



Current Affairs of the Day

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Pulses, oilseeds see sharp hike in MSP

- The Cabinet Committee on Economic Affairs (CCEA) on Monday approved an increase in the **minimum support prices (MSPs)** for all mandated kharif crops, including paddy, pulses and cotton, for the 2020-21 marketing season.



Value Added Information

About Minimum support prices (MSP):

What is it?

- In theory, an MSP is the minimum price set by the Government at which farmers can expect to sell their produce for the season. When market prices fall below the announced MSPs, procurement agencies step in to procure the crop and 'support' the prices.

Who announces?

- The Cabinet Committee of Economic Affairs announces MSP for various crops at the beginning of each sowing season based on the recommendations of the Commission for Agricultural Costs and Prices (CACP). The CACP takes into account demand and supply, the cost of production and price trends in the market among other things when fixing MSPs.

Why is it important?

- Price volatility makes life difficult for farmers. Though prices of agri commodities may soar while in short supply, during years of bumper production, prices of the very same commodities plummet. MSPs ensure that farmers get a minimum price for their produce in adverse markets. MSPs have also been used as a tool by the Government to incentivise farmers to grow crops that are in short supply.

INS Jalashwa sets out from Colombo with 685 Indians

- INS Jalashwa set sail from Colombo in Sri Lanka to Thoothukudi in Tamil Nadu with 685 Indian citizens on Monday evening, under Phase 2 of **Operation Samudra Setu** by the Navy.
- Under Phase 1 of Op 'Samudra Setu', the Navy has repatriated 1,488 Indian nationals from Male to Kochi.



Value Added Information

Operation Samudra Setu:

- “Samudra Setu” means “Sea Bridge”. This Naval rescue operation is a part of India’s effort to bring back Indian nationals who are stuck overseas amid Covid-19 pandemic.
- The whole operation will be carefully executed in different phases. In Phase-1 of operation “Samudra Setu” Indian Naval Ships, Jalashwa, and Magar are directed to proceed towards the port of Male, and Republic of Maldives respectively to start the rescue operation starting from 8th May 2020.
- Indian Navy has planned to rescue a total of 1000 citizens during its first trip. Further evacuated citizens will be disembarked at the cost of Kochi and Kerala entrusted to the care of State Authorities.

NPCI denies breach of BHIM app data

- Following a report by security researchers alleging leak of personal data of millions of users of the **BHIM payment application** due to a website breach, the **National Payments Corporation of India (NPCI)** on Monday denied the claim, asking “everyone to not fall prey to such speculation”.



Value Added Information

What is BHIM?

- **Bharat Interface for Money (BHIM)** is a UPI based payment interface.
- Developed by **National Payments Corporation of India (NPCI)**.
- Allows **real time fund transfer**.
- **Launched** in December, 2016.

What is UPI?

- **Unified Payments Interface (UPI)** is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood.
- It also caters to the “**Peer to Peer**” collect request which can be scheduled and paid as per requirement and convenience.
- Each Bank provides **its own UPI App for Android, Windows and iOS mobile platform(s)**.



Why UPI is outperforming e- wallets?

- People are changing the way they transact, choosing bank-to-bank methods such as the Unified Payments Interface (UPI) over other instruments such as e-wallets. **This is because UPI is completely interoperable and as such, it is unique in the world, where you have an interoperable system on the 'send' and 'receive' side.**
- The rapid growth of UPI is accompanied by a reasonably strong growth in the value of transactions done using e-wallets, but the latter's growth has not taken off much following the fillip it received in the aftermath of demonetisation in November 2016.

The BHIM apps has three levels of authentication:

- For one, the app binds with a device's ID and mobile number.
- Second a user needs to sync whichever bank account (UPI or non-UPI enabled) in order to the conduct transaction.
- Third, when a user sets up the app they are asked to create a pin which is needed to log into the app. The UPI pin, which a user creates with their bank account is needed to go through with the transaction.

UPI – Benefits to the Ecosystem participants:

Benefits for banks:

- Universal Application for transaction.
- Leveraging existing infrastructure.
- Safer, Secured and Innovative.
- Payment basis Single/ Unique Identifier.
- Enable seamless merchant transactions.

Benefits for end Customers:

- Round the clock availability.
- Single Application for accessing different bank accounts.
- Use of Virtual ID is more secure, no credential sharing.
- Single click authentication.
- Raise Complaint from Mobile App directly.

Benefits for Merchants:

- Seamless fund collection from customers – single identifiers.
- No risk of storing customer's virtual address like in Cards.



- Tap customers not having credit/debit cards.
- Suitable for e-Com & m-Com transaction.
- Resolves the COD collection problem.
- Single click 2FA facility to the customer – seamless Pull.
- In-App Payments (IAP).

About NPCI:

- NPCI is an umbrella organisation for operating retail payments and settlement systems in India.
- It is an initiative of Reserve Bank of India (RBI) and Indian Banks' Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007, for creating a robust Payment and Settlement Infrastructure in India.
- It has been incorporated as a not for profit company.
- In 2016 the shareholding was broad-based to 56 member banks to include more banks representing all sectors.

Band-tail scorpionfish: A rare fish found across Sethukarai coast in the Gulf of Mannar

- Researchers at the Central Marine Fisheries Research Institute (CMFRI) have found a rare fish from Sethukarai coast in the Gulf of Mannar.
- The specimen has been deposited in the National Marine Biodiversity Museum of the CMFRI.

Key Points:

- The **band-tail scorpionfish** (*Scorpaenospsis neglecta*) has spines which contain **neurotoxic venom**.
- When the spines pierce an individual, the venom gets injected immediately and it can be extremely painful.
- Eating the fish would lead to death.
- The fish is well-known for its ability to change colour and blend with its surrounding environment to escape from predators and while preying.
- This was the first time that the particular species was found alive in Indian waters.



Loan to MSMEs likely to become risk-free

- The RBI is likely to allow banks to assign zero risk weight for loans that will be extended to the MSMEs under the economic package announced by the government earlier.

Key Points:

- As a part of the package, Rs.3 lakh crore loan for the MSME sector was announced.
- However, such loans would attract a risk weight of a minimum 20% since these loans did not come with direct government guarantee.
- This facility is similar to the loans that are guaranteed by the **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)**.
- Zero risk would mean that banks will not have to set aside additional capital for these loans.
- The move will encourage lenders to extend credit.

Important value additions

Rs. 3 lakh crore scheme:

- Under the scheme, 100% guarantee coverage will be provided by the **National Credit Guarantee Trustee Company Limited (NCGTC)** to eligible MSMEs, in the form of a Guaranteed Emergency Credit Line (GECL) facility.
- Other small borrowers including the Non-banking Financial Companies (NBFCs) can also avail this scheme.
- The tenure of loan under this scheme is four years with a moratorium period of one year.
- The scheme would be applicable to all loans sanctioned under GECL till 31st October, 2020 or till an amount of Rs.3 lakh crore is sanctioned, whichever is earlier.

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE):

- The Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGS) was **launched by the Government of India (GoI)** to make available **collateral-free credit** to the micro and small enterprise sector.
- Both the **existing and the new** enterprises are eligible to be covered under the scheme.
- The Ministry of MSMEs and Small Industries Development Bank of India (SIDBI) established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement the scheme.

National Credit Guarantee Trustee Company Limited:

- It is a Union Government Company which is classified as a company limited by shares.
- It was set up by the Government to act as a common trustee company to manage and operate various credit guarantee trust funds.