theIAShub

the IAS hub
Be Your Dream.

DECEMBER
1

CRUX 10

10 News. 10 Sources. One Place

THE HINDU
ET
BS
TOI
The Indian EXPRESS
livemint
pib
DownToEarth
FORTNIGHTLY ON POLITICS OF DEVELOPMENT, ENVIRONMENT AND HEALTH
Science Reporter
विज्ञान एवं प्रौद्योगिकी मन्त्रालय
MINISTRY OF SCIENCE AND TECHNOLOGY



MK Yadav Sir

Table of Contents

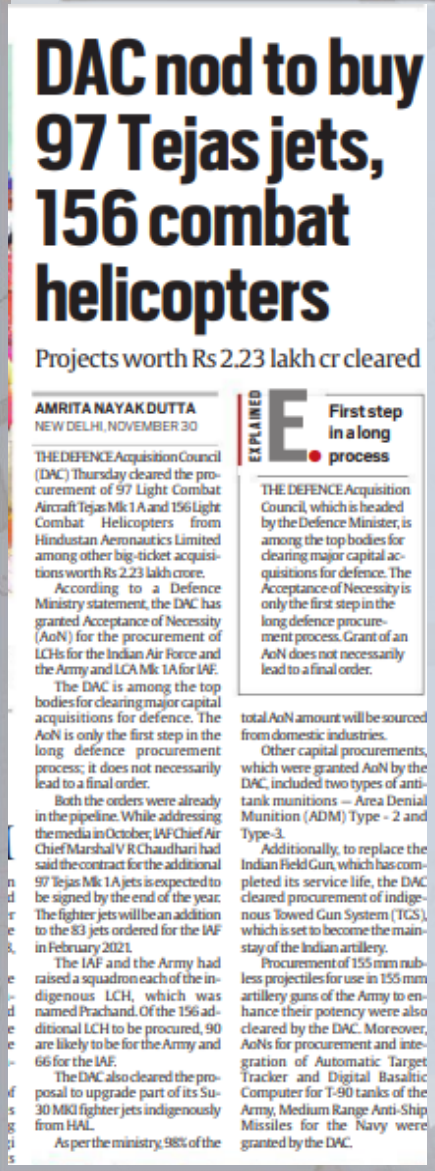
1. Tejas
2. X-Ray Polarimeter
3. Jan Aushadhi Kendra
4. Malaria
5. Core Sector
6. Anganwadi Protocol for Divyang
7. Forest Conservation Act
8. NAHEP
9. Asola Bhatti Wildlife Sanctuary
10. Open Market Operations (OMO)

INDIAN EXPRESS

Page 6

TEJAS

(Syllabus: GS Paper 3 – Sci and Tech)



DAC nod to buy 97 Tejas jets, 156 combat helicopters

Projects worth Rs 2.23 lakh cr cleared

AMRITA NAYAK DUTTA
NEW DELHI, NOVEMBER 30

THE DEFENCE Acquisition Council (DAC) Thursday cleared the procurement of 97 Light Combat Aircraft Tejas Mk 1A and 156 Light Combat Helicopters from Hindustan Aeronautics Limited among other big-ticket acquisitions worth Rs 2.23 lakh crore.

According to a Defence Ministry statement, the DAC has granted Acceptance of Necessity (AoN) for the procurement of LCHs for the Indian Air Force and the Army and LCA Mk 1A for IAF.

The DAC is among the top bodies for clearing major capital acquisitions for defence. The AoN is only the first step in the long defence procurement process; it does not necessarily lead to a final order.

Both the orders were already in the pipeline. While addressing the media in October, IAF Chief Air Chief Marshal V R Chaudhari had said the contract for the additional 97 Tejas Mk 1A jets is expected to be signed by the end of the year. The fighter jets will be an addition to the 83 jets ordered for the IAF in February 2021.

The IAF and the Army had raised a squadron each of the indigenous LCH, which was named Prachand. Of the 156 additional LCH to be procured, 90 are likely to be for the Army and 66 for the IAF.

The DAC also cleared the proposal to upgrade part of its Su-30 MKI fighter jets indigenously from HAL.

As per the ministry, 98% of the total AoN amount will be sourced from domestic industries.

Other capital procurements, which were granted AoN by the DAC, included two types of anti-tank munitions — Area Denial Munition (ADM) Type - 2 and Type-3.

Additionally, to replace the Indian Field Gun, which has completed its service life, the DAC cleared procurement of indigenous Towed Gun System (TGS), which is set to become the mainstay of the Indian artillery.

Procurement of 155 mm rubless projectiles for use in 155 mm artillery guns of the Army to enhance their potency were also cleared by the DAC. Moreover, AoNs for procurement and integration of Automatic Target Tracker and Digital Basaltic Computer for T-90 tanks of the Army, Medium Range Anti-Ship Missiles for the Navy were granted by the DAC.

EXPLAINED

First step in a long process

THE DEFENCE Acquisition Council, which is headed by the Defence Minister, is among the top bodies for clearing major capital acquisitions for defence. The Acceptance of Necessity is only the first step in the long defence procurement process. Grant of an AoN does not necessarily lead to a final order.

Context: Recently, the **Defence Acquisition Council (DAC) approved** the procurement of **97 Light Combat Aircraft Tejas Mk 1A** and **156 Light Combat Helicopters** from Hindustan Aeronautics Limited, along with other significant acquisitions totalling Rs 2.23 lakh crore.

Light Combat Aircraft Tejas

- **About**: It is an **indigenous supersonic aircraft** used by the Indian military.
  - The idea behind the LCA programme was to expand and **develop India's indigenous aerospace capabilities.**
  - Since the 1970s, the **MiG 21** planes were the mainstay of the Indian Air Force. The primary goal of the LCA programme was to replace the ageing MiGs.
  - The secondary goal was the **advancement of indigenous domestic aviation capabilities.**
- **Origin**: The Light Combat Aircraft (LCA) programme was started by the Government of India in 1984 when they established the **Aeronautical Development Agency (ADA)** to manage the LCA programme.
  - It replaced the ageing **Mig 21 fighter planes.**
  - It was in 2003 that the **Light Combat Aircraft programme** was named 'Tejas' (meaning radiance in Sanskrit) by the then **PM Atal Bihari Vajpayee.**
- **Designed and developed by**: HAL (Hindustan Aeronautics Limited).
  - It is the **second supersonic fighter jet** that was developed by HAL (the first one being HAL HF-24 **Marut).**
- **Key Features**: LCA Tejas is a **single-engine** multirole light combat aircraft.
  - It is the **lightest and smallest** multi-role supersonic fighter aircraft in its class.
  - It is designed to carry a range of **air-to-air, air-to-surface**, precision-guided, and standoff weaponry.
  - Tejas has a single-engine, compound **Delta wing, and has a tailless design.**

THE HINDU

Page 16

X-RAY POLARIMETER

Syllabus GS Paper 3 - Sci and Tech)

India set to launch X-ray Polarimeter Satellite, says ISRO

The Hindu Bureau
BENGALURU

The Indian Space Research Organisation has announced a plan to launch its first X-ray Polarimeter Satellite (XPoSat) to investigate the polarisation of intense X-ray sources.

In a recent update on its website, the ISRO said that while space-based X-ray astronomy had been established in India focusing on imaging, time-domain studies, and spectroscopy, the XPoSat mission marked a major value addition. This research, supplementing traditional time and frequency domain studies, introduced a novel dimension to X-ray astronomy, generating anticipation and excitement within the scientific community. The satellite will be launched by the Polar Satellite Launch Vehicle from the Satish Dhawan Space Centre in Sriharikota. The date has not been revealed.

The XPoSat is designed for observation from a low earth orbit (non-sun synchronous orbit of 650-km altitude, low inclination of approximately six degrees) and will carry two scientific payloads. With these two payloads, the mission is capable of simultaneous studies of temporal, spectral, and polarisation features of the bright X-ray sources.

The mission objectives include the measurement of X-ray polarisation in the energy band of 8-30 keV emanating from X-ray sources and long-term spectral and temporal studies of cosmic X-ray sources in the energy band of 0.8-15 keV.

The mission life is expected to be approximately five years.

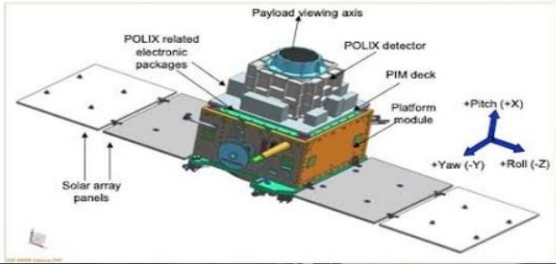
The primary payload, POLIX (Polarimeter Instrument in X-rays), is designed to measure polarimetry parameters, specifically the degree and angle of polarisation, in the medium X-ray energy range of 8-30 keV photons originating from astronomical sources. The payload was developed by the Raman Research Institute, Bengaluru, with support from ISRO centres.

The secondary payload is the XSPECT (X-ray Spectroscopy and Timing) payload, which will provide spectroscopic information within the energy range of 0.8-15 keV.

The payload was developed by the U.R. Rao Satellite Centre, ISRO.

XPoSat Mission Objectives

- To measure polarization (degree and direction) of X-ray photons from ~50 potential celestial sources of interest in the energy band of 5-30 keV.
- Mission Life – 5 years, Platform – Modified IMS-2 Bus
- Payload – Polarimeter Instrument in X-rays (POLIX) from Raman Research Institute
- Orbit – Circular LEO (500-700 km), Inclination ≤ 30°



Deployed View of XPoSat

Context: Indian Space Research Organisation (ISRO) has announced that India is set to launch its **first X-Ray Polarimeter Satellite (XPoSat),** aiming to investigate the polarisation of intense X-Ray sources.

X-Ray Polarimeter Satellite (XPoSat)

- **Features and Payloads**: The XPoSat spacecraft is designated for observation from Low Earth Orbit, carrying two scientific payloads that enable simultaneous studies of temporal, spectral, and polarization features of bright X-Ray sources.
- **Objectives**: Measuring X-Ray polarization in the energy band of 8-30 keV from X-Ray sources and conducting long-term spectral and temporal studies of cosmic X-Ray sources in the energy band of 0.8-15 keV.
- **Observation Period**: Approximately five years, with the payloads observing X-Ray sources during the spacecraft's transit through Earth's shadow, specifically during the eclipse period.
- **Primary and Secondary Payloads of XPoSat:**
  - **The primary payload**, **POLIX (Polarimeter Instrument in X-rays),** measures polarimetry parameters in the medium X-ray energy range of 8-30 keV and was developed by the Raman Research Institute (RRI), Bengaluru.
  - **The secondary payload, XSPECT (X-ray Spectroscopy and Timing)**, provides spectroscopic information within the energy range of 0.8-15 keV and was developed by the U.R. Rao Satellite Centre (URSC), ISRO.

PIB Nov 30

JAN AUSHADHI KENDRA

(Syllabus: GS Paper 2 – Govt Schemes)

PM inaugurates 10,000th Jan Aushadhi Kendra at AIIMS Deoghar; also launches the program to increase the number of Jan Aushadhi Kendras in the Country from 10,000 to 25,000

Context: The **Prime Minister of India recently inaugurated the 10,000th Jan Aushadhi Kendra** at AIIMS, Deoghar, marking a significant milestone in the nation's healthcare accessibility initiative.

Jan Aushadhi Kendra

- **Establishment of PMBKs**: Under the Pradhan Mantri Bhartiya Janaushadhi Pariyojana, PMBKs were established, with the initiative launched by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers in November 2008.
- **Objective**: To provide quality medicines at affordable prices for all, with a particular focus on reducing out-of-pocket expenses in healthcare, especially for the economically disadvantaged.
- **Generic Drugs at Lower Prices**: PMBKs offer generic drugs that are available at lower prices while maintaining an equivalent standard in terms of quality and efficacy compared to more expensive branded drugs.
- **Availability of Medicines**: All therapeutic medicines are made accessible through Jan Aushadhi Stores, ensuring a wide range of medicines for various medical needs.
- **Target**: Jan Aushadhi Kendras to 10,000 by March 2024.

Pradhan Mantri Bharatiya Janaushadhi Pariyojana (PMBJP)

- **Launched by**: the Department of Pharmaceuticals in collaboration with Central Pharma Public Sector Undertakings.
- **Affordable Medicines**: Provides generic medicines at significantly reduced prices.
- **Objective**: To make generic medicines available to the public at significantly lower prices compared to expensive branded medicines in the open market.

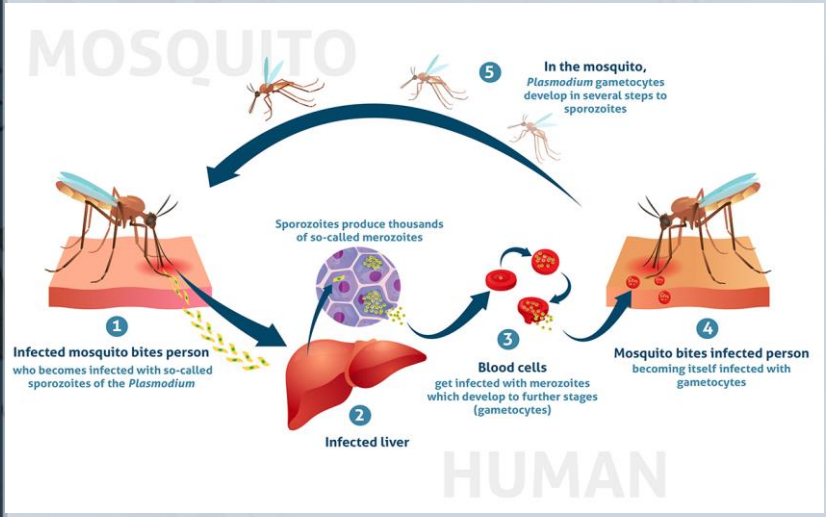
DTE

Nov 30

MALARIA

(Syllabus: GS Paper 3 – Sci and Tech)

India recorded most malaria cases in South & Southeast Asia in 2022, climate change major driver globally: WHO



Government Initiatives:

- **National Framework for Malaria Elimination (NFME), 2016-2030**: To eliminate malaria in India in a phased manner. The goal is to achieve zero indigenous cases of Malaria in the country by 2027 and to sustain elimination by 2030.
- **National Strategic Plan for Malaria Elimination**: To eliminate Malaria by 2027 three years ahead of 2024 which is the global deadline for the elimination of Malaria.

Context: Recently, **India recorded the highest number of malaria cases in the South East Asia region** of the World Health Organization (WHO), accounting for 66 percent of the 5.2 million cases reported in 2022.

- This is even as cases reduced by at least 55 per cent in India, where the disease is endemic, according to World Malaria Report 2023.

Key Points

- Climate change can **directly interact with the sensitivity of the malaria pathogen** and the vector (female Anopheles mosquito) to temperature, rainfall and humidity, and make it easier for the contagion to spread and infect.
- **India, along with Indonesia, also accounted for 94 per cent** of all the deaths that occurred due to malaria in 2022, the data showed.

Malaria

- **About**: Malaria is a mosquito-borne disease caused by a parasite.
- **Transmission**: Anopheles mosquitoes are the type of mosquito that transmit malaria from one person to another. Not all Anopheles mosquitoes have malaria, but if they bite a person with malaria, they can become infectious.
- **Symptoms**: **Early Symptoms** - Fever and flu-like illness, Chills, Headache, muscle aches, and tiredness. Nausea, vomiting, and diarrhea.
- **Severe Symptoms**: kidney failure, seizures, mental confusion, and coma.

THE HINDU Page 18

CORE SECTOR

(Syllabus: GS Paper 3 – Economy)

Core sector growth speeds to 12.1%

Base effect helps bolster the uptick this October, output levels also see a sequential advance of 2.84% from September 2023; Economists caution that the shift in the festive calendar this year obfuscates the year-on-year comparisons in October

Vikas Dhoot
NEW DELHI

India's core sector growth quickened to 12.1% in October from a revised uptick of 9.2% in September, with all eight sectors clocking positive growth for only the third time in 18 months, and five of them logging double-digit surges.

Base effects from last October, when the Index of Core Industries had grown a mere 0.7% and four sectors had recorded a contraction, helped bolster the uptick this October, but output on average also saw a sequential rise of 2.84% from September 2023.

The core sectors constitute little over 40% of the Index of Industrial Production (IIP) and their improved headline growth augurs well for industrial output to grow at a higher pace than the three-month low of 5.8% recorded in September.

Electricity generation led October's performance with a 20.3% rise, followed by coal output that was up 18.4%, Cement (17.1%), Steel (11%), and Natural Gas (9.9%). Fertilisers' production grew at a five-month high pace of 5.3%, while refinery products rose 4.2% compared to a 3.1% contraction last October.

"Fertilisers production has increased in preparation for the Rabi crop sowing this month and Cement has benefited from a negative base effect as well as a pick up in housing sector," said Madan Sabnavis, chief economist at Bank of Baroda.

ICRA chief economist Aditi Nayar said base effects from last October which had a higher number of holidays, distorted the picture. "The shift in the festive calendar this year obfuscates year-on-year comparisons in October and November, thereby making it more meaningful to look at the average growth performance for these months," she reckoned.

Growth boost

Core sectors witness strong growth in Oct. with all eight sectors clocking growth for only the third time in 18 months

- Electricity generation leads Oct.'s performance with a 20.3% rise, followed by coal output that is up 18.4%
- Last October, the Index of Core Industries grew a mere 0.7% and four sectors had recorded a contraction



- The core sectors constitute about 40% of IIP and their improved growth augurs well for industrial output

Context: Recently, **India's eight core sectors** recorded a growth of 12.1 percent in October, as reported by the Ministry of Commerce and Industry.

Core Sector

- **About**: Core sectors of an economy are the key industries in the economy.
- **8 Core Sectors of the Indian Economy**: Coal, Crude Oil, Natural Gas, Refinery Products, Fertiliser, Steel, Cement, Electricity.
- **Weight in IIP**: These eight industries have a combined share of above 40.27% in the **Index of Industrial Production (IIP).**
  - **Decreasing order of their weightage**: Refinery Products > Electricity > Steel > Coal > Crude Oil > Natural Gas > Cement > Fertilizers.

Index of Eight Core Industries (ICI): Prepared and released by the **Office of the Economic Adviser (OEA), Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, GOI.**

- **Released:** Every month.
- **Base Year:** 2011-12.

Index of Industrial Production: IIP is a composite indicator that measures **short-term changes** in the **volume of production** of a basket of industrial products, during a given period (usually a month), with respect to a chosen base period.

- **Base Year:** 2011-2012
- **Compiled and Published:** by Central Statistical Organization (now known as National Statistics Office (NSO)), under Ministry of Statistics and Programme Implementation (MoSPI).
- **Published –** Monthly, with a time lag of 6 weeks
- .**Weightage (approx):** 77.5 % to manufacturing followed by 14.5 % to mining and 8 % to electricity**.**

PIB Nov 29

ANGANWADI PROTOCOL FOR DIVYANG
(Syllabus: GS Paper 2 – Govt Schemes)

Union WCD Minister launches 'Anganwadi Protocol for Divyang Children' at National Outreach Program in New Delhi

Context: The **Union Minister for Women and Child Development** and Minority Affairs recently **launched the Anganwadi Protocol for Divyang Children**.

Anganwadi Protocol for Divyang Children

- **About**: This initiative is an integral element of the Poshan Bhi Padhai Bhi program, falling under Mission Saksham Anganwadi and Poshan 2.0.
- **Nodal Ministry**: Ministry for Women and Child Development.
- **Focus**: To underscore the importance and feasibility of enhancing children's well-being through early intervention and specialized support.
- **Targeting**: Emphasis will be on infants and young children at risk or with disabilities and/or developmental delays.

Poshan Bhi Padhai Bhi

- **About**: Through the "Poshan bhi, Padhai bhi" ECCE policy, every child is targeted to receive a minimum of two hours of high-quality preschool instruction daily.
- **Integration with National Education Policy:** ECCE is a crucial **element of Mission Saksham Anganwadi and Poshan 2.0, aligned** with the National Education Policy.
- **Fund:** Rs 600 crore to train Anganwadi Workers, ensuring effective implementation of ECCE.
- **Objective:** The program aims to not only enhance Anganwadi centers as nutrition hubs but also to transform them into education-imparting centers.

HINDUSTAN TIMES Page 8

FOREST CONSERVATION ACT
(Syllabus: GS Paper 3 – Env and Eco)

SC refrains from staying forest act changes

Abraham Thomas
letters@hindustantimes.com

NEW DELHI: The Supreme Court on Thursday refrained from staying amendments to the Forest Conservation Act that come into effect from December 1, after the Centre assured it that no "precipitate action" will be taken till guidelines are framed to provide for exemptions from the definition of forest under the new law.

The court was hearing a public interest litigation (PIL) filed by 13 retired public servants who had challenged the constitutional validity of the amendments claiming it to be a "death knell" on India's forests. The petitioners moved a stay application on the grounds that the Forest Conservation (Amendment) Act, 2023 restricts the expansive scope of forests laid down by the Supreme Court in a landmark ruling in TN Godavarman case delivered on December 12, 1996.



SC was hearing a PIL filed by 13 retired public servants who challenged the amendments.

A bench of justices BR Gavai and PS Narasimha took up the concerns of the petitioners represented by senior advocate Prashanto Chandra Sen and asked additional solicitor general (ASG) Balbir Singh whether their apprehensions were true. The court noted that the 1996 ruling defined "forest land" under Section 2 of the Forest Conservation Act, 1980 to mean three categories of land — land notified as forest under any law, land recorded as forests in government records, and forests as understood in the dictionary meaning of the word.

"The amendments do not seek to dilute the definition of forests as laid down by the 1996 Godavarman judgment," ASG Singh said. He added that any exemption from the definition of forest cover under the amended law will be as per guidelines which are in the process of being framed.

The court said, "If you are saying you are not diluting the definition of forest as under the 1996 judgment, we will record your statement. We will hear this petition after six weeks as it has serious implications."

"To address concerns of the petitioners, ASG Singh makes a statement that no precipitate action will be taken by the Union government in terms of the definition of forests, as understood by the TN Godavarman judgment," it added, allowing the Centre to file a detailed response to the petition in four weeks and kept the matter for hearing after six weeks.

The amendment covers only land declared or notified as a forest under Indian Forest Act, 1927 or under any other law. It also seeks to recognise only forest lands that were recorded as forests as on or after October 25, 1980 (when forest conservation law came into effect). This could leave out large swathes of land managed as forests by states but aren't recognised as such.

Context: Recently, the **Supreme Court opted not to stay amendments to the Forest Conservation Act**, effective from December 1, following the **Union government's assurance that no hasty actions** would be taken until guidelines are established, allowing for exemptions from the new law's definition of a forest.

The Forest (Conservation) Act, 1980

- **The Act empowers:** The central government to demand proper compensation (**compensatory afforestation)** for any forest land diverted for non-forestry purposes.
    - It also extends its jurisdiction to land that is not officially designated as "forest" in government records at the state or central level.

Forest (Conservation) Amendment Bill, 2023

- **It amends: Forest Conservation Act, 1980** which provides for the conservation of forest land.
- **Land under the purview of the Act:**
    - land declared/notified as a forest under the Indian Forest Act, 1927 or under any other law, or
    - land not covered in the first category but notified as a forest on or after October 25, 1980 in a government record.
- **Exempted categories of land:**
    - forest land along a rail line or a public road maintained by the government providing access to a habitation, or to a rail, and roadside amenities up to a maximum size of 0.10 hectare.
    - land situated within 100 km from international borders, Line of Control, or Line of Actual Control, for construction of a strategic linear project of national importance and concerning national security,
    - land up to 10 hectares, for constructing security-related infrastructure, or
    - land proposed to be used for constructing defence related projects, camps for paramilitary forces, or public utility projects up to five hectares in a left-wing extremism affected area. Etc.

Present Status Of Forests In India

- **India State of forest report (ISFR) 2021**: The total forest (21.71%) and tree cover (2.91%) of the country is 24.62% of the geographical area of the country.
- **Increased in forest and tree cover**: There is an increase of 0.22% of forest cover and 0.76% of tree cover compared to the 2019 report.
- **Top 3 states with an increase in forest cover**: Andhra Pradesh, Telangana, and Odisha.
- **State with the largest forest cover**: Madhya Pradesh.

ALL INDIA RADIO

Nov 30

NAHEP

(Syllabus: GS Paper 3 – Agriculture)

World Bank funded National Agricultural Higher Education Project and Indian Agricultural Research Project New Delhi

Context: Recent developments include the World Bank-funded National Agricultural Higher Education Project and Indian Agricultural Research Project in New Delhi.

National Agricultural Higher Education Project (NAHEP)

- **Launched by**: Indian Council of Agricultural Research (ICAR).
- **Aim**: to attract talent and strengthen higher agricultural education in the country.
- **Objective**: To support participating in agricultural universities(AU) and ICAR in providing more relevant and higher quality education to AU students.
- **Funding**: World Bank to contribute 50% along with government.
- **3 Components to the Project**
  - **Component 1**: Support to Agricultural Univesities.
  - **Component 2**: Investment in ICAR for Leadership in Agricultural Higher Education.
  - **Component 3**: Project Management and Learning.

World Bank

- **About:** It is an international financial institution that provides loans and grants to the governments of low- and middle-income countries for the purpose of pursuing capital projects.
- **Establishment**: July 1944, Bretton Woods, New Hampshire, United States
- **Members**: 189 Countries
- **Headquarters**: Washington, D.C., United States

TIMES OF INDIA

Page 2

ASOLA BHATTI WILDLIFE SANCTUARY

(Syllabus: GS Paper 3 – Env and Eco)

HC: Show norms being complied with for event planned at sanctuary

TIMES NEWS NETWORK

New Delhi: Delhi High Court on Thursday indicated it may stay an event proposed by the forest department inside Asola Bhatti wildlife sanctuary in the southern ridge next month. The high court asked the authorities to show that the "walkathon" planned inside the sanctuary is in accordance with norms and sought the files related to the event.

Justice Jasmeet Singh asked the Delhi government counsel to place details about the 'Walk with Wildlife' event in Asola Bhatti, pointing out that the department is not even aware about exactly how much wildlife it has in the area. On Wednesday, the issue was flagged before the court by the amici curiae appointed in a case concerning conservation of the Ridge and removal of encroachments. Justice Singh had then asked the government counsel to seek instructions, saying the sanctuary is not Masai Mara or Serengeti.

While standing counsel Satyakam on Thursday assured the court that the decision has been taken "at the highest level" in compliance with all the norms and the object behind the event is to introduce people to the flora and fauna present in the sanctuary, the court remained unconvinced. A senior officer of the forest department, on being queried, told the court that the sanctuary has several animals living there, including eight to nine leopards, spotted deer, hyenas, monitor lizards etc.

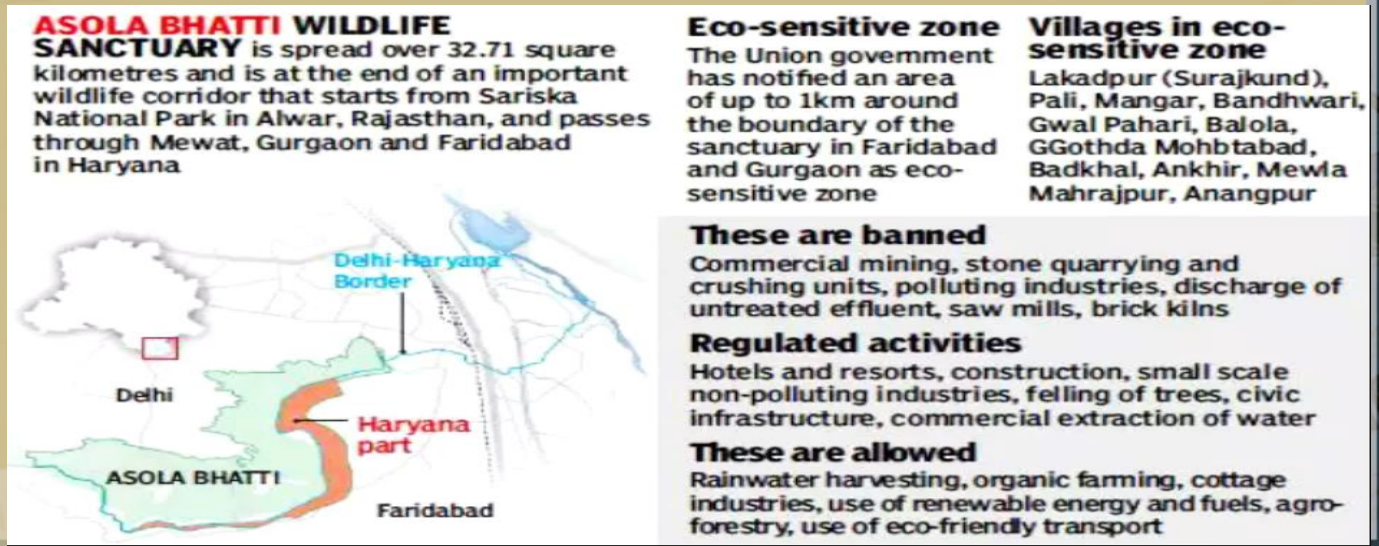
Calling the event, which also has a 'cyclothon', the high court voiced concern over its impact on the wildlife. "Problem is with the number and the volume of people in a disorganised manner. You don't know the number of people (who would ultimately come for the event). You don't know where the animals are," the court pointed out. "(What) if one leopard strays into the buffer area?" it wondered, after concern was raised about the safety of people who would enter the sanctuary.

Amici curiae — advocates Gautam Narayan and Aditya N Prasad — argued that such an event cannot be permitted inside a notified forest as it is prohibited under law. Delhi government, however, said the forest department has allowed people to apply for permission to join the event, proposed to be held on December 9 and 10.

Context: Recently, the **Delhi High Court raised concerns** about the proposed **event in Asola Bhatti Wildlife Sanctuary,** calling for the original file on the proposal and documents demonstrating its adherence to norms.

Asola Bhatti Wildlife Sanctuary

- **Coverage Area:** 32.71 km2 area on the Southern Delhi Ridge of Aravalli hill range.
- **Location**: Delhi-Haryana border lies in Southern Delhi as well as northern parts of Faridabad and Gurugram districts of Haryana state.
- It is also part of the **Sariska-Delhi Wildlife Corridor**, which runs from the **Sariska Tiger Reserve** in Rajasthan to Delhi Ridge.
- **Vegetation**: Dry deciduous,
- **Flora**: Consists of Prosopis juliflora as the dominant exotic species and Diospyros montana as the dominant native species in the sanctuary.
- **Fauna:** Golden Jackals, Striped-Hyenas, Indian crested-Porcupines, Civets, Jungle Cats, Snakes, Monitor Lizards, Mongoose etc.



BUSINESS STANDARD Page 8

OPEN MARKET OPERATIONS (OMO)

(Syllabus: GS Paper 3 – Economy)

Tight liquidity: OMO not on the discussion table

ANJALI KUMARI
Mumbai, 30 November

Discussions over open-market operation (OMO) auctions have temporarily waned among bond market participants, given the current tightness in the banking system liquidity. Market participants anticipate that the system liquidity will persist in the deficit mode, at least until mid-December.

"Discussion around OMO is dying down because the liquidity is in a very tight mode. As soon as the liquidity starts easing out, it will again come to the discussion table," said Vijay Sharma, senior executive vice-president at PNB Gilts. "We expect liquidity to remain tight at least till December 15," he said.

Market participants expect the liquidity to ease by the end of December due to redemptions and government spending. Government bonds amounting to ₹78,834 crore are set to mature on December 15. Within the total redemptions of ₹2.8 trillion slated for the second half of the current financial year, ₹2.2 trillion worth of bonds were scheduled to mature in the October-December quarter.

Market participants expect the liquidity to ease by the end of December due to redemptions and government spending

The Reserve Bank of India infused ₹1.04 trillion on Wednesday. The banking system liquidity widened to a near five-year high on November 21 on the back of monthly goods and services tax payments. The central bank had infused ₹1.74 trillion on that day. "The market doesn't expect the RBI to come to the market in the current quarter," a dealer at a state-owned bank said. "They might come in the next quarter if the liquidity eases, but not now," he said. The liquidity has remained largely in deficit mode in the current quarter.

In his monetary policy statement, RBI Governor Shaktikanta Das had said the central bank might conduct OMO auctions to mop up liquidity. The central bank had not given any timeline for OMO sales and said it would depend on the ongoing liquidity situation.

Importance of OMO

- In India, **the second half of the financial year typically witnesses tightening liquidity** due to a slowdown in government expenditure and a seasonal increase in currency demand during the festival season.
- **Effective liquidity management is crucial to prevent** cash shortages for banks and borrowers.
- The **central bank's indication of transitioning from a deficit stance** to a 'natural' liquidity stance suggests potential increased liquidity in the system.

Context: Recently, **discussions on open market operations (OMO) auctions have paused** among bond market participants **due to the current tightness in banking system liquidity**.

- Anticipation prevails that the system liquidity will remain in deficit mode, at least until mid-December.

Open Market Operations (OMO)

- **About**: It is an activity by a central bank to give (or take) liquidity in its currency to (or from) a bank or a group of banks.
- **Regulate By**: Reserve Bank of India
- **Participants in OMO**: Scheduled Commercial Banks and Financial institutions
- **Purpose**: Influence money supply, manage interest rates, and achieve monetary policy objectives.
- **Types of OMOs**
- **Outright Purchase (PEMO)** involves the permanent selling or buying of government securities.
- **Repurchase Agreement (REPO)** is a short-term arrangement subject to repurchase.

OMOs vs Liquidity

- When the **central bank aims to inject liquidity into the monetary system**, it purchases government securities in the open market, thereby supplying liquidity to commercial banks.
- Conversely, **by selling securities, it restricts liquidity**, enabling the central bank to indirectly regulate the money supply and impact short-term interest rates.

FREE Download PDF

Login to theiashub.com

- Aaj Ka Quality Enrichment (Toppers' Favourite PDF)
- News-CRUX-10 (10 News. 10 Sources. One Place)
- Monthly Editorials (The Hindu & Indian Express)
- Daily Quiz (Prelims)
- Government Schemes & Ministry Wise Year End Review
- Free Enrichment PDFs (Tailor Made Crisp Study Material)



Log On To Our Unique
Free Answer Writing Sessions with Toppers (FAST) Portal
& Start Practicing!

SCAN HERE

9560082909

t.me/theiashub

/mkyadav

www.theiashub.com

www.theiashub.com