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RS.5,000-CRORE PLAN TO MONETISE UNUSED GOVERNMENT ASSETS

- Thousands of acres of land and many buildings belonging to various Central Public Sector Enterprises (CPSEs) and government departments have remained unused for several years, resulting in capital being locked up in unproductive assets.
- The main objective of the proposed plan is to sell these assets or lease them out for long periods and use the funds raised for the development of the country's basic infrastructure.

» Wider Economic Impact

- This initiative is not merely about selling unused land. It is also intended to stimulate the country's broader macroeconomic cycle.
- Officials have explained that the programme could have significant technological and economic implications.

» Multiplier Effect

- When the Central Government redirects the proposed Rs.5,000 crore towards infrastructure capital expenditure, its total economic impact could be around 2.5 to 3 times the original amount.
- In other words, if this money is invested in : Roads, Ports, Power generation, Other infrastructure projects it could generate economic activity worth approximately Rs.12,500 crore to Rs.15,000 crore, according to Central Finance Ministry officials.
- Several loss-making or closed Public Sector Enterprises, such as BSNL, MTNL and HMT, possess large tracts of land.
- Monetising these assets through the National Land Monetisation Corporation (NLMC) could reduce the debt burden of these enterprises and may also help reduce Non-Performing Assets (NPAs) in the banking system.
- Since the government's ability to increase tax revenue has practical limits, such non-tax revenues can help contain the fiscal deficit.
- This could also reduce the need for the government to borrow heavily at high interest rates.

» Accurate Valuation

- The value of the land is proposed to be determined through scientific valuation methods such as : Discounted Cash Flow (DCF), based on future cash flows, Comparable Market Valuation (CMV).
- These methods are intended to ensure that the assets are valued appropriately.

» Electronic Auction

- To create a level playing field among investors and maximise revenue, the government is expected to follow a transparent electronic auction process.
- Experts in the sector have also suggested that, instead of completely selling certain assets, the government could consider modern financial instruments such as Real Estate Investment Trusts (REITs).
- This could enable even retail investors to participate in the monetisation programme.
- The Rs.5,000-crore asset monetisation programme of the National Land Monetisation Corporation is being viewed as an important step that could add momentum to India's economy.
- Analysts believe that, if implemented effectively, it could become a continuing source of capital for India's infrastructure development.

UPI TRANSACTION CHARGES

- More than 55.48 crore people in India use UPI for digital transactions.
- Every month, UPI processes more than 2,100 crore transactions.
- Against this background, the announcement regarding new transaction-related charges has triggered debate.
- It has been stated that individual person-to-person transactions will not be charged.
- However, the National Payments Corporation of India (NPCI) has indicated that a Rs.5 service charge per transaction may apply in certain sectors such as : Railways, Fuel, Telecommunications, Insurance.
- UPI was introduced about 10 years ago under the supervision of the Reserve Bank of India.
- Because UPI transactions were offered without direct transaction charges, the system came to be widely used by everyone from ordinary citizens to large businesses.
- During the 2025–26 financial year, the Central Government stated that approximately Rs.314 lakh crore worth of transactions were carried out through UPI.
- After initially assuring users of free transactions, the introduction of a Merchant Discount Rate or merchant-related fee and service charges for certain sectors has caused dissatisfaction.
- For businesses with monthly transactions of up to Rs.1 lakh, a charge of 0.4% on transactions above Rs.2,000 cannot be considered insignificant.
- For transactions exceeding Rs.75,000, it has reportedly been stated that the maximum charge could be Rs.300.
- There is also a possibility that large businesses may indirectly pass these costs on to customers.
- Alternatively, customers may be encouraged to split payments above Rs.2,000 into multiple smaller transactions to avoid charges.
- It should also be noted that there is no guarantee that the service-charge rates fixed today will not be increased in the future.
- Another issue in the UPI ecosystem is the increasing dominance of a few private companies.
- Around 80% of UPI transactions in India are reportedly processed through just two privately operated platforms : PhonePe, Google Pay

- These are followed by private platforms such as : Paytm, Amazon Pay.
- These platforms largely operate through private-sector banks.
- The share of public-sector institutions in this segment remains very low.
- NPCI had earlier issued a guideline indicating that no single private company should handle more than 30% of UPI transactions.
- However, the passage argues that this guideline does not appear to have been effectively enforced.
- In the absence of adequate monitoring mechanisms, the Central Government should reconsider both : Merchant charges imposed on UPI transactions, Service charges affecting individual users
- Such a review is considered necessary to protect the accessibility and affordability of the UPI ecosystem.

BRICS SUMMIT AND THE NEW DELHI DECLARATION

- India has previously held the BRICS presidency three times — in 2012, 2016 and 2021. At those times, the number of members in the organisation was smaller.
- BRICS originally consisted of five countries — Brazil, Russia, India, China and South Africa — which remained its core members for many years.
- The name BRICS is formed from the first letters of the English names of these countries.
- In 2024, six countries — Egypt, Ethiopia, Iran, Saudi Arabia, the United Arab Emirates and Indonesia — joined the grouping, increasing its membership to 11 countries.

» Significance

- Today, nearly half of the world's population lives in BRICS countries.
- BRICS countries account for roughly two-fifths of the global economy and about one-fourth of global trade.
- However, BRICS is important not merely because of these numbers.
- It is a grouping that does not consist of G7 countries, NATO countries or other Western powers.
- It has increasingly emerged as a collective voice of the Global South.
- The present summit attracted attention for two major reasons.
- First, it provided a platform for member countries with serious bilateral differences — such as India and China, Iran and the UAE, and Egypt and Ethiopia — to sit together and discuss their problems.
- Second, despite these differences, the member countries were able to unanimously adopt a common set of resolutions at the end of the summit. This document is known as the New Delhi Declaration.
- The declaration extends to about 140 paragraphs and covers a wide range of subjects including : War, Terrorism, Health, Education, Agriculture, Artificial Intelligence, Trade, Culture
- From a political perspective, three issues in particular have attracted attention.

» Iran War

- The passage states that the attacks being carried out by the United States against Iran are contrary to the UN Charter and international humanitarian law.
- In response, Iran has been attacking U.S. military bases located in Gulf countries, including the UAE.
- Iran wanted BRICS to condemn the U.S. attacks.

- The UAE, on the other hand, wanted BRICS to condemn Iran's retaliatory attacks.
- Finally, as a compromise, it was decided that neither the attack nor the counterattack would be specifically mentioned in the joint statement.
- Instead, a general provision was included stating that no attack should target civilians.
- Earlier this month, a Shanghai Cooperation Organisation summit involving China and Russia was also held.
- At that meeting, a resolution condemning the U.S.–Israeli attacks on Iran was adopted.
- Until now, India had generally avoided directly condemning its partners, the United States and Israel, for such actions. However, India did not oppose that resolution.
- The passage argues that had a specific condemnation of the United States and Israel appeared in the New Delhi Declaration, India might have accepted it in the changing geopolitical environment.

» Palestinian Genocide

- According to the passage, more than 72,000 Palestinians have been killed in Israeli attacks on Gaza over the past three years.
- It states that a large proportion of the victims are women and children.
- The passage further states that the United Nations has described the situation as genocide and referred to the Israeli Prime Minister in connection with alleged war crimes.
- The New Delhi Declaration strongly condemns the attacks.
- It also calls for a two-state solution, under which Jews and Arabs would live in separate states in peace.
- Over the past three years, India had not directly condemned Israel.
- Instead, India had repeatedly emphasised that it stood with Israel.
- The passage therefore presents the declaration as a noteworthy shift in tone.

» Unilateral Sanctions

- The declaration strongly condemns unilateral economic sanctions and one-sided tariff measures imposed by certain countries.
- It is not difficult, the passage says, to identify which countries are being referred to.
- India has been directly affected by : High tariffs imposed by the United States, U.S.-led sanctions affecting Russian and Iranian energy supplies
- Even so, India has generally used only restrained language in publicly criticising the United States.
- However, India has accepted the stronger wording contained in this declaration.

» Direction of Global Politics

- The declaration strongly conveys the message that the Global South is increasingly uniting against unilateral actions by major powers and in support of a multipolar world order.
- The passage points to several developments : The Iran conflict has contributed to higher fuel prices.
- Israel has been losing moral support in parts of the international community. U.S. tariffs have affected Indian trade.
- On this basis, the passage argues that India may gradually reduce its earlier tendency to closely align with the U.S.–Israel position.