



drishti

## News Analysis (11 May, 2021)

---

 [drishtias.com/current-affairs-news-analysis-editorials/news-analysis/11-05-2021/print](https://drishtias.com/current-affairs-news-analysis-editorials/news-analysis/11-05-2021/print)

### NITI Aayog's Report for a Digitally Inclusive Bharat

---

#### Why in News

---

The **NITI Aayog** and **Mastercard** have released a report titled '**Connected Commerce: Creating a Roadmap for a Digitally Inclusive Bharat**'.

The report identifies challenges in accelerating **Digital Financial Inclusion (DFI)** in India and provides recommendations for making digital services accessible to its 1.3 billion citizens.

#### Digital Financial Inclusion

"Digital financial inclusion (DFI)" can be defined broadly as **digital access to and use of formal financial services by excluded and underserved populations**. Such services should be suited to customers' needs, and delivered responsibly, **at a cost both affordable to customers and sustainable for providers**.

#### Key Points

---

## Challenges:

- **Demand Side Gap:**
  - Lot of effort has been put to attain DFI and **much success on the supply side of DFI** has been seen (**e-governance, the JAM trinity, Goods and Services Tax, Direct Benefit Transfer (DBT) schemes**).
  - However, the break in the digital financial flow comes at the last mile, where **account holders mostly withdraw cash for their end-use**.
- **Unsuccessful Agri-Techs:**
  - Agriculture, with its allied sectors, provides livelihood to a large section of the Indian population. Over the years, agriculture's contribution to national GDP has declined from 34% in 1983-84 to just 16% in 2018-19.
  - Most agri-techs **have not succeeded in digitizing financial transactions** for farmers or enabling formal credit at lower rates of interest by leveraging transaction data.
- **Inability of MSMEs to Access Formal Finance:**
  - **Micro, Small and Medium Enterprises (MSMEs)** have been a key growth driver for the Indian economy. According to a 2020 Report, the category employed some 110 million people, or over 40% of India's non-farm workforce.
  - The **lack of proper documentation, bankable collateral, credit history and non-standard financials** force them to access informal credit at interest rates that are double of those from formal lenders.
- 
- **Trust and Security in Digital Commerce:**
  - The surge in digital transactions has increased the **risk for possible security breaches**, both for consumers and businesses.
  - A Medici report of June 2020 says **40,000 cyber-attacks targeted the IT infrastructure of the banking sector in India**.
- **Digitally Accessible Transit Systems:**
  - With the onset of the pandemic, there is **an increasing need for transit systems to be further integrated with contactless payments** in India.
  - Globally, the trend is toward **open-loop transit systems**, with interoperable payment solutions allowing travelers to switch between different modes of transport with a connected payments network.

- **Recommendations:**

- For market players, it is critical to **address the gap on the demand side** by creating user-friendly digital products and services that encourage the behavioral transition from cash to digital.

A significantly successful example is that of **FASTag**.

- **Strengthening the payment infrastructure** to promote a level playing field for **Non-Banking Financial Companies (NBFCs)** and banks.
- **Digitizing registration and compliance processes** and diversifying credit sources to enable growth opportunities for **MSMEs**.
- **Building information sharing systems**, including a 'fraud repository', and ensuring that online digital commerce platforms carry warnings to alert consumers to the risk of frauds.
- **Enabling agricultural NBFCs to access low-cost capital** and deploy a 'phygital' (physical + digital) model for achieving better long-term digital outcomes. **Digitizing land records** will also provide a major boost to the sector.
- **To make city transit seamlessly accessible** to all with minimal crowding and queues, leveraging existing smartphones and contactless cards, and aim for an inclusive, interoperable, and fully open system.

## Digital Financial Inclusion Initiatives Taken in India

---

- **Jan Dhan-Aadhar-Mobile (JAM) Trinity:**

- The combination of **Aadhaar**, **Pradhan Mantri Jan-Dhan Yojana (PMJDY)**, and a surge in **mobile communication** has reshaped the way citizens access government services.
- As per the estimates in March 2020, the total number of beneficiaries under Jan Dhan scheme have been more than 380 million.

- **Expansion of Financial Services in Rural and Semi-Urban Areas:**

Reserve Bank of India (RBI) and **National Bank for Agriculture and Rural Development (NABARD)** have taken initiatives to promote financial inclusion in rural areas. These include:

- Opening of bank branches in remote areas,
- Issuing Kisan Credit Cards (KCC),
- Linkage of self-help groups (SHGs) with banks,
- Increasing the number of Automated Teller Machines (ATMs),
- Business correspondents model of Banking
- **Payment Infrastructure Development Fund (PIDF) scheme**, etc.

- **Promotion of Secure Digital Payments:**
  - With the strengthening of the **Unified Payment Interface (UPI)** by National Payments Corporation of India (NPCI), digital payments have been made secure, compared to the past.
  - The **Aadhar-enabled Payment System (AEPS)** enables an Aadhar Enabled Bank Account (AEBA) to be used at any place and at any time, using micro ATMs.
  - The payment system has been made more accessible due to offline transaction-enabling platforms, like Unstructured Supplementary Service Data (USSD), which makes it possible to use mobile banking services without internet, even on a basic mobile handset.
- **Enhancing Financial Literacy:**
  - The Reserve Bank of India has undertaken a project titled "**Project Financial Literacy**".

The Objective of the project is to disseminate information regarding the central bank and general banking concepts to various target groups, including, school and college going children, women, rural and urban poor, defence personnel and senior citizens.
  - **Pocket Money** is a flagship programme of **Securities and Exchange Board of India (SEBI)** and National Institute of Securities Market (NISM) aimed at increasing financial literacy among school students.

**Source: PIB**

---

## **Covid-Vaccination Related Challenges**

---

### **Why in News**

---

There was a **decrease in the number of vaccine doses** administered in the week starting 1st May 2021, after the government “opened up” vaccination beyond priority groups, to its **lowest level in eight weeks**.

**Covid-19** vaccines are being developed at a pace faster than for any other disease, yet there are shortages.

### **Key Points**

---

- **Global Issues:**

- **Huge Population:**

- With about seven billion people to be vaccinated worldwide, with mostly two jabs (Doses) each, the **demand is obviously very high.**

- **Self-Centered Rich:**

- **More than 80% of available vaccines have been ordered and/or already stocked by a few countries** representing only about 20% of the world population.

- Even with a World Health Organization (WHO)-led effort like COVAX, **only about 1% of the African population has received vaccines** so far.

- **Delay in Emergency Approvals:**

- Till now **only three vaccines**—Pfizer, Moderna, and Janssen—have been **approved by the US.**

- The **most affordable AstraZeneca** vaccine still awaits approval.

- Approval for Russia's Sputnik V was **recently denied in Brazil.**

- Vaccines of **China's Sinovac and Sinopharm** are **not yet approved in western countries.**

- **Challenges in India:**

- **Limited Suppliers:**

**Limited capacity of the two vaccine (COVAXIN & COVISHIELD) manufacturers** who are now being piled upon with much bigger orders from state governments and private hospitals that may take months to fulfil.

- **Supply Chain Gap:**

- There is a big gap in the supply chain of the ambitious programme to vaccinate all its adult population.
- Although **India ranks number three after the US and China in the absolute number of vaccines administered**, only about **13% of its population has received a single jab and about 2% fully vaccinated**. Many countries have already vaccinated more than half their adult population.

- **Unequal Procurement Process:**

The revised vaccine procurement process **builds in a skew against smaller hospitals in cities and towns** in comparison to their bigger counterparts in simply getting access to the shots, and a more **disconcerting urban-rural divide** in terms of where healthcare facilities are vis-à-vis the already-established supply-chain map.

- **Digital Divide:**

- There is the issue of **mandatory Co-Win registration** as part of the new decentralised distribution strategy, which potentially adds to an entry barrier that could be tougher to navigate for users in the hinterland, both in terms of **access to the platform** and an **English-only interface for users so far**.
- Mandatory online registration introduces a **skew in favour of urban centres**, given that a little over half of India's population has access to broadband Internet, while **rural tele-density is under 60%**. States including **Bihar, Uttar Pradesh, Chhattisgarh, Jharkhand, and Madhya Pradesh** having among the country's lowest tele-density.
- It is more difficult for those with **less access and greater unfamiliarity with technology**, including access to a smartphone or computer.

## Way Forward

---

- Efficacious and **safe vaccines**, regardless of their origin, **need to be critically but quickly examined and added to the pool**.
- India's **Covid-19 vaccine drive will be a monumental mission**, not just in terms of vaccinating its own population, but also vaccinating a large part of the world thanks to its position as the world's leading vaccine producer. **Addressing the issues associated with the development and distribution of vaccines** will augment the effort to efficiently get vaccines to hundreds of millions in the shortest period of time.

## Super Cycle of Commodities

---

### Why in News

---

Recently, there has been an across-the-board **rise in global commodity prices** that is being billed as a new **commodity super cycle**.

A commodity is a **basic good used in commerce** that is **interchangeable** with other goods of the same type. Commodities are most often **used as inputs in the production of other goods or services**.

ON THE RISE			
Commodity (Unit)	May 1, 2020	May 7, 2021	% Rise
NSE Nifty Metal Index	1700	5500	223
Hot-rolled coil/HRC Steel*	\$478	\$1519	217
Copper (per pound)	\$2.42	\$4.83	99
Brent Crude. (Per barrel)	\$24.2	\$68.27	182

### Key Points

---

- **About:**

A commodity super cycle is a **sustained period of abnormally strong demand** growth that producers struggle to match, sparking an **increase in prices** that can **last years or in some cases a decade or more**.

- **Current Situation:**

- **Metals:**

**Steel**, the most commonly used input in the construction sector and industries, **is at all-time highs, as most metals** including base and precious metals prices have increased a lot in the last one year.

- **Agricultural Products:**

Sugar, corn, coffee, soybean oil, palm oil — **have risen sharply** in the US commodities market, the **effect of which is being seen in the domestic market, too**.

- **Reason:** The new commodity super cycle is resulting from:
  - **Recovery in global demand** (led by recovery in China and the US).
  - **Supply-side constraints.**
  - **Loose monetary policy of global central banks.**
  - **Investment in Asset Creation:** It is also a result of money starting to hide in assets that are stores of value as there is an expectation that inflation may rise. Therefore it is fear of **inflation** that is leading to jump in prices and it is not demand driven.
- **Concerns:**
  - It is **leading to input cost pressures** and is a growing concern, as it is not only expected to have a bearing on cost of infrastructure development in India but also **have an impact on the overall inflation, economic recovery and policy making.**
  - Higher metal prices will lead **to higher Wholesale Price Index (WPI) inflation** and so the core inflation may not come down.

### Loose and Tight Monetary Policies

- A monetary policy that **lowers interest rates and stimulates borrowing** is an **expansionary monetary policy or loose monetary policy.**
- Conversely, a monetary policy that **raises interest rates and reduces borrowing** in the economy is a **contractionary monetary policy or tight monetary policy.**

### Inflation

- Inflation refers to the **rise in the prices of most goods and services** of daily or common use, such as food, clothing, housing, recreation, transport, consumer staples, etc.
- Inflation **measures the average price change** in a basket of commodities and services over time.
- Inflation is **indicative of the decrease in the purchasing power** of a unit of a country's currency. This could ultimately lead to a deceleration in economic growth.
- However, a **moderate level of inflation is required in the economy to ensure that production is promoted.**
- In India, inflation is primarily measured by two main indices — **WPI (Wholesale Price Index) and CPI (Consumer Price Index)** which measure wholesale and retail-level price changes, respectively.

### Core Inflation

- It is the change in the costs of goods and services but **does not include those from the food and energy sectors.** This measure of inflation excludes these items **because their prices are much more volatile.**



- It is important because **it's used to determine the impact of rising prices on consumer income.**

## Way Forward

---

The decision makers **need to look at the mismatch** in supply and demand and they need to find out where to invest, where to **incentivise through the Production-Linked Incentive (PLI) Scheme** to prepare themselves to deal with the situation.

**Source: IE**

---

## Gopal Krishna Gokhale

---

### Why in News

---

The Prime Minister of India paid tribute to Gopal Krishna Gokhale on his Jayanti.

Gopal Krishna Gokhale was a great social reformer and educationist who provided exemplary leadership to India's freedom movement.

### Key Points

---

- **Birth:** 9<sup>th</sup> May, 1866 in Kotluk village in present-day Maharashtra (then part of the Bombay Presidency).
- **Ideology:**  
Gokhale worked towards social empowerment, expansion of education , struggle for freedom in India for three decades and rejected the use of reactionary or revolutionary ways.



- **Role in Colonial Legislatures:**

- **Between 1899 and 1902**, he was a member of the **Bombay Legislative Council** followed by work at the **Imperial Legislative Council from 1902** till his death (1915).
- At the Imperial legislature, Gokhale played a key role in framing the **Morley-Minto reforms of 1909**.

- **Role in INC:**

- He was **associated with the Moderate Group of Indian National Congress (joined in 1889)**.
- He became **president of INC in 1905 in Banaras session**.
  - This was the time when bitter differences had arisen between his group of '**Moderates**' and the '**Extremists**' led by **Lala Lajpat Rai** and **Bal Gangadhar Tilak** among others. The two factions **split at the Surat session of 1907**.
  - Despite the ideological difference, **in 1907**, he intensely **campaigns for the release of Lala Lajpat Rai**, who was imprisoned that year by the British at Mandalay in present-day Myanmar.

- **Related Societies and Other Works:**

- He **established the Servants of India Society in 1905** for the expansion of Indian education.
- He was **also associated with the Sarvajanik sabha journal** started by Govind Ranade.
- In 1908, Gokhale **founded the Ranade Institute of Economics**.
- He started english weekly newspaper, **The Hitavada** (The people's paper).

- **Mentor to Gandhi:**

- As a liberal nationalist, he is **regarded by Mahatma Gandhi as his political guru**.
- Gandhi wrote a book in Gujarati dedicated to the leader titled '**Dharmatma Gokhale**'.

## **Morley-Minto Reforms 1909**

- The reforms included the **admission of Indians to the Secretary of State's council, to the viceroy's executive council**, and to the executive councils of Bombay and Madras, and the **introduction of an elected element into legislative councils** with provision for **separate electorates for Muslims**.

The reforms were regarded by Indian nationalists as too cautious, and the provision of separate electorates for Muslims was resented by Hindu.

- The **legislative councils at the Centre and the provinces** were increased in size. The Act increased the maximum **additional membership of the Imperial Legislative Council from 16 to 60**.
- The legislative councils at the Centre and the provinces were to have **four categories of members** as follows:
  - **Ex officio members:** Governor-General and members of the executive council.
  - **Nominated official members:** Government officials who were nominated by the Governor-General.
  - **Nominated non-official members:** Nominated by the Governor-General but were not government officials.
  - **Elected members:** Elected by different categories of Indians.

The elected members were **elected indirectly**.
- **Indians were given membership** to the Imperial Legislative Council for the **first time**.
- It introduced **separate electorates for the Muslims**.

Some constituencies were earmarked for Muslims and only Muslims could vote for their representatives.
- **Satyendra P Sinha** was appointed the first Indian member of the **Viceroy's Executive Council**.

Source PIB

---

## Illegal Sale of Uranium

---

### Why in News

---

Two people were arrested under the **Atomic Energy Act, 1962** for possessing uranium without licence and selling it illegally.

On testing, the sample was **confirmed as natural uranium by Bhabha Atomic Research Centre (BARC)**.

### Key Points

---

- **Uranium:**

- **About:**

- Uranium **occurs naturally in low concentrations** in soil, rock and water. It is a **hard, dense, malleable, ductile, silver-white, radioactive metal**.

- Uranium metal has a **very high density**.

- When finely divided, it **can react with cold water**. In **air** it is coated by **uranium oxide**, tarnishing rapidly.

- It can **form solids solutions and intermetallic compounds** with many of the metals.

- **Applications:**

- **Energy Production:** The main use of uranium in the civilian sector is to fuel commercial nuclear power plants for generation of **nuclear energy**.

- This requires uranium to be **enriched with the uranium-235 isotope** and the chain reaction to be controlled so that the energy is released in a more manageable way.

- **Making Atomic Bomb:** The first atomic bomb used in warfare was an uranium bomb.

- This bomb contained **enough of the uranium-235 isotope** to start a runaway chain reaction which in a fraction of a second caused a large number of the uranium atoms to undergo fission, thereby releasing a fireball of energy.

- **Used as Shield against Radiation:** Depleted uranium is also used as shield against radiation in **medical processes** using radiation therapy and also while **transporting radioactive materials**.

- Though itself radioactive, uranium's high density makes it effective in halting radiation.

- **Used as Counterweights in Industry:** Its high density also makes it useful as counterweights in aircraft and industrial machinery.

- **Radiometric Dating:** The **isotope uranium 238** is used to estimate the age of the earliest igneous rocks and for other types of radiometric dating.

- **Fertilizer: Phosphate fertilizers** are made from material typically high in uranium, so they usually contain high amounts of it.

- **Health and Environmental Impacts:**

- **Impact on Health:** Potentially depleted uranium has both chemical and radiological toxicity with the two important target organs being the **kidneys and the lungs**.

- **Impact on Environment:** Uranium mining facilities produce tailings that generally are disposed of in near surface impoundments close to the mine.

- These tailings pose serious environmental and health risks in the form of **Radon emission, windblown dust dispersal and leaching of contaminants** including heavy metals and arsenic into the water.

- **Uranium Deposits In India:**
  - In India, Uranium deposits occur in the **Dharwar rocks**.
  - It occurs along the **Singhbhum Copper belt (Jharkhand); Udaipur, Alwar and Jhunjhunu districts** of Rajasthan, **Durg district** of Chhattisgarh, **Bhandara district** of Maharashtra and **Kullu district** of Himachal Pradesh.
  - Significant quantities of reserves have been recently discovered in parts of **Andhra Pradesh and Telangana** between Seshachalam forest and Sresailam (Southern edge of Andhra to Southern edge of Telangana).
- **Legal Framework in India:**
  - In pursuance to **entry at serial No. 54 of List I (Union List)**, the Parliament has passed '**The Mines & Minerals (Development and Regulation) Act, 1957 (MMDR Act)**'.
    - However, with respect to **minor minerals**, the **rulemaking powers have been delegated to the States** through this Act.
    - Since Uranium is a major mineral, it is **managed by the Union Government** under provisions of **MMDR Act**.
  - The policy and legislation relating to Major minerals are managed by the Ministry of Mines, but **Uranium being an atomic mineral is managed by the Department of Atomic Energy (DAE)**.
    - The **Atomic Energy Act, 1962** seeks to provide standards of controlling radioactive substances and plants and measures to prevent radiation accidents, retain public safety, assure cautious disposal of radioactive wastes, and so on.
  - Many of these mineral deposits are found in rich forest reserves and thus **approval of the Union Ministry of Environment, Forest and Climate Change** becomes necessary.

### **Bhabha Atomic Research Centre**

- Dr. Homi Jehangir Bhabha conceived the Nuclear Program in India. Dr Bhabha established the Tata Institute of Fundamental Research (TIFR) for carrying out nuclear science research in 1945.
- To intensify the effort to exploit nuclear energy for the benefit of the nation, Dr Bhabha established the Atomic Energy Establishment, Trombay (AEET) in January 1954 for a multidisciplinary research program essential for the ambitious nuclear program of India. AEET was renamed Bhabha Atomic Research Centre (BARC) in 1966.

**Source: IE**

## **100% Tap Water Connection in Rural Areas in Puducherry: JJM**

### **Why in News**

The **Union Territory of Puducherry** has become the **fourth State/UT** after **Goa, Telangana and Andaman & Nicobar Islands** to provide assured **tap water supply** to every rural home under **Jal Jeevan Mission (JJM)**.

Further, **the State of Punjab and the UTs of Dadra & Nagar Haveli and Daman & Diu** have also crossed the milestone of **covering 75% of rural homes** with assured tap water supply.

## Key Points

---

- **Jal Jeevan Mission:**

- JJM envisages supply of **55 litres of water per person per day to every rural household** through **Functional Household Tap Connections (FHTC)** by **2024**.
- It is under the **Ministry of Jal Shakti**.
- JJM focuses on **integrated demand and supply-side management of water** at the local level.
  - **Creation of local infrastructure** for source sustainability measures as mandatory elements, like **rainwater harvesting, groundwater recharge and management of household wastewater for reuse**, is undertaken in convergence with other government programmes/schemes.
- It also **encompasses:**
  - Prioritizing provision of **FHTCs in quality affected areas**, villages in drought prone and desert areas, **Sansad Adarsh Gram Yojana (SAGY)** villages, etc.
  - Providing functional tap connection to **Schools, Anganwadi centres, Gram Panchayat buildings, Health centres**, wellness centres and community buildings.
  - Technological interventions for **removal of contaminants** where water quality is an issue.
- The Mission is **based on a community approach** to water and **includes extensive Information, Education and Communication** as a key component of the mission.
- JJM looks to create a **jan andolan for water**, thereby making it everyone's priority.
- The **fund sharing pattern** between the **Centre and states is 90:10** for **Himalayan and North-Eastern States**,
  - **50:50 for other states**, and **100% for Union Territories**.
- The **total allocation** to the scheme is **over Rs. 3 lakh crore**.

- **Jal Jeevan Mission (Urban):**

- **Launch:** In the was announced under the **Housing and Urban Affairs Ministry** to provide universal coverage of water supply to all households through functional taps in all statutory towns in accordance with **Sustainable Development Goal- 6** (clean water and sanitation).
- **Objectives:**
  - Securing tap and sewer connections.
  - Rejuvenation of water bodies.
  - Creating a circular water economy.

**Source: PIB**

---

## **National Financial Reporting Authority**

---

### **Why in News**

---

**National Financial Reporting Authority (NFRA)** is in the process of creating a verified and accurate **database of companies (Public Interest Entities) and auditors** that come under the regulatory ambit of it.

In this regard, the NFRA has been engaging with the **Corporate Data Management (CDM) division of the Ministry of Corporate Affairs (MCA)** and three recognised **stock exchanges** in India.

### **Key Points**

---

- **Constitution:** NFRA was **constituted in 2018** by the Government of India **under section 132 (1) of the Companies Act, 2013**. It is an **audit regulator**.
- **Background:** The decision to constitute the NFRA was taken after the role of auditors and the **Institute of Chartered Accountants of India** came under the scanner for alleged lapses in various corporate scams including that at the Punjab National Bank.
- **Composition:** It consists of a chairperson, who shall be a person of eminence and having expertise in accountancy, auditing, finance or law, appointed by the Central Government and such other members **not exceeding 15**.
- **Functions and Duties:**
  - **Recommends accounting and auditing policies and standards** to be adopted by companies for approval by the Central Government.
  - **Monitor and enforce compliance** with accounting standards and auditing standards.
  - **Oversee the quality of service of the professions** associated with ensuring compliance with such standards and suggest measures for improvement in the quality of service.
  - Protect the **public interest**.

- **Powers:**

- It can **undertake investigation** related to the following class of companies and bodies corporate called **Public Interest Entities**:
  - Companies whose **securities are listed on any stock exchange** in India or outside India.
  - **Unlisted public companies** having paid-up capital of not less than **Rs. 500 crores** or having annual turnover of **not less than Rs. 1,000 crores** or having, in aggregate, outstanding loans, debentures and deposits of **not less than Rs. 500 crores** as on the **31<sup>st</sup> March** of immediately preceding financial year.
  - **Insurance companies, banking companies**, companies engaged in the generation or supply of **electricity**.
- Where **professional or other misconduct** is proved, it has the power to make order for imposing penalty of—
  - **not less than one lakh rupees**, but which may extend to five times of the fees received, in case of **individuals**; and
  - **not less than ten lakh rupees**, but which may extend to ten times of the fees received, in case of **firms**.
- Its **account is monitored by the Comptroller and Auditor-General of India**.
- It is **headquartered in New Delhi**.

Source: PIB

---

## **Pradhan Mantri Garib Kalyan Ann Yojana**

---

### **Why in News**

---

Recently, thirteen states have started distributing foodgrains under the **Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY)**.

The scheme has been rolled out again for two months (May and June 2021) **as the country's healthcare infrastructure has reached its capacity** and several states have taken steps like complete **lockdown**, night curfew to contain the spread of the disease.

### **Key Points**

---



- **About:**

- PMGKAY is a part of **Pradhan Mantri Garib Kalyan Package (PMGKP)** to help the poor fight the battle against **Covid-19**.

Its nodal Ministry is the **Ministry of Finance**.

- It was **initially announced for a three month period** (April, May and June 2020), covering 80 crore ration cardholders. Later it was extended till **November 2020**.

However in April 2021, the government had announced its decision to **restart the PMGKAY**.

- The scheme aimed at providing each person who is covered under the **National Food Security Act 2013** with an **additional 5 kg grains** (wheat or rice) for free, in addition to the 5 kg of subsidised foodgrain already provided through the **Public Distribution System (PDS)**.
- The new version of the PMGKAY **lacks one of its important components** which was there in 2020 PMGKAY i.e **free-of-cost 1 kg pulses per month** to each household covered under the NFSA.

- **Expenditure:**

**Government of India will bear all expenditure** of over Rs. 26,000 crore on account of food subsidy and Central assistance to states/UTs on account of intra-state transportation etc.

- **Allocation Till Now:**

- Out of a total **monthly allocation** of **39.69 lakh Metric Tonnes (MT)** under the PMGKAY, **15.55 lakh MT have been lifted by states**.
- 1.01 lakh MT have been distributed to **2.03 crore beneficiaries till May 2021**.

- **Challenge:**

A key issue is that **the beneficiaries of the National Food Security Act are based on the last census (2011)**. The number of food-insecure people has increased since then and they remain uncovered.

**Source: IE**

---