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# GENERAL STUDIES PAPER II

## Marine Spatial Planning

### Why in News

- India and Norway have agreed to jointly work in the area of marine spatial planning in the oceanic space for the next five years.
- The two countries have decided to extend support for sustainable ocean resources utilisation to advance economic and social development in coastal areas.
- The initiative known as **Marine Spatial Planning (MSP)** will be implemented by the *Ministry of Earth Sciences (MoES)* through National Centre for Coastal Research (NCCR) for India.

### Background

- This is a part of the Indo-Norway Integrated Ocean Initiative under the Memorandum of Understanding signed between the two countries in 2019.
- **Lakshadweep and Puducherry have been identified as pilot sites for the project.**

### About the Project

- In its primary phase, NCCR will develop a marine spatial planning framework for Puducherry and Lakshadweep.
- These sites have been chosen for the pilot project in view of their setups with unique opportunities for multiple sectors (such as industries, fisheries, and tourism) to flourish.
- The Government of India's initial investments for undertaking the studies and planning are estimated to be around INR 8-10 crores per annum.
- In the future, marine spatial planning framework of these two environmentally critical areas can be replicated to other coastal regions of the country.
- **The World Bank and the United Nations Environment Programme (UNEP) have expressed interest in supporting MoES in conducting MSP, a societal-beneficial initiative for India's coastal regions.**
- The MSP initiative will be implemented by MoES and the Norwegian Environment Agency through the Ministry of Foreign Affairs, Norway.
  - Earlier, NCCR had developed coastal management plans for Chennai, Goa, and Gulf of Kachchh which proved very successful.
  - Now, the MSP initiative will aid development of multiple economic sectors and stakeholders in greater number of coastal areas of the country.

### What is Marine Spatial Planning (MSP)

- Marine spatial planning is a public process of analyzing and allocating the spatial and temporal distribution of human activities in marine areas to achieve ecological, economic, and social objectives that usually have been specified through a political process.
- Characteristics of marine spatial planning include ecosystem-based, area-based, integrated, adaptive, strategic and participatory.
- Marine spatial planning is not an end in itself, but a practical way to create and establish a more rational use of marine space and the interactions among its uses, to balance demands for development with the need to protect the environment, and to deliver social and economic outcomes in an open and planned way.

### Conclusion

- The Government of India's vision of New India by 2030 highlights blue economy as one of the ten core dimensions of growth.
- MSP is globally identified as a tool for sustainable and integrated ocean management.
- It is a noted area for work in India's (draft) Blue Economic Policy being developed by MoES.

## Ease of Living Index 2020

### Why in News

- Shri Hardeep Singh Puri, Minister of State (Independent Charge), **Housing and Urban Affairs** has recently announced the release of the final rankings of Ease of Living Index (EoLI) 2020 and the Municipal Performance Index (MPI) 2020 in an online event.
- The framework for these assessments were prepared by MoHUA with the Institute for Competitiveness as the knowledge partner.

### Highlights of the Two Indices

- 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.
  - 111 cities participated in the assessment exercise that was conducted in 2020.
  - The analysis categorises them into Million+ populated cities (those with a population of more than a million) and Less than Million populated cities (those with a population of less than a million) along with all the cities under the Smart Cities Program.
- **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 Bhubaneswar, 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.**

### About the Two Indices

#### The Ease of Living Index (EoLI)

- The EoLI 2020 strengthens its scope by consolidating the framework with the addition of a Citizen Perception Survey in the index, holding a weightage of 30%.
- It, therefore, examines the outcomes that lead to existing living conditions through pillars of Quality of Life, Economic Ability, Sustainability, spanning across 13 categories of -Education, Health, Housing and Shelter, WASH and SWM, Mobility, Safety and Security, Recreation, Level of Economic Development, Economic Opportunities, Environment, Green Spaces, and Buildings, Energy Consumption, and City Resilience, that account for 70% of the overall outcome.
- The Citizen Perception Survey (CPS) was undertaken to help validate citizens' experience of their city in terms of service delivery. The assessment was conducted from 16th January 2020 till 20th March 2020.
  - A total of 32.2 lakh citizens from 111 cities participated in the survey. Bhubaneswar had the highest CPS score, followed by Silvassa, Davangere, Kakinada, Bilaspur and Bhagalpur.
- The EoLI report aims to measure the well-being of Indian citizens in 111 cities, across the pillars of Quality of Life, Economic-ability, and Sustainability, with 49 indicators under 13 categories.
  - The EoLI primarily seeks to accelerate India's urban development outcomes, including the achievement of the Sustainable Development Goals.
  - The findings from the index can help guide evidence-based policymaking.
  - It also promotes healthy competition among cities, encouraging them to learn from their peers and advance their development trajectory.

#### The Municipal Performance Index 2020 (MPI)

- Municipal Performance Index assessment was also undertaken for the first time in the country.
  - Whereas, the Ease of Living Index measures an outcome of the indicator, Municipal Performance Index focuses on the factors that produce those outcomes.
  - The latter serves in determining elements that prevent efficient local governance in service delivery mechanisms, planning, financial systems, and governance practice.

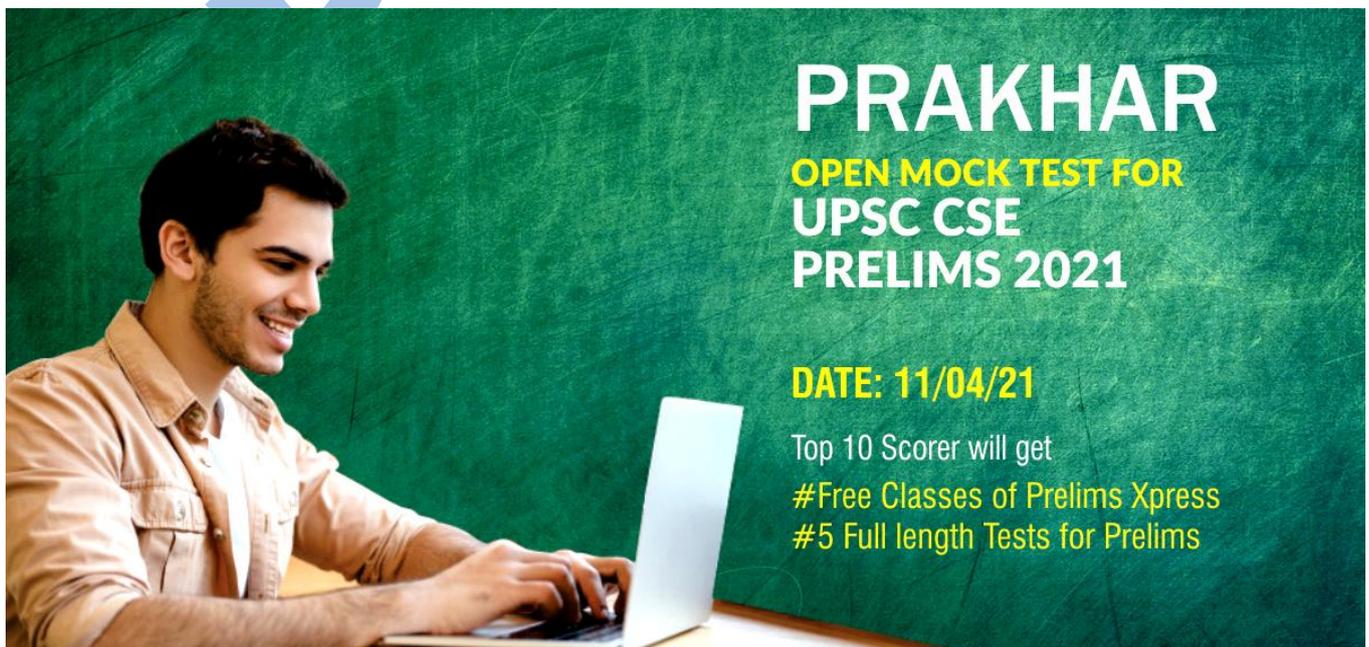
- The Municipal Performance Index is an effort to assess and analyse the performance of Indian municipalities based on their defined set of functions.
  - The responsibilities of a municipality span across a range of verticals that include provision of basic public services to more complex domains like urban planning.

### The salient features of MPI are given below.

- The Municipal Performance Index provides a granular understanding of a municipalities' functionalities and the extent of their development and capabilities.
- Through the index, citizens can better understand their local government administration, which in turn builds transparency and generates trust among key stakeholders.
- The framework covers 20 varied sectors vis. Education, Health, Water & Wastewater, SWM & Sanitation, Registration & Permits, Infrastructure, Revenue Management, Expenditure Management, Fiscal Responsibility, Fiscal Decentralisation, Digital Governance, Digital Access, Digital Literacy, Plan Preparation, Plan Implementation, Plan Enforcement, Transparency & Accountability, Human Resource, Participation and Effectiveness.

### Conclusion

- The Ease of Living Index (EoLI) is an assessment tool that evaluates the quality of life and the impact of various initiatives for urban development.
  - It provides a comprehensive understanding of participating cities across India based on quality of life, economic-ability of a city, and its sustainability and resilience.
  - The assessment also incorporates the residents' view on the services provided by city administration through a Citizen Perception Survey.
- The Municipal Performance Index (MPI) was launched as an accompaniment to the Ease of Living Index. It seeks to examine local government practice in municipalities across areas of services, finance, policy, technology and governance.
  - It seeks to simplify and evaluate the complexities in local governance practice and promote the ethos of transparency and accountability.
- Both the indices represent an attempt to gauge the performance of cities across India on various parameters of urban living.
  - The Ease of Living Index encapsulates the outcome indicators while the Municipal Performance Index captures the enabling input parameters.
  - These indices provide a holistic assessment of cities based on their efforts to cultivate better quality of life, create infrastructure, and address challenges of urbanization.
- Learnings gathered from these indices can help the government identify gaps, tap into potential opportunities, and increase efficiency in local governance to improve lives of citizens and fulfil broader development outcomes.



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## Multifunctional Electronic Materials & Processing- 2021

### Why in News

- On the occasion of 30th foundation day of Centre for Materials for Electronics Technology (C-MET), Shri Sanjay Dhotre, the Union Minister of State for Education, Communications, Electronics & Information Technology, Government of India, has inaugurated the **International Conference on Multifunctional Electronic Materials & Processing (MEMP 2021)**.

### Background

- Electronic materials and components are core of all electronic devices.
- Materials are the back-bone of capacity and functionality of any electronic gadget.
- The performance of electronic products is directly dependent on the components used.
- Substantial financial support in Research & Development on emerging materials has continuously been provided, although commercialization of the R&D outcome is a challenge. C-MET was, hence, established in 1990 to fill the gap between R&D and production of critical electronic materials.
- C-MET has been producing Hafnium and Silicon Carbide for strategic sectors (DRDO and ISRO) for years.

### About C-MET

- The Centre for Materials for Electronics Technology (C-MET), functions as an scientific society under the aegis of Ministry of Electronics and Information Technology (MeitY), Govt. of India.
- Besides augmenting care competence, C-MET envisions attainment of self- sufficiency in the sphere of Electronic materials, components and devices to cater to India's strategic and industrial applications, exploiting indigenous resources of raw materials.
- R&D activities in C-MET include development of polymer glasses for electronics, specialty chemicals, ultra high purity and refractory metals, semiconductors, photovoltaic materials and Quantum Materials, C-MET has core competence in all kind of nanostructured materials for electrochemical energy storage (L-ion, Na-ion batteries), solar Hydrogen generation, fuel cells and Hydrogen storage C-MET has Centre of Excellences in Rechargeable Battery Technology and Additive Manufacturing.
- C-MET undertakes joint R&D, sponsored research, technology transfer and consultancy projects and provides technical services.

### About MEMP

- Centre for Materials for Electronics Technology (C-MET), Pune is organizing an International Conference on Multifunctional Electronic Materials & Processing (MEMP 2021) at Pune, India during 8-10 March 2021.
- MEMP-2021 will provide an opportunity to scientists, researchers, academicians and young students to interact with eminent scientists/technologists working in the field of multifunctional electronic materials for various applications & their processing for making devices.
- Materials required for energy storage, energy generation, Nanostructured materials, Quantum dots, Sensors, Neutrino Energy Conversion /storage. Flexible devices, Photonic devices and processing techniques like Additive Manufacturing (3D printing) will be discussed.
- This transformation could become possible due to novel R&D initiatives that have occurred in above areas.
- MEMP 2021 will serve as a common platform for discussing the new ideas developments/ breakthroughs and future prospects pertaining to multifunctional electronic materials with some of the leading scientists/ technologists as well as to be acquainted with their experience and knowledge.

## Pradhan MantriSwasthya Suraksha Nidhi (PMSSN)

### Why in News

- The Union Cabinet, chaired by the Prime Minister, Shri NarendraModi has approved the Pradhan MantriSwasthyaSurakshaNidhi (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

- 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,
- Ayushman Bharat - Pradhan Mantri Jan ArogyaYojana (AB-PMJAY)
- Ayushman Bharat - Health and Wellness Centres (AB-HWCs)
- National Health Mission
- Pradhan MantriSwasthyaSurakshaYojana (PMSSY)
- Emergency & disaster preparedness and responses during health emergencies
- 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.

## Gandhi Peace Prize

- Gandhi Peace Prize for the year 2019 is being conferred on (Late) His Majesty Sultan Qaboos bin Said Al Said of Oman.
- Gandhi Peace Prize is an annual award instituted by Government of India since 1995, the 125th Birth Anniversary commemoration year of Mahatma Gandhi.
- The award is open to all persons regardless of nationality, race, language, caste, creed or sex.
- **The Jury** for Gandhi Peace Prize is chaired by Hon'ble Prime Minister, Sh Narendra Modi, and comprises of two ex-officio members, namely the
  - Chief Justice of India.
  - Leader of the single largest Opposition Party in Lok Sabha.
  - Two eminent members are also part of the Jury, namely
  - Shri Om Birla, Speaker of the Lok Sabha.
  - Shri Bindeshwar Pathak, Founder of Sulabh International Social Service Organisation.
- The award carries an amount of Rs. 1 crore, a citation, a plaque and an exquisite traditional handicraft/ handloom item.
- ***Gandhi Peace Prize recognizes the unparalleled vision and leadership of the Late H.M. Sultan Qaboos Bin Said in strengthening relations between India and Oman, and his efforts to promote peace and non-violence in the Gulf region.***

## Medical Termination of Pregnancy (Amendment) Bill, 2021

### Why in News

- The Rajya Sabha has approved the Medical Termination of Pregnancy (Amendment) Bill, 2021 to amend the Medical Termination of Pregnancy Act, 1971 on 16th March 2021.
- The Bill was approved in Lok Sabha on 17th March 2020.

## Objective

- The Medical Termination of Pregnancy (Amendment) Bill, 2021 is for expanding access of women to safe and legal abortion services on therapeutic, eugenic, humanitarian or social grounds.
- The amendments include substitution of certain sub-sections, insertion of certain new clauses under some sections in the existing Medical Termination of Pregnancy Act, 1971,
  - *with a view to increase upper gestation limit for termination of pregnancy under certain conditions*
  - to strengthen access to comprehensive abortion care, under strict conditions, without compromising service and quality of safe abortion.

## Salient features

- Enhancing the upper gestation limit from 20 to 24 weeks for special categories of women which will be defined in the amendments to the MTP Rules and would include survivors of rape, victims of incest and other vulnerable women (like differently-abled women, minors) etc.
- Opinion of only one provider will be required up to 20 weeks of gestation and of two providers for termination of pregnancy of 20-24 weeks of gestation.
- Upper gestation limit not to apply in cases of substantial foetal abnormalities diagnosed by Medical Board.
  - The composition, functions and other details of Medical Board to be prescribed subsequently in Rules under the Act.
- Name and other particulars of a woman whose pregnancy has been terminated shall not be revealed except to a person authorised in any law for the time being in force.
- The ground of failure of contraceptive has been extended to women and her partner.

## Conclusion

- It is a step towards safety and well-being of the women and many women will be benefitted by this.
- Recently several petitions were received by the Courts seeking permission for aborting pregnancies at a gestational age beyond the present permissible limit on grounds of foetal abnormalities or pregnancies due to sexual violence faced by women.
- The amendments will increase the ambit and access of women to safe abortion services and will ensure dignity, autonomy, confidentiality and justice for women who need to terminate pregnancy.

## Coalition for Disaster Resilient Infrastructure (CDRI)

### Why in News

- The third edition of the annual conference of the Coalition for Disaster resilient Infrastructure or CDRI has recently taken place virtually.



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## Detailed Address by PM

- CDRI must embody the central promise of the Sustainable Development Goals, that is, "leave no one behind".
  - This means that we have to put the concerns of the most vulnerable nations and communities first
  - In this regard, the Small Island Developing Nations that are already experiencing the impacts of worsening disasters must have easy access to all the technology, knowledge and assistance that they consider necessary.
- We must take stock of the performance of some of the key infrastructure sectors - particularly health infrastructure and the digital infrastructure that played a central role during the pandemic.
  - At the national and sub-national level we have to invest in capabilities for integrated planning, structural design, availability of modern materials, and a large number of skilled personnel in all infrastructure sectors.
  - There is need for Research and Development in all these areas.
- The CDRI must maximize the demonstration effect of the application of technology.
  - In Gujarat, we built India's first hospital with base isolation techniques. Now base isolators for earthquake safety are manufactured in India itself.
  - We must harness the full potential of geo spatial technologies, space-based capabilities, data science, artificial intelligence, material sciences, and combine it with local knowledge to pursue resilience. And finally, the notion of "resilient infrastructure" must become a mass movement galvanizing the energies of not just the experts, and formal institutions but also communities, and particularly the youth.

## About CDRI

- Coalition for Disaster Resilient Infrastructure (CDRI) is an international coalition of countries, United Nations (UN) agencies, multilateral development banks, the private sector, and academic institutions, that aims to promote disaster-resilient infrastructure.
- Its objective is to promote research and knowledge sharing in the fields of infrastructure risk management, standards, financing, and recovery mechanisms.
- ***It was launched by the Indian Prime Minister Narendra Modi at the 2019 UN Climate Action Summit in September 2019.***

# GENERAL STUDIES PAPER III

## Seasonal Outlook for the Temperatures

### Why in News

- Recently India Meteorological Department (IMD), through its National Weather Forecasting Centre has published Seasonal Outlook for the Temperatures during March to May, 2021.

### Background

- Since 2016, India Meteorological Department (IMD), Ministry of Earth Sciences (MoES) has been issuing seasonal forecast outlooks for subdivision scale temperatures over the country for both hot and cold weather seasons based on predictions from the **Monsoon Mission Coupled Forecasting System (MMCFS) Model** developed under the monsoon mission project, launched by **Ministry of Earth Sciences (MoES)**.

### Highlights

- During the upcoming hot weather season (March to May), above normal seasonal maximum temperatures are likely over most of the subdivisions of north, northwest and northeast India, few subdivisions from eastern and western parts of central India and few coastal subdivisions of north peninsular India.
  - However, below normal seasonal maximum temperatures are likely over most of the subdivisions of south peninsula and adjoining central India.
- Above normal seasonal minimum temperatures are likely over most of the subdivisions of north India along the foothills of Himalayas, northeast India, western part of central India and southern part of peninsular India.
  - However, below normal season minimum temperatures are likely over most of the subdivisions of eastern part of the central India and few subdivisions of extreme northern part of the country.
- Forecast for the MAM Season (March to May 2021)
  - The probability forecast for maximum temperatures indicates above normal maximum temperatures over most of the subdivisions of north, northwest and northeast India, few subdivisions of eastern (Chhattisgarh

- and Odisha) and western (Gujarat region and Saurashtra& Kutch) parts of central India, and few coastal subdivisions (Konkan&Goa and Coastal Andhra Pradesh) of north peninsular India.
- On the other hand, most of the subdivisions of south peninsular India and adjoining central India are likely to experience below normal maximum temperatures.
  - The probability forecast for minimum temperatures indicates that above normal minimum temperature are likely over most of the subdivisions of north India along the foothills of Himalayas, northeast India, western part of central India and, southern parts of peninsular India.
  - Most of the subdivisions of east and adjoining central India and few subdivisions of extreme northern part of the country are likely to experience below normal minimum temperatures.
- **La Niña conditions in the Pacific Ocean: Currently, moderate La Niña conditions are prevailing over the equatorial Pacific and sea surface temperatures (SSTs) are below normal over the central and eastern equatorial Pacific Ocean.**
    - The latest MMCFS forecast indicates that La Niña conditions are likely to sustain during the upcoming hot weather season (March to May).
  - **Extended Range Forecast Services:** IMD also provides extended range forecasts (7 –day averaged forecasts for the next four weeks) of maximum and minimum temperatures over the country updated every week. This is based on the Multi-model ensemble dynamical Extended Range Forecasting System currently operational at IMD, New Delhi.

### About Monsoon Mission Coupled Forecasting System (MMCFS)

- The MMCFS has a spatial resolution of about 38 km and improved modules of model physics.
  - The model climatology was prepared based on retrospective forecasts for 16 years (2003-2018).
  - The seasonal temperature forecast outlook was prepared using MMCFS simulations based on the 2021 February initial conditions.
  - The forecast was prepared using 31 ensemble member forecasts.
  - The model hindcasts and forecasts were bias corrected using the probability distribution function method.
  - The model hindcasts show moderate skill over many subdivisions over northwest and central India during the period 2003-2018.

## Pre-Pack Insolvency Resolution Process (PPIRP)

### Why in News

- Government has constituted a sub-committee of Insolvency Law Committee (ILC) vide order dated 24th June, 2020 under the chairmanship of Dr. M. S. Sahoo, Chairperson, Insolvency and Bankruptcy Board of India (IBBI) to make recommendation on pre-pack insolvency resolution process (PPIRP).

### What is a Pre-Pack Deal

- It is a kind of restructuring plan which is agreed to by the debtor and its creditors prior to the insolvency filing and then sanctioned by the court on an expedited basis.
- The incumbent management typically retains control until the final agreement is agreed upon.
- This kind of informal process is intended at a faster resolution of distressed firms.

### Benefits of a pre-pack

- **Informal process:** As compared to CIRP under IBC regular pre-packs have the advantage of being a more informal process and the possibility of closure in a shorter period of time.
- **Flexibility:** As per the committee's report, pre-pack provides the stakeholders flexibility in working out a consensual, but efficient, strategy for effective resolution and value maximisation that may be difficult under the formal insolvency procedure
- **Lesser time:** It takes less time because a substantial part of the proceedings is undertaken before the commencement of the formal proceeding by the court

### Concerns associated with pre-packs

- **Lack of transparency:** Its nature leads to a lack of transparency, where often unsecured creditors feel disenfranchised by the secrecy.

- **Valuation process:** Experts feel more can be done to explain the valuation methodology to bring comfort to all stakeholders
- The insolvency practitioner has no legal requirement to look at the future viability of the new business emerging from a pre-pack sale, and the practitioner's legal responsibility is to the creditors of the old business. It would be a concern for both transferring suppliers and new ones.
- Sale of business and assets of the corporate debtor to connected parties has also been criticised

### Key recommendations of sub-committee of ILC

- Pre-packed insolvency resolution process (PPIRP) framework to be within the basic structure of the insolvency code as an additional option for a resolution that blends both formal and informal options. It can be brought in quickly via an Ordinance.
- PPIRP would pursue the same objectives as the IBC, with checks and balances to prevent any abuse.
- Implementation of PPIRP may be phased, starting with defaults from Rs 1 lakh to Rs 1 crore, and then expanded to defaults of over Rs 1 crore.
- Pre-packs in case of pre-default can be considered if 75% of creditors consent.
- The corporate debtor (CD) can initiate pre-pack with the consent of a simple majority of
  - (a) unrelated FCs
  - (b) its shareholders.
    - No two proceedings - pre-pack and CIRP - shall run in parallel. There shall be a cooling-off that a pre-pack cannot be initiated within three years of closure of another pre-pack.
- Corporate debtor to remain in control and possession of current promoters and management during the pre-pack process
- Moratorium under Section 12 to be available from the pre-pack commencement date till closure or termination of the process, but won't cover essential or critical services.
- CoC to take decisions with the approval of the required majority of votes, but the decision to liquidate would require approval by 75% of the voting share.
  - There will, however, be no liquidation where pre-pack was initiated for pre-default stress, default below the threshold for initiation of CIRP and COVID-19 defaults.
- Section 29A of the IBC, which prohibits promoters of defaulting firms from participating in the process to continue in the case of PPIRP.
- The resolution value need not necessarily be higher than the realisable value.
- The pre-pack should allow 90 days for market participants to submit the resolution plan to the adjudicating authority, and 30 days thereafter for the authority to approve or reject it.
- The resolution plan approved by the adjudicating authority will be binding on everyone.

## Monitoring Committee to Identify Polluted Rivers

### Why in News

- Central Pollution Control Board (CPCB) in collaboration with the State Pollution Control Boards (SPCBs)/Pollution Control Committees (PCCs) is regularly monitoring the water quality of rivers & other water bodies in the country through a network of monitoring stations.
- As per CPCB report of September, 2018, 351 polluted river stretches have been identified on 323 rivers based on monitoring results in terms of *Bio-chemical Oxygen Demand (BOD)* levels, an indicator of organic pollution.

### Background

- Cleaning and rejuvenation of rivers is a continuous process and Central Government is supplementing the efforts of the State Governments and Union Territories in addressing the challenges of pollution of rivers by providing financial and technical assistance through schemes like *National River Conservation Plan (NRCP)* and *NamamiGange*.
- NRCP has so far covered polluted stretches of 34 rivers in 77 towns spread over 16 States in the country with a sanctioned cost of Rs.5965.90 crore & sewage treatment capacity of 2522.03 million litres per day (mld) has been created.
- Under *NamamiGange* programme, a total of 335 projects have been sanctioned at a cost of Rs.29,578 crore so far, of which 142 projects have been completed and made operational.

- Out of 335 projects, 156 projects are in the sewerage sector for creation of total sewage treatment capacity of 4867mld, and sewerage network of 5066 kms.
- In addition, sewerage infrastructure is created under programs like *Atal Mission for Rejuvenation & Urban Transformation (AMRUT)* and Smart Cities Mission of Ministry of Housing & Urban Affairs.
- As per the **Provisions of Environment (Protection) Act, 1986** and **Water (Prevention & Control of Pollution), Act 1974**, industrial units are required to install effluent treatment plants (ETPs) and treat their effluents to comply with stipulated environmental standards before discharging into rivers and water bodies.
  - Accordingly, CPCB, SPCBs and PCCs monitor industries with respect to effluent discharge standards and take action for non-compliance under provisions of these Acts.

### Initiatives taken by Government

- Steps taken by the Government to stop discharge of industrial effluents into rivers inter alia, include
  - Issuance of notification of specific discharge standards.
  - Revision of the criteria for categorization of industries
  - Issuing directions to all State Pollution Control Boards (SPCBs)/Pollution Control Committees (PCCs) to adopt the same
  - Issuance of consent to establish/consent to operate by the SPCBs/PCCs, based on *Comprehensive Environment Pollution Index (CEPI)* critically polluted areas are identified to take necessary measures through time-targeted Action Plans.
  - Regular inspections of *Grossly Polluting Industries (GPIs)* by CPCB for compliance verification,
  - Installation of *Online Continuous Effluent Monitoring System (OCEMS)* for assessment of effluent quality and compliance status.
- In addition, the industries are encouraged to reduce their waste water generation by technological advancement, reuse/recycle of wastewater and maintain *Zero Liquid Discharge (ZLD)* where ever possible.
- Besides, in compliance of the orders of National Green Tribunal, concerned States are implementing Action Plans for restoration of water quality in the identified polluted stretches of rivers in their respective States.
- **River Rejuvenation Committees (RRC)** have been constituted by State Governments/Union Territories for implementation of approved Action Plans and a Central Monitoring Committee(CMC)has been constituted at Central level to monitor progress of implementation.

### Conclusion

- Presently India has 351 notified polluted River stretches. Most of them are located in Maharashtra (51), followed by Assam(44).

## Core Accretion Model of Planet Formation

### Why in News

- Researchers from the Indian Institute of Astrophysics (IIA), an autonomous institute of the Department of Science & Technology, Government of India, and Tata Institute of Fundamental Research, investigated the host star properties for the directly imaged exo-planets to understand various formation scenarios for these wide orbit celestial objects.

### Background

- While earlier, scientists studying the short-orbit exo-planets had found that a host star with a metal-rich environment provides the favourable condition for formation of Jupiter-type low-mass giant planets, the new study published in the *Astronomical Journal* suggests that this is not necessarily the case for the long orbit high-mass giant planets discovered by the direct imaging technique.
  - This finding seems consistent with an existing model called the **core accretion model of planet formation**.
  - For planet mass greater than mass of Jupiter, the large scatter in metallicity distribution suggests that metallicity might not play a significant role in the formation of these celestial objects.
- This means there is no single dominating mechanism for planet formation at wider orbits.
- Planets in remote orbits could form either by core accretion process or gravitational instability.

## Planet Formation

- There are two widely held theories for how giant gas planets can form:
  - **Core accretion:** Core accretion occurs from the collision and coagulation of solid particles into gradually larger bodies until a massive enough planetary embryo is formed (10-20 Earth masses) to accrete a gaseous envelope.
  - **Disk instability:** It describes the process by which a massive disk rapidly cools, causing it to fragment into planet-sized, self-gravitating clumps.
    - ✓ Both theories can be used to define the presence of giant planets, but there are a few pitfalls in these explanations and a plethora of planets that neither theory alone can seem to justify.

## Core Accretion Model of Planet Formation

- During the first step, material in the disk collides and aggregates to form small centimetre to metre sized clumps of matter.
- The clumps then grow further by smashing and sticking together, leading to the gradual coagulation of kilometre-sized planetesimals.
  - Some of these large bodies are massive enough that runaway accretion begins, resulting in the rapid formation of planetary embryos.
- There is a distinction between the formation of terrestrial and gaseous planets.
  - Near the star, heavier metallic elements begin to condense at hotter temperatures and violent collisions and mergers can eventually result in the production of terrestrial planets.
  - The bodies remain relatively small due to the amount of material found in the inner disk, and explains why the terrestrial planets in our solar system lie closest to the Sun.
  - Farther out from the star beyond the snow line, embryos form from a mix of rocky, metallic and also a considerable amount of less dense icy material.
- At such cool temperatures, hydrogen and helium are able to condense and build to form much larger bodies.
- Around 10 Earth masses, the planet then possesses enough gravitational attraction to accrete a gaseous atmosphere of hydrogen and helium, a process which continues until all the gas in the planet's vicinity is exhausted.
- This describes why the planets in the outer Solar System predominantly consist of lighter elements and are able to acquire such large atmospheres.

## Drawback

- However, this mechanism struggles to explain massive planets forming at large distances from a star.
- This has led to HD 106906 b, whose orbit is 650 times greater than the Earth's orbit around the Sun, to be proposed as forming independently from the star altogether.

## Conclusion

- With more than 4300 planets discovered till date, it has become essential to characterize the exo-planets in terms of their various properties.
- Correlation between star and planet properties can provide vital clues about the possible formation and evolution scenarios.
- Stars are largely made of Hydrogen and Helium with a small fraction of other elements. In astronomical lingo, elements heavier than Hydrogen and Helium are collectively called as metals.
- Metal content is an important parameter of the star, and there is a consensus that planets (small or large) are more likely to occur around metal-rich stars.
- Although the stellar metallicity and planet occurrence rates for close-by systems have been investigated by many research groups, properties of stellar hosts of exo-planets, especially those located at large orbital distances, are not very well studied.

## Study on Cyclones

### Why in News

- Ministry of Earth Science has recently published The details of the number of cyclones occurred in the country and the corresponding number of human lives lost due to cyclones and associated floods during the last five years.

## Background

- Studies show a decreasing trend in the frequency of formation of Cyclonic Storms over the Bay of Bengal and an increasing trend over the Arabian Sea, based on the data during 1965- 2020.
- However, the coastal vulnerability to the categories of Extremely Severe Cyclones' or more continues over the Bay of Bengal region, as there is no significant trend in the frequency of Extremely Severe Cyclonic Storms (ESCS).
- On the other hand, the increase in frequency over the Arabian Sea has not posed a corresponding increase in the coastal vulnerability along the west coast since most of such Cyclones forming over the Arabian Sea are making landfall over the coasts of Oman, Yemen etc. and hence the threat to Gujarat & Maharashtra coasts remains same.
- On an average, out of 5 Cyclones developing over the North Indian Ocean (NIO) comprising Bay of Bengal and Arabian Sea, about 3 to 4 of them make landfall causing loss of life and property.
- *Low lying coastal belts of West Bengal, Odisha, Andhra Pradesh and Tamil Nadu & Puducherry are more prone to the impact of these systems.*
- The number of deaths due to cyclones has decreased significantly, as a result of the improvement in the early warning skill by the India Meteorological Department (IMD) under the Ministry of Earth Sciences (MoES) and effective mitigation measures and response actions by National Disaster Management Authority (NDMA) and Ministry of Home Affairs (MHA).
- Still there is huge loss to property.

## Risk Management

- Based on the Global best practices, the risk management of the Cyclones depends on several factors including (i) hazard & vulnerability analysis, (ii) preparedness & planning, (iii) early warning services and (iv) prevention and mitigation.
- The 'early warning' is a major component related to MoES/IMD targeting improved skill in monitoring and prediction and effective warning products generation.
  - *However, presently, no proven system exists in the country to provide the early warning of earthquakes.*

## Initiatives taken

- IMD has taken a number of steps in recent years to continuously enhance the capabilities in monitoring, numerical modelling and forecasting of the hazards associated with cyclones.
- Further, the Government of India has initiated the **National Cyclone Risk Mitigation Project (NCRMP)** with a view to address cyclone risks in the country.
- The overall objective of the Project is to undertake suitable structural and non-structural measures to mitigate the effects of cyclones in the coastal states and UTs of India.
- NDMA under the aegis of Ministry of Home Affairs (MHA) is implementing the Project in coordination with participating State Governments and the National Institute for Disaster Management (NIDM).
- The Project has identified 13 cyclone prone States and Union Territories (UTs), with varying levels of vulnerability.

## Objectives of NCRMP

- The main objective of the NCRMP is to reduce vulnerability of coastal communities to cyclone and other hydro meteorological hazards through;
  - Improved early warning dissemination systems.
  - Enhanced capacity of local communities to respond to disasters.
  - Improved access to emergency shelter, evacuation, and protection against wind storms, flooding and storm surge in high areas.
  - Strengthening DRM capacity at central, state and local levels in order to enable mainstreaming of risk mitigation measures into the overall development agenda.

## Research in Antarctica

### Why in News

- India has collaborated with Norway and Japan in Antarctic Research.
- A major Indo-Norwegian collaborative field campaign, near Indian Maïtri station, was undertaken during 2016–2019 to understand the ice shelf dynamics, mass balance and reconstruct past changes in atmospheric and sea ice

dynamics under the joint project **“Mass balance, dynamics, and climate of the central Dronning Maud Land coast, East Antarctica (MADICE)”**.

- Under this project, geophysical field measurements, ice core drilling, snow core drilling, ice-sheet modelling and satellite remote sensing-based studies were conducted to understand the future Antarctic contribution to the global sea-level rise.
- An Indo-Japanese project **“Schirmacher Oasis Nippon (Japan) India Coring (SONIC)”** was initiated during 2019 to reconstruct the past-climate.
  - 15 sediment cores, ranging from 1 m to 8 m, were retrieved from various lakes of Schirmacher Oasis by the team for analysis.
- Five scientists from **National Centre for Polar and Ocean Research (NCPOR)**, Goa have participated in the Indo-Norwegian project and two scientists from NCPOR and one scientist from the Manipal University are involved in the Indo-Japanese collaborative project.

### Background of Indian Antarctic Program

- The Indian Antarctic Program is a multi-disciplinary, multi-institutional program under the control of the National Centre for Polar and Ocean Research, Ministry of Earth Sciences, Government of India.
- It was initiated in 1981 with the first Indian expedition to Antarctica.
- The program gained global acceptance with India's signing of the Antarctic Treaty and subsequent construction of the **Dakshin Gangotri Antarctic research base in 1983**, superseded by the **Maitri base from 1989**.
- The newest base commissioned in 2012 is Bharati, constructed out of 134 shipping containers.
- Under the program, atmospheric, biological, earth, chemical, and medical sciences are studied by India, which has carried out 30 scientific expeditions to the Antarctic as of 14 October 2010.

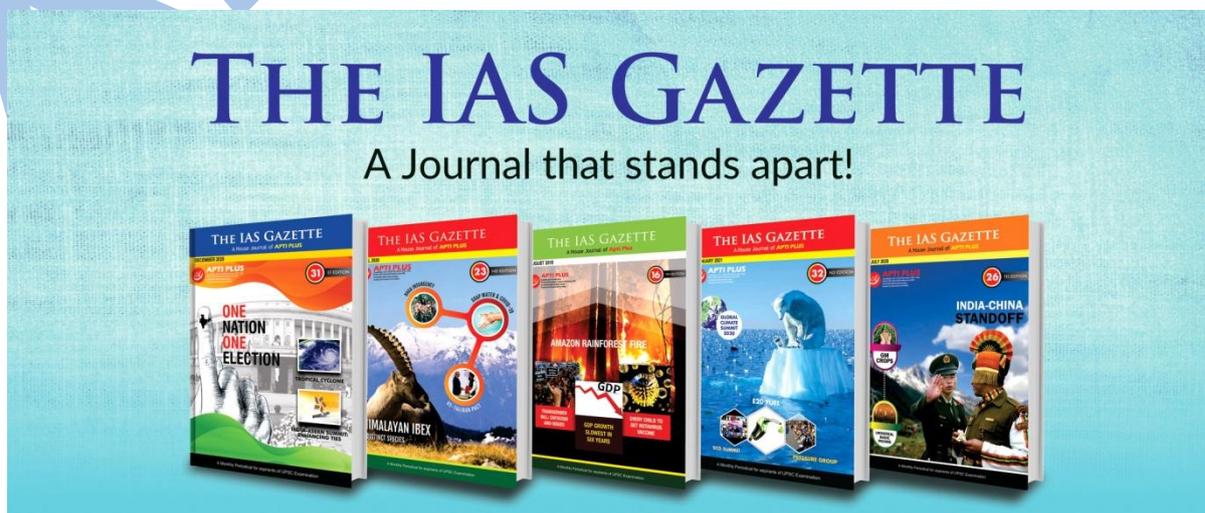
### National Centre for Polar and Ocean Research (NCPOR)

- The National Centre for Polar and Ocean Research, (NCPOR) formerly known as the National Centre for Antarctic and Ocean Research (NCAOR) is an Indian research and development institution, situated in Vasco da Gama, Goa.
- It is an autonomous Institution of the Department of Ocean Development (DOD), Ministry of Earth Sciences, Government of India which is responsible for administering the Indian Antarctic Programme and maintains the Indian government's Antarctic research stations, Bharati and Maitri.
- *NCPOR was established on 25 May 1998, with Dr. Prem Chand Pandeyas its founding director.*

### Decisions taken by IFSC Authority

#### a. IFSCA (Market Infrastructure Institutions) Regulations, 2021 (MII Regulations)

- The MII Regulations, approved by the Authority, shall inter alia provide more flexibility in terms of shareholding of MIIs in IFSC (including the option of consortium of MIIs recognised in India, IFSC or FATF compliant foreign jurisdiction holding shareholding of the MIIs in IFSC), prescribe enhanced governance norms and ensure adequate risk management by MIIs, in addition to other general obligations.
- The MII Regulations are also in line with the global standards, keeping in mind the twin objectives of development of MIIs with adequate safeguards to ensure stability and continuity of the MIIs in IFSC.



**b. International Financial Services Centres Authority (Finance Company), Regulations, 2021**

- This provides opportunities to non-bank entities, both Indian as well as foreign, to set up units in the IFSC to undertake a wide range of financial services related activities (including, among others, air craft / ship leasing).
- The regulations are aligned with the international standards and ensure transparency.
- The applicant parent entity needs to be from a FATF compliant jurisdiction and shall provide the prescribed minimum capital funds for the FC / FU and satisfy the due diligence requirement as deemed fit by the Authority;
- The permissible activities for FC/FU are divided in three broad categories: Specialised activities, Core activities and Non-core activities;
- The applicability of prudential regulatory framework and capital adequacy ratio shall be based on the nature of activities proposed to be undertaken by the FC/FU;

**c. International Financial Services Centres Authority (Banking) (Amendment), Regulations, 2021**

- In order to widen the scope of services and development offered by the banking units operating in IFSC, the Authority approved inclusion of portfolio management services and investment advisory services in the permitted activities for banking units.

**d. The Authority approved the fee structure for MIIs, Market Intermediaries, and IBUs operating in GIFT IFSC as recommended by the IFSCA Internal Committee.**

## Herbal Cultivation in the country

### National AYUSH Mission (NAM)

- Ministry of AYUSH, Government of India is implementing Centrally Sponsored Scheme of **National AYUSH Mission (NAM)**.
- Under 'Medicinal Plants' component of the NAM scheme supporting market driven cultivation of prioritized medicinal plants in identified cluster/zones with in selected districts of States and implemented in a mission mode.
- As per the scheme guidelines, the support is provided for:
  - Cultivation of prioritized medicinal plants on farmer's land.
  - Establishment of nurseries with backward linkages for raising and supply of quality planting material.
  - Post-harvest management with forward linkages.
  - Primary processing, marketing infrastructure etc.

### Conservation, Development and Sustainable Management of Medicinal Plants

- National Medicinal plants Board, Ministry of AYUSH, Government of India is also implementing Central Sector Scheme on "**Conservation, Development and Sustainable Management of Medicinal Plants**" wherein following activities are supported:
  - In-situ conservation / Ex-situ conservation
  - Livelihood linkages with Joint Forest Management Committees (JFMCs) / Panchayats / Van Panchayats / Biodiversity Management Committees (BMCs) / Self Help Groups (SHGs).
  - IEC activities like Training / workshops / Seminars/ Conferences etc.
  - Research & Development.
  - Promotion, marketing and trade of medicinal plants produce.

### Government Support

- Ministry of AYUSH is supporting cultivation of medicinal plants on farmer's land throughout the country by providing subsidy for 140 medicinal plants @30%, 50% and 75% of cost of its cultivation, depending upon the status of availability and market demand as per operational guidelines of the Scheme.

## FOREIGN RELATIONS

Serial No	Countries	Issue
1	France	<ul style="list-style-type: none"> <li>Memorandum of Understanding (MoU) between India and French Republic in the field of renewable energy cooperation.</li> <li>It covers technologies relating to solar, wind, and hydrogen and biomass energy.</li> <li>India has set ambitious target of 450 GW of installed Renewable Energy capacity by 2030.</li> </ul>
2	Fiji	<ul style="list-style-type: none"> <li>Memorandum of Understanding (MoU) between the Ministry of Agriculture and Farmers' Welfare of the Republic of India and Ministry of Agriculture of the Republic of Fiji for cooperation in the field of Agriculture and Allied Sector.</li> <li>Under the MoU, a Joint Working Group (JWG) will be constituted to set down procedures and plan and recommend programs of cooperation towards achieving its aims through the Executing agencies of the two countries.</li> </ul>
3	Norway	<ul style="list-style-type: none"> <li>India and Norway have agreed to jointly work in the area of marine spatial planning in the oceanic space for the next five years.</li> <li>This is a part of the Indo-Norway Integrated Ocean Initiative under the Memorandum of Understanding signed between the two countries in 2019.</li> <li><b>Lakshadweep and Puducherry have been identified as pilot sites for the project.</b></li> <li>The initiative known as Marine Spatial Planning (MSP) will be implemented by the Ministry of Earth Sciences (MoES) through National Centre for Coastal Research (NCCR) for India.</li> </ul>
4	Bangladesh	<ul style="list-style-type: none"> <li>Prime Minister Shri Narendra Modi has recently inaugurated 'Maitri Setu' between India and Bangladesh.</li> <li>It is built over <b>Feni river</b> which flows between Indian boundary in Tripura State and Bangladesh.</li> <li>The 1.9 Km long bridge joins Sabroom in India with Ramgarh in Bangladesh.</li> </ul>
5	Uzbekistan	<ul style="list-style-type: none"> <li>India – Uzbekistan joint military exercise "<b>DUSTLIK II</b>" has recently taken place in Foreign Training Node Chaubatia, Ranikhet (Uttarakhand).</li> <li>This is the Second Edition of annual bilateral joint exercise of both armies.</li> <li>The first edition of the exercise was held at Uzbekistan in Nov 2019.</li> </ul>
6	BRICS	<ul style="list-style-type: none"> <li>1st Meeting of the BRICS Contact Group on Economic and Trade Issues was recently held under India's Chairship.</li> <li>The theme of BRICS this year is -"BRICS@15: Intra BRICS Cooperation for Continuity, Consolidation, and Consensus".</li> </ul>
7	Maldives	<ul style="list-style-type: none"> <li>Bilateral exchange programmes in the field of sports and youth affairs between India and Maldives</li> </ul>

## SHORT NOTES

### 1. Amazonia-1

- The Amazonia-1 or SSR-1 is the first Earth observation satellite developed by Brazil, helped by Argentina's INVAP, who provided the main computer, attitude controls and sensors, and the training of Brazilian engineers.
- It is an optical earth observation satellite and is intended to:
  - Provide remote sensing images to observe and monitor deforestation.
  - Improve the real-time detection system of deforestation in Brazil, especially in the Amazonia region.
  - Monitor the diversified agriculture throughout the country.
- It is recently launched by ISRO's commercial arm NewSpace India Ltd. (NSIL).

## **2. Formation & Promotion of 10,000 Farmer Producer Organizations (FPOs)**

- The scheme was launched by Prime Minister on 29.02.2020 at Chitrakoot (Uttar Pradesh) with a budgetary provision of Rs 6865 crore.
- More than 2200 FPOs produce clusters have been allocated for the formation of FPOs in the current year, of which 100 FPOs for specialized Organic produce, 100 FPOs from Oilseeds & 50 commodity-specific FPOs with value chain development will be formed.
- FPOs will be provided financial assistance up to Rs 18.00 lakh per FPO for a period of 03 years.
- In addition to this, provision has been made for matching equity grant up to Rs. 2,000 per farmer member of FPO with a limit of Rs. 15.00 lakh per FPO
- Credit guarantee facility up to Rs. 2 crores of project loan per FPO from the eligible lending institution to ensure institutional credit accessibility to FPOs.
- At the National level, National Project Management Agency (NPMA) as a professional organization has been engaged for providing overall project guidance, coordination, compilation of information relating to FPOs, maintenance of MIS and monitoring purpose.

## **3. Bureau of Indian Standards (BIS)**

- BIS is operating more than 37,000 product certification licences all over the country.
- 55 new products have been covered for the first time under the Product Certification Scheme, since 1st April 2020.
- A Consumer Engagement Portal has been launched to facilitate interaction with Consumer Organizations/Groups for conducting various consumer oriented programs and activities of BIS.
- An upgraded version of android mobile app - BIS CARE is in place to facilitate stakeholders to verify authenticity of ISI mark, Registered Jewellers and marked electronic goods under Compulsory Registration Scheme (CRS).
- The app also facilitates users in submitting complaints.
- Government is giving direction to BIS to reduce the standard testing fees in the initial years for the MSMEs, Start-Ups and for Women Entrepreneurs.
- This will encourage them to get their products certified and also encourage ease of doing business.

## **4. RashtriyaSanskriti Mahotsav-2021**

The two day Mahotsav was organised by the Ministry of Culture, Government of India from 27th – 28th February 2021 at Murshidabad, West Bengal.

## **5. National Science Day:**

- National Science Day is celebrated each year on 28 February to commemorate the discovery of “Raman Effect” in 1928 by Sir ChandrasekharaVenkata Raman, which led to the Nobel Prize being awarded to him in the year 1930.
- The purpose of celebrating this day is to enhance scientific temper, popularization of science and encouraging innovative activities by infusing scientific temperament in the masses and to create a positive scientific research culture.

## **6. Land Ports Authority of India (LPAI)**

The Land Ports Authority of India or LPAI is a statutory body working under the Ministry of Home Affairs, Government of India is responsible for creating, upgrading, maintaining and managing border infrastructure in India.

- Recently, it has celebrated its 9th Foundation Day on 1<sup>st</sup> March.
- It's Headquarter is in New Delhi.

## **7. *Shri JaideepBhatnagar has taken over as Principal Director General, Press Information Bureau.***

## **8. Rating mechanism for National Highways**

- The fundamental objective of highway rating is “Minimum time with maximum safety in stress free environment” from highway users’ perspective.
- Each toll plaza of highway is judged based on three major criteria viz. Efficiency, Safety and and User Services.
- The Ministry has also begun real-time monitoring of toll plazas across the country.
- It is a simple help to improve traffic congestion problem at toll plazas/ city roads/highways by using central monitoring system along with bundle of analytics and quick decision-making outputs.
- This is eventually likely to facilitate saving the Commute Time, Improve Customer Experience, Save Fuel Wastage Cost and Reduce Carbon Footprint.

- It uses several technologies like Satellite Imagery, GIS, Remote Sensing along with a proprietary algorithm to remotely monitor the congestion status of the roads.
- 11,035 km of NH have been constructed during this year, which represents a rate of 35 kms per day.

### 9. **Global Bio India 2021**

- The Union Minister for Science & Technology, Earth Sciences and Health & Family Welfare Dr. Harsh Vardhan today inaugurated the second edition of Global Bio-India-2021 in New Delhi through virtual mode.
- The 3-day event will showcase the strength and opportunities of the India's biotechnology sector at national level and to the global community.
- The three day event being held from 1st to 3rd March 2021 has been organized on a digital platform.
- ***The theme for this year is "Transforming lives" with the tag line "Biosciences to Bio-economy".***
- The Biotechnology sector has emerged as an integral part of the Indian economy over the past few decades, and the Government of India is playing a transformative and catalytic role in building a USD 150 billion bio-economy by 2025.

### 10. **Sugamya Bharat App**

- Union Minister for Social justice and Empowerment Shri ThaawarchandGehlot has recently launched "Sugamya Bharat App" and a handbook entitled "Access – The Photo Digest" through video conference.
- This Crowdsourcing Mobile Application is a mean for sensitising and enhancing accessibility in the 3 pillars of the Accessible India Campaign i.e.
  - Built environment.
  - Transportation sector.
  - ICT ecosystem in India.
- The app provides for five main features, 4 of which are directly related to enhancing accessibility, while the fifth is a special feature meant only for Divyangjan for COVID related issues.
- The accessibility related features are:
  - Registration of complaints of inaccessibility across the 3 broad pillars of the Sugamya Bharat Abhiyaan.
  - Positive feedback of examples and best practices worth emulating being shared by people as jan-bhagidhari; Departmental updates.
  - Guidelines and circulars related to accessibility.
- It is a simple to use Mobile App with an easy registration process, requiring only 3 mandatory fields, namely, Name, Mobile number and Email-id.

11. Office of the Principal Scientific Adviser to the Government of India under its "Waste to Wealth" Mission launched the "SwachhtaSaarathi Fellowship" to recognize students, community workers/self-help groups, and municipal/sanitary workers who are engaged in tackling the enormous challenge of waste management, scientifically and sustainably.
- The Waste to Wealth Mission is one of the nine national missions of the Prime Minister's Science, Technology, and Innovation Advisory Council (PM-STIAC).

### 12. **World Wildlife Day- March 03.Theme : "Forests and Livelihoods: Sustaining People and Planet".**

### 13. **World Hearing Day : March 03.**

- A 2018 WHO report showed that 2% of India's population, mainly children, suffer from the condition of Otitis Media.
- Smokeless Tobacco consumption, Heavy smoking, Leisure and work-related noise, and also excessive Residential Noise, are noted as risk factors associated with SNHL.

### 14. **India Telecom 2021**

- TEPC (Telecom Equipment Export Promotion Council) has organized India Telecom 2021' - an Exclusive International Business Expo being held virtually under Market Access Initiative Scheme (MAI) of Department of Commerce, Government of India and with support of Department of Telecommunications & Ministry of External Affairs.
- It is a platform for convergence of technologies and business exchange.

• **TEPC has been set up by the Ministry of Commerce & Industry and Ministry of Communications, Government of India to promote and develop of Export of Telecom Equipment and Services.**

- The council undertakes several activities aimed at exports promotion such as Commissioning of Studies to find potential markets, holding of National/International Seminars and facilitating participation of exporters in various overseas exhibitions.
- The council also disseminates trade related data to its members.
- The council makes various recommendations to the Government for making necessary changes in various policies and procedures for promotion of Exports and Services.

**15. Insurance Ombudsman Rules**

- The Government has recently notified comprehensive amendments to the Insurance Ombudsman Rules, 2017, with a view to improve the working of the Insurance Ombudsman mechanism to facilitate resolution of complaints regarding deficiencies in insurance services in a timely, cost-effective and impartial manner.
- The amended rules have enlarged the scope of complaints to Ombudsmen from only disputes earlier to deficiencies in service on the part of insurers, agents, brokers and other intermediaries.
- Further, insurance brokers have been brought within the ambit of the Ombudsman mechanism, by empowering the Ombudsmen to pass awards against insurance brokers as well.
- Policyholders will now be enabled for making complaints electronically to the Ombudsman and a complaints management system will be created to enable policyholders to track the status of their complaints online.
- Further, the Ombudsman may use video-conferencing for hearings.

**16. Prime Minister Shri Narendra Modi has received the CERAWeek Global Energy and Environment Leadership Award.**

- CERAWeek was founded in 1983 by Dr. Daniel Yergin.
- It has been organized in Houston in March every year since 1983 and is considered the world's premier annual energy platform.
- CERAWeek Global Energy and Environment Leadership Award was instituted in 2016.
- It recognizes the commitment of leadership on the future of global energy & environment and for offering solutions and policies for energy access, affordability & environmental stewardship.

**17. In a major boost to India's rice exports potential, the first consignment of 'red rice' was flagged off recently 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.***
- The flagging off ceremony of the export consignments was carried out by APEDA Chairman Dr M.Angamuthu at Sonapat, Haryana.

**18. QS World University Rankings by Subject 2021**

- The QS World University Rankings by Subject 2021 cover a total of 51 disciplines, grouped into five broad subject areas.
- The QS World University Rankings by Subject are compiled annually to help prospective students identify the leading universities in a particular subject.
- Twelve Indian universities and higher education institutions have achieved top-100 positions in their subject.
- In total, 25 Indian programs achieve top-100 positions – one fewer than in 2020's edition of the tables in the 11th edition of the QS World University Rankings.
- Two Institutes of Eminence (IoE) achieve top-50 ranks for mineral and mining engineering: IIT-Bombay (41st, no change) and IIT Kharagpur (44th, up two places).
- These, along with IIT-Madras's 30th-place rank for petroleum engineering, are the highest ranks achieved by the government-run IoE across this year's subject rankings.
- Globally MIT and Harvard share top spot, Russia and China record best-ever performances. Harvard University and Massachusetts Institute of Technology are the strongest-performing institutions across the exercise, ranking number-one in twelve subjects.

**19. Solid Fuel Ducted Ramjet**

- Defence Research and Development Organisation (DRDO) successfully carried out a flight demonstration based on Solid Fuel Ducted Ramjet (SFDR) technology from Integrated Test Range Chandipur off the coast of Odisha.

**20. Ministry of Agriculture and Farmers Welfare has recently signed a Memorandum of Understanding (MoU) with the Central Silk Board under the Ministry of Textiles on a convergence model for the implementation of Agroforestry in the silk sector under the ongoing Sub-Mission on Agroforestry (SMAF) Scheme.**

- SMAF aims to encourage farmers to plant multi-purpose trees together with the agriculture crops for climate resilience and an additional source of income to the farmers, as well as enhanced feedstock to inter alia wood-based and herbal industry.
- Hence there is a concerted effort to include medicinal, fruits, fodder, tree-borne oilseeds, lac host etc. in addition to the longer rotation timber species.

**21. At present, India has 42 sites listed under Tentative List which is a pre-requisite condition for inscription as World Heritage Site.**

- 'Dholavira: A Harappan City' has been submitted for nomination of World Heritage Site in 2019-2020.
- *Nomination dossiers of 'Santiniketan, India' and 'Sacred Ensemble of Hoysalas' have been submitted to UNESCO for the year 2021-22 cycle.*

**22. Jal Shakti Abhiyan (JSA)**

- It is a time-bound, mission mode water conservation campaign, implemented between July - November 2019 period.
- During JSA, five target interventions to promote water conservation and water resource management, viz. a. water conservation & rainwater harvesting.
  - b. renovation of traditional & other water-bodies/tanks.
  - c. reuse and recharge of bore-well.
  - d. watershed development
  - e. intensive afforestation were implemented.
- The outcome of JSA is improved water conservation.
- *Water being a State subject, steps for augmentation, conservation and efficient management of water resources are primarily undertaken by the respective State Governments with the technical and financial assistance to them through various schemes and programmes of Central Government.*

**23. Mother Tongue Based Multi-Lingual Education (MTBMLE)** is an innovative pedagogic initiative which plays a key role in preserving tribal languages is adopted in Andhra Pradesh.

- This approach bridges gap between home and school languages which enable better learning.



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**24.** A Memorandum of Understanding (MoU) between the Ministry of Women and Child Development Government of India and Invest India was recently signed to enhance co-operation in the thematic areas of Nutrition, Child Protection and Development, Women Empowerment and convergent capacity building in mission mode.

**25. Agriculture Voltage Technology**

- Agri-voltaic system of 105 KW capacity was developed by ICAR-Central Arid Zone Research Institute, Jodhpur.
- This technology can increase the income of farmers by generation of electricity and growing of cash crops simultaneously on the same piece of land.
- Under component-I of KUSUM (KisanUrjaSurakshaUtthanMahabhiyan) scheme, there is a provision for installation of agri-voltaic system in farmers' fields with a capacity ranging from 500 KW to 2 MW.
- Moreover, National Solar Energy Federation of India (NSEFI) has also documented 13 operational agri-voltaic systems in the country managed by different solar PV functionaries and public Institutes.

**26. Bodo Peace Accord**

- A Memorandum of Settlement (MoS) was signed on 27.01.2020 with factions of the National Democratic Front of Bodoland (NDFB), All Bodo Students Union etc.
- This MoS seeks to increase the scope and power of Bodoland Territorial Council and to streamline its functioning.
- Resolve issues related to Bodo people residing outside Bodoland Territorial Area Districts (BTAD);
- Promote and protect Bodo's social, cultural, linguistic and ethnic identities.
- Provide legislative protection for the land rights of tribals.
- Ensure quick development of tribal areas and rehabilitate members of NDFB factions.
- MoS also provides for establishing a *Bodo-Kachari Welfare Council* as per existing procedure, notifying Bodo language as an associate official language in the State and to set up a separate directorate for Bodo medium schools.
- A provision is also there for a special Development package of Rs.1500 crores to undertake specific projects for the development of Bodo areas.

**27. *Indian Oil Corporation Limited (IOCL) and Odisha Industrial Infrastructure Development Corporation (IDCO)*** has recently signed an agreement and a Memorandum of Understanding (MOU) to develop Paradip Plastic Park.

- The MoU was signed on a hybrid mode, in the presence of Minister of Petroleum & Natural Gas and Steel Shri Dharmendra Pradhan, Shri Naveen Patnaik, Chief Minister of Odisha and other dignitaries.

**28. Mobilising Electric Vehicle Financing in India**

- NITI Aayog and Rocky Mountain Institute (RMI) India released a new report 'Mobilising Electric Vehicle Financing in India', which highlights the role of finance in the India's transition to electric vehicles (EVs) and analyses that the transition will require a cumulative capital investment of USD 266 billion (Rs 19.7 lakh crore) in EVs, charging infrastructure, and batteries over the next decade.
- The report also identifies a market size of USD 50 billion (Rs 3.7 lakh crore) for the financing of EVs in 2030—about 80% of the current size of India's retail vehicle finance industry, worth USD 60 billion (Rs 4.5 lakh crore).
- Recommendations beyond finance include digital lending, business model innovation, fleet and aggregator electrification targets, and the creation of an open data repository for EVs.

**29. *ICAR has received King Bhumibol World Soil Day - 2020 Award by FAO.***

- The international recognition was announced by the FAO, Rome on the eve of World Soil Day - 2020 in view of the ICAR's excellent contributions in "Soil Health Awareness" on the theme "Stop soil erosion, save our future" during the last year.

**30. Census 2021**

- The Government decided to conduct Census 2021 under the Census Act, 1948 in two phases, viz.,  
(a) House listing & Housing Census during April-September, 2020  
(b) Population Enumeration during 9th to 28th February, 2021.
- It was also decided to update the *National Population Register (NPR)* under the Citizenship Act, 1955 along with the first phase of Census.

- No technical assistance has been obtained from any international agency for conducting Census operations in the field; development of Census Questionnaires, Mobile applications and Census Management and Monitoring System (CMMS) portal; etc.
- The role of international agencies is limited to support in development of publicity material and e-learning training modules by UNICEF, UN WOMEN and UNFPA.

### **31. AtmanirbharNiveshakMitra portal**

- In order to further strengthen efforts to promote domestic investments, the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry is in the process of finalising a dedicated digital portal “AtmanirbharNiveshakMitra” for handholding and facilitation, information dissemination, and facilitation of domestic investors.
- The portal will have a dedicated digital investment promotion and facilitation team at Invest India which will facilitate domestic investors to directly connect or request meetings with the Invest India experts and discuss their specific investment/ doing business related matters.
- ***Invest India has been acknowledged by UNCTAD for providing gold quality service to investors.***

**32. MeraRation:** This mobile app will benefit especially those ration card holders who move to new areas for livelihoods.

### **33. Mobile Integrated Network Terminal (MINT)**

- Indian Army is in the process of procuring Mobile Integrated Network Terminal (MINT) systems under Make II Category of DAP 2020.
- The system is envisaged as a lightweight, portable, state of art integrated communication solution with satellite backhaul and wireless access system to support voice, video and data.
- Development of MINT systems will enhance the operational communication capability of the field army in consonance to the self-reliance vision of “Aatmanirbhar Bharat” for Defence production.

**34. To address the high localized toxic emissions from crematoria, CSIR-National Environmental Engineering Research Institute (NEERI) has developed a technology knowhow to mitigate air pollution from Open Pyre Green Crematoria.**

### **35. Corporate Social Responsibility (CSR)**

- CSR is a Board driven process and the Board of the company is empowered to plan, decide, execute and monitor CSR activities of the company based on the recommendation of its CSR Committee.
- The Government has instituted National Corporate Social Responsibility Awards (NCSRA) as an official recognition at the highest level for outstanding contribution made by companies through their CSR activities.
- The categories of the award, inter-alia, includes CSR in Aspirational Districts/Difficult Terrains and for contribution in National priority areas including Environment, Sustainable Development and Solar Energy.

### **36. RakhiGarhi**

- The ancient site of *Rakhi-Khas and Rakhi-Shahpur* are collectively known as *Rakhigarhi*, located on the right bank of now dried up Palaeo-channel of Drishadvati. Seven (07) mounds are located here.
- The site has yielded various stages of Harappan culture and is by far one of the largest Harappan sites in India.
- The site shows the sequential development of the Indus culture in the now dried up Saraswati basin.
- In the union budget of 2020 it was announced that Five iconic archaeological sites located across five states will be developed.
- One of which is Rakhigarhi located in Hissar district, Haryana.

### **37. Deep Ocean Mission**

- The Deep Ocean Mission is proposed as multi-ministerial multi-disciplinary programme with emphasis on
- Development of deep sea technology
- Exploration of deep sea mineral resources and biodiversity.
- Acquisition of a research vessel for exploration.
- Deep sea observations.
- Capacity building.

- Ministry of Earth Sciences is the nodal agency for implementing the programme. The major objectives proposed under Deep Ocean Mission are as follows:
  - Development of technologies for deep sea mining, underwater vehicles and underwater robotics;
  - Development of ocean climate change advisory services;
  - Technological innovations for exploration and conservation of deepsea biodiversity;
  - Deep ocean survey and exploration;
  - Proof of concept studies on energy and freshwater from the ocean; and
  - Establishing advanced marine station for ocean biology.
- Under Deep Ocean Mission, it is proposed to develop, test and demonstrate the mining technology for harvesting of polymetallic nodules from the Test Mine Site (TMS) in the allocated area of 75000 sq. km in the Central Indian Ocean Basin (CIOB).

**38.A tripartite Concession Agreement was signed here today between the National Mission for Clean Ganga (NMCG), Uttar Pradesh Jal Nigam and M/s. GA Infra Private Limited-LahotiBuildcon Limited for development of Sewage Treatment Plants (STPs) for Moradabad on Hybrid Annuity PPP mode.**

- The project aims to eliminate flow of untreated sewage from Moradabad city into the River Ganga thereby reducing pollution load in the river.

**39.The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi has approved the closure of Handicrafts and Handlooms Export Corporation of India Limited (HHEC), the Corporation, a Government of India undertaking under the administrative control of the Ministry of Textiles.**

- There are 59 permanent employees and 6 Management Trainees serving in the Corporation.
- All the permanent employees and Management Trainees will be given an opportunity to avail the benefit of a Voluntary Retirement Scheme (VRS) as per norms laid down by the Department of Public Enterprises.
- The approval will benefit the Government exchequer in reducing recurring expenditure on salary/wages of sick CPSE which is not in operation and earning no income.

**40. BhartiyaPrakritikKrishiPadhati (BPKP), is introduced as a sub scheme of Paramparagat Krishi Vikas Yojana (PKVY) since 2020-21 for the promotion of traditional indigenous practices including natural farming.**

- The scheme mainly emphasises on exclusion of all synthetic chemical inputs and promotes on-farm biomass recycling with major stress on biomass mulching; use of cow dung-urine formulations; plant based preparations and time to time working of soil for aeration.
- Under BPKP, financial assistance of Rs 12200/ha for 3 years is provided for cluster formation, capacity building and continuous handholding by trained personnel, certification and residue analysis.

**41. India Chem-2021**

- Shri D.V. Sadananda Gowda, Minister of Chemicals and Fertilizer inaugurated 11th edition of India Chem-2021 on 17th March 2021.
- It is one of the largest composite events of the chemical and petrochemical sector in the Asia-Pacific Region.
- Department of Chemicals and Petrochemicals, in association with FICCI, organized the 11th edition of India Chem- 2021 during 17-19th March 2021 in New Delhi.
- India Chem-2021 had the theme of “**India: Global Manufacturing Hub for Chemicals and Petrochemicals**”.

**42.INCOIS has developed a device named GEMINI (GAGAN Enabled Mariner’s Instrument for Navigation and Information) a simple handheld device that receives the information transmitted through GAGAN and feeds that to the mobile handset through Bluetooth connection.**

**43.Government of India, Ministry of Tourism has introduced the Incredible India Tourist Facilitator (IITF) and Incredible India Tourist Guide (IITG) Certification Programme, which is a digital initiative that aims at creating an online learning platform with the objective of creating a pool of well trained and professional Tourist Facilitators and Tourist Guides across the country, including in remote areas with tourism potential.**

- The candidates can pursue these online courses from anywhere and at any time and at their own pace.

#### **44.INDIA-BRAZIL-SOUTH AFRICA (IBSA)**

- India-Brazil-South Africa (IBSA) Trilateral Cooperation Forum is a unique platform which brings together India, Brazil and South Africa, three large democracies and major economies from three different continents.
- All three partners are developing pluralistic, multi-cultural, multi-ethnic, multi-lingual and multi-religious nations.
- IBSA is committed to inclusive sustainable development, in pursuit of the well-being for their citizens and those from the other developing nations.
- The principles, norms and values underpinning the IBSA Dialogue Forum are participatory democracy, respect for human rights, the Rule of Law and the strengthening of multilateralism.
- IBSA lays efforts in the South-South cooperation beyond the conventional areas of exchange of experts and training.

#### **45.Longitudinal Aging Study in India (LASI)**

- The Longitudinal Aging Study in India (LASI) is a groundbreaking nationally-representative, longitudinal survey to examine aging and retirement among India's 45+ population.
- It is a joint undertaking of the Harvard T.H. Chan School of Public Health, the International Institute for Population Sciences (IIPS) in Mumbai, India, and the University of Southern California (USC).
- LASI focuses on the health, economic, and social well-being of India's elderly population.
- The concept of LASI is comparable to the Health and Retirement Study (HRS) in the United States and is appropriately harmonized with other health and retirement studies such as SHARE, ELSA & MHAS, including its sister surveys in Asia.
- ***As per LASI 2021, Most prevalent chronic conditions among the elderly Indians is – Hypertension, followed by Diabetes/High Blood Sugar.***

#### **46.Global Wage Report 2020-21**

- It is a report published by ILO.
- Title of the report for 2021 is Wages and minimum wages in the time of COVID-19.
- The Report inter-alia, comments on various issues including on Indian workers having low average wages, longer hours as well as that the workers in Asia and the Pacific enjoyed the highest real wage growth among all regions over the period 2006–19, with India leading the way along with other countries.
- Further, while comparing average wage, the report has taken into account the National Floor Level Minimum Wage which is Rs.176/- per day. However, actual wages are far higher.
- If the median of the minimum wages in different states is drawn, it would be Rs.269/- per day in the country.

#### **47.As per American Petroleum Institute report on LNG operations and methodology, a typical LNG-fueled truck will have 90% lower NOx and PM emissions than diesel-fueled truck, 100% lower SOx emission, and 30% lower CO2 emissions.**

#### **48. NTPC Ltd , a Public Sector Undertaking under Ministry of Power has been conferred the prestigious 'Role Model' Award at the 11th CII National HR Excellence Award 2020-21.**

- This award is the highest level of recognition in the field of Human Resources by Confederation of Indian Industry.

#### **49.Artificial photosynthesis**

- Scientists have found a method to mimic nature's own process of reducing carbon dioxide in the atmosphere, namely photosynthesis, to capture excess carbon dioxide in the atmosphere.
- This artificial photosynthesis (AP) harnesses solar energy and converts the captured carbon dioxide to carbon monoxide (CO), which can be used as a fuel for internal combustion engines.
- In artificial photosynthesis (AP), scientists are essentially conducting the same fundamental process in natural photosynthesis but with simpler nanostructures. However, there are plenty of hurdles to overcome as a successful catalyst to carry out AP.

#### **50.Dr.Sonu Gandhi, a Scientist at the National Institute of Animal Biotechnology (NIAB), Hyderabad, who has recently developed a smart nanodevice for the detection of Rheumatoid arthritis (RA), cardiovascular disease (CVD), and Japanese encephalitis (JE), has been awarded the prestigious SERB Women Excellence Award.**

- The award instituted by **Science and Engineering Research Board (SERB)**, Department of Science and Technology (DST), recognises and rewards outstanding research achievements of young women scientists in frontier areas of Science and Engineering.

### **51. Manipur emerges as the model state for Van DhanVikasYojana.**

### **52. US India Artificial Intelligence (USIAI)**

- Secretary, Department of Science & Technology, Prof Ashutosh Sharma, emphasised the necessity to scale up the S&T relationship between India and the United States to solve problems of both countries and overcome barriers for growth at the launch of the Indo-U.S. Science and Technology Forum's U.S. India Artificial Intelligence (USIAI) Initiative.
- USIAI Initiative focuses on AI cooperation in critical areas that are priorities for both countries.
- USIAI will serve as a platform to discuss opportunities, challenges, and barriers for bilateral AI R&D collaboration, enable AI innovation, help share ideas for developing an AI workforce, and recommend modes and mechanisms for catalyzing partnerships.

### **53. GRAM UJALA**

- Union Minister of State (Independent Charge) for Ministry of Power and Ministry of New and Renewable Energy and Minister of State, Ministry of Skill Development and Entrepreneurship, Shri R K Singh launched the GRAM UJALA programme in Arrah, Bihar.
- Under the GRAM UJALA programme, CESL will distribute high quality LED bulbs, at an affordable cost of 10 rupees per bulb in rural areas.
  - Each household will get up to 5 LEDs.
- Under the programme, 7 watt and 12-Watt LED bulbs with 3 years warranty will be given to rural consumers against submission of working Incandescent bulbs.
- **Carbon credits** will be prepared under the Shine Program of Activities with an option for verifying under the Voluntary Carbon Standard, depending on the needs of buyers.
  - Carbon Credit Buyers will also be sought through an open process based on initial discussions with the market.

### **54. In India, Anti Leprosy Day is observed on 30th January every year, i.e., Mahatma Gandhiji's martyrdom day, as Gandhiji was deeply committed to the cause of leprosy.**

- To commemorate the anti-leprosy day, Sparsh Leprosy Awareness Campaigns (SLAC) are being organized since 2017 in order to reduce stigma and discrimination against persons suffering from leprosy.
- Under National Leprosy Eradication Program (NLEP), India has achieved enormous success in leprosy control and elimination.
- *Leprosy elimination, which means Prevalence Rate <1 case/ 10,000 population, was achieved at the National level in 2005.*

### **55. A team of four undergraduate students from the Indian Institute of Technology, Kharagpur emerged as winners at the CoreNet Global Academic Challenge 6.0, sponsored by Cushman and Wakefield, KI and IA: Interior Architects.**

- The team comprised of Siddhant Samarth (Third Year Undergraduate, Department of Civil Engineering), PratimMajumdar (Third Year Undergraduate, Department of Chemical Engineering), Rishita Raj (Second Year Undergraduate, Department of Mechanical Engineering) and Utkarsh Agrawal (Third Year Undergraduate, Department of Manufacturing Science and Engineering), and were guided by Prof. Jenia Mukherjee (Department of Humanities and Social Sciences).

### **56. Power Grid Corporation of India Limited (POWERGRID), a Maharatna PSE under Ministry of Power, Government of India has signed a Share Purchase Agreement with Jaiprakash Power Ventures Limited (JPVL) to acquire 74% stake in JaypeePowergrid Limited-JV (JPL) in which POWERGRID holds 26% equity. JPL will become a wholly owned subsidiary of POWERGRID following this acquisition.**

- **JPL-JV has developed a 214 Km long EHV power transmission project to evacuate power from Karcham-Wangtoo project in the state of Himachal Pradesh.**
- The power transmitted is meant for distribution and consumption in states of Himachal Pradesh, Haryana, Punjab, Uttar Pradesh and Rajasthan.

**57. TRIFED and Government of Arunachal Pradesh have entered into a Memorandum of Understanding (MoU) for the implementation of the MSP for MFP Scheme and the Van DhanYojana in the state of Arunachal Pradesh.**

- As a part of its mission to improve the livelihoods of the tribals(both forest dwellers and artisans) and work towards tribal empowerment, TRIFED has been carrying out several programmes and initiatives.
- The Rural Development Department in State of Arunachal Pradesh will be the nodal agency for the implementation of this scheme while Arunachal Pradesh State Rural Livelihood Mission (ArSRLM) will be the State Implementation Agency.

**58. The State Government of Rajasthan has formulated a policy named as “Rajasthan Agro-processing, Agri-business and Agri-export Promotion Policy 2019” for establishment of processing units for Horticulture crops including Fenugreek/ PaanMethi.**

- The Spices Board under Ministry of Commerce & Industry, Government of India has established a Spices Park in Jodhpur which is a neighboring district of Nagaur, Rajasthan.
- The Spices Park has processing facilities exclusively for Seed Spices like Coriander and Fenugreek.

**59. Power Grid Corporation of India Limited (POWERGRID), a central PSU under Ministry of Power has established an e-Tendering Portal-PRANIT which will lead to less paperwork and ease of operation, making the tendering process more transparent.**

- It has been certified by Standardisation, Testing and Quality Certification Directorate (STQC), Ministry of Electronics and Information Technology, Government of India.

**60. Conservation of Ancient Folk Cultures**

- To protect, preserve & promote various forms of folk art and ancient folk cultures throughout the country including Jharkhand, Bihar and Kerala, the Government of India has set up seven Zonal Cultural Centres (ZCCs).
- *There is no dedicated scheme to preserve these particular folk art forms.* However, these ZCCs organize various cultural activities and programmes all over the country on regular basis for which annual grant-in-aid is provided to them.

State	Folk Culture
<b>Jharkhand</b>	FaguwaNritya, TuriNritya, FaguwaNritya, TuriNritya, PaikaNritya, Hodopathy, Tribal dance (KaramNritya).
<b>Bihar</b>	LokGatha "ReshmaChuharmal" (Begusarai), LokGatha "BihulaBishari" (Purnia), LokGatha "Naradi" (Begusarai), BidesiaLokNatya (Bhojpur region), Godana Painting (Madhubani), LokNatya "Hirni-Birni" (Magadh region), Panwaria, Domkach&SoharKhilona folk dance (All regions of Bihar State), Domkach folk dance (All regions of Bihar State), Jharni&Jhinjhia folk dance (Mithilanchal Area), Bidesia (Bhojpur Area), Bihar KeParamparikNatya (All regions of Bihar State), DrupadDhamar, GodnaGeet, Sikki Kala, Tikuli Art and Madhubani Painting.
<b>Kerala</b>	Poorakali, Malayankettu&Kannerpattu (Kannur), Daffumuttu (Malabar), Kanyarkali (Thrissur) and Arabanaumuttu (Kozhikode)

# YOJANA

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## Conditional Borrowings

### Background

- Grant of reform-linked additional borrowing limits to States was first announced in May, 2020 with the twin objective of pushing reforms and providing States the much-needed financial resources to fight the Covid-19 pandemic.
- During the year 2020-21, the pandemic had dealt a severe blow to the revenue collection of the governments, hampering their ability to respond to the challenges thrown up by it.
- To successfully overcome the formidable economic challenges, the Prime Minister had announced a series of economic stimulus packages and gave the clarion call of sustaining 'Aatmanirbhar Bharat' (a self-reliant India).
  - An important component of the 'Aatmanirbhar Bharat Abhiyaan' packages was an increase in the net borrowing limit of States for 2020-21 by two per cent of GSDP.

### Borrowing by States

- Borrowing by States in India is guided by provisions of Article 293 of the Constitution.
  - States are permitted to borrow within the territory of India against the security of the Consolidated Fund of the State, subject to the limit fixed by the Legislature of the State.
  - However, according to Article 293(3), if a State is yet to repay any central loan extended to the State by the Government of India or by its predecessor Government, it has to obtain consent of the Government before raising any such loan.
- Based on the recommendation of the Finance Commission, the Central Government had fixed the Net Borrowing ceiling for the states for FY 2021-22 at 3% of GSDP.

### Reform Centric Borrowing

- To alleviate the ill-effects of the current additional borrowings, half of the additional borrowing permissions were used as an instrument to nudge the States to push reforms in various citizen-centric areas.
- Four areas were identified for undertaking the much-needed reforms-
  - Implementation of 'One Nation One Ration Card' system.
  - Reforms to promote Ease of Doing Business.
  - Local bodies and public utilities reforms
  - Reforms in the power sector.
- The Department of Food and Public Distribution (DFPD), Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Housing and Urban Affairs (MoHUA), and Ministry of Power (MoP) were respectively designated to certify completion of stipulated reforms and recommend grant of permission for additional borrowings from the bond market.
- Availability of a huge financial incentive of additional borrowings of Rs. 53,413 crore in each sector made the reform path lucrative to the States, which were woefully short of resources with a dwindling tax collection, even as demand for expenditure was moving northwards.

### About the Reforms

#### a. One Nation One Ration Card

- 'One Nation One Ration Card' is a technology-driven reform which enables beneficiaries of NFSA and other welfare schemes to get their entitled monthly quota of food grains from any e-PoS-enabled FPS of their choice, anywhere in the country.
- The reform especially empowers the migratory population like labourers, daily wagers, urban poor like ragpicker, street dwellers, temporary workers in organised and unorganised sectors, domestic workers etc., who frequently change their dwelling place to be self-reliant in food security.

#### b. Ease of Doing Business

- Ease of doing business (EDB) serves as an important indicator for investment-friendly business climate in the country.
- Improvements in business environment in turn attract investment leading to faster future growth of the economy.
- It aims at making the processes simpler and transparent, reduce the timelines for various regulatory approvals and eliminate physical interface between the department and the business.

**c. Urban Local Bodies/Utilities Reforms**

- Reforms in the Urban Local Bodies (ULBs) are aimed at their financial strengthening to enable them to provide better public health and sanitation services, and create a good civic infrastructure.

**d. Power Sector Reforms**

- Power Sector reforms by the Ministry of Finance aim at reducing losses, and creating a transparent and hassle-free provision of power subsidy to farmers.
- They also aim at improving the health of power distribution companies by alleviating their liquidity stress in a sustainable manner.

**Present Status and Way Forward**

- Till February 8, 2021, 17 States have completed reforms in at least one of the four identified citizen-centric areas.
- The Department of Expenditure, Ministry of Finance has issued them additional reform-linked borrowing permission of Rs.73,773 crore.
- The move Will not only help States to maintain a sustainable debt path, but has also started bringing benefits to the citizens.

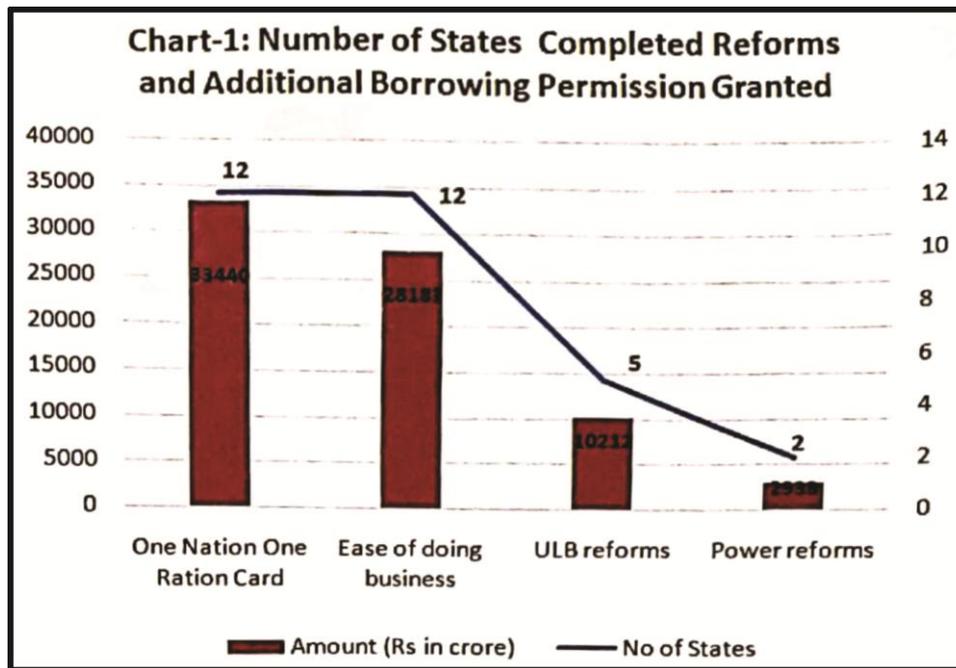
**Conditional Borrowings**

**Article 293 and 293(3) in The Constitution Of India 1949**

- States are permitted to borrow within the territory of India against the security of the Consolidated Fund of the State, subject to the limit fixed by the Legislature of the State.
- However, according to **Article 293(3)**, if a State is yet to repay any central loan extended to the State by the Government of India or by its predecessor Government, it has to obtain consent of the Government before raising any such loan.

- Based on the recommendation of the Finance Commission, the Central Government had fixed the Net Borrowing ceiling for the states for FY 2021-22 at 3% of GSDP.
- ***An additional borrowing ceiling of 0.5% of GSDP will also be provided based on meeting specified reforms in the power sector.***
- Four areas were identified for undertaking the much-needed reforms-
  - ***Implementation of 'One Nation One Ration Card' system.***
  - ***Reforms to promote Ease of Doing Business.***
  - ***Local bodies and public utilities reforms***
  - ***Reforms in the power sector.***

Till February 8, 2021, 17 States have completed reforms in at least one of the four identified citizen-centric areas.



## Budget for Infrastructure

### Introduction

- The Union Budget 2021-22 has a welcome focus on infrastructure, being part of one of the six pillars-Physical and Financial Capital, and Infrastructure.
- The capital allocation has gone up by over a third of the previous year's allocation to Rs.5.5 lakh crore in keeping up with the plans of the National Infrastructure Pipeline (NIP).
  - The NIP envisages a capital spend of over Rs.100 lakh crore over six-year period, 2019-20 to 2024-25, with 39% to come from the Centre.
  - NIP includes over 20 sectors and has recently been enhanced to 7400 projects.

### Roads Sector of Infrastructure

- Road sector has attracted the maximum allocation (Rs.1,18,10crore).
- Hybrid-Annuity-Model (HAM) and Toll-Operate-Transfer (TOT) models have been given more focus.
- Further, the government is in a position to monetize significant road assets of the **National Highways Authority** of India (NHAI), where there is now a clear assessment of toll revenues.
- **e-tolling (FASTag)** is saving significant waits at toll booths.
- Another important outcome of the investments in the road capacity improvement is the increase in the average kilometers per day that trucks travel, resulting in not only better asset utilization, but also faster and increasingly more reliable delivery times.

### Railway Infrastructure

- The next level of allocation at **Rs.1,07,100crore is for the Railways**, which is expected to have a total capital outlay of over Rs.2 Lakh crore, including internal and extra-budgetary external resources.
- Investments in Railways are driven both by capacity creation and customer centricity.
  - Capacity creation is the easier one, though affected by land acquisition, and in some instances, environmental clearance.
    - ✓ **The Dedicated Freight Corridor (DFC) and the Bullet Train**, two of the big-ticket projects, have been delayed on account of land acquisition.
  - The challenge in customer centricity is to be able to leverage PPPs with appropriate policy reforms.
- There has been a slow and steady push towards opening up to the private sector in various domains, including locomotive manufacturing, wagon manufacturing, special freight train operations and freight terminals.
- Recently launched draft **National Rail Plan (NRP)** visualize not only arresting the declining rail share of traffic, but reversing it, in the interest of climate impact and energy efficiency.

- In the freight segment, **increasing the rail share from the current under 30 per cent to at least 45 per cent by 2050 is envisaged.**

### Urban Transport Infrastructure

- Urban transport has been given a strong focus with allocations for extension of metro lines in major cities, Metrolite, Metroneo projects and for bus transportation.
  - While a metro line costs Rs.300 crore per kilometer, the Metrolite is about Rs.180crore per kilometer and the Metroneo is Rs.70crore per kilometer.
- With these technologies, India will have a full range of mass transit technologies, starting from the conventional bus to the Bus Rapid Transit System (BRTS), Metrolite, Mctronco, the Metro and the Regional Rail Transit System.

### Telecom Sector

- The budget had a significant allocation of Rs. 9000 Crore to complete the **Bharat Net project**, which envisages **broadband connectivity to all the gram panchayats of the country.**
- There is also **an allocation to the Ministry of Defence** for improving their network and equipment which will enable vacating their spectrum for potential commercial use.

### Electricity sector

- Another major allocation has been for the Electricity sector, to enable better performance at the Discoms level. This has been stated as an amount of Rs.3 lakh crore to be spent over 5 years.

### Agri infrastructure sector

- The allocation for the Agri infrastructure sector is planned to come through a cess that is being levied on fuel.
  - While it will not affect the price of fuel to the end customer, a price which already includes more than half towards taxes and duties, it raises a Centre vs State issue.
  - The government has reduced duties on fuel and transferred it as a cess amount. While duties are shareable with the state, cesses are not.

### Other Sectors of Infrastructure

- Other sectors of infrastructure that found special mention were upgradation of some fishing harbours, the water supply schemes in urban local bodies, and bringing in PPPs in more existing airports.
- Though there was no explicit mention of the ports and shipping sector, there is an ongoing programme in this sector called **Sagarmala.**
- There is also a recent visioning exercise called the **Maritime India Vision for 2030** that provides a roadmap for significant growth in this sector.

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DATE: Starting from 1st April, 2021

## Institutional Reform

- A new infrastructural **Developmental Financial Institution (DFI)** is being setup with an allocation of Rs. 20,000crore.
- While this is a welcome move, we need to learn from the lessons of the earlier institutions that were setup or catalyzed by the government.
  - These include IL&FS (which today is under serious charges of misgovernance), IDFC (which after having evolved into a bank, has diluted its intended development focus) and IIFCL.
- The government has also set up a **'bad' bank, including an Asset Reconstruction Company (ARC) and an Asset Management Company (AMC) for taking care of non-performing assets.**
  - This is a much-required step, especially since infrastructure assets are one of the primary causes of non-performing assets.

## Strategic Disinvestment and Asset Monetization

- Strategic disinvestment and asset monetization have received significant attention in the budget, not only as a means to raise revenues for government, but also to bring in private sector efficiency.
  - **Public sector companies targeted in the infrastructure sector include Air India, Shipping Corporation of India, CONCOR, Pawan Hans and BPCL.**
- **Asset monetization** in the infrastructure sector is focused on leveraging airports of the Airports Authority of India, roads of the National Highways Authority of India, transmission lines of the Power Grid Corporation of India, warehouses of the Central Warehousing Corporation, segments of the Dedicated Freight Corridor Corporation of India, pipelines and other assets of some of the companies in the petroleum sector.
  - These are steps in the right direction, since they will unlock value of significant assets (including land) that have been created by the government.
- The budget highlighted a long-term policy of the government that has significant implications for the infrastructure sector.
  - Various sectors are classified as Strategic and Non-Strategic.
  - Strategic sectors would have 'bare minimum' presence of public sector enterprises, while all central public sector enterprises in the non-strategic sectors will be privatized.
  - The infrastructure domains in the 'strategic' classification include Transport, Telecommunications, and Energy (Power, Petroleum and Coal).
- The budget has allocated **Rs 50,000crore for the National Research Foundation** to strengthen the 'overall research ecosystem'. Structures have also been put in place earlier to create 'specialised professionals' and focus on research through universities set up in the infrastructure sectors.

## Conclusion

- The budget has moved in the direction of not only recognizing the importance of infrastructure for the much-needed economic growth at a national level, but also being more realistic of the requirements of wise and effective spending on infrastructure.
- However, real outcomes can further be realized only by attention to detail and capacity for implementation.

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## Budget for Infrastructure sector at a glance

- Bill to set up a Development Financial Institution (DFI) for infrastructure financing
- Provision of ₹20,000 crore to capitalise DFI with aim to have a lending portfolio of at least ₹5 lakh crore in three years
- Amendments to enable debt financing by FPIs
- Launch of a "National Monetisation Pipeline"
- Railways to monetise Dedicated Freight Corridor assets for operations and maintenance

- National Infrastructure Pipeline (NIP) now expanded to 7,400 projects
- It will require a major increase in funding both from the government and the financial sector

Three steps are proposed to be undertaken to achieve this:

- CREATION OF INSTITUTIONAL STRUCTURES: INFRASTRUCTURE FINANCING
  - A Bill to set up a Development Financial Institution (DFI)
  - With Provision of ₹20,000 crore
- BIG THRUST ON MONETIZING ASSETS
  - Launch of a "National Monetization Pipeline"

Some important measures are:

- National Highways Authority of India and PGCIL each have sponsored one IIT
- Railways to monetise Dedicated Freight Corridor assets for operations and maintenance after commissioning
- The next lot of Airports will be monetised for operations

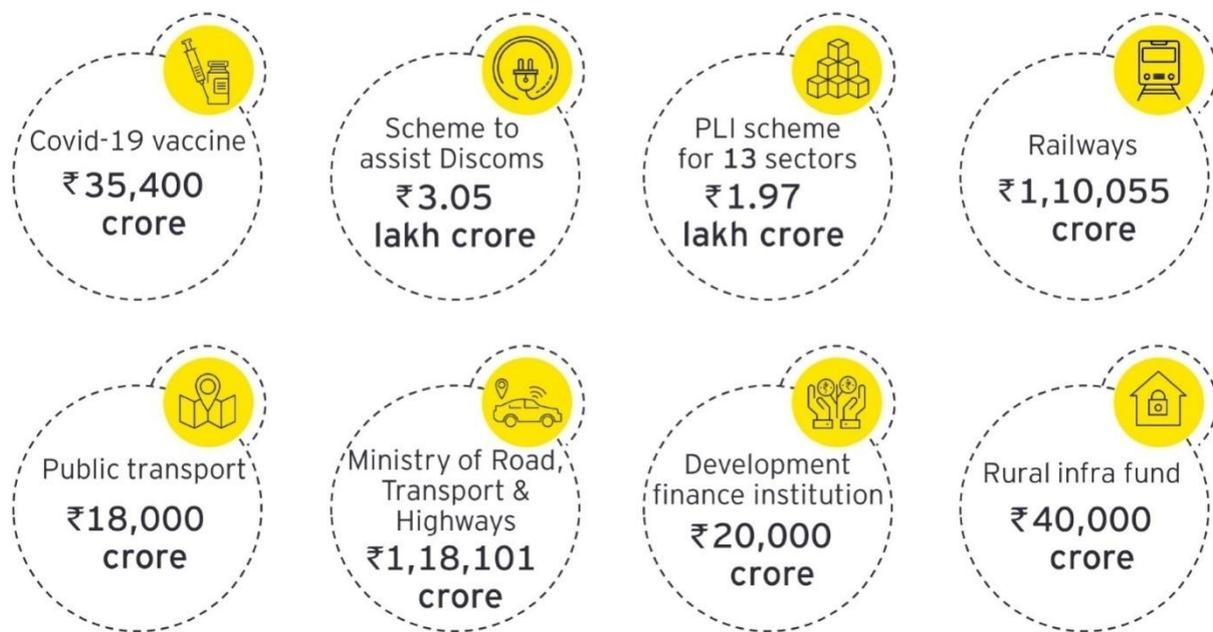
### ROADS AND HIGHWAYS INFRASTRUCTURE

Highest ever outlay of ₹1,18,101 crore for Ministry of Road Transport and Highways

Following economic corridors being planned:

- 3,500 km of NH in Tamil Nadu at an investment of ₹1.03 lakh crore. These include Madurai-Kollam corridor, Chittoor-Thatchur corridor.
- 1,100 km of NH in Kerala at an investment of ₹65,000 crore including 600 km section of Mumbai-Kanyakumari corridor in Kerala.
- 675 km of NH in West Bengal at a cost of ₹25,000 crore including upgradation of existing Kolkata - Siliguri road
- NH of around ₹19,000 crore are currently in progress in Assam. Further works of more than ₹34,000 crore covering more than 1300 km of National Highways will be undertaken in next three years.

## Union Budget 2021- Key announcements



## A Booster Shot for Economic Growth

### Introduction

- The budget proposal has laid a renewed thrust on promoting the principle of 'minimum government, maximum governance' as well as improving the ease of doing business and ease of living in the country.
- Union Budget 2021-22 has brought in a new sense of optimism in the country, triggering hopes of better economic prospects going ahead

### Background and Initiatives Taken

- The annual budget of the country is an indicator of economic management by the government.
- India's Union Budget 2021-22 is meticulous, inclusive, transparent and growth-oriented, reflecting government's commitment towards transformation of Indian economy.
- The pandemic has brought to forefront the need for strengthening our healthcare systems, right from health infrastructure to medical education to research and development.
  - The significant outlay on health and well-being sectors in this budget is a huge positive.

- The launch of Aatmanirbhar Swasth Bharat Yojana will strengthen primary, secondary, and tertiary healthcare infrastructure and create new institutions, addressing huge gaps in healthcare facilities in the country. This is a significant investment for the well-being of citizens of India.
- Initiatives announced towards cleaner environment namely **Urban Swachh Bharat 2.0 Mission, Jal Jeevan Urban Mission and Mission Poshan 2.0** will also contribute towards better health and well-being of people.
- Commitment of **Rs.35,000crore for Covid-19 vaccine** will give a fillip to the on-going immunisation program, which is extremely important for not only protecting lives but also for ensuring quick economic recovery.

### Impetus given to Growth

- There has been equal emphasis on immediate recovery as well as medium-term growth.
- Huge thrust has been laid on capital expenditure, with both physical and social infrastructure seeing a big push.
  - This should help in reviving consumption and investment cycle.
  - Higher public investment in infrastructure projects is expected to crowd-in private investments and will also create several jobs, leading to improved demand.
- Government has also announced establishment of 7 Mega Investment Textiles Parks, which is expected to encourage greater exports and create more jobs in this labour-intensive sector.

### Agricultural Growth

- Steps have been taken to enhance productivity, bring efficiently in agri-supply chain and also to augment farmers' income.
  - This is in continuation of the agriculture reforms introduced by the government last year.
  - By linking 1000 more mandis with e-NAM and availability of Agriculture Infrastructure Fund for augmenting infrastructure facilities of APMC, continuous efforts are being made to strengthen the farm ecosystem.
  - These steps will help to integrate the national agriculture supply chains and facilitate upgradation of marketing infrastructure.
- To promote the idea of 'more crop per drop', micro-irrigation corpus has been doubled. This will ensure efficient water use, which is extremely critical today for sustainable growth of this sector.
- **Operation Green Scheme:** The introduction of 22 additional perishable crops under 'Operation Green Scheme' will also help in increasing productivity and quality standards and enable greater exports of perishables from the country.
- Enhanced agriculture credit target will help in meeting the financing needs of farmers.

### Financial Sector

- The decision to privatize two public sector banks and one public sector insurance company underlines government's commitment to limit its presence even in the strategic sectors and given a larger role to be played by the private sector.
- To further release capital for growth and strengthen the banking system, FICCI for long has been advocating the need to set up a **National Asset Management Company**.
- The government's announcement to set up an **Asset Reconstruction and Asset Management Company** is a timely step.
- The aftermath of pandemic is expected to deteriorate balance sheet of banks and such a mechanism will help banks to unlock stuck capital and use it for more productive purposes.
  - The additional Rs.20,000crore for recapitalization of Public Sector Banks will also lend support to meet the credit requirements in the near term.

### Way Forward

- The budget proposals also laid a renewed thrust on promoting the principle of 'minimum government, maximum governance' as well as improving the ease of doing business as ease of living in the country.
- Union Budget 2021-22 has brought in a new sense of optimism in the country, triggering hopes of better economic prospects going ahead.

**Mindmap**



**UNIVERSAL COVERAGE OF WATER SUPPLY**

Jal Jeevan Mission (Urban) to be launched for achieving universal water supply.

It will be implemented over 5 years, with an outlay of ₹2,87,000 crore

**Mission POSHAN 2.0 to be launched**

by merging Supplementary Nutrition Programme & POSHAN Abhiyaan for strengthening of Nutritional content, delivery, outreach & outcome

**Textile - Mega Investment Textiles Parks (MITRA)**

**Aims at making Textile Industry:**

- Globally competitive
- Attract large investments
- Boost employment generation & exports

**Main features:**

- To create a world class infrastructure with plug and play facilities to create global champions in exports
- 7 Textile Parks will be established over 3 years

**PM Atmanirbhar Bharat Yojana**

**The main elements of the scheme are:**

- Support for 17,788 rural and 11,024 urban Health and Wellness Centers
- Setting up integrated public health labs in all districts and 3,382 block public health units in 11 states
- Establishing critical care hospital blocks in 602 districts and 12 central institutions
- Strengthening of the National Centre for Disease Control
- Expansion of the Integrated Health Information Portal to all States/UTs to connect all public health labs
- Operationalisation of 17 new Public Health Units (PHUs) and strengthening of 33 existing PHUs at Points of Entry
- Setting up of 15 Health Emergency Operation Centers and two mobile hospitals
- Setting up of a National Institution for One Health, a Regional Research Platform for WHO South East Asia Region, 9 Bio-Safety Level III laboratories and 4 regional National Institutes for Virology

**AGRICULTURE**  
1/2

- SWAMITVA Scheme extended to cover all states/UTs
- 'Operation Green Scheme' extended to 22 perishable products
- Agricultural credit target enhanced to ₹16.5 lakh crore in FY22 with focus on credit flows to animal husbandry, dairy, and fisheries
- 1,000 more mandis will be integrated with e-NAM to bring transparency and competitiveness
- Agriculture Infrastructure Funds to APMCs for augmenting infrastructure facilities

# Diplomacy in Covid Times

## Background

- The dwindling status of world unity while dealing with the Covid-19 pandemic and the way international organisations appeared less-effective has raised an important question as to whether the world would be able to move forward with the organisations, institutions and cooperation initiated during the World War II.
- India's role have become ever important in this new juncture of World Diplomacy.

## India's Foreign Policy

- The foreign policy of India was founded according to the defined principles and values of our country; the objective was to safeguard our interests and widen those interests.
- During the Cold War the world got divided in two blocks, had presented some doubts and challenges before India.
- Considering those India had opted for non-alignment which seemed a better option then. India's policy of non-alignment proved to be a true representative during the Cold War period.

## 1990s:

- Fall of Soviet Union and breaking of Berlin Wall resulted in a collapse of bipolar world system, and a unipolar world system came into existence wherein America became the power centre.
- It became necessary that India should change its traditional path and lay down a solid foundation for its foreign policy in accordance with the requirements in the new scenario.
- India started moving in this direction in 1990s.
- The then Prime Minister P.V. Narsimha Rao added a part of economic diplomacy in the traditional diplomacy which had to traverse in the direction of globalisation.
- Nuclear Power became another way of diplomacy after Pokhran.

## Global Synergy

- Presently, India does not want to limit to only Indian Subcontinent or South Asia. With this in view, countries situated in Eastern and South East Asian regions are foremost followed by the countries of Middle East.

## Indo-Pacific Region

- Indo-Pacific Region is sensitive not only from global strategic angle but is important for India too.
- In this region, on one side China is following the strategy of establishing monopolistic set-up on the strength of its defence power built on the basis of its economic strength and the US on the other side is trying to maintain its supremacy.
- Russia is the third player which wants to move forward on "Pivot to East" strategy.
- India played an active role in setting up the Strategic Quadrilateral (QUAD) in Indo-Pacific region on one hand and became a partner in BRICS and Shanghai Cooperation Organisation on the other hand.
- Washington-Beijing-Moscow triangle has been extremely important for India's foreign policy since the very beginning.
- India has been incorporating changes and making amendments in its foreign policy in order to adjust to the changing equilibrium in this triangle.

## Emergence of China

- One of the focal points of India's foreign policy is China. The reason for this being that China keeps posing challenges before India by following an expansionist policy through countering India's power in the Indian subcontinent and keeps playing new soft power war games.
- There are also some reasons for China's success.
  - Firstly, because of China's increasing military power based on its expanding economic activities in Pacific region has provided an edge over other countries of the region.
    - ✓ The cheque-book diplomacy of China has turned smaller countries in this region almost as its colonies on the basis of which it has been able to provide enough strength to its maritime strategy and defence bridge strategy.
  - Secondly, success in construction of China-Pakistan economic corridor from Kashgar to Gwadar and building of Great Divide of New Maritime Silk Route to provide a practical shape in Indian

subcontinent to the String of Pearls policy and Belt and Road Initiative under the Grand Maritime Policy in the Indian Ocean.

- China's military misadventures in Doklam and Galwan were probably the most serious border situations since 1962.
- At present, tension between the two countries seems to be the most complex and difficult in the history and as of now there appears no hope of a positive response from China.
- In this situation, India needs to advance a few more steps towards Russia and Europe besides going towards the US.

## Diplomacy with Europe

- Europe is presently fighting against its internal contradictions posed by refugee problem, economic imbalance, idealism versus nationalism clash and Islamic terrorism and is in no way looking to be coming out of this complex situation.
- The conditions developed in Europe after the "Merkozy Effect" (Angela Merkel and Sarkozy economic theory) have weakened the bonding between France and Germany and a leakage in European Union have become visible now.
- Brexit has shown that European Union is no more a reflection of optimum unity.
- With France, relations based on reciprocity were encouraged. 'Rafale' from France gave a new direction to Indian Air Force and the naval exercise 'Varanasi' concluded between the two countries strengthened the establishing of Indian presence in Indo-Pacific region.
- By carrying out a military exercise near Djibouti (where China is building its new military base), the two countries are showing that they are quite serious about their strategic partnership in the Indian Ocean.
- Germany and Nordic countries were seeing potential in India but Covid pandemic put a stop on that.

## Middle East

- India has succeeded in establishing comprehensive partnership relations with the countries of this region in the previous six years.
- India's trade and energy security is closely connected with the security of Hormuz Water Treaty and Bab-el-Mandeb strait.
- India has taken part in naval exercises with many Gulf countries including Kuwait, Yemen, Bahrain, Saudi Arabia, Qatar, UAE and Djibouti. During this period, the India-Saudi Arabia relations touched a new height.
  - Presentation of their highest civilian awards by Saudi Arabia and Bahrain to PM Modi stands a testimony to this.
  - Saudi Arabia is not only the home of Islam and the Arab-Islamic world leader but around 2 million Indians also live in that country out of which many Indians are in higher positions.

## Indo-Afro Relation

- India has been following the policy of Afro-Asian Brotherhood for a long time and now except BRICS and IBSA, India has cordial relations with the African Union.
- But, India still needs to follow such measures as it would help the partnership of India and the African countries to benefit from the potential capabilities.
- Initiative regarding the connection between Seychelles-Chabahar may emerge as an alternative to Gwadar-Djibouti Connect and India may succeed in Blue Water Diplomacy.

## Energy Diplomacy

- In June 2016, India had gained membership of the Missile Technology Control Regime, or MTCR; its entry into the Wassenaar Arrangement in December and into the Australia Group last month means that India is now a member of three of the big four export control groups.
- India would now be able to purchase higher level missile technology and its joint venture with Russia would also get a boost.
- India is presenting standard of environmental policies along with development requirements before them.
  - In this direction, International Solar Alliance, headquartered in Gurugram, is very important which was launched on the initiative of PM Modi in November 2015.
  - The objective of this alliance is to aid in implementation of Paris Climate Agreement.

- This is a first agreement-based international intergovernmental organisation which is fully or partly situated between Tropics of Cancer and Capricorn.

## Conclusion and Way Forward

- India wants to maintain relations based on equality with all and that is why she is taking initiatives to improve bilateral relations with Western countries.

## Towards Aatmanirbhar Bharat

### Introduction

- Through Budget 2021-22, the government is trying to address the challenges posed by the once-in-a-century pandemic.
- Instead of taking an incremental approach in the Budget this time, the Government was determined to take a quantum leap towards its twin objectives to achieve a US\$ 5 trillion economy by 2024 and an Aatmanirbhar Bharat to accomplish India's growth despite serious fiscal challenges.

### Aatmanirbhar Bharat and PM's Garib Kalyan packages

- The Government brought out various packages under Aatmanirbhar Bharat and PM's Garib Kalyan packages which included relief measures for households such as in-kind (food; cooking gas) and cash transfers to senior citizens, widows, disabled, women Jan Oshan Account holders, farmers: insurance coverage for workers in the healthcare sector; and wage increase for MGNREGS workers and support for building and construction workers, collateral free loans to self-help groups, reduction in EPF contributions, employment provision for migrant workers, etc.
- Hence, this budget may be considered as the budget-in-continuation to the mini-budgets (packages) that positively rebutted the impact of Covid-19 pandemic.
- The Government through its Budget 2021-22 has resolved its focus on **fiscal transparency and directional change to stimulate faster economic growth.**
- It carves out the Government's strategy to trigger a virtuous cycle of economic growth and envisions the constructive role of the private sector.
  - With assets monetisation, it also spells the Government's considered commitment on infrastructure spending to create new assets, jobs and demands for core industry products so that their multiplier effect would help the economy as a whole.
  - The Budget further enhances the ease of doing business and assures more simplification of compliance and other process reforms to generate additional ease of living.
- Also, this budget which is the first ever paperless budget has many unique features including realistic revenue projection, no tax rates tweaking and transparent fiscal accounting.
  - It acknowledges the fiscal deficit situation and draws a map to tackle the same.
  - The Budget persuades liberalisation of FDI in insurance and rationalises financial sector regulation.
  - To provide tax stability which is the mainstay to attract investment and thrust economic growth with demand, the Budget avoids tinkering of tax rate.
  - Without increasing any tax burden on the taxpayers, it introduces a cess, just by adjusting a few duties, to fund Agricultural Infrastructure and Development besides agriculture market reforms which are the need of the hour.
- Following the principle of **Minimum Government Maximum Governance**, the government has laid the roadmap for disinvestment and privatization wherein the government's role will be confined to the minimum and in strategic sectors.

### Tax Administration and Compliance Processes

#### a. Faceless System

- **The aim** was to establish a platform for Transparent Taxation-Honoring the Honest and thereby provide Faceless Assessment to all taxpayers with its launch on August 13, 2020, except in cases of serious frauds and money laundering, etc.
- Now income tax assessment is being done in a faceless manner without any physical interface is the age-old colonial era territorial tax administration system is replaced by a faceless system consisting of randomly chosen virtual teams with dynamic jurisdiction.

- Under this new system, a taxpayer can be assessed by an officer located anywhere in the country irrespective of his geographical location.
- For the first time Taxpayers' Charter is issued to reflect certain principal commitments of the Income Tax department towards the taxpayers.

#### **b. Faceless Appeal**

- **Faceless Appeal**, launched on September 25, 2020, provides a fully faceless procedure for appeals in tax dispute matters pending before the Commissioner (Appeals) and imparts greater efficiency, transparency and accountability by eliminating the interface, optimizing utilization of the resources and introducing an appellate system with dynamic jurisdiction in which appeal shall be disposed of by one or more Commissioner (Appeals).
  - It allows taxpayers to file their documents in an electronic mode and save themselves from the hassles of physical visits to the Department.
- Similarly in Indirect Taxes, Customs and GST, various process reform leading to ease of compliance have been introduced like validated input tax statement, e-invoice system, NIL returns with SMS, quarterly return and monthly payment for small taxpayers, pre-filled editable GST return, staggering of returns filing, enhancement of capacity of GSTN system, etc., which is using technology to provide convenience to genuine taxpayers.

### **Highlights of Budget 2021-22 in respect of Indirect and Direct Taxes**

#### **Goods and Services Tax (GST)**

- Towards making GST compliance easier and more effective, a mandatory requirement of getting annual accounts audited and reconciliation statements has been removed.
  - Further, it has been provided that interest on delayed payment of GST shall be charged only on net cash liability with effect from the July 1, 2017. These measures would facilitate the trade considerably.
  - It is being prescribed that the input tax credit shall be allowed only when the details have been furnished by the supplier in the statement of outward supplies.
  - Other measures include validity of provisional attachment for a period, zero-rating on payment of IGST only in specified cases and linking it to the receipt of foreign remittances, and certain other changes have been made in the provisions relating to seizure and confiscation.

#### **Customs**

- The import duty rate structure has been meticulously calibrated to ensure adequate availability of raw materials to meet the requirements of the manufacturing sector.
- A new provision in Customs law to prescribe that all conditional exemptions, unless otherwise specified or varied or rescinded, given under Customs Act shall come to an end on March 31, falling immediately two years after the date of such grant or variation.
- Legislative changes have been proposed so as to mandate filing of bills of entry before the end of day preceding the day of arrival of goods.
  - Moreover, it is also proposed to allow the specified amendments by importer/ exporter on self-amendment basis.
- It is proposed to recognize the use of a common portal to serve notice, order, etc., and the portal to act as a one-point digital interface for the trade to interact with the Customs.
- Significant changes have also been announced in respect of trade remedial measures for securing national economic interest against surge in imports, dumping of goods or export of subsidized goods to India by circumventing the trade.

#### **Agriculture Infrastructure and Development Cess (AIDC)**

- This cess has been proposed on import of specified goods as well as a duty of central excise on petrol and diesel.
- To ensure that imposition of cess does not lead to additional burden in most of these items on the consumer, the BCD rates have been lowered.
- It shall be used to finance the improvement of agriculture infrastructure and development projects.

#### **Sector Specific Steps**

- In sectoral highlights, the duties on metals (steel) have been significantly rationalized.
  - This was necessitated as iron and steel prices have risen sharply in the last six months.
  - The customs duty has also been rationalised on iron and steel scrap and copper scrap.

- Further, anti-dumping duty and countervailing duty on certain steel products have been temporarily revoked till September 30, 2021.
- The duty on gold has been reduced by more than 2 per cent in the budget.
- Customs duty rates have been reviewed to benefit the domestic value addition by MSME units. Certain long-standing exemptions on items that could be manufactured locally by MSME have been withdrawn.
- Similarly, certain key changes have been made for the benefit of farmers. Import duty is being raised on raw cotton and cotton waste from nil to 10 per cent, raw silk and silk yam from 10 per cent to 15 per cent. End-use based concession is being withdrawn on denatured ethyl alcohol.

## Direct Taxes

- The time-limit for re-opening of assessment has been reduced from the earlier 6 years to 3 years.
  - The discretion in the re-opening of scrutiny has been done away with and replaced with a system-flagged approach.
- For small taxpayers, who found the costs and time involved in the appeal procedures debilitating, a **Dispute Resolution Committee** has been constituted.
- Such taxpayers can approach **the Dispute Resolution Committee** for final settlement of their cases once they are served the draft assessment order.
- Further, the **Appellate Tribunal** has also been made faceless and free of territorial jurisdiction while the Settlement Commission has been abolished.
- The senior citizen pensioners who are 75 years of age or above having only pension and interest income have been exempt from the requirement of filing an income tax return if the full amount of tax payable has been deducted by the paying bank.
- The rules for taxation of the retirement benefits payable by another country in the case of NRIs have also been aligned with the payee country to avoid undue hardship to them.
- Special focus has been given by the government to further the goal of Housing for All.
  - The deduction on loans taken to purchase an affordable house has been extended by a year.
  - Further, the deduction on profits of the developers and builders engaged in the construction of such affordable housing as well as affordable rental housing has also been extended to March 2022.

## Ease of Doing Business

- With this objective, relaxation has been provided to the criteria for claiming exemption by the Sovereign Wealth Funds, Pension Funds, etc.
- The relaxation includes prohibition on loans or borrowings, restriction on commercial activities, direct investment in entity owning infrastructure, etc., so that more and more investment can come in.
- At the same time, relaxation has also been given to expand the business activities in the Gujarat International Finance Tee (GIFT) City, Ahmedabad.

## Conclusion

- The Budget has envisioned a progressive quantum leap forward to propel India's growth trajectory and V-shaped recovery through asset monetisation, disinvestment spending in public health and public infrastructure, thereby creating jobs and necessary demand.
- It is transparent and realistic in Its approach and clearheaded on the path, the potentials and the projections.

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## Important Things to Remember

A self reliant India with 5 pillars

 <p><b>Economy</b> Quantum jumps, not incremental changes</p>	 <p><b>Infrastructure</b> Represents modern India</p>	 <p><b>Systems</b> Technology-driven systems</p>	 <p><b>Demography</b> Vibrant Demography of the largest democracy</p>	 <p><b>Demand</b> Full utilisation of the power of demand &amp; supply</p>
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The Atmanirbhar Bharat stimulus package announced by the government consists of the following five tranches:

 Business including MSMEs →	 Poor, including farmers →	 Agriculture →	 New Horizons of Growth →	 Government Reforms and Enabler →
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### COVID-19 Lockdown Relief Package

## Pradhan Mantri Garib Kalyan Package

Highlights of progress made till Apr 22, 2020

**Total Direct Benefit Transfer**

Over **33** crore poor people received financial assistance of ₹ **31,235 crore** under the package

- ₹ **10,025 crore** disbursed to **20.05** crore women Jan Dhan account holders
- ₹ **16,146 crore** transferred to **8** crore farmers as the first instalment of PM-KISAN
- 2.17** crore building & construction workers received financial support amounting to ₹ **3,497 crore**
- ₹ **1,405 crore** disbursed to about **2.82** crore senior citizens, Divyang and widows
- ₹ **162 crore** transferred in **68,775** establishments as EPF contribution, benefitting **10.6** lakh employees

**Pradhan Mantri Garib Kalyan Ann Yojana**

- 39.27 crore** beneficiaries distributed free ration of foodgrains
- 1,09,227 metric tonnes** of pulses dispatched to various states/UTs

**Pradhan Mantri Ujjwala Yojana**

- 2.66 crore** free cooking gas cylinders delivered




Faceless Assessment

### A NEW ERA OF TRUST, TRANSPARENCY & TAX

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**FEATURES**

- Selection only through system using data analytics & AI
- Abolition of territorial jurisdiction
- Automated random allocation of cases
- Central issuance of notices with Document Identification No. (DIN)
- No physical interface, No need to visit income tax office
- Team-based assessments and Team-based review

Draft assessment order in one city, review in another city & finalisation in third city

**EXCEPTIONS**

**CASES RELATING TO:**

- Serious frauds, Major Tax Evasion, Sensitive & Search matters
- International tax
- Black Money Act & Benami Property

Date: 13th August, 2020

## Strengthening the Agriculture Sector

### Introduction

- Agriculture and its subsidiaries demonstrated exemplary resilience amid Covid-19 pandemic by posting a growth rate of 3.4 per cent (at constant prices, 2020-21) whereas other economic sectors performed negatively.
- Despite many adversities due to Covid-19 induced lockdown, the total food production in the country is estimated at 296.65 million tonnes during 2019-20 (as per fourth advance estimates).
- Excellent outputs in agriculture enhanced share of agriculture in GDP to almost 20 per cent for the first time in last 17 years (Economic Survey, 2020-21).

## MSP, Mandis and Markets

- The two key departments under Ministry of Agriculture and Farmers' Welfare- Department of Agriculture, Cooperation and Farmers' Welfare and Department of Agricultural Research and Education, have been allocated a total amount of Rs. 1,31,531.19crore mainly to run and fund centrally-sponsored schemes.
- During 2020, Government had announced the increased MSP for all mandated kharif and rabi crops for marketing season 2020-21.
- Return to farmers over their cost of production was assured to be at least 50 per cent, however, for wheat the return was highest (106 per cent) followed by rapeseed and mustard (93 per cent), gram and lentil (78 per cent).
- Steps were taken to push up procurement at next level by increasing number of procurement centres with due facilitation to farmers.

## Agriculture Produce Market Committee (APMC)

- Government has signaled its intention by announcing, 'the agriculture infrastructure fund would also be made available to APMCs for augmenting their infrastructure facilities.
  - Additionally, an increase was announced in allocation to the Rural Infrastructure Development Fund from Rs.30,000crore to Rs.40,000crore.
  - This fund will help creation of agri-infrastructure mainly to support farm-gate processing and post-harvest facilities to reduce farm-to-farm wastage.
  - Provision of the **Agricultural Infrastructure Development Cess** of Rs. 2.5 per litre on petrol and Rs.4.0 on diesel will further add to the kitty to meet development targets.
- To facilitate and extend the benefits of online trading to farmers, it is proposed to integrate 1,000 more mandis with e-NAM, the electronic National Agricultural Market of India.
- It's a pan-India electronic trading portal which links the existing APMC mandis across the country to bring transparency and competitiveness in the agricultural market.
- To provide support to farmers when prices of agri-produce is low in the market, the FM proposed to enlarge scope of '**Operation Greens**' scheme.
  - Currently, the scheme is applicable to tomatoes, onions and potatoes (TOP) only, but now 22 perishable products will also be brought under the ambit of the scheme.
  - Under the scheme, as a short-term price stabilisation measure, there is a provision for 50% subsidy on cost of transportation and storage for evacuation of surplus production from producing area to the consumption centres during the glut situations.
  - Transport subsidy has been allowed on any fruit and vegetable through any rail service provided by Indian Railways.

## Credits, Corpus and Curing

- Timely and adequate credit to resource constrained small and marginal farmers is fundamental for the success of farming activities and welfare of farmers.
- The agricultural credit flow for 2020-21 was fixed at Rs.15 lakh crore and till November 30, 2020 a sum of Rs.79.73 lakh crore was disbursed.
  - Government has enhanced the agricultural credit target to Rs.16.5lakh crore in the proposed budget.
- In the previous budget, a provision to include livestock sector in **Kisan Credit Card** was passed targeting 1.5 crore dairy farmers.
  - As of mid-January, 2021, over 44,000 KCCs have been issued to fishers and fish farmers with over four lakh applications at various stages of issuance.
  - Due to its many benefits, micro-irrigation is being promoted in farms with subsidies for which a corpus of Rs.5,000crore was created under NABARD.
  - To support increasing demand, Government has proposed to double it by augmenting it by another Rs. 5,000 crore.

## Survey of Villages and Mapping with Improved Technology in Village Areas (SVAMITVA)

- The Prime Minister launched a unique scheme, the **Survey of Villages and Mapping with Improved Technology in Village Areas (SVAMITVA)** to provide a record of right to property.
- The scheme lets villagers use their property as a financial asset for taking institutional loans and other financial benefits.

- The scheme was introduced for six states initially, but in the current budget its extension to all States and Union Territories is proposed.

## Fisheries and Allied Sectors

- In the present budget, Animal Husbandry and Dairying sector has been allocated a sum of Rs. 3,289 crore, which is 18 per cent increase as against the revised budget estimate for 2019-20.
- With this higher allocation, Government has reinforced its intent that dairy plays a stellar role in uplift of economy, especially in rural areas, and is critical in realising the goal of doubling farmers' income. India is the second largest fish producing country in the world with 7.58 percent share in global production.
- Government has now proposed substantial investments in the development of fishing harbours and fish landing centres.
  - In the initial phase, five major fishing harbours will be developed at Kochi, Chennai, Vishakhapatnam, Paradip and Petuaghat.
  - as hub of economic activity. Apart from marine fisheries, inland fishing harbours and fish landing centres will also be developed along the banks of major rivers and waterways.
- Seaweeds farming is a sunrise sector with potential to transform lives of coastal communities.
  - Government intends to support seaweed cultivation by proposing to establish a Multipurpose Seaweed Park in Tamil Nadu.
  - It will provide large-scale employment and additional incomes.

## Conclusion

- Overall, budget provisions for agriculture and allied sectors are set to energise the sector with substantial investments in building agricultural infrastructure. In addition to this, the money in the hands of farmers through the MSP regime will keep the momentum seen during the Covid times going in agriculture.
- Covering allied sectors and important thematic areas will surely work towards inspirational agenda of the Government.
- Through this budget, the Government is also eyeing a paradigm shift in agriculture, 'from a rural livelihood sector to a modern business enterprise.'

## Important things to Remember



E-GRAMSWARAJ	SWAMITVA SCHEME
<ul style="list-style-type: none"> <li>• Prepare &amp; execute Gram Panchayat Development Plans</li> <li>• Real time monitoring &amp; accountability</li> <li>• Major step towards digitization down to Gram Panchayat level</li> </ul>	<ul style="list-style-type: none"> <li>• Helps to map rural inhabited lands using drones &amp; latest survey methods</li> <li>• Ensure streamlined planning, revenue collection &amp; provide clarity over property rights</li> <li>• Open up avenues for applying for loans from financial institutions by owners</li> <li>• Disputes related to property would also be settled</li> </ul>

"Five major fishing harbours - Kochi, Chennai, Visakhapatnam, Paradip and Petuaghat will be developed as hubs for economic activities."

## UNION BUDGET 2020

### HIGHLIGHTS : AGRICULTURE

**6.11 CRORE** FARMERS TO BE COVERED UNDER THE PM FASAL BEEMA YOJANA

**RS 1.6 LAKH CRORE** ALLOCATED FOR AGRICULTURE AND ALLIED ACTIVITIES IN 2020-2021

**PM-KISAN YOJANA** BENEFICIARIES TO BE COVERED UNDER KISAN CREDIT CARD

FINANCES OF **E-NEGOTIABLE WAREHOUSE RECEIPTS** TO BE INTEGRATED WITH E-NATIONAL AGRICULTURE MARKET

**PM KISAN URJA SURAKSHA UTTHAAN MAHAABHIYAN (PM-KUSUM)** TO EXPAND TO 20 LAKH FARMERS FOR ESTABLISHING SOLAR PUMPS



## Foreign Direct Investment Background

- With record levels of foreign direct investment (FDI), rapid deployment of technology that both hand-held investors and eased supplies of mission critical goods and services, Invest India has been at the forefront of fulfilling his vision of safety and security while maintaining business resilience.

## Invest India and recent facts

- Invest India the national investment promotion and facilitation agency under the Ministry of Commerce and Industry, has won the **'UNCTAD' Investment Facilitation Award 2020**.
- Despite widespread shutdowns across large economies this year, India received an unprecedented USD 35 billion in foreign investments between April and August 2020, the largest ever in the first five months of the fiscal year and 13 per cent higher than in the same period of the previous year.
- Invest India has recently launched its Business Immunity Platform (BIP).

## Impact

- The pandemic exposed ourselves to severe supply side constraints. This had two important outcomes.
  - Market players were forced to reevaluate their business models right from sourcing the raw materials to manufacturing, shipping and last-mile deliveries.
    - ✓ Many companies became keen to onshore supply chains or at least bring them closer to their markets.
    - ✓ In this process, India, which rests at important nodal points geographically and commercially, sprung up as a viable alternative.
    - ✓ With its large domestic market, vast skilled labour force and, a liberal FDI regime, India began to appear as an opportunity waiting to be explored.

- Indian MSMEs, with their quick-to-adapt businesses and frugal innovation helped India swim through the worst initial months of the Covid-19 crisis.
  - ✓ In so doing, the exhibited the country's inherent business potential while also putting on display Indian creativity and talent.
  - ✓ India's robust pharmaceutical industry too displayed global leadership in quick supplies of generic medicines-paracetamol and hydroxychloroquine (HCQ).
- A combination of these factors has contributed to making India a leading FDI destination and a foremost manufacturing hub of the world.

### Making India Investor-Friendly

- The Government is deeply committed to enhancing the ease of doing business and the ease of living in India. It has enabled key reforms, the results of which have become evident over the years.
  - Between 2014 and 2019, India witnessed a more than two-fold enhancement in its ease of doing business measures.
  - This also marks the onset of greater investor faith in India: increasingly the investor community has reacted positively to measures towards greater transparency.
  - A recent survey conducted by the Confederation of Indian Industries and Ernst & Young found that India is the leading choice for future investments for more than two-thirds of the multi-national company respondents.
  - Aside from our large talented workforce of millions of people, very soon India will have the single largest domestic market within one set of national boundaries (our population will be 1.4 billion people by 2025).
- In addition, the Government has undertaken extensive revisions to existing land, labour, and insolvency laws.
  - Indian states have been at the forefront of this transformation, quick to adopt single window systems and digitisation across all government departments; changes that are having a profound impact on the investor experience in India.
  - These reforms are also aided by the very liberal FDI regime instituted by the government even in key sectors like defence, electronics manufacturing, pharmaceuticals, and renewable energy.
  - Nearly 50% of those total investments came into greenfield projects further signalling the growing faith in India's future.

### Land allocation system based on GIS

- There is also now a land allocation system based on GIS-enabled tracking which collates all industrial land resources in the country on a single platform and allows investors to explore available land across the country, providing them with all necessary details.

### Production Linked Incentives (PLI) Scheme

- The Government has expanded the highly successful **Production Linked Incentives (PLI) Scheme** to 13 crucial sectors to include energy, auto, textiles, pharma, and electronics, among others.
- This scheme, designed after extensive stakeholder collaboration, will play an important role in incentivizing domestic manufacturing and upscaling of projects.
- The total budgetary outlay for the PLI scheme is Rs.1.96 lakh crore (USD 26 billion) and on average 5 per cent of the production value is provided as an incentive.
- This means that the minimum production value in India as a result of the PLI schemes is expected to be around USD 520 billion within five years.

### Developing a Robust Infrastructure

- To achieve the target of a USD 5 trillion economy by 2024 and meet the demands of its entrepreneurial citizenship, India must rapidly develop and upgrade its infrastructure.
- **The National Infrastructure Pipeline (NIP)**
  - It launched in August 2020 will focus on this urgent national need.
  - The NIP creates a fast-track institutional, regulatory and implementation framework for infrastructure projects and benchmarks performance as per global best practices and standards.
  - It will work towards ensuring that public infrastructure projects are efficient, inclusive, and disaster-resilient.

- The idea is to improve citizens' ease of living and provide equitable access to infrastructure and make economic growth more inclusive.

## Way Forward

- Under Aatmanirbhar Bharat Abhiyan, India is envisaged as a crucial nodal point in global supply chains, with a vast, skilled, and growing workforce and a large domestic market.
- Backward integration of global supply chains with local manufacturers and retailers will also provide a boost to Indian MSMEs and foster overall growth in the economy.
- With its stable macroeconomic reforms, it is also building a policy environment that will support industry and drive demand.
  - Thus, with evolving policies, upgradation of infrastructure, easier access to clearances and a competitive tax regime, India is continuously redefining the definition of 'Ease of Doing Business'.

## Things to Remember



**Cabinet approves PLI Scheme in 10 key Sectors** 2/2

Sectors	Implementing Ministry/Department	Approved financial outlay over a five-year period Rs.crore
Textile Products: MMF segment and technical textiles	Ministry of Textiles	10683
Food Products	Ministry of Food Processing Industries	10900
High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	4500
White Goods (ACs & LED)	Department for Promotion of Industry and Internal Trade	6238
Speciality Steel	Ministry of Steel	6322
<b>Total</b>		<b>145980</b>

## Finance Commission

### Introduction

- The constitution of the Finance Commission is governed by **Article 280 of the Constitution**, which spells out, in conjunction with other provisions, the manner and modality for the management of the finances of the Union and the States as well as the principles for governing the divisible resources.
- After the interim Commission, the first Finance Commission was constituted on November 22, 1951 and was chaired by K.C. Niyogi.
- Thereafter, there have been fifteen Finance Commissions.

### Challenges

- The Commission from its very conception faced multiple challenges including the difference in opinion on the use of the population census of 2011 to allay the fears of certain efficient States that they would be penalised for efficient demographic management.
- Besides, there were other issues like non-lapsable defence fund and use of certain parameters for performance incentives which have been fairly addressed in this report.

### The Fifteenth Finance Commission (FC-XV)

- **The Fifteenth Finance Commission (FC-XV)** was constituted by the President **under Article 280** of the Constitution on November 27, 2017.
  - The title of the report '**Finance Commission in Covid Times**', submitted to the President for the period 2021-26, itself speaks of the onerous task it had in hand when the pandemic had significantly impacted the economy and shrunk the overall pie of resources.
  - The Union government, in its action taken report on the commission's report tabled in Parliament on February 1, 2021 accepted most of the recommendations.

- The Finance Commission transfers are made under **Articles 270, 275 and 280 of the Constitution**, which provide a mechanism for sharing of taxes and revenues vertically between the Centre and states; and horizontally among all states.
- **Fifteenth Finance Commission** was additionally tasked with reviewing and commenting on the design of fiscal principles for various grants that are typically provided alongside revenue shares.
- It was also asked to consider performance-based incentives to support and motivate the efforts of State and/or local governments-the "appropriate level of government"-in a variety of policy areas.
  - Another unique ToR given to it included recommending funding mechanism for defence and internal security.

### Vertical Distribution

- The Constitution empowered both the Union and the States to raise revenues from different sources of taxation and also assigned responsibilities to incur expenditure through subjects in three list- Union List, State List and Concurrent List- in the Seventh Schedule.
- By Constitutional design this distribution has assigned higher and more buoyant taxation and resource raising powers to the Union Government whereas higher responsibilities for incurring expenditure have been assigned to the States.
  - For example in 2018-19, the Union Government raised 62.7% of the aggregate resources raised by both the Union and States, whereas the States spent 62.4% of the aggregate expenditure of the Union and the States.
- There is thus a structural vertical imbalance which necessitates orderly transfer of resources from the Union to the States. This imbalance between revenues and expenditure responsibilities form the basis of a fair vertical devolution.

### What the Finance Commission has recommended ?

- The fifteenth Finance Commission, in its final report, recommended this devolution to be 41%.
- This will maintain the predictability and stability of resources especially during the pandemic.
- This vertical devolution is in line with the recommended share in our first report as well as with the devolution of the FC-XIV.

### Horizontal Distribution

- Horizontal devolution of taxes is mainly driven by considerations of need, equity and performance. However, balancing equity and efficiency is never an easy exercise.
- Additional financial resources are certainly needed to help a state develop, but the ability to effectively use those resources is undoubtedly more crucial, and is a distinctive feature visible across States.
- Considering these factors, Fifteenth Finance Commission has, tried to harmonise the principles of expenditure needs, equity and performance in determining the criteria for horizontal sharing by broadly assigning appropriate weightages.

**The Commission has given the criterion for horizontal distribution of taxes in following table:**

Aspect	Weightage
Population	15.0
Area	15.0
Forest&Ecology	10.0
IncomeDistance	45.0
Tax&FiscalEfforts	2.5
Demographic Performance	12.5

- As a clear from basic logic, population, area and forest and ecology represents the need-based principle, while income distance criterion represents an equity-based principle.
- In addition to these criteria, this commission has used tax and fiscal efforts and demographic performance as a performance criterion to allay the fears of the more efficient States in the country.

- All Finance Commissions since sixth one, used the population data of the 1971 Census as per their ToR, while recommending their awards.
  - Fifteenth Finance Commission was mandated by its ToR to use the population data of the most recent Census, after four decades.
  - Besides, a sudden use of the latest Census data will be unfair to States which have performed well on the national objective of demographic management.
  - At the same time, the ToR of this Commission, itself mandated us to incentivise to States for the efforts and progress made in moving towards the replacement rate of population growth.
  - Hence, use of demographic performance as a criterion has addressed these issues.

## Grants-in-aid

- After the distribution of the net proceeds of taxes, the second core function entrusted to the Finance Commission is to determine the principles which should govern grants-in-aid, assess the needs of States in relation to such norms developed and applied to both revenue effort and desirable levels of expenditure and thereafter recommend grants in specific sums.
- **The Commission has recommended five different categories of grants:**
  1. Revenue deficit grants,
  2. Grants for local governments,
  3. Grants for disaster management,
  4. Sector-specific grants, and
  5. State-specific grants.
- **The overall size of the grants**, as a proportion of total transfers, varied from 26.1 per cent under the Sixth Finance Commission (FC-VI) to 7.7% under the FC-VII.
  - FC-XV recommended grants aggregating to Rs.10,33,062 crore, which is 19.65% of total recommended transfers to States.
- The Commission believed that revenue deficit grants will allow States time to adjust to changes in the pattern of tax devolution recommended by Finance Commissions based on the evolving patterns of their assessed needs, ability and performance.
- Besides, grants-in-aid are more directly targeted and equalises the standards of basic social services to some extent.
- Also, attaching performance criteria to fiscal transfers may enhance transparency, accountability, provide feedback on improving policy formulation and implementation and lead to better monitoring of expenditures.

## Revenue Deficit Grants

- It is evident that no formula-based horizontal devolution can meet the needs of each of the twenty-eight States whose cost disabilities and fiscal capabilities are so vastly different from each other.
- Therefore, the Commission has recommended an allocation of 1.92% of the gross revenue receipts of the Union as revenue deficit grants to specific States.
- **The revenue deficit grants** aggregate to **Rs.2.94,514 crore**, with gradual tapering off during the award period.

## Local Government Grants

- The efficient smooth functioning and accountability of local bodies have been plagued by:
  1. Absence of timely recommendations of State Finance Commissions and suitable actions thereon.
  2. Lack of readily accessible and timely accounts, and
  3. Inadequate mobilisation of property tax revenues.However, this issue was addressed this time around.
- The total size of the grant to local governments recommended by the Commission is **Rs.4,36,361 crore** for the period 2021-26.
- **Urban local bodies** have been categorised into two groups.
  - based on population, and different norms have been used for flow of grants to each.
  - based on their specific needs and aspirations.
  - Basic grants are proposed only for cities/towns having a population of less than a million.
  - For Million-Plus cities, 100% of the grants are performance-linked through the Million-Plus Cities Challenge Fund (MCF).
- **For rural local bodies**, the FC-XV allocations cover all the three panchayati tiers-village, block and district-as well as the Excluded Areas exempted from the purview of Part IX and Part IX-A of the Constitution.

- **The rural-urban distribution** gradually increases in favour of the urban local bodies from 67:33 in 2021-22 to 65:35 by 2025-26.
  - The tilt reflects India's on-going rapid urbanisation.
  - The urban share of total population went up from 28 per cent in 2001 to 31% in 2011 and is even higher now.

### Disaster Management Grants

- While assessing disaster management grants, the Commission recommended **Mitigation Funds** to be set up at both the national and State levels, in line with the provisions of the Disaster Management Act.
- **The Mitigation Fund** should be used for those local level and community-based interventions which reduce risks and promote environment-friendly settlements and livelihood practices.
- For SDRMF, it has recommended a total corpus of Rs.1,60.153crore for States for disaster management for the duration of 2021-26, of which the Union's share is Rs1,22,601crore and States' share is Rs.37,552crore.

### Other Sector-specific and State-specific Grants

- Under the category of sector specific grants, the Commission has also recommended performance-based grants and incentives for sectors like health, education, agriculture, PMGSY roads, judiciary, statistics and aspirational districts and blocks.
- The Commission laid special focus on health sector while doing a detailed analysis of health expenditure and related facilities and infrastructure in various States.
  - The health sector still faces critical challenges like low investment, sharp inter-State variations in the availability of health infrastructure and health outcomes and supply side problems of doctors, paramedic and inadequate number of healthcare centres.
  - Accordingly, it recommended total grant-in-aid support to the health sector over the five year award period aggregating to Rs.1,06.606crore which is 10.3% of the total grant-in-aid recommended by the Commission.

### Defence Fund

- Keeping in view the extant strategic requirements for national defence in the global context, the Commission re-calibrated the relative shares of Union and States in gross revenue receipts by reducing its grants component by 1%.
- This will enable the Union to set aside resources for the special funding mechanism that has been proposed in the report.
- It has also been recommended that the Union Government may constitute in the Public Account of India, a dedicated non-lapsable fund, Modernisation Fund for Defence and Internal Security (MFDIS).
  - The total indicative size of the proposed MIFDIS over the period 2021-26 is Rs.2,38,35.4crore.
  - This recommendation has been accepted by the government.
- The principles of a non-lapsable fund has been accepted by the government. This is an important landmark considering that the defence forces have for long argued in favour of greater stability and predictability of finance for meeting their capital expenditure.
- The constitution of non-lapsable fund would make a significant difference in addressing the issue of adequacy of capital expenditure both for defence and internal security.
- In the formula given by the Finance Commission, whereas Rs.40,000crore per annum would be available for defence, Rs.10,000crore per annum would be available for home ministry to upgrade paramilitary forces.
- Finally, Rs.1,000crore per annum has been recommended as Jawan welfare Fund given the enormous sacrifices of India's armed and paramilitary forces.

### Conclusion

- While making its recommendations, the Commission went through widespread stakeholder consultation including Union Government, State governments, local bodies, trade bodies, political parties and economists.
- It also took inputs from experts through its advisory council, international and national organisations, think-tanks, high-level group on health sector etc.
- As the Commission faced the unprecedented challenge of making projections and recommendations

- Notwithstanding challenging times, the Commission believes that the distribution of resources between the Union and the States and for the third tier of government have been addressed in a manner which is fair, reasonable, rational and equitable.
- In this sense, indeed, it represents a continuation of the legacy of trust-the trust which it has inherited from its very inception in a tentative way in 1949 with an unbroken record.

## Flattening the Climate Curve

### Introduction

- The Economic Survey 2020, released a week before, argued that the economy would take merely two years to reach and go past the pre-pandemic level.
- It offered cogent reasons to believe that India is well-poised to truly be the "land of promise and hope".
- Recent economic data indicates that the country has already embarked on a V-shaped path of economic recovery.
- As the government puts together a new compact for enhanced actions, it is critical to ensure that it is comprehensive, balanced, equitable.
- Therefore, it is imperative for our policymakers to align both climate and economic policies to the extent possible.

### Initiatives

- In its Nationally Determined Contribution' (NDC), India has committed to following a low carbon path to progress.
  - It has sought to reduce the emissions intensity of its GDP by 33 to 35 per cent below 2005 levels by the year 2030
  - Achieve 40 per cent of cumulative electric power- installed capacity from non-fossil fuel sources by 2030.
  - Enhance forest and tree cover to create additional carbon sink equivalent to 2.5 to 3 billion tons of carbon dioxide by 2030.
- To achieve such ambitious targets, India's climate change actions till 2030 will require as much as USD 2.5 trillion (at 2014-15 prices).
- It is further estimated that the country will need around USD 206 billion (at 2014-15 prices) between 2015 and 2030 for implementing adaptation actions in agriculture, forestry, fisheries infrastructure, water resources and ecosystems.

### Budget Allocations

Purpose or Scheme	Allocation
<b>Clean Air</b>	The budget provides an amount of Rs. 2,217 crore for 42 urban centres with a million-plus population to tackle the menace of air pollution.
<b>Swachh Bharat Abhiyan (Urban)</b>	The Urban Swachh Bharat Mission 2.0 will be implemented with a total financial allocation of Rs. 1,41,678 crore over a period of 5 years from 2021-2026. The key focus areas include: <ol style="list-style-type: none"> <li>Complete faecal sludge management and waste-water treatment,</li> <li>Source segregation of garbage,</li> <li>Reduction in single-use plastic,</li> <li>Reduction in air pollution by effectively managing waste from construction-and-demolition activities, and bio-remediation of all legacy dump sites.</li> </ol>
<b>Scrapping Policy</b>	<ul style="list-style-type: none"> <li>• The government announced a voluntary vehicle scrapping policy, to phase out old and unfit vehicles.</li> <li>• Vehicles would undergo fitness tests in automated fitness centres after 20 years in case of personal vehicles, and after 15 years in case of commercial vehicles.</li> <li>• This will help in:                             <ol style="list-style-type: none"> <li>Encouraging fuel-efficient, environment-friendly vehicles.</li> </ol> </li> </ul>

	<ul style="list-style-type: none"> <li>b. Reducing vehicular pollution, and</li> <li>c. Reducing the country's oil import bill.</li> </ul>
<b>Production Linked Incentive (PLI) Scheme</b>	<p>The government has committed nearly Rs. 1.97 lakh crore, over 5 years starting FY 2021-22. This will help create manufacturing global champions that:</p> <ul style="list-style-type: none"> <li>a. Become an integral part of global supply chains,</li> <li>b. Possess core competence and cutting-edge technology, and</li> <li>c. Provide jobs to youth by bringing scale and size in key sectors .</li> </ul>
<b>Augmentation of City Bus Service</b>	<ul style="list-style-type: none"> <li>• The government has proposed to launch a new scheme at a cost of Rs. 18,000 crore to support augmentation of public bus transport services.</li> <li>• The scheme will facilitate deployment of innovative PPP models to enable private sector players to finance, acquire, operate and maintain over 20,000 buses. This will: <ul style="list-style-type: none"> <li>a. Provide fillip to economic growth.</li> <li>b. Create employment opportunities for youth, and</li> <li>c. Enhance ease of mobility for urban residents .</li> </ul> </li> </ul>
<b>Expansion of Metro Rail Network</b>	<ul style="list-style-type: none"> <li>• The government is planning to deploy two new technologies i.e., 'MetroLite' and 'MetroNeo' to provide metro rail systems at much lesser cost with same experience, convenience and safety in Tier-Z cities and peripheral areas of Tier-I cities.</li> <li>• This will raise the share of public transport in Urban areas.</li> </ul>

### Green Initiatives

- The government has been undertaking a number of measures to finance the transition to a "pollution-free India with cleaner and greener environment.
- It is incentivising private sector participation to scale-up investments for a sustainable and transformational impact.

Purpose or Scheme	Allocation
<b>Non-conventional/Green Energy</b>	<p>The government has proposed the following:</p> <ul style="list-style-type: none"> <li>• Launch a Hydrogen Energy Mission in 2021-22 for generating hydrogen from green power sources.</li> <li>• Add 100 more districts in next 3 years to the City Gas Distribution network, and take up a new gas pipeline project in the Union Territory of Jammu and Kashmir.</li> <li>• Extend the Pradhan Mantri Ujjwala Yojana to cover 1 crore more beneficiaries.</li> <li>• Provide additional capital infusion of Rs. 1,000 crore to Solar Energy Corporation of India and Rs. 1,500 crore to Indian Renewable Energy Development Agency.</li> </ul>
<b>Manufacturing Sector</b>	<p>To build up domestic capacity and encourage domestic production, the government will:</p> <ul style="list-style-type: none"> <li>• Notify a phased manufacturing plan for solar cells and solar panels,</li> <li>• Raise duty on solar invertors from 5 per cent to 20 per cent, and on solar lanterns from 5 per cent to 15 per cent.</li> </ul>
<b>Power Distribution Reforms</b>	<ul style="list-style-type: none"> <li>• The budget provides an outlay of Rs. 3,05,984 crore over 5 years for the launch of a revamped reforms-based result-linked power distribution sector scheme.</li> <li>• The scheme will provide assistance to power distribution companies (DISCOMS) for: <ul style="list-style-type: none"> <li>a. Infrastructure creation including pre-paid smart metering and feeder separation.</li> <li>b. Upgradation of systems.</li> </ul> </li> <li>• The government will put in place a framework to give consumers</li> </ul>

	alternatives to choose from among more than one DISCOM.
<b>National Pipeline Monetisation</b>	The government has proposed a "National Monetisation Pipeline" of potential brownfield infrastructure assets, including: a. Transmission assets worth Rs. 7,000 crore via PGCIL InvIT. b. Oil and Gas Pipelines of GAIL, IOCL and HPCL.
<b>Micro-Irrigation</b>	The government has proposed to augment the Micro Irrigation Fund created under NABARD by doubling the corpus to Rs. 10,000 crore.
<b>Conservation of Deep-Sea Bio-diversity</b>	The budget provides an outlay of more than Rs. 4,000 crore, over five years for the launch of a Deep Ocean Mission. This will include: a. Exploration of living and non-living resources through deep ocean survey. b. Projects for the conservation of deep-sea biodiversity.
<b>Reduced Use of Paper</b>	<ul style="list-style-type: none"> <li>Projects for the conservation of deep-sea biodiversity.</li> </ul> In the first-of-its-kind Digital Budget, the government has allocated: <ul style="list-style-type: none"> <li>Rs. 3,768 crore in the year 2021-22 to make the forthcoming Census the first "Digital Census" in the history of India.</li> <li>Rs. 1,500 crore for a proposed scheme that will provide financial incentive to promote digital modes of payment.</li> </ul>

### Things need to be done and way forward

- There is a need to develop a "Climate Budget Tagging (CBT)" tool. This will help in identifying, classifying, weighing, and marking climate-relevant expenditures in the fiscal budget.
- By incorporating a detailed account of social, economic, environmental, and administrative impact in every legislative proposal, the negative externalities of certain policies can be minimised.
- The government has signalled its approach to combat climate change by proposing a number of initiatives in the Union Budget 2021-22.
- It is time all stakeholders came together to fight climate change in an integrated, comprehensive, and holistic way.

## Education Sector

### Introduction

- The FM has presented Budget 2021 focusing on six pillars—Health and Well-Being, Physical and Financial Capital and Infrastructure, Inclusive Development for Aspirational India, Reinvigorating Human Capital, Innovation and R&D, Minimum Government and Maximum Governance—for the purpose of energising Indian economy recently battered by the pandemic.
- On February 1, 2021, India had witnessed the presentation of its first digital Budget.
- Budget was not only the first of its kind presented in the Indian Parliament but also had allocation of Rs. 3,768 crore for making the upcoming census as India's first ever digital census.
- In the first Budget presented after the announcement of the National Education Policy (NEP), was in need of greater allocation for its implementation.

### Initiatives Taken

- India, which boasts to have the highest in the world a total over 250 million school going students and roughly 500 million population in the age category of 5-24 years.
- India, having had witnessed continuous increment in Budget allocation towards the education sector in the preceding three years, could see the Budget proposing allocation of Rs. 93,224 crore.
- This allocation is less by Rs. 6,087 crore (-6.1 per cent) than last year which had seen a rise of 5.9 per cent.
- The cut in expenditure is visible in the schemes such as 'Samagra Shiksha Abhiyan' which saw slashing of allocation to Rs. 31,050.16 crore from the previous year's allocation of Rs. 38,750 crore.
- 'National Scheme for Incentive to Girls for Secondary Education' where allocation decreased by Rs. 100 crore.
- India is expected to become the country with the largest working-age population by 2030 requiring literacy, job and life skills.

- With the intentions to equip the Indian workforce with the skill-sets matching the demands of different industries and employers, this Budget has rightly proposed amendment in the initiative viz. the National Apprenticeship Training Scheme (NATS) originally launched in 2016.
  - The amendment aims at boosting apprenticeship opportunities for Indian youth.
  - The focus of the Budget on the improvement of the employment opportunities in the higher education is reflected in the higher allocation for NATS so that post-education apprenticeship training to engineering graduates and diploma holders could be provided.
- The allocation of Rs. 500 crore to the NATS has seen the rise of Rs. 325 crore, 186 per cent more than last year's allocation.
- 'Rashtriya Uchchar Shiksha Abhiyan (RUSA)' has seen the rise of Rs. 2,700 crore.
- Budget has proposed several new initiatives such as opening of Bharatiya Bhasha Vishwavidyalaya and Institute of Translation, Indian Knowledge System, Academic Bank of Credit, PM e-Vidya, and Multidisciplinary Education and Research Improvement in Technical Education (MERITE) in line with the recommendations in NEP.
- Indo-Japan collaborative Training Inter Training Programme (TITP) for facilitating the transfer of Japanese industrial and vocational skills, techniques and knowledge.
- Kendriya Vidyalayas (KVs) are set to have enhanced funds to the tune of Rs. 6,800 crore in comparison to Rs. 5,516 crore, whereas Mid-Day Meal Scheme (MOMS) and Navodaya Vidyalayas (NVs) too are to have funds increased by Rs. 500 crore each from previous Budget.
- The proposal to establish 750 new Eklavya Model Residential Schools in tribal areas for the learners of Scheduled Tribes with an aim to create a robust infrastructural facility for such learners may be extremely helpful in further enhancing the outreach of education to them.
- Further, setting up of a National Digital Educational Architecture (NDEAR) for providing support teaching and learning activities through the digital architecture will be of immense help in educational planning, administration and governance.

## Conclusion

- Budget 2021 might not appear to have ticked all the boxes but it does reflect, the reiteration of the government initiatives, firm commitments and resolves to strengthen quality of education, enhance skills and improve employability.
- Keeping in view the significance of India's favorable demographic dividend, it appears to have ensured to maintain the momentum and demonstrate resilience against once-in-a-century crisis, despite being presented in exceptional circumstances, for continuance of educational reforms and achievement of SDGs.

## Enabling the Social Sector

### Introduction

- The Budget is the introduction of several measures for extending inclusive development strategies. Schemes across health, education and infrastructure reflect this priority of inclusion and growth for all.
  - Presented in a difficult setting of post-pandemic scenario, the Finance Minister has demonstrated a unique approach of providing a vision for long-term growth rather than mere annual account of expenditure.
- It is interesting and satisfying to note the proposed increase in the capital expenditure to Rs. 5.54 lakh crore, which would be 34.5 per cent higher than last year.

### Budget Initiatives

#### Health

- Health and well-being is the first pillar among the six pillars that the Finance Minister has stressed upon. Budgetary allocation of Rs. 2,23,846 crore for this sector as against Rs. 94,452 crore last year marks a growth of 137 per cent.
- PM Aatmanirbhar Swasth Bharat Yojana, with an outlay of Rs. 64,180 crore over six years focuses on emergency response and preparedness with the objective of strengthening the health system.
- The budgetary allocation of Rs. 35,000 crore for vaccines is proposed to cover around 50 crore people at an estimated cost of Rs. 700 per person for administering both doses.

- There is also a proposal to establish critical care hospitals and five regional branches of the National Centre for Disease Control (NCDC).
- Digitalisation of the health sector especially an **Integrated Health Information Portal (IHIP)** for all states and Union Territories would assume importance.
- Apart from allocation for vaccines, the health issues are also linked with access to clean water (Jal Jeevan Mission) and nutrition.
- The idea to merge Supplementary Nutrition Programme (SNP) and Poshan Abhiyan and launch the Mission Poshan 2.0 focussing on 112 aspirational districts merits attention.
- For access to water, Rs. 50,000 crore has been earmarked under Jal Jeevan Mission (JJM) covering 2.86 crore household tap connections for five years.
- The budgetary allocations for AYUSH Ministry and health research have gone up by 40 per cent and 25 per cent respectively.
- A sum of Rs. 2,970.30 crore is allocated to Ministry of AYUSH which is an increase of 40 per cent of the corresponding Rs. 2,122.08 crore of the current fiscal allocation.
- With allocation of Rs. 4000 crore for the National Medicinal Plants Board (NMPB), Budget has given clear indication for backward integration projects dealing with medicinal and aromatic plants.

### Education

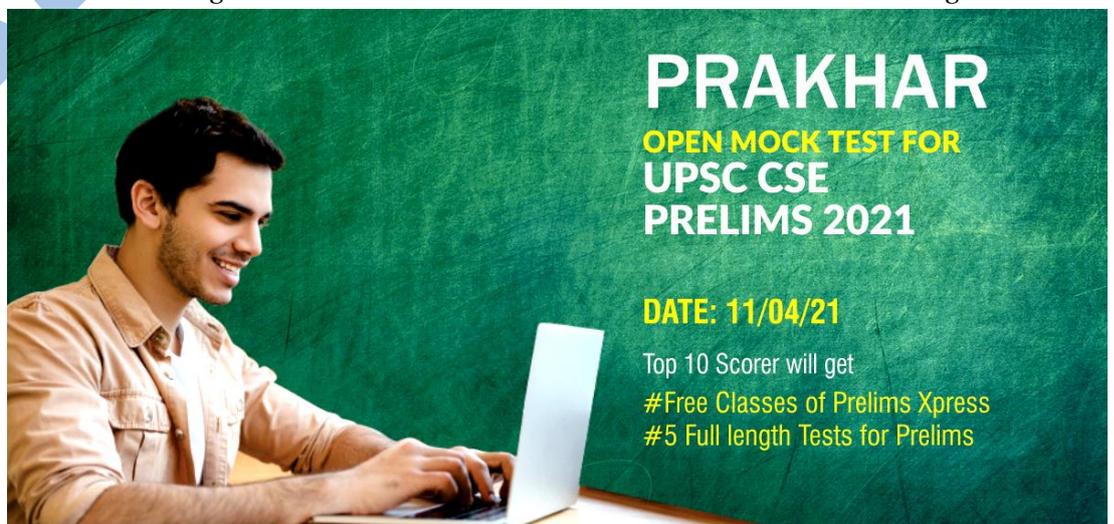
- In 2021-22 education sector has received a boost of Rs. 93,224 crore, out of which Rs. 54,873 .66 crore are for school education and Rs.38,325.15 crore for higher education.
- The Budget has also announced partnership with NGOs and private sectors for setting up of 100 Sainik Schools in different States.
- Schemes like the National Digital Educational Architecture (NDEAR) and the National Initiative for School Heads and Teachers for Holistic Advancement (NISHTHA) are actually gearing up the system towards what is enshrined in the Sustainable Development Goal (SDG)4: from quantitative to qualitative education.
- The Finance Minister has also reemphasised the commitment of the government to establish a Higher Education Commission (HEC). This umbrella body with four verticals would undertake standard setting, accreditation, regulation, and the funding of higher educational institutions.

### Infrastructure

- Setting up of a Development Finance Institution (DFI), a much-awaited decision is one among those.
- Higher capital expenditure of Rs. 1.08 lakh crore for building highways is an important initiative.
- The total allocation for the highways is Rs. 1,18,101 lakh crore, which is up by 28 per cent from Rs. 91,823 crore in 2020-21.
- Road projects in couple of States have also received enhanced attractions; strengthening the focus on National Infrastructure Pipeline (NIP) launched last year.

### Conclusion

- This year the Budget has emerged as a unique initiative to address several of these expectations. Presented in a difficult setting of post-pandemic scenario, the Finance Minister has demonstrated a unique approach of providing a vision for long-term growth rather than mere annual account of expenditure.
- Another unique feature of this Budget is the introduction of several measures for extending inclusive development strategies.
- Schemes across health, education and infrastructure reflect this priority of inclusion and growth for all.



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APTI PLUS

# Accelerating Investment, Job Creation and Income Growth

## Introduction

- When the whole economy contracted by 7.2%, the gross value added in agriculture sector grew by 3.4%.
- The government ensured sustained growth of the sector through slew of measures from time to time, in form of reforms of stimulus packages to boost income, prices for the farmers and improve the value chain.

## Lower Allocation

- It may seem that the allocations for the Ministry of Agriculture and Farmers Welfare have been reduced, when we compare budget estimates (BEs).
  - However, given that 2020 was a year of exceptional disruptions, comparisons of budget estimates (BEs) of the past two years may not be prudent.
- When we compare the allocations in 2021-22, to the revised estimates (REs) of 2020-21, then we see an increase in allocation of about Rs.7,000crores.
  - The major reduction can be explained by reductions in PM-KISAN allocations.

## Why Lower Allocation?

- The difference in registered beneficiaries and actual beneficiaries in the latest round may be a reason for this lower allocation.
- On the PM KISAN portal, a total of 11.62crore beneficiaries are registered, whereas in the latest instalment paid in December 2020, 9.44 crore farmers were covered.
- Under the scheme, the state machinery must verify farmer details before the instalments are made.
- As more beneficiaries are on boarded the scheme, the allocations will reflect the same accordingly.

## Incentivising Investment

- The focus of agriculture budget was on developing the existing infrastructure and spurring the investments and credit in the allied sector.
  - Development of infrastructure, especially at the farmgate and post-harvest stage minimises wastages and shortages was given more weightage.
  - The post-harvest losses and wastages, due to lack of proper infrastructure facilities, accrues to 15-20%.

## The Agriculture Infrastructure Fund (AIF)

- **The Agriculture Infrastructure Fund (AIF)** announced by the government in May 2020 with the total corpus of Rs.one lakh crore is a huge step in the right direction.
  - It will mobilise medium - long term debt finance facilities for investment in viable projects for post-harvest management.
  - The allocation for the upcoming fiscal is pegged at Rs.900 crore.
  - It is expected to push entrepreneurs for innovation by leveraging new age technologies including Internet of Things, AI, etc.; to reduce post-harvest losses and increase value realisation for farmers.

## e-NAM

An expansion of e-NAM has also been announced.

- Since its launch, 1000 mandis have already been connected to e-NAM providing the benefit of transparent price discovery to 1.68 crore farmers through electronic trading.
- Now, another 1000 mandis will be connected to e-NAM, furthering competitiveness and transparency in the pricing of farm produce, benefiting farmers.
- The availability of credit is an important contributing factor to production and productivity.
  - The target for agriculture credit has been increased by Rs. 1lakh croresto stand at Rs.16 lakh crores for 2021-22.
- This increased target is expected to be met by increased demand from allied sectors such as animal husbandry and fisheries; promoting diversification of farm incomes as well.

## Micro Irrigation Fund created under NABARD

- **Micro Irrigation Fund created under NABARD** has now been doubled.

- More efficient irrigation systems in turn promote sustainability and conserve water, a precious natural resource, and are critical to the long-term health of not just the agriculture sector but the whole of India.

### Rural Infrastructure Development Fund (RIDF)

- There is a 33% increase in the budgeted amount under Rural Infrastructure Development Fund (RIDF) of Rs.10,000 crore.
- This enhanced expenditure on rural infrastructure is likely to benefit farmers in several ways

### Expenditure on Major Subsidies

- **The Pradhan Mantri Kisan Samman Nidhi (PM-Kisan), the Pradhan Mantri Fasal Bima Yojana (Crop Insurance Scheme), the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), and the Interest Subvention Scheme** are the most critical government schemes in agriculture.
- **The budget has brought greater transparency in reporting of expenditures, especially for food and fertilizer sector.**
  - There were outstanding dues of food subsidy which was not reflected in the budget and was accounted as borrowings of Food Corporation of India.
  - This year all the borrowings of FCI have been cleared and budget reflected the true picture of food subsidy.
- **The Economic Survey of 2021-22 has also addressed the issue of rising bill of food subsidy in the country.**
  - FCI's economic cost of rice is Rs.37/kg and of wheat about Rs.27/kg and it is difficult to bring down the economic cost of food due to food security commitments.
  - Hence, the Survey suggested a need to consider a revision of the central issue price (CIP).
  - The CIP of wheat, rice and coarse grains under NFSA, Mid-Day Meal Scheme, and Integrated Child Development Services (ICDS) are fixed rate of Rs.3, 2 and 1 per kg respectively.
  - This has remained unchanged since the introduction of NFSA 2013.
- **The massive subsidisation of fertiliser is also creating several distortions, one in terms of huge cost to the exchequer and other is imbalanced used of fertilisers.**
  - The biased use of urea fertiliser due to large amount of subsidy has inefficiency in the optimal usage ratio of NPK fertilisers.
  - This imbalance has also reduced the crop response ratio.
  - A systematic approach to tackle this situation can be found by bringing urea under the nutrient based subsidy and introducing direct cash transfer on per hectare basis urea and complex fertilisers.



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### Reiterated Commitment to MSP

- The government through the Budget has also reiterated their commitment to the minimum support price (MSP) the public procurement system.

- The MSP regime has undergone myriad revisions, increasing gradually to assure a reasonable price which is at least 1.5times the cost of production across all the 23 commodities.
- The guaranteed price has resulted in assured income of Rs.21lakhcrore to wheat and rice growers in 2019-20.
- It has come a long way from achieving food security to attaining surplus of food grains.
- The MSP regime has been the backbone of the agriculture sector since the 1960s.

## Other Major Announcements

### Diversification

- **The Operation Green Scheme** was launched to strengthen production clusters, FPOs, connecting them to terminal markets, invest in post-harvest infrastructure to reduce losses and increase food processing capabilities.
- Initially the scheme covered tomatoes, onions and potatoes. Now the scheme has been extended to cover **22 perishable commodities**, which will further support diversification at the farm level.

### The fisheries sector

- Substantial investment opportunities were highlighted to enhance the Blue Economy, specifically in modern fishing harbours and fish landing centers.
- **Five major fishing harbours** will be developed as hubs of economic activity; **Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat.**
- The budget allocation for department of Fisheries has increased by a whopping 48% from a budgeted estimate of Rs.825crore in 2020-21 to Rs.1220.84crore in 2021-22.
- The major element in the fisheries sector is attributed to **Pradhan MantriMatsyaSampadaYojana (PMMSY)** with the allocation of Rs.1000crore, contributing more than 80% of overall allocation to fisheries department.

### Villages and Mapping with Improved Technology in Village Areas (SVAMITVA) scheme

- **The SWAMITVA Scheme** was piloted in 2020 to map rural residential land ownership and to create non-disputable records, leveraging advanced technologies, such as drones for measurement.
- The scheme will be implemented in a phased manner over a period of four years (2020-2024) and would eventually cover around 6.62 lakh villages of the country.
- This will benefit farmers by providing them with non-disputable records of land ownership, facilitating access to bank credit and the inherent security of owning records of ownership; thus, reducing land disputes and litigation.

### Agriculture Infra and Development Cess

- The cess is expected to generate an additional amount of Rs.30,000crore and will be levied on items including gold, silver, alcoholic beverages, coal, and cotton, and basic customs duty will be reduced by an equal amount.
- Additionally, the cess will be levied on petrol and diesel at the rate of Rs.2.5 and Rs.4 per litre respectively, with equivalent cuts in excise duty.

## Conclusion

- This was a budget intended to revive and stimulate investment, growth, and job creation.
- The enhanced capital expenditures, increased by 34%, with record capex in roads and railways.
- Development of infrastructure carries with it multiplier effects that accrue from better connectivity.
- With record levels of capital expenditures for road transport and railways, this better connectivity will impact farmers as well.
- Terminal markets will come closer, facilitating market access.

## Healthy People Healthy Nation

### Introduction

- Budget 2021-22 announcements have focussed on Aatma Nirbhar Bharat Abhiyaan packages announced by the Government of India.
- Multiple short-term and longer-term measures are being taken for strengthening the health sector.
- The allocation for health and well-being in Union Budget 2021-22 has been enhanced from Rs. 94,452 Crore (2020-21 BE) to Rs.2,23,846Crore, an increase of 137%.

## Background

- Historically, India has spent a very low quantum of public finance on health.
- In fact, public expenditure on health has been disproportionately lower even when compared to countries that have similar levels of tax revenues.
  - Only 30% of the total health spending has been derived from public sources, with around 70% being private expenditure.
  - Globally, on the other hand, public spending constitutes 60.1% on average, of the total expenditure on health.
- As a percentage of GDP, Government health spending in India has stagnated at around 1% over the last two decades.
- As highlighted by National Health Accounts data for 2015-16, the share of the Union Government as a percentage of the Total Government Health Expenditure was 35.6% while that of State Governments was 64.4%.

## Initiatives Taken

- **Production Linked Incentive (PU)** schemes have been announced for promoting domestic manufacturing of Key Starting Materials, Drug Intermediaries (DIs) and APIs to boost domestic manufacturing of 53 bulk drugs.
- Further, the schemes for promotion of bulk drug parks and medical device parks have been announced for reducing the cost of indigenous manufacturing.
- The COVID Suraksha Mission (financial outlay Rs. 900 Crore) was also launched for boosting indigenous vaccine testing and development.
  - Thus far, India has been approached by at least 92 countries for the COVID-19 vaccine.
- Government of India also launched the Pradhan Mantri Garib Kalyan Package for providing free food grains to 800 Million people during the COVID crisis.

## PM Aatma Nirbhar Swasth Bharat Yojana

- The PM Aatma Nirbhar Swasth Bharat Yojana (PMANSBY) was announced in Budget 2021 with a financial outlay of Rs.64,180Crore over a period of six years.
  - **The scheme aims** to strengthen the health system at every level primary, secondary and tertiary.
  - **A core objective of the scheme** is to invest in capital expenditure in health, including in Tier 2 and Tier 3 cities as well as rural areas.
  - This also creates opportunities for public-private partnerships.
- The scheme aims to strengthen disease surveillance so that the country can be better prepared for disease outbreaks in the future.
  - It is envisaged that 17 new public health units will be established as part of this scheme and 33 existing units will be strengthened.
  - All public health laboratories will also be connected through the expanded Integrated Health Information Portal.
  - Strengthening of the National Centre for Disease Control is also planned, including its 5 regional branches and 20 metropolitan health surveillance units.

## Ayushman Bharat - Health and Wellness Centres

- A key pillar of Ayushman Bharat is to build a system that provides comprehensive primary health services to people on the foundation of 150,000 Health and Wellness Centres in a phased manner between 2018 and 2022.
- Drugs and diagnostics are provided free of on digitising health records at the community level and linking them with district hospitals.

## Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PM-JAY)

- By consolidating multiple health insurance schemes under PM-JAY, the government has taken a major step towards 'One Nation One Scheme' i.e., ultimately ensuring that all citizens can access a common package of secondary and tertiary health services regardless of the State in which they reside.
  - Presently, 33 States/UTs are implementing PM-JAY.
  - Majority of the beneficiary verification has been done through Aadhaar.

- The scheme has empanelled over 24,269 hospitals thus far, around 50% of which are in the private sector.

## AYUSH

- Over the last few years, the Government has made concerted efforts to formally mainstream AYUSH and revitalise local traditions under the National Health Mission.
  - NHP, 2017 has also recommended the mainstreaming of AYUSH.
- The COVID-19 pandemic has further catalysed a shift towards preventive health and well-being.
- Ayurveda and Yoga have a crucial role to play in stress reduction as well as the prevention and management of chronic diseases.
- By increasing the allocation of Ministry of AYUSH by 40% in BE 2021-22, compared to BE 2020-21, the Union Government has signalled the importance of leveraging AYUSH for promoting the health and well-being of citizens, in addition to treating diseases.

## Nutrition, Drinking Water, Sanitation and Clean Air

- There is a serious problem of under-nutrition, stunting, wasting and anaemia in India. While significant strides have been made, the scourge of malnutrition persists.
  - In Union Budget 2021-22, **Mission Poshan 2.0** has been launched for strengthening the nutritional content, delivery, outreach, and outcome of various programmes by merging the Supplementary Nutrition Programme and the Poshan Abhiyaan.
  - An intensified strategy will also be adopted for improving nutritional outcomes across 112 Aspirational Districts.

## Drinking Water and Sanitisation

- As a consequence of suboptimal access to drinking water and sanitation as well as limited adoption of good hygiene practices, water-borne ailments continue to be among the leading causes of illness and child deaths in India.
  - The World Bank estimates that 21% of communicable ailments are water-borne.
  - Diarrhoea is among the biggest killers of children under the age of 5, in addition to neonatal complications, pneumonia and sepsis.
  - For instance, levels of arsenic between 10 and 40 parts per billion in water have been linked to heart ailments, debilitated lung function, skin lesions like melanosis and cancer.
- In this context the allocation of Rs.2,87,000 Crore over 5 years for the **JalJeevan Mission (Urban)** is a crucial step.
  - At least 2.86 crore household tap connections will be provided under this Mission.
  - Universal water supply will be ensured in all 4,378 Urban Local Bodies alongside liquid waste management in 500 AMRUT cities.

## Air Quality

- Given the challenges pertaining to air quality in many cities in India, the Budget has also made a provision to the tune of Rs. 2,217 Crore for tackling air pollution in 42 urban centers with million-plus population.

## Conclusion

- The health sector has found a prominent place in the Government's agenda over the last few years, leading to the implementation of a series of reforms and initiatives.
- It is important to note that while the Union Budget is an important instrument, a large part of the action, both in terms of increased spending on the health sector as well as quality implementation at scale, lies in States.
- Thus, if the NHP, 2017 goals of increased spending on health as well as improved outcomes are to be achieved, the Centre and States will need to work in tandem.

## Inclusive Marksmanship with Rural Prosperity

### Introduction

- In India, more than 65% of the total population lives in villages and therefore rural development itself signifies its importance in all kind of public policy making.
- Thus rural development can be used as an index of appraising economic development of our country.
- The vision of the budget 2021-22 includes
  - nation first
  - doubling the farmers' income.
  - strengthening infrastructure.
  - opportunities for youth.
  - inclusive development that encompasses all the needful parameters and variables and ensures prosperity of our nation in a holistic fiscal framework.
  - women empowerment.
  - Healthy India.
  - good governance
  - education for all

### Initiatives taken for Rural Development

- Pillar-III of the budget proposal on 'Inclusive Development for Aspirational India' covers a lot on rural development, agriculture, and inclusiveness.
  - MGNREGS which provides in-situ employment at the rural area, continued to get its share of Rs.73,000crores.
  - To foster rural prosperity, special emphasis has been given to rural infrastructure development, and hence government has allocated Rs.40,000crores for the Rural Infrastructure Development Fund.
  - Funding allocation made to **National Rural Drinking Water Mission** has been increased from Rs.11,500crores in 2020-21 to Rs.50,011crores in 2021-22.
  - Similarly **Pradhan Mantri Gram Sadak Yojana, Rashtriya Gram Swaraj Abhiyan and DeenDayal Upadhyaya Gram Jyoti Yojana** got the budget shares of Rs. 15,000 crores, Rs. 661 crores, and Rs. 3,600 crores respectively.
  - Recently launched SWAMITVA Scheme is doing wonder in the rural landscape in empowering property owners.

### Provisioning for Agriculture

- The MSP regime has undergone a record change and MSP is assured at least 1.5 times of the cost of production across all the commodities and also procurement process got leveraged.
- It is proposed to allocate Rs. 65,000 crores as an annual supplement of income to the farmers, to be done directly through PM-Kisan.
- Crop Insurance Scheme got a funding allocation of Rs. 16,000 crores which is higher than the previous year's allocation of Rs. 15,695 crores.
- Government has mandated Rs.13,408 crores in the budget outlay for the Green Revolution to give a big boost to agriculture sector.
- Agricultural credit has been increased to Rs.16.5 lakh crores in the current budget in comparison to the previous year.
  - Major emphasis is given to enable animal husbandry, dairy and fisheries along with the agriculture.



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## Agriculture Marketing and Irrigation

- **National Agriculture Market (e-NAM)** is playing a crucial role in augmenting agricultural marketing.
  - Trade value worth of Rs.1.14 lakh crores has been already carried out.
  - Therefore, considering the attractiveness and its impact; it is decided to integrate 1,000 more mandis with e-NAM.
- Over the years, expansion of micro-irrigation projects through **Pradhan Mantri Krishi Sinchayee Yojana**, have raised the agricultural productivity and farmers' income.
  - Considering its importance, Rs.11,588 crores is allocated in the budget outlay in comparison to Rs.11,127 crores allocation of the previous year.
  - To support the same, with a corpus of Rs.5,000 crores fund has been created under NABARD for micro irrigation purposes.
- The launch of **PM-KUSUM** by means of 'energy sovereignty' scheme removed farmer's dependence on conventional sources of energy and linked pump sets to solar energy.
  - To strengthen it, government has made a funding provision of Rs.776 crores in this budget.

## Initiatives for Inclusiveness

- It is proposed to reduce the margin money requirement from 25% to 15%, and also to include loans for the activities allied to agriculture.
- In the line of further inclusiveness, to establish 750 **Eklavya Model Residential Schools** in the tribal areas; government has amplified the unit cost of each such school from Rs.20 crores to Rs.38 crores, and for hilly and difficult areas, to Rs.48 crores.
  - This would help in creating robust infrastructure facilities for the tribal students.
- For the welfare of scheduled castes, Post Matric Scholarship Scheme got a bigger funding support of Rs.35,219 crores for 6 years till 2025-2026.
- **National Social Assistance Program** got a higher budget outlay of Rs.9,200 crores in comparison to the previous year budget provisioning.
- Government proposed outlay of Rs.37,130 crores for National Health Mission.
  - Besides, **Pradhan Mantri Swasthya Suraksha Yojana** and **Rashtriya Swasthya Bima Yojana** got the funding provision of Rs.7,000 crores and Rs.6,401 crores respectively to cover the health insurance as a part of inclusive initiative.
- To augment entrepreneurial mindset at the grass root level, government has increased the funding support of Rs.2,500 crores to **Pradhan Mantri Mudra Yojana** which is 5 times higher than the previous year allocation.
- Government initiative to mandate '**one nation and one ration card scheme**' is found apt considering the migrants' misery.
  - Under this scheme, migrant workers can partially claim their ration at the place of their work whereas the remaining ration can be claimed by the family members at their native places.

## Conclusion

- From rural prosperity perspectives, budget emphasizes on agriculture and allied activities; especially on farmers' welfare, rural infrastructure, welfare of migrants' labours, and financial inclusion as a part inclusive initiatives.
- The funding allocation for agricultural and rural development in the budget proposal signifies their sectoral importance in our economy.
- Initiatives like Make in India, Skill India, Digital India, Start Up India and Stand Up India, to name a few, have been successfully launched in the recent years to bring inclusive development in India.

## Infrastructure Development

### Introduction

**The six pillars of the Union Budget 2021-22 are:**

1. Health and Well-being
2. Physical and Financial Capital, and Infrastructure
3. Inclusive development for Aspirational India
4. Reinvigorating Human Capital
5. Innovation and Research and Development

## 6. Minimum Government and Maximum Governance

### Background

- India is witnessing rapid urbanisation. According to Census 2011, India's urban population was 37.7 crore, which is projected to grow to about 60 crore by 2030.
  - According to United Nations, more than 40% of country's population is expected to reside in urban areas by 2030.
  - Urbanisation in India has become an important and irreversible process, and it is an important determinant of national economic growth and poverty reduction.
  - Thus, for more and more people living in cities, it is imperative that housing, transport, water and sanitation be accorded priority.
- Infrastructure development is crucial with strong forward and backward linkages, particularly with the core sectors of the economy, such as steel, cement and other buildings materials.
  - It directly or indirectly impacts 270 different industries. Apart from real economy, an upswing in infrastructure has strong implications for other sectors as well, especially the financial and housing sector.

### Initiatives Taken

#### Development Financial Institution

- A professionally managed Development Financial Institution is necessary to act as a provider, enabler and catalyst for infrastructure financing and Rs.20,000crores has been provided to capitalise the setting up of a - **Development Financial Institution (DFI)**.
  - Debt Financing of InvITs and REITs by Foreign Portfolio Investors is to commence by making suitable amendments in the relevant legislations.
  - This will further ease access of finance to InvITs and REITs thus augmenting funds for infrastructure and real estate sectors.
- Dividend payment to REIT/InvIT has also been exempted from TDS.
- This shall provide Boost to REITs and InvIT as investment alternative thereby enhancing liquidity in sector.

#### Affordable Housing

- Affordable housing projects can avail a tax holiday for one more year - till 31st March,2022.
- The additional deduction of 1.5 lakh shall therefore be available for loans taken up till 31st March 2022, for the purchase of an affordable house.

#### Quality of Living in Urban India

- **The JalJeevan Mission (Urban)**, will be launched to provide universal water supply in all 4,378 Urban Local Bodies with 2.86crores household tap connections, as well as liquid waste management in 500 AMRUT cities.
  - It will be implemented over 5 years, with an outlay of Rs.2,87,000crores.
  - The focus is on complete faecal sludge management and waste water treatment, source segregation of garbage, reduction in single-use plastic, reduction in air pollution by effectively managing waste from construction-and-demolition activities and bio-remediation of all legacy dump sites.
- **The Urban Swachh Bharat Mission 2.0** will be implemented with a total financial allocation of Rs.1,41,678crores over a period of 5 years from 2021-2026.

#### Monetising Operating Public Infrastructure Assets

- A "**National Monetisation Pipeline**" of potential brownfield infrastructure assets has been announced in the Budget 2021-22.
- An Asset Monetisation dashboard will also be created for tracking the progress and to provide visibility to investors.
- Some important measures in the direction of monetisation are:
  - a. National Highways Authority of India and PGCIL each have sponsored one InvIT that will attract international and domestic institutional investors.
  - b. Railways will monetise **Dedicated Freight Corridor** assets for operations and maintenance, after commissioning.

- c. The next lot of Airports will be monetised for operations and management concession.
- d. Other core infrastructure assets that will be rolled out under the Asset Monetisation Programme are:
- e. (i) NHAI Operational Toll Roads  
(ii) Transmission Assets of PGCIL  
(iii) Oil and Gas Pipelines of GAIL, IOCL and HPCL  
(iv) AAI Airports in Tier II and III cities,  
(v) Other Railway Infrastructure Assets  
(vi) Warehousing Assets of CPSEs such as Central Warehousing Corporation and NAFED among others and  
(vii) Sports Stadiums.

### Manufacturing Sector

- **Productivity Linked Incentive (PLI) schemes** to create manufacturing global champions for an **AatmaNirbhar Bharat** have been announced for 13 sectors.
  - For this, the government has committed nearly Rs.1.97 lakh crores, over 5 years starting FY 2021-22.
- This initiative will help bring scale and size in key sectors, create and nurture global champions and provide jobs to our youth.

### Roads and Highways Infrastructure

- More than 13,000km length of roads, at a cost of Rs.3.3 lakh crores, has already been awarded under the Rs. 5.35 lakh crores **Bharatmala Pariyojana project** of which 3,800 kms have been constructed.

### Railway Infrastructure

- Indian Railways have prepared a National Rail Plan for India - 2030. The Plan is to create a 'future ready' Railway system by 2030.
- Bringing down the logistic costs for Railways is at the core of our strategy to enable 'Make in India'.
- It is expected that Western Dedicated Freight Corridor (DFC) and Eastern DFC will be commissioned by June 2022.
- The following additional initiatives are proposed:
  - The Sonnagar - Gomoh Section (263.7 km) of Eastern DFC will be taken up in PPP mode in 2021-22.
  - Gomoh-Dankuni section of 274.3km will also be taken up in short succession.
  - Future dedicated freight corridor projects are to be undertaken.
  - Broad Gauge Route Kilometers (RKM) electrified is expected to reach 46,000 RKM and 100% electrification of Broad-Gauge routes will be completed by December, 2023.

### Urban Transportation

- A new scheme will be launched at a cost of Rs.18,000crores to support augmentation of public bus transport services.
  - The scheme will facilitate deployment of innovative PPP models to enable private sector players to finance, acquire, operate and maintain over 20,000 buses.
  - The scheme will boost the automobile sector, provide fillip to economic growth, create employment opportunities for our youth and enhance ease of mobility for urban residents.
- A total of 702 kms of conventional metro is operational and another 1,016 km of metro and RRTS is under construction in 27 cities.
- Two new technologies i.e., '**MetroLite**' and '**MetroNeo**' will be deployed to provide metro rail systems at much lesser cost with same experience, convenience and safety in Tier-2 cities and peripheral areas of Tier-I cities.

### Power Infrastructure

- A revamped reforms-based result-linked power distribution sector scheme will be launched with an outlay of Rs.3,05,984crores over 5 years.
  - The scheme will provide assistance to DISCOMS for Infrastructure creation including pre-paid smart metering and feeder separation, upgradation of systems, etc., tied to financial improvements.
  - Budget 2021-22 proposes to launch a Hydrogen Energy Mission in 2021-22 for generating hydrogen from green power sources.

## Ports, Shipping, Waterways

### Ports

- Major Ports will be moving from managing their operational services on their own to a model where a private partner will manage it for them.
  - For the purpose, 7 projects worth more than Rs.2,000crores will be offered by the Major Ports on Public Private Partnership mode in FY21-22.
  - A scheme to promote flagging of merchant ships in India will be launched by providing subsidy support to Indian shipping companies in global tenders floated by Ministries and CPSEs.
  - An amount of Rs.1624crores will be provided over five years.
- This initiative will enable greater training and employment opportunities for Indian seafarers besides enhancing Indian companies share in global shipping.

### Shipping

- India has enacted **Recycling of Ships Act, 2019** and acceded to the Hong Kong International Convention.
- Around 90 ship recycling yards at Alang in Gujarat have already achieved HKC-compliant certificates.
- Efforts will be made to bring more ships to India from Europe and Japan. Recycling capacity of around 4.5 Million Light Displacement Tonne (LDT) will be doubled by 2024.

## Petroleum and Natural Gas

- **Ujjwala Scheme** which has benefited eight crores households will be extended to cover one crores more beneficiaries.
- 100 more districts will be added in next three years to the **City Gas Distribution network**.
- **A gas pipeline project** will be taken up in Union Territory of Jammu and Kashmir.
- An independent **Gas Transport System Operator** will be set up for facilitation and coordination of booking of common carrier capacity in all-natural gas pipelines on a non-discriminatory open access basis.

## Augmenting Financial Infrastructure

- Budget 2021-22 proposes to consolidate the provisions of SEBI Act, 1992, Depositories Act, 1996, Securities Contracts (Regulation) Act, 1956 and Government Securities Act, 2007 into a rationalised single Securities Markets Code.
  - To instil confidence amongst the participants in the Corporate Bond Market during times of stress and to generally enhance secondary market liquidity, it is proposed to create a permanent institutional framework.
  - The proposed body would purchase investment grade debt securities both in stressed and normal times and help in the development of the Bond market.

## Stressed Asset Resolution by setting up a New Structure

- The high level of provisioning by public sector banks of their stressed Non Performing Assets (NPAs) calls for measures to clean up the bank books.
- An Asset Reconstruction Company Limited and Asset Management Company would be set up to consolidate and take over the existing stressed debt and then manage and dispose the assets to Alternate Investment Funds and other potential investors for eventual value realization.
- To further consolidate the financial capacity of PSBs, further recapitalisation of Rs. 20,000 crores is proposed in 2021-22.

## Deposit Insurance

- Last year, Government had approved an increase in the Deposit Insurance cover from Rs.1 lakh to Rs.5 lakh for bank customers.
  - Amendments in the DICGC Act, 1961 is proposed to streamline the provisions, so that if a bank is temporarily unable to fulfil its obligations, the depositors of such a bank can get easy and time-bound access to their deposits to the extent of the deposit insurance cover.

## Credit Discipline

- To improve credit discipline while continuing to protect the interest of small borrowers, for NBFCs with minimum asset size of Rs.100 crores, the minimum loan size eligible for debt recovery under the **Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest**

(SARFAESI) Act, 2002 is proposed to be reduced from the existing level of Rs. 50 lakhs to Rs. 20 lakhs.

## Tax Receipts

- Gross tax revenues are expected to rise by 16.7%, mainly due to a projected increase of 22% in direct taxes.
- The Government expects to collect about Rs.30,000 crore from the new levy of Agriculture Infrastructure and Development Cess. Environmental, social and governance (ESG) concerns would have to be taken into account into infrastructure projects as institutional investors look at these factors before committing investments.
- ESG integration would help align infrastructure development with India's Paris accord obligations and help finance the projected 450GW of renewable energy by 2030.

## Boosting Agri Sector through Investment in Infrastructure and Processing

### Introduction

- The agriculture and allied sector play a critical role in rural livelihood, employment and national food security.
- The sector provides the largest source of livelihoods in India. Proportion of Indian population depending directly or indirectly on agriculture for employment opportunities is more than that of any other sectors.
- It is estimated that around 55-60% of its rural households depend primarily on agriculture for their livelihood.
- According to Agriculture Census (2015-16), there are 14.5 crore farmers families in the country and around 82% of farmers belong to small and marginal categories, who own less than one acre of land each.

### Economic Survey-2020-21

- About 54.6% of the total workforce in the country is still engaged in agricultural and allied sector activities (Census 2011).
- The sector accounts for approximately 17.8% of the country's Gross Value Added (GVA) for the year 2019-20 (at current prices).
- The share of agriculture and allied sectors in GVA of the country has declined from 18.2% in 2014-15 to 17.8% in 2019-20.
- Within the agriculture sector, the share of crops has fallen from 11.2% in 2014-15 to 9.4% in 2018-19.
- During the same period, the decline in the share of crops has been made up by an increase in the share of livestock and fisheries sectors.
- The share of livestock in the country's GDP has increased from 4.4% to 5.1% between 2014-15 to 2018-19.

### Covid-19 and Agriculture Sector

- There were challenges faced in terms of availability of seeds as well movement of farm machinery and other agricultural activities got impacted by the COVID-19 induced lockdown.
- The national lockdown announced in March, 2020 coincided with the commencement of the harvesting season for the Rabi or winter crops creating further adversity for the sector.
- Notwithstanding challenges posed by lockdown, there were mostly uninterrupted supply of agriculture commodities including rice, wheat, pulses, fruits, vegetables, milk and livestock products to the consumers.

### Government Initiatives

- Government announced **PM GaribKalyan Anna Yojana (PMGKAY)** in March, 2020, where all the 81 crore beneficiaries under **National Food Security Act (NFSA)** were allotted double their entitlements of highly subsidised food grain free.
  - This implies that 5 kg of food grains per head per month was provided free to 81 crore beneficiaries during April-November 2020 along with highly subsidised rice and wheat entitlements of equal volume under NFSA.
  - Along with rice and wheat, the government also made provision for providing one kg of pulses to each family covered under NFSA during April- November 2020.
  - **The objective of this initiative** was to help poor families in providing adequate foodgrains and pulses as COVID-19 pandemic disrupted economic activities.

- For giving boost to agriculture and allied sector, the government had announced series of measures under **AatmaNirbhar Bharat initiatives** in May 2020 for rejuvenating various sectors of the economy.
  - The agriculture sector got a boost through various measures on credit, market reforms and food processing.
- Under the broader theme of '**Inclusive Development for Aspirational India**' several measures were announced to cover agriculture and allied sectors, farmers' welfare and rural India and other areas such as migrant workers and labour and financial inclusion.

### Boost to Agricultural Credit

- To provide adequate credit to our farmers, the agricultural credit disbursement target has been increased to Rs.16.5 lakh crores in 2021-22.
  - Government will focus on ensuring increased credit flows to animal husbandry, dairy, and fisheries.
  - This will provide much needed working capital requirements to large number of farmers who usually borrow for informal sources at higher rate of interest.

### Infrastructure Development Fund

- The allocation under the Rural Infrastructure Development Fund has been raised to Rs.40,000crore from Rs.30,000crores.

### Enhancement in corpus of the Micro Irrigation Fund

- The corpus of the fund of Rs.5,000crore created under NABARD in 2019-20, will be doubled by augmenting it by another Rs.5,000crore.
  - The objective of the fund is to facilitate State Governments efforts in mobilising additional resources for expanding coverage under micro irrigation and incentivising its adoption beyond provisions of **Pradhan MantriKrishiSinchayeeYojana**.

### Operation Green

- To boost value addition in agriculture and allied products and their exports, the scope of '**Operation Green Scheme**' which is currently applicable to tomatoes, onions, and potatoes, will be enlarged to include 22 perishable products in 2021-22.
- **Under Aatma Nirbhar Bharat Abhiyaan, Operation Greens Scheme** - TOP to TOTAL, there is a provision of 50% subsidy on transport and storage of notified fruits and vegetables if prices of such fruits or vegetables are below the trigger price.
- Now, the transportation subsidy would also be available under **Kisan Rail Scheme** under a very simplified way. Farmers can transport any notified fruits and vegetable crops through **Kisan Rails**.
  - Railways would charge only 50% of freight charges on these fruits and vegetables. Remaining 50% of the freight charges will be provided as subsidy under Operation Greens Scheme by Ministry of Food Processing Industries to the Indian Railways.
  - **At present, Railways is operating three Kisan Rails** - Devlali (Maharashtra) to Danapur/Muzaffarpur (Bihar), Anantapur (Andhra Pradesh) to Adarsh Nagar (Delhi) and, Yashwantpur(Karnataka) to Delhi. The fourth Kisan Rail from Nagpur (Maharashtra) to Delhi will commence soon.

### Agriculture Infrastructure Fund for APMCS

- The dedicated Rs1,00,000crore fund for improving farm-gate infrastructure would be made available to **Agricultural Produce Market Committees (APMCs)** for augmenting their infrastructure facilities.
- Currently, 1000 APMCs mandis are integrated to **electronic-National Agriculture Market (e-NAM)** where around 1.68crores farmers are registered and Rs.1.14 lakh crores of trade value has been carried out.

### Fisheries sector

#### Development of Five Fishing Harbours:

- The budget proposal also includes investment for the development of modern fishing harbours and fish landing centres- Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat.
- Government will also develop inland fishing harbours and fish-landing centres along the banks of rivers and water ways.

### Promotion of Seaweed Farming

- Seaweed farming is an emerging sector with potential to transform the lives of coastal communities.
- The budget proposal includes setting up of a Multipurpose Seaweed Park in Tamil Nadu.

### Cess and Duties on Agricultural Products

- The union budget 2021-22 proposals also include raising customs duty on cotton from nil to 10% and on raw silk and silk yarn from 10% to 15% which is expected to help farmers.
- Government are also withdrawing end-use based concession on denatured ethyl alcohol. Currently, rates are being uniformly calibrated to 15% on items like maize bran, rice bran oil cake, and animal feed additives.
- For improving agricultural infrastructure, **Agriculture Infrastructure and Development Cess (AIDC)** on a small number of items was proposed.

### SWAMITVA scheme

- In April 24, 2020, **Survey of Villages and Mapping with Improved Technology in Village Areas (SWAMITVA) scheme** was launched, where the demarcation of rural abadi areas would be done using drone surveying technology.
  - This would provide the 'record of rights' to village household owners possessing houses in inhabited rural areas in villages which, in turn, would enable them to use their property as a financial asset for taking loans and other financial benefits from Bank.
  - Under this scheme, about 1.80 lakh property-owners in 1,241 villages have been provided cards.

### Conclusion

- With such major thrust on infrastructure creation in agriculture and allied sector which had shown resilience to face challenges posed by COVID-19 pandemic, the agriculture sector is expected to witness a robust growth in the coming years.
- Agriculture and allied sector growth has linkage with overall economic development and with the focus on infrastructure development, the farmers' income is expected to rise while ensuring food security.

## Aatma Nirbhar Women

### Women and the Health Sector

#### Aatma Nirbhar Swastha Bharat Yojana

- One of the biggest announcements in the Budget that has the power to impact women, skilled and semi-skilled, rural and urban, as participants or beneficiaries, is the **AtmaNirbharSwastha Bharat Yojana**.
  - With the overarching goal to boost health infrastructure over the next six years with an outlay of about Rs.64,180 crore,
  - it will develop capacities of primary, secondary, and tertiary care health systems, strengthen existing national institutions, and create new institutions, to cater to detection and cure of new and emerging diseases.
  - This will be in addition to the **National Health Mission**.
  - The main interventions under the scheme are:
    - ✓ support for 17,788 rural and 11,024 urban health and wellness;
    - ✓ centres, setting up integrated public health labs in all districts and 3382 block public health units in 11 states;
    - ✓ establishing critical care hospital blocks in 602 districts and 12 central institutions; and
    - ✓ strengthening of the National Centre for Disease Control (NCDC), its five regional branches and 20 metropolitan health surveillance units.
- Now, women constitute almost half of the qualified health workforce in the country, as doctors, nurses, ASHA workers, midwives, aanganwadi workers, etc., performing a critical role in healthcare services.
- Thus, if the scheme is gender responsive in its outreach as well as implementation and monitoring, it can impact the lives of Indian women in meaningful ways.

### Healthcare Bills

- The proposed healthcare bills -- **the National Commission for Allied Healthcare Professionals Bill** and **National Nursing and Midwifery Commission Bill** -- also have the ability to take into account the

differential gender needs, as well as be informed by the voice, choice and agency of women healthcare functionaries.

## Social Sector Schemes Benefitting Women

### Mission Poshan 2.0 Scheme

- To strengthen nutritional content, delivery, outreach, and outcome, Government will merge the Supplementary Nutrition Programme and the Poshan Abhiyaan and launch the **Mission Poshan 2.0**.
  - Government shall adopt an intensified strategy to Improve nutritional outcomes across 112 Aspirational Districts.
  - It is an umbrella scheme covering the **Integrated Child Development Services (ICDS), Anganwadi Services, Poshan Abhiyaan, Scheme for Adolescent Girls and the National Creche Scheme.**
- **Mission Vatsalya (Child Protection Services and Child Welfare Services)** has been allocated Rs. 900 crore.
- **Mission Shakti (mission for protection and empowerment of women)** has been allocated Rs.3109 crore.
  - **Mission Shakti has the following components:**
    1. **SAMBHAL** (One Stop Centre, Mahila Police Volunteer, Women's Helpline/Swadhar/ Ujjawala, Widow Homes, etc) and
    2. **SAMARTHYA** (Beti Bachao Beti Padhao, Creche, Pradhan Mantri Matru Vandana Yojana, Gender Budgeting, Research, Skilling, Training, etc).
- The budget of the Women and Child Development Ministry's autonomous bodies -- National Institute of Public Cooperation and Child Development (NIPCCD), Central Adoption Resource Agency (CARA), National Commission for Protection of Child Rights (NCPCR), National Commission for Women and Central Social Welfare Board -- have been increased in Budget 2021.

### Pradhan Mantri Ujjwala Yojana

- The scheme was launched by Prime Minister Narendra Modi on May 1, 2016, to distribute five crore LPG connections to women of Below Poverty Line families to promote a smoke-free rural India.
  - The target was later revised to provide a free gas connection to eight crore women by March 2020.
  - Now, the finance minister aims to bring one crore more women under this scheme.
  - The government also plans to add 100 more districts in next three years to the City Gas Distribution network, which will be beneficial to urban women.

### Fillip to Women Labour Force Participation

- While female labour force participation (FLFP) has never been very high due to social practices, it has been falling in recent years.
  - It stood at 24.5% in 2018-19 for women aged 15 years and above (after declining sharply from 31.2% in 2011-12), is well below the global average of 45%.
  - A major disparity is the gender gap in terms of paid and unpaid work.

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- In the aftermath of COVID-19 pandemic, the government has taken initiatives for creating jobs at local levels through **Pradhan MantriGaribKalyanYojana (PMGKY)**, **AatmaNirbhar Bharat** and **Pradhan MantriGaribKalyanRozgarAbhiyan (PMGKRA)**.
  - **AatmaNirbhar Bharat** is based on economy, infrastructure, vibrant demography and demand to create jobs for the youth including women.
  - **Under PMGKRA**, the government has taken various initiatives to boost rural infrastructure and rural economy to provide local employment opportunities particularly to the migrant workers including women who have returned to their native places with a resource envelope of Rs.50,000crore implemented in a mission mode campaign.
  - Government has also launched **PM SVANidhi Scheme** to facilitate collateral free working capital loan upto Rs.10,000 of one-year tenure, to approximately, 50Lakh street vendors including women, to resume their business.

### Opportunities in Gig Economy

- For women professionals and even semiskilled workers, the gig economy, especially digital platforms, is a game changer. The flexible working norms make it easy for women to balance their traditional roles with work, though remuneration may not be that fulfilling.
- As much as 50% of the gig economy labour force is women, and these jobs being part of the new economy, the gender pay gap is also narrower.
- However, the rules governing the gig economy are somewhat vague.
- There is lack of clarity on issues such as fair labour practices, access to benefits, taxation, social security, and dispute resolution.

### SettingupPortalforGigEconomyWorkers

- To further extend our efforts towards the unorganised labour force, migrant workers particularly, Finance Minister propose to launch a portal that will collect relevant information on gig, building, and construction-workers among others.
  - This will help formulate health, housing, skill, insurance, credit, and food schemes for migrant workers.
- The extension of social security benefits to the gig and platform economy is a path-breaking initiative that has the potential to provide flexi-work opportunities to millions of women.
- Reducing the wage gap, providing adequate skills, access to digital assets, digital literacy and digital platforms are key drivers for participation of women in the labour force in India and for their subsequent economic empowerment.

### Allowing Women to Work Across Sectors and in Night Shifts

- Budget proposal, to let women work in all sectors and also in night shifts, can boost gender diversity in workplaces and see increased participation of women in sectors such as manufacturing and engineering.
  - This announcement would encourage companies to create workplace policies with proper safeguards that are gender inclusive by structure and design, as parity in access to workplace opportunities becomes a given.

### Textile Industry

- Government has **seven Mega Investment Textiles Parks (MITRAs)** and **Production linked Incentive (PLI) Scheme** in the Budget, so as to enable the textile industry to become globally competitive and attract large investments, it throws open new employment opportunities for women.

### Tea Industry

- The announcement of Rs.1,000 crore for the welfare of tea workers, especially women and their children in Assam and West Bengal, is a welcome step given that women constitute close to 60% of tea pluckers in the industry. A special scheme will be devised for the same.

## Skilling and Training Imperatives

- Finance Minister proposed to amend the **Apprenticeship Act** and realign the **National Apprenticeship Training Scheme** for post-education apprenticeship, training of graduates and diploma holders in engineering.
  - The Finance Minister has set aside Rs.3,000crore for this purpose in the Budget for 2021-22.
  - This will help create talent that is employable and equipped with the right set of skills relevant for the industry.
- An initiative is under way in partnership with the United Arab Emirates (UAE) to benchmark skill qualifications, assessment, and certification, accompanied by the deployment of certified workforce.
- India also has a collaborative training, inter-training programme with Japan to facilitate transfer of Japanese industrial and vocational skills, techniques and knowledge.
- In order to promote enhanced academic collaboration with foreign higher educational institutions, the Budget has proposed to put in place a regulatory mechanism to permit dual degrees, joint degrees, twinning arrangements and other such mechanisms.

## Encouraging Entrepreneurs

- To facilitate credit flow under the scheme of Stand Up India for SCs, STs, and women, the Budget has proposed to reduce the margin money requirement from 25% to 15%, and to also include loans for activities allied to agriculture.

## Conclusion

- The proposed Budget initiatives and investments across sectors and schemes have the potential to re-orient the lives of millions of women, make nutrition and healthcare more accessible even as their job prospects brighten through relevant skill training, new employment opportunities and access to cheaper credit ultimately making them self-reliant and financially independent.
- An empowered women population, ready to make the most of new opportunities is the vision of a new India.



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## Boosting the Education Sector

### Introduction

- The FM has presented Budget 2021 focusing on six pillars-Health and Well-Being, Physical and Financial Capital and Infrastructure, Inclusive Development for Aspirational India, Reinvigorating Human Capital, Innovation and R&D, Minimum Government and Maximum Governance-for the purpose of energising Indian economy recently battered by the pandemic.
- On February 1, 2021, India had witnessed the presentation of its first digital Budget.
- Budget was not only the first of its kind presented in the Indian Parliament but also had allocation of Rs. 3,768 crore for making the upcoming census as India's first ever digital census.
- In the first Budget presented after the announcement of the National Education Policy (NEP), was in need of greater allocation for its implementation.

### Initiatives Taken

- India, which boasts to have the highest in the world a total over 250 million school going students and roughly 500 million population in the age category of 5-24 years.
- India, having had witnessed continuous increment in Budget allocation towards the education sector in the preceding three years, could see the Budget proposing allocation of Rs. 93,224 crore.
  - This allocation is less by Rs. 6,087 crore (-6.1 per cent) than last year which had seen a rise of 5.9 per cent.
- The cut in expenditure is visible in the schemes such as 'SamagraShikshaAbhiyan' which saw slashing of allocation to Rs. 31,050.16 crore from the previous year's allocation of Rs. 38,750 crore.
- 'National Scheme for Incentive to Girls for Secondary Education' where allocation decreased by Rs. 100 crore.
- India is expected to become the country with the largest working-age population by 2030 requiring literacy, job and life skills.
- With the intentions to equip the Indian workforce with the skill-sets matching the demands of different industries and employers, this Budget has rightly proposed amendment in the initiative viz. the National Apprenticeship Training Scheme (NATS) originally launched in 2016.
  - The amendment aims at boosting apprenticeship opportunities for Indian youth.
  - The focus of the Budget on the improvement of the employment opportunities in the higher education is reflected in the higher allocation for NATS so that post-education apprenticeship training to engineering graduates and diploma holders could be provided.
- The allocation of Rs. 500 crore to the NATS has seen the rise of Rs. 325 crore, 186 per cent more than last year's allocation.
- 'RashtriyaUchchatarShikshaAbhiyan (RUSA)' has seen the rise of Rs. 2,700 crore.
- Budget has proposed several new initiatives such as opening of BharatiyaBhashaVishwavidyalaya and Institute of Translation, Indian Knowledge System, Academic Bank of Credit, PM e-Vidya, and Multidisciplinary Education and Research Improvement in Technical Education (MERITE) in line with the recommendations in NEP.
- Indo-Japan collaborative Training Inter Training Programme (TITP) for facilitating the transfer of Japanese industrial and vocational skills, techniques and knowledge.
- KendriyaVidyalayas (KVs) are set to have enhanced funds to the tune of Rs. 6,800 crore in comparison to Rs. 5,516 crore, whereas Mid-Day Meal Scheme (MOMS) and NavodayaVidyalayas (NVs) too are to have funds increased by Rs. 500 crore each from previous Budget.
- The proposal to establish 750 new Eklavya Model Residential Schools in tribal areas for the learners of Scheduled Tribes with an aim to create a robust infrastructural facility for such learners may be extremely helpful in further enhancing the outreach of education to them.
- Further, setting up of a National Digital Educational Architecture (NDEAR) for providing support teaching and learning activities through the digital architecture will be of immense help in educational planning, administration and governance.

## Conclusion

- Budget 2021 might not appear to have ticked all the boxes but it does reflect, the reiteration of the government initiatives, firm commitments and resolves to strengthen quality of education, enhance skills and improve employability.
- Keeping in view the significance of India's favorable demographic dividend, it appears to have ensured to maintain the momentum and demonstrate resilience against once-in-a-century crisis, despite being presented in exceptional circumstances, for continuance of educational reforms and achievement of SDGs.

## Towards Realisation of a Five Trillion Dollar Economy

### Introduction

- The Indian economy has set an ambitious target of transforming itself into a US\$ five trillion economy by 2024-25.
- As evident from World Bank's data<sup>1</sup>, India's Gross Domestic Product(GDP) at constant prices stood at US\$ 2.94 trillion in 2019.
- Considering the large geographic size, demographic strength and robust economic fundamentals, the country is well placed to aspire for this target.

### Background

- In the backdrop of the pandemic, there was a need to follow a two-pronged approach to
  - a. Mitigate the impact of the consequences of the pandemic.
  - b. Ensure accelerated growth.
- The approach of Union Budget 2021-22 has been timely and each announcement has addressed a practical issue currently being faced by the economy.

### Approach and Initiatives

#### Halting the Slow Down

- India's Gross National Income (GNI) has always registered a positive growth except for a few exceptional years during the past seven decades after attaining Independence.
  - In recent years, the rate of growth of GNI has slowed down since 2017-18.
  - 2020-21 witnessed an unprecedented contraction of -7.9 percent.
- Throughout 2020, the Government of India (GoI) provided stimuli to the economy, in the form of AatmaNirbhar Bharat packages.
  - These packages, together with the measures taken by the Reserve Bank of India (RBI), amounted to Rs. 27.1 lakh crores.
  - These measures have rightly underscored the importance of generating demand, along with boosting the supply.
- In this context, the Budget's estimate of Rs. 1, 75,000 crores as receipts from disinvestment is of significance.

#### Health First

- The trigger of the current economic crisis is a health crisis. This has adversely affected both the financial and real sectors.
  - This divulges the linkages between public health and economic well-being of the nation.
  - Accordingly, the remedial approach will need to entail availability, accessibility and affordability of vaccines, in addition to fiscal stimulus and monetary easing.
- The Budget augmented the health budget by 137 percent, besides announcing PM AatmaNirbharSwasth Bharat Yojana, with an outlay of about Rs. 64,180 crores over six years to develop capacities of primary, secondary, and tertiary care Health Systems, strengthen existing national institutions, and create new institutions, to cater to detection and cure of new and emerging diseases.
- The launch of **JalJeevan Mission (Urban)** with an outlay of Rs. 2,87,000 crores and the **Urban Swachh Bharat Mission 2.0** with an outlay of Rs. 1,41,678 crores will be added boosters for achieving universal health.

## Harnessing Inherent Strength

- There is an important need to improve nutritional requirements and the launch of Mission POSHAN 2.0 across 112 aspirational districts will be a definite step in this direction.
- More than 15,000 schools are proposed to be qualitatively strengthened; 100 new Sainik Schools; and 750 Eklavya schools in tribal areas are to be set up.
- A Central University is proposed in Leh and nine cities are going to get various research institutions, universities, and colleges supported by Government of India.
- Budget has announced an outlay of Rs. 50,000 crore for the National Research Foundation over five years.
- Budget has proposed to realign the existing scheme of National Apprenticeship Training Scheme for providing post-education apprenticeship, training of graduates and diploma holders in Engineering.
- Besides, the Government is working in partnership with the United Arab Emirates and Japan to benchmark skill qualifications, assessment, certification, and deployment of certified workforce; and to facilitate transfer of Japanese industrial and vocational skills, technique, and knowledge, respectively.
- The Budget announcements are a positive indication towards realising universalisation of education as envisaged in the New Education Policy, 2020.

## Handling External Sector

- The new Trade Policy 2021-26 is to be implemented from 2021.
- A district-lead export growth is in line with the announcement of last year's Budget wherein the focus was on encouraging each district to tap its potential for exporting a product, thereby reaping economies of scale, along with honing specialisation.
- Budget 2021-22 has endeavoured to rationalise the customs duties, striking a difficult, yet necessary balance between the welfare of the domestic producers and domestic users.
- To provide a competitive edge to the MSMEs, import duties on products produced by them have been proposed to be increased, e.g. steel screws, plastic builder wares, prawn feed, and synthetic gem stones.
- Besides, agriculture infrastructure and development cess has been proposed on certain items including urea, apples, crude soyabean and sunflower oil, crude palm oil, kabulichana and peas.
- To facilitate ease of investing in India, the Budget has revised the cap on FDI in the insurance sector from 49 percent to 74 percent, which is expected to enhance FDI into the sector, lead to greater insurance penetration and facilitate individual policy-holders to access health care.

## Employment

- The doubling of the outlay for MSMEs, which has created 11.10 crore jobs in the country, may prove to be a game-changer.
- Recycling of ships have a high employment potential and the Budget announcement of doubling recycling capacity of around 4.5 Million Light Displacement Tonne (LDT) by 2024, is expected to generate an additional 1.5 lakh jobs.
- Budget has proposed to provide Rs. 1,000 crores for a new scheme for the welfare of Tea workers, especially women and their children in Assam and West Bengal.
- For migrant workers in particular, the Budget made important announcements, viz. universal coverage under 'One Nation One Ration card' plan;
- Launching a portal to collect relevant information; extending social security benefit to gig and platform workers
- Minimum wages to apply to all categories of workers
- All workers to be covered by the Employees State Insurance Corporation
- Women to be allowed to work in all categories and also in the night-shifts with adequate protection.
- reducing compliance burden on employers.
- Reducing the margin capital requirement for loans for agricultural allied activities via the Stand-up India scheme from 25 percent to 15 percent for SCs, STs and women will address credit bottlenecks.

## Infrastructure

- Production Linked Incentive schemes for 13 sectors, earmarked Rs. 20,000 crore for capitalising the Development Financial Institution for infrastructure financing, proposed to make access to Infrastructure Investment Trusts and Real Estate Investment Trusts easier.
- National Monetisation Pipeline of brown field infrastructure assets is launched.

- For the road sector, the Budget has announced plans for economic corridors launching of a new scheme on a PPP mode for public buses and a vehicle scrapping policy to phase out old and unfit vehicles.
- National Rail Plan has been prepared to bring a future ready Railway system by 2030.
- The relatively newer mode of transport, viz. metro rail, too received a boost in the Budget.
- An announcement has been made to deploy two new technologies for metro rail. For the shipping sector, the Budget announced the launch of a scheme to promote flagging of merchant ships in India.
- In the power sector, to provide assistance to DISCOMS for infrastructure creation, including pre-paid smart metering and feeder separation, upgradation of systems, etc., tied to financial improvements; the Budget announced a revamped reforms-based result-linked power distribution sector scheme with an outlay of Rs. 3,05,984 crores over 5 years.
- An outlay of Rs. 1,500 crores has been proposed to provide financial incentive to promote digital modes of payment.
  - To ensure that Sovereign Wealth Funds and Pension Funds invest in India, the Budget has relaxed conditions relating to prohibition on private funding, restriction on commercial activities, and direct investment in infrastructure.

## Agriculture

- Enhancing agricultural credit target; raising the allocation for the Rural Infrastructure Development Fund from Rs. 30,000 crores to Rs. 40,000 crores.
- Doubling of the corpus of the Micro Irrigation Fund to Rs, 10,000 crore.
- Enlarging the scope of Operation Green Scheme to include 22 perishable products.
- Enlarging the coverage of e-NAM by another 1,000 mandis.
- Making Agriculture Infrastructure Fund available for APMCs.
- Developing five major fishing hubs for economic activity.
- Setting up of an Agriculture Infrastructure and Development Cess.
- Establishing a multi-purpose seaweed park.

## Conclusion

- The task of achieving a US\$ 5 trillion economy is a tall order, especially considering that the achievement has to have two components now, i.e. firstly, recover from the overwhelming onslaught of the pandemic; and secondly, follow an accelerated growth trajectory.
- The impairment has been so deep and vast that recovery and revival cannot be expected in the short-run.
- However, it needs to be optimistically recognised that a beginning towards the insurmountable has already been made.
  - RBI has projected a growth of 10.5 percent in 2021-22.
  - The International Monetary Fund has also projected India's growth in 2021 to be 11.5 percent after recording a dismal-8 percent in 2020.
- Timely and effective implementation of the Budget announcements will have a multiplier effect across different sectors of the economy.

