



## **DAILY CURRENT AFFAIRS 25-04-2024**

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## **An overview of the PMAY-U scheme**

### **Syllabus: GS-2; Government policies and Interventions**

#### **Context**

- *As the current Union government completes two terms, one of its flagship programmes was **Housing For All (HfA)** by 2022, both in urban and rural areas, planned under the PMAY (Pradhan Mantri Awas Yojana) scheme in 2015.*

#### **About**

- *The **Ministry of Housing and Urban Affairs (MoHUA)** introduced the Pradhan Mantri Awas Yojana – Urban (PMAY-U) on 25 June 2015.*
- *The initiative aims to provide a pucca house to all eligible urban households by 2022 in order to address the lack of urban housing among the EWS/LIG and MIG categories, which includes those living in slums.*
- *The Union Cabinet has decided to extend PMAY(U) till 31 December 2024.*
- *Basic utilities including a kitchen, toilet, water supply, and electricity are provided in every house under the PMAY-U.*
- *The mission offers homeownership under the joint or sole name of a female member, thereby promoting **women empowerment**.*
- *Additionally, SCs, STs, OBCs, single women, transgender people, differently-abled people, senior citizens, and other vulnerable groups in society have all been given preference.*
- *The PMAY-U ensures that the beneficiaries have a sense of security and pride in their houses and live a dignified life.*

#### **Highlights of PMAY Scheme:**

- **Subsidized Interest Rate** - *Enjoy a low 6.50% p.a. interest rate on housing loans for 20 years.*
- **Priority for Special Groups** - *Differently-abled and senior citizens receive preferential ground floor allocations.*
- **Eco-Friendly Construction** - *Sustainable and environmentally conscious technologies utilized in building.*
- **Pan-India Coverage** - *The scheme spans 4041 statutory towns, with initial priority given to 500 Class I cities in 3 phases.*
- **Early Credit-Linked Subsidy** - *Implementation of the credit-linked subsidy begins at the project's inception, covering all statutory towns in India.*

## Significance

*The Pradhan Mantri Awas Yojana-Urban (PMAY-U) scheme is significant because it provides affordable housing for weaker sections of society.*

*The scheme's objectives include:*

- **Rehabilitating slum dwellers** with private developers' participation
- Promoting affordable housing through **Credit Linked Subsidy Schemes (CLSS)**
- Providing **affordable housing** in partnership with public and private sectors
- Promoting **women empowerment** by providing house ownership in the name of a female member or in joint name

## Rashtriya Arogya Nidhi (RAN) scheme

### Syllabus: GS-2; Government policies and Interventions

#### Context

- *Recently, The Delhi High Court registered a case with respect to the grant of financial assistance under the Centre's Rashtriya Arogya Nidhi (RAN) scheme, saying the threshold income to claim benefit was prima facie "extremely low".*

#### About

- *The umbrella scheme of Rashtriya Arogya Nidhi (RAN) is a **central sector scheme** which provides **one-time financial assistance to poor patients** living below State/UT wise threshold poverty line and suffering from life threatening diseases relating to heart, kidney, liver, cancer, etc. for treatment at any of Super Specialty Government hospitals/institutes.*

#### Components

*The Umbrella Scheme of RAN has three components as under:*

- **Rashtriya Arogya Nidhi (RAN)** - *Financial assistance for treatment of life-threatening diseases relating to heart, kidney, liver, etc. at Government hospitals/institutes having Super Specialty facilities; (Maximum financial assistance is Rs. 15 lakhs)*

- **Health Minister's Cancer Patient Fund (HMCPF)** - *Financial assistance for treatment of cancer at Regional Cancer Centres (RCCs)/ Tertiary Care Cancer Centres (TCCCs) and State Cancer Institutes (SCIs); (Maximum financial assistance is Rs. 15 lakhs)*
- **Financial assistance for poor patients suffering from rare diseases** - *for specified rare diseases for treatment at Government hospitals/institutes having Super Specialty facilities; (Maximum financial assistance is Rs. 20 lakhs)*

### Significance

- *The scheme aims to ensure that **life-saving interventions** are accessible to those who need them the most, regardless of their financial circumstances.*

## Inheritance tax

### Syllabus: GS-3; Taxation

#### Context

- *Indian Overseas Congress chief **Sam Pitroda's** remarks on the US's inheritance tax have sparked a political whirlpool here in India amid the ongoing Lok Sabha elections.*

#### What Is Inheritance Tax?

- **Inheritance tax is a levy on assets inherited from a deceased person.**
- *An inheritance tax is levied on the value of the inheritance received by the beneficiary, and it is paid by the beneficiary.*
- **There is no federal inheritance tax.**

#### Key factors involved and how it is calculated

- *Above the threshold limit, the tax is usually assessed on a sliding basis and the rates vary from single digits and can go up to 18%.*
- **For example in Pennsylvania,** *The tax rate is 4.5% for transfers to direct descendants (lineal heirs), 12% for transfers to siblings, and 15% for transfers to other heirs.*
- **In Iowa,** *if the property is valued at less than \$25,000 (Rs 20.83 lakh) then no tax is due.*
- **In Maryland,** *inheritances from estates smaller than \$50,000 (Rs 41.66 lakh) are also exempt.*

- *To summarize, the closer an inheritor is to the asset owner, the lower the tax rate would be levied. In all six states, spouses of the owner are exempted.*
- *In the United Kingdom, a 40% inheritance tax is levied on assets worth over 325,000 pounds (Rs 3.37 crore).*
- **Japan has a high inheritance tax rate** with the current highest rate standing at 55%. The rate is determined based on how much money is received by each statutory heir. Meanwhile, South Korea boasts a 50% inheritance tax rate.
- *In 2021, The family of deceased Samsung Electronics chairman Lee Kun-hee said it would pay more than 12 trillion won (\$10.78 billion) in inheritance taxes for the estate of the late patriarch.*

### Did India Ever Have An Inheritance Tax?

- **An inheritance tax law existed in India until former Prime Minister Rajiv Gandhi scrapped it in 1985.**
- *An **Estate Duty** was a form of tax that was calculated at the time of a person's death, it was introduced through the **Estate Duty Act, 1953**.*
- *It was payable only if the total value of the inherited portion of the property exceeded the exclusion limit.*
- *In India, it was set as high as 85% on properties.*
- *Properties worth at least ₹ 1.5 lakh, were taxed at a rate of 7.5%.*
- *The objective was to narrow the income disparity but was scrapped in 1985.*
- *A report by the Economic Times states that India's inheritance tax was repealed in 1985 because it neither helped bring down **economic inequality** in society nor did it contribute significantly.*

## **NABARD**

### Syllabus: GS-3; Economy- Regulators

#### Context

- *National Bank for Agriculture and Rural Development (NABARD) on the occasion of **Earth Day** unveiled its **Climate Strategy 2030** document which aims to address **India's need for green financing**.*

#### Four Pillars

- *NABARD's Climate Strategy 2030 is structured around four key pillars which include **accelerating green lending across sectors, playing a broader market-making role, internal green transformation and strategic resource mobilisation.***

### Green Financing Gap

- *NABARD said since India requires approximately \$170 billion annually to reach a cumulative total of over \$2.5 trillion by 2030, the current green finance inflows are critically insufficient.*
- *As of 2019-20, India garnered about \$49 billion in green financing, merely a fraction of what is needed.*
- *With the majority of funds earmarked for mitigation, only \$5 billion was allocated towards adaptation and resilience, reflecting the minimal private sector engagement in these areas due to challenges in bankability and commercial viability.*

### Significance

- *These initiatives not only contribute to **conserving water resources and reducing environmental impact** but also highlight the economic benefits of **sustainable practices** for homeowners, such as energy and cost savings.*
- *Moreover, the emphasis on **self-regulation and behavioral changes** among workers reflects a comprehensive approach to addressing environmental challenges within the construction industry*

### About- NABARD

- *The National Bank for Agriculture and Rural Development (NABARD) is a financial institution and regulatory body in India that **provides and regulates credit for rural development.***
- *NABARD was established on July 12, 1982 to implement the **National Bank for Agriculture and Rural Development Act 1981.***
- *It is under the jurisdiction of the **Ministry of Finance, Government of India.***
- *NABARD's mandate is to **promote sustainable agriculture and rural development** through financial and technical support.*
- *It provides credit for the development of agriculture, small-scale industries, cottage and village industries, handicrafts, and other allied economic activities in rural areas.*
- *NABARD is also the apex regulatory body for overall supervision of Regional Rural Banks, State Cooperative Banks, and District Central Cooperative Banks in India.*
- *NABARD's projects include:*
  - *FP081, a line of credit for solar rooftop segments for commercial, industrial, and residential housing sectors*

- *Climate Strategy 2030, a comprehensive blueprint to tackle India's growing demand for green financing*

## **Ethyle oxide**

### **Syllabus: GS-3: Science and Technology – Food science.**

#### **Context:**

- *Hong Kong and Singapore banned sale of certain products from Indian spice brands MDH and Everest Group.*
- *Nepal also plans to test samples from these brands.*
- *Concerns raised over presence of '**Ethylene Oxide**', a **cancer-causing substance**.*

#### **What is Ethylene Oxide (EtO) is:**

- *A byproduct of fossil fuel processing.*
- *Used in various industries, including for fumigating spices.*
- *Highly reactive and carcinogenic.*
- *Can cause mutations if inhaled.*
- *Classified as a Group 1 carcinogen by the **International Agency for Research on Cancer (IARC)**.*
- *The **European Union** categorizes it as a Group 1B carcinogen and mutagen.*

#### **Ethylene oxide is used by the food industry because:**

- *It's a fumigant that helps **prevent microbial contamination** in food, including bacteria, viruses, and fungi.*
- ***When used within approved limits**, it can reduce the risk of foodborne illnesses and extend the shelf life of dried foods.*
- *In the spice industry, EtO is used to **inhibit the growth of harmful microbes** like *Salmonella* and *E. coli*.*
- *Its DNA-damaging properties aid in sterilizing foods.*
- *However, its **carcinogenic nature** poses health risks, including the potential to cause cancer.*

#### **Food safety regulations surrounding Ethylene Oxide (EtO) use vary by country:**

- **United States:** *EtO use in foods is allowed but regulated.*
- **India:** *The Food Safety and Standards Authority of India (FSSAI) prohibits the use of EtO in any food product.*

- **European Union (EU):** *EtO use as a food fumigant has been banned since 1991. In 2023, the European Commission classified EtO as a "pesticide residue" instead of a "fumigant".*
  - *Import controls were adjusted in 2024, with inspections for EtO on some Indian imports relaxed to 30% of consignments from the earlier 50%.*
  - *These regulations are reportedly reviewed every six months.*