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

Economy Current Affairs before July 2020

Cabinet approves Promotion of domestic manufacturing of critical Key Starting Materials/Drug Intermediates and Active Pharmaceutical Ingredients in the country (21-03-2020)

1. Promotion of Bulk Drug Parks

- Decision is to develop **3 mega Bulk Drug parks** in India in partnership with States.
- Government of India will give Grants-in-Aid to States with a maximum limit of Rs. 1000 Crore per Bulk Drug Park.
- Parks will have common facilities such as solvent recovery plant, distillation plant, power & steam units, common effluent treatment plant etc.
- A sum of Rs. 3,000 crore has been approved for this scheme for next 5 years.
- **The scheme is expected to reduce manufacturing cost of bulk drugs in the country and dependency on other countries for bulk drugs.**

2. Production Linked Incentive Scheme for promotion of domestic manufacturing of critical KSMs/Drug Intermediates and APIs in the country

- Financial incentive will be given to eligible manufacturers of identified 53 critical bulk drugs on their incremental sales over the base year (2019-20) for a period of 6 years.
- Out of 53 identified bulk drugs, 26 are fermentation based bulk drugs and 27 are chemical synthesis based bulk drugs.
- Rate of incentive will be 20 % (of incremental sales value) for fermentation based bulk drugs and 10% for chemical synthesis based bulk drugs.
- A sum of Rs. 6,940 crore has been approved for next 8 years.
- **The scheme intends to boost domestic manufacturing of critical KSMs/Drug Intermediates and APIs by attracting large investments in the sector to ensure their sustainable domestic supply and thereby reduce India's import dependence on other countries for critical KSMs/Drug Intermediates and APIs.**

Background:

The Indian pharmaceutical industry is the 3rd largest in the world by volume. However, despite this achievement, India is significantly dependent on import of basic raw materials, viz., Bulk Drugs that are used to produce medicines. In some specific bulk drugs the import dependence is 80 to 100%.

Continuous supply of drugs is necessary to ensure delivery of affordable healthcare to the citizens. Any disruption in supplies can have significant adverse impact on Drug Security, which is also linked to the overall economy of the country. Self-sufficiency in manufacturing of bulk drugs is highly required.

Cabinet approves promotion of the Domestic Manufacturing of Medical Devices in country (21-03-2020)

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi has approved the following schemes:
The scheme on Promotion of Medical Device Parks for financing CommonInfrastructure Facilities in 04 Medical Device Parks with financial implications of Rs. 400 crore.
The Production Linked Incentive (PLI) Scheme for promoting domesticmanufacturing of medical devices with financial implications of Rs. 3,420 crore.

The expenditure to be incurred for the above schemes will be for the next five years i.e. from 2020-21 to 2024-25.

Details:
1. Promotion of 04 Medical Device Parks
Medical Device is a growing sector and its potential for growth is the highest among all sectors in the healthcare market. India depends on imports up to an extent of 85% of total domestic demand of medical devices.
The Scheme aims to promote 04 Medical Device Parks in the country in partnership with the States which is expected to reduce manufacturing cost of medical devices in the country. A maximum grant-in-aid of Rs.100 crore per park will be provided to the States.

2. Production Linked Incentive Scheme

The Medical Device sector suffers from a cost of manufacturing disability of around 12% to 15%, vis-a-vis competing economies, among other things, on account of lack of adequate infrastructure, domestic supply chain and logistics, high cost of finance, inadequate availability of quality power, limited design capabilities and low focus on R&D and skill development, etc. There is, thus, a need for a mechanism to compensate for the manufacturing disability.

The Scheme aim to boost **domestic manufacturing** by attracting large investments in medical device sector. Under the Scheme, incentive @ 5% of incremental sales over base year 2019-20 will be provided on the segments of medical devices identified under the Scheme.

The target for PLI Scheme is to provide assistance to about 25-30 manufacturers under the following categories of medical devices: -

- Cancer care/Radiotherapy medical devices,
- Radiology & Imaging medical devices (both ionizing & non-ionizing radiation products) and Nuclear Imaging Devices,
- Anesthetics & Cardio-Respiratory medical devices including Catheters of Cardio Respiratory Category & Renal Care Medical Devices and
- All Implants including implantable electronic devices like Cochlear Implants and Pacemakers.

Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing notified on 1st April, 2020.

The scheme proposes production linked **financial incentive to boost domestic manufacturing** and attract large investments in mobile phone manufacturing and specified electronic components including Assembly, Testing, Marking and Packaging (ATMP) units.

The Scheme shall extend **an incentive of 4% to 6% on incremental sales** (over base year) of goods manufactured in India and covered under target segments, to eligible companies, for a period of five (5) years subsequent to the base year (FY2019-20).

Financial Implications
The total cost of the proposed scheme is approximately INR 40,995 crore which includes an incentive outlay of approximately INR 40,951 crore and administrative expenses to the tune of INR 44 crore

Benefits
The proposed scheme is likely to benefit 5-6 major global players and few domestic champions, in the field of mobile manufacturing and Specified Electronics Components and bring in large scale electronics manufacturing in India.

Over the next 5 years, the Scheme is expected to lead to total production of **about INR 11,50,000 crore**. The scheme is expected to promote exports significantly. Out of the total production of INR **11,50,000 crore** in the next 5 years, more than **60% will be contributed by exports** of the order of **INR 7,00,000 crore**. The scheme will bring additional investment in electronics manufacturing to the tune of **INR 11,000 crore**.

The scheme will generate approximately **3 lakh direct employment opportunities** in next 5 years along with creation of additional indirect employment of nearly 3 times the direct employment.

With the demand for electronics in India expected to grow manifold by 2025, PLI scheme and other initiatives to promote electronics manufacturing will help in making India a competitive destination for electronics manufacturing and give boost to **AtmaNirbhar Bharat.**

Creation of domestic champion companies in electronics manufacturing under the Scheme will give fillip to **vocal for local while aiming for global scale.**

Background
The domestic electronics hardware manufacturing sector faces lack of a level playing field vis-à-vis competing nations. The sector suffers disability of around 8.5% to 11% on account of lack of adequate infrastructure, domestic supply chain and logistics; high cost of finance; inadequate availability of quality power; limited design capabilities and focus on R&D by the industry; and inadequacies in skill development.

The vision of **National Policy on Electronics 2019 (NPE 2019) is to position India as a global hub** for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components and creating an enabling environment for the industry to compete globally.

India's share in global electronics manufacturing has grown from 1.3% in 2012 to 3.0% in 2018. The domestic production of electronics hardware has increased substantially from INR 1,90,366 crore (USD 29 billion) in 2014-15 to INR 4,58,006 Crore (USD 70 billion) in 2018-19.

With the domestic demand for electronics hardware expected to rise rapidly to approximately INR 26, 00,000 crore (USD 400 billion) by 2025, India cannot afford to bear the rapidly increasing foreign exchange outgo on account of import of electronics..

By integrating "Assemble in India for the world" into "Make in India", India can significantly increase manufacturing output.

Government Bans 59 mobile apps (29-06-2020)

The Ministry of Information Technology, invoking it's power under section 69A of the Information Technology Act read with the relevant provisions of the Information Technology (Procedure and Safeguards for Blocking of Access of Information by Public) Rules 2009 and in view of the emergent nature of threats has decided to block 59 apps (see Appendix) since in view of information available they are engaged in activities which is prejudicial to sovereignty and integrity of India, defence of India, security of state and public order.

The Ministry of Information Technology has received many complaints from various sources including several reports about misuse of some mobile apps available on Android and iOS platforms for stealing and surreptitiously transmitting users' data in an unauthorized manner to servers which have locations outside India.

The compilation of these data, its mining and profiling by elements hostile to national security and defence of India, which ultimately impinges upon the sovereignty and integrity of India, is a matter of very deep and immediate concern which requires emergency measures.

There has been a strong chorus in the public space to take strict action against Apps that harm India's sovereignty as well as the privacy of our citizens.

This decision is a targeted move to ensure safety and sovereignty of Indian cyberspace.

Appendix

TikTok	Mi Video Call – Xiaomi	**Club Factory**	Wonder Camera
Shareit	WeSync	Newsdog	Photo Wonder
Kwai	ES File Explorer	**Beutry Plus**	QQ Player
UC Browser	**Viva Video – QU Video Inc**	**WeChat**	We Meet
Baidu map	Meitu	UC News	Sweet Selfie
Shein	Vigo Video	QQ Mail	Baidu Translate
Clash of Kings	New Video Status	**Weibo**	Vmate
DU battery saver	**DU Recorder**	Xender	QQ International
Helo	Vault- Hide	QQ Music	QQ Security Center
Likee	Cache Cleaner DU App studio	QQ Newsfeed	QQ Launcher
YouCam makeup	DU Cleaner	Bigo Live	U Video
Mi Community	DU Browser	SelfieCity	V fly Status Video
CM Browers	Hago Play With New Friends	Mail Master	Mobile Legends
Virus Cleaner	**Cam Scanner**	Parallel Space	**DU Privacy**
APUS Browser	**Clean Master – Cheetah Mobile**	ROMWE	

These all are Chinese apps. This was done during Ladakh border clash with China

India joins Global Partnership on Artificial Intelligence (GPAI) as a founding member (15-06-2020)

Australia, Canada, France, Germany, India, Italy, Japan, Mexico, New Zealand, the Republic of Korea, Singapore, Slovenia, the United Kingdom, the United States of America, and the European Union have joined together to create the Global Partnership on Artificial Intelligence (GPAI or Gee-Pay).

As the founding members, we will support the responsible and human-centric development and use of AI in a manner consistent with human rights, fundamental freedoms, and our shared democratic values, as elaborated in the OECD Recommendation on AI. To this end, we look forward to working with other interested countries and partners.

GPAI is an international and multistakeholder initiative to guide the responsible development and use of AI, grounded in human rights, inclusion, diversity, innovation, and economic growth. In order to achieve this goal, the initiative will look to bridge the gap between theory and practice on AI by supporting cutting-edge research and applied activities on AI-related priorities.

In collaboration with partners and international organizations, GPAI will bring together leading experts from industry, civil society, governments, and academia to collaborate across four Working Group themes: 1) Responsible AI; 2) Data Governance; 3) The Future of Work; and 4) Innovation & Commercialization. Critically, in the short term, GPAI's experts will also investigate how AI can be leveraged to better respond to and **recover from COVID-19.**

GPAI will be supported by a **Secretariat, to be hosted by the OECD in Paris**, as well as by two Centres of Expertise – one each in Montréal and Paris.

First annual GPAI Multistakeholder Experts Group Plenary will be hosted by Canada in December 2020.

Global Partnership on Artificial Intelligence (GPAI) was proposed by Canada and France in G7 summit.

About India

It is pertinent to note that India has recently launched National AI Strategy and National AI Portal and have also started leveraging AI across various sectors such as education, agriculture, healthcare, e-commerce, finance, telecommunications, etc. with inclusion and empowerment of human being approach by supplementing growth and development. By joining GPAI as a founding member, India will actively participate in the global development of Artificial Intelligence, leveraging upon its experience around use of digital technologies for inclusive growth.

Virtual Global Vaccine Summit 2020 hosted by the UK (04-06-2020)

World leaders have pledged an additional US$ 8.8 billion funding for Gavi, the International Vaccine Alliance.

PM Modi pledged 15 Million US Dollars.

The funding will help immunise 300 million more children in the world's poorest countries against diseases like measles, polio and diphtheria by the end of 2025. It will also support health systems to withstand the impact of coronavirus and maintain the infrastructure necessary to roll out a future COVID-19 vaccine on a global scale.

Established in 2000, Gavi (Global Alliance for Vaccines and Immunisation) is a public-private partnership that helps vaccinate half the world's children against some of the world's deadliest diseases.

It encourages manufacturers to lower vaccine prices for the poorest countries in return for long-term, high-volume and predictable demand from those countries. Gavi shares the cost developing countries pay for vaccines.

PM SVANidhi (PM स्वनिधि)-PM Street Vendor's AtmaNirbharNidhi (01-06-2020)

The COVID-19 pandemic and consequent lockdowns have adversely impacted the livelihoods of street vendors. They usually work with a small capital base and might have consumed the same during the lockdown. Therefore, there is an urgent need to provide credit for working capital to street vendors to resume their business.

Supporting the hardworking street vendors, The **Ministry of Housing and Urban Affairs has launched a Special Micro-Credit Facility Scheme - PM SVANidhi (PM स्वनिधि)-PM Street Vendor's AtmaNirbharNidhi, for providing affordable loans to street vendors.**

Eligibility: The Scheme is available to all street vendors engaged in vending in urban areas as on or before March 24, 2020 including the vendors of surrounding peri-urban and rural areas. Over 50 lakh street vendors are likely to benefit from this scheme. The Scheme shall be implemented up to March, 2022.

Loan details: Urban street vendors will be eligible to avail a Working Capital (WC) loan of up to Rs. 10,000 with tenure of 1 year and repaid in monthly instalments. For this loan, no collateral will be taken by the lending institutions. On timely or early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit. No prepayment penalty will be charged from the vendors for repayment before the scheduled date. On timely/ early repayment of the loan, an interest subsidy @ 7% per annum will be provided.

Implementation Partner (s): Small Industries Development Bank of India (SIDBI) will be the implementation partner of the Ministry of Housing and Urban Affairs for scheme administration. SIDBI will leverage the network of lending Institutions including Scheduled Commercial Banks, Regional Rural Banks (RRBs), Small Finance Banks (SFBs), Cooperative Banks, Non-Banking Finance Companies (NBFCs), Micro Finance Institutions (MFIs) & SHG Banks established in some States/UTs e.g. Stree Nidhi etc. for scheme implementation.

Urban Local Bodies will play pivotal role in the implementation of the scheme by identifying beneficiaries.

Digital platform: A digital platform with web portal/ mobile app is being developed to administer the scheme with end-to-end solution. The IT platform will also help in integrating the vendors into the formal financial system. This platform will integrate the web portal/ mobile app with UdyamiMitra portal of SIDBI for credit management and PAiSA portal of MoHUA to administer interest subsidy automatically.

The scheme incentivises digital transactions by the street vendors through monthly cash back.

Credit Guarantee: The Scheme has a provision of Graded Guarantee Cover for the loans sanctioned to be administered by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

Street vendors

Street vendors represent a very important constituent of the urban informal economy and play a significant role in ensuring availability of the goods and services at affordable rates at the door-step of the city dwellers.

They are known as vendors, hawkers, thelewala, rehriwala, theliphadwala etc. in different areas/ contexts. The goods supplied by them include vegetables, fruits, ready-to-eat street food, tea, pakodas, breads, eggs, textile, apparel, footwear, artisan products, books/ stationary etc. The services include barber shops, cobblers, pan shops, laundry services etc.
In this context, the Street Vendors (Protection of Livelihoods & Recognition of Street vendors) Act in 2014 plays a very important role in protecting the rights of urban street vendors and regulating the street vending activities.

The Street Vendors Act, 2014 acknowledges that urban street vendors constitute upto 2.5 % of the population of the city.

Challenges faced by Street vendors

Street vendors are regarded as public nuisance and it is aggressively argued for restoration of pavements as public space when street vendors ‘encroach’ on them.

Despite the enactment of the Street Vendors Act, 2014, Street vendors continue to face large-scale evictions in addition to being classified as "encroachers".

Street vendors conduct their business amidst insecurity. Whenever eviction drives are conducted their wares are confiscated or even destroyed.

In order to overcome these restrictions street vendors organize themselves into unions or local associations who negotiate with the local authorities (the officers in the municipal wards and police stations) for occupying public space. This invariably means offering rents (bribes) to the authorities for warding off eviction drives.

In some cases local musclemen, more often than not with the backing of local political leaders, collect protection fees through threats.

Street Vendors as a group belong to the unorganised sector of the economy. As such, they don’t have government-assisted social security benefits.

Credit is an important requirement in street vending, both to sustain existing activity and to upscale it. Since vendors work on a turnover basis, they often resort to high interest loans from non-institutional sources. Although they usually demonstrate high repayment capacity, absence of collateral and firm domiciliary status usually debars them from obtaining institutional credit.

Private sector participation in Space activities approved (24-06-2020)

Union Cabinet chaired by Prime Minister Shri Narendra Modi approved far reaching reforms in the Space sector aimed at boosting private sector participation in the entire range of space activities. The decision taken is in line with the long-term vision of the Prime Minister of transforming India and making the country self-reliant and technologically advanced.

India is among a handful of countries with advanced capabilities in the space sector. With these reforms, the sector will receive new energy and dynamism, to help the country leapfrog to the next stages of space activities.

This will not only result in an accelerated growth of this sector but will enable Indian Industry to be an important player in global space economy. With this, there is an opportunity for large-scale employment in the technology sector and India becoming a Global technology powerhouse.

Key Benefits:
Space sector can play a major catalytic role in the technological advancement and expansion of our Industrial base. The proposed reforms will enhance the socio-economic use of space assets and activities, including through improved access to space assets, data and facilities.

The newly created Indian National Space Promotion and Authorization Centre (IN-SPACe) will provide a level playing field for private companies to use Indian space infrastructure. It will also hand-hold, promote and guide the private industries in space activities through encouraging policies and a friendly regulatory environment.

The Public Sector Enterprise 'New Space India Limited (NSIL)' will endeavour to re-orient space activities from a 'supply driven' model to a 'demand driven' model, thereby ensuring optimum utilization of our space assets.

These reforms will allow ISRO to focus more on research and development activities, new technologies, exploration missions and human spaceflight programme. Some of the planetary exploration missions will also be opened up to private sector through an 'announcement of opportunity' mechanism.

PM launches Auction process of 41 Coal blocks for Commercial mining (18-06-2020)

Opening up of commercial coal mining for private sector is the most ambitious coal sector reform since the nationalisation of this sector in 1973.

It was part of the series of announcements made by the Government of India, under the AatmaNirbhar Bharat Abhiyan.

He said a major step taken today will make India self reliant in the Energy sector.

Reason for Coal reforms
He stressed the irony that India, with the world's fourth largest coal reserve and being the second largest producer, is also the second largest coal importer.

Coal sector was kept entangled in the mesh of Captive (i.e. for own use, not for sale in the market) and Non Captive mines. He added that the sector was excluded from competition and transparency was a big problem. Owing to this, he said, the coal sector lacked investment and its efficiency was also questionable.

This landmark step is expected to boost private participation which will increase production, induce competition, enhance productivity by facilitating use of latest equipment, technology and services through higher investments, pave way for sustainable mining and creation of avenues for more employment generation in the backward regions of the country.

The Prime Minister said that after these reforms, coal production and the entire coal sector will become self-reliant. Now the market has been opened for coal, so, any sector can buy coal as per their requirements. PM said, these reforms will not only benefit the coal sector but other sectors such as Steel, Aluminium, Fertilizers and Cement as well. It will also help in increasing the power generation.

PM said that reforms in the minerals sector have got strength from coal mining reforms since minerals like iron, bauxite and other minerals are located very close to the coal reserves.

Environment Protection
While implementing coal reforms, PM said that it has been ensured that India's commitment to protect the environment doesn't get weakened. He added, "Latest technology can be introduced to make gas from coal and the environment will be protected with steps like coal gasification. Coal gas will be used in transport and cooking."

The Prime Minister said that the Government has set a target to gasify around 100-million-ton coal by the year 2030 and four projects have been identified for this purpose and around 20 thousand crore rupees will be invested.

Employment
The Prime Minister said that the steps taken towards commercial mining will be very helpful to eastern and central India by providing the local population with employment near their homes. He said that the Government has taken a decision to spend 50 thousand crore rupees on creating infrastructure for coal extraction and transportation, which will also create employment opportunities.

Methodology
The bidders would be required to bid for a percentage share of revenue payable to the Government. There shall be no restriction on the sale and/or utilization of coal from the coal mine.

The methodology is oriented to make maximum coal available in the market at the earliest and it also enables adequate competition which will allow discovery of market prices for the blocks and faster development of coal blocks.

Benefits to the country:

- Upon attainment of Peak Rated Capacity of production of 225 MT, these mines shall contribute about 15% of the country's projected total coal production in 2025-26.
- Employment generation for more than 2.8 lakhs people: Direct employment to approximately 70,000 people and indirect employment to approximately 210,000 people.
- Expected to generate approximately Rs 33,000 crore of capital investment in the country over next 5-7 years.
- These mines will contribute Rs 20,000 crores revenues annually to the state governments
- 100 per cent FDI is likely to bring in international practices, latest technologies and mechanisation in mining operations.
- Self-reliance with substitution of imports by independent thermal power plants and captive power plants resulting in saving of foreign currency.
- Boost to the regulated and non-regulated sector by ensuring sustained coal stocks for industries with greater reliability.
- Moving towards a free market structure with implementation of the National Coal Index.
- Promoting the practice of efficient use of clean energy and reduce the scourge of environmental pollution with incentive to Coal Gasification & Liquefaction.

The Supreme Court of India vide its order dated 24.09.2014 cancelled 204 coal mines/blocks allocated to the various Government and Private Companies since 1993 under the provisions of Coal Mines (Nationalisation) Act, 1973. To bring transparency and accountability, the Coal Mines (Special Provisions) Bill 2015 was passed by the Parliament which was notified as an Act on 30.03.2015. Enabling provisions have been made in the Coal Mines (Special Provisions) Act, 2015 for allocation of coal mines by way of auction and allotment for the sale of coal.

PM Formalization of Micro Food Processing Enterprises (PM FME) scheme (29-06-2020)

With a view to providing financial, technical and business support for upgradation of existing micro food processing enterprises, the Ministry of Food Processing Industries (MoFPI) has launched an all India "Centrally Sponsored PM Formalisation of Micro food processing Enterprises (PM FME) scheme" to be implemented over a period of five years from 2020-21 to 2024-25 with an outlay of Rs 10,000 crore.

The expenditure under the scheme would to be shared in 60:40 ratio between Central and State Governments, in 90:10 ratio with North Eastern and Himalayan States, 60:40 ratio with UTs with legislature and 100% by Centre for other UTs.

The Scheme adopts **One District One Product** (ODODP) approach to reap benefit of scale in terms of procurement of inputs, availing common services and marketing of products. The States would identify food product for a district keeping in view the existing clusters and availability of raw material. The ODOP product could be a perishable produce based product or cereal based products or a food product widely produced in a district and their allied sectors.

Existing Individual micro food processing units desirous of upgradation of their unit can avail **credit-linked capital subsidy @35%** of the eligible project cost with a maximum ceiling of Rs.10 lakh per unit. Seed capital @ Rs. 40,000/- per SHG member would be provided for working capital and purchase of small tools.

Impact and employment generation:

- Nearly eight lakh micro- enterprises will benefit through access to information, better exposure and formalization.
- Credit linked subsidy support and hand-holding will be extended to 2,00,000 micro enterprises for expansion and upgradation.
- It will enable them to formalize, grow and become competitive.
- The project is likely to generate total investment of Rs 35,000 crore and nine lakh skilled and semi-skilled jobs.
- Scheme envisages increased access to credit by existing micro food processing entrepreneurs, women entrepreneurs and entrepreneurs in the Aspirational Districts.
- Better integration with organized markets.
- Increased access to common services like sorting, grading, processing, packaging, storage etc.

Background:

There are about 25 lakh unregistered food processing enterprises which constitute 98% of the sector and are unorganized and informal. Nearly 66 % of these units are located in rural areas and about 80% of them are family-based enterprises.

This sector faces a number of challenges including the inability to access credit, high cost of institutional credit, lack of access to modern technology, inability to integrate with the food supply chain and compliance with the health & safety standards.

Strengthening this segment will lead to reduction in wastage, creation of off-farm job opportunities and aid in achieving the overarching Government objective of doubling farmers' income.

Economy Current Affairs for the m/o July 2020

India's first trans-shipment hub - Vallarpadam Terminal of Cochin Port, Kerala (15-07-2020)

Trans-shipment Hub is the terminal at the port which handles containers, stores them temporarily and transfers them to other ships for the onward destination.

The Kochi International Container Trans-shipment Terminal (ICTT), locally known as the Vallarpadam Terminal is located strategically on the Indian coastline. It successfully fulfills all the criteria which are needed to develop it as trans-shipment hub which include:

- It is best positioned Indian port with regard to proximity to International sea routes;
- It is located at least average nautical distance from all Indian feeder ports;
- It entails a connectivity which has multiple weekly feeder connections to all ports on West & East Coast of India, From Mundra to Kolkata;
- It has proximity to key hinterland markets of India;
- It has the infrastructure to manage large ships and capacity to scale it up as per requirement.

Vallarpadam Terminal of Cochin Port is proposed to be developed as most preferred gateway for South India and leading trans-shipment hub of South Asia.

Cabinet approves developing of Affordable rental housing Complexes for urban migrants / poor (08-07-2020)

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi has given its approval for developing of Affordable Rental Housing Complexes (AHRCs) for urban migrants / poor as a sub-scheme under Pradhan Mantri AwasYojana – Urban (PMAY – U) by:

1. existing vacant **government funded housing** complexes of States/UTs will be converted in ARHCs through Concession Agreements for 25 years. Concessionaire will make the complexes livable by repair/retrofit and maintenance of rooms and filling up infrastructure gaps like water, sewer/ septage, sanitation, road etc. States/UTs will select concessionaire through transparent bidding. Complexes will revert to ULB after 25 years to restart next cycle like earlier or run on their own.

2. special incentives like use permission, 50% additional FAR/FSI, concessional loan at priority sector lending rate, tax reliefs at par with affordable housing etc. will be offered **to private/ public entities** to develop ARHCs on their own available vacant land for 25 years.

A large part of workforce in manufacturing industries, service providers in hospitality, health, domestic/commercial establishments, and construction or other sectors, labourers, students etc. who come from rural areas or small towns seeking better opportunities will be the target beneficiary under ARHCs.

An expenditure of Rs 600 Crore is estimated in the form of Technology Innovation Grant which will be released for projects using identified innovative technologies for construction. Approximately,three Lakh beneficiaries will be covered initially under ARHCs.

Benefits

ARHCs will create new ecosystem in urban areas making housing available at affordable rent close to the place of work. Investment under ARHCs is expected to create new job opportunities. ARHCs will cut down unnecessary travel, congestion and pollution.

Government funded vacant housing stock will be converted into ARHCs for economically productive use. The scheme would create a conducive environment for Entities to develop AHRCs on their own vacant land which will enable new investment opportunities and promote entrepreneurship in rental housing sector.

Background:

Ministry of Housing & Urban Affairs (MoHUA) has initiated an Affordable Rental Housing Complexes (ARHCs) for urban migrants/poor as a sub-scheme under Pradhan Mantri AwasYojana (Urban). The scheme was announced by the Hon'ble Finance Minister on 14 May, 2020. This scheme seeks to fulfill the vision of 'AtmaNirbhar Bharat.

COVID-19 pandemic has resulted in massive reverse migration of workers/ urban poor in the country who come from rural areas or small towns for seeking better employment opportunities in urban areas. Usually, these migrants live in slums, informal/ unauthorized colonies or peri-urban areas to save rental charges. They spend lot of time on roads by walking/ cycling to workplaces, risking their lives to cut on the expenses.

Expert committee invites public comments on Non-Personal Data Framework (23-07-2020)

The Expert Committee on **Non-Personal Data** Governance Framework was constituted by Ministry of electronics and information technology (MeitY) in Sept 2019 under chairmanship of Shri. Kris Gopalakrishnan (Co-founder Infosys)

Committee touched upon several emerging and innovative ideas on Non Personal Data such as attempts to give definition of Non-personal Data and the concept of community data and the appropriate rights and privileges over this data, defines three categories – Public, Community and Private, definition of a new concept called Data Business, Open access meta-data registers, Consent for anonymisation of data, sensitivity of Non-Personal Data, defined purposes for data sharing as sovereign purpose, core public interest purposes and economic purposes.

The committee also addressed queries of media on sharing of raw data and derived data, regulatory aspects of Non-Personal Data, harnessing the economic value of data and various legal aspects related to digital regulatory framework to promote the use of **Non Personal Data** to benefit Indian people and society.

The state of food security and nutrition in the world 2020 report (13-07-2020)

This joint report is issued annually by the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development, UNICEF, the World Food Programme and the World Health Organization.

It presents the latest estimates on food insecurity, hunger and malnutrition at the global and regional levels. The 2020 edition continues to signal that significant challenges remain in the fight against food insecurity and malnutrition in all its forms.

Almost 690 million people around the world went hungry in 2019. High costs and low affordability also mean billions cannot eat healthily or nutritiously. As progress in fighting hunger stalls, the COVID-19 pandemic is intensifying the vulnerabilities and inadequacies of global food systems. While it is too early to assess the full impact of the lockdowns and other containment measures, at least another 83 million to 132 million people may go hungry in 2020.

If recent trends continue, the Zero Hunger target of the Sustainable Development Goals will not be achieved by 2030.

The report urges the transformation of food systems to reduce the cost of nutritious foods and increase the affordability of healthy diets.

On a mission mode, Indian Railways takes decisive steps to transform itself as 'Net Zero' Carbon Emission Mass Transportation Network by 2030. (02-07-2020)

A new dawn ushers on Indian Railways as it endeavors to be self-reliant for its energy needs as directed by the Prime Minister and solarise railway stations by utilizing its vacant lands for Renewable Energy (RE) projects. Railway is committed to utilize solar energy for meeting its traction power requirements and become a complete 'Green mode of transportation'.
The Ministry of Railways has decided to install solar power plants on its vacant unused lands on mega scale.

Restrictions on Public Procurement from certain countries (23-07-2020)

The Government of India amended the General Financial Rules 2017 to enable imposition of restrictions on bidders from countries **which share a land border with India on grounds of defence of India**, or matters directly or indirectly related thereto including national security.The Department of Expenditure has, under the said Rules, issued a detailed Order on public procurement to strengthen the defence of India and national security.

As per the Order any bidder from such countries sharing a land border with India will be eligible to bid in any procurement whether of goods, services (including consultancy services and non-consultancy services) or works (including turnkey projects) **only if the bidder is registered with the Competent Authority.**

The Competent Authority for registration will be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT). Political and security clearance from the Ministries of External and Home Affairs respectively will be mandatory.

The Order takes into its ambit public sector banks and financial institutions, Autonomous Bodies, Central Public Sector Enterprises (CPSEs) and Public Private Partnership projects receiving financial support from the Government or its undertakings.

State Governments too play a vital role in national security and defence of India. The Government of India has written to the Chief Secretaries of the State Governments invoking the provisions of Article 257(1) of the Constitution of India for the implementation of this Order in procurement by State Governments and state undertakings etc. For State Government procurement, the Competent Authority will be constituted by the states but political and security clearance will remain necessary.

Relaxation

Relaxation has been provided in certain limited cases, including for procurement of medical supplies for containment of COVID-19 global pandemic till 31st December 2020. By a separate Order, countries to which Government of India extends lines of credit or provides development assistance have been exempted from the requirement of prior registration.

The new provisions will apply to all new tenders. In respect of tenders already invited, if the first stage of evaluation of qualifications has not been completed, bidders who are not registered under the new Order will be treated as not qualified. If this stage has been crossed, ordinarily the tenders will be cancelled and the process started de novo. The Order will also apply to other forms of public procurement. **It does not apply to procurement by the private sector**.

Consumer Protection Act, 2019 comes into force from 20-07-2020

It will replace the Consumer Protection Act, 1986.

Central Consumer Protection Authority

The Central Government shall establish a Central Consumer Protection Authority to be known as the **Central Authority** to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers and to promote, protect and enforce the rights of consumers **as a class**.

The Central Authority shall consist of a Chief Commissioner and such number of other Commissioners as may be prescribed, to be appointed by the Central Government to exercise the powers and discharge the functions under this Act.

The headquarters of the Central Authority shall be at such place in the **National Capital Region of Delhi**, and it shall have regional and other offices in any other place in India as the Central Government may decide.

The Central Authority shall have an **Investigation Wing** headed by a Director General for the purpose of conducting inquiry or investigation under this Act.

Presently Consumer only have a single point of access to justice (District Commission then State Commission and National Commission), which is time consuming. **A complaint** relating to violation of consumer rights or unfair trade practices or false or misleading advertisements which are prejudicial to the **interests of consumers as a class**, may be forwarded either in writing or in electronic **mode** to CCPA.

A person aggrieved by any order passed by the Central Authority may file an **appeal** to the National Commission within a period of thirty days from the date of receipt of such order.

Central Consumer Protection Authority (CCPA) has been established w.e.f. 24th July, 2020. For operationalization of the CCPA, Additional Secretary in the Department of Consumer Affairs, Smt. Nidhi Khare has been assigned the charge of Chief Commissioner.

Consumer Protection Councils

Central Consumer Protection Council

The Central Government shall establish the Central Consumer Protection Council to be known as the Central Council.

Minister-in-charge of the Department of Consumer Affairs in the Central Government shall be the Chairperson.

The Central Council shall be an advisory council and render advice on promotion and protection of the consumers' rights under this Act.

State Consumer Protection Council

Every State Government shall establish a State Consumer Protection Council to be known as the State Council.

Minister-in-charge of Consumer Affairs in the State Government shall be the Chairperson.

The State Council shall be an advisory council and render advice on promotion and protection of consumer rights under this Act within the State.

District Consumer Protection Council.

The State Government shall establish for every District a District Consumer Protection Council to be known as the District Council. Collector of the district shall be the Chairperson.

The District Council shall be an advisory council and render advice on promotion and protection of consumer rights under this Act within the district.

Consumer Disputes Redressal Commission

District Commission

The State Government shall establish a District Consumer Disputes Redressal Commission to be known as the District Commission in each district of the State. State Government may, if it deems fit, establish more than one District Commission in a district.
District Commission shall have **jurisdiction** to entertain complaints where the value of the goods or services paid as consideration **does not exceed one crore rupees**.

Any person aggrieved by an order made by the District Commission may prefer an **appeal** against such order to the State Commission **on the grounds of facts or law** within a period of forty-five days from the date of the order.

State Commission

The State Government shall establish a State Consumer Disputes Redressal Commission to be known as the State Commission in the State. The State Commission shall **ordinarily function at the State capital** and perform its functions at such other places as the State Government may in consultation with the State Commission notify in the Official Gazette.
State Government may establish **regional benches** of the State Commission, at such places, as it deems fit.

State Commission shall have **jurisdiction**- (a) to entertain—
(i) complaints where the value of the goods or services paid as consideration, exceeds rupees one crore, but does not exceed **rupees ten crore**;
(ii) complaints against **unfair contracts**, where the value of goods or services paid as consideration does not exceed ten crore rupees;
(iii) appeals against the orders of any District Commission within the State;

(b) to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any District Commission within the State, where it appears to the State Commission that such District Commission has exercised a jurisdiction not vested in it by law, or has failed to exercise a jurisdiction so vested or has acted in exercise of its jurisdiction illegally or with material irregularity.

Any person aggrieved by an order made by the State Commission may prefer an **appeal** against such order to the National Commission **on the grounds of substantial question of law** within a period of thirty days from the date of the order.

National Commission

The Central Government shall establish a National Consumer Disputes Redressal Commission to be known as the National Commission.
The National Commission shall **ordinarily function at the National Capital Region** and perform its functions at such other places as the Central Government may in consultation with the National Commission notify in the Official Gazette.
Central Government may establish **regional Benches** of the National Commission, at such places, as it deems fit.

National Commission shall have **jurisdiction**— (a) to entertain—
(i) complaints where the value of the goods or services paid as consideration **exceeds rupees ten crore**;
(ii) complaints against **unfair contracts**, where the value of goods or services paid as consideration exceeds ten crore rupees;
(iii) appeals against the orders of any State Commission;
(iv) **appeals against the orders of the Central Authority**; and

(b) to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any State Commission where it appears to the National Commission that such State Commission has exercised a jurisdiction not vested in it by law, or has failed to exercise a jurisdiction so vested, or has acted in the exercise of its jurisdiction illegally or with material irregularity.

Any person, aggrieved by an order made by the National Commission may prefer an **appeal** against such order to the Supreme Court within a period of thirty days from the date of the order.

Consumer Mediation Cell (An Alternate Dispute Resolution mechanism)

Consumer Forums shall refer the matter for mediation wherever scope for early settlement exists and parties agree for it.

The State Government shall establish a consumer mediation cell to be attached to each of the District Commissions and the State Commissions of that State.

The Central Government shall establish a consumer mediation cell to be attached to the National Commission and each of the regional Benches.

The mediation shall be held in the consumer mediation cell attached to the District Commission, the State Commission or the National Commission, as the case may be.

Product Liability

A product liability action may be brought by a complainant against a product manufacturer or a product service provider or a product seller, as the case may be, for any harm caused to him on account of a defective product or deficiency in services.

Measures to prevent unfair trade practices in e-commerce, direct selling, etc

For the purposes of preventing unfair trade practices in e-commerce, direct selling and also to protect the interest and rights of consumers, the Central Government may take such measures in the manner as may be prescribed.

China joins UN Arms Trade Treaty (06-07-2020)

The **treaty regulates** global **cross-border trade of conventional weapons** with the intention of preventing arms from falling into the hands of criminal actors.

China has become the 107th country to join the treaty. Treaty was approved by the UN in April 2013 and came into force in December 2014. India abstained on Arms Trade Treaty voting.

India has not yet joined the treaty. The US is also not a party to the treaty, having backtracked after initially signing the pact in 2013.

Miscellaneous

1. After the US now **UK bans Chinese tech company Huawei** from its 5G network due to security concern. Trump administration, which argues that the Chinese government could use Huawei for spying and even sabotage, warned the UK that US-UK intelligence sharing and military collaboration could be put at risk. Under Chinese law, Chinese companies can be ordered to act under the direction of Beijing. (14-07-2020)

2.National Pharmaceutical Pricing Authority (NPPA) was constituted vide Government of India Resolution dated 29th August, 1997 as an attached office of the Department of Pharmaceuticals (DoP), Ministry of Chemicals & Fertilizers as an **independent Regulator for pricing of drugs** and to ensure availability and accessibility of medicines at affordable prices. All the medical devices have been notified as Drugs and have come under regulatory regime of the Drugs & Cosmetics Act, 1940 and Drugs (Prices (Control Order), 2013 w.e.f. 1st April 2020 accordingly, price increase of medical devices would be monitored under Para 20. Chairman, NPPA also urged the Industry that it is not “Business as usual” and not the time to profiteer in the public health emergency. (02-07-2020)

Economy Current Affairs for the m/o August 2020

Universal Service Obligation Fund (USOF)

Provide widespread and non-discriminatory access to quality Information and Communication Technology (ICT) services at affordable prices to people in rural and remote areas.

Need for USOF

Apart from the higher capital cost of providing telecom services in rural and remote areas, these areas also generate lower revenue due to lower population density, low income and lack of commercial activity. Thus normal market forces alone would not direct the telecom sector to adequately serve backward and rural areas.

Keeping in mind the inadequacy of the market mechanism to serve rural and inaccessible areas on one hand and the importance of providing vital telecom connectivity on the other, most countries of the world have put in place policies to provide Universal Access and Universal Service to ICT.

Creation of USOF

The New Telecom Policy - 1999 (NTP'99) provided that the resources for meeting the Universal Service Obligation (USO) would be raised through a 'Universal Access Levy (UAL)', which would be a percentage of the revenue earned by the operators under various licenses.

The Universal Service Support Policy came into effect from 01.04.2002. The Indian Telegraph (Amendment) Act, 2003 giving statutory status to the Universal Service Obligation Fund (USOF) was passed by both Houses of Parliament in December 2003.

Fund is to be utilized exclusively for meeting the Universal Service Obligation.

Finance Minister launches an Online Dashboard for the National Infrastructure Pipeline (10-08-2020)

Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman inaugurated the National Infrastructure Pipeline (NIP) Online Dashboard through video conferencing.

The online dashboard is envisaged as a **one stop solution** for all stakeholders looking for information on infrastructure projects in New India. The dashboard is being **hosted on the India Investment Grid (IIG)** (www.indiainvestmentgrid.gov.in). IIG is an interactive and dynamic online platform that showcases updated & real-time investment opportunities in the country.

Developed and **managed by Invest India**, the National Investment Promotion and Facilitation Agency, IIG serves as the gateway to investments in India, and is also widely used by Indian missions and embassies across the world. IIG allows investors to:

- Search a pan-India database for investment opportunities across sectors
- Track the progress of preferred projects and indicate interest
- Directly communicate with project promoters

It is a **free of cost service**. Project information uploaded by promoters is vetted by reputed third-party firms, empaneled by Invest India.

The availability of NIP projects on IIG will ensure easy accessibility to updated project information and attract investors for PPP projects.

In the budget speech of 2019-2020, Finance Minister Smt. Sitharaman announced an outlay of Rs 100 lakh Crore for infrastructure projects over the next 5 years.

The budget announcement followed the Independence Day speech by Hon'ble Prime Minister Shri. Narendra Modi, wherein he highlighted that "For development of modern infrastructure, an amount of Rs 100 lakh Crore has been earmarked for this period which will create new job opportunities besides improving the living standards".

In furtherance to this, a high level Task Force submitted a final report on the National Infrastructure Pipeline with projected infrastructure investment of Rs 111 Lakh Crore during FY 2020-25.

NIP is a first-of-its-kind initiative to provide world-class infrastructure across the country and improve the quality of life for all citizens. NIP will improve project preparation, attract investments (both domestic & foreign) into infrastructure, and will be crucial for attaining the target of becoming a $5 trillion economy by FY 2025. NIP covers both economic and social infrastructure projects- based on the updated Harmonized Master List of Infrastructure.

Out of the total expected capital expenditure of Rs 111 lakh Crore, projects worth Rs 44 lakh Crore (40%) are under implementation, projects worth Rs 33 lakh Crore (30%) are at a conceptual stage, projects worth Rs 22 lakh Crore (20%) are under development (project identified and DPR prepared, but yet to draw-down funds) and the balance projects worth Rs 11 lakh Crore (10%) are unclassified. The entire gamut of projects will now be hosted on IIG to provide visibility to NIP and attract investments from global & domestic investors.

RBI provides additional monetary support to housing, rural and priority sectors (06-08-2020)

The Reserve Bank of India has announced a set of additional developmental and regulatory policy measures to improve flow of money and provide further support to the financial system, in the wake of rising COVID-19 infections in India and the world.

You can now borrow more against Gold and Jewellery

As per the extant guidelines, loans sanctioned by banks against pledge of gold ornaments and jewellery for non-agricultural purposes should not exceed 75 per cent of the value of gold ornaments and jewellery. With a view to further mitigate the economic impact of the COVID-19 pandemic on households, entrepreneurs and small businesses, it has been decided to increase the permissible **loan to value ratio (LTV)** for loans against pledge of gold ornaments and jewellery for non-agricultural purposes from 75 per cent to **90 per cent**. This relaxation shall be available till March 31, 2021.

Start-ups too will now get Priority Sector Lending

Banks will now be incentivized to address regional disparities in flow of priority sector lending. The weightage given for fresh credit given to priority sectors will be adjusted based on current credit flow of districts. **Start-ups too will now get this type of credit support**; green energy sectors will now get higher lending under the framework.

Relieving stress of borrowers

To address the heightened debt burdens being faced by borrowing firms, RBI has decided to enable lenders to implement a debt resolution plan for eligible corporate debts as well as personal loans. This shall be done without any change in ownership, while classifying such exposures as standard assets, subject to specified conditions. **An Expert Committee chaired by K. V. Kamath is being constituted** to make recommendations on the parameters for such **debt resolution plans.**

Automated sweep-in and sweep-out (ASISO) facility

Reserve Bank has decided to provide an optional automated sweep-in and sweep-out (ASISO) facility in its e-Kuber system, its core banking solution, to provide banks more flexibility/discretion in managing their liquidity and maintenance of cash reserve requirements.

Banks will be able to **set the amount (specific or range) that they wish to keep** as balances in their current accounts with the Reserve Bank at the end of the day.

Depending upon this pre-set amount, marginal standing facility (MSF) and reverse repo bids, as the case may be, will be generated automatically without any manual intervention at the end of the day.

Powering Responsible Financial Innovation

RBI will set up an **Innovation Hub** in India, to further promote and facilitate an environment that can accelerate innovation across the financial sector.

Soon, make retail payments using your card or mobile phone

Lack of internet connectivity or low speed of internet, especially in remote areas, is a major impediment in adoption of digital payments. Against this backdrop, providing an option of **off-line payments** through cards, wallets and mobile devices is expected to further the adoption of digital payments. A system will soon be introduced enabling retail payments to be made in offline mode using cards and mobile devices.

Citizens will also be able to resolve disputes arising from digital payments, through an online dispute resolution mechanism.

PM launches Rs. 1 lakh crore financing facility under Agriculture Infrastructure Fund (09-08-2020)

About Agriculture Infrastructure Fund
The Agriculture Infrastructure Fund is a medium - long term debt financing facility for investment in viable projects for post-harvest management infrastructure and community farming assets through interest subvention and credit guarantee.

Under the scheme, **Rs. One Lakh Crore will be provided** by banks and financial institutions **as loans to** Farmers, Primary Agricultural Credit Societies (PACS), Marketing Cooperative Societies, Farmer Producers Organizations (FPOs), Self Help Group (SHG), Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Agri-entrepreneurs, Startups, Aggregation Infrastructure Providers and Central/State agency or Local Body sponsored Public Private Partnership Project **for creation of post-harvest management infrastructure** and community farming assets such as cold storage, collection centres, processing units, etc.

The duration of the scheme shall be from FY2020 to FY2029 (10 years).

Benefits
These assets will enable farmers to get greater value for their produce, as they will be able to store and sell at higher prices, reduce wastage, and increase processing and value addition.

The Project by way of facilitating formal credit to farm and farm processing-based activities is expected to create numerous job opportunities in rural areas.

Interest subvention and Guarantee coverage
All loans under this financing facility will have interest subvention of 3% per annum up to a limit of Rs. 2 crore.

Further, credit guarantee coverage will be available for eligible borrowers from this financing facility for a loan up to Rs. 2 crore. The fee for this coverage will be paid by the Government.

Online platform
Agri Infra fund will be managed and monitored through an online Management Information System (MIS) platform. It will enable all the qualified entities to apply for loan under the fund. The online platform will also provide benefits such as transparency of interest rates offered by multiple banks, scheme details including interest subvention and credit guarantee offered, minimum documentation, faster approval process as also integration with other scheme benefits.

Indian Railways introduced first “Kisan Rail” (07-08-2020)

Union Minister of Agriculture & Farmers’ Welfare Shri Narendra Singh Tomar flagged off the inaugural run of ‘Devlali (Maharashtra) -Danapur (Bihar) Kisan Rail’ through Video Conference in the presence of Union Minister of Railways, Commerce & Industry Shri Piyush Goyal.

Announcement in the Union Budget 2020-21
To build a **seamless national cold supply chain for perishables** (Fresh vegetables, Fruits etc), inclusive of milk, meat and fish, the Indian Railways will set up a “**Kisan Rail**” – through PPP arrangements. There shall be refrigerated coaches in train.

Benefits
The train with frozen containers is expected to build a seamless national cold supply chain for perishables, inclusive of fish, meat and milk.
Kisan Rail will help transport the produce of farmers to different parts of the country at a nominal cost, thus the farmer will be getting remunerative price for their farm produce, this will help in achieving the vision of the Prime Minister of doubling farmers’ incomes by 2022.

Kisan Rail will be game changer in ensuring a fast transportation of agriculture produce across the nation.

Origin–Destination route
In order to serve the purpose of the farming community of the country, Kisan Rail shall be trains with multi commodities, multi-consignors and multi consignees.

These trains shall run between fixed Origin–Destination pairs with en-route stoppages, and loading/ unloading shall be permitted at any of the en-route stoppage.

The Origin–Destination pairs, routes, stoppages, and frequency of the train shall be decided jointly by the Ministry of Agriculture & Farmers’ Welfare and Ministry of Railways. Indian Railways will plan to run the trains accordingly.

Agricultural Mechanization is one of the key drivers for sustainable development of agriculture sector

Agricultural land area in the world has limit, but the demand for food is ever increasing due to population growth.

The task assumes greater importance to India, than the rest of the world considering that India accounts for 2.4% of the world's geographical area and 4% of its water resources, but has to support 17% of the world's human population and 15% of the livestock.

The mechanization involves judicious application of inputs by using agricultural machinery/equipment.

Earlier, Indian farmers largely relied upon the human and animal power. But with the passage of time, tractor and tractor driven agricultural implements have been introduced with the Government sponsored scheme.

About **85% of the total land holdings are in small and marginal size** groups which need special efforts for their mechanization.

Benefits
Due to intensive involvement of labour in different farm operations, the cost of production of many crops is quite high.

Agricultural Mechanization helps in increasing productivity and production by timely farm operations, reducing wastages/losses, reducing the cost of operations by ensuring better management of costly inputs.

Agriculture Mechanization is an essential input in modern agriculture to increase productivity and for making judicious use of other inputs like seeds, fertilizers, chemicals, pesticides and natural resources like water, soil nutrients etc. besides reducing human drudgery and cost of cultivation.

Agriculture Mechanization also helps in improving safety and comfort of the agricultural worker, improvements in the quality and value of farm produce and also enabling farmers to take a second and subsequent crop making Indian agriculture more attractive and profitable.

Farm mechanization has played a positive role in increasing employment in rural areas through generation of opportunities for operators, mechanics, salesmen etc.

Reasons for lower rate of agricultural mechanization in India
Varied requirement of equipment for each agro climatic zone, the small and fragmented land holding, low investment capacity of the farmers, inadequate irrigation facilities, access to power, credit cost and procedures, uninsured markets, low awareness and know how status of the farmers, repairs & maintenance facilities etc.

Economic Survey 2019-20

- Economic Survey 2019-20 says that **Agriculture Mechanization will help Indian farming transform into commercial farming from subsistence farming.**
- With the shrinking land and water resources and labour force, the onus rests on mechanization of production and post-harvesting operations says Economic Survey 2019-20.
- Effective use of agricultural machinery helps to increase productivity and production of farm output along with timely farm operations for quick rotation of crops on the same land. By raising a second crop or multi-crops from the same land, there is improvement in the cropping intensity and making agricultural land commercially more viable (NABARD, 2018).
- However, overall farm mechanization in India has rather been lower (40-45 per cent) compared to other countries such as USA (95 per cent), Brazil (75 per cent) and China (57 per cent).
- In order to enhance the productivity and profitability of farmers, there is an urgent need to increase the farm power availability in Indian farms. There is a linear relationship between availability of farm power and farm yield and Government has decided to enhance farm power availability from 2.02 kW per ha (2016-17) to 4.0 kW per ha by the end of 2030 to cope up with increasing demand for food grains.

Govt Initiatives

Sub-Mission on Agricultural Mechanization (SMAM)
Recognizing the need to mechanize marginal and small farms, and for inclusive growth of the farm mechanization sector in the country, a Sub Mission on Agricultural Mechanization(SMAM) was launched in the year 2014-15 with the **following objectives**:

• Increasing the reach of farm mechanization to small and marginal farmers and to the regions where availability of farm power is low;
• Promoting Custom Hiring Centers to offset the adverse economies of scale arising due to small landholdings and high cost of individual ownership;
• Creating hubs for hi-tech & high value farm equipments;
• Creating awareness among stakeholders through demonstration and capacity building activities;
• Ensuring performance testing and certification at designated testing centers located all over the country.

Financial assistance in SMAM:

- Financial assistance as cost subsidy to the tune of 40-50% is being provided for the individual ownership of farm machinery.
- Financial assistance @40% is provided for establishment of farm machinery banks to provide custom hiring services for the benefit of small and marginal farmers.
- To promote mechanization in selected villages with a low level of farm mechanization, financial assistance @80% of the project cost for farm machinery banks is given to a group of minimum 8 farmers.

Multi lingual Mobile App "CHC- Farm Machinery"

Ministry of Agriculture and Farmers Welfare has also developed a Multi lingual Mobile App "CHC- Farm Machinery" which connects the farmers with Custom Hiring Service Centers situated in their locality. This app is facilitating agricultural mechanization in the country by encouraging small & marginal farmers to take machines on rental basis for agriculture practices without them having to purchase the high priced such machines.

The App has been further modified and now has been given the acronym of "FARMS-app" (Farm Machinery Solutions-app).

India ranks first in number of organic farmers and ninth in terms of area under organic farming (13-08-2020)

The growth story of organic farming is unfolding with increasing demand not only in India but also globally. In a world battered by the COVID pandemic, the **demand for healthy and safe food** is already showing an upward trend and hence this is an opportune moment to be captured for a win-win situation for our farmers, consumers and the environment.

India ranks first in number of organic farmers and **ninth in terms of area under organic farming**. **Sikkim became the first State in the world to become fully organic** and other States including Tripura and Uttarakhand have set similar targets. North East India has traditionally been organic and the consumption of chemicals is far less than rest of the country. Similarly the tribal and island territories are being nurtured to continue their organic story.
With the aim of assisting farmers to adopt organic farming and improve remunerations due to premium prices, two dedicated programs namely Mission Organic Value Chain Development for North East Region (MOVCD) and Paramparagat Krishi Vikas Yojana (PKVY) were launched in 2015 to encourage chemical free farming.

With the simultaneous thrust given by the Agri-export Policy 2018, India can emerge as a major player in global organic markets. The **major organic exports** from India have been **flax seeds, sesame, soybean, tea, medicinal plants, rice and pulses**, which were instrumental in driving an increase of nearly 50% in organic exports in 2018-19

The **organic e-commerce platform** www.jaivikkheti.in **is being strengthened for directly linking farmers with retail** as well as bulk buyers.

Natural farming is not a new concept in India, with farmers having tilled their land **without the use of chemicals** - largely relying on organic residues, cow dung, composts, etc since time immemorial. The philosophy underlying organic farming of integration of the elements – soil, water, microbes and 'waste' products, forestry and agriculture is the correct recipe for sustainable use of natural resources, which are coming under severe stress due to ever increasing requirement of food and feedstock for agri based industry. This is also in sync with the Sustainable Development Goal 2 targeting 'end hunger, achieve food security and improved nutrition and promote sustainable agriculture'.

NFRA issues Audit Quality Review Report of the Statutory Audit for FY 2017-18 of IL&FS Financial Services Limited (17-08-2020)

The National Financial Reporting Authority (NFRA) has issued the Audit Quality Review Report (AQRR) of the Statutory Audit for the year 2017-18 of IL&FS Financial Services Limited (IFIN). The statutory auditor for this engagement was BSR & Associates LLP (BSR) which uses the KPMG Trade Mark and Brand Name.

IL&FS Crisis
In September 2018, IL&FS had defaulted on its debt obligations, triggering a liquidity crisis in the financial services market.

NFRA Findings
NFRA has concluded that the appointment of BSR as the statutory auditors of IFIN was illegal and void due to violation of Sec 141 (subsisting business relationships on the date of appointment, provision of non-audit services directly or indirectly) of Companies act 2013.

The instances of failure to comply with the requirements of the Standards of Auditing (SAs) by BSR are significant and **BSR** did not have adequate justification for issuing the Audit Report asserting that the audit was conducted in accordance with **SA**s.
NFRA has also extensively studied the IT processes and platform that are used by BSR for their Audit File documentation. NFRA found that the IT processes/platform used by BSR have deficiencies that are systemic and structural in nature.

Separately, NFRA will examine whether disciplinary proceedings under Section 132 of the Companies Act, 2013 needs to be initiated in connection with the AQRR.

About NFRA
The National Financial Reporting Authority (NFRA) was **constituted** on 01st October,2018 by the Government of India under **section 132 of the Companies Act, 2013**

Need for establishing NFRA
The need for NFRA has arisen on account of the need felt across various jurisdictions in the world, **in the wake of accounting scams,** to establish independent regulators, independent from those it regulates, for enforcement of auditing standards and ensuring the quality of audits to strengthen the independence of audit firms, quality of audits and, therefore, enhance investor and public confidence in financial disclosures of companies.

Duties of the NFRA
National Financial Reporting Authority shall—
(a) make recommendations to the Central Government on the formulation and laying down of accounting and auditing policies and standards for adoption by companies;
(b) monitor and enforce the compliance with accounting standards and auditing standards;
(c) oversee the quality of service of the professions associated with ensuring compliance with such standards, and suggest measures required for improvement in quality of service

NFRA shall protect the public interest and the interests of investors, creditors and others associated with the companies by establishing high quality standards of accounting and auditing and exercising **effective oversight** of accounting functions performed by the companies and **auditing functions performed by auditors**.

Power of NFRA
National Financial Reporting Authority shall—
(a) have the **power to investigate**, either suo motu or on a reference made to it by the Central Government, for such class of bodies corporate or persons, in such manner as may be prescribed into the matters of professional or other misconduct committed by any member or firm of chartered accountants, registered under the Chartered Accountants Act, 1949:
(b) where professional or other misconduct is proved, have the power to make order for—

- **imposing penalty** of—

(I) not less than one lakh rupees, but which may extend to five times of the fees received, in case of individuals; and
(II) not less than ten lakh rupees, but which may extend to ten times of the fees received, in case of firms;

- debarring the member or the firm from engaging himself or itself from practice as member of the Institute of Chartered Accountant of India for a minimum period of six months or for such higher period not exceeding ten years

Any person aggrieved by any order of the National Financial Reporting Authority may prefer an appeal before the Appellate Authority

One Sun One World One Grid (OSOWOG)

Prime Minister Modi recently called for connecting solar energy supply across borders, with the mantra of 'One Sun One World One Grid' (OSOWOG). The vision behind the OSOWOG mantra is "**The Sun Never Sets**" and is a constant at some geographical location, globally, at any given point of time.

With India at the fulcrum, the solar spectrum can easily be divided into two broad zones viz. far East which would include countries like Myanmar, Vietnam, Thailand, Lao, Cambodia etc. and far West which would cover the Middle East and the Africa Region.

The Ministry of New and Renewable Energy (MNRE), Government of India, has a critical role to play in synergizing over 140 countries, across the far east and the far west regions, to build consensus, launch energy policy imperatives and set up a framework for such a global cooperation.

India, through the OSOWOG initiative, plans to take another leap towards building a global ecosystem of interconnected renewable energy resources that are seamlessly shared for mutual benefits and global sustainability.

The initiative is planned across three phases:
Phase I (Middle East-South Asia-South East Asia (MESASEA) interconnection): Indian Grid interconnection with Middle East, South Asia and South East Asian grids to share solar and other renewable energy resources for meeting electricity needs including peak demand. For this purpose, an assessment shall be made of renewable energy potential of all countries in these regions and a study carried out so as to how they can share their renewable energy resources with each other for meeting their electricity demand including peak demand and also for rationalizing their tariffs.

Phase II (Solar and other Renewable Energy resources rich regions' interconnection): MESASEA grid getting interconnected with the African power pools to share solar and other renewable energy power of the countries located in solar and renewable energy rich areas.

Phase III (Global interconnection): to achieve the One Sun One World One Grid vision

An interconnected grid would help all the participating entities in attracting investments in renewable energy sources as well as utilizing skills, technology and finances. Resulting economic benefits would positively impact poverty alleviation and support in mitigating water, sanitation, food and other socioeconomic challenges. Further, the proposed integration would lead to reduced project costs, higher efficiencies and increased asset utilization for all the participating entities.

Exports of agricultural commodities during March to June 2020 increased by 23.24% compared to corresponding period in 2019 (18-08-2020)

Self-reliant agriculture is critical for the goal of an Atmanirbhar Bharat. For this, agricultural export is extremely important as besides earning precious foreign exchange for the country, the exports help farmers/producers/exporters to take advantage of wider international market and increase their income. Exports have also resulted in increased production in agriculture sector by increasing area coverage and productivity.

As per WTO's Trade Statistics, **share of India's agricultural exports and imports** in the world agriculture trade in 2017 was 2.27% and 1.90%, respectively. Even during the difficult time of pandemic lockdown, India took care to not to disturb the world food supply chain and continued to export. The exports of Agri commodities during March 2020 to June 2020 were Rs. 25552.7 Crore against an export of Rs. 20734.8 Crore during the same period in 2019, showing a sharp increase of 23.24%.

The agricultural exports as a percentage of India's agricultural GDP has increased from 9.4 % in 2017-18 to 9.9 % in 2018-19. While the agricultural imports as a percentage of India's agricultural GDP has declined from 5.7 % to 4.9 % indicating **exportable surplus** and decreased dependence on import of agricultural products in India.

Giant strides have been made in agri export since independence. In 1950-51, India's agri export was about Rs. 149 crores which has risen to the level of Rs. 2.53 lakh crores in 2019-20. There has been substantial increase in export of almost all the agricultural items in the last 15 years, but despite being one of the top producers of agricultural products, India does not figure among top exporters of agricultural produce. For example, **India holds second rank in the world wheat production** but ranks 34th in export. Similarly, despite being **world No. 3 in production of vegetables,** the export ranking of India is only 14th. Same is the case **for fruits, where India is the second largest producer in the world** but export ranking is 23rd. To reach the ranks of top exporting nation in Agriculture, commensurate with the production, there is a clear and categorical need to take proactive interventions.

To mention a few, the Export strategy focuses on export promotion of fast evolving niche markets of Wellness food/ Health conscious food/nutraceuticals; Development of “Brand India” in campaign mode to help penetration into new foreign markets and of new products which automatically translates into higher value realisation; **Gulf countries have been identified as focus destination to increase the market share** which is a strong market for India though presently India caters to only 10-12% share of their total imports.

Horticulture is a growing sub-sector. India holds 2nd position in production of fruits and vegetables. It exports 8.23 Lakh MT (LMT) of fruits worth Rs 5,638 crore and 31.92 LMT of vegetables worth Rs 5,679 Crores annually. **Grapes occupy the premier position in fresh fruit exports** followed by Mango, Pomegranate, Banana, and Oranges. In fresh vegetable export basket, Onions, Mixed Vegetables, Potatoes, Tomatoes, and Green Chilly are the major items. However, world trade of fruits and vegetables is US$ 208 billion and India’s share is miniscule. There is huge potential to increase export in fruits and vegetables. As such, specific strategy for export promotion has also been evolved for Fresh Fruits & Vegetables with specific emphasis on grapes, mango, pomegranate, onion, potato & Cucumber-Gherkin.

A time bound action plan has also been prepared for **import substitution with particular focus upon Edible Oils,** Cashew, fruits and spices thereby making India self –reliant.

At the behest of Department of Agricultural Cooperation & Farmers’ Welfare, Ministry of Agriculture, product specific **Export Promotion Forums have been created** to lead agri exports to new heights. Export promotion forums (EPFs) for eight agri & allied products viz. Grapes, Mango, Banana, Onion, Rice, Nutri-Cereals, Pomegranate and Floriculture have been constituted **under the aegis of Agricultural and Processed Food Products Export Development Authority** (APEDA), Department of Commerce.

Each Export Promotion Forum shall be having exporters of the related commodity as its members along with official members representing concerned Ministries/Departments of the Central and State Governments. **Chairman APEDA shall be the chairman of each of these forums.**

The Forums will constantly monitor and identify/anticipate developments in the external/internal situation pertaining to the production and export of their respective commodity and recommend /intervene for taking the necessary policy/ administrative measures.

The Agricultural and Processed Food Products Export Development Authority (APEDA)

APEDA was established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act passed by the Parliament in December, 1985. The Authority replaced the Processed Food Export Promotion Council (PFEPC). It comes under the Ministry of Commerce and Industry.

APEDA is mandated with the responsibility of export promotion and development of the following scheduled products:

- Fruits, Vegetables and their Products.
- Meat and Meat Products.
- Poultry and Poultry Products.
- Dairy Products.
- Confectionery, Biscuits and Bakery Products.
- Honey, Jaggery and Sugar Products.
- Cocoa and its products, chocolates of all kinds.
- Alcoholic and Non-Alcoholic Beverages.
- Cereal and Cereal Products.
- Groundnuts, Peanuts and Walnuts.
- Pickles, Papads and Chutneys.
- Guar Gum.
- Floriculture and Floriculture Products.
- Herbal and Medicinal Plants.

In addition to this, APEDA has been entrusted with the responsibility to monitor import of sugar.

APEDA has marked its presence in almost all agro potential states of India and has been providing services to agri-export community through its head office (Delhi), five Regional offices (Mumbai, Kolkata, Bangalore, Hyderabad and Guwahati) and 13 Virtual offices.

Functions

- Development of industries relating to the scheduled products for export by way of providing financial assistance or otherwise for undertaking surveys and feasibility studies, participation in enquiry capital through joint ventures and other reliefs and subsidy schemes;
- Registration of persons as exporters of the scheduled products on payment of such fees as may be prescribed;

- Fixing of standards and specifications for the scheduled products for the purpose of exports;
- Carrying out inspection of meat and meat products in slaughter houses, processing plants, storage premises, conveyances or other places where such products are kept or handled for the purpose of ensuring the quality of such products;
- Improving of packaging of the Scheduled products;
- Improving of marketing of the Scheduled products outside India;
- Promotion of export oriented production and development of the Scheduled products;
- Collection of statistics from the owners of factories or establishments engaged in the production, processing, packaging, marketing or export of the scheduled products or from such other persons as may be prescribed on any matter relating to the scheduled products and publication of the statistics so collected or of any portions thereof or extracts therefrom;
- Training in various aspects of the industries connected with the scheduled products;

COVAX – a collaboration between CEPI, Gavi and the World Health Organisation

CEPI, Gavi and the WHO have launched COVAX to **ensure equitable access** to COVID-19 vaccines and end the acute phase of the pandemic by the end of 2021.

Together we aim to produce **2 billion doses** of vaccine and distribute them globally and fairly in 2021. To support the vaccine R&D that is critical to achieving this goal, CEPI estimates that it **needs $2.1bn** to progress three vaccines to licensure, which will be made available to the world through COVAX.

COVAX works by pooling financial resources to develop vaccines, purchase them at scale, and investing up-front in manufacturing so that vaccines are ready to be distributed as soon as they are licensed.

Why COVAX
In the age of COVID-19 nobody is safe until everybody is safe. Making vaccines available to those who need them most is the fastest, as well as the fairest, way to bring the pandemic to an end. But if we are successful in developing a vaccine we are also going to face a situation where demand for COVID-19 vaccines will vastly outstrip supply.

We will need to carefully manage this scarce resource for the benefit of all and to prioritise protection of those who are most at risk.

Every country on the planet will need access to vaccines at the same time, to protect their most vulnerable populations.

That is already leading to a **race between countries to secure vaccine supply for their own population** called **Vaccine nationalism**, but this approach risks pushing countries to the back of the queue if they can't afford to make deals with manufacturers, and leaving many of those who are most vulnerable to the virus unprotected.

We need to ensure that the skills, experience and resources of the world make this a race against the virus not against each other.

Coalition for Epidemic Preparedness Innovations (CEPI)- A global coalition for a global problem
CEPI is an innovative global partnership between public, private, philanthropic, and civil society organisations launched in Davos in 2017 to develop vaccines to stop future epidemics.

Our mission is to accelerate the development of vaccines against emerging infectious diseases and enable equitable access to these vaccines for people during outbreaks.

CEPI was founded in Davos by the governments of Norway and **India**, the Bill & Melinda Gates Foundation, the Wellcome Trust, and the World Economic Forum.

Gavi (Global Alliance for Vaccines and Immunisation)
Established in 2000, Gavi is a public-private partnership that helps vaccinate almost half the world's children against deadly and debilitating infectious diseases.

Ministry of Defence (MoD) has formulated a Draft Defence Production and Export Promotion Policy 2020 (DPEPP 2020) (03-08-2020)

The DPEPP 2020 is envisaged as overarching guiding document of MoD to provide a focused, structured and significant thrust to defence production capabilities of the country for self-reliance and exports.

The policy has laid out following goals and objectives:

1. **To achieve** a **turnover of Rs 1,75,000 Crores (US$ 25Bn)** including export of Rs 35,000 Crore (US$ 5 Billion) in Aerospace and Defence goods and services by 2025.
2. **To develop** a dynamic, robust and competitive Defence industry, including Aerospace and Naval Shipbuilding industry to cater to the needs of Armed forces with quality products.
3. **To reduce** dependence on imports and take forward "Make in India" initiatives through domestic design and development.
4. **To promote** export of defence products and become part of the global defence value chains.
5. **To create** an environment that encourages R&D, rewards innovation, creates Indian IP ownership and promotes a robust and self-reliant defence industry.

NITI Aayog releases report on Export Preparedness Index (EPI) 2020 (26-08-2020)

NITI Aayog in partnership with the Institute of Competitiveness released the Export Preparedness Index (EPI) 2020. The **first report** to examine export preparedness and performance of Indian states, EPI intends to identify challenges and opportunities; enhance the effectiveness of government policies; and encourage a facilitative regulatory framework.

The **structure of the EPI includes 4 pillars** –Policy; Business Ecosystem; Export Ecosystem; Export Performance – **and 11 sub-pillars** –Export Promotion Policy; Institutional Framework; Business Environment; Infrastructure; Transport Connectivity; Access to Finance; Export Infrastructure; Trade Support; R&D Infrastructure; Export Diversification; and Growth Orientation.

States were divided in Four groups 1. Major States-Coastal 2. Major States-Landlocked 3. Himalayan States 4. UTs

Overall, **most of the Coastal States** are the best performers. **Gujarat, Maharashtra and Tamil Nadu occupy the top three ranks,** respectively in **Coastal States as well as in overall ranking** . Six of eight coastal states feature in the top ten overall rankings, indicating the presence of strong enabling and facilitating factors to promote exports.

In the landlocked states, Rajasthan has performed the best, followed by Telangana and Haryana. **Among the Himalayan states**, Uttarakhand is the highest, followed by Tripura and Himachal Pradesh. **Across the Union Territories**, Delhi has performed the best, followed by Goa and Chandigarh.

Based on the findings of the report, export promotion in India faces **three fundamental challenges**: intra- and inter-regional disparities in export infrastructure; poor trade support and growth orientation among states; and poor R&D infrastructure to promote complex and unique exports.

There is a need to emphasize on key strategies to address these challenges: a joint development of export infrastructure; strengthening industry-academia linkages; and creating state-level engagements for economic diplomacy. These strategies could be supported by revamped designs and standards for local products and by harnessing the innovating tendencies to provide new use cases for such products, with adequate support from the Centre.

To achieve the target of making India a developed economy by focusing on ‘Atmanirbhar Bharat’, there is a need to increase exports from all the states and union territories. The EPI provides invaluable insights on how states can attain this goal.

Fourth edition of Smart India Hackathon 2020-World Biggest open innovation model (04-08-2020)

Smart India Hackathon is a nationwide initiative to provide students with a platform to solve some of the pressing problems we face in our daily lives, and thus inculcate a culture of product innovation and a mindset of problem-solving. The first three editions SIH2017, SIH2018 and SIH2019 proved to be extremely successful in promoting innovation out-of-the-box thinking in young minds, especially engineering students from across India.

2020 Smart India Hackathon's Themes- No problem is too big... No idea is too small

SIH 2020 has Software & Hardware Edition:

In SIH 2020, the students would have the opportunity to work on challenges faced within various Ministries, Departments, Industries, PSUs and NGOs to create world class solutions for some of the top organizations including industries in the world, thus helping the Private sector hire the best minds from across the nation.It can help to:

- Harness creativity & expertise of students
- Spark institute-level hackathons
- Build funnel for 'Startup India' campaign
- Crowdsource solutions for improving governance and quality of life
- Provide opportunity to citizens to provide innovative solutions to India's daunting problems

Grand Finale of Software Edition

The SIH-2020, the 36-hour non-stop digital product building competition was a national level competition for software edition organized jointly by the Ministry of Human Resource Development (MHRD) and All India Council for Technical Education (AICTE)

Defence Institute of Advanced Technology (DIAT) Pune, an autonomous organization under the Department of Defence Research & Development, DRDO, won 1st prize in Smart India Hackathon (SIH)-2020

Public Private Partnership Appraisal Committee (PPPAC)

All PPP Projects sponsored by Central Government has to take approval from Public Private Partnership Appraisal Committee (PPPAC), chaired by Secretary (Department of Economic Affairs-MoF).

RBI releases National Strategy for Financial Education 2020-2025 (Creating a Financially Aware and Empowered India) (20-08-2020)

Subsequent to completion of the period of the **first National Strategy** for Financial Education (NSFE: 2013-2018), a review of the progress made was undertaken by the Technical Group on Financial Inclusion and Financial Literacy (TGFIFL- Chair: Deputy Governor, RBI) under the Financial Stability and Development Council (FSDC-Chair: Hon'ble Union Finance Minister).

Based on the review of progress made under the Strategy and keeping in view the various developments that have taken place over the last 5 years, notably the Pradhan Mantri Jan Dhan Yojana (PMJDY), the National Centre for Financial Education (NCFE) in consultation with the **four Financial Sector Regulators** (viz. RBI, SEBI, IRDAI and PFRDA) and other relevant stakeholders has prepared the revised NSFE (2020-2025).

National Centre for Financial Education

National Centre for Financial Education (NCFE) is a Section 8 (Not for Profit) Company promoted by RBI, SEBI, Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA)

- To promote Financial Education across India for all sections of the population as per the National strategy for Financial Education of Financial Stability and Development Council.
- To create financial awareness and empowerment through financial education campaigns across the country for all sections of the population through seminars, workshops, conclaves, trainings, programmes, campaigns etc

Purpose of NSFE

The NSFE document intends to support the Vision of the Government of India and Financial Sector Regulators by empowering various sections of the population to develop adequate knowledge, skills, attitude and behaviour which are needed to manage their money better and plan for their future. The Strategy recommends adoption of a Multi-Stakeholder Approach to achieve financial well-being of all Indians.

Strategic Objectives

To achieve the vision of creating a financially aware and empowered India, the **following Strategic Objectives** have been laid down:

i. Inculcate financial literacy concepts among the various sections of the population through financial education to make it an important life skill

ii. Encourage active savings behaviour

iii. Encourage participation in financial markets to meet financial goals and objectives

iv. Develop credit discipline and encourage availing credit from formal financial institutions as per requirement

v. Improve usage of digital financial services in a safe and secure manner

vi. Manage risk at various life stages through relevant and suitable insurance cover

vii. Plan for old age and retirement through coverage of suitable pension products

viii. Knowledge about rights, duties and avenues for grievance redressal
ix. Improve research and evaluation methods to assess progress in financial education

5 C approach
In order to achieve the Strategic Objectives laid down, the document recommends **adoption of a '5 C' approach** for dissemination of financial education.

Content
• Financial Literacy content for school children (including **curriculum** and co-scholastic), teachers, young adults, women, new entrants at workplace/entrepreneurs (MSMEs), senior citizens, persons with disabilities, illiterate people, etc.

Capacity
• Develop the capacity of various intermediaries who can be involved in providing financial literacy.
• Develop a 'Code of Conduct' for financial education providers.

Community
• Evolve community led approaches for disseminating financial literacy in a sustainable manner.

Communication
• Use technology, mass media channels and innovative ways of communication for dissemination of financial education messages.
• Identify a specific period in the year to disseminate financial literacy messages on a large/ focused scale.
• Leverage on Public Places with greater visibility (e.g. Bus Stands, Railway Stations, etc.) for meaningful dissemination of financial literacy messages.

Collaboration
• Preparation of an Information Dashboard.
• Integrate financial education content in school curriculum, various Professional and Vocational courses (undertaken by Ministry of Skill Development and Entrepreneurship (MSD&E) through their Sector Skilling Missions and the likes of B.Ed./M.Ed. programmes.
• Integrate financial education dissemination as part of various on-going programmes.
• Streamline efforts of other stakeholders for financial literacy.

The Strategy also suggests adoption of a robust '**Monitoring and Evaluation Framework'** to assess the progress made under the Strategy.

Financial Literacy and Financial Education
The Organization for Economic Co-operation & Development (OECD) defines Financial Literacy and Financial Education.

Financial Literacy is defined as a combination of financial awareness, knowledge, skills, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being.

Financial Education, on the other hand is defined as the process by which financial consumers/investors improve their understanding of financial products, concepts and risks and through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help and to take other effective actions to improve their financial well-being".

As can be seen, the term Financial Education and Financial Literacy are not the same, these are related concepts. **People achieve Financial Literacy through the process of Financial Education**.

Financial inclusion
Financial inclusion is a National priority of Government of India and the Financial Sector Regulators (RBI, SEBI, IRDAI and PFRDA) as it is an enabler for inclusive growth.
In the Indian context, financial inclusion is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players. Financial inclusion provides an avenue to the poor for integrating with the formal financial system.

While financial inclusion is essentially a supply-side intervention (Financial products and services), financial education is a demand side intervention.

Financial education plays a vital role in creating demand side response to the initiatives of the supply side interventions

Miscellaneous

1. Israel and United Arab Emirates (UAE) have reached an **agreement - brokered by the United States** - to work towards a "full normalisation of relations". Israel said it has agreed to "delay" the annexation of Palestinian lands in the occupied West Bank, but the plan "remains on table". The UAE is the first Gulf Arab state and the third Arab nation - after Egypt and Jordan - to announce active ties with Israel. (14-08-2020)

2. **Digital Quality of Life Index** 2020 released by Surfshark Ltd. Denmark topped. India ranked 57 out of 85 countries.

3. Nomura India **Business Resumption Index** is a **weekly tracker** of the pace at which economic activity is normalizing.

4. National Council of Applied Economic Research (NCAER)'s **Business Confidence Index** (BCI), an indicator of the business sentiment across the Indian industry. It is issued quarterly.

5. Raksha Mantri Shri Rajnath Singh launched Department of Defence Production, MoD's portal **SRIJAN** (srijandefence.gov.in, as "Opportunities for Make in India in Defence") which is a 'one stop shop online portal that provides access to the vendors to take up items that can be taken up for indigenization. On this portal, Defence PSUs/Ordnance Factory Board/Service Head Quarters can display their items which they have been importing or are going to import which the Indian Industry can design, develop and manufacture as per their capability or through joint venture with OEMs. The (14-08-2020)

6. India aims for 100 million tonnes (MT) **coal gasification by 2030** with investments worth over Rs. 4 lakh crores, said Shri Pralhad Joshi, Union Minister of Coal and Mines. For encouraging use of clean sources of fuel, government has provided for a concession of 20% on revenue share of coal used for gasification. (31-08-2020)

7. International Energy Agency released **Global Energy Review 2020 report**-The impacts of the Covid-19 crisis on global energy demand and CO_2 emissions.

Economy Current Affairs for the m/o September 2020

Parliament passes The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020 and The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020 (20-09-2020)

Parliament passed two bills aimed at transforming agriculture in the country and raising farmers' incomes.

The Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020

Background

Farmers in India suffered from various restrictions in marketing their produce. There were restrictions for farmers in selling agri-produce outside the notified APMC market yards. The farmers were also restricted to sell the produce only to registered licensees of the State Governments. Further, barriers existed in free flow of agriculture produce between various States owing to the prevalence of various APMC legislations enacted by the State Governments.

Main provisions –

- The new legislation will create an ecosystem where the farmers and traders will enjoy freedom of choice of sale and purchase of agri-produce.
- It will also promote barrier-free inter-state and intra-state trade and commerce outside the physical premises of markets notified under State Agricultural Produce Marketing legislations.
- The farmers will not be charged any cess or levy for sale of their produce and will not have to bear transport costs.
- The Bill also proposes an electronic trading in transaction platform for ensuring a seamless trade electronically.
- In addition to mandis, freedom to do trading at farmgate, cold storage, warehouse, processing units etc.
- Farmers will be able to engage in direct marketing thereby eliminating intermediaries resulting in full realization of price.

Doubts –

- Procurement at Minimum Support Price will stop
- If farm produce is sold outside APMC mandis, these will stop functioning
- What will be the future of government electronic trading portal like e-NAM

Clarification –

- Procurement at Minimum Support Price will continue, farmers can sell their produce at MSP rates.
- Mandis will not stop functioning, trading will continue here as before. Under the new system, farmers will have the option to sell their produce at other places in addition to the mandis
- The e-NAM trading system will also continue in the mandis
- Trading in farm produce will increase on electronic platforms. It will result in greater transparency and time saving

One India, One Agriculture Market

The Bill basically aims at creating additional trading opportunities outside the APMC market yards to help farmers get remunerative prices due to additional competition. This will supplement the existing MSP procurement system which is providing stable income to farmers.

It will certainly pave the way for creating One India, One Agriculture Market and will lay the foundation for ensuring golden harvests for our hard working farmers.

The Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020

Background

Indian Agriculture is characterized by fragmentation due to small holding sizes and has certain weaknesses such as weather dependence, production uncertainties and market unpredictability. This makes agriculture risky and inefficient in respect of both input & output management.

Main provisions –

- The new legislation seeks to provide for a national framework on farming agreements that protects and empowers farmers for engaging with processors, wholesalers, aggregators, large retailers, exporters etc., on a level playing field. Price assurance to farmers even before sowing of crops. In case of higher market price, farmers will be entitled to this price over and above the minimum price.

- It will transfer the risk of market unpredictability from the farmer to the sponsor. Due to prior price determination, farmers will be shielded from the rise and fall of market prices.
- It will also enable the farmer to access modern technology, better seed and other inputs.
- It will reduce cost of marketing and improve income of farmers.
- Effective dispute resolution mechanism has been provided for with clear time lines for redressal.
- Impetus to research and new technology in agriculture sector.

Doubts –

- Under contract farming, farmers will be under pressure and they will not be able to determine prices
- How will small farmers be able to practice contract farming, sponsors will shy away from them
- The new system will be a problem for farmers
- In case of dispute, big companies will be at an advantage

Clarification –

- The farmer will have full power in the contract to fix a sale price of his choice for the produce. They will receive payment within maximum 3 days.
- 10000 Farmer Producer organizations are being formed throughout the country. These FPOs will bring together small farmers and work to ensure remunerative pricing for farm produce
- After signing contract, farmer will not have seek out traders. The purchasing consumer will pick up the produce directly from the farm
- In case of dispute, there will be no need to go to court repeatedly. There will be local dispute redressal mechanism.

Benefits

This legislation will act as a catalyst to attract private sector investment for building supply chains for supply of Indian farm produce to national and global markets, and in agricultural infrastructure. Farmers will get access to technology and advice for high value agriculture and get ready market for such produce.

Farmers have been provided adequate protection. Sale, lease or mortgage of farmers' land is totally prohibited and farmers' land is also protected against any recovery. Effective dispute resolution mechanism has been provided for with clear time lines for redressal.

Parliament passes the Essential Commodities (Amendment) Bill, 2020 (22-09-2020)

The Essential Commodities (Amendment) Bill 2020 with provisions to **remove commodities like cereals, pulses, oilseeds, edible oils, onion and potatoes from the list of essential commodities** was passed by Parliament.

The EC (Amendment) Bill 2020 aims to **remove fears of private investors** of excessive regulatory interference in their business operations. The freedom to produce, hold, move, distribute and supply will lead to harnessing of economies of scale and attract private sector/foreign direct investment into agriculture sector. It will help drive up investment in cold storages and modernization of food supply chain.

The Government, while liberalizing the regulatory environment, has also ensured that interests of consumers are safeguarded. It has been provided in the Amendment, that **in situations such as war, famine, extraordinary price rise and natural calamity**, such agricultural foodstuff can be regulated. However, the installed capacity of a value chain participant and the export demand of an exporter will remain exempted from such stock limit imposition so as to ensure that investments in agriculture are not discouraged.

Background:

While India has become surplus in most Agri-commodities, farmers have been unable to get better prices due to lack of investment in cold storage, warehouses, processing and export as the entrepreneurial spirit gets dampened due to Essential Commodities Act. Farmers suffer huge losses when there are bumper harvests, especially of perishable commodities. The legislation will help drive up investment in cold storages and modernization of food supply chain. It will help both farmers and consumers while bringing in price stability. It will create competitive market environment and also prevent wastage of agri-produce that happens due to lack of storage facilities.

Domestic Systemically Important Insurers (D-SIIs) (24-09-2020)

Domestic Systemically Important Insurers (D-SIIs) refer to insurers of such size, market importance and domestic and global inter connectedness whose distress or failure would cause a significant dislocation in the domestic financial system. Therefore, the continued functioning of D-SIIs is critical for the uninterrupted availability of insurance services to the national economy.

D-SIIs are perceived as insurers that are 'too big or too important to fail' (TBTF). This perception and the perceived expectation of government support may amplify risk taking, reduce market discipline, create competitive distortions, and increase the possibility of distress in future. **These considerations require that D-SIIs should be subjected to additional regulatory measures to deal with the systemic risks** and moral hazard issues.

In order to identify such insurers and to put such insurers to enhanced monitoring mechanism, the Insurance Regulatory and Development Authority of India (IRDAI) has developed a methodology for identification and supervision of D-SIIs. The parameters, as per the methodology for identification of D-SIIs, inter alia include the following:

a. the size of operations in terms of total revenue, including premium underwritten and the value of assets under management;
b. global activities across more than one jurisdiction;
c. lack of substitutability of their products and/or operations; and
d. interconnectedness through counterparty exposure and macro-economic exposure.

These parameters were assigned weights to cover various aspects of their operations. The Authority would identify D-SIIs on an annual basis and disclose the names of these insurers for public information.

After analysis of data, the Authority has identified for the year 2020-21, the following insurers as D-SIIs:

a. Life Insurance Corporation of India;
b. General Insurance Corporation of India; and
c. The New India Assurance Co. Ltd.

Given the nature of their operations and the systemic importance of the D-SIIs, these insurers have been asked to carry out the following:
(i) Raise the level of corporate governance;
(ii) identify all relevant risk and promote a sound risk management culture.

D-SIIs will also be subjected to enhanced regulatory supervision.

4th edition of Business Reform Action Plan (BRAP) ranking of states (05-09-2020)

Ranking of States based on the implementation of Business Reform Action Plan started in the year 2015. Till date, State Rankings have been released for the years 2015, 2016 and 2017-18.The Business Reform Action Plan 2018-19 includes 180 reform points covering 12 business regulatory areas such as Access to Information, Online Single Window System, Labour, Environment, etc.

The larger objective of attracting investments and increasing Ease of Doing Business in each State was sought to be achieved by introducing an element of healthy competition through a system of ranking states based on their performance in the implementation of Business Reform Action Plan.

State rankings will help attract investments, foster healthy competition and increase Ease of Doing Business in each State.

The top ten states under State Reform Action Plan 2019 are:

1. Andhra Pradesh
2. Uttar Pradesh
3. Telangana
4. Madhya Pradesh
5. Jharkhand
6. Chhattisgarh
7. Himachal Pradesh
8. Rajasthan
9. West Bengal
10. Gujarat

India has Air Bubble Agreements with 10 Countries (17-09-2020)

India has entered into Air Bubble agreements with 10 countries viz. USA, Canada, France, Germany, UK, Maldives, UAE, Qatar, Afghanistan and Bahrain, till 13.09.2020.

The essential details of Air Bubbles agreements are as follows:
1. These are **temporary agreements** between two countries aimed at restarting commercial passenger services when regular international flights are suspended as a result of the COVID-19 pandemic.
2. They are reciprocal in nature i.e. airlines from both countries enjoy similar benefits.
3. Tickets for the flights are sold through the airlines' website, travel agents and Global Distribution Systems.

In view of the ongoing COVID-19 pandemic, there are restrictions on international flight operations to/from India. The Indian aviation and health infrastructure is currently trying its best to efficiently handle the large scale Vande Bharat Mission and Air Bubble operations. Limited quarantine and other related health facilities to be provided by the State Governments is a factor that has to be taken into account before regular commercial scheduled international operations are allowed.

India ranked in the top 50 nations in the Global Innovation Index (02-09-2020)

India has climbed 4 spots and has been ranked 48th by the World Intellectual Property Organization in the Global Innovation Index 2020 rankings. In midst of the Covid -19 pandemic, it comes as an uplifting news for India, and is a testament of its robust R&D Ecosystem. India was at the 52nd position in 2019 and was ranked 81st in the year 2015.

It is a remarkable achievement to be in a league of highly innovative developed nations all over the globe. The WIPO had also accepted India as one of the leading innovation achievers of 2019 in the central and southern Asian region, as it has shown a consistent improvement in its innovation ranking for the last 5 years.

The consistent improvement in the global innovation index rankings is owing to the immense knowledge capital, the vibrant startup ecosystem, and the amazing work done by the public & private research organizations. The scientific ministries like the Department of Science and Technology, the Department of Biotechnology and the Department of space have played a pivotal role in the enriching the national innovation Ecosystem.

The NITI Aayog has been working tirelessly to ensure optimization of national efforts in this direction by bringing policy led innovation in different areas such as EVs, biotechnology, Nano technology, Space, alternative energy sources, etc.

The India Innovation Index, which was released last year by the NITI Aayog, has been widely accepted as the major step in the direction of decentralization of innovation across all the states of India. A constant thrust in monitoring and evaluating India's position in global rankings has been provided by the NITI Aayog, including the global innovation index. India must aim high and double its efforts in improving its ranking in the global innovation index. The call for Aatma Nirbhar Bharat by the Hon'ble Prime Minister could only be realized if India punches above its weight class and compete with global superpowers in developing scientific interventions. It is time that India brings a paradigm shift and aims to be in the top 25 countries in the next global innovation index rankings.

Aquaponics

Aquaponics is an emerging technique in which both fishes as well as the plants are grown in an integrated manner. The fish waste provides fertilizer for growing plants. The plants absorb nutrients and filter the water. This filtered water is used to replenish the fish tank. This is an environment friendly technique.
Aquaponics and related alternative farming techniques are highly required to improve the status of farmers.

One District One Product Concept for Encouraging Domestic Manufacturing (18-09-2020)

Based on strengths of a district and National Priorities, One District One Product (ODOP) is seen as a transformational step forward towards realizing the true potential of a district, fuel economic growth and generate employment and rural entrepreneurship, taking us to the goal of Aatma Nirbhar Bharat. In this contest, an interaction with all States and UTs was held on 27th August, 2020 to discuss the implementation of One District One Product initiative, and Department for Promotion of Industry and Internal Trade (DPIIT) is working further on the initiative.

Further, Department of Commerce through DGFT is engaging with State and Central government agencies to promote the initiative of One District One Product. The objective is to convert each District of the country into an export hub by identifying products with export potential in the District, addressing bottlenecks for exporting these products, supporting local exporters, manufacturers to scale up manufacturing, and find potential buyers outside India with the aim of promoting exports, promoting manufacturing & services industry in the District and generate employment in the District.

As part of this initiative, an institutional mechanism is being set up in each District in the form of District Export Promotion Committees (DEPCs) that may be headed by DM/ Collector/ DC/ District Development Officer of the District and co-chaired by the designated Regional Authority of DGFT and various other stakeholders as its members. The primary function of the DEPC will be to prepare and act on District specific Export Action Plans in collaboration with all the relevant stakeholders from the Centre, State and the District level.
DGFT has also developed a portal that may be accessed on the DGFT website to enable the States to upload all information related to the products with export potential of every district. Portal has been developed and is currently being tested.

Products with export potential are being identified in different districts across the country, and accordingly State Export Strategies are being prepared.

RuPay Contactless

RuPay Contactless is a card which allows you to make payments in fraction of seconds, just by tapping the card on the card reader (supporting contactless transactions). You don't need to enter the PIN for completing contactless payments below INR 5000. Above INR 5000, you can still tap the card to make contactless payments, but PIN entry is mandatory.

Contactless card is a chip card with an inbuilt radio frequency antenna. This antenna uses Near Field Communication (NFC) technology to establish a secure connection with contactless reader to transmit payment related data. Hence, contactless card need not to be in contact with the reader, a simple tap on the reader will initiate a transaction.

Coal sector

Coal India Limited (CIL) is a 'Maharatna' company under the Ministry of Coal, Government of India with headquarters at Kolkata, West Bengal. CIL is the single largest coal producing company in the world

The largest coal producing countries are not confined to one region - the top five hard coal producers in 2018 are China, India, USA, Indonesia and Australia. Much of global coal production is used in the country in which it was produced; only around 15% of hard coal production is destined for the international coal market.

Coal is mined by two methods: surface or 'opencast' mining or underground or 'deep' mining.

The choice of mining method largely depends on the geology of the coal deposit. Underground mining currently accounts for a bigger share of world coal production than opencast

Coal reserves in World
Coal reserves are available in almost every country worldwide, with recoverable reserves in around 70 countries. The biggest reserves are in the USA, Russia, China, Australia and India.
There are an estimated 1.1 trillion tonnes of proven coal reserves worldwide. This means that there is enough coal to last us around 150 years at current rates of production. In contrast, proven oil and gas reserves are equivalent to around 50 and 52 years at current production levels.

Coal seam methane
Methane (CH_4) is a gas formed as part of the process of coal formation. When coal is mined, methane is released from the coal seam and the surrounding disturbed rock strata. Methane can also be released as a result of natural erosion or faulting.

Underground mines account for the overwhelming majority (up to 90%) of all methane emissions from the coal sector.

Methane is highly combustible – its release can have serious implications for the safety of mine operations. It is also a potent greenhouse gas (GHG).

Methane can also act as a valuable source of energy- it is the principal constituent of natural gas - allowing countries to further diversify their energy supplies.

Steel Sector

In 2019, the world crude steel production reached 1869 million tonnes (MT) and showed a growth of 3% over CY 2018. China remained world's largest crude steel producer in 2019 (996 MT) followed by India (111 MT), Japan (99 MT) and the USA (88 MT), based on rankings released by the World Steel Association.

Rapid rise in production has resulted in India becoming the **2nd largest producer** of crude steel during 2018 and 2019, from its 3rd largest status in 2017.

India was the largest producer of Sponge Iron or Direct reduced iron (DRI) in the world in 2019.

Per capita finished steel consumption in 2019 was 229.3 kg for world and 663 kg for China. The same for India was 74.3 kg in 2019.

India is 3rd largest finished steel consumer in the world after China & USA in 2019. India is likely to become the second largest steel-consuming country surpassing the United States.

India emerged as a net exporter of total finished steel in 2016-17, 2017-18 and 2019-20 (9th Rank in 2019, China 1st rank). US is net importer first rank.

Price regulation of iron & steel was abolished on 16.1.1992. Since then steel prices are determined by the interplay of market forces

Financial Sector Assessment Programme (FSAP)

FSAP is a quinquennial exercise jointly conducted by IMF and World Bank (WB) and involves a comprehensive and in-depth analysis of a country's financial sector to assess financial stability and financial sector development.

Launched in 1999 in the wake of the Asian financial crisis, the program brings together Bank and Fund expertise to help countries reduce the likelihood and severity of financial sector crises.

India underwent its first FSAP exercise in 2011-12 and the second FSAP in 2017.

Department of Economic Affairs, in close coordination with financial sector Regulators and Ministries/ Departments concerned, facilitates and coordinates all matters related to FSAP undertaken for India, including following up on the recommendations of FSAP.

Subsequent to the FSAP exercise in 2017, the IMF and the WB published their reports, including the Financial System Stability Assessment Report (FSSA) and Financial Sector Assessment (FSA) report respectively

Balanced budget

The government may spend an amount equal to the revenue it collects. This is known as a balanced budget.

If it needs to incur higher expenditure, it will have to raise the amount through taxes in order to keep the budget balanced.

When tax collection exceeds the required expenditure, the budget is said to be in surplus.

However, the most common feature is the situation when expenditure exceeds revenue. This is when the government runs a budget deficit

Appointments Committee of the Cabinet.

Composition:

1. Prime Minister.
2. Shri Amit Shah, Minister of Home Affairs

Govt's Selection Policy for Board Level Appointments in PSUs

Public Enterprises Selection Board [P.E.S.B.] is a high powered body constituted by Government of India with the objective of evolving a sound managerial policy for the Central Public Sector Enterprises and, in particular, to advise Government on appointments to their top management posts. (eg. Chairman, Directors)

The P.E.S.B shall not be a mere Interview Board and it shall, also, constitute itself into a Search Committee to look out for and identify suitable persons who can be appointed to Level-I and Level-II posts in PSEs.

It works under Ministry of Personnel, Public Grievances and Pensions

Economy Current Affairs for the m/o October 2020

Cabinet approves 'Natural Gas Marketing Reforms' (07-10-2020)

The Cabinet Committee on Economic Affairs chaired by the Prime Minister Shri Narendra Modi has approved 'Natural Gas Marketing Reforms', taking another significant step to move towards gas based economy. The objective of the policy is to prescribe standard procedure to discover market price of gas to be sold in the market by gas producers, through a transparent and competitive process, permit Affiliates to participate in bidding process for sale of gas and allow marketing freedom to certain Field Development Plans (FDPs) where Production Sharing Contracts already provide pricing freedom.

The policy aims to provide standard procedure for sale of natural gas in a transparent and competitive manner to discover market price by issuing guidelines for sale by contractor through e-bidding. This will bring uniformity in the bidding process across the various contractual regimes and policies to avoid ambiguity and contribute towards ease of doing business.

The policy has also permitted Affiliate companies to participate in the bidding process in view of the open, transparent and electronic bidding. This will facilitate and promote more competition in marketing of gas. However, rebidding will have to be done in case only affiliates participate, and there are no other bidders.

The policy will also grant marketing freedom to the Field Development Plans (FDPs) of those Blocks in which Production Sharing Contracts already provide pricing freedom.

These reforms will build on a series of transformative reforms rolled out by the Government in last several years. These reforms in gas sector will further deepen and spur the economic activities in the following areas:

- The whole eco-system of policies relating to production, infrastructure and marketing of natural gas has been made more transparent with a focus on ease of doing business.
- These reforms will prove very significant for Atmanirbhar Bharat by encouraging investments in the domestic production of natural gas and reducing import dependence.
- These reforms will prove to be another milestone in moving towards a gas based economy by encouraging investments.
- The increased gas production consumption will help in improvement of environment.
- These reforms will also help in creating employment opportunities in the gas consuming sectors including MSMEs.
- The domestic production will further help in increasing investment in the downstream industries such as City Gas Distribution and related industries.

PM launches physical distribution of Property Cards under the SVAMITVA Scheme (11-10-2020)

Prime Minister said ownership of land and house plays a big role in the development of the country. He added when there is a record of property, citizens gain confidence and new avenues of investment open. Loan is easily available from the bank on record of property, employment and self-employment avenues open. But the difficulty is that today only one third of the population in the world has a record of their property legally. He added the property card will clear the way to buy and sell property without any dispute for the villagers. He said today we have so many youths in the village who want to do something on their own. After getting the property card, easy access to loans from banks on their houses would be ensured. He said with the new technology like using drones in mapping and survey, accurate land records of every village can be created. Due to accurate land records, development related work in the village will also be easier which would be another benefit of these property cards.

About SVAMITVA

SVAMITVA is a Central Sector Scheme of the Ministry of Panchayati Raj, which was launched by the Prime Minister on National Panchayati Raj Day, 24th April 2020.The scheme aims to provide the 'record of rights' to village household owners in rural areas and issue Property Cards.

The Scheme is being implemented across the country in a phased manner over a period of four years (2020-2024) and would eventually cover around 6.62 lakh villages of the country.

About 1 lakh villages in the States of Uttar Pradesh, Haryana, Maharashtra, Madhya Pradesh, Uttarakhand and Karnataka, and few border villages of Punjab & Rajasthan, along with establishment of Continuous Operating System (CORS) stations' network across Punjab & Rajasthan, are being covered in the Pilot phase (2020-21).

The scheme helps to map rural inhabited lands using drones and latest survey methods. The scheme will ensure streamlined planning, revenue collection and provide clarity over property rights in rural areas. This will open up avenues for applying for loans from financial institutions by the owners. Disputes related to property would also be settled through the title deeds allotted through this scheme.

Prime Minister Shri Narendra Modi dedicated to the nation the World's longest Highway tunnel – Atal Tunnel (03-10-2020)

The 9.02 Km long tunnel connects Manali to Lahaul-Spiti valley throughout the year. Earlier the valley was cut off for about 6 months each year owing to heavy snowfall.

The Tunnel is built with ultra-modern specifications in the Pir Panjal range of Himalayas at an altitude of 3000 Mtrs (10,000 Feet) from the Mean Sea Level (MSL).

The tunnel reduces the road distance by 46 Kms between Manali and Leh and the time by about 4 to 5 hours.

PM added that now parts of Himachal Pradesh and Leh-Ladakh will always be connected with the rest of the country and would witness speedier economic progress.

He said farmers, horticulturalists and youth will now also have easy access to the capital of Delhi and other markets.

The Prime Minister said that such border connectivity projects will also aid the security forces in ensuring regular supplies to them and also in their patrolling.

He said infrastructure should be developed at a fast pace when the country needs to progress economically and socially.

The Prime Minister said Atal ji laid the foundation of the approach road for this tunnel in 2002. He said the delay in the completion of such important and major infrastructure projects causes financial losses and deprives people of economic and social benefits.

Economy Current Affairs for the m/o November 2020

Government sets up Inter-Ministerial Committee to strengthen the Capital Goods Sector (11-11-2020)

The government has set up a 22-member inter-ministerial committee under the **chairmanship of Secretary**, **Department of Heavy Industries** in strengthening the Capital Goods (CG) Sector through interventions that help the CG Sector in contributing more actively in the national goal of achieving a USD 5 trillion economy and a USD 1 trillion manufacturing sector.

The Committee will look into on all such issues pertaining to the Capital Goods Sector including technology development, mother technology development, global value chains, testing, skill training, global standards, reciprocity issues, custom duties to make this sector globally competitive and to become the manufacturing hub for the world.

Government of India blocks 43 mobile apps from accessing by users in India (24-11-2020)

Ministry of Electronics and Information Technology, Government of India issued an order **under section 69A of the Information Technology Act** blocking access to 43 mobile apps. This action was taken based on the inputs regarding these apps for engaging in activities which are prejudicial to sovereignty and integrity of India, defence of India, security of state and public order.

Ministry of Electronics and Information Technology has issued the order for blocking the access of these apps by users in India based on the comprehensive reports received from Indian Cyber Crime Coordination Center, Ministry of Home Affairs.

Earlier on 29th June, 2020 the Government of India had blocked access to 59 mobile apps and on 2nd September, 2020 118 more apps were banned under section 69A of the Information Technology Act.

Government is committed to protect the interests of citizens and sovereignty and integrity of India on all fronts and it shall take all possible steps to ensure that.

These all apps belong to China.

Petroleum Minister lays foundation stone for the first 50 LNG fueling stations, says 1000 LNG stations will be set up in next three years (19-11-2020)

Shri Dharmendra Pradhan, Minister of Petroleum & Natural Gas and Steel laid the foundation stone for the first 50 LNG fueling stations, across the golden quadrilateral and major National Highways.This is part of a slew of initiatives of the Ministry of Petroleum and Natural Gas in realizing Hon'ble Prime Minister Shri Narendra Modi's vision of transforming India into a Gas based economy.

Government has identified LNG as a transport fuel as a priority area considering the potential of manifold benefits in terms of reducing vehicular pollution, saving in terms of import bill of the country and wide ranging benefits that may accrue to fleet operators, vehicle manufacturers and other entities in the gas sector.

In this regard, gas infrastructure is being set up, in terms of laying of pipelines, setting up of terminals, enhancing gas production, introduction of simple and rational tax structure.

The Minister said that the LNG is not only almost **40% cheaper than diesel** but also causes very less pollution. He said that the Government will set up LNG stations at the distance of 200-300 km on golden quadrilateral, and within 3 years, we will have 1000 LNG stations on all major roads, industrial hubs and mining areas. He expressed confidence that 10% of the trucks will adopt LNG as fuel.

Natural Gas, being an environment friendly clean fossil fuel, has potential to play a significant role in providing solutions to the environmental challenges as well as ever growing energy needs in a sustainable manner. Accordingly, Government of India has focused to promote the usage of natural gas as a fuel/feedstock across the country to increase the share of natural gas in primary energy mix from current level of 6.3 % to 15% by 2030.
LNG use in trucks can reduce SOx emissions by 100% and NOx emissions by 85% thus befitting society at large.

Cabinet approves Production-Linked Incentive (PLI) Scheme to 10 key Sectors for Enhancing India's Manufacturing Capabilities and Enhancing Exports – Atmanirbhar Bharat (11-11-2020)

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi has given its approval to introduce the Production-Linked Incentive (PLI) Scheme in the following 10 key sectors for Enhancing India's Manufacturing Capabilities and Enhancing Exports – Atmanirbhar Bharat.

Priority	Sectors	Implementing Ministry/Department	Approved financial outlay over a five-year period Rs.crore
1	Advance Chemistry Cell (ACC) Battery	NITI Aayog and Department of Heavy Industries	18100
2	Electronic/Technology Products	Ministry of Electronics and Information Technology	5000
3	Automobiles & Auto Components	Department of Heavy Industries	57042
4	Pharmaceuticals drugs	Department of Pharmaceuticals	15000
5	Telecom & Networking Products	Department of Telecom	12195
6	Textile Products: MMF segment and technical textiles	Ministry of Textiles	10683
7	Food Products	Ministry of Food Processing Industries	10900
8	High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	4500
9	White Goods (ACs & LED)	Department for Promotion of Industry and Internal Trade	6238
10	Speciality Steel	Ministry of Steel	6322
Total			**145980**

The PLI scheme **will be implemented by the concerned ministries/departments** and will be within the overall financial limits prescribed.

The PLI scheme across these 10 key specific sectors will make Indian manufacturers globally competitive, attract investment in the areas of core competency and cutting-edge technology; ensure efficiencies; create economies of scale; enhance exports and make India an integral part of the global supply chain.

ACC battery manufacturing represents one of the largest economic opportunities of the twenty-first century for several global growth sectors, such as consumer electronics, electric vehicles, and renewable energy. The PLI scheme for ACC battery will incentivize large domestic and international players in establishing a competitive ACC battery set-up in the country.

India is expected to have a USD 1 trillion digital economy by 2025. Additionally, the Government's push for data localization, Internet of Things market in India, projects such as Smart City and Digital India are expected to increase the demand for electronic products. The PLI scheme will boost the production of electronic products in India.

The automotive industry is a major economic contributor in India. The PLI scheme will make the Indian automotive Industry more competitive and will enhance globalization of the Indian automotive sector.

The **Indian pharmaceutical industry** is the third largest in the world by volume and 14th largest in terms of value. It contributes 3.5% of the total drugs and medicines exported globally. India possesses the complete ecosystem for development and manufacturing of pharmaceuticals and a robust ecosystem of allied industries. The PLI scheme will incentivize the global and domestic players to engage in high value production.

Telecom equipment forms a critical and strategic element of building a secured telecom infrastructure and India aspires to become a major original equipment manufacturer of telecom and networking products. The PLI scheme is expected to attract large investments from global players and help domestic companies seize the emerging opportunities and become big players in the export market.

The **Indian textile industry** is one of the largest in the world and has a share of ~5% of global exports in textiles and apparel. But India's share in the manmade fibre (MMF) segment is low in contrast to the global consumptionpattern, which is majorly in this segment. The PLI scheme will attract large investment in the sector to further boost domestic manufacturing, especially in the MMF segment and technical textiles.

The growth of the **processed food industry** leads to better price for farmers and reduces high levels of wastage. Specific product lines having high growth potential and capabilities to generate medium- to large-scale employment have been identified for providing support through PLI scheme.

Large imports of **solar PV panels** pose risks in supply-chain resilience and have strategic security challenges considering the electronic (hackable) nature of the value chain. A focused PLI scheme for solar PV modules will incentivize domestic and global players to build large-scale solar PV capacity in India and help India leapfrog in capturing the global value chains for solar PV manufacturing.

White goods (air conditioners and LEDs) have very high potential of domestic value addition and making these products globally competitive. A PLI scheme for the sector will lead to more domestic manufacturing, generation of jobs and increased exports.

Steel is a strategically important industry and India is the world's second largest steel producer in the world. It is a net exporter of finished steel and has the potential to become a champion in certain grades of steel. A PLI scheme in Specialty Steel will help in enhancing manufacturing capabilities for value added steel leading to increase in total exports.

The above will be in addition to the **already notified PLI schemes** in the following sectors:

No.	Sectors	Implementing Ministry/Department	Financial outlays Rs. Crore
	Mobile Manufacturing and Specified Electronic Components	MEITY	40951
	Critical Key Starting materials/Drug Intermediaries and Active Pharmaceutical Ingredients	Department of Pharmaceuticals	6940
	Manufacturing of Medical Devices.		3420
Total			**51311**

The Prime Minister's clarion call for an 'AatmaNirbhar Bharat' envisages policies for the promotion of an efficient, equitable and resilient manufacturing sector in the country.Growth in production and exports of industrial goods will greatly expose the Indian industry to foreign competition and ideas, which will help in improving its capabilities to innovate further. Promotion of the manufacturing sector and creation of a conducive manufacturing ecosystem will not only enable integration with global supply chains but also establish backward linkages with the MSME sector in the country. It will lead to overall growth in the economy and create huge employment opportunities.

Launch of RuPay card phase two in Bhutan (20-11-2020)

A Virtual Ceremony for the joint launch of RuPay card Phase-II by Prime Minister Shri Narendra Modi and Prime Minister of Bhutan Lyonchhen Dr. Lotay Tshering held on 20 November 2020.

The Prime Ministers of India and Bhutan had jointly launched Phase-I of the project during the State Visit of Prime Minister to Bhutan in August 2019. The implementation of Phase-I of RuPay cards in Bhutan has enabled visitors from India to access ATMs and Point of Sale (PoS) terminals across Bhutan. Phase-II will now allow Bhutanese card holders to access RuPay network in India.

Finance Minister announces measures on AatmaNirbhar Bharat 3.0 (12-11-2020)

Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman has announced 12 key measures, as part of Government of India's stimulus to the economy, under AatmaNirbhar Bharat 3.0. The net stimulus announced today amounts to ₹ 2.65 Lakh crore. While addressing the Press Conference, Smt Sitharaman also informed that the total stimulus announced by the Government and Reserve Bank of India till date, to help the nation tide over the COVID-19 pandemic, works out to ₹ 29.87 lakh crore, which is 15% of national GDP. Out of this, stimulus worth 9% of GDP has been provided by the government.

The following are the 12 keyannouncements under AatmaNirbhar Bharat 3.0-

1) AatmaNirbhar Bharat Rozgar Yojana

A new scheme to incentivize job creation during COVID-19 recovery has been launched. If EPFO-registered establishments take in new employees without EPFO registration or those who lost jobs earlier, the Yojana will benefit these employees.

Beneficiaries / New Employees under the scheme would be:

- any new employee joining employment in EPFO registered establishments on monthly wages less than Rs.15,000
- EPF members drawing monthly wage of less than Rs.15,000 who made exit from employment during COVID Pandemic from 01.03.2020 to 30.09.2020 and is employed on or after 01.10.2020.

Central Govt. will provide subsidy for two years in respect of new eligible employees engaged on or after 01.10.2020 at following scale:

- **Establishments employing up to 1000 employees**: Employee's contributions (12% of Wages) & Employer's contributions (12% of wages) totalling 24% of wages
- **Establishments employing more than 1000 employees**: Only Employee's EPF contributions (12% of EPF wages)

The scheme will be effective from October 1, 2020 and operational till 30th June 2021. Certain other eligibility criteria would have to be met, and Central Government will provide subsidy for two years in respect of new eligible employees.

2)Emergency Credit Line Guarantee Schemefor MSMEs, businesses, MUDRA borrowers and individuals (loans for business purposes), has been extended till March 31, 2021.

A Credit guarantee support scheme ECLGS 2.0 is being launched for Healthcare sector and 26 stressed sectors with credit outstanding of above Rs. 50 crore and up to ₹ 500 Croreas on 29.2.2020stressed due to COVID-19, among other criteria. Entities will get **additional credit up to 20% of outstanding credit** with a tenor of five years, including 1 year moratorium on principal repayment. This scheme will be available till 31.3.2021.

3) Production Linked Incentive worth ₹ 1.46 Lakh Crore to 10 champion sectors.

10 more Champion Sectors will be covered under the Production Linked Incentives Scheme to help boost competitiveness of domestic manufacturing. This will give a big boost to economy, investment, exports and job creation.

A total amount of nearly 1.5 Lakh Crore has been earmarked across sectors, for next five years. The ten sectors are - Advance Cell Chemistry Battery, Electronic/Technology Products, Automobiles & Auto Components, Pharmaceuticals Drugs, Telecom & Networking Products, Textile Products, Food Products, High Efficiency Solar PV Modules, White Goods (ACs & LED), and Specialty Steel.

4) ₹ 18,000 Crore Additional outlay of for PM Awaas Yojana - Urban

A sum of Rs 18000 cr is being provided for PMAY- Urban over and above Rs. 8000 Crore already allocated this year. This will help ground 12 Lakh houses and complete 18 Lakh houses, create additional 78 Lakh jobs and improve production and sale of steel and cement, resulting in multiplier effect on economy.

5) Support for Construction & Infrastructure – Relaxation of Earnest Deposit Money & Performance Security on Government Tenders

To provide ease of doing business and relief to contractors whose money otherwise remains locked up, performance security on contracts has been **reduced from 5-10% to 3%.**It will also extend to ongoing contracts and Public Sector Enterprises. EMDfor tenders will be replaced by Bid Security Declaration. The relaxations in the General Financial Rules will be in force till December 31, 2021.

6) Income Tax relief for Developers & Home Buyers

Differential between circle rate and agreement value in real estate income tax under Section 43 CA of IT Act has been increased from 10% to 20%. This is for primary sale of residential units up to ₹ 2 Crore (from date of announcement of this scheme, till June 30 2021).Consequential Relief up to 20% shall also be allowed to buyers of these units under section 56(2)(x) of IT Act for the said period.The Income Tax relief provides incentive to middle class to buy homes.

7) Platform for Infra Debt Financing
Government will make ₹6,000 Crore equity investment in debt platform of National Investment and Infrastructure Fund (NIIF), which will help NIIF provide a debt of ₹ 1.1 Lakh Crore for infrastructure projects by 2025.

8) Support for Agriculture: ₹65,000 Crore for subsidized fertilizers
As fertilizer consumption is going up significantly, ₹65,000 Crore is being provided to ensure increased supply of fertilizers to farmers to enable timely availability of fertilisers in the upcoming crop season.

9) Boost for Rural Employment:
Additional outlay of ₹10,000 Crore is being provided for PM Garib Kalyan Rozgar Yojana to provide rural employment. This will help accelerate rural economy.

10) Boost for Project Exports
₹3,000 Crore boost is being providedto EXIM Bank for promoting project exports under Indian Development and Economic Assistance Scheme (IDEAS Scheme). This will help EXIM Bank facilitate Lines of Credit development assistance activities and promote exports from India.

11) Capital and Industrial Stimulus
₹10,200 Crore additional budget stimulus is being provided for capital and industrial expenditure on domestic defence equipment, industrial infrastructure and green energy.

12) R&D grant for COVID Vaccine
₹900 Crore is being provided to Department of Biotechnology for Research and Development of Indian COVID Vaccine.

Reserve Bank Innovation Hub (17-11-2020)

The Reserve Bank in its Monetary Policy Statement on Development and Regulatory Policies dated August 06, 2020, had announced that the Bank will set up Reserve Bank Innovation Hub (RBIH) to promote innovation across the financial sector by leveraging on technology and creating an environment which would facilitate and foster innovation.

RBIH would be guided and managed by a Governing Council (GC) led by a **Chairperson**. The Reserve Bank has appointed **Shri Senapathy (Kris) Gopalakrishnan**, co-founder and former co-Chairman, Infosys, as the first Chairperson of the RBIH. Shri Gopalakrishnan is currently the Chief Mentor of Start-up Village, an incubation hub for start-ups.

The RBIH shall create an eco-system that would focus on promoting access to financial services and products. This will also promote financial inclusion. The Hub will collaborate with financial sector institutions, technology industry and academic institutions and coordinate efforts for exchange of ideas and development of prototypes related to financial innovations. It would develop internal infrastructure to promote fintech research and facilitate engagement with innovators and start-ups.

Cabinet approves Scheme of Amalgamation of Lakshmi Vilas Bank with DBS Bank India Limited (25-11-2020)

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi has given its approval to the Scheme of Amalgamation of Lakshmi Vilas Bank Limited (LVB) with DBS Bank India Limited (DBIL).

The financial position of The **Lakshmi Vilas Bank Ltd. (the bank) has undergone a steady decline with the bank incurring continuous losses** over the last three years, eroding its net-worth. In absence of any viable strategic plan, declining advances and mounting non-performing assets (NPAs), the losses are expected to continue. The bank has not been able to raise adequate capital to address issues around its negative net-worth and continuing losses. Further, the bank is also experiencing continuous withdrawal of deposits and low levels of liquidity.

On 17.11.2020, to protect depositors' interest and in the interest of financial and banking stability, on RBI's application under section 45 of the Banking Regulation Act, 1949, **LVB had been under moratorium** for a period of 30 days. In parallel, RBI, in consultation with Government, superseded the Board of Directors of LVB and appointed an Administrator to protect the depositors' interest.

After inviting suggestions and objections from the public and stakeholders, RBI prepared and provided a scheme for the bank's amalgamation for the Government's sanction, well in. advance of end of the period of moratorium so that restrictions on withdrawal faced by the depositors are minimised. With the approval of the scheme, LVB will be amalgamated with DBIL from the appointed date, and with this there will no further restrictions on the depositors regarding withdrawal of their deposits.

Customers, including depositors of the Lakshmi Vilas Bank Ltd. will be able to operate their accounts as customers of DBS Bank India Ltd. with effect from November 27, 2020.

DBIL is a banking company licenced by RBI and operating in India through wholly owned subsidiary model, DBIL has a strong balance-sheet, with **strong capital support** and it has the advantage of a strong parentage of DBS, a leading financial services group in Asia, with presence in 18 markets and headquartered and listed in Singapore. The combined balance-sheet of DBIL would remain healthy even after amalgamation and its branches would increase to 600.
The speedy amalgamation and resolution of the stress in LVB is in line with Government's commitment to a clean banking system while protecting the interests of depositors and the public as well as the financial system.

Inauguration of Honey FPOs under the "Formation & Promotion of 10,000 FPOs" Scheme (26-11-2020)

The Honey Farmer Producer Organizations (FPO) Programme of National Agricultural Cooperative Marketing Federation of India Limited. (NAFED) was inaugurated by Minister of Agriculture and Farmers' Welfare Shri Narendra Singh Tomar on 26th November 2020.

Inaugurating the programme, the Minister stated that "Beekeeping in India is highly predominant in the unorganized sector among the rural and tribal population. Despite having a huge potential of honey production in the country, the beekeeping industry is still underdeveloped. The adoption level of beekeeping is also quite less due to various constraints. NAFED will address these issues by acting as an intermediary and filling up the gaps between the elements of the beekeeping supply chain and also ensure price remuneration to the beekeeping farmers.

Through these Honey FPOs, NAFED will also work for promotion of beekeeping as an occupation for unemployed women and tribal populations and uplift their livelihood".

Govt. of India is promoting the creation of FPOs in view of their significant role in fulfilling the mission of implementing agricultural reforms in the country. Promotion & Formation of FPOs is the first step for converting Krishi into Atmanirbhar Krishi. For this purpose new Central Sector Scheme for Formation & Promotion of new 10,000 FPOs was launched.

The Honey FPOs will help its members in not only upgrading their skills in Scientific Bee Keeping but will also help in making its members set up state of the art infrastructural facilities for processing honey and allied beekeeping products like bee's wax, propolis, royal jelly, bee venom, etc., quality control laboratories, collection, storage, bottling and marketing centres.

The beekeepers / honey collectors would be helped in branding and collective marketing of their Honey and other allied products of bee keeping through the marketing channels of NAFED. Efforts will also be made to explore the overseas market for improving the returns to the Bee Keepers and Honey collectors.

Economy Current Affairs for the m/o December 2020

Reserve Bank of India cancels the licence of The Karad Janata Sahakari Bank Ltd., Karad, Maharashtra (08-12-2020)

The Reserve Bank of India (RBI) has, vide order dated December 7, 2020 cancelled the licence of The Karad Janata Sahakari Bank Ltd., Karad, Maharashtra to carry on banking business, with effect from from the close of business on December 7, 2020. The bank was under All Inclusive Directions since November 07, 2017.

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, The Karad Janata Sahakari Bank Ltd, Karad, 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 The Karad Janata Sahakari Bank Ltd., Karad, Maharashtra as per the DICGC Act, 1961 will be set in motion.

On liquidation, **every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of ₹ 5,00,000/-** (Rupees Five lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) as per usual terms and conditions. More than 99% of the depositors of the bank will get full payment of their deposits from DICGC.

United Nations Declares Invest India The Winner of the Investment Promotion Award 2020 (07-12-2020)

The United Nations (UNCTAD) has declared Invest India- the National Investment Promotion Agency of India- as a winner of the 2020 United Nations Investment Promotion Award. The award ceremony took place on 7th December 2020 at UNCTAD Headquarters in Geneva.

The award recognizes and celebrates the outstanding achievements and best practices of Investment Promotion Agencies (IPAs) across the globe. The evaluation was based on UNCTAD's assessment of work undertaken by 180 Investment Promotion Agencies.

The COVID-19 pandemic has led to numerous challenges for Investment Promotion Agencies forcing them to shift focus from routine investment promotion and facilitation towards crisis management, notification of government emergency and economic relief measures, provision of crisis support services, and contribution to national COVID-19 business response efforts. All this was being done while agencies had closed offices, moved functions online and asked staff to work from home.

In March 2020, UNCTAD constituted a team to monitor the response of IPAs to the pandemic. UNCTAD reported best practices from Investment Promotion Agencies in the IPA Observer publications in April and July 2020. The response of IPAs to the pandemic became the basis for the evaluation of the 2020 United Nations Investment Promotion Award.

UNCTAD highlighted good practices followed by Invest India, such as the Business Immunity Platform, Exclusive Investment Forum webinar series, its social media engagement and focus COVID response teams (such as business reconstruction, stakeholder outreach and supplier outreach) created as a response to the pandemic, in its publications. Invest India has also shared long-term strategies and practices being followed for investment promotion, facilitation and retention at UNCTAD's high-level brainstorming sessions.

This United Nations Investment Promotion Award is the most coveted award for Investment Promotion Agencies. United Nations Conference on Trade and Development (UNCTAD) is a central agency that monitors performance of IPAs and identifies global best practices.

Mr. Deepak Bagla, MD & CEO, Invest India said, “The award is a testament to the Hon’ble Prime Minister’s vision of making India a preferred investment destination. It bears testimony to his focus on Ease of Living, Ease of Doing Business and creating an Aatmanirbhar Bharat”.

INR 200 crore municipal bonds issue of Lucknow Municipal Corporation listed at BSE (02-12-2020)

The INR 200 crore municipal bonds issue of the Lucknow Municipal Corporation (LMC) was listed at Bombay Stock Exchange. The Hon’ble Chief Minister of Uttar Pradesh Yogi Adityanath attended the Bell Ceremony at the National Stock Exchange in Mumbai today. With this, Lucknow has become the 9th city in the country to have raised municipal bonds, which has been incentivized by the Ministry of Housing and Urban Affairs, Government of India under the mission AMRUT (Atal Mission for Rejuvenation and Urban Transformation).

It will help in improving financial & municipal governance, make city move on the path of self dependence and provide necessary support for developing civic infrastructure. This will also boost AatmaNirbharCity as a part of AatmaNirbharBharat.

It closed at a very attractive coupon rate of 8.5% for a ten-year bond, which is a record, particularly in times of COVID and is reflective of the investor demand for good quality and well-structured municipal bonds.

This is a historic occasion as it is the first municipal bond issue from North India and the first from Uttar Pradesh after the launch of the AMRUT scheme. The considerable investor interest evinced by significant over-subscription of this bond issue is indicative of improving economic environment. It follows the pioneering trend set by Ahmedabad Municipal Corporation which issued the first municipal bond for INR 100 crore without state government guarantee to finance infrastructure projects in January, 1998.

The Government of Uttar Pradesh and the Government of India have extended their full support to this issue which marks a paradigm change in urban governance and would trigger more market oriented and transparent local administration. The Government of Uttar Pradesh is keen to encourage other local bodies in the state to emulate the example set by Lucknow Municipal Corporation. It is expected that the municipal corporations of Ghaziabad and then other cities such as Varanasi, Agra and Kanpur will also issue municipal bonds in the coming months, followed by a pooled municipal bond issue from some of the smaller municipal entities in the state.

This bond issue from Lucknow Municipal Corporation is rated ‘AA’ by India Ratings and ‘AA (CE)’ by Brickwork Ratings. The proceeds of the issue are proposed to be invested in a water supply project being implemented under AMRUT scheme of the Government of India and a housing project. The tenure of the Lucknow Municipal Corporation bond is 10 years and it is structured as a ‘strip’ bond with 7 STRRPs (A to G) and principal repayment to happen in 7 equal annual payments from the 4th year to the 10th year. In addition to asset cover, a structured payment mechanism has been put in place to ensure timely payment of both principal and interest obligations.

The significance of this maiden bond issue from an urban local body in Uttar Pradesh is not merely the quantum of resources raised for investments in urban infrastructure but a demonstration of the transformation of Lucknow Municipal Corporation into a model for urban governance.

Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme gets implemented from 01.01.2021 (31-12-2020)

Taking a major step to boost exports, Government has decided to extend the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 1st January, 2021.

The RoDTEP scheme would refund to exporters the embedded Central, State and local duties/taxes that were so far not being rebated/refunded and were, therefore, placing our exports at a disadvantage. The refund would be credited in an exporter’s ledger account with Customs and used to pay Basic Customs duty on imported goods. The credits can also be transferred to other importers.

An exporter desirous of availing the benefit of the RoDTEP scheme shall be required to declare his intention for each export item in the shipping bill or bill of export.

This scheme is going to give a boost to the domestic industry and Indian exports providing a level playing field for Indian producers in the International market so that domestic taxes/duties are not exported.

At present, GST taxes and import/customs duties for inputs required to manufacture exported products are either exempted or refunded. However, certain taxes/duties/levies are outside GST, and are not refunded for exports, such as, VAT on fuel used in transportation, Mandi tax, Duty on electricity used during manufacturing etc. These would be covered for reimbursement under the RoDTEP Scheme.

RoDTEP scheme is WTO compliant.

Cabinet approves Atmanirbhar Bharat Rojgar Yojana (ABRY) (09-12-2020)

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi, has given its approval for Atmanirbhar Bharat RojgarYojana (ABRY) to boost employment in formal sector and incentivize creation of new employment opportunities during the Covid recovery phase under Atmanirbhar Bharat Package 3.0.

Cabinet has approved an expenditure of Rs. 1,584 crore for the current financial year and Rs.22,810 crore for the entire Scheme period i.e. 2020-2023.

The salient features of the Scheme are as under:

- Government of India will **provide subsidy** for two years in respect of new employees engaged on or after 1st October, 2020 and upto 30th June, 2021
- Government of India **will pay both 12% employees' contribution and 12% employers' contribution** i.e. 24% of wages towards EPF in respect of new employees in establishments employing upto 1000 employees for two years,
- Government of India will pay only employees' share of EPF contribution i.e. 12% of wages in respect of new employees in establishments employing more than 1000 employee for two years.
- An employee drawing monthly wage of less than Rs. 15000/- who was not working in any establishment registered with the Employees' Provident Fund Organisation (EPFO) before 1st October, 2020 and did not have a Universal Account Number or EPF Member account number prior to 1st October 2020 will be eligible for the benefit,
- Any EPF member possessing Universal Account Number (UAN) drawing monthly wage of less than Rs. 15000/- who made exit from employment during Covid pandemic from 01.03.2020 to 30.09.2020 and did not join employment in any EPF covered establishment up to 30.09.2020 will also be eligible to avail benefit,
- EPFO will credit the contribution in Aadhaar seeded account of members in electronic manner,
- EPFO shall develop a software for the scheme and also develop a procedure which is transparent and accountable at their end.
- EPFO shall work out modality to ensure that there is no overlapping of benefits provided under ABRY with any other scheme implemented by EPFO.

This scheme is being implemented through Employees Provident Fund Organization (EPFO) to reduce financial burden of the employers of various sectors/industries and to encourage them to hire more workers.

Union Cabinet, chaired by the Prime Minister Shri Narendra Modi has given its approval for extending the terminal date for registration of beneficiaries for availing the benefit under Aatmanirbhar Bharat Rojgar Yojana (ABRY) for another nine months i.e. from 30th June, 2021 to 31st March, 2022. (30-06-2021)

Cabinet approves modified scheme to enhance ethanol distillation capacity in the country (30-12-2020)

Background

There has been **surplus production of sugar** in the country since sugar season 2010-11 (except reduction due to drought in sugar season 2016-17); & sugar production is likely to remain surplus in the country in coming years due to introduction of improved varieties of sugarcane.

In the normal sugar season (October- September) about 320 Lakh Metric Tonnes (LMT) of sugar is produced whereas, our domestic consumption is about 260 LMT. This surplus sugar of 60 LMT in normal sugar season put pressure on domestic ex-mill prices of sugar. The excess stocks of 60 LMT which remain unsold also block funds of sugar mills to the tune of about Rs. 19,000 crore thereby affecting liquidity positions of sugar mills resulting in accumulation of cane price arrears of farmers. To deal with surplus stocks of sugar, sugar mills have been exporting sugar, for which Government has been extending financial assistance. Moreover, India being a developing country can export sugar by extending financial assistance only up to year 2023 as per WTO arrangements.

So, as a long term solution to deal with surplus sugar, to improve sustainability of sugar industry and to ensure timely payment of cane dues to farmers, Government has been encouraging diversion of excess sugarcane & sugar to ethanol for supplying to Oil Marketing Companies for **blending with petrol** which not only would reduce import dependency on crude oil, promote ethanol as a fuel which is indigenous & non polluting, but will also enhance income of sugarcane farmers.

Diversion of excess sugar would help in stabilizing the domestic ex-mill sugar prices and will also help sugar mills to get relieved from storage problems. It will improve their cash flows and facilitate them in clearance of cane price dues of farmers; and will facilitate mills to function in the coming years.

Blending target

Government has fixed target of 10% blending of fuel grade ethanol with petrol by 2022, 15% blending by 2026 & 20% blending by 2030. With a view to support sugar sector and in the interest of sugarcane farmers, the Government has also allowed production of ethanol from B-Heavy Molasses, sugarcane juice, sugar syrup and sugar; and has been fixing the remunerative ex-mill price of ethanol derived from C-heavy molasses, B-heavy molasses and ethanol derived from sugarcane juice/ sugar/ sugar syrup for ethanol season. For ethanol supply year 2020-21, Government has now increased the ex-mill price of ethanol derived from various feed stocks.

To increase production of fuel grade ethanol, Govt. is also encouraging distilleries to produce ethanol from maize; & rice available with FCI. Government has fixed remunerative price of ethanol from maize & rice.

Government is also planning to prepone achievement of 20% blending target by year 2025 and onwards. However, the existing ethanol distillation capacity in the country is not sufficient to divert surplus stocks of sugar & to produce ethanol to supply to Oil Marketing Companies (OMCs) for blending with petrol as per the blending targets fixed by Government of India.

Further the blending targets cannot be achieved only by diverting sugarcane / sugar to ethanol; & 1st Generation (1G) ethanol is required to be produced from other feed stocks like grains, sugar beet etc for which the present distillation capacity is also not sufficient. Therefore, it is an imperative need to enhance ethanol distillation capacity in the country for producing 1st Generation (1G) ethanol from feed stocks such as cereals (rice, wheat, barley, corn & sorghum), sugarcane, sugar beet etc.

Hence, the Government has taken following decisions:

To bring a modified scheme for extending interest subvention to augment ethanol production capacity for following categories:

- Setting up grain based distilleries / expansion of existing grain based distilleries to produce ethanol. However, benefits of interest subvention scheme to be extended to only those stand alone distilleries which are using dry milling process.
- Setting up new molasses based distilleries / expansion of existing distilleries (whether attached to sugar mills or standalone distilleries) to produce ethanol and for installing any method approved by Central Pollution Control Board for achieving Zero Liquid Discharge (ZLD).
- To set up new dual feed distilleries or to expand existing capacities of dual feed distilleries.
- To convert existing molasses based distilleries (whether attached to sugar mills or standalone distilleries) to dual feed (molasses and grain/ or any other feed stock producing 1G Ethanol); and also to convert grain based distilleries to dual feed.
- To set up new distilleries / expansion of existing distilleries to produce ethanol from other feed stocks producing 1G ethanol such as sugar beet, sweet sorghum, cereals etc.
- To install Molecular Sieve Dehydration (MSDH) column to convert rectified spirit to ethanol in the existing distilleries.

Government would bear interest subvention for five years including one year moratorium against the loan availed by project proponents from banks @ 6% per annum or 50% of the rate of interest charged by banks whichever is lower.

Interest subvention would be available to only those distilleries which will supply at least 75% of ethanol produced from the added distillation capacity to OMCs for blending with petrol.

Proposed intervention would enhance production of 1G ethanol from various feed stocks thereby, facilitate in achieving blending targets of ethanol with petrol and would promote ethanol as a fuel which is indigenous, non-polluting and virtually inexhaustible and would improve the environment and the ecosystem and result in savings on Oil Import Bill. It will also ensure timely payment of dues to farmers.

Achievement of Government in past six years in increasing distillation capacity & blending levels
The Government has fixed a target of 10% blending of ethanol into motor fuel by 2022 and 20% by 2030. Till year 2014, ethanol distillation capacity of molasses based distilleries was less than 200 cr litres. However, in past 6 years the capacity of molasses based distilleries have been more than doubled and are currently at 426 crlitres. With a view to achieve blending targets, Govt. is making concerted efforts to further double the ethanol distillation capacities in the country by 2024.

In ethanol supply year (ESY) 2013-14, supply of ethanol to OMCs was less than 40 crore litres with blending levels of only 1.53 %. However, due to concerted efforts of Central Government, production of fuel grade ethanol and its supply to OMCs has increased by more than 4 times in the past 6 years. In ESY 2018-19, we touched a historically high figure of about 189 crlitres thereby achieving 5% blending. However, due to drought in some regions of Maharashtra and Karnataka, production of sugar and consequently molasses was lower in sugar season 2019-20 and therefore, only about 172.50 crlitres of ethanol were supplied by distilleries to OMCs in ESY 2019-20 to achieve 5% blending. It is expected that in current ethanol supply year 2020-21, about 325 crltrs ethanol is likely to be supplied to OMCs to achieve 8.5 % blending levels. It is likely that we will be achieving 10% blending target by 2022.

With increase in blending levels, dependence on imported fossil fuel will decrease and will also reduce the air pollution. Also due to upcoming investment in capacity addition/new distilleries, various new employment opportunities will also be created in rural areas; thereby, realising the goal of Atmanirbhar Bharat.

India loses Cairn case in arbitration (23-12-2020)

In a major setback, the Indian government has lost an international arbitration case to energy giant Cairn Plc over the retrospective levy of taxes, and has been asked to pay damages worth $1.2 billion (Rs 8,842 crore) to the UK firm. The verdict came barely three months after India lost arbitration to Vodafone Plc over the retrospective tax legislation amendment.

The Permanent Court of Arbitration, established by treaty in 1899, is an intergovernmental organization with 122 contracting parties providing a variety of dispute resolution services to the international community.

International Offices
Beyond its headquarters in the Peace Palace in The Hague, the PCA has opened offices in various cities in order to make its services more accessible in different regions of the world.
Buenos Aires Office
Mauritius Office
Singapore Office

Economy Current Affairs for the m/o January 2021

Reserve Bank of India introduces the RBI-Digital Payments Index (01-01-2021)

Reserve Bank of India has constructed a composite Digital Payments Index (DPI) to capture the extent of digitisation of payments across the country.

The RBI-DPI comprises of 5 broad parameters that enable measurement of deepening and penetration of digital payments in the country over different time periods.

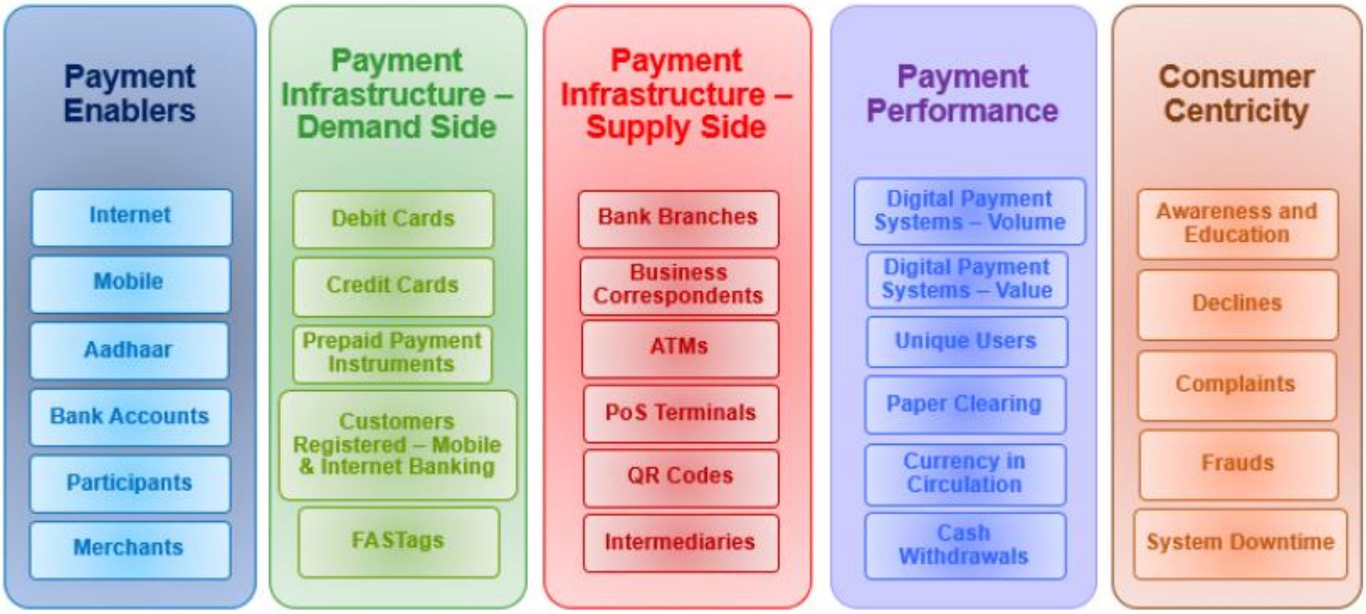
These parameters are–
(i) Payment Enablers (weight 25%),
(ii) Payment Infrastructure – Demand-side factors (10%),
(iii) Payment Infrastructure – Supply-side factors (15%),
(iv) Payment Performance (45%) and
(v) Consumer Centricity (5%).

Each of these parameters have sub-parameters which, in turn, consist of various measurable indicators.

The RBI-DPI has been constructed with **March 2018 as the base period**, i.e. DPI score for March 2018 is set at 100. The DPI for March 2019 and March 2020 work out to 153.47 and 207.84 respectively, indicating appreciable growth.

RBI-DPI shall be published on RBI's website on a semi-annual basis from March 2021 onwards with a lag of 4 months.

RBI-Digital Payments Index – Parameters and Sub-parameters



Reserve Bank constitutes a Working Group on digital lending including lending through online platforms and mobile apps (13-01-2021)

Digital lending has the potential to make access to financial products and services more fair, efficient and inclusive. From a peripheral supporting role a few years ago, FinTech led innovation is now at the core of the design, pricing and delivery of financial products and services. While penetration of digital methods in the financial sector is a welcome development, the benefits and certain downside risks are often interwoven in such endeavours. A balanced approach needs to be followed so that the regulatory framework supports innovation while ensuring data security, privacy, confidentiality and consumer protection.
Recent spurt and popularity of online lending platforms/ mobile lending apps ('digital lending') has raised certain serious concerns which have wider systemic implications. Against this backdrop, a Working Group (WG) is being set up to study

all aspects of digital lending activities in the regulated financial sector as well as by unregulated players so that an appropriate regulatory approach can be put in place.

The WG will consist of both internal and external members.

Internal Members
(i) **Shri Jayant Kumar Dash, Executive Director, RBI (Chairman)**
(ii) Shri Ajay Kumar Choudhary, Chief General Manager-in-Charge, Department of Supervision, RBI
(iii) Shri P. Vasudevan, Chief General Manager, Department of Payment and Settlement Systems, RBI
(iv) Shri Manoranjan Mishra, Chief General Manager, Department of Regulation, RBI (Member Secretary)

External members
(v) Shri Vikram Mehta, former associate of Monexo Fintech
(vi) Shri Rahul Sasi, Cyber Security Expert & Founder of CloudSEK

The Terms of Reference (ToR) for the WG would be as follows:

- Evaluate digital lending activities and assess the penetration and standards of outsourced digital lending activities in RBI regulated entities;
- **Identify risks posed** by unregulated digital lending to financial stability, regulated entities and consumers;
- Suggest regulatory changes, if any, to promote orderly growth of digital lending;
- Recommend measures, if any, for expansion of specific regulatory or statutory perimeter and suggest the role of various regulatory and government agencies;
- Recommend a robust Fair Practices Code for digital lending players, insourced or outsourced;
- Suggest measures for enhanced Consumer Protection; and
- Recommend measures for robust data governance, data privacy and data security standards for deployment of digital lending services.

RBI cancels the licence of Shivam Sahakari Bank Ltd, Ichalkaranji, Kolhapur, Maharashtra. (29-01-2021)

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:

1. 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.
2. 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;
3. The continuance of the bank is prejudicial to the interests of its depositors;
4. The bank with its present financial position would be unable to pay its present depositors in full; and
5. Public interest would be adversely affected if the bank is allowed to carry on its banking business any further.

As per the data submitted by the bank, more than 99% of the depositors are fully insured by 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.

RBI cancels the licence of Vasantdada Nagari Sahakari Bank Ltd., Osmanabad, Maharashtra (11-01-2021)

The Commissioner for Cooperation and Registrar of Cooperative Societies (RCS), 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:

1. the bank has failed to comply with the requirements of Section 11(1) read with Section 56 of BR Act;
2. the bank has become disentitled to carry on the business of banking in India, by reason of the cancellation of its licence issued to it by the Reserve Bank of India, under Section 22(1) read with Section 56 of BR Act as it 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) of BR Act;
3. continuance of the bank is prejudicial to the interests of its depositors;
4. the bank with its present financial position would be unable to pay its present depositors in full; and
5. it is necessary in public interest and for preventing the affairs of the bank being conducted in a manner detrimental to the interests of its depositors to wind up the affairs of the bank;

On liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of ₹5,00,000/- (Rupees Five lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) as per usual terms and conditions. More than 99% of the depositors of the bank will get full repayment of their deposits from DICGC.

India's response to S 301 Report of U.S. on Equalisation Levy (07-01-2021)

The U.S. administration had announced initiation of investigation under section 301 of the U.S. Trade Act, 1974 against the taxation on digital services adopted or under consideration by countries, including the Equalisation Levy applied by India.

With respect to India, the focus of the investigation was on the 2% Equalisation Levy (EL) levied by India on e-commerce supply of services. The U.S. investigation included whether the EL discriminated against the U.S. companies, was applied retrospectively, and diverged from U.S or international tax norms due to its applicability on entities not resident in India.

In this regard, the U.S. requested for consultations, and India submitted its comments to the USTR on 15 July 2020, participated in the bilateral consultation held on 5 Nov 2020, emphasizing that the EL is not discriminatory; but on the contrary seeks to ensure a level-playing field with respect to e-commerce activities undertaken by entities resident in India, and those that are not resident in India, or do not have a permanent establishment in India. It was also clarified that the EL was applied only prospectively, and has no extra-territorial application, since it is based on sales occurring in the territory of India through digital means.

India based e-commerce operators are already subject to taxes in India for revenue generated from Indian market. However, in the absence of the EL, non-resident e-commerce operators (not having any Permanent Establishment in India but significant economic presence) are not required to pay taxes in respect of the consideration received in the e-commerce supply or services made in the Indian market. The EL levied at 2% is applicable on non-resident e-commerce operator, not having a permanent establishment in India. The threshold for this levy is Rs. 2 crores, which is very moderate and applies equally to all e-commerce operators across the globe having business in India. The levy does not discriminate against any U.S. companies, as it applies equally to all non-resident e-commerce operators, irrespective of their country of residence.

There is no retrospective element as the levy was enacted before the 1st day of April, 2020 which is the effective date of the levy. It does not have extra territorial application as it applies only on the revenue generated from India. In addition, EL was one of the methods suggested by 2015 OECD/G20 Report on Action 1 of BEPS Project which was aimed at tackling the taxation challenges arising out of digitization of the economy.

The purpose of the Equalization Levy is to ensure fair competition, reasonableness and exercise the ability of governments to tax businesses that have a close nexus with the Indian market through their digital operations.

It is a recognition of the principle that in a digital world, a seller can engage in business transactions without any physical presence, and governments have a legitimate right to tax such transactions.

The office of USTR on 6th Jan 2021 released its findings on the section 301 investigation into India's digital Services tax (DST) and concluded that India's DST -the equalisation levy - is discriminatory and restricts US commerce. Similar determinations were also made against Italy and Turkey on 6th Jan, 2021, itself.

The Government of India will examine the determination / decision notified by the U.S. in this regard, and would take appropriate action keeping in view the overall interest of the nation.

Government approves Central Sector Scheme for Industrial Development of Jammu & Kashmir (07-01-2021)

The Cabinet Committee on Economic Affairs chaired by Prime Minister Shri Narendra Modiin its meeting considered and approved the proposal of Department for Promotion of Industry and Internal Trade for Central Sector Scheme for Industrial Development of Jammu & Kashmir. The scheme is approved with a total outlay of Rs. 28,400 crore upto the year 2037.

Government of India has formulated New Industrial Development Scheme for Jammu & Kashmir (J&K IDS, 2021) as Central Sector Scheme for the development of Industries in the UT of Jammu & Kashmir. The main purpose of the scheme is to generate employment which directly leads to the socio economic development of the area. Considering the historic development of reorganization of Jammu & Kashmir with effect from 31.10.2019 into UT of Jammu & Kashmir under the J&K Reorganisation Act, 2019, the present scheme is being implemented with the vision that industry and service led development of J&K needs to be given a fresh thrust with emphasis on job creation, skill development and sustainable development by attracting new investment and nurturing the existing ones.

The following incentives would be available under the scheme:

1. Capital Investment Incentive at the rate of 30% in Zone A and 50% in Zone B on investment made in Plant & Machinery (in manufacturing) or construction of building and other durable physical assets(in service sector) is

available. Units with an investment upto Rs. 50 crore will be eligible to avail this incentive. Maximum limit of incentive is Rs 5 crore and Rs 7.5 crore in Zone A & Zone B respectively

2. Capital Interest subvention: At the annual rate of 6% for maximum 7 years on loan amount up to Rs. 500 crore for investment in plant and machinery (in manufacturing) or construction of building and all other durable physical assets(in service sector).
3. GST Linked Incentive: 300% of the eligible value of actual investment made in plant and machinery (in manufacturing) or construction in building and all other durable physical assets(in service sector) for 10 years. The amount of incentive in a financial year will not exceed one-tenth of the total eligible amount of incentive.
4. Working Capital Interest Incentive: All existing units at the annual rate of 5% for maximum 5 years. Maximum limit of incentive is Rs 1 crore.

Key Features of the Scheme:

1. Scheme is made attractive for both smaller and larger units. Smaller units with an investment in plant & machinery upto Rs. 50 crore will get a capital incentive upto Rs. 7.5 crore and get capital interest subvention at the rate of 6% for maximum 7 years
2. The scheme aims to take industrial development to the block level in UT of J&K, which is first time in any Industrial Incentive Scheme of the Government of India and attempts for a more sustained and balanced industrial growth in the entire UT
3. Scheme has been simplified on the lines of ease of doing business by bringing one major incentive- GST Linked Incentive- that will ensure less compliance burden without compromising on transparency.
4. Scheme envisages greater role of the UT of J&K in registration and implementation of the scheme while having proper checks and balances by having an independent audit agency before the claims are approved
5. It is not a reimbursement or refund of GST but gross GST is used to measure eligibility for industrial incentive to offset the disadvantages that the UT of J&K face
6. Earlier schemes though offered a plethora of incentives. However, the overall financial outflow was much lesser than the new scheme.

Major Impact and employment generation potential:
Scheme is to bring about radical transformation in the existing industrial ecosystem of J&K with emphasis on job creation, skill development and sustainable development by attracting new investment and nurturing the existing ones, thereby enabling J&K to compete nationally with other leading industrially developed States/UTs of the country.

It is anticipated that the proposed scheme is likely to attract unprecedented investment and give direct and indirect employment to about 4.5 lakh persons. Additionally, because of the working capital interest subvention the scheme is likely to give indirect support to about 35,000 persons.

Expenditure involved:
The financial outlay of the proposed scheme is Rs.28,400 crore for the scheme period 2020-21 to 2036-37. So far, the amount disbursed under various special package schemes is Rs. 1,123.84 crore.

Dr. Harsh Vardhan dedicates National Innovation Portal to the nation (14-01-2021)

The Union Minister for Science & Technology, Earth Sciences, Health & Family Welfare Dr. Harsh Vardhan dedicated an Innovation Portal, developed by National Innovation Foundation (NIF) – India, an autonomous body of the Department of Science and Technology (DST), Government of India, to the nation, in New Delhi.

The National Innovation Portal (NIP) is currently home to about 1.15 lakh innovations scouted from common people of the country, covering Engineering, Agriculture, Veterinary and Human Health. In terms of domain areas, presently the innovations cover Energy, mechanical, automobile, electrical, electronics, household, chemical, civil, textiles, Farm / cultivation practice, storage practice, plant variety, plant protection, poultry, livestock management, nutraceuticals etc.

He said that this Innovation Portal will help institutionalise new ideas by common people towards finding solutions to local problems.

He emphasized that the Innovation Portal will create an eco-system where the Institutions will stand behind all those who can convert their ideas and innovations into entrepreneurship. He urged for a Stand-up Start-up system in the country where anyone who has the desire to innovate,should be encouraged to develop his or her ideas, irrespective of their background whether rural, tribal or anyone with formal science background.

Background
The National Innovation Foundation (NIF) – India, an autonomous body of the Department of Science and Technology (DST), Government of India is India's national initiative to strengthen the grassroots technological innovations and outstanding traditional knowledge with a mission to help India become a creative and knowledge-based society by expanding policy and institutional space for grassroots technological innovators.

The common people from all parts of the country are regularly sharing their ideas, innovations and traditional knowledge with NIF. There are several hundred amongst these which have been incubated by NIF over a period of time and collectively managed to generate a significant societal impact. It is also important that the inherent value proposition in such large number of innovations and traditional knowledge practices is not missed and therefore, they should constitute a database which can be made available and looked as a source of solutions by common people for practically all kind of problems where Science, Technology and Innovation (STI) can play a role. The Innovations portal of NIF is one such database of innovations and traditional knowledge by the people, for the people and of the people. It is a reflection of vast knowledge that exists in the country and should be deployed to solve a variety of problems, especially if they have a proven solution in other parts of the country. Not just India, the whole world can benefit from such a vast pool of innovations and traditional knowledge.

The Innovations portal **currently is the home to about 1.15 lakh innovations** and poised to grow with time, as common people will continue to innovate and share their innovations with NIF in the larger interest of the country. The year 2020 has been one of those where expectations of common people from Science had been at its zenith. Citizens across the world had been perturbed by challenges arising out of COVID-19 and looking beyond boundaries for a solution. Outstanding traditional knowledge had been known for attributes leading to wider therapeutic window and rare side effects, and many such practices which are already being used in rural parts of the country, will be a major highlight of this innovations portal.

The innovations portal would be an important enabler of national priority of being self-reliant in most of the activities we undertake. India continues to be a country that encourage SMEs, start-ups and job creation, for which an underlying technology with an innovation is a prerequisite. The innovations portal presents an ocean of technologies for supply to budding entrepreneurs. The innovations portal can be an important vehicle for initiatives like “Atmanirbhar Bharat” and “Vocal for Local” where country require a right application of knowledge.

The innovations portal can be easily accessed and citizens can spend time knowing more about the technologies which are part of the database. If more information is required on any of the technologies that interests people, then NIF could suitably provide more information on the chosen innovation or traditional knowledge. The role of innovator is important and NIF will ensure the original innovator to be part of the commercial/social exploitation of the innovation at a larger scale, bringing benefit to the entrepreneurs (be it an MSME, individual, R&D institution or an academic institution), original innovator and the public at large.

NITI Aayog releases India Innovation Index 2020 (20-01-2021)

NITI Aayog, along with the Institute for Competitiveness, released the second edition of the India Innovation Index in a virtual event. The report examines the innovation capabilities and performance of the states and union territories.The first edition of the index was launched in October 2019.

The states and union territories have been divided into 17 ‘Major States’, 10 ‘North-East and Hill States’, and 9 ‘City States and Union Territories’, for effectively comparing their performance.

In the ‘Major States’ category, **Karnataka** continued to occupy the top position, while Maharashtra moved past Tamil Nadu to reach the second place. Telangana, Kerala, Haryana, Andhra Pradesh, Gujarat, Uttar Pradesh and Punjab completed the top ten in that order. Karnataka’s rank is attributable to its substantive number of venture capital deals, registered geographical indicators and information and communications technology exports. Karnataka’s high Foreign Direct Investment (FDI) inflow has also enhanced the innovation capabilities of the state.

Overall, **Delhi** retained its first rank, while Chandigarh made a big leap since 2019 and landed in the second place this year under the ‘UT and City States’ category,.

Under the ‘North-Eastern/Hill States’ category, **Himachal Pradesh** moved up from the second position to emerge as the top ranker this year, while 2019’s top performer (in this category), Sikkim, slipped down to the fourth position.

The innovation inputs were measured through five enabler parameters, and the output through two performance parameters. While ‘Human Capital’, ‘Investment’, ‘Knowledge Workers’, ‘Business Environment’, ‘Safety and Legal Environment’ were identified as enabler parameters, ‘Knowledge Output’ and ‘Knowledge Diffusion’were chosen as the performance parameters.

Department of Food & Public Distribution notified modified scheme to enhance ethanol distillation capacity in the country for producing 1st Generation (1G) ethanol from feed stocks such as cereals (rice, wheat, barley, corn & sorghum), sugarcane, sugar beet etc. (14-01-2021)

To achieve 20% blending by 2025 as well as to meet out the requirement of ethanol production capacity in the country, the Department of Food & Public Distributionhas modified earlier scheme & notified the modified scheme for extending financial assistance to project proponents for enhancement of their ethanol distillation capacity or to set up distilleries for producing 1st Generation (1G) ethanol from feed stocks such as cereals (rice, wheat, barley, corn & sorghum), sugarcane, sugar beet etc. or converting molasses based distilleries to dual feedstock

The Chief Secretaries of all State Governments/ UTs have been requested to promote the scheme to the entrepreneurs of their state and encourage them to participate in the scheme so that the target set by the Government could be achieved well within the timeline. State Governments have also been requested to facilitate entrepreneurs in arranging land for the project, to get environment clearance at the earliest & in setting up of distilleries.

Under the scheme , **Government would bear interest subvention for five years** including one year moratorium against the loan availed by project proponents from banks @ 6% per annum or 50% of the rate of interest charged by banks whichever is lower for setting up of new distilleries or expansion of existing distilleries or converting molasses based distilleries to dual feedstock. This will bring an investment of about Rs. 40,000 crore.

Due to upcoming investment in capacity addition / new distilleries, various new employment opportunities will be created in rural areas. For production of ethanol, there is sufficient availability of feed stocks; & Government has also fixed remunerative prices of ethanol derived from various feed stocks. Moreover, OMCs being the assured buyer for ethanol has given comfort for purchase of ethanol from distilleries for next 10 years. As such the upcoming ethanol projects are viable.

This scheme would not only facilitate diversion of excess sugar to ethanol but would also encourage farmers to diversify their crops to cultivate particularly maize/corn which needs lesser water compared to sugarcane and rice. It would enhance production of ethanol from various feed stocks thereby, facilitate in achieving blending targets of ethanol with petrol and would reduce import dependency on crude oil , thereby, realizing the goal of Atmanirbhar Bharat. It will also enhance income of farmers as setting up of new distilleries would not only increase demand of their crops but would assure farmers of getting better price for their crops.

Sugarcane and ethanol is produced mainly in three states viz Uttar Pradesh, Maharashtra and Karnataka. Transporting ethanol to far flung States from these three states involves huge transportation cost. By bringing new grain based distilleries in the entire country would result in distributed production of ethanol and would save a lot of transportation cost and thus prevent delays in meeting the blending target & would benefit the farmers across the country.

With the vision to boost agricultural economy, to reduce dependence on imported fossil fuel, to save foreign exchange on account of crude oil import bill & to reduce the air pollution, the Government has **fixed target of 10% blending of fuel grade ethanol with petrol by 2022 & 20% blending by 2030**. It is expected that in current ethanol supply year 2020-21, about 325 crore liters ethanol is likely to be supplied to OMCs to achieve 8.5 % blending levels. It is likely that we will be achieving 10% blending target by 2022 with supply of 400 crore liters of ethanol.

With a view of support sugar sector and in the interest of sugarcane farmers, the Government has also allowed production of ethanol from B-Heavy Molasses, sugarcane juice, sugar syrup and sugar; and has been fixing the remunerative ex-mill price of ethanol derived from C-heavy molasses, B-heavy molasses and ethanol derived from sugarcane juice/ sugar/ sugar syrup for ethanol season. To increase production of fuel grade ethanol, Govt. is also encouraging distilleries to produce ethanol from maize; & rice available with Food Corporation of India.

Now it has been proposed to prepone the 20% blending of ethanol with petrol by 2025. To achieve 20 % blending by 2025 & to meet the requirement of chemical & other sectors, about 1200 crore liters of alcohol / ethanol would be required; out of which 900 crore liters would be required to achieve 20% blending & 300 crore liters would be the requirement of chemical & other sectors. Out of total requirement of 1200 crore liters, 700 crore liters is required to be supplied by sugar industry & another 500 crore liters need to be supplied by grain based distilleries. To produce 700 crore liters of ethanol by sugar industry, about 60 Lakh Metric Tonne (LMT) of surplus sugar would be diverted to ethanol which would solve the problem of excess sugar, relieve sugar industry from the problem of storage of surplus sugar, & improve the revenue realization of sugar mills which will facilitate them in making timely payment of cane dues of sugarcane farmers.

About 5 crore sugarcane farmers & their families & 5 lakh workers associated with sugar mills & other ancillary activities would be benefitted with this intervention. To produce 500 crore liters of ethanol/alcohol from food grains, about 125 LMT of food grains would be utilized; this extra consumption of surplus food grains would ultimately benefit the farmers as they will get better price for their produce and assured buyers; and thus will also increase the income of crores of farmers across the country.

NCAVES India Forum 2021 (14-01-2021)

In 2017, the European Union initiated a project, "Natural Capital Accounting and Valuation of Ecosystem Services" (NCAVES) in 2017 to help nations advance the knowledge on environmental-economic accounting, in particular ecosystem accounting, that can help in ensuring sustainable economic growth.

The NCAVES Project is being implemented in five countries – India, Brazil, China, Mexico and South Africa - by the United Nations Statistics Division (UNSD), United Nations Environment Programme (UNEP) and the Secretariat of the Convention of Biological Diversity (CBD).

NCAVES India Forum 2021 is being organised by the Ministry of Statistics and Programme Implementation (MoSPI). Through the forum, the Ministry targets to showcase Government's efforts in making environment a key dimension in our policy paradigm and welcomes active participation of all stakeholders in the NCAVES India Forum 2021.

In India, the NCAVES project is being implemented by the MoSPI in close collaboration with the Ministry of Environment, Forest and Climate Change (MoEF&CC) and the National Remote Sensing Centre (NRSC).

IFSCA becomes member of IOSCO (01-01-2021)

The International Financial Services Centres Authority (IFSCA) has become an Associate Member of the International Organization of Securities Commissions (IOSCO).

The IOSCO is the international organization established in 1983 (HQ-Spain) that brings together the world's securities regulators, covering more than 95% of the world's securities markets, and is the global standard setter for the securities sector.

IOSCO works closely with the G20 and the Financial Stability Board (FSB) in setting up the standards for strengthening the securities markets. The IOSCO Objectives and Principles of Securities Regulation have been endorsed by both the G20 and FSB as one of the key standards for sound financial systems.

The membership of IOSCO would provide IFSCA the platform to exchange information at the global level and regional level on areas of common interests. Further, the IOSCO platform would enable IFSCA to learn from the experiences and best practices of the regulators of other well established financial centres.

The IOSCO's membership is a significant milestone in connecting IFSCA with the regulators of securities markets globally and would contribute immensely towards the development and regulation of the financial products, financial services and financial institutions at the Gujarat International Finance Tec-City International Financial Services Centre.

International Financial Services Centres Authority (IFSCA)
The International Financial Services Centres Authority (IFSCA) has been established on April 27, 2020 under the International Financial Services Centres Authority Act, 2019. It is headquartered at GIFT City, Gandhinagar in Gujarat.

Role of IFSCA
The IFSCA is a unified authority for the development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre (IFSC) in India. At present, the GIFT IFSC is the maiden international financial services centre in India.

Prior to the establishment of IFSCA, the domestic financial regulators, namely, RBI, SEBI, PFRDA and IRDAI regulated the business in IFSC.

As the dynamic nature of business in the IFSCs requires a high degree of inter-regulatory coordination within the financial sector, the IFSCA has been established as a unified regulator with a holistic vision in order to promote ease of doing business in IFSC and provide world class regulatory environment.

The main objective of the IFSCA is to develop a strong global connect and focus on the needs of the Indian economy as well as to serve as an international financial platform for the entire region and the global economy as a whole.

Green tax to be imposed on older vehicles soon (25-01-2021)

The Union Minister for Road Transport and Highways Sh. Nitin Gadkari has approved a proposal to levy a "Green Tax" on old vehicles which are polluting the environment. The proposal will now go to the states for consultation before it is formally notified.

The main principles to be followed while levying the Green Tax are :

- Transport vehicles older than 8 years could be charged Green Tax at the time of renewal of fitness certificate, at the rate of 10 to 25 % of road tax;
- Personal vehicles to be charged Green Tax at the time of renewal of Registration Certification after 15 years;
- Public transport vehicles, such as city buses, to be charged lower Green tax;
- Higher Green tax (50% of Road Tax) for vehicles being registered in highly polluted cities
- Differential tax, depending on fuel (petrol/diesel) and type of vehicle;
- Vehicles like strong hybrids, electric vehicles and alternate fuels like CNG, ethanol,LPG etc to be exempted;
- Vehicles used in farming, such as tractor, harvestor, tiller etc to be exempted;

Revenue collected from the Green Tax to be kept in a separate account and used for tackling pollution, and for States to set up state of-art facilities for emission monitoring

The benefits of the "Green Tax" could be :

- To dissuade people from using vehicles which damage the environment
- To motivate people to switch to newer, less polluting vehicles
- Green tax will reduce the pollution level, and make the polluter pay for pollution.

The Minister also approved the policy of deregistration and scrapping of vehicles owned by Government department and PSU, which are above 15 years in age. It is to be notified, and will come into effect from 1st April, 2022.

It is estimated that commercial vehicles, which constitute about 5% of the total vehicle fleet , contribute about 65-70% of total vehicular pollution. The older fleet, typically manufactured before the year 2000 constitute less that 1 % of the total fleet but contributes around 15% of total vehicular pollution. These older vehicles pollute 10-25 times more than modern vehicles.

Seventh Trade Policy Review of India at the WTO

India's seventh Trade Policy Review (TPR) began on Wednesday, 6th January 2021, at the World Trade Organization in Geneva.

The TPR is an important mechanism under the WTO's monitoring function, and involves a comprehensive peer-review of the Member's national trade policies. India's last TPR took place in 2015.

The basis for the review is a report by the WTO Secretariat and a report by the Government of India. The Secretariat and Government reports are discussed by the WTO's full membership in the Trade Policy Review Body (TPRB).

Trade Policy Reviews are an exercise, mandated in the WTO agreements, in which member countries' trade and related policies are examined and evaluated at regular intervals. Significant developments that may have an impact on the global trading system are also monitored. All WTO members are subject to review, with the frequency of review depending on the country's size.

Reform linked borrowing permissions to the States

In view of the resource requirement to meet the challenges posed by the COVID-19 pandemic, the Government of India had on 17th May, 2020 enhanced the borrowing limit of the States by **2% of their GSDP**. **Half** of this special dispensation was linked to undertaking citizen centric reforms by the States. The States get permission to raise additional funds equivalent to **0.25% of GSDP** on completion of reforms in each sector.

The four citizen centric areas for reforms identified were (a) Implementation of One Nation One Ration Card System, (b) Ease of doing business reform, (c) Urban Local body/ utility reforms and (d) Power Sector reforms.

Miscellaneous

1. The Inequality Virus—Global Report 2021 released by Oxfam international.
2. COVID-19 Performance index released by the Lowy Institute (Australia).

Economy Current Affairs for the m/o February 2021

Union Budget 2021-22: Agricultural Produce Marketing Committees (APMCs) to get access to Agriculture Infrastructure Fund (03-02-2021)

In the Union Budget 2021-22, Finance Minister, Nirmala Sitharaman, announced that Agricultural Produce Marketing Committees (APMCs) will become eligible beneficiaries to utilize the 1 lakh crore financing facility under Agriculture Infrastructure Fund (AIF) to enhance infrastructure at regulated markets, commonly known as *Mandis*.

APMCs are state controlled markets that are setup to provide market linkages to farmers. Market yards or *Mandis* provide space for auction to ensure that farmers obtain best possible price for their produce. However, these markets continue to require up gradation and set up of more modern infrastructure. With access to low cost credit under AIF, they can setup post-harvest infrastructure such as sorting and grading units, assaying units, drying yards, cold storages, and warehouses for the benefit of farmers for better price realization of quality produce, ability to store and sell at a better price and minimize post of harvest looses.

Availability of post-harvest infrastructure will help the farmers to enhance their income through effective value chain. Availability of warehouses with financing facilities will help the farmers to store the agriculture produce and sell at optimal prices. Perishables such as fruits, vegetables and flowers require low temperatures throughout the value chain to enhance shelf life and preserve quality. Hence, availability of cold storages at markets will result in direct benefit to the farmers on premium farm produce. The suitable infrastructure will help to reduce the post-harvest losses, which can be as high as 5-10% of the produce. Hence, up gradation of infrastructure at regulated markets has the potential to enhance farm income and also support other stakeholders across the value chain, which also have the access to this infrastructure.

The AIF is a medium - long term debt financing facility for investment in viable projects for post-harvest management infrastructure and community farming assets through interest subvention and credit guarantee. The duration of the scheme is from FY2020 to FY2029. Under the scheme, Rs. 1 Lakh Crore will be provided by banks and financial institutions as loans with interest subvention of 3% per annum and credit guarantee coverage under CGTMSE for loans up to Rs. 2 Crore. The beneficiaries include farmers, FPOs, PACS, Marketing Cooperative Societies, SHGs, Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Agri-entrepreneurs, Start-ups, and Central/State agency or Local Body sponsored Public-Private Partnership Projects, and now APMC mandis.

RBI announces constitution of an Expert Committee on Primary (Urban) Co-operative Banks (15-02-2021)

Reserve Bank has announced setting up of an Expert Committee on UCBs under Shri N. S. Vishwanathan, former Deputy Governor, RBI to examine the issues and to provide a road map for strengthening the sector, leveraging on the recent amendments to Banking Regulation Act, 1949 (As Applicable to Cooperative Societies).

One District One Product Scheme (03-02-2021)

One District One Product (ODOP) is an initiative which is seen as a transformational step forward towards realizing the true potential of a district, fuel economic growth and generate employment and rural entrepreneurship, taking us to the goal of AtmaNirbhar Bharat.

One District One Product (ODOP) initiative is operationally merged with ‘Districts as Export Hub’ initiative being implemented by DGFT, Department of Commerce, with Department for Promotion of Industry and Internal Trade (DPIIT) as a major stakeholder.

The Department of Commerce through DGFT is engaging with State and Central government agencies to promote the initiative of One District One Product. The **objective is to convert each District of the country into an Export Hub** by identifying products with export potential in the District, addressing bottlenecks for exporting these products, supporting local exporters/manufacturers to scale up manufacturing, and find potential buyers outside India with the aim of promoting exports, promoting manufacturing & services industry in the District and generate employment in the District.

To increase exports and take export promotion to the District level, Department of Commerce through the Director General of Foreign Trade (DGFT) is engaging with State / UT Governments to implement the said initiative in all districts of the country in a phased manner, with the objective of mobilizing the potential of each district of the country to achieve its potential as an export hub. Under the initial phase of the ODOP programme, 106 Products have been identified from 103 districts across 27 States.

As far as Rajasthan is concerned, two products namely Blue Pottery (Jaipur) and MarkhanaMarbels (Nagaur) are among the identified 106 Products. All the Districts of Rajasthan are already covered under the 'Districts as Export Hub' initiative. State Export Promotion Committee (SPEC) and District Export Promotion Committee (DEPC) have been constituted in Rajasthan.

DEPC is constituted in all Districts of India, except districts of the state of West Bengal. DEPC meetings have been conducted in 510 Districts of India, Draft Export Action Plans are prepared for 451 Districts.

India launches PLI scheme for Telecom sector to become hub of global telecom manufacturing (17-02-2021)

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi, has approved Production Linked Incentive (PLI) Scheme for Telecom and Networking Products with a budgetary outlay of Rs. 12,195 crore over five years.

The Production Linked Incentive (PLI) Scheme intends to promote manufacture of Telecom and Networking Products in India and **proposes a financial incentive to boost domestic manufacturing and attract investments** in the target segments of telecom and networking products in order to encourage Make in India. The scheme will also encourage exports of telecom and networking products 'Made in India'.

Core component of this scheme is to offset the **huge import of telecom equipment** worth more than Rs. 50 thousand crores and reinforce it with "Made in India" products both for domestic markets and exports.

Support under the Scheme will be provided to companies/entities engaged in manufacturing of specified telecom and networking products in India.

The eligibility for the scheme will be subject to achievement of a minimum threshold of cumulative incremental investment and **incremental sales of manufactured goods** net of taxes.

Financial Year 2019-20 shall be treated as the Base Year for computation of cumulative incremental sales of manufactured goods net of taxes.

There will be a minimum investment threshold of Rs.10 crore for MSME with incentives from 7% to 4 % and Rs. 100 crore for others with incentives from 6% to 4 % over 5 year above Base Year.

Globally Telecom and Networking Products exports represent an US$100 billion market opportunity, which can be exploited by India. With support under the scheme, India will augment capacities by attracting large investments from global players and at the same time encourage promising domestic champion companies to seize the emerging opportunities and become big players in the export market.

With this scheme, India will be well positioned as a global hub for manufacturing of Telecom and Networking Products. **Incremental production around Rs. 2 Lakh crore** is expected to be achieved over 5 years. India will improve its competitiveness in manufacturing with increased value addition.

It is expected that scheme will bring more than Rs. 3,000 crore investment and generate huge direct and indirect employments.

Through this policy, India will move towards self-reliance. By incentivizing large scale manufacturing in India, domestic value addition will increase gradually. Provision of higher incentive to MSME will encourage domestic telecom manufacturers to become part of the global supply chain.

The Scheme will be operational from 1st April 2021.

Union Cabinet approves Production Linked Incentive (PLI) Scheme for IT Hardware Products- Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers (24-02-2021)

The scheme proposes production linked incentive to boost domestic manufacturing and attract large investments in the value chain of these IT Hardware products.

The total cost of the PLI Scheme for IT Hardware is approximately INR 7,350 crore (Rupees Seven Thousand Three Hundred Fifty Crore Only) over 4 years.

The Scheme shall extend incentives between 4% to 1% on net incremental sales (over base year i.e. 2019-20) of goods manufactured in India and covered under the target segment, to eligible companies, for a period of four (4) years.

The proposed scheme is likely to benefit 5 major global as well as 10 domestic manufacturers of IT hardware products namely Laptops, Tablets, All-in-One PCs, and Servers. This is an important segment to promote manufacturing as there is huge import reliance for these items at present.

PLI Scheme is conceived in a manner that incentives are payable by government only after investment has been done, employment has been generated, production and sales targets have been met.

Benefits:
The scheme will enhance the development of electronics ecosystem in the country. India will be well positioned as a global hub for Electronics System Design and Manufacturing (ESDM) on account of integration with global value chains, thereby becoming a destination for IT hardware exports.
Over the next 4 years, the Scheme is expected to lead to total production of upto INR 3,26,000 crore (INR 3.26 lakh crore) by these 5 Global Champions and 10 National Champions.

It is equally heartening to note that the scheme is also expected to boost exports significantly. Out of the total production in the next 4 years, more than 75% are expected to be exports of the order of INR 2,45,000 crore.

The Scheme will bring an additional investment in electronics manufacturing to the tune of INR 2,700 crore.

The direct and indirect revenues generated from production under this scheme are expected to be INR 15,760 crore over next 4 years.

Domestic value addition for IT Hardware is expected to rise to 20% - 25% by 2025 from the current 5% - 10% due to the impetus provided by the Scheme. Increase in both domestic manufacturing and domestic value addition will help significantly reduce the large foreign exchange outgo that India will have to otherwise bear.

It is expected that the scheme would lead to large scale electronics manufacturing in the country and open tremendous employment opportunities. The scheme has a potential to generate over 1,80,000 jobs (direct and indirect) over 4 years.

The scheme will promote large scale electronics manufacturing of IT Hardware products and contribute significantly to achieving a USD 1 Trillion digital economy and a USD 5 Trillion GDP by 2025.

Background:
The vision of National Policy on Electronics 2019 notified on 25.02.2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

Currently, the laptop and tablet demand in India is largely met through imports valued at ₹ 29,470 crore (USD 4.21 billion) and at ₹ 2,870 crore (USD 0.41 billion) respectively. The market for IT Hardware is dominated by 6-7 companies globally which account for about 70% of the world's market share. These companies are able to exploit large economies of scale to compete in global markets. It is imperative that these companies expand their operations in India and make it a major destination for manufacturing of IT Hardware.

Given the current global scenario, the world of manufacturing is undergoing a paradigm shift. Manufacturing companies across the globe are looking to diversify their manufacturing locations to mitigate the risk involved in depending on a single market.

PLI Schemes will help in making India a globally competitive destination for electronics manufacturing and create domestic champions to further our mission of achieving an AtmaNirbhar Bharat.

Cabinet approves Production Linked Incentive Scheme for Pharmaceuticals (24-02-2021)

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi has approved Production Linked Incentive (PLI) Scheme for Pharmaceuticals over a period of Financial Year 2020-21 to 2028-29.

The Scheme will benefit domestic manufacturers, help in creating employment and is expected to contribute to the availability of wider range of affordable medicines for consumers.

The scheme is expected to promote the production of high value products in the country and increase the value addition in exports. Total incremental sales of Rs.2,94,000 crore and total incremental exports of Rs.1,96,000 crore are estimated during six years from 2022-23 to 2027-28.

The scheme is expected to generate employment for both skilled and un-skilled personnel, estimated at 20,000 direct and 80,000 indirect jobs as a result of growth in the sector.

It is expected to promote innovation for development of complex and high-tech products including products of emerging therapies and in-vitro Diagnostic Devices as also self-reliance in important drugs. It is also expected to improve accessibility and affordability of medical products including orphan drugs to the Indian population. The Scheme is also expected to bring in investment of Rs.15,000 crore in the pharmaceutical sector.

The scheme will be part of the umbrella scheme for the Development of Pharmaceutical Industry. The objective of the scheme is to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector. One of the further objectives of the scheme is to create global champions out of India who have the potential to grow in size and scale using cutting edge technology and thereby penetrate the global value chains.
The salient features of the Scheme are as follows:-

Target Groups:
The manufacturers of pharmaceutical goods registered in India will be grouped based on their Global Manufacturing Revenue (GMR) to ensure wider applicability of the scheme across the pharmaceutical industry and at the same time meetthe objectives of the scheme. The qualifying criteria for the three groups of applicants will be as follows-

(a) Group A: Applicants having Global Manufacturing Revenue (FY 2019-20) of pharmaceutical goods more than or equal to Rs 5,000 crore.
(b) Group B: Applicants having Global Manufacturing Revenue (FY 2019-20) of pharmaceutical goods between Rs 500 (inclusive) crore and Rs 5,000 crore.
(c) Group C: Applicants having Global Manufacturing Revenue (FY 2019-20) of pharmaceutical goods less than Rs 500 crore. A sub-group for MSME industry will be made within this group, given their specific challenges and circumstances.

Quantum of Incentive:
The total quantum of incentive (inclusive of administrative expenditure) under the scheme is about Rs 15,000 crore. The incentive allocation among the Target Groups is as follows:
(a) Group A: Rs 11,000 crore.
(b) Group B: Rs 2,250 crore.
(c) Group C: Rs 1,750 crore.

The incentive allocation for Group A and Group C applicants shall not be moved to any-other category. However, incentive allocated to Group B applicants, if left underutilized can be moved to Group A applicants.

Financial Year 2019-20 shall be treated as the base year for computation of incremental sales of manufactured goods.

Category of Goods:
The scheme shall cover pharmaceutical goods under three categories as mentioned below:

Category 1
Biopharmaceuticals; Complex generic drugs; Patented drugs or drugs nearing patent expiry; Cell based or gene therapy drugs; Orphan drugs; Special emptycapsules like HPMC, Pullulan, enteric etc.; Complex excipients; Phyto-pharmaceuticals: Otherdrugs as approved.

Category 2
Active Pharmaceutical Ingredients / Key Starting Materials / Drug Intermediates.

Category 3 (Drugs not covered under Category 1 and Category 2)
Repurposed drugs; Auto immune drugs, anti-cancer drugs, anti-diabetic drugs, anti-infective drugs, cardiovascular drugs, psychotropic drugs and anti-retroviral drugs; In vitro diagnostic devices; Other drugs as approved; Other drugs not manufactured in India.

Rate of incentive
Rate of incentive will be 10% (of incremental sales value) for Category 1 and Category 2 products for first four years, 8% for the fifth year and 6% for the sixth year of production under the scheme.

Rate of incentive will be 5% (of incremental sales value) for Category 3 products for first four years, 4% for the fifth year and 3% for the sixth year of production under the scheme.

Duration of the scheme

The duration of the scheme will be from FY 2020-21 to FY 2028-29. This will include the period for processing of applications (FY 2020-21), optional gestation period of one year (FY 2021-22), incentive for 6 years and FY 2028-29 for disbursal of incentive for sales of FY 2027-28.

Background:

Indian pharmaceutical industry is 3rd largest in the world by volume and is worth USD 40 billion in terms of value. The country contributes 3.5% of total drugs and medicines exported globally. India exports pharmaceuticals to more than 200 countries and territories including highly regulated markets such as USA, UK, European Union, Canada etc. India has a complete ecosystem for the development and manufacturing of pharmaceuticals with companies having state of the art facilities and highly skilled/technical manpower. The country also has a number of renowned pharmaceutical educational and research institutes and a robust support of allied industries.

At present, low value generic drugs account for the major component of Indian exports, while a large proportion of the domestic demand for patented drugs is met through imports. This is because the Indian Pharmaceutical sector lacks in high value production along with the necessary pharma R&D. In order to incentivize the global and domestic players to enhance investment and production in diversified product categories, a well-designed and suitably targeted intervention is required to incentivise specific high value goods such as bio-pharmaceuticals, complex generic drugs, patented drugs or drugs nearing patent expiry and cell based or gene therapy products etc.

India and Mauritius sign Comprehensive Economic Cooperation and Partnership Agreement (23-02-2021)

CECPA is the **first trade Agreement signed by India with a country in Africa**. The Agreement is a limited agreement, which will cover Trade in Goods, Rules of Origin, Trade in Services, Technical Barriers to Trade (TBT), Sanitary and Phytosanitary (SPS) measures, Dispute Settlement, Movement of Natural Persons, Telecom, Financial services, Customs Procedures and Cooperation in other Areas

Impact/benefits:

CECPA provides for an institutional mechanism to encourage and improve trade between the two countries. The CECPA between India and Mauritius covers 310 export items for India, including food stuff and beverages (80 lines), agricultural products (25 lines), textile and textile articles (27 lines), base metals and articles thereof (32 lines), electricals and electronic item (13 lines), plastics and chemicals (20 lines), wood and articles thereof (15 lines), and others. Mauritius will benefit from preferential market access into India for its 615 products, including frozen fish, speciality sugar, biscuits, fresh fruits, juices, mineral water, beer, alcoholic drinks, soaps, bags, medical and surgical equipment, and apparel.

As regards trade in services, Indian service providers will have access to around 115 sub-sectors from the 11 broad service sectors, such as professional services, computer related services, research & development, other business services, telecommunication, construction, distribution, education, environmental, financial, tourism & travel related, recreational, yoga, audio-visual services, and transport services.

India has offered around 95 sub-sectors from the 11 broad services sectors, including professional services, R&D, other business services, telecommunication, financial, distribution, higher education, environmental, health, tourism and travel related services, recreational services and transport services.

Both sides have also agreed to negotiate an Automatic Trigger Safeguard Mechanism (ATSM) for a limited number of highly sensitive products within two years of the Signing of the Agreement.

Background:

India and Mauritius enjoy excellent bilateral relations, sustained by historic cultural affinities, frequent high-level political interactions, development cooperation, defence and maritime partnership, and people to people linkages.

Mauritius is an important development partner of India. India had extended a ‘Special Economic Package’ of USD 353 million to Mauritius in 2016. The new Supreme Court building project is one of the five projects being implemented under this package and was jointly inaugurated by Prime Minister Narendra Modi and the Prime Minister of Mauritius Pravind Jugnauth in July 2020. In October 2019, Prime Minister Modi and the PM of Mauritius had jointly inaugurated the Phase -I of the Metro Express Project and the 100-bed state of the art ENT hospital project in Mauritius, also built under the special economic package.

Since 2005, India has been among the largest trading partners of Mauritius, and has been one of the largest exporters of goods and services to Mauritius. According to the International Trade Centre (ITC), in 2019, the main import partners of Mauritius were India (13.85%), China (16.69%), South Africa (8.07%), and UAE (7.28%). The bilateral trade between India and Mauritius has registered a growth of 233% from USD 206.76 million in Financial Year (FY) 2005-06 to USD 690.02 million in FY 2019-20. India’s exports to Mauritius surged 232% from USD 199.43 million in FY 2005-06 to USD 662.13 million in FY 2019-20, while India’s imports from Mauritius increased 280% from USD7.33 million in 2005-06 to USD 27.89 million in FY 2019-20.

Embargo lifted on grant of Government Business to Private Banks (24-02-2021)

The Government has lifted the embargo on private sector banks (only a few were permitted earlier) for the conduct of **Government-related banking transactions** such as taxes and other revenue payment facilities, pension payments, small savings schemes, etc. This step is expected to further enhance customer convenience, spur competition and higher efficiency in the standards of customer services.

Private sector banks, which are at the forefront of imbibing and implementing latest technology and innovation in banking, will now be equal partners in development of the Indian economy and in furthering the social sector initiatives of the Government.

With the lifting of the embargo, there is now no bar on RBI for authorization of private sector banks (in addition to public sector banks) for Government business, including Government agency business. The Government has conveyed its decision to RBI.

NITI Aayog's Atal Innovation Mission (AIM) & Australia's national science agency Commonwealth Scientific and Industrial Research Organisation (CSIRO) kick-start the India-Australia Circular Economy (I-ACE) Hackathon, 2021 (11-02-2021)

With the goal to enable talented innovative students and start-ups from Australia and India to address common national issues through innovative technology solutions, AIM and CSIRO kick started the India-Australia Circular Economy (I-ACE) Hackathon, 2021.

The concept of I-ACE joint Hackathon originated in the virtual bilateral summit between the Hon. Prime Minister of India and the Hon. Prime Minister of Australia, held on June 4th, 2020 where they committed to joint circular economy innovation initiatives between the two countries.

More than 1000 applications received from both countries went through a rigorous screening process, after which Top 80 applications are selected for an unique bi-lateral Hackathon, wherein students and startups of both the nations will work together on Innovative ways of boosting Circular Economy in 4 priority themes viz. **Innovation in packaging reducing packaging waste, Innovation in food supply chains avoiding waste, Creating opportunities for plastics waste reduction, and Recycling critical energy metals and e-waste.**

Between 8th to 11th February 2021, the shortlisted teams were scheduled to be working on creating ingenious solutions which are Relevant, Innovative, Deployable, Impactful, and can be Commercialized in the global market.

"A 'circular economy' model, which employs not only waste management, but reuse, recycling and responsible manufacture can support the development of new industries and jobs, reducing emissions and increasing efficient use of natural resources."

PM's address at the webinar on privatisation and asset monetization (24-02-2021)

Friends,
When public sector enterprises were introduced in the country, the time was different and the needs of the country were also different. There is always scope for improvement in the policies, which were right for the country 50-60 years ago. Today, when we are carrying out these reforms, our biggest goal is to ensure proper use of the public money.

There are **several loss-making public sector enterprises**. Many of them have to be **supported through tax payers' money.** In a way, the money, which is the rightful due of the poor and the youth bubbling with aspirations, has to be put into the activities of these enterprises and as a result it puts a lot of burden on the economy also. The public sector enterprises don't have to be run just because they have been there for several years and were someone's pet projects. I can understand the need if public sector enterprises are meeting the needs of a particular sector or have strategic importance.

It is the responsibility of the government to give full support to the enterprises and businesses of the country, but it is **not necessary and feasible in today's era that the government should run the enterprises** and continue to own it. Therefore, I say the **government has no business to be in business**. The focus of the government should remain on the welfare and development projects of the people. The maximum energy, resources and capacity of the government should be employed for welfare works. When the government starts doing business, it causes severe losses.

There are several hurdles before the government in the decision making process. **The government lacks the courage to make commercial decisions. Everyone is afraid of allegations and legal implications**. That's why there is a thinking that let it continue the way it is, because my responsibility is for a limited time. Whosoever follows me, will take the call. Therefore, he does not take the decision and the status quo prevails.

You also know it very well that one can't run a business with such an approach. There is another aspect to it which is when the government starts doing business the scope of its resources gets shrunk. The **government does not have a shortage of the finest officers, but they are basically trained to run the government administrations**, to ensure compliance of policies and rules, to emphasize the welfare of the people and to formulate necessary policies for them. They are trained in these things and they have expertise in it also. They have come up so far after working among people for a long period. Such works are of great importance in such a huge country.

But **when the government starts doing business, it has to withdraw such promising officers from those positions** and shift them to a new territory. In a way, we do injustice not only to their talent, but also to that public sector enterprise. As a result, the person is harmed and the enterprise is lost. And, therefore, it harms the country in many ways. The endeavour of our government is to improve the quality of life of the people and also to reduce the unnecessary government interference in the lives of the people. That is, there is neither shortage nor influence of government in life.

Today, the country has a **lot of under-utilized and un-utilized assets** under the control of the government. With this concern in mind, we have announced the National Asset Monetisation Pipeline. We have set a target of monetizing about 100 such assets in the fields of oil, gas, ports, airports, power etc.These assets are estimated to have investment opportunities worth Rs 2.5 trillion. And I would like to say that this process will continue in future. The mantra with which the government is moving ahead is **monetise and modernise**.

When the government monetizes a particular asset, it is replaced by the private sector of the country. The **private sector brings in investment as well as the best global practices**. It brings in top quality manpower and transforms the management. It further modernizes things and the entire sector is modernized. It also leads to rapid expansion of that sector and creates new job opportunities also. Monitoring is equally important so that the entire process remains transparent and according to the rules. That is, we can further increase the efficiency of the entire economy through monetizing and modernizing.

The amount received following the government's decisions can be used in the welfare schemes. The money that comes from monetization of assets and privatization is used in making homes for the poor, building roads in villages, opening schools and providing clean water to the poor. There are so many services related to the common man. Even after so many years of independence, there are such shortcomings in our country. Now, the country cannot wait for long.

Our priority is to fulfill the basic needs of the common citizen of the country. The government is working expeditiously in this direction. Therefore, every decision relating to monetization of assets and privatization will help empower the citizens of the country, whether it is the poor, the middle class, the youth, women, farmers or labourers. Privatization also provides better opportunities to the competent youth and they get more opportunities to show their talent.

You will find transparency, accountability, rule of law, parliamentary oversight and strong political will today while making every enterprise efficient. Our intention is clearly visible in the new policy announced for public sector enterprises in this budget.

The government is committed to privatization of all other PSEs, apart from four strategic sectors. We've also made it very clear that there should be bare minimum PSEs in the strategic sector. This policy will help in selecting individual companies with the medium term strategic approach beyond the annual disinvestment targets.

This will also create a clear roadmap for investments. This will create new investment opportunities for you in every sector and also have immense employment potential in India. And I would also say that these are all valuable assets.

These enterprises have served the country a lot and are full of great potential in the future also. We have seen many times that when management changes, units touch new heights. All of you should not assess these enterprises from their present state of affairs, but look at the hidden future prospects. I see their bright future vividly.

Today, when our government is moving in this direction with full commitment, the implementation of the policies involved is equally important. It is very essential to ensure transparency, competition, perfect processes and stable policies. We will have to learn from the world's best practices for proper price discovery and stakeholder mapping with a detailed roadmap. We have to see that the decisions that are being taken are beneficial to the people and also help in the development of that sector.

National Beekeeping & Honey Mission (NBHM) aims to achieve the goal of 'Sweet Revolution' as part of Atmanirbhar Bharat Abhiyaan (11-02-2021)

Keeping in view the importance of beekeeping as part of the Integrated Farming System in the country, government approved the allocation for Rs. 500 crore for National Beekeeping & Honey Mission (NBHM) for three years (2020-21 to 2022-23). The mission was announced as part of the AtmaNirbhar Bharat scheme. NBHM aims for the overall promotion & development of scientific beekeeping in the country to achieve the goal of '**Sweet Revolution**' which is being implemented through National Bee Board (NBB).

The main objective of NBHM is to promote holistic growth of beekeeping industry for income & employment generation for farm and non-farm households, to enhance agriculture/ horticulture production, developing infrastructural facilities, including setting up of Integrated Beekeeping Development Centre (IBDC)s/CoE, honey testing labs, bee disease diagnostic labs, custom hiring centres, Api-therapy centres, nucleus stock, bee breeders, etc. and empowerment of women through beekeeping.

Beekeeping is an agro-based activity which is being undertaken by farmers/ landless labourers in rural area as a part of Integrated Farming System (IFS). Beekeeping has been useful in pollination of crops, thereby, increasing income of the farmers/beekeepers by way of increasing crop yield and providing honey and other high value beehive products, viz.; bees wax, bee pollen, propolis, royal jelly, bee venom, etc. Diversified agro climatic conditions of India provide great potential and opportunities for beekeeping/ honey production and export of Honey.

First ASEAN-India Hackathon-2021 (05-02-2021)

The Ministry of Education's Innovation Cell and the All India Council for Technical Education in collaboration with the Ministry of External Affairs (MEA) and ASEAN countries organized the first ASEAN-India Hackathon. Due to COVID-19 restrictions, the Hackathon was conducted online using a digital platform, indigenously developed by the Ministry of Education's Innovation Cell.

The ASEAN-India Hackathon-2021 aims at enhancing the cooperation between India and ASEAN countries in science, tech and education. All the ASEAN countries participated in this unique initiative of providing innovative solutions to overcome the challenges under two broad themes of Blue Economy and Education.

Student teams from all the 10 ASEAN countries as well as India participated in this ASEAN-INDIA Hackathon. These teams comprised of 330 students and 90 mentors. The students were divided in 54 cross-country teams, where each team consists of six students and two mentors. These diverse teams competed on developing the best solution for 11 problem statements provided by various reputed organisations and government bodies.

PSLV-C51, the first dedicated launch by NSIL, successfully launches Amazonia-1 and 18 Co-passenger satellites (28-02-2021)

India's Polar Satellite Launch Vehicle PSLV-C51 successfully launched Amazonia-1 along with 18 co-passenger satellites from Satish Dhawan Space Centre SHAR, Sriharikota.

PSLV-C51/Amazonia-1 is the first dedicated commercial mission of New Space India Limited (NSIL), a Government of India company under Department of Space.

Prime Minister congratulated the President of Brazil, Jair Bolsonaro on the successful launch of Brazil's Amazonia-1 satellite by PSLV-C51.

With today's launch, the total number of customer satellites from foreign countries placed in orbit by PSLV is 342 satellites from 34 countries.

World Sustainable Development Summit 2021 (10-02-2021)

Prime Minister Shri Narendra Modi inaugurated the World Sustainable Development Summit 2021 via video conferencing. The theme of the Summit is 'Redefining our common future: Safe and secure environment for all'.

About the Summit
The 20th edition of The Energy and Resources Institute's (TERI) flagship event, the World Sustainable Development Summit, will be held online from 10th-12th February, 2021. TERI is an independent, multi-dimensional organization, with expertisein research, policy, consultancy and implementation. (H.Q. in New Delhi)

The Summit will bring together a wide number of governments, business leaders, academicians, climate scientists, youth, and the civil society in the fight against climate change.

India's Ministry of Environment, Forests and Climate Change, Ministry of New and Renewable Energy and Ministry of Earth Sciences are key partners of the Summit.

Energy and industry transition, adaptation and resilience, nature based solutions, climate finance, circular economy, clean oceans and air pollution, are amongst the range of topics to be discussed during the Summit.

Miscellaneous

1. Fisheries has been recognized as a '**Sunrise Sector**' and has demonstrated an outstanding double-digit average annual growth of 10.87% since 2014-15.

Economy Current Affairs for the m/o March 2021

HSN Code/ Service Accounting Code mandatory on invoices from 1st April 2021 for GST taxpayer with turnover of more than Rs 5 crore (31-03-2021)

With effect from the 1st April, 2021, it has been made mandatory for a GST taxpayer, having turnover of more than Rs 5 crore in the preceding financial year, to furnish 6 digits HSN Code (Harmonised System of Nomenclature Code), or as the case may be, SAC (Service Accounting Code) on the invoices issued for supplies of taxable goods and services.

A taxpayer having turnover of upto Rs 5 crore in the preceding financial year is required to mandatorily furnish 4 digits HSN code on B2B invoices. Earlier, the requirement was 4 digits and 2 digits respectively.

Accordingly, with effect from the 1st April, 2021, GST taxpayers will have to furnish HSN/SAC in their invoices, as per the revised requirement.

HSN codes for goods at 6 digits are universally common. Therefore, common HSN codes apply to Customs and GST. Accordingly, codes prescribed in the Customs tariff are used for the GST purposes too (as has been specifically mentioned in the GST rate schedule).

In Customs Tariff, HS code is prescribed as heading (4 digits HS), sub-heading (6 digits HS) and tariff items (8 digits).

HSN
The Harmonized Commodity Description and Coding System generally referred to as "Harmonized System" or simply "HS" is a multipurpose international product nomenclature developed by the World Customs Organization (WCO).

It comprises more than 5,000 commodity groups; each identified by a six digit code, arranged in a legal and logical structure and is supported by well-defined rules to achieve uniform classification.

The system is used by more than 200 countries and economies as a basis for their Customs tariffs and for the collection of international trade statistics. Over 98 % of the merchandise in international trade is classified in terms of the HS.

Govt response to Freedom House Report on India’s Declining Status as a Free Country (05-03-2021)

US based Freedom House report titled “Freedom in the World 2021- Democracy Under Siege” in which it has been claimed that India’s status as a free country has declined to “partly free”, is misleading, incorrect and misplaced.

This is evident from the fact that many states in India under its federal structure are ruled by parties other than the one at the national level, through an election process which is free and fair and which is conducted by an independent election body. This reflects the working of a vibrant democracy, which gives space to those who hold varying views.

Road Transport & Highways Minister, Shri Nitin Gadkari Announces Vehicle Scrapping Policy (18-03-2021)

Minister for Road Transport and Highways, Shri Nitin Gadkari announced the Vehicle Scrapping Policy in Lok Sabha. Making a Suo Motu statement in the Lok Sabha, the Minister said that “Older vehicles pollute the environment 10 to 12 times more than fit vehicles and pose a risk to road safety”. He said that “in the interest of a clean environment and rider and pedestrian safety, the Ministry of Road Transport and Highways is introducing the **Voluntary Vehicle-Fleet Modernization Program (VVMP) or “Vehicle Scrapping Policy**” which is aimed at creating an Eco-System for phasing out of Unfit and Polluting Vehicles”.

The **objectives of the policy** are to reduce population of old and defective vehicles, achieve reduction in vehicular air pollutants to fulfil India’s climate commitments, improve road and vehicular safety, achieve better fuel efficiency, formalize the currently informal vehicle scrapping industry and boost availability of low-cost raw materials for automotive, steel and electronics industry.

The ecosystem is expected to attract additional investments of around Rs. 10,000 Crore and 35,000 job opportunities. The Ministry shall, in the next few weeks, publish draft notifications, which shall be in the public domain for a period of 30 days to solicit comments and views of all involved stakeholders.

The **criteria for a vehicle to be scrapped is primarily based on the fitness of vehicles** through Automated Fitness Centres in case of commercial vehicles and Non-Renewal of Registration in case of private vehicles. The criteria is adapted from international best practices after a comparative study of standards from various countries like Germany, UK, USA and Japan. A Vehicle failing the fitness test or failing to get a renewal of its registration certificate may be declared as End of Life Vehicle. Criteria to determine vehicle fitness will be primarily emission tests, braking, safety equipment, among many other tests which are as per the Central Motor Vehicle Rules, 1989.

The Policy proposes the following—

- It is proposed that commercial vehicles be de-registered after 15 years in case of failure to get the fitness certificate. As a disincentive measure, increased fees for fitness certificate and fitness test may be applicable for commercial vehicles 15 year onwards from the date of initial registration.
- It is proposed that Private Vehicles be de-registered after 20 years if found unfit or in case of a failure to renew registration certificate. As a disincentive measure, increased re-registration fees will be applicable for private vehicles 15 year onwards from the date of initial registration.
- It is being proposed that all vehicles of the Central Government, State Government, Municipal Corporation, Panchayats, State Transport Undertakings, Public Sector Undertakings and autonomous bodies with the Union and State Governments may be de-registered and scrapped after 15 years from the date of registration.

Incentives

The scheme shall provide strong incentives to owners of old vehicles to scrap old and unfit vehicles through registered scrapping centres, which shall provide the owners with a scrapping certificate. Some of these incentives include:
(A) Scrap Value for the old vehicle given by the scrapping centre, which is approximately 4-6% of ex-showroom price of a new vehicle.
(B) The state governments may be advised to offer a road- tax rebate of up to 25% for personal vehicles and up to 15% for commercial vehicles
(C) The vehicle manufacturers are also advised for providing a discount of 5% on purchase of new vehicle against the scrapping certificate.
(D) In addition, the registration fees may also be waived for purchase of new vehicle against the scrapping certificate.

The Ministry of Road Transport and Highways will promote **setting up of Registered Vehicle Scrapping Facility** (RVSF) across India and will encourage public and private participation for opening up of such centres. Efforts are also being made to set up Integrated Scrapping Facilities across India. Some of the identified places include Alang in Gujarat, where it is being planned to develop a highly specialized centre for scrapping, among many other potential centres, where different scrapping technologies can be synergized together.

With a simplified registration process through single window, the scrapping facility shall have to comply with environmental and pollution norms and with all applicable acts of law. It shall be ensured that the scrapping centres have adequate parking facility, de-pollution equipment for air, water and sound pollution and adequate facilities for hazardous waste management and disposal. Similarly, the Ministry shall promote setting up of Automated Fitness Centres on a PPP model by state government, private sector, automobile companies etc.

These centres may have adequate space for test-lane, IT servers, parking and free movement of vehicles. To avoid conflict of interest, operators of fitness centres shall only provide testing facility and shall not provide repair/sale of spare services. Appointment for fitness centres may be booked online and tests reports shall also be generated in an electronic mode.

Tentative timeline for application of Proposed Scrapping Policy is as follows:

1. Rules for Fitness Tests and Scrapping Centres: 01st October 2021
2. Scrapping of Government and PSU vehicles above 15 years of age: 01st April 2022
3. Mandatory Fitness Testing for Heavy Comm. Vehicles: 01st April 2023
4. Mandatory Fitness-Testing (Phased manner for other categories): 01st June 2024

Initiatives by Government for reducing Gender Gap in all aspects of Social, Economic and Political Life (25-03-2021)

As per the **Global Gender Gap Index Report 2020** published by the World Economic Forum, India ranks 112 out of 153 countries with a score of 0.668 out of 1. India ranked 108 out of 149 countries with a score of 0.665 as per the Global Gender Gap Index Report 2018. Thus, India's performance has marginally improved from 0.665 in 2018 to 0.668 in 2020.

Global Gender Gap Index (GGGI) consists of four dimensions, namely, (i) economic participation and opportunity (ii) educational attainment (iii) health and survival, and (iv) political empowerment**.**

As per the computational mechanism of GGGI, highest performance score on each of these four dimensions is 1. According to the GGGI Report 2020 India has scored 0.354 in economic participation and opportunity, 0.962 in educational attainment, 0.944 in health and survival and 0.411 in political empowerment.

Some major initiatives taken by Government of India for removing the gender gap in all aspect of social, economic and political life are as follows:

Economic Participation & Opportunity and Health & Survival: Various programmes/Schemes that are intended towards women development and empowerment are:

- Beti Bachao Beti Padhao (BBBP) ensures the protection, survival and education of the girl child.
- Mahila Shakti Kendra (MSK) aims to empower rural women with opportunities for skill development and employment.
- Working Women Hostel (WWH) ensures the safety and security for working women.
- Scheme for Adolescent Girls aims to empower girls in the age group 11-18 and to improve their social status through nutrition, life skills, home skills and vocational training
- Mahila Police Volunteers (MPV) envisages engagement of Mahila Police Volunteers in States/UTs who act as a link between police and community and facilitates women in distress.
- Rashtriya Mahila Kosh (RMK) is an apex micro-finance organization that provides micro-credit at concessional terms to poor women for various livelihood and income generating activities.
- The National Crèche Scheme ensures that women take up gainful employment through providing a safe, secure and stimulating environment to the children.
- Pradhan Mantri Matru Vandna Yojna aims to provide maternity benefit to pregnant and lactating mothers.
- Pradhan Mantri Awaas Yojana aims to provide housing under the name of the woman also.
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY) aims to enable a large number of Indian youth including women to take up industry-relevant skill training in securing a better livelihood.
- Deen Dayal Upadhyay National Urban Livelihoods Mission (DAY-NULM) focuses on creating opportunities for women in skill development, leading to market-based employment.
- Pradhan Mantri Ujjwala Yojana empowers women and protects their health by providing LPG cylinder free of cost.
- Sukanya Samriddhi Yojna(SSY) - Under this scheme girls have been economically empowered by opening their bank accounts.
- Skill Upgradation & Mahila Coir Yojna is an exclusive training programme of MSME aimed at skill development of women artisans engaged in coir Industry.
- Prime Minister's Employment Generation Programme (PMEGP) - a major credit- linked subsidy programme aimed at generating self-employment opportunities through establishment of micro-enterprises in the non-farm sector
- Female Entrepreneurship: To promote female entrepreneurship, the Government has initiated Programmes like Stand-Up India and Mahila e-Haat (online marketing platform to support women entrepreneurs/ SHGs/NGOs), Entrepreneurship and Skill Development Programme (ESSDP). Pradhan Mantri Mudra Yojana (PMMY) provides access to institutional finance to micro/small business.

Educational Attainment: Several steps and initiatives have been taken up in school education system such as National Curriculum Framework (NCF) 2005 and flagship programme like Samagra Shiksha and the subsequent Right to Education Act (RTE). Kasturba Gandhi Balika Vidyalayas (KGBVs) have been opened in Educationally Backward Blocks (EBBs). Gender sensitisation is also done which includes gender sensitization Module - part of in-service training, construction of toilets for girls, construction of residential quarters for female teachers and curriculum reforms.

Political Participation: To bring women in the mainstream of political leadership at the grass root level, government has **reserved 33% of the seats in Panchayati Raj Institutions** for women. Capacity Building of Panchayat Stakeholders including Elected Women Representatives (EWRs) of Ministry of Panchayati Raj is conducted with a view to empowering women to participate effectively in the governance processes.

Gender Budget has been made a part of Union Budget of India since 2005 that entails fund allocation towards programmes/schemes dedicated to women. Through this effort the Government is continuously promoting gender parity/equality with a focus on alleviating gender gap in all sectors and at all levels of governance. As per the Gender Budget Statement, Government has earmarked Rs.153326.28 Crore for FY 2021-22 to be used by the Ministries towards schemes/programmes aimed at reducing gender gap in all aspects of social, economic and political life.

Cabinet approves Production Linked Incentive Scheme for Food Processing Industry (31-03-2021)

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the Central Sector Scheme - "Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)" to support creation of **global food manufacturing champions** commensurate with India's natural resource endowment and support Indian brands of food products in the international markets with an outlay of Rs. 10900 crore.

Objectives of the Scheme:
The objectives of the Scheme are to support food manufacturing entities with stipulated minimum Sales and willing to make minimum stipulated investment for expansion of processing capacity and Branding abroad to incentivise emergence of strong Indian brands.:

- Support creation of global food manufacturing champions;
- Strengthen select Indian brand of food products for global visibility and wider acceptance in the international markets;
- Increase employment opportunities of off-farm jobs,
- Ensuring remunerative prices of farm produce and higher income to farmers.

Salient features:

- The first component relates to incentivising manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) foods, Processed Fruits & Vegetables, Marine Products, Mozzarella Cheese.
- Innovative/ Organic products of SMEs including Free Range -Eggs, Poultry Meat, Egg Products in these segments are also covered under above component.
- The selected applicant will be required to undertake investment, as quoted in their Application (Subject to the prescribed minimum) in Plant & Machinery in the first two years i.e. in 2021-22 & 2022-23.
- Investment made in 2020-21 also to be counted for meeting the mandated investment.
- The conditions of stipulated Minimum Sales and mandated investment will not be applicable for entities selected for making innovative/ organic products.
- The second component relates to support for branding and marketing abroad to incentivise emergence of strong Indian brands.
- For promotion of Indian Brand abroad, the scheme envisages grant to the applicant entities for - in store Branding, shelf space renting and marketing.
- Scheme will be implemented over a six year period from 2021-22 to 2026-27.
- The scheme is "**fund-limited**", i.e. cost shall be restricted to the approved amount. The maximum incentive payable to each beneficiary shall be fixed in advance at the time of approval of that beneficiary. Regardless of achievement/ performance, this maximum shall not be exceeded.

Impact including employment generation potential:

The implementation of the scheme would facilitate expansion of processing capacity to generate processed food output of Rs 33,494 crore and create employment for nearly 2.5 lakh persons by the year 2026-27.

Background:

- The food processing sector in India encompasses manufacturing enterprises in all the segments from micro to large industries.
- India is having competitive advantage in terms of resource endowment, large domestic market and scope for promoting value added products.
- Achieving full potential of this sector would require Indian companies to improve their competitive strength vis-a-vis their global counterpart in term of scale of output, productivity, value addition and their linkages with the global value chain.
- The Production Linked Incentive Scheme for Food Processing Industry has been formulated based on the Production Linked incentive scheme of NITI Aayog under "AatmaNirbhar Bharat Abhiyaan for Enhancing India's Manufacturing Capabilities and Enhancing Exports".

Parliament passes National Bank for Financing Infrastructure and Development Bill, 2021 to provide long term finance for infrastructure projects (25-03-2021)

The NBFID will be set up as a development financial institution. It will be a body corporate with authorized share capital of one lakh crore rupees. Head office of the Institution shall be in Mumbai.

Shares of the Institution may be held by the Central Government, multilateral institutions, sovereign wealth funds, pension funds, insurers, financial institutions, banks, and any such institution as may be prescribed. The Central Government shall hold at least **twenty-six per cent** of the shares of the Institution at all times.

Institution shall have developmental and financial objectives.

The developmental objective of the Institution shall be to coordinate with the Central and State Governments, regulators, financial institutions, institutional investors and such other relevant stakeholders, in India or outside India, to facilitate building and improving the relevant institutions to support the development of long-term non-recourse infrastructure financing in India including the domestic bonds and derivatives markets.

The financial objective of the Institution shall be to lend or invest, directly or indirectly, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects located in India, or partly in India and partly outside India, with a view to foster sustainable economic development in India.

Chairperson will be appointed by the Central Government in consultation with the Reserve Bank.

First export consignments of 'red rice' from Assam to the USA flagged off (04-03-2021)

In a major boost to India's rice exports potential, the first consignment of 'red rice' was flagged off today to the USA. Iron rich 'red rice' is grown in Brahmaputra valley of Assam, without the use of any chemical fertilizer. The rice variety is referred as 'Bao-dhaan', which is an integral part of the Assamese food.

Features of Organic Farming

Organic farming is a sustainable agriculture system that excludes the use of synthetic inputs in farming and relies on on-farm inputs such as crop residues, farmyard manure, enriched composts, vermi-compost, oil cakes, bio-fertilizers etc for nutrient management of crops. Similarly, pests and diseases are managed by eco-friendly farming practices of crop rotation, trap crops, bio-pesticides like neem-based formulations, bio control agents, mechanical traps, stale seed bed etc. adoption of organic farming practices produces safe food, reduces cost of production, improves soil health and health in mitigating the climate change and global warming by reducing dependence on chemical fertilizers.

Government of India has been promoting Organic farming in the country through dedicated schemes namely Paramparagat Krishi Vikas Yojana (PKVY) and Mission Organic Value Chain Development for North Eastern Region (MOVCDNER) since 2015-16 to cater to the needs of domestic and export markets respectively.

Both the schemes stress on end to end support to organic farmers i.e. from production to certification and marketing.

Post harvest management support including processing, packing, marketing is made integral part of these schemes to encourage organic farmers including in the State of Rajasthan and Assam.

Government of India Drives Enforcement of Contracts and Conciliation Mechanism (22-03-2021)

In order to lay emphasis on Enforcement of Contracts and Conciliation Mechanism, NITI Aayog has constituted two Task Forces.

The Task Force for Enforcement of Contracts will give its recommendation for a policy framework for Enforcement of Contracts. e.g. Constitution and operationalization of adequate number of Dedicated Commercial Courts with requisite infrastructure in major towns/clusters at the district level in all States to exclusively deal with commercial cases. The Vice Chairman, NITI Aayog will be the Chairman of the Task force.

Task Force on Conciliation Mechanism will give its recommendation for an effective Conciliation Mechanism for speedy settlement/resolution of disputes arising out of contracts between the Government (Ministries, CPSEs) and private contractor/concessionaire.. The CEO, NITI Aayog will be the Chairman of the Task force.

Cabinet approves creation of Pradhan Mantri Swasthya Suraksha Nidhi as a single non-lapsable reserve fund for Health from the proceeds of health and Education Cess (10-03-2021)

The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi has approved the Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN) as a single non-lapsable reserve fund for share of Health from the proceeds of Health and Education Cess levied under Section 136-b of Finance Act, 2007.

Salient features of the PMSSN

- A non-lapsable reserve fund for Health in the Public Account;
- Proceeds of share of health in the Health and Education Cess will be credited into PMSSN;
- Accruals into the PMSSN will be utilized for the flagship schemes of the Ministry of Health & Family Welfare namely,
  1. Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)
  2. Ayushman Bharat - Health and Wellness Centres (AB-HWCs)
  3. National Health Mission
  4. Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)
  5. Emergency & disaster preparedness and responses during health emergencies
  6. Any future programme/scheme that targets to achieve progress towards SDGs and the targets set out in the National Health Policy (NHP) 2017.
- Administration and maintenance of the PMSSN is entrusted to Ministry of Health & Family Welfare; and
- In any financial year, the expenditure on such schemes of the MoHFW would be initially incurred from the PMSSN and thereafter, from Gross Budgetary Support (GBS).

Benefits:
The major benefit will be: enhanced access to universal & affordable health care through availability of earmarked resources, while ensuring that the amount does not lapse at the end of financial year.

Background:
Health is vital for improved developmental outcomes. From an economic standpoint, better health improves productivity, and reduces losses due to premature death, prolonged disability and early retirement. Health and Nutrition also directly impact scholastic achievements and have a bearing on productivity and income. Health Outcomes depend substantially on public spending on health. One extra year of population life expectancy raises GDP per capita by 4%, Investment in health creates millions of jobs, largely for women, through a much needed expansion of the health workforce

In the budget speech 2018, the Finance Minister while announcing Ayushman Bharat Scheme, also announced replacement of existing 3% Education Cess by 4% Health and Education Cess.

RBI announces Standing External Advisory Committee for evaluating Applications for Universal Banks and Small Finance Banks (22-03-2021)

Chairperson is Smt. Shyamala Gopinath, former Deputy Governor, Reserve Bank of India

Universal banks provide a comprehensive set of services and products (i.e. Retail banking, Commercial banking, Investment banking) under the same roof to a wide variety of customers. They are like a one-stop-shop where all customers needs can be fulfilled.

Benefits of universal banks:
Cost efficiency- Lower costs of financing, and lower financial intermediation costs which benefit customers.
Reduced risk exposure- Universal banks are more resilient due to their diversified operations.
A single point of contact for a broad range of financial services that creates a long term relationship and enables tailor-made solutions.

41st SAARCFINANCE Governors' Group Meeting and SAARCFINANCE Governors' Symposium, March 01-02, 2021

Shri Shaktikanta Das, Governor, Reserve Bank of India chaired the 41st Meeting of the SAARCFINANCE Governors' Group in virtual format on March 1, 2021.

With the RBI's tenure coming to a close, Governor Shri Das handed over the SAARCFINANCE Chair (effective from April 01, 2021) to the Governor, Maldives Monetary Authority.

SAARCFINANCE is a network of central bank governors and finance secretaries of the SAARC region. The Reserve Bank of India is the present chair of the SAARCFINANCE from October 2019 to March 2021.

PM inaugurates 'Maitri Setu' between India and Bangladesh (09-03-2021)

The bridge 'Maitri Setu' has been built over Feni river which flows between Indian boundary in Tripura State and Bangladesh. The name 'Maitri Setu' symbolizes growing bilateral relations and friendly ties between India and Bangladesh.

The construction was taken up by the National Highways and Infrastructure Development Corporation Ltd at a project cost of Rs. 133 Crores. The 1.9 Km long bridge joins Sabroom in India with Ramgarh in Bangladesh. It is poised to herald a new chapter for trade and people to people movement between India and Bangladesh. With this inauguration, Tripura is set to become the 'Gateway of North East' with access to Chittagong Port of Bangladesh, which is just 80 Kms from Sabroom.

First Quad Leaders' Virtual Summit (11-03-2021)

Prime Minister Shri Narendra Modi will be participating, along with Prime Minister of Australia Scott Morrison and Prime Minister of Japan Yoshihide Suga and President of U.S.A. Joseph R. Biden, in the first Leaders' Summit of the Quadrilateral Framework, being held virtually on 12th March 2021

The Leaders will discuss regional and global issues of shared interest, and exchange views on practical areas of cooperation towards maintaining a free, open and inclusive Indo-Pacific region. The Summit will provide an opportunity to exchange views on contemporary challenges such as resilient supply chains, emerging and critical technologies, maritime security, and climate change.

The Leaders will discuss ongoing efforts to combat Covid-19 pandemic and explore opportunities for collaboration in ensuring safe, equitable and affordable vaccines in the Indo-Pacific region.

Blockage of Suez Canal (23-03-2021)

A giant container ship operated by Taiwanese transport company Evergreen Marine, ran aground and became lodged sideways across the waterway. Traffic was resumed in Egypt's Suez Canal after a week.

The Suez Canal is an artificial sea-level waterway running north to south across the Isthmus of Suez in Egypt to connect the Mediterranean Sea and the Red Sea.

Opened 17 November 1869, after 10 years of construction, it allows ships to travel between Europe and South Asia without navigating around Africa thereby reducing the sea voyage distance between Europe and India by about 7,000 kilometres.

it is 193.30 km long, 24 m deep and 205 metres wide. It is one of the world's most heavily used shipping lanes.
This route is used for Indian exports/imports worth US$ 200 Bn to/from North America, South America and Europe. It includes petroleum goods, organic chemicals, iron & steel, automobile, machinery, textiles & carpets, handicrafts including furniture, leather goods, etc.

The Central Board recommends 8.50 % rate of interest to its subscribers for the year 2020-21 (04-03-2021)

The 228th meeting of Central Board of Trustees, EPF was held in Srinagar, Jammu & Kashmir under the chairmanship of Shri Santosh Kumar Gangwar, Union Minister of State for Labour & Employment (Independent Charge)

The Central Board recommended 8.50% annual rate of interest to be credited on EPF accumulations in members' accounts for the financial year 2020-21.

The interest rate would be officially notified in the government gazette following which EPFO would credit the rate of interest into the subscribers' accounts.

Ease of Living Index 2020 and Municipal Performance Index 2020 (04-03-2021)

Shri Hardeep Singh Puri, Minister of State (Independent Charge), Housing and Urban Affairs announced the release of the final rankings of Ease of Living Index (EoLI) 2020 and the Municipal Performance Index (MPI) 2020.

The rankings under **Ease of Living Index 2020** were announced for cities with a population of more than a million, and cities with less than a million people.

Bengaluru emerged as the top performer in the **Million+ category**, followed by Pune, Ahmedabad, Chennai, Surat, Navi Mumbai, Coimbatore, Vadodara, Indore, and Greater Mumbai. In the **Less than Million category**, **Shimla** was ranked the highest in ease of living, followed by Bhubaneshwar, Silvassa, Kakinada, Salem, Vellore, Gandhinagar, Gurugram, Davangere, and Tiruchirappalli.

Similar to the EoLI index, the **assessment framework under MPI 2020** has classified municipalities based on their population- Million+ (municipalities having over a million population) and Less than Million Population. In the **Million+ category**, **Indore** has emerged as the highest ranked municipality, followed by Surat and Bhopal. In the **Less than Million category**, **New Delhi Municipal Council** has emerged as the leader, followed by Tirupati and Gandhinagar.

Manipur emerges as the model state for Van Dhan Vikas Yojana (18-03-2021)

The Van Dhan Vikas Yojana is a programme for value addition, branding & marketing of Minor Forest Produces by establishing Van Dhan Kendras to facilitate creation of sustainable livelihoods for the forest-based tribes.

Haryana State Employment of Local Candidates Act, 2020 (02-03-2021)

As per the Act, Every employer shall employ seventy-five percent of the local candidates with respect to such posts where the gross monthly salary or wages are not more than fifty thousand rupees.

This Act applies to all the Companies, Societies, Trusts, Limited Liability Partnership firms, Partnership Firm and any person employing ten or more persons.

Miscellaneous

1. International Renewable Energy Agency (IRENA) released the World Energy Transitions Outlook 2021.

Economy Current Affairs for the m/o April 2021

RBI cancels the licence of Bhagyodaya Friends Urban Co-operative Bank Limited, Warud, Dist. Amravati, Maharashtra (22-04-2021)

Consequently, the bank ceases to carry on banking business, with effect from the close of business on April 22, 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, Bhagyodaya Friends Urban Co-operative Bank Limited, Warud, Dist. Amravati, 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 Bhagyodaya Friends Urban Co-operative Bank Limited, Warud, Dist. Amravati, Maharashtra as per the DICGC Act, 1961 will be set in motion. As per the data submitted by the bank, **more than 98% 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.

Reserve Bank of India constitutes a Committee on functioning of Asset Reconstruction Companies (ARCs) and review of regulatory guidelines applicable to them (19-04-2021)

Reserve Bank of India had announced setting up of a Committee to undertake a comprehensive review of the working of ARCs in the financial sector ecosystem and recommend suitable measures for enabling such entities to meet the growing requirements of the financial sector.

Shri Sudarshan Sen, former Executive Director, RBI is the Chairman of committee.

RBI takes supervisory action on Card Networks – American Express Banking Corp. and Diners Club International Ltd (23-04-2021)

RBI has imposed restrictions on American Express Banking Corp. and Diners Club International Ltd. from on-boarding new domestic customers onto their card networks from May 1, 2021. These entities have been found non-compliant with the directions on Storage of Payment System Data. This order will not impact existing customers.

American Express Banking Corp. and Diners Club International Ltd. are Payment System Operators authorised to operate Card Networks in the country under the Payment and Settlement Systems Act, 2007 (PSS Act). The supervisory action has been taken in exercise of powers vested in RBI under Section 17 of the PSS Act.

Background

In terms of RBI circular on Storage of Payment System Data dated April 6, 2018, all Payment System Providers were directed to ensure that within a period of six months the entire data (full end-to-end transaction details / information collected / carried / processed as part of the message / payment instruction) relating to payment systems operated by them is **stored in a system only in India**. They were also required to report compliance to RBI and submit a Board-approved System Audit Report (SAR) conducted by a CERT-In empanelled auditor within the timelines specified therein.

RBI joins Network for Greening the Financial System (29-04-2021)

The Reserve Bank of India (RBI) has joined the Central Banks and Supervisors Network for Greening the Financial System (NGFS) as a Member on April 23, 2021.

Launched at the Paris One Planet Summit on December 12, 2017, the NGFS is a group of central banks and supervisors willing to share best practices and contribute to the development of environment and climate risk management in the financial sector, while mobilising mainstream finance to support the transition towards a sustainable economy.

The Reserve Bank expects to benefit from the membership of NGFS by learning from and contributing to global efforts on Green Finance which has assumed significance in the context of climate change.

Shivalik Small Finance Bank Limited commences operations (26-04-2021)

Shivalik Small Finance Bank Limited has commenced operations as a small finance bank with effect from April 26, 2021.The Reserve Bank has issued a licence to the bank under Section 22 (1) of the Banking Regulation Act, 1949 to carry on the business of small finance bank in India.

Shivalik Mercantile Co-operative Bank Limited was granted an in-principle approval for transition into a small finance bank, as announced in the press release on January 6, 2020, under the "Scheme on voluntary transition of Urban Co-operative Bank into a Small Finance Bank" issued on September 27, 2018.

Constitution of the Regulations Review Authority 2.0 (15-04-2021)

The Reserve Bank of India had set up a Regulations Review Authority (RRA) initially for a period of one year from April 1, 1999 for reviewing the regulations, circulars, reporting systems, based on the feedback from public, banks and financial institutions.

The recommendations of the RRA enabled streamlining and increasing the effectiveness of several procedures, simplifying regulatory prescriptions, paved the way for issuance of master circular and reduced reporting burden on regulated entities.

Considering the developments in regulatory functions of the Reserve Bank over the past two decades and evolution of the regulatory perimeter, it is proposed to undertake a similar review of the Reserve Bank's regulations and compliance procedures with a view to streamlining/ rationalising them and making them more effective.

Accordingly, it has been decided to set up a new Regulations Review Authority (RRA 2.0) for a period of one year from May 01, 2021 to review the regulatory prescriptions internally as well as by seeking suggestions from the RBI regulated entities and other stakeholders on their simplification and ease of implementation.

The RRA 2.0 will focus on streamlining regulatory instructions, reduce compliance burden of the regulated entities by simplifying procedures and reduce reporting requirements, wherever possible.

Shri M. Rajeshwar Rao, Deputy Governor has been appointed as the Regulations Review Authority.

G-sec acquisition programme or G-SAP 1.0 (07-04-2021)

Under the programme, the RBI will commit upfront to a specific amount of open market purchases of government securities with a view to enabling a stable and orderly evolution of the yield curve amidst comfortable liquidity conditions.

For Q1 of 2021-22, it has been decided to announce a G-SAP of ₹1 lakh crore. The first purchase of government securities for an aggregate amount of ₹25,000 crore under G-SAP 1.0 will be conducted on April 15, 2021.

Our objective is to eschew volatility in the G-sec market in view of its central role in the pricing of other financial market instruments across the term structure and issuers, both in the public and private sectors.

Impact
Governments buy-back their high coupon (high cost debt) bearing securities to reduce their interest outflows in the times when interest rates show a falling trend.

High-term premia, the difference between the prevailing 10-year government security yield and the repo rate, is an impediment to monetary policy transmission.

The high yields on long-term government borrowings had led to banks pricing their retail loans (vehicle, housing etc) at high rates.

Through buying long term bonds, the demand for the long term bonds increases than the supply, which drives up the prices of these bonds and yield move down (as interest is fixed and price increases).

Centralised Payment Systems– viz RTGS and NEFT – Membership for Entities other than Banks (07-04-2021)

Membership to the RBI-operated Centralised Payment Systems (CPSs) – RTGS and NEFT – are so far limited to banks, with a few exceptions, such as specialised entities like clearing corporations and select development financial institutions.

Over the last few years, the role of non-bank entities in payment space (e.g. Prepaid Payment Instrument (PPI) issuers, Card Networks, White Label ATM (WLA) operators, Trade Receivables Discounting System (TReDS) platforms), has grown in importance and volume, as they have innovated by leveraging technology and offering customised solutions to users.

To reinforce this trend and encourage participation of non-banks across payment systems, it is proposed to enable, in a phased manner, payment system operators, regulated by the Reserve Bank, to take direct membership in CPSs. This facility is expected to minimise settlement risk in the financial system and enhance the reach of digital financial services to all user segments.

These entities will, however, not be eligible for any liquidity facility from the Reserve Bank to facilitate settlement of their transactions in these CPSs.

Interoperability of Prepaid Payment Instruments (PPIs), and Increase in account limit to ₹ 2 lakh (07-04-2021)

To promote optimal utilisation of payment instruments (like cards, wallets etc.), and given the constraint of scarce acceptance infrastructure (like PoS devices, ATMs, QR codes, bill-payment touch points, etc.), Reserve Bank of India has been stressing on the benefits of interoperability amongst the issuing and acquiring entities alike, banks or non-banks.

The Master Direction on Issuance and Operation of PPIs dated October 11, 2017 laid down a road-map for a phased implementation of interoperability amongst PPIs issued by banks and non-banks. Thereafter, the guidelines issued in October 2018 enabled interoperability, albeit on a voluntary basis, insofar as the PPIs were full-KYC (they met all Know Your Customer requirements).

Despite a passage of two years, migration towards full-KYC PPIs, and therefore interoperability, is not significant. It is, therefore, proposed to make interoperability mandatory for full-KYC PPIs and for all acceptance infrastructure.

To incentivise the migration of PPIs to full-KYC, it is proposed to increase the limit of outstanding balance in such PPIs from the current level of ₹1 lakh to ₹2 lakh.

Permitting Cash Withdrawal from Full-KYC PPIs issued by Non-banks (07-04-2021)

Presently, cash withdrawal is allowed only for full-KYC PPIs issued by banks and this facility is available through ATMs and PoS terminals. Holders of such PPI, given the comfort that they can withdraw cash as required, are less incentivised to carry cash and consequently more likely to perform digital transactions.

As a confidence-boosting measure, it is proposed to allow the facility of cash withdrawal, subject to a limit, for full-KYC PPIs of non-bank PPI issuers as well. The measure, in conjunction with the mandate for interoperability, will give boost to migration to full-KYC PPIs and would also complement the acceptance infrastructure in Tier III to VI centres.

RBI announces Enhancement of limit of maximum balance per customer at end of the day from ₹1 lakh to ₹2 lakh for Payments Banks (07-04-2021)

The extant "Guidelines for Licensing of Payments Banks" issued on November 27, 2014 allow payments banks to hold a maximum balance of ₹ 1 lakh per individual customer.

Based on a review of performance of payments banks and with a view to encourage their efforts for financial inclusion and to expand their ability to cater to the needs of their customers, including MSMEs, small traders and merchants, it has been decided to enhance the limit of maximum balance at end of the day from ₹1 lakh to ₹2 lakh per individual customer.

Review of Way and Means Advances (WMA) limits for the State Governments/UTs (07-04-2021)

An Advisory Committee (Chairman: Shri Sudhir Shrivastava) was constituted by the Reserve Bank in August 2019 to review the Ways and Means Advances (WMA) limits for State Governments/UTs and examine other related issues.

The Committee has recommended an overall revised limit of ₹47,010 crore for all states, as against the current limit of ₹32,225 crore (fixed in February 2016), representing an increase of about 46%.

The committee also recommended the continuation of the enhanced interim WMA limit of ₹ 51,560 crore (60 per cent increase in the current limits allowed by the Reserve Bank during the last fiscal to help states/UTs to tide over the difficulties faced by them during the pandemic) for a further period of six months i.e., from April 1, 2021 up to September 30, 2021.

The Reserve Bank has accepted both the recommendations.

Open Banking Initiatives in India (16-04-2021)

Open banking is defined as the sharing and leveraging of customer-permissioned data by banks with third party developers and firms to build applications and services, including for example those that provide real-time payments, greater financial transparency options for account holders, marketing and cross-selling opportunities.

Globally, open banking regulatory frameworks are structured to enable third party access to customer-permissioned data, requiring licencing or authorisation of third parties, and implementing data privacy and disclosure and consent requirements. Some frameworks may also contain provisions related to whether third parties can share and/or resell data onward to "fourth parties", use the data for purposes beyond the customer's original consent and to whether banks or third parties could be remunerated for sharing data. Open banking frameworks may also contain expectations or requirements on data storage and security.

India has kickstarted its approach to Open Banking by enabling an intermediary which will be responsible for the customers' consent management. These intermediaries are licensed as Non-Banking Financial Companies. In September 2016, RBI announced creation of a new licensed entity called Account Aggregator (AA) and allowed them to consolidate financial information of a customer held with different financial entities, spread across financial sector regulators.

In India, AA acts as an intermediary between Financial Information Provider (FIP) such as bank, banking company, non-banking financial company, asset management company, depository, depository participant, insurance company, insurance repository, pension fund etc., and Financial Information User (FIU) which are entities registered with and regulated by any financial sector regulator. The flow of information takes place through appropriate Application Programming Interfaces (APIs).

The transfer of such information is based on an explicit consent of the customer and with appropriate agreements/ authorisations between the AA, the customer, and the financial information providers. Data cannot be stored by the aggregator or used by it for any other purpose. Explicit and robust data security and customer grievance redressal mechanisms have been prescribed and the Account Aggregators are not permitted to undertake any other activity, primarily to protect the customers' interest.

Risks associated with Open Banking

Open banking may offer benefits in the form of convenient access to financial data and services to consumers and streamlining some costs for financial institutions. However, it also potentially poses significant risks and concerns around:

Financial privacy and data security: In open banking frameworks, risks associated with the loss or theft of personal data on account of poor security, data protection violations, money laundering, and terrorist financing concerns cannot be ruled out. Therefore, large scale adoption of open banking frameworks should ideally be preceded by strong data protection and privacy laws. Such laws should anchor the ownership rights and ensure control and consent-based use of the data. They should also establish the boundaries of rights and obligations of third-party use, down-streaming of data to fourth parties and reselling it. India has already embarked upon the same and The Personal Data Protection Bill, 2019 has already been introduced. The Bill seeks to provide for protection of personal data of individuals and establishes a Data Protection Authority for the same.

Customer liability: In absence of explicit arrangements for redressal of customer grievances and limiting their liability in case of erroneous or fraudulent activity, the acceptability of open banking frameworks may remain limited. Therefore, the jurisdictions should look to address customer liability for third party access of data through customer protection or indemnity laws. RBI has issued Charter of Customer Rights in December 2014 which lists 'right to privacy' along with 'right to grievance redress and compensation' among others. The right to privacy requires that customers' personal information should be kept confidential unless they have offered specific consent to the financial services provider or such information is required to be provided under the law or it is provided for a mandated business purpose.

Cybersecurity and Operational Risks: Use of open banking architectures, which is premised on the enhanced sharing of data, increases the surface area for cyber frauds. As the open API provides uncluttered access to customer banking data such as transactions and balance stored within the infrastructure, it may also pose a severe cybersecurity risk. Losses caused to customers on account of cyber events would require financial institutions to compensate customers for such losses. Institutions may also face a variety of potential operational and cyber security issues related to the use of APIs, including data breaches, misuse, falsification, denial of service attacks and infrastructure malfunction.

Compliance and Reputational Risk: While open banking expands vistas of traditional banking and offers unique business opportunities, it also reposes extreme responsibilities with respect to compliance with applicable prudential regulations and privacy laws. Risks arise due to exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements due to omissions and commissions of the third-party service provider.

Grievance Redressal: With more parties and intermediaries involved in the provision of financial services in an open banking model, it is more difficult to assign liability. If the regulations governing customer grievance redressals are not updated to take open banking business models into consideration, the national authorities may find it difficult to provide the customers adequate levels of protections. In India, RBI has implemented a separate Ombudsman Scheme for Digital Transactions in January 2019. The number of complaints received under the Ombudsman Scheme for Digital Transactions (OSDT) have been consistently increasing reflecting increased adoption of digital modes of banking.

In addition to the above, open banking frameworks also present regulators with many challenges. In open banking, there can be wide-ranging third-party arrangements such as fintech firms, intermediary firms engaged in data aggregation and other service providers which may not have a contractual agreement with the bank over which regulators can exercise jurisdiction. Further, it may be possible that several of these firms may not fall under regulatory purview of any financial sector regulator. In such situations, it may become difficult for regulators to set requirements, specifications, and exercise regulatory jurisprudence.

Conclusion

Open banking is a potential disruptor in financial system and may change the way of doing banking for both- customers and banks. New pure tech-play entities have the potential to snatch market share from established but traditional financial institutions because they are technologically more advanced, digitally agile to cater to customer needs with higher efficiency, have better user interface, and are more competitive in pricing.

In contrast to the Open Banking initiatives witnessed in some countries, India has embraced an approach where both the Regulator and the market have collaborated for the development of the Open Banking space. In India, RBI and NPCI came out with a payment system like UPI and released its API for the banks and third-party app providers to build upon. The market participants are also driving innovation and many banks are releasing their own APIs and joining forces with the fintech companies to provide better experience to their customers. Moreover, with the launch of Regulatory Sandbox and Reserve Bank Innovation Hub, RBI's approach has been that of encouragement and guidance.

At the same time, all stakeholders need to appreciate the fact that while technological innovation is of paramount importance, the **customer privacy and data protection are non-negotiable**. We must generate trust amongst the customers that their data is safe and secure in all their financial relationships with regulated entities and for that - innovation and regulation should go hand-in-hand.

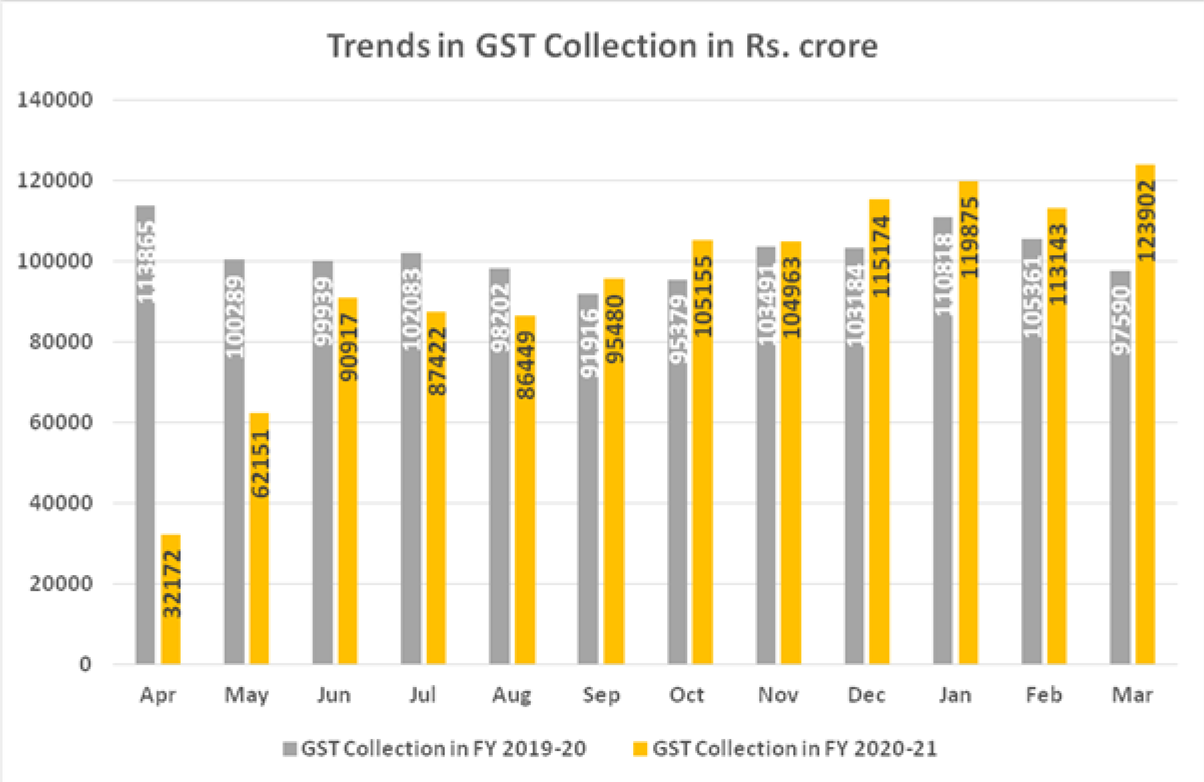
GST Revenue collection for April' 2021 sets new record (01-05-2021)

The gross GST revenue collected in the month of April' 2021 is at a record high of Rs. **1,41,384 crore** of which CGST is Rs. **27,837 crore**, SGST is Rs. **35,621,** IGST is Rs **68,481 crore** (including Rs. 29,599 crore collected on import of goods) and Cess is Rs. **9,445 crore** (including Rs. 981 crore collected on import of goods).

Despite the second wave of COVID-19 pandemic affecting several parts of the country, Indian businesses have once again shown remarkable resilience by not only complying with the return filing requirements but also paying their GST dues in a timely manner during the month.

The GST revenues during April 2021 are the highest since the introduction of GST even surpassing collections in the last month (March'2021). In line with the trend of recovery in the GST revenues over past six months, the revenues for the month of April 2021 are 14**% higher** than the GST revenues in the last month of March'2021.

GST revenues have not only crossed the Rs. 1 lakh crore mark during successively for the last seven months but have also shown a steady increase. These are clear indicators of sustained economic recovery during this period. Closer monitoring against fake-billing, deep data analytics using data from multiple sources including GST, Income-tax and Customs IT systems and effective tax administration have also contributed to the steady increase in tax revenue.



Cabinet approves Production Linked Incentive scheme 'National Programme on High Efficiency Solar PV Modules' (07-04-2021)

The Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the Ministry of New & Renewable Energy's proposal for implementation of the Production Linked Incentive (PLI) Scheme 'National Programme on High Efficiency Solar PV (Photo Voltic) Modules' for achieving manufacturing capacity of Giga Watt (GW) scale in high efficiency solar PV modules with an outlay of Rs.4,500 crore.

Solar capacity addition presently depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited operational capacities of solar PV cells and modules. The National Programme on High Efficiency Solar PV Modules will reduce import dependence in a strategic sector like electricity. It will also support the Atmanirbhar Bharat initiative.

Solar PV manufacturers will be selected through a transparent competitive bidding process. PLI will be disbursed for 5 years post commissioning of solar PV manufacturing plants, on sales of high efficiency solar PV modules. Manufacturers will be rewarded for higher efficiencies of solar PV modules and also for sourcing their material from the domestic market. Thus, the PLI amount will increase with increased module efficiency and increased local value addition.

The outcomes/ benefits expected from the scheme are as follows:

- Additional 10,000 MW capacity of integrated solar PV manufacturing plants,
- Direct investment of around Rs.17,200 crore in solar PV manufacturingprojects
- Demand of Rs.17,500 crore over 5 years for 'Balance of Materials',
- Direct employment of about 30,000 and Indirect employment of about1,20,000 persons,
- Import substitution of around Rs.17,500 crore every year, and
- Impetus to Research & Development to achieve higher efficiency in solar PV modules.

Union Cabinet approves Production Linked Incentive (PLI) Scheme for White Goods (Air Conditioners and LED Lights) (07-04-2021)

Taking another important step towards the vision of 'Atmanirbhar Bharat', the Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi, approved the Production Linked Incentive (PLI) Scheme for White Goods (Air Conditioners and LED Lights) with a budgetary outlay of Rs. 6,238 crore.

The prime objective of the PLI scheme is to make manufacturing in India globally competitive by removing sectoral disabilities, creating economies of scale and ensuring efficiencies. It is designed to create complete component ecosystem in India and make India an integral part of the global supply chains. The scheme is expected to attract global investments, generate large scale employment opportunities and enhance exports substantially.

The PLI Scheme for White Goods shall extend an incentive of 4% to 6% on incremental sales of goods manufactured in India for a period of five years to companies engaged in manufacturing of Air Conditioners and LED Lights.

Different segments have been earmarked for different types of components separately to specifically target global investments into desired areas. Selection of companies for the Scheme shall be done so as to incentivize manufacturing of components or sub-assemblies which are not manufactured in India presently with sufficient capacity. **Mere assembly of finished goods shall not be incentivized.**

Companies meeting the pre-qualification criteria for different target segments will be eligible to participate in the Scheme. Incentives shall be open to companies making brown field or green field Investments. Thresholds of cumulative incremental investment and incremental sales of manufactured goods over the base year would have to be met for claiming incentives.

An entity availing benefits under any other PLI Scheme of Govt. India will not be eligible under this scheme for the same products but the entity may take benefits under other applicable schemes of Govt. of India or schemes of State governments. The Scheme will be implemented as a pan India scheme and is not specific to any location, area or segment of population. A number of global and domestic companies, including a number of MSMEs are likely to benefit from the Scheme.

The Scheme is expected to be instrumental in achieving growth rates that are much higher than existing ones for AC and LED industries, develop complete component eco-systems in India and create global champions manufacturing in India. They will have to meet the compulsory BIS and BEE Quality standards for sales into domestic market and applicable standards for global markets. It will also lead to investments in innovation and research and development and upgradation of technology.

It is estimated that over the period of five years, the PLI Scheme will lead to incremental investment of Rs. 7,920 Crore, incremental Production worth Rs. 1,68,000 Crore, exports worth Rs 64,400 Crore, earn direct and indirect revenues of Rs 49,300 crore and create additional four lakh direct and indirect employment opportunities.

Status of Production-Linked Incentive Schemes (07-04-2021)

In the Union Budget 2021-22, presented on 1st February 2021, the Finance Minister announced an outlay of INR 1.97 Lakh Crores for the Production-Linked Incentive (PLI) Schemes for 13 key sectors, to create national manufacturing champions and generate employment opportunities for the country’s youth. This means that minimum production in India as a result of PLI Schemes is expected to be over US$ 500 billion in 5 years.

PLI Schemes are a cornerstone of the Government’s push for achieving an Atmanirbhar Bharat. **The objective is to make domestic manufacturing globally competitive and to create global Champions in manufacturing**. The strategy behind scheme is to offer companies incentives on incremental sales from products manufactured in India, over the base year. They have been specifically designed to boost domestic manufacturing in sunrise and strategic sectors, curb cheaper imports and reduce import bills, improve cost competitiveness of domestically manufactured goods, and enhance domestic capacity and exports.

The first three PLI Schemes were approved earlier in March, 2020 and these were followed by another 10 New PLI Schemes in November, 2020.

Of these, the previous three Schemes have been notified

- D/o Pharmaceuticals - Manufacturing Of Medical Devices
- D/o Pharmaceuticals - Critical Key Starting Materials (KSMs)/ Drug Intermediates And Active Pharmaceutical Ingredients (APIs)
- MeitY - Mobile Manufacturing and Specified Electronic Components

, Six of the ten New Schemes have also been approved by the Cabinet as below:

1. Electronic/Technology Products – MeitY (notified on 3 March 2021)
2. Pharmaceuticals drugs – D/o Pharmaceuticals (notified on 3 March 2021)
3. Telecom & Networking Products - D/o Telecommunications (notified on 24 Feb 2021)
4. Food Products -Ministry of Food Processing Industries
5. White Goods (ACs & LED) – DPIIT
6. High Efficiency Solar PV Modules -MNRE

Another four Schemes are in process of obtaining Cabinet approval as below:

7. Automobiles & Auto Components – D/o Heavy Industry
8. Advance Chemistry Cell (ACC) Battery – D/o Heavy Industry
9. Textile Products: MMF segment and technical textiles – M/o Textiles
10. Specialty Steel -M/o Steel

India hosts First Meeting of BRICS Finance Ministers and Central Bank Governors April 6, 2021

This was the first meeting of the BRICS Finance Ministers and Central Bank Governors under India Chairship in 2021. The meeting was jointly Chaired by Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman and Governor, Reserve Bank of India, Shri. Shaktikanta Das. Participants included Finance Ministers and Central Bank Governors of the BRICS countries.

As 2021 BRICS Chair, India's approach is focused on strengthening intra-BRICS cooperation based on Continuity, Consolidation and Consensus.

US Treasury Releases semiannual Report on Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States. (India is in Monitoring List) (16-04-2021)

Treasury found that eleven economies warrant placement on Treasury's "Monitoring List" of major trading partners that merit **close attention to their currency practices**: China, Japan, Korea, Germany, Ireland, Italy, India, Malaysia, Singapore, Thailand, and Mexico.

Treasury is working tirelessly to address efforts by foreign economies **to artificially manipulate their currency values** that put American workers at an unfair disadvantage," Secretary of the Treasury said.

Treasury will closely monitor and assess the economic trends and foreign exchange policies of each of these economies.

First meeting of National Startup Advisory Council (15-04-2021)

Minister of Railways, Commerce & Industry, Consumer Affairs and Food & Public Distribution Shri Piyush Goyal chaired the first meeting of National Startup Advisory Council (NSAC).

Department for Promotion of Industry and Internal Trade (DPIIT) had constituted the 'National Startup Advisory Council' dated 21st January 2020 **chaired by Minister for Commerce & Industry** to advise the Government on measures needed to build a strong ecosystem for nurturing innovation and startups in the country to drive sustainable economic growth and generate large scale employment opportunities.

Besides the ex-officio members, the council has a number of non-official members, representing various stakeholders such as founders of successful startups, veterans who have grown and scaled companies in India, persons capable of representing interest of investors into startups, persons capable of representing interests of incubators and accelerators, representatives of associations of stakeholders of startups and representatives of industry associations.

Area under summer crops has shown an increasing trend in India (23-04-2021)

For the second successive year, as a result of meticulous planning and concerted efforts of the States and the Central government, along with the hard work of the farmers, the area under summer crops has shown an increasing trend in the country. The Ministry of Agriculture and Farmers Welfare has taken new initiatives for the scientific cultivation of **summer crops such as pulses, coarse cereals, Nutri-cereals and oilseeds.**

As on 23rd April 2021, summer sowing in the country is 21.5% higher than it was last year during the corresponding period. The total summer crop area has increased to 73.76 lakh hectares from 60.67 lakh hectares a year ago during the corresponding period.

A noteworthy increase has been seen in the area of pulses. As on 23rd April 2021, the area sown under pulses has increased to 12.75 lakh ha from 6.45 lakh ha, which shows nearly a 100% increase. The increased area is mainly reported from the states of Tamil Nadu, Madhya Pradesh, West Bengal, Uttar Pradesh, Gujarat, Bihar, Chhattisgarh, Maharashtra, Karnataka etc.

Oilseeds have increased to 10.45 lakh ha from 9.03 lakh ha, which is an increase of around 16%. The area has been reported from West Bengal, Karnataka, Gujarat, Maharashtra, UP, Tamil Nadu, Andhra Pradesh, Chhattisgarh etc.

Rice has increased to 39.10 lakh ha from 33.82 lakh ha, which is an increase of around 16%. Summer rice has been reported from the states of West Bengal, Telangana, Karnataka, Assam, Andhra Pradesh, Odisha, Chhattisgarh, Tamil Nadu, Bihar, etc.

Summer sowing is likely to be completed by the first week of May and the area has increased significantly. Summer crops not only provide extra income but also create employment opportunities. A major gain by the cultivation of summer crops is the improvement in soil health, particularly through the pulses crop.

Encouraging water levels in almost all reservoirs helped in protecting both the Rabi crop as well as summer crops. As whole productivity & production is expected to increase significantly.

Growing summer/Zaid crops based on the availability of soil moisture and other climatic conditions is an old practice in India, particularly for meeting the additional domestic requirement of food grains and feeding livestock. Farmers also cultivate summer paddy crops in some states for their domestic use based on water availability. By using scientific cultivation practices, farmers have started sowing summer crops through seed drill/zero till after treating the seeds.

Farmers have started cultivating high yielding varieties and using post-harvest value addition technologies for higher productivity and economic gains.

Launching of Startup India Seed Fund Scheme (19-04-2021)

Minister of Railways, Commerce & Industry, Consumer Affairs and Food & Public Distribution Shri Piyush Goyal launched the Startup India Seed Fund Scheme (SISFS).

The Fund aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry, and commercialization.

The Scheme was announced by the Hon'ble Prime Minister, Shri Narendra Modi on 16th January 2021 in his Grand Plenary address of 'Prarambh: Startup India International Summit', marking the five-year anniversary of the Startup India initiative.

Rs. 945 Crore corpus will be divided over the next 4 years for providing seed funding to eligible startups through eligible incubators across India. The scheme is expected to support an estimated 3,600 startups through 300 incubators.

An Experts Advisory Committee (EAC) has been created by DPIIT to execute and monitor the Startup India Seed Fund Scheme. Grants of upto Rs 5 Crores shall be provided to the eligible incubators selected by the EAC. The selected incubators shall provide grants of up to Rs 20 lakhs for validation of Proof of Concept, or prototype development, or product trials to startups. Furthermore, investments of up to Rs 50 lakhs shall be provided to the startups for market entry, commercialization, or scaling up through convertible debentures or debt-linked instruments.

This Scheme will create a robust startup ecosystem, particularly in Tier 2 and Tier 3 towns of India, which are often deprived of adequate funding.

Why Startup India Seed Fund Scheme ?
Funding from angel investors and venture capital firms becomes available to startups only after the proof of concept has been provided. Similarly, banks provide loans only to asset-backed applicants. It is essential to provide seed funding to startups with an innovative idea to conduct proof of concept trials.

E9 Countries

Minister of State for Education, Shri Sanjay Dhotre addressed at the consultation meeting of Education Ministers of E9 countries on E9 initiative: **Scaling up digital learning** to accelerate progress towards SDG4 on 6th April, 2021.

E9 Countries include Bangladesh, Brazil, China, Egypt, India, Indonesia, Mexico, Nigeria, and Pakistan representing over half of the world's population.

The UN is spearheading a global initiative on digital learning and skills for all, targeting marginalized children and youth and aiming to close the digital divide and drive rapid change in education systems.

The initiative aims to accelerate recovery and advance the Sustainable Development Goal 4 agenda by driving rapid change in education systems in three of the 2020 Global Education Meeting priorities: (i) support to teachers; (ii) investment in skills; and (iii) narrowing of the digital divide.

G20: Debt Service Suspension Initiative (07-04-2021)

COVID-19 has dealt a major blow to world's poorest countries, causing a recession that could push more than 100 million people into extreme poverty.

In April 2020, the World Bank Group and International Monetary Fund called on bilateral creditors to allow developing countries to suspend their bilateral debt service payments and focus resources on responding to the pandemic. The plan was called the Debt Service Suspension Initiative (DSSI), and G20 Finance Ministers quickly agreed to support it.

In all, 73 countries are eligible for a temporary suspension of debt-service payments owed to their official bilateral creditors. The G20 has also called on private creditors to participate in the initiative on comparable terms. The suspension period, originally set to end on December 31, 2020, has been extended through December 2021.

The DSSI has allowed the 46 countries that have so far applied to take part — out of 73 that are eligible — to defer an estimated $12.5bn in debt repayments otherwise due to bilateral lenders in G20 member countries. Those debts must still be paid in full over a maximum of six years once the suspension expires. The new extension would cover an estimated $9.9bn in bilateral debt payments due in the second half of this year if all eligible countries participate.

US Navy 7th Fleet conducts Freedom of Navigation Operation into India's exclusive economic zone (EEZ) without seeking prior approval from India (07-04-2021)

US Navy Statement

US Navy warship USS John Paul Jones (DDG 53) asserted navigational rights and freedoms approximately 130 nautical miles **west of the Lakshadweep Islands, inside India's exclusive economic zone, without requesting India's prior consent**, consistent with international law. India requires prior consent for military exercises or maneuvers in its exclusive economic zone or continental shelf, a claim inconsistent with international law. This freedom of navigation operation ("FONOP") upheld the rights, freedoms, and lawful uses of the sea recognized in international law by challenging India's excessive maritime claims.

U.S. Forces operate in the Indo-Pacific region on a daily basis. All operations are designed in accordance with international law and demonstrate that the United States will fly, sail and operate wherever international law allows.

We conduct routine and regular Freedom of Navigation Operations (FONOPs), as we have done in the past and will continue to in the future. FONOPs are not about one country, nor are they about making political statements.

Response from Government of India

The Government of India's stated position on the United Nations Convention on the Law of the Sea is that the Convention does not authorise other States to carry out in the Exclusive Economic Zone and on the continental shelf, **military exercises or manoeuvres, in particular those involving the use of weapons or explosives**, without the consent of the coastal state.

The USS John Paul Jones was continuously monitored transiting from the Persian Gulf towards the Malacca Straits. We have conveyed our concerns regarding this passage through our EEZ to the Government of U.S.A through diplomatic channels.

The United Nations Convention on the Law of the Sea

The United Nations Convention on the Law of the Sea lays down a comprehensive regime of law and order in the world's oceans and seas establishing rules governing all uses of the oceans and their resources. It enshrines the notion that all problems of ocean space are closely interrelated and need to be addressed as a whole.

The Convention was opened for signature on 10 December 1982 in Montego Bay, Jamaica. The Convention entered into force in accordance on 16 November 1994.

Some of the key features of the Convention are the following:

- Coastal States exercise sovereignty over their territorial sea which they have the right to establish its breadth up to a limit not to exceed **12 nautical miles**; foreign vessels are allowed "innocent passage" through those waters;

- Coastal States have sovereign rights in a **200-nautical mile exclusive economic zone (EEZ)** with respect to natural resources and certain economic activities, and exercise jurisdiction over marine science research and environmental protection;

- **All other States have freedom of navigation and overflight in the EEZ**, as well as freedom to lay submarine cables and pipelines;

- Coastal States have sovereign rights over the continental shelf (the national area of the seabed) for exploring and exploiting it; the shelf can extend at least 200 nautical miles from the shore, and more under specified circumstances;

- States are bound to prevent and control marine pollution and are liable for damage caused by violation of their international obligations to combat such pollution;

- All marine scientific research in the EEZ and on the continental shelf is subject to the consent of the coastal State, but in most cases they are obliged to grant consent to other States when the research is to be conducted for peaceful purposes and fulfils specified criteria;

- States are bound to promote the development and transfer of marine technology "on fair and reasonable terms and conditions", with proper regard for all legitimate interests;

- Disputes can be submitted to the International Tribunal for the Law of the Sea established under the Convention, to the International Court of Justice, or to arbitration. Conciliation is also available and, in certain circumstances, submission to it would be compulsory. The Tribunal has exclusive jurisdiction over deep seabed mining disputes.

US President host Leaders' Summit on Climate with 40 world leaders (23-04-2021)

Prime Minister Shri Narendra Modi will participate in the Leaders' Summit on Climate at the invitation of President of U.S.A. Joseph R. Biden, being held virtually on 22-23 April 2021.

Nearly 40 other world leaders are participating in the Summit. They will represent countries which are members of the **U.S.-led Major Economies Forum (MEF) on Energy and Climate** (17 Members. India is a member), and those vulnerable to climate change, among others.

Together, the 17 MEF economies are responsible for approximately 80 percent of global greenhouse gas emissions and global GDP. The 17 major economies are: Australia, Brazil, Canada, China, European Union, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, South Africa, the United Kingdom, and the United States.

The Leaders will exchange views on climate change, enhancing climate actions, mobilising finance towards climate mitigation and adaptation, nature based solutions, climate security as well as technological innovations for clean energy.

The Leaders will also deliberate on how the world can align climate action with inclusive and resilient economic development, while respecting national circumstances and sustainable development priorities.

The Summit is a part of a series of global meetings focusing on climate issues, being held in the run up to **COP26 in November 2021.**

Address by Prime Minister Modi

For humanity to combat Climate Change, concrete action is needed. Our ambitious **renewable energy target of 450 Gigawatts by 2030** shows our commitment.

Despite our development challenges, we have taken many bold steps on clean energy, energy efficiency, afforestation and bio-diversity.That is why **we are among the few countries whose NDCs are 2-degree-Celsius** compatible.

We have also encouraged global initiatives like **International Solar Alliance, LeadIT, and the Coalition for Disaster Resilient Infrastructure.**

President Biden and I are launching the "**India-US climate and clean energy Agenda 2030 partnership**". Together, we will help mobilise investments, demonstrate clean technologies, and enable green collaborations.

India's per capita carbon footprint is 60% lower than the global average. It is because our lifestyle is still rooted in sustainable traditional practices. So today, I want to emphasise the importance of lifestyle change in climate action.Sustainable lifestyles and a guiding philosophy of "Back to Basics" must be an important pillar of our economic strategy for the post-Covid era.

Establishing a Net-Zero Producers Forum

On Day One of joining office, US President Biden fulfilled his commitment to rejoin the Paris Agreement. On the first day of the summit, President Biden announced the United States will target reducing emissions by 50-52 percent by 2030 compared to 2005 levels.

In support of efforts to achieve net-zero emissions by midcentury, the **United States, together with the energy ministries from Canada, Norway, Qatar, and Saudi Arabia**, representing 40 percent of global oil and gas production, established a cooperative forum that will create pragmatic net-zero strategies, including methane abatement, advancing the circular carbon economy approach, development and deployment of clean-energy and carbon capture and storage technologies, diversification from reliance on hydrocarbon revenues, and other measures in line with each country's national circumstances.

Vaccine Passport

In the near future, travel may require digital documentation showing that passengers have been vaccinated against Covid-19.

A vaccine passport or e-vaccination certification might become a required travel document to enable seamless border-crossing.

It will make easier for the people to travel between countries without having to pull out different papers for different countries and different documents at different checkpoints.

The expectation is that with a vaccine, some aspects of life will return to normal – especially when it comes to travel – which has been particularly hard-hit.

Governments around the world are actively considering options for rolling out a digital vaccine passport to allow people to travel more freely.

The European Commission has announced it intends to open up to foreign tourists this summer, and plans for a digital certificate for travel, which would cover anyone vaccinated against COVID-19 or those who have had a negative test or have recently recovered. Its proposed Digital Green Certificate will facilitate safe free movement inside the EU during the pandemic.

Miscellaneous

1. Capital Expenditure has a higher multiplier effect, enhancing the future productive capacity of the economy, and results in a higher rate of economy growth.

2.Trade Ministers of India,Japan and Australia formally launched the Supply Chain Resilience initiative in a Trilateral Ministerial Meeting held virtually on 27.04.2021.

3. Organisation for the Prohibition of Chemical Weapons (OPCW) selected the India's Comptroller and Auditor General (CAG) GC Murmu as its external auditor for a three-year term starting 2021. (22-04-2021).

4. Singapore based Chandler institute of Governance released the Chandler Good Government Index 2021. India has been ranked 49th out of 104 countries. (27-04-2021)

Economy Current Affairs for the m/o May 2021

MoD notifies 'Second Positive Indigenisation List' of 108 items to promote self-reliance & defence exports (31-05-2021)

In pursuance of Prime Minister Shri Narendra Modi's endeavor of '*Atmanirbhar Bharat'* and to boost indigenisation in the Defence sector, Raksha Mantri Shri Rajnath Singh has approved a proposal of the Department of Military Affairs, Ministry of Defence (MoD) to notify the 'Second Positive Indigenisation List' of 108 items.

This will give further boost to indigenisation with active participation of public and private sector for fulfilling the twin objectives of achieving self-reliance and promoting defence exports. All the 108 items will now be procured from indigenous sources as per provisions given in Defence Acquisition Procedure (DAP) 2020.

The second list (enclosed) lays special focus on weapons/systems which are currently under development/trials and are likely to translate into firm orders in the future. Like the first list, import substitution of ammunition which is a recurring requirement has been given special focus. Not only does the list recognise the potential of local defence industry, it will also invigorate impetus to domestic Research & Development by attracting fresh investment into technology and manufacturing capabilities.

The 'Second Positive Indigenisation List' comprises complex systems, sensors, simulator, weapons and ammunitions like Helicopters, Next Generation Corvettes, Air Borne Early Warning and Control (AEW&C) systems, Tank Engines, Medium Power Radar for Mountains, MRSAM Weapon Systems and many more such items to fulfil the requirements of Indian Armed Forces.

This second list is planned to be implemented progressively with effect from December 2021 to December 2025.

This second list has been prepared by MoD after several rounds of consultations with government and private manufacturing industry confederations to assess future capabilities of Indian Industry which will be able to meet requirements of the Armed Forces. This list provides continuous impetus towards self-reliance in Defence.

The Defence industry can gainfully utilise this golden opportunity to build robust Research and Development facilities, capacities and capabilities to meet the futuristic requirements of the Armed Forces. This list also provides an excellent opportunity for 'start-ups' as also MSMEs which will get tremendous boost from this initiative.

Towards this, Ministry of Defence, Defence Research and Development Organisation (DRDO) and Service Head Quarters (SHQs) will take all necessary steps, including hand holding of the Industry, to ensure that the timelines mentioned in the 'Second Positive Indigenisation List' are met, thereby facilitating an environment for Indian Defence Manufacturers to create world class infrastructure, assist in Government's 'Make in India' vision to make India self-reliant in defence and develop the capabilities for defence export in the near future.

In August 2020, the 'First Positive Indigenisation' List comprising 101 items was notified, in pursuance of Government's endeavor of 'AtmaNirbhar Bharat Abhiyan' and to boost indigenisation in the defence sector. At that time, it was also highlighted that more such equipment would be identified progressively to facilitate and encourage defence manufacturing in the country.

To achieve self-sufficiency in pulses Union Government formulates strategy for Kharif 2021 (06-05-2021)

With an aim to attain self-sufficiency in the production of pulses, the Ministry of Agriculture and Farmers Welfare has formulated a special Kharif strategy for implementation in the ensuing Kharif 2021 season.

Through consultations with the state governments, a detailed plan for both area expansion and productivity enhancement for **Tur, Moong and Urad** has been formulated.

Under the strategy, utilising all the high yielding varieties (HYVs) of seeds that are available either with the Central Seed Agencies or in the States will be distributed free of cost to increase area through intercropping and sole crop.

For the coming Kharif 2021, it is proposed to distribute 20,27,318 (almost 10 times more seed mini kits than 2020-21) amounting to Rs. 82.01 crores. The total cost for these mini-kits will be borne by the Central Government to boost the production and productivity of tur, moong and urad.

Benefits
India is still importing around 4 lakh tonnes of tur, 0.6 lakh tonnes of moong and around 3 lakh tonnes of urad for meeting its demand. The special programme will increase the production and productivity of the three pulses of Tur, Moong and Urad to a great extent and will play an important role in reducing the import burden and usher India to become Aatmanirbhar in the production of pulses.

RBI cancels the licence of Shivajirao Bhosale Sahakari Bank Ltd., Pune, Maharashtra (31-05-2021)

Reserve Bank of India cancelled the licence of Shivajirao Bhosale Sahakari Bank Ltd., Pune, Maharashtra. Consequently, the bank ceases to carry on banking business, with effect from the close of business on May 31, 2021.

The 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:
i. 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,

ii. 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,

iii. The continuance of the bank is prejudicial to the interests of its depositors,

iv. The bank with its present financial position would be unable to pay its present depositors in full and

v. 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, Shivajirao Bhosale Sahakari Bank Ltd., Pune, 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 Shivajirao Bhosale Sahakari Bank Ltd., Pune, Maharashtra as per the DICGC Act, 1961 will be set in motion. As per the data submitted by the bank, more than 98% 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.

RBI cancels the licence of United Co-operative Bank Ltd., Bagnan, West Bengal (13-05-2021)

Reserve Bank of India cancelled the licence of United Co-operative Bank Ltd., Bagnan, West Bengal. Consequently, the bank ceases to carry on banking business, with effect from the close of business on May 13, 2021.
The Registrar of Cooperative Societies, West Bengal 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:

i. 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.
ii. 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;
iii. The continuance of the bank is prejudicial to the interests of its depositors;
iv. The bank with its present financial position would be unable to pay its present depositors in full; and
v. 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, United Co-operative Bank Ltd., Bagnan, West Bengal 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 United Co-operative Bank Ltd., Bagnan, West Bengal as per the DICGC Act, 1961 will be set in motion. As per the data submitted by the bank, all the depositors will receive full amount of their deposits from Deposit Insurance and Credit Guarantee Corporation (DICGC).

On liquidation, every depositor would be entitled to receive deposit insurance claim amount in respect 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.

India attracted highest ever total FDI inflow of US$ 81.72 billion during 2020-21, 10% more than the last financial year (24-05-2021)

Measures taken by the Government on the fronts of Foreign Direct Investment (FDI) policy reforms, investment facilitation and ease of doing business have resulted in increased FDI inflows into the country. The following trends in India's Foreign Direct Investment are an endorsement of its status as a preferred investment destination amongst global investors:

India has attracted highest ever total FDI inflow of US$ 81.72 billion during the financial year 2020-21 and it is 10% higher as compared to the last financial year 2019-20 (US$ 74.39 billion).

FDI equity inflow grew by 19% in the F.Y. 2020-21 (US$ 59.64 billion) compared to the previous year F.Y. 2019-20 (US$ 49.98 billion).

In terms of top investor countries, 'Singapore' is at the apex with 29%, followed by the U.S.A (23%) and Mauritius (9%) for the F.Y. 2020-21.

'Computer Software & Hardware' has emerged as the top sector during F.Y. 2020-21 with around 44% share of the total FDI Equity inflow followed by Construction (Infrastructure) Activities (13%) and Services Sector (8%) respectively.

Under the sector `Computer Software & Hardware', the major recipient states are Gujarat (78%), Karnataka (9%) and Delhi (5%) in F.Y. 2020-21.

Gujarat is the top recipient state during the F.Y. 2020-21 with 37% share of the total FDI Equity inflows followed by Maharashtra (27%) and Karnataka (13%).

Majority of the equity inflow of Gujarat has been reported in the sectors `Computer Software & Hardware' (94%) and `Construction (Infrastructure) Activities' (2%) during the F.Y. 2020-21.

The major sectors, namely Construction (Infrastructure) Activities, Computer Software & Hardware, Rubber Goods, Retail Trading, Drugs & Pharmaceuticals and Electrical Equipment have recorded more than 100% jump in equity during the F.Y. 2020-21 as compared to the previous year.

Out of top 10 countries, Saudi Arabia is the top investor in terms of percentage increase during F.Y. 2020-21. It invested US$ 2816.08 million in comparison to US$ 89.93 million reported in the previous financial year.

227% and 44% increase recorded in FDI equity inflow from the USA & the UK respectively, during the F.Y. 2020-21 compared to F.Y.2019-20.

Ministry of Agriculture and Farmers Welfare releases Third Advance Estimates of Principal Crops for 2020-21 (25-05-2021)

As per Third Advance Estimates for 2020-21, total **Foodgrain** production in the country is estimated at record 305.44 million tonnes which is higher by 7.94 million tonnes than the production of foodgrain of 297.50 million tonnes achieved during 2019-20. Further, the production during 2020-21 is higher by 26.66 million tonnes than the previous five years' (2015-16 to 2019-20) average production of foodgrain.

Total production of **Rice** during 2020-21 is estimated at record 121.46 million tonnes. It is higher by 9.01 million tonnes than the last five years' average production of 112.44 million tonnes.

Production of **Wheat** during 2020-21 is estimated at record 108.75 million tonnes. It is higher by 8.32 million tonnes than the average wheat production of 100.42 million tonnes.

Production of **Nutri / Coarse Cereals** estimated at 49.66 million tonnes, which is higher by 1.91 million tonnes than the production of 47.75 million tonnes achieved during 2019-20. Further, it is also higher by 5.68 million tonnes than the average production.

Total **Pulses** production during 2020-21 is estimated at 25.58 million tonnes which is higher by 3.64 million tonnes than the last five years' average production of 21.93 million tonnes.

Total **Oilseeds** production in the country during 2020-21 is estimated at record 36.57 million tonnes which is higher by 3.35 million tonnes than the production of 33.22 million tonnes during 2019-20. Further, the production of oilseeds during 2020-21 is higher by 6.02 million tonnes than the average oilseeds production.

Total production of **Sugarcane** in the country during 2020-21 is estimated at 392.80 million tonnes. The production of sugarcane during 2020-21 is higher by 30.73 million tonnes than the average sugarcane production of 362.07 million tonnes.

Production of **Cotton** is estimated at 36.49 million bales (of 170 kg each) is higher by 4.59 million bales than the average cotton production.

Production of **Jute & Mesta** is estimated at 9.62 million bales (of 180 kg each).

To achieve self-sufficiency in edible oils Union Government formulates Kharif Strategy 2021 (20-05-2021)

To achieve self-sufficiency in the production of oilseeds, the Ministry of Agriculture and Farmers Welfare has adopted a multi-pronged strategy. Under the strategy, the Government of India has approved an ambitious plan for the free distribution of high yielding varieties of seeds to the farmers for the Kharif season 2021 in the form of mini-kits for **soybean** and **groundnut** under the **National Food Security Mission (Oil Seeds and Oil Palm) Mission**.

The special Kharif programme will bring an additional 6.37 lakh hectare area under oilseeds and is likely to produce 120.26 lakh quintals of oilseeds and edible oil amounting to 24.36 lakh quintals.

About National Mission on Oilseeds and Oil Palm
Government of India through the National Mission on Oilseeds and Oil Palm has the objective to augment the availability of edible oils and reduce the import of edible oils by increasing the production and productivity of oilseeds and oil palm.

This scheme comprises of three sub-missions namely, NFSM-Oilseeds, NFSM-Oil Palm and NFSM-TBOs (Tree Borne Oilseeds).

Oil Palm is comparatively a new crop in India and is the highest vegetable oil yielding perennial crop. Therefore, there is an urgent need to intensify efforts for area expansion under oil palm to enhance palm oil production in the country.

Tree Borne Oilseeds (TBOs), like sal, mahua, simarouba, kokum, olive, karanja, jatropha, neem, jojoba, cheura, wild apricot, walnut, tung etc. are cultivated/grown in the country under different agro-climatic conditions in a scattered form in forest and non-forest areas as well as in waste land /deserts/hilly areas. These TBOs are also good source of vegetable oil and therefore need to be supported for cultivation

Background
Country needs 25 million tonnes of edible oils to meet its requirement at current consumption level of 19 kg per person per year. Out of the total requirement, 10.50 million tonnes is produced domestically from primary (Soybean, Rapeseed & Mustard, Groundnut, Sunflower, Safflower & Niger) and secondary sources (Oil palm, Coconut, Rice Bran, Cotton seeds & Tree Borne Oilseeds) and remaining **60%, is met through import**. The oilseed production of the country has been growing impressively. Despite this, there exists a gap between the demand and supply of oilseeds, which has necessitated sizeable quantities of imports.

India heavily dependent on Import of Vegetable oils (Edible & Non-edible). India is largest importer of vegetable oils in the world followed by China and USA.

During 2019-20 the import of Agri commodities was 19.91 USD Billion and the import of vegetable oils constituted the largest share i.e. 48%.

Out of the total quantity of oils imported,
- Share of Palm oil is about 54% and are imported mainly from Indonesia and Malaysia.
- Soybean oil share is around 25% and is imported mainly from Argentina and Brazil.
- Sunflower oil constitutes around 19% and is imported mainly from Ukraine.

Indonesia is the world's biggest producer and exporter of palm oil, followed by Malaysia. India recently imposed restrictions on import of palm oil from Malaysia due to Malaysia's criticism of India's action in J&K.

Madhya Pradesh, Rajasthan, Maharashtra and Gujarat are the major oilseeds producing states contributing more than 78% of oilseeds production in the country.

The major challenges in oilseed production is largely rain-fed conditions (70% area), high seed cost (Groundnut and Soybean), small holding with limited resources, low seed replacement rate and low productivity.

Cabinet approves Production Linked Incentive scheme "National Programme on Advanced Chemistry Cell Battery Storage" (12-05-2021)

The Cabinet, chaired by Prime Minister Shri Narendra Modi, has approved the proposal of Department of Heavy Industry for implementation of the Production Linked Incentive (PLI) Scheme 'National Programme on Advanced Chemistry Cell (ACC) Battery Storage' for achieving manufacturing capacity of Fifty (50) Giga Watt Hour (GWh) of ACC and 5 GWh of "Niche" ACC with an outlay of Rs.18,100 crore.

ACCs are the new generation of advanced storage technologies that can store electric energy either as electrochemical or as chemical energy and convert it back to electric energy as and when required. The consumer electronics, electric vehicles, advanced electricity grids, solar rooftop etc. which are major battery consuming sectors are expected to achieve robust growth in the coming years. It is expected that the dominant battery technologies will control some of the world's largest growth sectors.

While several companies have already started investing in battery packs, though the capacities of these facilities are too small when compared to global averages, but there still is negligible investment in manufacturing, along with value addition, of ACCs in India. All the demand of the ACCs is currently being met through imports in India. The National Programme on Advanced Chemistry Cell (ACC) Battery Storage will reduce import dependence. It will also support the Atmanirbhar Bharat initiative. ACC battery Storage manufacturers will be selected through a transparent competitive bidding process. The manufacturing facility would have to be commissioned within a period of two years. The incentive will be disbursed thereafter over a period of five years.

The incentive amount will increase with increased specific energy density & cycles and increased local value addition. Each selected ACC battery Storage manufacturer would have to commit to set-up an ACC manufacturing facility of minimum five (5) GWh capacity and ensure a minimum 60% domestic value addition at the Project level within five years. Furthermore, the beneficiary firms have to achieve a domestic value addition of atleast 25% and incur the mandatory investment Rs.225 crore /GWh within 2 Years (at the Mother Unit Level) and raise it to 60% domestic value addition within 5 Years, either at Mother Unit, in-case of an Integrated Unit, or at the Project Level, in-case of "Hub & Spoke" structure.

The outcomes/ benefits expected from the scheme are as follows:

- Setup a cumulative 50 GWh of ACC manufacturing facilities in India under the Programme.
- Direct investment of around Rs.45,000 crore in ACC Battery storage manufacturing projects.
- Facilitate demand creation for battery storage in India.
- Facilitate Make-In-India: Greater emphasis upon domestic value-capture and therefore reduction in import dependence.
- Net savings of Indian Rs. 2,00,000 crore to Rs.2,50,000 crore on account of oil import bill reduction during the period of this Programme due to EV adoption as ACCs manufactured under the Programme is expected to accelerate EV adoption.
- The manufacturing of ACCs will facilitate demand for EVs, which are proven to be significantly less polluting. As India pursues an ambitious renewable energy agenda, the ACC program will be a key contributing factor to reduce India's Green House Gas (GHG) emissions which will be in line with India's commitment to combat climate change.
- Import substitution of around Rs.20,000 crore every year.
- Impetus to Research & Development to achieve higher specific energy density and cycles in ACC.
- Promote newer and niche cell technologies.

Cabinet approves strategic disinvestment and transfer of management control in IDBI Bank Limited (05-05-2021)

The Cabinet Committee on Economic Affairs, chaired by Prime Minister Shri Narendra Modi, has given its in-principle approval for strategic disinvestment along with transfer of management control in IDBI Bank Ltd. The extent of respective shareholding to be divested by GoI and LIC shall be decided at the time of structuring of transaction in consultation with RBI.

Government of India (GoI) and LIC together own more than 94% of equity of IDBI Bank (GoI 45.48%, LIC 49.24%). LIC is currently the promoter of IDBI Bank with Management Control and GoI is the co-promoter.

LIC's Board has passed a resolution to the effect that LIC may reduce its shareholding in IDBI Bank Ltd. through divesting its stake along with strategic stake sale envisaged by the Govt. with an intent to relinquish management control and by taking into consideration price, market outlook, statutory stipulation and interest of policy holders.

This decision of LICs Board is also consistent with the regulatory mandate to it to reduce its stake in the Bank.

It is expected that strategic buyer will infuse funds, new technology and best management practices for optimal development of business potential and growth of IDBI Bank Ltd. and shall generate more business without any dependence on LIC and Government assistance/funds. Resources through strategic disinvestment of Govt. equity from the transaction would be used to finance developmental programmes of the Government benefiting the citizens.

Technical Group Report on Social Stock Exchange (06-05-2021)

The Technical Group (TG) was constituted by SEBI on September 21, 2020 under the chairmanship of Dr. Harsh Kumar Bhanwala (ex-Chairman, NABARD). The Terms of Reference for the TG included developing framework for onboarding NPOs and FPEs on The SSE Including defining for profit social investing/enterprises, Prescribing disclosure requirements relating to financials, governance, operational performance and social impact.

Social Stock Exchange (SSE) is a novel concept in India. The Working Group (WG) Report on Social Stock Exchange, released on June 01, 2020 had made high level recommendations for SSE, which included participation of Non-profit organizations (NPOs) and For-profit enterprises (FPEs) on SSE subject to committing to minimum reporting requirements. The WG report also made recommendations outlining the modalities for creating a **Social Stock Exchange that will serve as a platform for fundraising** and, also incorporate a set of procedures by which social impact of NPOs and FPEs will be measured and reported.

Taking the Working Group Report ahead this Technical Group (TG) deliberated at length on the various aspects such as determining what constitutes an eligible Social Enterprises for SSE through primacy of social impact, enabling on-boarding of social enterprises on SSE, and detailing their disclosure norms.

Global Economic Policy Uncertainty Index (GEPU)

The GEPU Index is a GDP-weighted average of national EPU indices for 21 countries: Australia, Brazil, Canada, Chile, China, Colombia, France, Germany, Greece, **India,** Ireland, Italy, Japan, Mexico, the Netherlands, Russia, South Korea, Spain, Sweden, the United Kingdom, and the United States.

Each national EPU index reflects the relative frequency of own-country newspaper articles that contain a trio of terms pertaining to the economy (E), policy (P) and uncertainty (U). In other words, each monthly national EPU index value is proportional to the share of own-country newspaper articles that discuss economic policy uncertainty in that month.

It is released by Economic Policy Uncertainty.

Miscellaneous

1. United Nations Department of Economic and Social Affairs released The Global Forest Goals Report 2021. (26-04-2021).

Economy Current Affairs for the m/o June 2021

Government constitute Expert Group on Fixation of Minimum Wages and National Floor Wages (03-06-2021)

The Ministry of Labour & Employment has constituted the Expert Group to provide technical inputs and recommendations on fixation of Minimum Wages and National Floor Minimum Wages. The Group has been constituted for a period of three years from the date of notification.

The Expert Group is chaired by Prof Ajit Mishra, Director, Institute of Economic Growth.

The Expert group will give recommendations to the Government on Minimum Wages and National Floor Wage. To arrive at the wage rates, the group will look into the international best practices on the wages and evolve a scientific criteria and methodology for fixation of wages.

RBI grants "In-principle" approval to Centrum Financial Services Limited to set up a Small Finance Bank (18-06-2021)

The Reserve Bank of India has decided to grant "in-principle" approval to Centrum Financial Services Limited (the applicant) to set up a small finance bank.

Punjab and Maharashtra Cooperative (PMC) Bank Limited, Mumbai, Maharashtra, a Multi-State Urban Cooperative Bank was placed under All-Inclusive Directions under Sub-section (1) of Section 35-A read with Section 56 of the Banking Regulation Act, 1949 with effect from close of business on September 23, 2019, in the interest of depositor protection.

In response to the Expression of Interest (EOI) dated November 3, 2020 floated by PMC Bank for its reconstruction, certain proposals were received. After careful consideration, the proposal from Centrum Financial Services Ltd. (CFSL) along with Resilient Innovation Pvt. Ltd. (BharatPe) has been found to be prima facie feasible.

Foreign Minister of Maldives, Abdulla Shahid, has been elected as the President of the 76th United Nations General Assembly (PGA) with an overwhelming majority (07-06-2021)

The UNGA presidency is annual in term and held on a rotational basis every year amongst various regional groupings. The 76th session (2021-22) was the turn of the Asia-Pacific group. Maldives had announced FM Shahid's candidature in December 2018. At that time, no other candidate was in the fray.

India announced its support for FM Shahid during the visit of the Foreign Secretary to the Maldives in November 2020. However few months down the line former Afghan Foreign Minister Zalmai Rassoul also entered the fray. Rassoul announced his intentions in mid-January 2021, in a surprising development and with less than 6 months before the elections.

Sources said that India's decision to support FM Shahid was based on the fact that by the time the Afghan leader's candidature was announced, Shahid had already garnered extensive support. Also, India had already committed its support to the Maldivian Foreign Minister. Moreover, Maldives has never held the office of PGA, while Afghanistan has held this post during the 21st GA session in 1966-67.

"Both Maldives and Afghanistan have excellent relations with India, and both candidates are friends of India. However, since India had already committed its support to the Maldives at a time when no other candidate was in the fray, India voted in favour of Maldives," said a source.

PGA's office is the highest office in the UN System and reflects the collective goodwill of the 193 Member States of the UN. India remains committed to supporting the office of the PGA, as it has consistently done in previous years.

Finance Minister Smt. Nirmala Sitharaman announces relief package of Rs 6,28,993 crore to support Indian economy in fight against COVID-19 pandemic (28-06-2021)

The measures announced can be clubbed into 3 broad categories:-
1. Economic Relief from Pandemic
2. Strengthening Public Health
3. Impetus for Growth & Employment

Economic relief from Pandemic

1.10 lakh crore Loan Guarantee Scheme for COVID Affected sectors
Under this new scheme, additional credit of Rs 1.1 lakh crore will flow to the businesses. This includes Rs 50,000 crore for health sector and Rs 60,000 crore for other sectors, including tourism.

The health sector component is aimed at up scaling medical infrastructure targeting underserved areas. Guarantee cover will be available both for expansion and new projects related to health/medical infrastructure in cities other than 8 metropolitan cities. While the guarantee cover will be 50% for expansion & 75% for new projects. In case of aspirational districts, the guarantee cover of 75% will be available for both new projects and expansion. Maximum loan admissible under the scheme is Rs. 100 crore and guarantee duration is up to 3 years.

Emergency Credit Line Guarantee Scheme (ECLGS)
The government has decided to expand the Emergency Credit Line Guarantee Scheme (ECLGS), launched as part of Aatma Nirbhar Bharat Package in May, 2020, by Rs 1.5 lakh crore. ECLGS has got a very warm response with Rs 2.73 lakh crore being sanctioned and Rs 2.10 lakh crore already disbursed under the scheme. Under the expanded scheme, limit of admissible guarantee and loan amount is proposed to be increased above existing level of 20% of outstanding on each loan. Sector wise details will be finalized as per evolving needs. The overall cap of admissible guarantee is thus raised from Rs. 3 lakh crore to Rs. 4.5 lakh crore

Credit Guarantee Scheme for Micro Finance Institutions
This is a completely new scheme which aims to benefit the smallest of the borrowers who are served by the network of Micro Finance Institutions. Guarantee will be provided to Scheduled Commercial Banks for loans to new or existing NBFC-MFIs or MFIs for on lending upto Rs 1.25 lakh to approximately 25 lakh small borrowers.

Scheme for Tourists guides/ stakeholders
Another new scheme aims at providing relief to people working in tourism sector. Under new Loan Guarantee Scheme for COVID-affected sectors, working capital/personal loans will be provided to people in tourism sector to discharge liabilities and restart businesses impacted due to COVID-19 pandemic. The scheme will cover 10,700 Regional Level Tourist Guides recognised by Ministry of Tourism and Tourist Guides recognised by the State Governments; and about 1,000 Travel and Tourism Stakeholders (TTS) recognized by Ministry of Tourism. TTS's will be eligible to get a loan upto Rs. 10 lakh each while tourist guides can avail loan upto Rs 1 lakh each. There will be no processing charges, waiver of foreclosure/prepayment charges and no requirement of additional collateral. Scheme to be administered by the Ministry of Tourism through National Credit Guarantee Trustee Company (NCGTC).

Free one month tourist visa to 5 lakh tourists
This is another scheme aimed at boosting the tourism sector. It envisages that once Visa issuance is restarted, the first 5 lakh Tourists Visas will be issued visa free of charge to visit India. However, the benefit will be available only once per tourist. The facility will be applicable till 31st March, 2022 or till 5 lakh visas are issued, whichever is earlier. Total financial implications of the scheme to the government will be Rs 100 crore.

Extension of Aatma Nirbhar Bharat Rozgar Yojana (ANBRY)
Aatma Nirbhar Bharat Rozgar Yojana was launched on 1st Oct, 2020. It incentivises employers for creation of new employment, restoration of loss of employment through EPFO. Under the scheme, subsidy is provided for two years from registration for new employees drawing monthly wages less than Rs. 15,000 for both Employer's and Employee's share of contribution (total 24% of wages) for establishment strength upto 1,000 employees; and only employee's share (12% of wages) in case of establishment strength of more than 1,000. Benefit of Rs. 902 crore has been given to 21.42 lakh beneficiaries of 79,577 establishments under the scheme till 18.06.2021. The government has decided to extend the date of registration under the scheme from 30.6.2021 to 31.03.2022.

Additional Subsidy for DAP & P&K fertilizers
Additional subsidy to farmers for DAP and P&K fertilizers was announced recently. Existing NBS subsidy was Rs. 27,500 crore in FY 2020-21 which has been increased to Rs. 42,275 crore in FY 2021-22. Thus, the farmers will benefit by an additional amount of Rs. 14,775 crore. This includes Rs. 9,125 crore additional subsidy for DAP and Rs. 5,650 crore additional subsidy for NPK based complex fertilizer.

Free food grains under Pradhan Mantri Garib Kalyan Yojana (PMGKY) from May to November, 2021
In the last Financial Year, the government has spent Rs. 133,972 crore under PMGKY to ameliorate the hardships faced by the poor due to economic disruption caused by COVID-19 Pandemic. The scheme was launched initially for the period from April to June 2020. However, keeping in view the need for continuous support to the poor and the needy, the scheme was extended till November 2020. In the wake of the second wave of COVID-19 pandemic, the scheme was relaunched in May 2021 to ensure food security of poor/vulnerable. Five kg of food grains will be provided free of cost to NFSA beneficiaries from May to November 2021. Estimated financial implications of the scheme will Rs 93,869 crore, bringing the total cost of PMGKY to Rs 2,27,841 crore.

Strengthening Public Health

Rs. 23,220 crore more for public health with emphasis on children and paediatric care/paediatric beds
Besides supporting the health sector through credit guarantee scheme, a new scheme for strengthening public health infrastructure and human resources with outlay of Rs. 23,220 crore was also announced. The new scheme will focus on short term emergency preparedness with special emphasis on children and paediatric care/paediatric beds. An outlay of Rs. 23,220 crore is earmarked for the scheme to be spent in the current financial year itself. Under the scheme funds will be available for short-term HR augmentation through medical students (interns, residents, final year) and nursing students; increasing availability of ICU beds, oxygen supply at central, district and sub-district level; availability of equipment, medicines; access to tele-consultation; strengthening ambulance services; and enhancing testing capacity and supportive diagnostics, strengthen capacity for surveillance and genome sequencing.

Impetus for growth and employment

Release of Climate Resilient Special Traits Varieties
Earlier focus on developing higher yield crop varieties lacked attention towards nutrition, climate resilience and other traits. In these varieties, concentration of important nutrients was far below required level, and they were susceptible to biotic and abiotic stresses. ICAR has developed bio-fortified crop varieties having high nutrients like protein, iron, zinc, vitamin-A. These varieties are tolerant to diseases, insects, pests, drought, salinity, and flooding, early maturing and amenable to mechanical harvesting also developed. 21 such varieties of rice, peas, millet, maize, soyabean, quinoa, buckwheat, winged bean, pigeon pea & sorghum will be dedicated to the nation.

Revival of North Eastern Regional Agricultural Marketing Corporation (NERAMAC)
North Eastern Regional Agricultural Marketing Corporation (NERAMAC) was established in 1982 to support farmers of North-East in getting remunerative prices of agri-horticulture produces. It aims to enhance agricultural, procurement, processing and marketing infrastructure in North-East. 75 Farmer Producer Organisations/Farmer Producer Companies are registered with NERAMAC. It has facilitated registration of 13 Geographical Indicator (GI) crops of North-East. The company has prepared business plan to give 10-15% higher price to farmers by-passing middlemen/agents. It also proposes to set up North-Eastern Centre for Organic Cultivation, facilitating equity finance to entrepreneurs. A revival package of Rs 77.45 crore will be provided NERAMAC.

Rs. 33,000 crore Boost for Project Exports through National Export Insurance Account (NEIA)
National Export Insurance Account (NEIA) Trust promotes Medium and Long Term (MLT) project exports by extending risk covers. It provides covers to buyer's credit, given by EXIM Bank, to less credit-worthy borrowers and supporting project exporters. NEIA Trust has supported 211 projects of Rs 52,860 crore in 52 countries by 63 different Indian Project Exporters till March 31, 2021. It has been decided to provide additional corpus to NEIA over 5 years. This will enable it to underwrite additional Rs. 33,000 crore of project exports.

Rs. 88,000 crore boost to Export Insurance Cover
Export Credit Guarantee Corporation (ECGC) promotes exports by providing credit insurance services. Its products support around 30% of India's merchandise exports. It has been decided to infuse equity in ECGC over 5 years to boost export insurance cover by Rs. 88,000 crore.

Digital India: Rs. 19,041 crore for Broadband to each Village through BharatNet PPP Model
Out of 2,50,000 Gram Panchayats, 1,56,223 Gram Panchayats have been made service ready by 31st May, 2021. It is proposed to implement BharatNet in PPP model in 16 States (bundled into 9 packages) on viability gap funding basis. For this, an additional Rs. 19,041 crore will be provided. Thus, total outlay under BharatNet will be enhanced to Rs. 61,109 crore. This will enable expansion and upgradation of BharatNet to cover all Gram Panchayats and inhabited villages.

Extension of Tenure of PLI Scheme for Large Scale Electronics Manufacturing
PLI scheme provides incentive of 6% to 4% on incremental sales of goods under target segments that are manufactured in India, for a period of five years. Incentives are applicable from 01.08.2020 with base year as 2019-20. However, the companies have been unable to achieve incremental sales condition due to- disruption in production activities due to pandemic related lockdowns; restrictions on movement of personnel; delay in installation of relocated plant and machinery; and disruption in supply chain of components. Therefore, it has been decided to extend the tenure of the

scheme launched in 2020-21 by one year i.e. till 2025-26. Participating companies will get option of choosing any five years for meeting their production targets under the scheme. Investments made in 2020-21 will continue to be counted as eligible investments.

Rs 3.03 lakh crore for Reform-Based Result-Linked Power Distribution Scheme

Revamped Reforms-Based, Result-Linked power distribution scheme of financial assistance to DISCOMS for infrastructure creation, up-gradation of system, capacity building and process improvement was announced in the Union Budget of 2021-22. It aims at state specific intervention in place of "one size fits all". Participation in the scheme is contingent to pre-qualification criteria like publication of audited financial reports, upfront liquidation of State Government's dues/subsidy to DISCOMS and non-creation of additional regulatory assets. Under the scheme, it is aimed to provide assistance for installation of 25 crore smart meters, 10,000 feeders, 4 lakh km of LT overhead lines. Ongoing works of IPDS, DDUGJY and SAUBHAGYA will also be merged in the scheme. Total outlay for the scheme is Rs. 3,03,058 crore, out of which the Central Government's share will be Rs. 97,631 crore. The amount available under the scheme is in addition to the allowed additional borrowing of 0.5% of Gross State Domestic Product which will be available to the States annually for the next four years subject to carrying out specified power sector reforms. The amount of borrowings available this year for this purpose is Rs 1,05,864 crore.

New streamlined process for PPP Projects and Asset Monetization

Current process for approval of Public Private Partnership (PPP) projects is long and involves multiple levels of approval. A new policy will be formulated for appraisal and approval of PPP proposals and monetization of core infrastructure assets, including through InvITs. The policy will aim to ensure speedy clearance of projects to facilitate private sector's efficiencies in financing construction and management of infrastructure.

Cabinet approves Deep Ocean Mission (16-06-2021)

The Cabinet Committee on Economic Affairs chaired by Prime Minister Shri Narendra Modi, has approved the proposal of Ministry of Earth Sciences (MoES) on "Deep Ocean Mission", with a view to explore deep ocean for resources and develop deep sea technologies for sustainable use of ocean resources.

The estimated cost of the Mission will be Rs. 4077 crore for a period of 5 years to be implemented in a phase-wise manner. The estimated cost for the first phase for the 3 years (2021-2024) would be Rs.2823.4 crore.

Deep Ocean Mission with be a mission mode project to support the Blue Economy Initiatives of the Government of India.

Ministry of Earth Sciences (MoES) will be the nodal Ministry implementing this multi-institutional ambitious mission.

The Deep Ocean Mission consists of the following six major components:

1. Development of Technologies for Deep Sea Mining, and Manned Submersible: A manned submersible will be developed to carry three people to a depth of 6000 metres in the ocean with suite of scientific sensors and tools. Only a very few countries have acquired this capability. An Integrated Mining System will be also developed for mining Polymetallic Nodules from 6000 m depth in the central Indian Ocean. The exploration studies of minerals will pave way for the commercial exploitation in the near future, as and when commercial exploitation code is evolved by the International Seabed Authority, an UN organization. This component will help the Blue Economy priority area of exploring and harnessing of deep sea minerals and energy.

2. Development of Ocean Climate Change Advisory Services: A suite of observations and models will be developed to understand and provide future projections of important climate variables on seasonal to decadal time scales under this proof of concept component. This component will support the Blue Economy priority area of coastal tourism.

3. Technological innovations for exploration and conservation of deep-sea biodiversity: Bio-prospecting of deep sea flora and fauna including microbes and studies on sustainable utilization of deep sea bio-resources will be the main focus. This component will support the Blue Economy priority area of Marine Fisheries and allied services.

4. Deep Ocean Survey and Exploration: The primary objective of this component is to explore and identify potential sites of multi-metal Hydrothermal Sulphides mineralization along the Indian Ocean mid-oceanic ridges. This component will additionally support the Blue Economy priority area of deep sea exploration of ocean resources.

5. Energy and freshwater from the Ocean: Studies and detailed engineering design for offshore Ocean Thermal Energy Conversion (OTEC) powered desalination plant are envisaged in this proof of concept proposal. This component will support the Blue Economy priority area of off-shore energy development.

6. Advanced Marine Station for Ocean Biology. This component is aimed as development of human capacity and enterprise in ocean biology and engineering. This component will translate research into industrial application and

product development through on-site business incubator facilities. This component will support the Blue Economy priority area of Marine Biology, Blue trade and Blue manufacturing.

The technologies required for deep sea mining have strategic implications and are not commercially available. Hence, attempts will be made to indigenise technologies by collaborating with leading institutes and private industries. A research vessel for deep ocean exploration would be built in an Indian shipyard which would create employment opportunities. This mission is also directed towards capacity development in Marine Biology, which will provide job opportunities in Indian industries. In addition, design, development and fabrication of specialised equipment, ships and setting up of required infrastructure are expected to spur the growth of the Indian industry, especially the MSME and Start-ups.

Background

Oceans, which cover 70 per cent of the globe, remain a key part of our life. About 95 percent of Deep Ocean remains unexplored. For India, with its three sides surrounded by the oceans and around 30 per cent of the country's population living in coastal areas, ocean is a major economic factor supporting fisheries and aquaculture, tourism, livelihoods and blue trade. Oceans are also storehouse of food, energy, minerals, medicines, modulator of weather and climate and underpin life on Earth. Considering importance of the oceans on sustainability, the **United Nations (UN) has declared the decade, 2021-2030 as the Decade of Ocean Science for Sustainable Development.** India has a unique maritime position. Its 7517 km long coastline is home to nine coastal states and 1382 islands. The Government of India's Vision of New India by 2030 enunciated in February 2019 highlighted the Blue Economy as one of the ten core dimensions of growth.

UNDP Report Lauds Aspirational Districts Programme, Recommends Replication in Other Parts of the World (11-06-2021)

About United Nations Development Programme (UNDP)

- UNDP works in about 170 countries and territories, helping to eradicate poverty, reduce inequalities and exclusion, and build resilience so countries can sustain progress.
- As the **UN's development agency**, UNDP plays a critical role in helping countries achieve the Sustainable Development Goals.
- UNDP has its **headquarters in New York City**, but works primarily through its offices in about 170 countries and territories

Aspirational Districts Programme

- Prime Minister launched the Aspirational Districts Programme in January 2018 to accelerate improvement in key development parameters in the **112 most under-developed districts** of the country.
- **Anchored by NITI Aayog,** the core approach of the programme is based on 3Cs: Convergence (of central and state schemes), Collaboration (of Central, State level 'Prabhari' Officers & District Collectors) and Competition (among the districts in key performance indicators driven by a Mass Movement or a *Jan Andolan)*.
- With States as the main drivers, this program will focus on the strength of each district, identify low-hanging fruits for immediate improvement, measure progress, and rank districts.
- The programme focusses on **5 main themes/sectors** - Health & Nutrition, Education, Agriculture & Water Resources, Financial Inclusion & Skill Development, and Basic Infrastructure, which have direct bearing on the quality of life and economic productivity of citizens.
- **49 key performance indicators** across five sectors that include health and nutrition (30% weightage) through 13 indicators, education (30%) through 8 indicators, agriculture and water resources (20%) through 10 indicators, financial inclusion and skill development (10%) through 10 indicators, and basic infrastructure (10%) through 7 indicators have been chosen to measure progress of the districts.
- Districts are prodded and encouraged to first catch-up with the best district within their state, and subsequently aspire to become one of the best in the country, by competing with, and learning from others in the spirit of competitive & cooperative federalism.

Real Time Monitoring and Ranking of districts

- While district officials are responsible for updating a majority of real time data against the indicators, NITI Aayog commissions regular surveys to ensure validity of data entered on the dashboard. NITI Aayog has partnered with two survey agencies, Tata Trusts and IDInsight referred to as knowledge partners under the ADP.
- The **delta ranking** provided on the Champions of Change (CoC) dashboard is a unique and dynamic feature of the ADP. The Delta ranking method measures incremental changes in performance indicators on a monthly basis.

Independent appraisal of Aspirational Districts Programme by UNDP

- (UNDP) India has lauded the Aspirational Districts Programme (ADP) as 'a **very successful model of local area development**' that 'should serve as a best practice for several other countries where regional disparities in development status persist for many reasons'.
- The report said due to concerted efforts made under the ADP, previously neglected districts, including those in remote locations and those affected by Left Wing Extremism, 'have experienced more growth and development in the last three years than ever before'. Notwithstanding some speedbumps in its journey, the APD 'has been immensely successful in propelling development among the backward districts'.
- The report said ADP is 'aligned to the principle of "leave no one behind"—the vital core of the SDGs. Political commitment at the highest level has resulted in rapid success of the programme'.
- Certain sectors such as Healthcare and Nutrition, Education, and to a certain extent Agriculture and Water Resources have registered massive improvements. Other sectors of Basic Infrastructure, Financial Inclusion and Skill Development also achieved improvement in indicators and offer scope for further strengthening.
- A comparison between the Aspirational Districts and their counterparts found that ADs have outperformed non-ADs.
- Districts have also admitted that the continued focus of the programme on health and nutrition has helped them in tackling the Covid crisis.
- The report also recognizes the unique collaborative nature of the programme to bring all stakeholders, including state and local governments, development partners, and citizens, together to achieve goals and targets.
- The report also acknowledged the remarkable commitment shown by the topmost political leadership of the country, including Prime Minister Shri Narendra Modi, towards the programme. Ever since the launch of the programme in 2018, the PM has constantly 'motivated and enthused district collectors to deliver their best at the field level'.
- While exploring the 3Cs,'Convergence, Competition and Collaboration', approach of the ADP, the report said most interviewees 'emphasized on the importance of convergence that fostered moving away from working in silos towards synchronised planning and governance to achieve the targets of the programme'.
- Similarly, the 'competition' aspect too was found 'to be helpful in promoting better monitoring and creating healthy competition to achieve targets of the programme. This also served as a motivating factor for districts to increase their efforts and track progress'.
- The programme has strengthened the technical and administrative capacities of the districts, however, the report said there was a need to focus more on capacity building, 'including the appointment of dedicated personnel such as Aspirational District Fellows or Technical Support Units across all the districts or to collaborate with development partners for providing technical expertise, skills training, etc'.
- The report also **appreciated the delta rankings** provided on the programme's Champions of Change dashboard. The competitive and dynamic culture fostered by it has successfully pushed several low performing districts (as per baseline rankings) to improve their standing in the past three years. Simdega (Jharkhand), Chandauli (Uttar Pradesh), Sonbhadra (Uttar Pradesh) and Rajgarh (Madhya Pradesh) were found to have progressed the most since the beginning of the programme.
- As regards challenges and suggestions, the report said some stakeholders highlighted the need to revise a few indicators that are close to being saturated or met by most districts, such as 'electrification of households' as an indicator of basic infrastructure.

Overall, the report has appreciated the positive impact of the programme and stressed on the need to ensure 'the focus on development is encouraged further, and momentum gained so far in expediting growth is maintained.

Based on the findings of the evaluation, it is recommended that the success of the programme be scaled up and replicated for other sectors and districts'.

Supreme Court directed all states and union territories to implement the 'one nation, one ration card' scheme by July 31, 2021. (29-06-2021)

Centre had told the SC that while most states have implemented the one nation one ration card scheme, four states, namely - Assam, Chhattisgarh, Delhi and West Bengal - had not implemented the scheme.

The One Nation One Ration Card is an ambitious plan and endeavour of Department of Food & Public Distribution (DoFPD), to ensure the delivery of food security entitlements to all beneficiaries covered under the National Food Security Act, 2013 (NFSA), **irrespective of their physical location** anywhere in the country, by implementing nation-wide portability of ration cards under the ongoing central sector scheme on 'Integrated Management of Public Distribution System (IM-PDS)' in association with all States/UTs.

Through this system, the **migratory NFSA beneficiaries** who frequently change their place of dwelling in search of temporary employments, etc. are now enabled with an option to lift their entitled quota of food grains from any Fair Price Shop (FPS) of their choice anywhere in the country by using their same/existing ration card with biometric/Aadhaar based authentication on an electronic Point of Sale (ePoS) device installed at the FPSs.

Under NFSA scheme, food grains (Wheat/Rice/Coarse Grains) are provided on subsidized rates to around 81 crore NFSA card holders.

Miscellaneous

1. NTPC is the only PSU to consistently feature in India's Top 50 Best Workplaces. This year NTPC ranked 38th up from 47th position last year. It also won it's first-ever recognition of India's Best Employers among Nation-Builders 2021. (19-06-2021)

2. Asian Development Bank and the Government of India signed a $2.5 million **project readiness financing** (PRF) loan to support project preparation and design activities to upgrade major district roads in Sikkim that will help improve connectivity to important towns, rural areas, and pilgrimage and tourist destinations in the northeastern state. (03-06-2021)

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