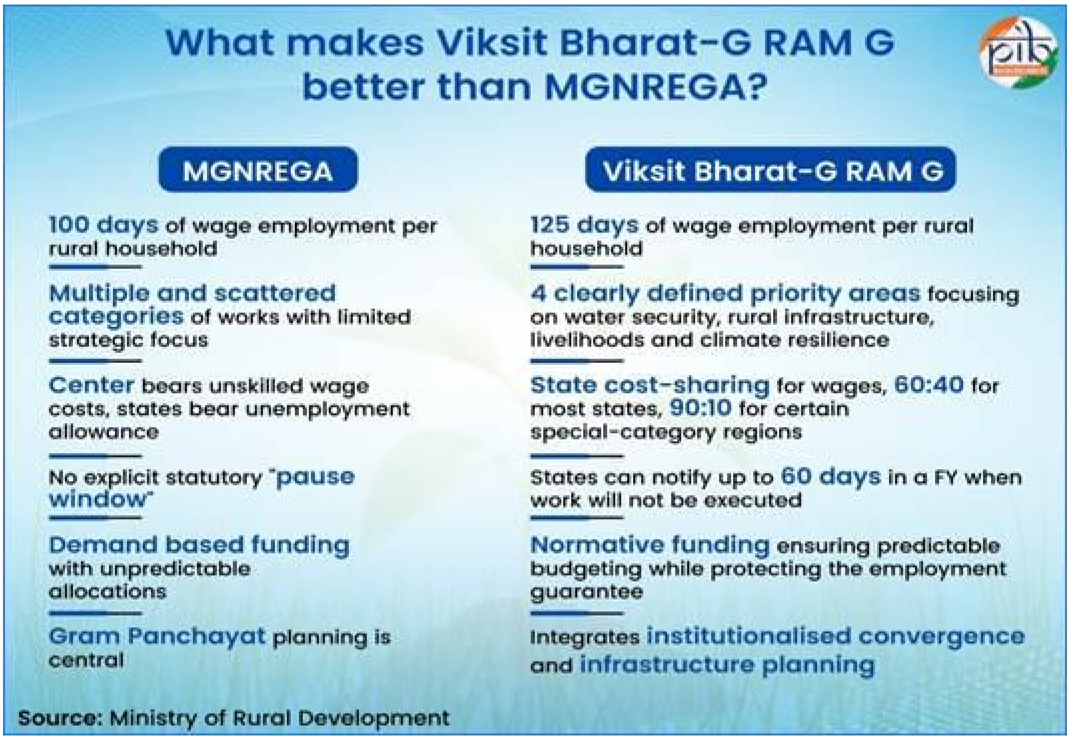
CURRENT AFFAIRS: 12.06.2026

₹95,962 crore set aside for VB-G RAM G

Allocation made ahead of rules to ensure seamless shift from MGNREGS, says Rural Development Minister; says no State will see a fund cut; Uttar Pradesh, West Bengal, Tamil Nadu get highest allocations

Recently, the Union Rural Development Minister announced an interim allocation of **₹95,692 crore** for the **Viksit Bharat Guarantee for Rozgar and Ajeevika Mission Gramin (VB-GRAM G)** to ensure a seamless transition from MGNREGS.

- **VB-GRAM G:** The Viksit Bharat Guarantee for Rozgar and Ajeevika Mission Gramin is the new rural employment and livelihood scheme that replaced the **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)** and will come into force from **1st July 2026**.
- **Employment Guarantee:** The scheme provides **125 days of guaranteed wage employment** in a financial year to every rural household whose adult members volunteer to undertake unskilled manual work. It also mandates **timely wage payments within 15 days** of completion of work.
- **Funding:** The funding structure is designed according to state capacity, with a **60:40 Centre-State ratio, 90:10 for Northeastern and Himalayan states, and full (100%)** central funding for Union Territories without legislatures.
- **Funding Formula:** The final distribution formula is expected to be notified on **1st July 2026**. The draft rules propose using the **16th Finance Commission's horizontal devolution formula** to determine Central allocations to States.
- **60-Day Agricultural Pause:** State governments can notify a combined **60-day no-work period during peak sowing and harvesting seasons** to prevent agricultural labour shortages while ensuring workers still receive 125 days of employment during the remaining part of the year.
- **Decentralised and Spatial Planning:** The Act mandates preparation of Viksit Gram Panchayat Plans using spatial technologies such as the **Yuktdhara portal** and integration with national planning platforms like **PM Gati Shakti.**
- **Significance:** VB-GRAM G aims to ensure rural employment security, livelihood support, asset creation and continuity of work while shifting from the MGNREGS framework to a new rural employment model.



M1xchange: Trade Receivables Discounting System

M1xchange is a pivotal **Reserve Bank of India (RBI)**-approved digital marketplace operating under the **Trade Receivables Discounting System (TReDS) framework**, designed to address the chronic working capital constraints of Indian MSMEs through transparent, multi-financier invoice discounting.

- **Regulatory Framework:** Authorized by the **RBI in 2015** and established under the **Payment and Settlement System (PSS) Act, 2007**.
- **TReDS**: An RBI-regulated electronic platform in India that enables MSMEs to get **quick working capital** by discounting their invoices raised on large corporates and government buyers.
- **Operational Mechanism:** M1xchange functions as a unified electronic platform connecting three key stakeholders: **MSMEs (Suppliers)**, **Large Corporates/PSUs/Govt. Departments (Buyers)**, and **Banks/NBFCs (Financiers)**.
- **Risk Mitigation:** Provides **collateral-free, non-recourse financing**, protecting MSMEs from buyer default risk. The risk of non-payment is borne by the financier, ensuring **off-balance-sheet funding** for MSMEs.
- **Competitive Discovery:** Employs an open bidding model where Nationalized, Private, and Foreign banks compete, ensuring MSMEs receive the **lowest and most competitive interest rates**.
- **Mandatory Compliance:** The Department of MSME has mandated **TReDS registration for all companies with a turnover exceeding INR 250 crores** and all Central Public Sector Enterprises (CPSEs), monitored by the Registrar of Companies (RoC).
- **Stakeholder Benefits:**
  - ***MSMEs:*** Rapid **disbursement (often within 24 hours)**, early payment, and off-balance-sheet funding.

- ***Corporates**:* Reduced procurement costs via improved vendor negotiation.
- ***Financiers:*** Ability to seamlessly build their **Priority Sector Lending (PSL)** asset portfolio.

- **Technological Edge:** Facilitates an **end-to-end paperless, 100% secure digital onboarding** and transaction process, ensuring the authenticity of all underlying invoices.
- **M1NXT ITFS: M1xchange** has launched **M1NXT ITFS** in **GIFT City** (Gujarat), India's first International Trade Financing Services (ITFS) platform, to provide Indian MSMEs access to global factoring and trade finance services.
    - The platform enables **foreign banks and international financiers** to offer working capital financing to Indian MSMEs at competitive rates, bringing global liquidity into the MSME ecosystem.

SAPLING Dialogue 2026

The Ministry of Food Processing Industries (MoFPI), Government of India, in collaboration with the **World Bank Group,** successfully concluded the two-day Regional High-Level Policy Dialogue titled **"SAPLING Dialogue 2026"** in Ahmedabad, Gujarat.

- **SAPLING:** The **South Asian Policy Leadership for Improved Nutrition and Growth (SAPLING)** is a multi-stakeholder platform led by the **World Bank Group** focused on policy reform, investment mobilization, and Agri-Tech scaling.
- **Strategic Synergy:** It closely aligns with the World Bank's **AgriConnect initiative**, aiming to reach 300 million farmers by 2030 through infrastructure and policy upgrades.
- **Theme:** The dialogue focused on *"Unlocking Value: Advancing Food Processing for Employment Generation and Sustainable Growth in South Asia."*
- **Shift in Paradigm:** Policymakers stressed moving beyond agricultural production to prioritize **food processing, logistics, and value addition** as the next critical frontiers for the sector.
- **Addressing Wastage:** A major focal point was mitigating **post-harvest losses (over 30% in South Asia)** through "Farm to Factory" integration, cold chains, and smart packaging.
- **Food Processing: "Assessment of the Level of Food Processing in India"** report released at SAPLING Dialogue 2026 highlights that India's **overall food processing levels rose from 10% in 2016 to nearly 17% in 2023**.
    - The report identified immense **untapped potential for value addition in perishable commodities (fruits, vegetables, and dairy)**, which is essential for doubling farmers' incomes and boosting exports.

Land Port Management System (LPMS – Vinimay)

Recently, The Land Port Management System (LPMS – Vinimay) was inaugurated.

- **The Land Port Management System (LPMS – Vinimay) –** It is a digital platform to **modernize and streamline border trade and travel.**
- It integrates customs, immigration, security, and logistics into a unified, single-window ecosystem on par with airport and seaport systems.
- **Aim –** To make LPMS as a part of India's Smart Security Grid, ensures both economic and physical security, while the LPAI works to realize the vision of **Smart Borders.**
- **Launched in –** 2026.
- **Nodal Ministry –** Ministry of Home Affairs (MHA).
- **Implementing Agency –** Land Ports Authority of India (LPAI).

Key Features

- **Paperless Operations –** 90% paperwork eliminated.
- **Single Electronic Window –** Unified interface for cargo, passengers, and vehicles.
- **Automatic Number Plate Recognition (ANPR) –** A technology that captures vehicle registration data, using optical character recognition (OCR) from vehicle images or video stream in gates.

- **Real- Time Data Sharing –** Integrated with ICEGATE, CBIC, BSF, DGFT, UIDAI, ULIP, Motor Vehicle System.

- **Operational Coverage –** 15 land ports are functional and 11 more planned in 2–3 years.

Agency/System	Function
ICEGATE (Indian Customs Electronic Gateway)	An online portal for customs e- filing and trade facilitation.
CBIC (Central Board of Indirect Taxes and Customs)	Apex body administering GST, customs, excise.
BSF (Border Security Force)	India's primary border guarding force.
DGFT (Directorate General of Foreign Trade)	It formulates and implements India's foreign trade policy.
UIDAI (Unique Identification Authority of India)	It issues Aadhaar for identity verification.
ULIP (Unified Logistics Interface Platform)	It integrates logistics data for seamless supply chain management.
Motor Vehicle System	National transport database for vehicle registration, permits, and compliance.

Land Port – Cross- border movement of goods and people via road/rail at international land borders.

- **Sea Port –** Cargo and passenger movement via ships at coastal harbours.
- **Airport –** International movement of goods and passengers via air transport at designated terminals.