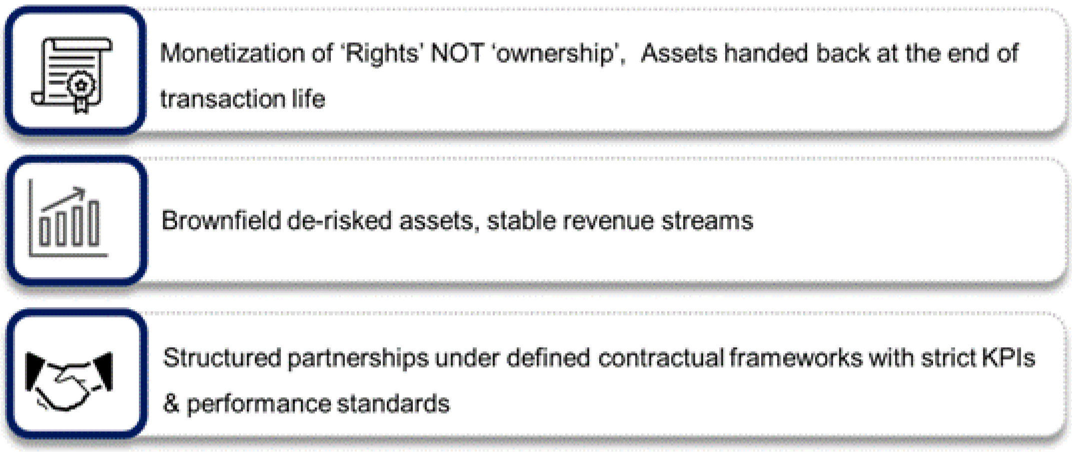
NMP aims to provide a medium term roadmap of the programme for public asset owners; along with visibility on potential assets to private sector. Report on NMP has been organised into two volumes. Volume I is structured as a guidance book, detailing the conceptual approaches and potential models for asset monetisation. Volume II is the actual roadmap for monetisation, including the pipeline of core infrastructure assets under Central Govt.

Framework

The pipeline has been prepared based on inputs and consultations from respective line ministries and departments, along with the assessment of total asset base available therein. Monetization through disinvestment and monetization of non-core assets (such as land, building, and pure play real estate assets) have not been included in the NMP. Further, currently, only assets of central government line ministries and CPSEs in infrastructure sectors have been included. Process of coordination and collation of asset pipeline from states is currently ongoing and the same is envisaged to be included in due course.

Assets which are central to the business objectives of a public entity/ statutory body/Government body and/or are being utilised for delivering infrastructure services to public/ users have been categorised as Core Assets for the purposes of monetisation.

The framework for monetisation of core asset monetisation has three key imperatives.



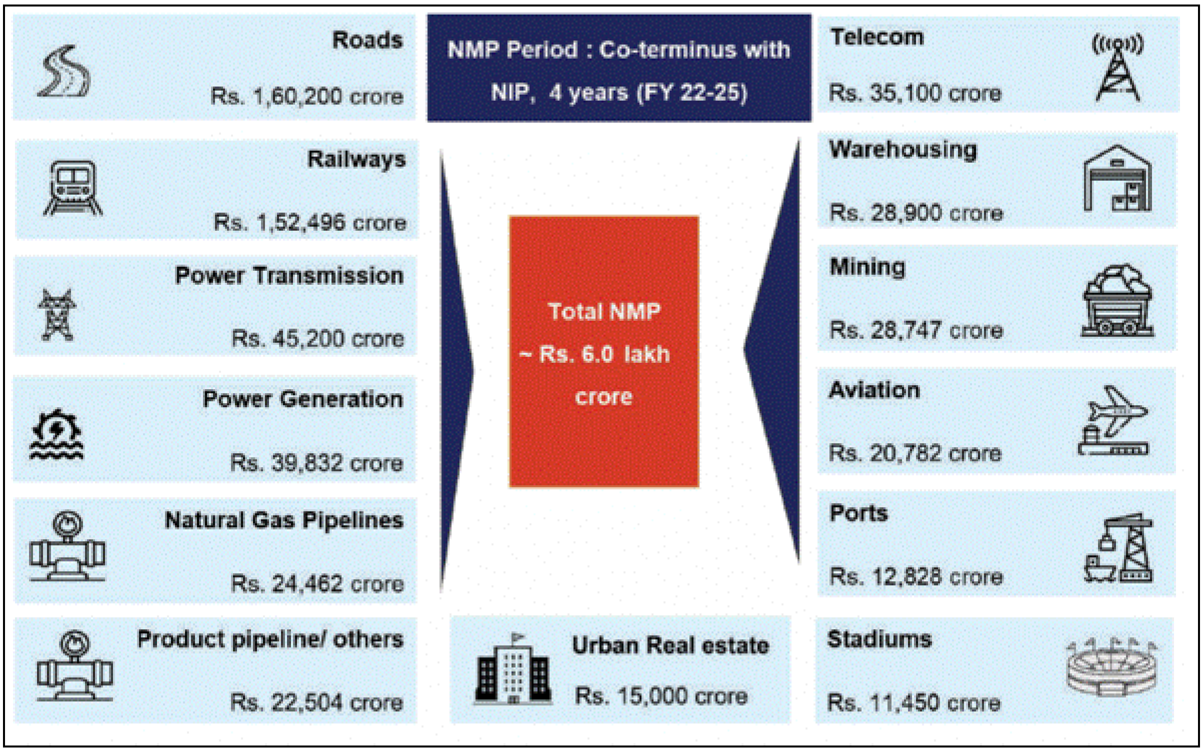
This includes selection of de-risked and brownfield assets with stable revenue generation profile with the overall transaction structured around revenue rights. The primary ownership of the assets under these structures, hence, continues to be with the Government with the framework envisaging hand back of assets to the public authority at the end of transaction life.

Estimated Potential

Considering that infrastructure creation is inextricably linked to monetisation, the period for NMP has been decided so as to be co-terminus with balance period under National Infrastructure Pipeline (NIP).

The aggregate asset pipeline under NMP over the four-year period, FY 2022-2025, is indicatively valued at Rs 6.0 lakh crore. The estimated value corresponds to 14% of the proposed outlay for Centre under NIP (Rs 43 lakh crore). This includes more than 12 line ministries and more than 20 asset classes. The sectors included are roads, ports, airports, railways, warehousing, gas & product pipeline, power generation and transmission, mining, telecom, stadium, hospitality and housing.

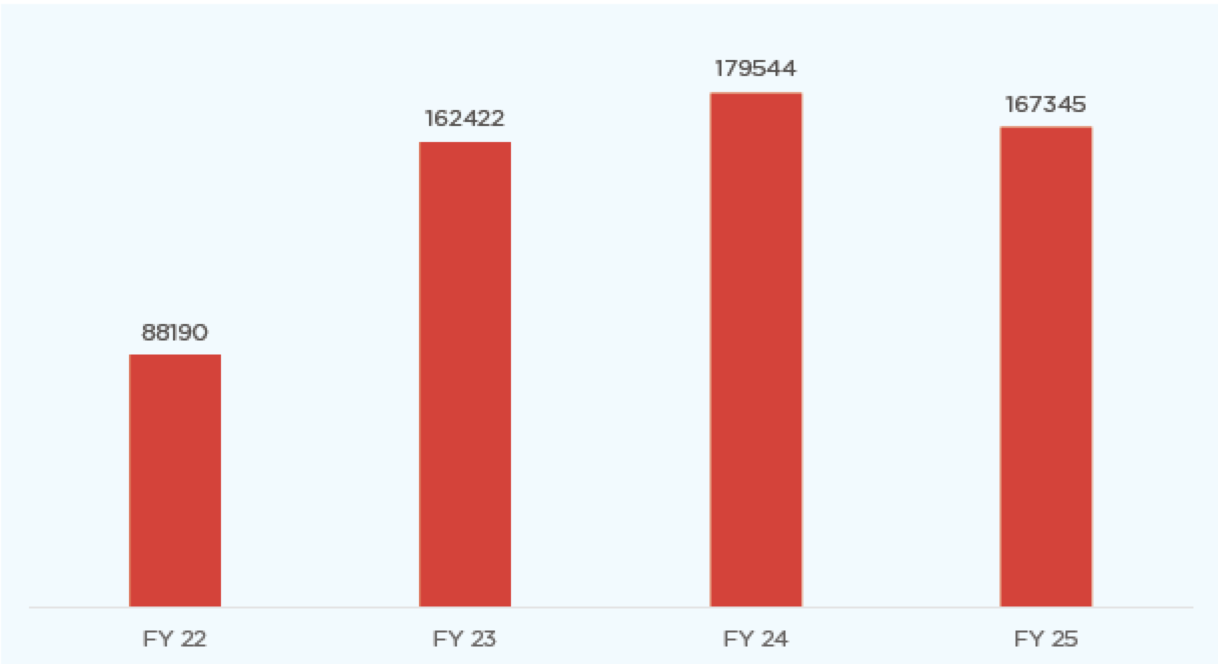
Sector wise Monetisation Pipeline over FY 2022-25 (Rs crore)



The top 5 sectors (by estimated value) capture 83% of the aggregate pipeline value. These top 5 sectors include: Roads (27%) followed by Railways (25%), Power (15%), oil & gas pipelines (8%) and Telecom (6%).

In terms of annual phasing by value, 15% of assets with an indicative value of Rs 0.88 lakh crore are envisaged to be rolled out in the current financial year (FY 2021-22). However, the aggregate as well as year on year value under NMP is only an indicative value with the actual realization for public assets depending on the timing, transaction structuring, investor interest etc.

Indicative value of the monetisation pipeline year-wise (Rs crore)



The assets and transactions identified under the NMP are expected to be rolled out through a range of instruments. These include direct contractual instruments such as public private partnership concessions and capital market instruments such as Infrastructure Investment Trusts (InvIT) among others. The choice of instrument will be determined by the sector, nature of asset, timing of transactions (including market considerations), target investor profile and the level of operational/investment control envisaged to be retained by the asset owner etc.

The monetisation value that is expected to be realised by the public asset owner through the asset monetisation process, may either be in form of upfront accruals or by way of private sector investment. The potential value assessed under NMP is only an indicative high level estimate based on thumb rules. This is based on various approaches such as market or cost or book or enterprise value etc. as applicable and available for respective sectors.

Implementation & Monitoring Mechanism

As an overall strategy, significant share of the asset base will remain with the government.

The programme is envisaged to be supported through necessary policy and regulatory interventions by the Government in order to ensure an efficient and effective process of asset monetisation. These will include streamlining operational modalities, encouraging investor participation and facilitating commercial efficiency, among others. Real time monitoring will be undertaken through the asset monetisation dashboard, as envisaged under Union Budget 2021-22, to be rolled out shortly.

The end objective of this initiative to enable 'Infrastructure Creation through Monetisation' wherein the public and private sector collaborate, each excelling in their core areas of competence, so as to deliver socio-economic growth and quality of life to the country's citizens.

Reserve Bank of India introduces the Financial Inclusion Index (17-08-2021)

As announced in the Statement on Developmental and Regulatory Policies in the first Bi-monthly Monetary Policy Statement for 2021-2022 dated April 07, 2021, the Reserve Bank of India has constructed a composite Financial Inclusion Index (FI-Index) to capture the extent of financial inclusion across the country.

The FI-Index has been conceptualised as a comprehensive index incorporating details of banking, investments, insurance, postal as well as the pension sector in consultation with Government and respective sectoral regulators.

The index captures information on various aspects of financial inclusion in a single value ranging between 0 and 100, where 0 represents complete financial exclusion and 100 indicates full financial inclusion.

The FI-Index comprises of three broad parameters (weights indicated in brackets) viz., Access (35%), Usage (45%), and Quality (20%) with each of these consisting of various dimensions, which are computed based on a number of indicators.

The Index is responsive to ease of access, availability and usage of services, and quality of services, comprising in all 97 indicators. A unique feature of the Index is the Quality parameter which captures the quality aspect of financial inclusion as reflected by financial literacy, consumer protection, and inequalities and deficiencies in services.

The FI-Index has been constructed without any 'base year' and as such it reflects cumulative efforts of all stakeholders over the years towards financial inclusion.

The annual FI-Index for the period ending March 2021 is 53.9 as against 43.4 for the period ending March 2017. The FI-Index will be published annually in July every year.

Monetary Policy Statement, 2021-22 Resolution of the Monetary Policy Committee (MPC) August 4-6, 2021

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting decided to:

keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 4.0 per cent.

Consequently, the reverse repo rate under the LAF remains unchanged at 3.35 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 4.25 per cent.

The MPC also decided to continue with the **accommodative stance** as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

PM launches Ujjwala 2.0 from Mahoba Uttar Pradesh (10-08-2021)

The Prime Minister, Shri Narendra Modi launched Ujjwala 2.0 (Pradhan Mantri Ujjwala Yojana - PMUY) by handing over LPG connections, at Mahoba Uttar Pradesh via video conferencing.

The journey from Ujjwala 1.0 to Ujjwala 2.0

During Ujjwala 1.0 launched in 2016, a target was set to provide LPG connections to 5 crore women members of BPL households. Subsequently, the scheme was expanded in April 2018 to include women beneficiaries from seven more categories (SC/ST, PMAY, AAY, Most backward classes, tea garden, forest dwellers, Islands). Also, the target was revised to 8 Crore LPG connections. This target was achieved in August 2019, seven months ahead of the target date.

In the Union budget for FY 21-22, provision for an additional one crore LPG connection under the PMUY scheme was announced. These one crore additional PMUY connections (under Ujjwala 2.0) aim to provide deposit-free LPG connections to those low-income families who could not be covered under the earlier phase of PMUY.

Along with a deposit free LPG connection, Ujjwala 2.0 will provide first refill and hotplate free of cost to the beneficiaries. Also, the enrollment procedure will require minimum paperwork.

In Ujjwala 2.0, migrants will not be required to submit ration cards or address proof. A self-declaration for both 'family declaration' and as a 'proof of address' will suffice. Ujjwala 2.0 will help achieve the Prime Minister's vision of universal access to LPG.

RBI cancels the licence of Karnala Nagari Sahakari Bank Ltd., Panvel (District - Raigad), Maharashtra (13-08-2021)

Reserve Bank of India (RBI) has, vide order dated August 09, 2021 cancelled the licence of Karnala Nagari Sahakari Bank Ltd., Panvel (District - Raigad), Maharashtra. Consequently, the bank ceases to carry on banking business, with effect from the close of business on August 13, 2021. The Commissioner for Cooperation and Registrar of Cooperative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank.

The Reserve Bank cancelled the licence of the bank as:

- The bank does not have adequate capital and earning prospects. As such, it does not comply with the provisions of section 11(1) and section 22 (3) (d) read with section 56 of the Banking Regulation Act, 1949.
- The bank has failed to comply with the requirements of section 22(3) (a), 22 (3) (b), 22(3)(c), 22(3) (d) and 22(3)(e) read with section 56 of the Banking Regulation Act, 1949;
- The continuance of the bank is prejudicial to the interests of its depositors;
- The bank with its present financial position would be unable to pay its present depositors in full; and
- Public interest would be adversely affected if the bank is allowed to carry on its banking business any further.

Consequent to the cancellation of its licence, Karnala Nagari Sahakari Bank Ltd., Panvel (District - Raigad), Maharashtra is prohibited from conducting the business of 'banking' which includes acceptance of deposits and repayment of deposits as defined in Section 5(b) read with Section 56 of the Banking Regulation Act, 1949 with immediate effect.

With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of Karnala Nagari Sahakari Bank Ltd., Panvel (District - Raigad), Maharashtra as per the DICGC Act, 1961 will be set in motion. As per the data submitted by the bank, 95% of the depositors will receive full amounts of their deposits from Deposit Insurance and Credit Guarantee Corporation (DICGC). On liquidation, every depositor would be entitled to receive deposit insurance claim amount of his/her deposits up to a monetary ceiling of ₹5,00,000/- (Rupees Five lakh only) from the DICGC subject to the provisions of the DICGC Act, 1961.

Estimates of Gross Domestic Product for the First Quarter (April-June) of 2021-22 (31-08-2021)

The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation has released the estimates of Gross Domestic Product (GDP) for the first quarter (April-June) Q1 of 2021-22, both at Constant (2011-12) and Current Prices.

GDP at Constant (2011-12) Prices in Q1 of 2021-22 is estimated at ₹ 32.38 lakh crore, as against ₹ 26.95 lakh crore in Q1 of 2020-21, showing a **growth of 20.1 percent** as compared to contraction of 24.4 percent in Q1 2020-21.

GDP at Current Prices in the year Q1 2021-22 is estimated at ₹ 51.23 lakh crore, as against ₹ 38.89 lakh crore in Q1 2020-21, showing a growth of 31.7 percent as compared to contraction of 22.3 percent in Q1 2020-21.

India achieves 100 GW Milestone of Installed Renewable Energy Capacity (12-08-2021)

The total installed renewable energy capacity in India, excluding large hydro, has crossed the mile-stone of 100 GW.Today India stands at 4th position in the world in terms of installed RE capacity, 5th in solar and 4th in wind in terms of installed capacity.

India has set ambitious targets for itself in the area of Renewable Energy, which the Ministry of New and Renewable Energy is committed to achieve.

While 100 GW has been installed, 50 GW is under installation and 27 GW is under tendering. India has also enhanced its ambition to install 450 GW of renewable energy capacity by 2030. If large hydro is included the installed RE capacity increases to 146 GW.

The achievement of installed RE capacity of 100 GW is an important milestone in India's journey towards its target of 450 GW by 2030.

DPE brings out 60th annual Public Enterprises Survey 2019-20 (11-08-2021)

The Department of Public Enterprises (DPE), Ministry of Finance, Government of India annually brings out the Public Sector Enterprises Survey on the performance of Central Public Sector Enterprises (CPSEs). The Public Enterprises Survey 2019-20 has been laid in the Lok Sabha on 6th August, 2021 and in the Rajya Sabha on 9th August, 2021 respectively.

The Public Enterprises (PE) Survey 2019-20 is the 60th in the series. PE Survey which is a 100% enumeration of the CPSE universe, captures essential statistical data for all CPSEs on various financial and physical parameters.

PE Survey divides CPSEs into five sectors namely Agriculture, Mining & Exploration, Manufacturing, Processing & Generation, Services, and Enterprises Under Construction and further into 21 cognate groups.

The Survey covers those CPSE's wherein Government of India holds more than 50% equity. Subsidiaries of these companies, if registered in India, in which CPSE(s) has more than 50% equity stake are also categorised as CPSEs.

As per the PE Survey 2019-20 as on 31st March, 2020 there are 256 operational CPSEs.

HIGHLIGHTS

The Highlights of the performance of Central Public Sector Enterprises (CPSEs), during 2019-20 are as under:

- Total Paid-up Capital in all CPSEs as on 31.3.2020 stood at Rs 3,10,737 crore.
- Total Financial Investment in all CPSEs was Rs 21,58,877 crore.
- Capital Employed in all CPSEs was Rs 31,16,455 crore.
- Gross Revenue from Operations of 256 operating CPSEs during the Financial Year 2019-20 was Rs 24,61,712 crore.
- Profit of 171 profit-making CPSEs stood at Rs 1,38,112 crore in Financial Year 2019-20.
- Loss of 84 loss making CPSEs was Rs 44,817 crore in Financial Year 2019-20.
- Reserves and Surplus of all CPSEs stood at Rs 9,57,579 crore as on March 31, 2020.
- Net Worth of all CPSEs was Rs 12,35,706 crore as on March 31, 2020.
- Dividend declared/paid by 105 CPSEs in Financial Year 2019-20 stood at Rs 72,136 crore.
- Contribution of all CPSEs to Central Exchequer by way of excise duty, custom duty, GST, corporate tax, interest on Central Government loans, dividend and other duties and taxes stood at Rs 3,76,425 crore in Financial Year 2019-20.
- Foreign Exchange Earnings of CPSEs through export of goods and services stood at Rs 1,21,756 crore in Financial Year 2019-20.

NTPC commissions largest Floating Solar PV Project in the country (21-08-2021)

The National Thermal Power Corporation (NTPC) Ltd, has commissioned the largest floating solar PV project of 25MW on the reservoir of its Simhadri thermal station in Visakhapatnam, Andhra Pradesh. This is also the first solar project to be set up under the Flexibilisation Scheme, notified by the Government of India in 2018.

NTPC has set a target to install 60 gigawatts (GW) of renewable energy (RE) capacity by 2032. NTPC is also India's first energy company to declare its energy compact goals as part of the UN High-level Dialogue on Energy (HLDE).

ONORC mission gathers further momentum as Delhi and West Bengal also operationalise the scheme.(28-08-2021)

Under One Nation One Ration Card (ONORC) which was running successfully in 32 states/UTs till December 2020, has now became operational in two more states/UTs-Delhi and West Bengal till August 2021 thereby, expanding the scheme to 34 states/UTs covering nearly 75 Crore beneficiaries (almost 94.3% NFSA population).

NCT of Delhi and West Bengal being the latest to enable the ONORC plan from 23rd July 2021 and 13th August 2021 respectively. Two remaining states -Assam and Chhattisgarh are targeted for integration under ONORC in next few months.

The One Nation One Ration Card (ONORC) is an ambitious plan and endeavour of the Department of Food and Public Distribution to ensure seamless delivery of subsidised food-security entitlements to all beneficiaries covered under the National Food Security Act, 2013 (NFSA), irrespective of their physical location anywhere in the country.

The objective of this programme is to empower all NFSA beneficiaries to be self-reliant for their food security anywhere in the country, through portability of their same existing ration cards to seamlessly lift their subsidized foodgrains (in part or full) from any ePoS (electronic Point of Sale device) enabled Fair Price Shop in the country with biometric/Aadhaar authentication at the time of lifting the foodgrains through portability. Further, their family members back home can also lift balance/their requirement of foodgrains on the same ration card.

Although the facility of ONORC shall equally benefit about all 80 Crore NFSA beneficiaries in the country to lift their foodgrains from any FPS of choice, but it primarily aims to enable migratory NFSA beneficiaries *(mostly labourers, daily-wagers, urban poor like rag-pickers, street-dwellers, temporary workers in organised and unorganised sectors, domestic workers, etc.)* who frequently migrate across the country in search of better opportunities or for any other reasons, to access the Public Distribution System (PDS) and if desire, may lift their entitled foodgrains from any ePoS enabled FPS in the country through portability.

Thus, installation of ePoS devices at the FPSs and Aadhaar seeding of beneficiaries with their digitised ration card data are the two main enablers of this technology driven initiative.

Registration of Unorganized Workers begins across the Country as Government of India launches the e-Shram Portal (26-08-2021)

Ministry of Labour & Employment has developed eSHRAM portal for creating a National Database of Unorganized Workers (NDUW), which will be seeded with Aadhaar. It will have details of name, occupation, address, educational qualification, skill types and family details etc. for optimum realization of their employability and extend the benefits of the social security schemes to them. It is the first-ever national database of unorganised workers including migrant workers, construction workers, gig and platform workers, etc.

For the first time in the History of India, a system is being made to register 38 crore Unorganised Workers. It will not only register them but would also be helpful in delivering of various social security schemes being implemented by the Central and State Governments.

Unorganized worker

Any worker who is a home-based worker, self-employed worker or a wage worker working in the unorganized sector and not a member of ESIC or EPFO, is called an unorganized worker.

There are no income criteria for registering on eSHRAM as unorganized worker. However, he/she should not be an income tax payee.

Any worker who is unorganized and aged between 16-59, is eligible to register on the eSHRAM portal.

Following is required by the worker to register on the eSHRAM portal–

Aadhaar Number

Mobile number, Aadhaar linked

Bank account

Note – If a worker does not have Aadhaar linked mobile number, he/ she can visit nearest CSC's and register through Biometric authentication.

Bank details are being captured to ensure hassle free delivery of benefits under social security schemes or any benefits by the Central/State government directly to the worker's account.

An Unorganized worker may register himself/herself through visiting on eSHRAM portal or through assisted approach by visiting nearest CSC's.

Unorganized sector

Unorganized sector comprises of establishment/ units which are engaged in the production/ sale of goods/ services and employs less than 10 workers. These units are not covered under ESIC & EPFO.

UAN

Universal Account Number is a 12 digits number uniquely assigned to each unorganized worker after registration on eSHRAM portal. UAN number will be a permanent number i.e. once assigned, it will remain unchanged for the worker's lifetime. In order to keep his account active, he/she is required to update his account at least once in a year.

Benefits on registration

Registration on eSHRAM portal is free. After registering, he/she will get an Accidental Insurance cover of 2 Lacs under PMSBY. Pradhan Mantri Suraksha Bima Yojana is an Accidental Insurance scheme of Government of India eligible to the people between 18- 70 years of age group. It provides benefit of Rs. 2 Lacs at the time of accidental death and permanent disability & Rs. 1 Lac in case of partial disability. The registered workers under eSHRAM portal, will be enrolled under PMSBY and premium for the first year will be borne by the Ministry of Labour & Employment, Government of India.

In future, all the social security benefits of unorganized workers will be delivered through this portal. In emergency and national pandemic like situations, this database may be utilized to provide necessary assistance to the eligible unorganized workers.

Cabinet approves implementation of National Mission on Edible Oils – Oil Palm (18-08-2021)

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi has given its approval to launch a new Mission on Oil palm to be known as the National Mission on Edible Oils – Oil Palm (NMEO-OP) as a new Centrally Sponsored Scheme with a special focus on the North east region and the Andaman and Nicobar Islands. Due to the heavy dependence on imports for edible oils, it is important to make efforts for increasing the domestic production of edible oils in which increasing area and productivity of oil palm plays an important part.

A financial outlay of Rs.11,040 crore has been made for the scheme, out of which Rs.8,844 crore is the Government of India share and Rs.2,196 crore is State share and this includes the viability gap funding also.

Under this scheme, it is proposed to cover an additional area of 6.5 lakh hectare (ha.) for oil palm till the year 2025-26 and thereby reaching the target of 10 lakh hectares ultimately. The production of Crude Palm Oil (CPO) is expected to go upto 11.20 lakh tonnes by 2025-26 and upto 28 lakh tonnes by 2029-30.

The scheme will immensely benefit the oil palm farmers, increase capital investment, create employment generation, shall reduce the import dependence and also increase the income of the farmers.

Since 1991-92, many efforts have been made by the Government of India to increase the production of oilseeds and oil palm. The oilseeds production has increased from 275 lakh tons in 2014-15 to 365.65 lakh tons in 2020-21. For harnessing the potential of palm oil production, in the year 2020, an assessment has been made by the Indian institute of Oil Palm Research (IIOPR) for cultivation of oil palm which has given an assessment of around 28 lakh ha. Thus, there is huge potential in oil palm plantation and subsequently production of Crude Palm Oil (CPO). At present only 3.70 lakh hectares is under Oil Palm cultivation. Oil palm produces 10 to 46 times more oil per hectare compared to other oilseed crops and has yield of around 4 tons oil per ha. Thus, it has enormous potential for cultivation.

Keeping the above in view, and also the fact that even today around 98% of CPO is being imported, it is proposed to launch the Scheme to further increase the area and production of CPO in the country. The proposed scheme will subsume the current National Food Security Mission-Oil Palm programme.

There are two major focus areas of the Scheme. The oil palm farmers produce Fresh Fruit Bunches (FFBs) from which oil is extracted by the industry. Presently the prices of these FFBs are linked to the international CPO prices fluctuations. For the first time, the Government of India will give a price assurance to the oil palm farmers for the FFBs. This will be known as the Viability Price (VP). This will protect the farmers from the fluctuations of the international CPO prices and protect him from the volatility. This VP shall be the annual average CPO price of the last 5 years adjusted with the wholesale price index to be multiplied by 14.3 %. This will be fixed yearly for the oil palm year from 1st November to 31st October. This assurance will inculcate confidence in the Indian oil palm farmers to go for increased area and thereby more production of palm oil. A Formula price (FP) will also be fixed which will be 14.3% of CPO and will be fixed on a monthly basis. The viability gap funding will be the VP-FP and if the need arises, it would be paid directly to the farmers accounts in the form of DBT.

The assurance to the farmers will be in the form of the viability gap funding and the industry will be mandated to pay 14.3% of the CPO price which will eventually go up to 15.3%. There is a sunset clause for the scheme which is 1st November 2037. To give impetus to the North-East and Andaman, the Government will additional bear a cost of 2% of the CPO price to ensure that the farmers are paid at par with the rest of India. The states who adopt the mechanism proposed by the Government of India would benefit from the viability gap payment proposed in the scheme and for this they will enter into MoUs with the Central Government.

The second major focus of the scheme is to substantially increase the assistance of inputs/interventions. A substantial increase has been made for planting material for oil palm and this has increased from Rs 12,000 per ha to Rs.29000 per ha. Further substantial increase has been made for maintenance and inter-cropping interventions. A special assistance @ Rs 250 per plant is being given to replant old gardens for rejuvenation of old gardens.

To address the issue of shortage of planting material in the country, seed gardens will be provided assistance up to Rs.80 lakhs for 15 ha. in Rest of India and Rs.100 lakhs for 15 ha in North-East and Andaman regions. Further, assistance for seed gardens @ Rs.40 lakhs and Rs.50 lakhs for Rest of India and North-East & Andaman regions respectively. Further Special assistance will be provided for the North-East and the Andaman regions in which special provisions is being made for half moon terrace cultivation, bio fencing and land clearance along with integrated farming. For capital assistance to the industry, for the North East states and Andamans, a provision of Rs 5 core of 5 mt/hr unit with pro rata increase for higher capacity. This will attract the industry to these regions.

Pilot Launch of International Bullion Exchange – The Gateway for Bullion Imports (18-08-2021)

Shri Injeti Srinivas, Chairperson, International Financial Services Centres Authority (IFSCA), launched the pilot run/soft launch. The International Bullion Exchange is scheduled to go live on October 1, 2021 the Foundation Day of IFSCA.

Following the announcement by Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman in Union Budget 2020-21, the International Financial Services Centres Authority (Bullion Exchange) Regulations, 2020 were notified on December 11, 2020 which inter alia cover the Bullion Exchange, Clearing Corporation, Depository and Vaults. Government has also taken steps to notify bullion spot trading and bullion depository receipts with underlying bullion as financial products and bullion related services as financial services.

The International Bullion Exchange shall be the “Gateway for Bullion Imports into India”, wherein all the bullion imports for domestic consumption shall be channelized through the exchange. The exchange ecosystem is expected to bring all the market participants at a common transparent platform for bullion trading and provide an efficient price discovery, assurance in the quality of gold, enable greater integration with other segments of financial markets and help establish India’s position as a dominant trading hub in the World.

Agency Banks of RBI (refer Current affairs update for Feb-2021)

Embargo put in place from September 2012 by Department of Financial Services (DFS), Ministry of Finance (MoF) on further allocation of Government business to **private sector banks** has since been lifted by them vide their communication dated February 24, 2021.

Based on the above developments, revised guidelines/framework for authorising Scheduled Private Sector Banks **as agency banks** of RBI for conduct of government business attracting agency commission were released.

Open Network for Digital Commerce (ONDC) (13-08-2021)

Union Minister of Commerce & Industry Shri Piyush Goyal chaired a meeting for the review of the Open Network for Digital Commerce (ONDC) initiative of DPIIT.

Open Network for Digital Commerce christened ONDC is globally first-of-its-kind initiative that **aims to democratise Digital Commerce, moving it from a platform-centric model to an open-network.**

As UPI is to the digital payment domain, ONDC is to e-commerce in India. ONDC will enable, buyers and sellers to be digitally visible and transact through an open network. no matter what platform/application they use. ONDC will empower merchants and consumers by breaking silos to form a single network to drive innovation and scale, transforming all businesses from retail goods, food to mobility.

Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry has initiated a project on Open Network for Digital Commerce (ONDC). The task has been assigned to Quality Council of India (QCI). ONDC aims at promoting open networks developed on open sourced methodology, using open specifications and open network protocols independent of any specific platform. ONDC is expected to digitize the entire value chain, standardize operations, promote inclusion of suppliers, derive efficiencies in logistics and enhance value for consumers.

Miscellaneous

1. Union Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman unveiled the fourth edition of the **Public Sector Bank (PSB) Reforms Agenda ‘EASE 4.0’ for 2021-22 - tech-enabled, simplified, and collaborative banking**. (25-08-2021)