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Latest Monetary Policy Review by the RBI

In its latest bi-monthly monetary policy review, the Reserve Bank of India (RBI) has decided to prioritise its focus on inflation over growth, retain its accommodative stance while gradually withdrawing it, among others.

- **Focus** - The RBI has decided to focus on inflation over growth by sucking out money from the system in a multi-year time-frame.
- It has decided to remain accommodative while focusing on withdrawal of accommodation stance, which has been there since 2019.

An accommodative stance of the RBI indicates the willingness on the part of the central bank to expand money supply and cut interest rates.

- **Rates** - For the eleventh time in a row, the RBI [has decided](#) to keep the [repo rate](#) unchanged at 4%.
- Marginal standing facility (MSF) rate & bank rate remain unchanged at 4.25%.
- The RBI also introduced a [Standing Deposit Facility](#) (SDF) at 3.75%, aimed at liquidity management.
- With this, the RBI has restored the LAF corridor with SDF at the base at 3.75% and MSF at 4.25%.
- The Fixed Reverse Repo Rate has been kept at 3.35% and along with SDF will impart flexibility to RBI's liquidity management.
- In the wake of the rise in crude oil and commodity prices and the impact of the Russian invasion of Ukraine, the RBI has **slashed the growth forecast to 7.2%** for fiscal 2022-23 from 7.8% projected earlier.
- **Factors** - Even though the Russia's war won't impact India directly, it could potentially impede the economic recovery of India through elevated commodity prices & global spill-over channels.
- The other factors that pose downside risks to the outlook are,
 1. Financial market volatility induced by monetary policy normalisation in advanced economies,
 2. Renewed Covid-19 infections in some major countries,
 3. Augmented supply-side disruptions and protracted shortages of critical inputs such as semiconductors and chips.
- The RBI has also **increased the retail inflation projection** from 4.5% to 5.7% in 2022-23.
- **Factors** - The spike in international crude prices since end-February poses substantial upside risk to inflation through both direct and indirect effects.

- Sharp increases in domestic pump prices could trigger broad-based second-round price pressures.
- A combination of high international commodity prices and elevated logistic disruptions could aggravate input costs across agriculture, manufacturing, and services sectors.
- Their pass-through to retail prices warrants continuous monitoring and proactive supply management.
- **Related Links** - [Standing Deposit Facility](#)

Reference

1. <https://indianexpress.com/article/explained/reserve-banks-policy-thrust-monetary-tightening-to-tackle-inflation-7860647/>
2. https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=4120
3. <https://economictimes.indiatimes.com/news/economy/policy/rbi-keeps-repo-rate-unchanged/articleshow/90719706.cms>

Helina

The indigenously-developed Anti-Tank Guided Missile 'Helina' was successfully flight-tested from Dhruv Advanced Light Helicopter in high altitude conditions.

- 'Helina', or **helicopter-based Nag missile**, is the third generation, fire and forget Anti-Tank Guided Missile (ATGM).
- It has been designed and developed indigenously by Defence Research and Development Organisation (**DRDO**).
- It is guided by an infrared imaging seeker (IIR) operating in the lock-on-before-launch mode.
- It can strike targets up to **7 km** away and has been designed and developed for integration on the weaponised version of the Dhruv ALH.
- It can engage targets both in direct hit mode as well as top attack mode.
- It has all-weather day and night capability and can defeat battle tanks with conventional armour as well as with explosive reactive armour.
- **Related Links** - [Helina and Dhruvastra](#)

Reference

1. <https://pib.gov.in/PressReleasePage.aspx?PRID=1815979>
2. <https://frontline.thehindu.com/dispatches/india-successfully-test-fires-anti-tank-guided-missile-helina/article38471875.ece>
3. <https://economictimes.indiatimes.com/news/defence/india-carries-out-successful-test-firing-of-helina-anti-tank-missile/articleshow/90795358.cms>
4. <https://www.ndtv.com/india-news/helina-missile-successfully-flight-tested-all-you-need-to-know-2880794>

5G Vertical Engagement and Partnership Program

Department of Telecommunications (DoT) has invited Expression of Interest (EoI) for '5G Vertical Engagement & Partnership Program (VEPP)' initiative.

- "5G VEPP" aims to build strong collaboration partnerships across 5G Use-case ecosystem stakeholders with velocity and with an exclusive emphasis to address User/Vertical Industry needs.

- It is being offered to Industry verticals which have potential as testing cum breeding grounds for innovative 5G use cases, through an EoI.
- This would enable close collaboration between User verticals and 5G Tech stakeholders (Service providers, Solution providers & partner OEMs).
- This collaboration can trigger a multiplier effect to try & finetune 5G digital solutions in respective economic verticals.

Category Type	Brief description & examples
User/ Vertical Industries (Private & Public)	Individual Vertical Enterprise user /Group of Enterprises (Multiple verticals) Eg: Logistic Hubs, Factories, Agri Institutions, Power Utility Companies, Hospitals, Hotels, Ports, Stadiums, Manufacturing Units etc.
Service providers	TSPs M2M service providers etc.
Solution Providers/ System Integrators (SIs)	End to End Use-case providers (including OEMs) System Integrators
Solution Partners/ Devices, Sensors, Original Equipment vendors (OEMs)	Any Start-up/ SME/ industry that has demonstrable use cases OEMs in Network domain OEMs in CPEs/ Devices/ Instruments/ Sensors/ Smart Machinery & Meters/ Devices/ robots/ Drones (BLVOS) etc. in all user verticals.

Reference

1. <https://pib.gov.in/PressReleasePage.aspx?PRID=1815660>
2. https://dot.gov.in/sites/default/files/5GVEPP%20Approved%20OM_0.pdf?download=1

National Industrial Corridor Development Program

The Union Minister of Commerce and Industry took a comprehensive review on the progress of the National Industrial Corridor Development Program.

- National Industrial Corridor Development Programme is a pan-India initiative involving development of 'plug and play' infrastructure which is aimed at boosting manufacturing ecosystem in the country.
- It is India's most ambitious infrastructure programme aimed at developing new industrial cities as "Smart Cities" and converging next generation technologies across infrastructure sectors.
- The Government has over the past few years further enhanced the National Corridor Network to **11 integrated industrial & economic corridors** with **32 Projects** to be developed in **four phases**.
- These 11 Corridors that forms part of National Infrastructure Pipeline will enable connectivity to all key economic nodes in the country.
- The National Industrial Corridor projects are getting developed on the overall framework of PM GatiShakti.
- [PM GatiShakti is the National Master Plan to provide a systematic, multi-modal connectivity to various economic zones for a seamless movement of people, goods and services.]
- **Implementation** - After the inception of Delhi Mumbai Industrial Corridor (DMIC) in 2007, the DMIC Trust fund was set up to carry out the project development and implementation activities.
- In 2016, the DMIC Trust was renamed as National Industrial Corridor Development and Implementation Trust (NICDIT) as DMIC Trust's mandate was expanded to include other

industrial corridors in India.

- A Special Purpose Vehicle, DMIC Development Corporation Ltd (DMICDC), incorporated in 2008, as the project development agency for DMIC and knowledge partner for DMIC Trust.
- Further, in 2020, the DMICDC was renamed as National Industrial Corridor Development Corporation Limited (NICDC).

Reference

1. <https://pib.gov.in/PressReleasePage.aspx?PRID=1816003>
2. <https://www.nicdc.in/index.php/about/overview>
3. https://www.business-standard.com/article/current-affairs/goyal-reviews-progress-of-national-industrial-corridor-development-program-122041201204_1.html

State Energy and Climate Index

NITI Aayog has launched its State Energy & Climate Index-Round I.

- The State Energy & Climate Index (SECI) Round I is the first index that **tracks the efforts made by states and UTs in the climate and energy sector.**
- An in-depth analysis of individual states will help in enhancing the service delivery on various parameters of energy.
- **Objectives of the index**
 1. **Ranking the States** based on their efforts towards improving energy access, energy consumption, energy efficiency, and safeguarding environment;
 2. Helping drive the agenda of affordable, accessible, efficient and clean **energy transition at the State level**;
 3. Encouraging healthy competition among the states on different dimensions of energy and climate.
- The SECI ranks the states' performance on **6 parameters**, namely,
 1. DISCOM's Performance
 2. Access, Affordability and Reliability of Energy
 3. Clean Energy Initiatives
 4. Energy Efficiency
 5. Environmental Sustainability; and
 6. New Initiatives.
- The parameters are further divided into 27 indicators.
- **Categories** - Based on the composite SECI Round I score, the states and UTs are categorized into 3 groups: Front Runners, Achievers, and Aspirants.
- The states have been categorized based on size and geographical differences as larger states, smaller states, and UTs.

Category	Top performers
Larger states category	Gujarat, Kerala, and Punjab
Smaller states category	Goa, Tripura, and Manipur
UTs category	Chandigarh, Delhi, and Daman & Diu/Dadra & Nagar Haveli

- Detailed state profiles and scorecards have been included in the report which provides a comprehensive snapshot of each state and union territory on the various parameters.
- The role of the States is critical to convert our efforts towards achieving India's 'Panchamrit' targets announced at COP-26, Glasgow into a peoples' movement.

- **Related Links** - [India's five-point Climate Action Plan \(Panchamrit\)](#)

Reference

1. <https://pib.gov.in/PressReleasePage.aspx?PRID=1815612>
2. <https://www.niti.gov.in/sites/default/files/2022-04/StateEnergy-and-ClimateIndexRoundI-10-04-2022pdf>



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